

# 2010 Comprehensive Annual Financial Report

*Canola Crop at Eco Complex for Biodiesel*



*Snow Creek Elementary—  
Catawba County's first LEED certified school*



*Hybrid Vehicle*



*Catawba County  
ranks 2nd in the State in recycling*



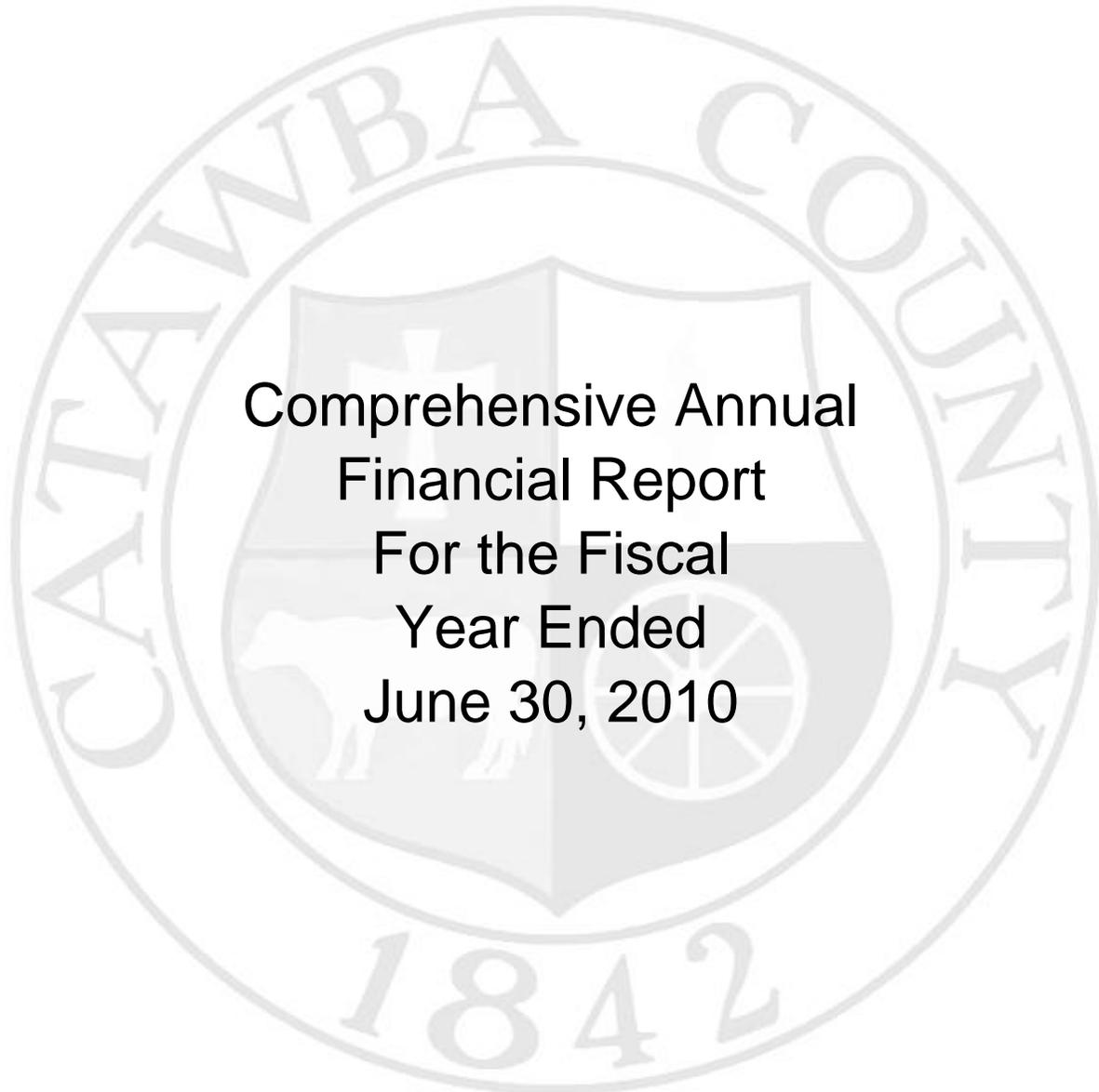
**For the Fiscal Year Ended June 30, 2010**

*Keeping the Spirit Alive Since 1842!*



**Catawba County,  
North Carolina**

# Catawba County, North Carolina



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2010

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

Prepared by Catawba County Finance Department  
Published November 4, 2010

**Catawba County, North Carolina**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2010

Table of Contents

Page

**Introductory Section**

Letter of Transmittal.....i  
 GFOA Certificate of Achievement.....xi  
 Organization Chart .....xii

**Financial Section**

Report of Independent Certified Public Accountants ..... 1  
 Management Discussion and Analysis ..... 3

**Basic Financial Statements:**

Government-wide Financial Statements:

Statement of Net Assets ..... 14  
 Statement of Activities ..... 16

Fund Financial Statements:

Balance Sheet – Governmental Funds ..... 18  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets..... 19  
 Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds ..... 20  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
 Fund Balances of Governmental Funds to the Statement of Activities ..... 21  
 Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Budget and Actual – General Fund ..... 22  
 Statement of Net Assets – Proprietary Funds ..... 23  
 Statement of Revenues, Expenses, and Changes in Fund Net Assets -  
 Proprietary Funds ..... 24  
 Statement of Cash Flows – Proprietary Funds ..... 26  
 Statement of Fiduciary Net Assets – Fiduciary Funds ..... 28

Notes to the Financial Statements..... 29

**Required Supplemental Financial Data:**

Law Enforcement Officers' Special Separation Allowance  
 Schedule of Funding Progress..... 62  
 Law Enforcement Officers' Special Separation Allowance  
 Schedule of Employer Contributions..... 63  
 Law Enforcement Officers' Special Separation Allowance  
 Notes to the Required Schedules ..... 63  
 Health Care Benefit – Pay As You Go  
 Schedule of Funding Progress..... 64  
 Health Care Benefit – Pay As You Go  
 Schedule of Employer Contributions..... 65

**Catawba County, North Carolina**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2010

Table of Contents – continued

	Page
Health Care Benefit – Pay As You Go	
Notes to the Required Schedules .....	65
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
<i>General Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual ..	69
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet – Nonmajor Governmental Funds .....	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	97
<i>Special Revenue Funds</i>	
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	100
Subcombining Balance Sheet – Fire District Funds .....	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Emergency Telephone System Fund .....	108
Citizens’ Alert System Fund .....	109
Narcotics Seized Funds and Property Fund .....	110
Reappraisal Fund .....	111
General Capital Reserve Fund .....	112
Hospital Capital Reserve Fund .....	113
Rescue Squads Fund .....	114
Library Endowment Fund .....	115
Gretchen Peed Scholarship Fund .....	116
Parks/Historic Preservation Trust Fund .....	117
Community Development Fund .....	118
Subcombining Statement of Revenues, Expenditures and Changes in Fund Balances – Fire District Funds .....	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Mountain View Fire District Fund .....	123
Propst Fire District Fund .....	124
St. Stephens Fire District Fund .....	125
Conover Rural Fire District Fund .....	126
Oxford Fire District Fund .....	127
Sherrills Ford Fire District Fund .....	128
Bandys Fire District Fund .....	129
Maiden Fire District Fund .....	130

**Catawba County, North Carolina**  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2010

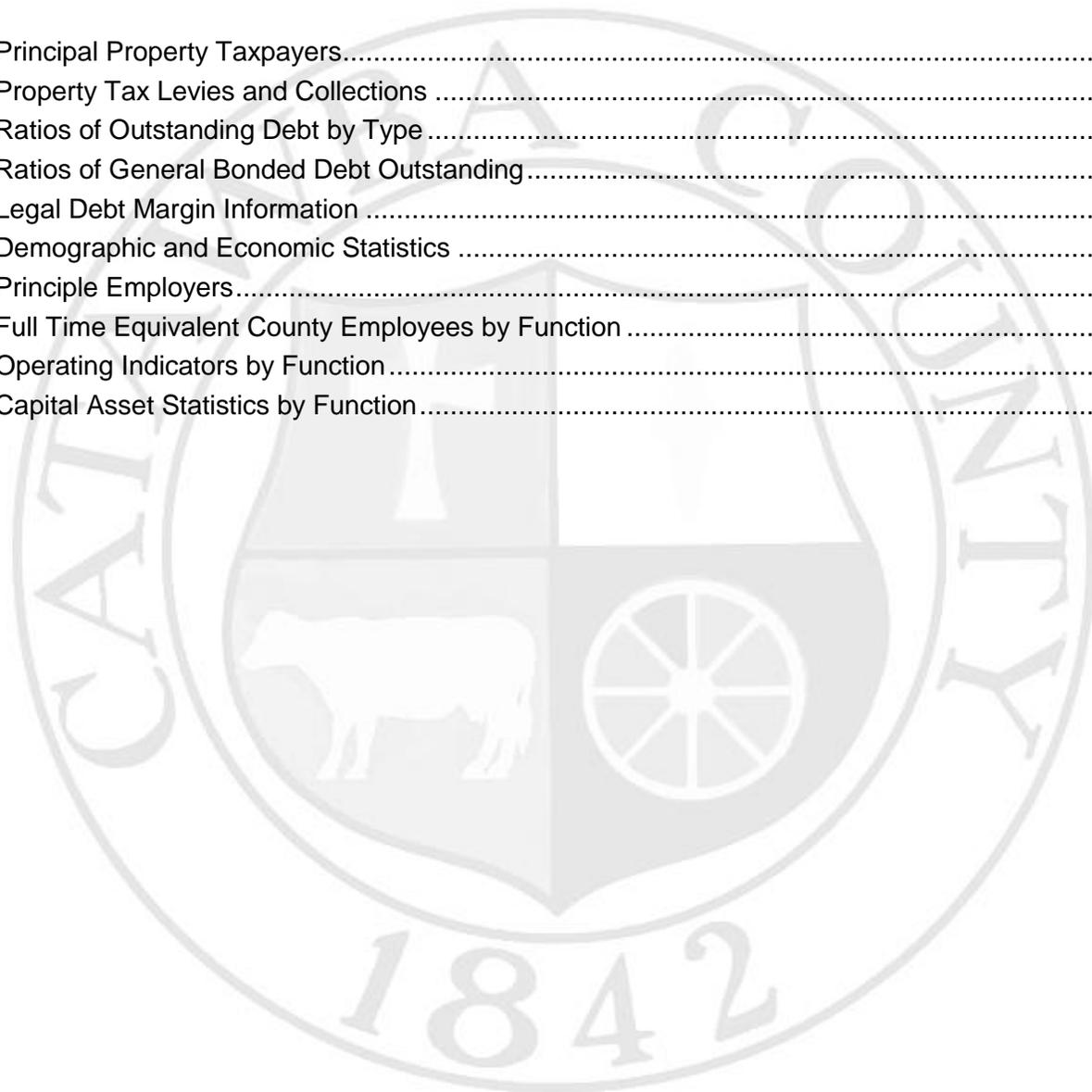
Table of Contents – continued

	Page
Claremont Fire District Fund.....	131
Catawba Fire District Fund .....	132
Long View Fire District Fund .....	133
Newton Rural Fire District Fund .....	134
Cooksville Fire District Fund .....	135
Hickory Rural Fire District Fund .....	136
<i>Capital Projects Funds</i>	
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	138
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	139
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
School Construction Fund .....	140
School Bond Fund - 1997 Series .....	142
Hospital Construction Fund .....	143
General Capital Projects Fund.....	144
School Capital Projects Fund .....	146
<i>Enterprise Fund</i>	
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	
Solid Waste Management Fund.....	150
Water and Sewer Fund .....	152
Water and Sewer Construction Fund .....	154
<i>Trust and Agency Funds</i>	
Combining Statement of Changes in Assets and Liabilities – All Agency Funds .....	158
<b>Other Schedules:</b>	
Schedule of Cash and Investment Balances .....	160
Analysis of Current Tax Levy.....	162
Schedule of Taxes Receivable .....	163
Schedule of General Bonded Indebtedness and Debt Service Requirement .....	164
General Long-Term Debt Requirements and Maturity Schedule .....	165
<b>Statistical Section</b>	
Net Assets by Component.....	168
Changes in Net Assets .....	170
Fund Balances, Governmental Funds .....	172
Changes in Fund Balances, Governmental Funds.....	174
Assessed Valuation and Actual Value of Taxable Property.....	176
Property Tax Rates – Direct and Overlapping Governments .....	177

**Catawba County, North Carolina**  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010

Table of Contents – continued

	Page
Principal Property Taxpayers.....	178
Property Tax Levies and Collections .....	179
Ratios of Outstanding Debt by Type .....	180
Ratios of General Bonded Debt Outstanding .....	181
Legal Debt Margin Information .....	182
Demographic and Economic Statistics .....	184
Principle Employers.....	185
Full Time Equivalent County Employees by Function .....	186
Operating Indicators by Function.....	187
Capital Asset Statistics by Function.....	188



# BOARD OF COMMISSIONERS



## Catawba County Board of Commissioners

*Barbara G. Beatty, Glenn E. Barger, Katherine W. "Kitty" Barnes - Chair,  
Dan A. Hunsucker, Lynn M. Lail - Vice Chair*



# CATAWBA COUNTY

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www.catawbacountync.gov Fax: 828-465-8392

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

November 4, 2010

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, 2010.

## 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, 2010, 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, 2010, are fairly presented in conformity with GAAP. Issuance of an unqualified opinion means an auditor, upon review of a county's financial statements and accompanying notes, certifies that the financial statements are reliable and represent the true financial condition of the county.

The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the County was part of a broader, federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the



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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 159,013, ranking 16<sup>th</sup> 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 38 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**

After facing the longest U.S. recession in decades, which officially ended in June 2009, the region's economy struggled to recover this past year. The region, which includes Alexander, Burke, Caldwell and Catawba counties, finally began to experience some relief when its unemployment rate decreased in July 2010 to 12.8% from a peak of 15.6% in February 2009. In addition, it avoided the distinction of having the highest unemployment rate of the 14 metro areas in North Carolina after having that designation for more than a year.

For Catawba County specifically, the unemployment rate decreased over the past year from 14.9% in July 2009 to 12.6% in July 2010. Fortunately, the county rate continues to decrease from its peak of 15.6% in March, the highest rate since 1975. Catawba County continues to be home to a large industrial base, heavily concentrated in manufacturing at approximately 30 percent, compared to the national average of 12 percent. 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, accounting for more than half of the economic engine in the county.

During the prior economic recession in 2002, significant job losses occurred primarily in the County's traditional industries of furniture and textiles. Though most of the textile jobs will never return to the county, a result of cheaper labor overseas, the furniture industry still needs skilled workers; especially cutters, sewers and upholsterers, which provides some hope for the future for those workers facing unemployment.

In this latest recession, job losses extended to the telecommunications and automotive industries in addition to the County's traditional industries. Major employers including Corning, CommScope, Shurtape Technologies and Shuford Mills, Hickory Springs, Getrag and GoldToe Moretz all cut their workforce over the past year, unable to avoid the decreased demand for their products and services and the lingering effects of the global recession.

In spite of the hardship that some employers have faced in the county, a surplus of available skilled workers and vacant buildings once occupied by prospering county businesses have provided opportunities for existing companies to expand their operations. Last year, Legacy

Furniture group, founded in January 2002, relocated to the former Ameritex building, more than tripling their available space and adding 50 employees to their furniture manufacturing workforce. Also, Ethan Allan announced a \$2.25 million expansion to its existing facility, transferring 300 jobs from a leased facility in California to Maiden. Finally, Paramount Automotive Group, which owns Kia and Hyundai dealerships in Hickory, announced it was purchasing the Porsche, Volvo and Volkswagen franchises previously owned by Hickory Auto Group, which filed for bankruptcy in 2008. Paramount plans to make a \$5 million investment into a new facility, adding the Mazda franchise that was bought in the summer of 2009.

Earlier this year, Convergys Customer Management Group, which had just opened in 2008, added 120 jobs to its call center operations. In March, Turbotec Products, Inc. announced a \$6.5 million expansion and the addition of 73 jobs over three years by relocating their operations from Connecticut to Hickory. In April, Pierre Foods, maker and distributor of frozen sandwiches, announced a \$16.8 million expansion to their existing facility in Claremont, adding 500 jobs to their current workforce of 700 over the next three years.

County economic development efforts have continued to focus on new manufacturing companies, touting the availability of the county's skilled workforce and one of the highest concentrations of manufacturing companies in the country. Heil Screw Products, a manufacturer of precision screw products in metals and plastics relocated from New York to Conover into an existing building last year adding 10 jobs initially.

Furthermore, targeted efforts have been made to diversify the County's economic base from traditional manufacturing and textiles. Last year, a 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 1.5 million square feet, and is a prototype for Target's regional

distribution centers, serving 60 to 80 retail stores. In 2008, County officials worked with ADEVCO Corporation, a real estate development firm, to construct a \$5 million speculative call center and later that year, Covation LLC agreed to purchase the building, along with \$6.2 million in improvements and hundreds of new customer support jobs. Unfortunately, the recession derailed their plans and the building sat unoccupied until February of this year. Fiserv, a Fortune 500 company that is rated number one among the largest technology providers to the financial services industry, opened in this facility, with plans to employ 400 people over the next three years.

Another economic development initiative in the county is the Ensure Classic, a PGA Tour's Champions Tour golf event held in Conover since 2003 that

receives support from the business community and local governments, including the County. This year, the tournament acquired its first title sponsor, Ensure, which will hopefully continue its success along with the economic

benefit to the County, estimated to be \$15 million. In September, the event included its

strongest field ever, increasing attendance and sales, in addition to being broadcast on the Golf Channel that is available in 120 million homes worldwide.

Finally, the largest economic development project in the history of the County was announced this past year. Apple, Inc. committed to an investment of \$1 billion in Maiden to construct a data center in a 500,000 s.f. facility."

The project will create 50 new jobs and 250 related jobs upon completion of phase one later this year, along with approximately 750 construction jobs currently filled. The 183-acre site had been marketed as a multi-jurisdictional park to attract a data center similar to the \$600 million Google, Inc. complex in an adjacent county, with large amounts of power and water available. The

*"The largest economic development project in the history of the County was announced this past year. Apple, Inc. committed to an investment of \$1 billion in Maiden to construct a data center in a 500,000 s.f. facility."*



## Construction of Apple, Inc. Facility

location of these two large economic development projects has assisted economic development

efforts in marketing the region as a data center corridor, with low-cost and available power and

water, favorable labor conditions, abundance of fiber optics infrastructure, easy access to major airports and a high quality of life.

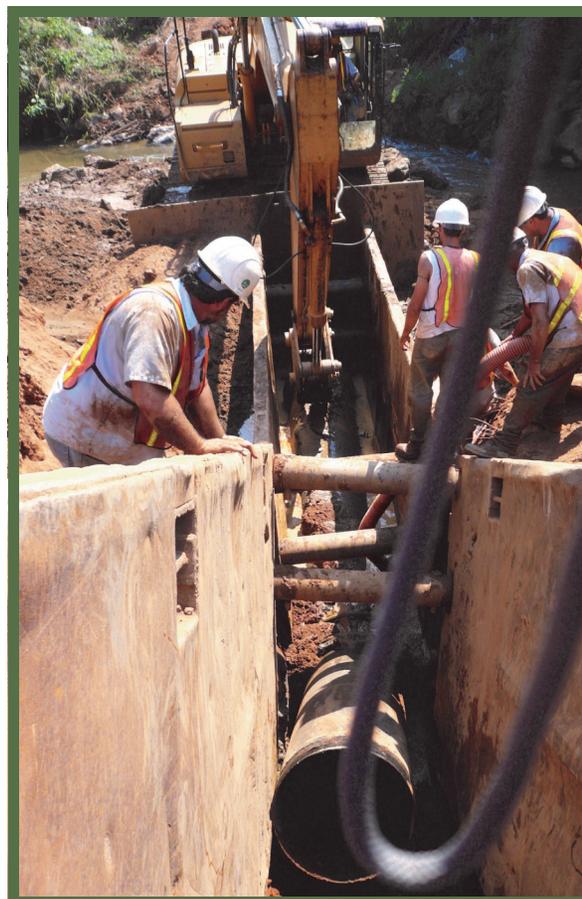
The County is also a major medical hub, with a prospering medical and health care community, and two large medical centers, one county-owned and both profitable. Catawba Valley Medical Center, a county-owned facility, was granted its third consecutive Magnet designation from the American Nurses Credentialing 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 is currently in the first phase of 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 in 2011. Later this year, a second phase of expansion is planned, which will include the construction of a five-story addition to house a Women's and Oncology Pavilion estimated to cost \$25 million.

Frye Regional Medical Center, which is celebrating its 100-year anniversary this year, was identified as a recipient of the 2010 HealthGrades Patient Safety Excellence Award™, indicating that its patient safety ratings were in the top 5% of U.S. hospitals, in a study released by HealthGrades, the leading independent healthcare ratings organization. They were one of only 238 hospitals in the country to receive this designation. In addition, Frye Regional Medical Center received the 2010 Distinguished Hospital award from J.D. Power and Associates, a global marketing information services firm. It has now won the award four times (2005, 2006, 2008 & 2010) for providing an outstanding inpatient experience and service excellence to its visitors.

Though retail sales continued to decline in 2010, they were only 1.8% lower than 2009 (compared to an 11% decrease the year before) and have

actually been higher than the previous year the last few months. 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 16th largest in North Carolina, its retail sales per capita ranks 10th highest out of 100 counties. Furthermore, Catawba County boasts of a strong tourism industry, ranking 16<sup>th</sup> 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.

Last year, Catawba County received a \$3 million grant from the American Recovery and Reinvestment Act (ARRA), which consisted of 11 miles of water lines to create a loop, which will service 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 an interest subsidy from the Federal Government to the County. These bonds were



## Southeastern Catawba County (SECC) Water Supply Loop Phase II

issued this summer for two school projects, a new LEED certified middle school for Newton-Conover Schools and a middle school expansion for Catawba County Schools totaling \$21.5 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 \$7.5 million over the life of the loan. Also, the City of Conover landed a \$2.1 million federal grant to create a planned passenger rail station. The funds are being used to renovate a vacant manufacturing facility that was constructed in the

1900s, and provide a multi-modal transit station, which will combine rail and bus passenger service at one site for county citizens.

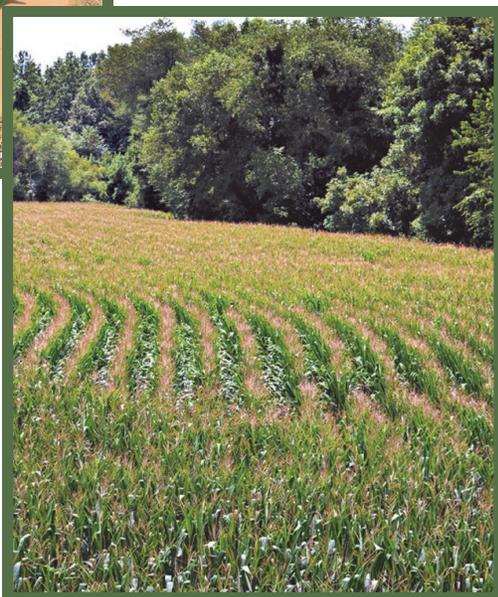
In addition to grant funding, the county continues to receive some national and state exposure, which will hopefully improve economic development in the County. News

wood products. Also, the County is partnering with Appalachian State University, who received a grant from the Golden LEAF Foundation to build a biodiesel research facility in the EcoComplex 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 will be the first facility of its kind in the state and will meet Leadership in Energy and Environmental Design (LEED) standards. 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, 2010, \$253 million in capital needs have been identified over the next eight years, which includes approximately \$120 million in school and community college construction needs.

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 \$2.8 million, along with \$1.4 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 \$76.1 million in new construction needs over the four year period for all three school systems and CVCC. The Board of Commissioners continued the third year of the funding plan in the 2009-10 fiscal year by using those funds for a new middle school, which is anticipated to be the county's second LEED certified school, expansion of two schools and the construction of a simulated hospital and other renovations at the community college. The next four-year funding cycle will be planned in the upcoming fiscal year.



**Catawba County EcoComplex**

crews from CNN visited the County's landfill last year to tour the EcoComplex, a Regional

Biosolids Processing Facility. The complex is designed to improve the ecology of Catawba County and promote economic development by attracting jobs in the green energy, agricultural and environmental sectors. Currently, two businesses are located at the facility producing



## H.M. Arndt Middle School Renovation and Construction

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 \$4.5 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 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 a concept development phase is underway.

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 2009-10 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 \$49 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 forty-eight 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 Newton-Conover City Schools ranking 1<sup>st</sup> out of 115 school districts statewide in meeting 98% of their Adequate Yearly Progress targets established by the federal government for 2008. Also, Newton-Conover Schools achieved an 88.6 percent graduation rate for students who graduated in four years for the 2009-10 school year, which was third highest in the State. Catawba County Schools ended the 2008-09 year with an 83.8 percent graduation rate, which was fifth highest in the State, and first among school districts with more than 12,000 students.

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 University 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. Last year, the name of the center changed to Appalachian State University Center at Hickory, which created a new partnership consisting of ASU, CVCC, Caldwell Community College and Western Piedmont Community College to expand degree offerings in the region. It added four new bachelor degree programs in communications, psychology, criminal justice and business administration, which have further assisted local residents with their higher education needs including more than 600 adults who have completed degree or licensure programs at the center since opening.

A similar endeavor was the creation of a new NC Center for Engineering Technologies, which provides facilities for 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 to Catawba County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. 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 28 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 prepared and submitted a Popular Annual Financial Report (PAFR) for 2008-09. This was the second 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. This summer, the county was notified that it received the award, which is also valid for one year. The County plans to submit a 2009-10 report for consideration in the program.

Finally, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2009. This is the twenty-first consecutive year that the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

## ACKNOWLEDGEMENTS

Each County department's strong commitment to the goals, vision and mission statements of the County government is reflected in the services provided to the residents of Catawba County. We appreciate the cooperation of all the County departments in carrying out the financial activities encompassed in this report. The preparation of the Comprehensive Annual Financial Report was made

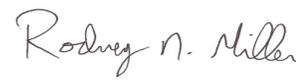
possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Special recognition is extended to Jeanne Jarrett and Kenneth Maynor, along with Martin, Starnes & 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.

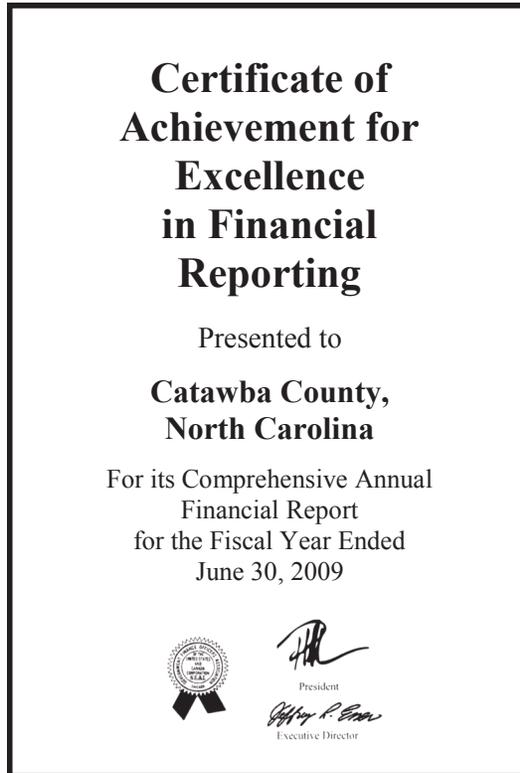
Respectfully submitted,



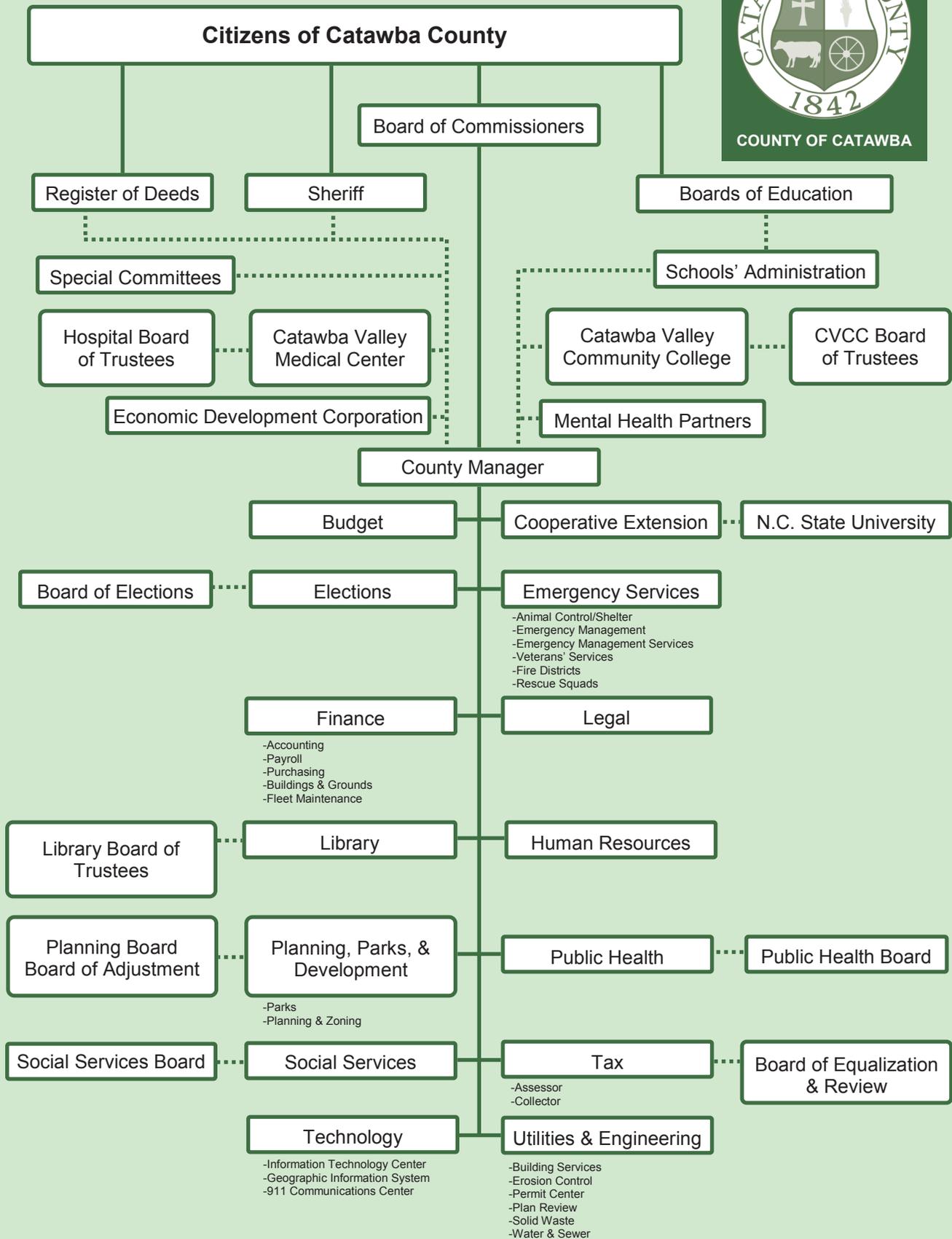
J. Thomas Lundy  
County Manager



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, 2010, 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, 2010, 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 4, 2010 on our consideration of Catawba County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing in the results of our audit.

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
November 4, 2010

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Catawba County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Catawba County for the fiscal year ended June 30, 2010. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

## FINANCIAL HIGHLIGHTS

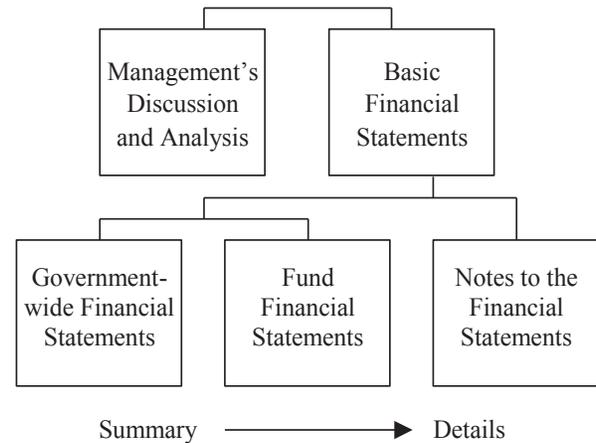
- ▶ The assets of Catawba County exceeded its liabilities at the close of the fiscal year by \$149,766,034 (*net assets*). Of this figure, approximately \$114 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net assets increased by \$9,107,383, primarily due to a decrease in long-term liabilities in governmental type activities.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$98,995,784, a decrease of (\$7,153,126) in comparison with the prior year [See Exhibit 3]. Approximately 88 percent of this total amount, or \$86,736,760, is available for spending at the government's discretion (*unreserved fund balance*).
- ▶ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$39,583,672, or 24.4 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total debt decreased by (\$13,660,958) during the current fiscal year. Outstanding debt is \$117,002,354 and equates to \$736 per capita, at the end of the fiscal year.
- ▶ For the sixth consecutive year, Catawba County maintained its AA bond rating with Standard & Poor's and maintained its Aa2 bond rating with Moody's Investors Service for the 29th consecutive year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Catawba County's basic financial statements. The County's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements (see Figure A). The basic financial statements present two

different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Catawba County.

**Figure A - Required Components of Annual Financial Report**



## GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The government-wide financial statements are:

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

Both of the government-wide financial statements distinguish between services provided by the County that are primarily funded by property taxes and state and federal grants (*governmental activities*) and other services that the County charges user fees to recover all of the costs (*business-type activities*). The government activities include most of the County's basic services such as human services, education, public safety, parks, planning, and general

administration. The business-type activities include the solid waste and water and sewer services offered by Catawba County. The government-wide financial statements include not only the County itself (known as the *primary government*) but also two legally separate entities (known as *component units*). Catawba Valley Medical Center (CVMC) is a public healthcare facility that is an entity of Catawba County. The County appoints the board of trustees for CVMC and has issued debt on its behalf. Although legally separate from the County, the Alcoholic Beverage Control (ABC) Board is important to the County because the County exercises control over the ABC Board by appointing its members and because the ABC Board is required to distribute a percentage of its profits to the County.

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

### FUND FINANCIAL STATEMENTS

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

- ▶ **Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between 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 the 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** - Services for which the County charges customers a fee are generally reported in 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 62 of this report.

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

**Net Assets** - As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Catawba County exceeded liabilities by \$149,766,034, as of June 30, 2010. The County's net assets increased by \$9,107,383 for the fiscal year ended June 30, 2010. Key factors for the increase in net assets are reductions of long-term liabilities in governmental activities. Principal payments equaled \$13.7 million and no new debt was issued.

The largest portion of net assets (80.6%) 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 \$4.7 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 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 (.9%) represents resources that are subject to external restrictions on how they may be used (public safety and Register of Deeds).

The remaining balance (18.5%) of \$27.7 million is unrestricted, a decrease of \$.8 million from the prior year.

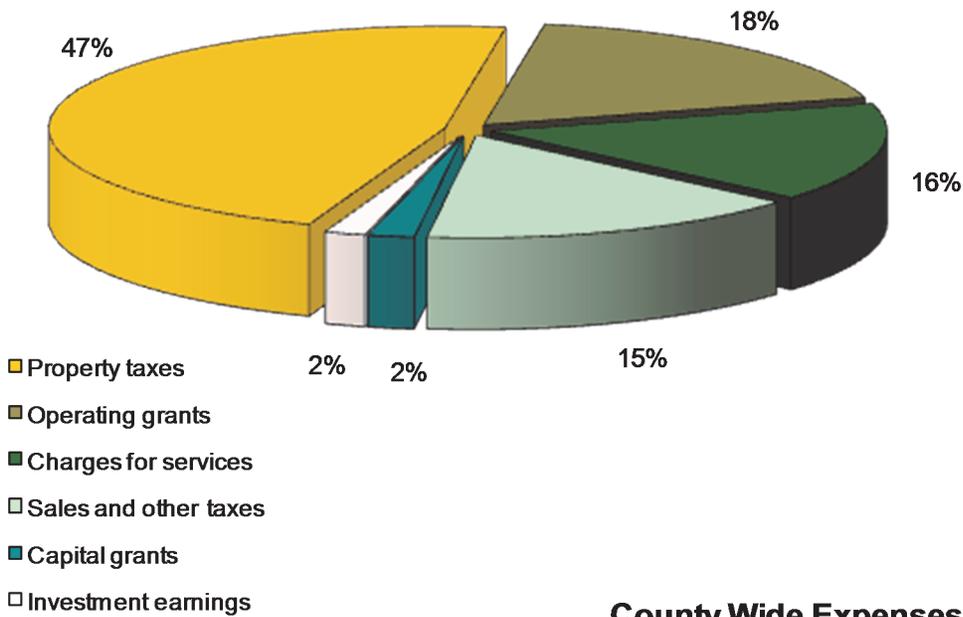
The following describes the operations of governmental and business-type activities separately and in greater detail.

## Government-Wide Financial Analysis Catawba County's Net Assets

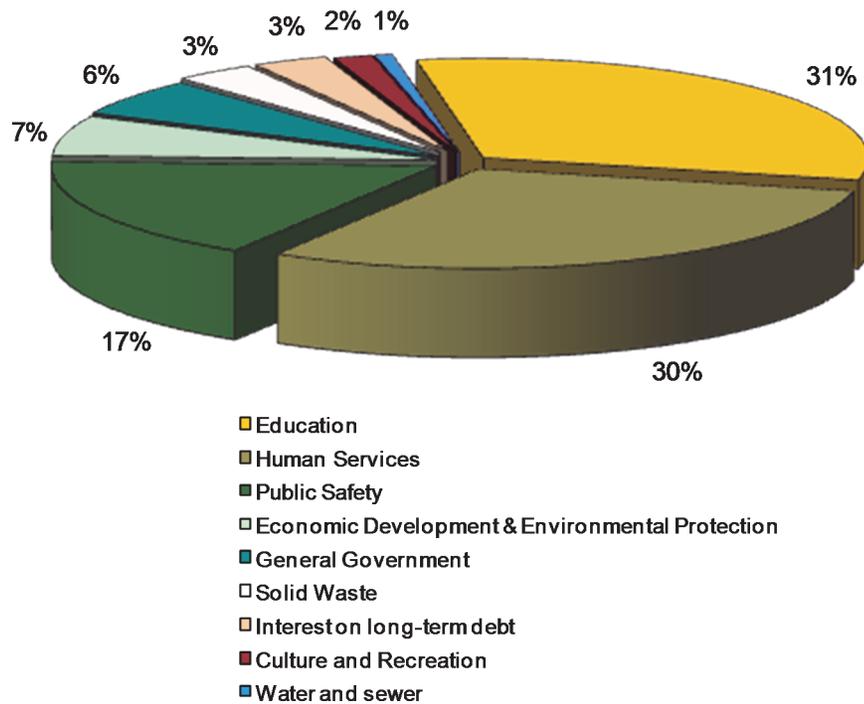
	Governmental Activities		Business-type Activities		Total		Total	
	2010	2009	2010	2009	2010	2009	Dollar Change	Percent Change
Current and other assets	\$ 115,393,314	\$ 122,882,165	\$ 45,815,782	\$ 44,906,450	\$ 161,209,096	\$ 167,788,615	\$ (6,579,519)	-3.92%
Capital assets	81,532,112	81,930,030	52,259,902	47,586,200	133,792,014	129,516,230	4,275,784	3.30%
<b>Total assets</b>	<b>196,925,426</b>	<b>204,812,195</b>	<b>98,075,684</b>	<b>92,492,650</b>	<b>295,001,110</b>	<b>297,304,845</b>	<b>(2,303,735)</b>	<b>-0.77%</b>
Long-term liabilities	118,177,775	130,690,853	14,776,093	14,042,153	132,953,868	144,733,006	(11,779,138)	-8.14%
Other liabilities	10,968,155	11,029,780	1,313,053	883,402	12,281,208	11,913,182	368,026	3.09%
<b>Total liabilities</b>	<b>129,145,930</b>	<b>141,720,633</b>	<b>16,089,146</b>	<b>14,925,555</b>	<b>145,235,076</b>	<b>156,646,188</b>	<b>(11,411,112)</b>	<b>-7.28%</b>
<b>Net assets:</b>								
Invested in capital assets, net of related debt	68,272,595	67,484,313	52,416,130	43,612,368	120,688,725	111,096,681	9,592,044	8.63%
Restricted	1,377,237	1,089,189	-	-	1,377,237	1,089,189	288,048	26.45%
Unrestricted	(1,870,336)	(5,481,946)	29,570,408	33,954,727	27,700,072	28,472,781	(772,709)	-2.71%
<b>Total net assets</b>	<b>\$ 67,779,496</b>	<b>\$ 63,091,556</b>	<b>\$ 81,986,538</b>	<b>\$ 77,567,095</b>	<b>\$ 149,766,034</b>	<b>\$ 140,658,651</b>	<b>\$ 9,107,383</b>	<b>6.47%</b>

The following graphs summarize the sources of the County's total revenues and total program expenses.

### County Wide Sources of Revenues



### County Wide Expenses



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

### Catawba County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 22,526,301	\$ 22,350,656	\$ 5,816,059	\$ 7,440,626	\$ 28,342,360	\$ 29,791,282
Operating grants and contributions	32,298,988	31,213,021	546,052	144,989	32,845,040	31,358,010
Capital grants and contributions	3,217,167	4,164,591	209,796	44,081	3,426,963	4,208,672
General revenues:						
Property taxes	84,763,108	84,738,225	-	-	84,763,108	84,738,225
Sales and other taxes	27,955,321	33,878,103	290,643	255,732	28,245,964	34,133,835
Investment earnings, unrestricted	2,115,680	4,023,446	927,964	1,700,401	3,043,644	5,723,847
<b>Total revenues</b>	<u>172,876,565</u>	<u>180,368,042</u>	<u>7,790,514</u>	<u>9,585,829</u>	<u>180,667,079</u>	<u>189,953,871</u>
<b>Expenses</b>						
General government	10,533,518	10,172,611	-	-	10,533,518	10,172,611
Public safety	29,076,572	28,263,640	-	-	29,076,572	28,263,640
Environmental protection	495,248	539,138	-	-	495,248	539,138
Economic and physical development	10,627,991	10,743,831	-	-	10,627,991	10,743,831
Human services	51,688,459	56,066,282	-	-	51,688,459	56,066,282
Cultural and recreation	2,830,504	2,830,192	-	-	2,830,504	2,830,192
Education	53,825,312	78,130,574	-	-	53,825,312	78,130,574
Interest on long-term debt	5,411,021	5,163,100	-	-	5,411,021	5,163,100
Solid waste management	-	-	5,800,628	5,570,927	5,800,628	5,570,927
Water and sewer	-	-	1,270,443	1,118,908	1,270,443	1,118,908
<b>Total expenses</b>	<u>164,488,625</u>	<u>191,909,368</u>	<u>7,071,071</u>	<u>6,689,835</u>	<u>171,559,696</u>	<u>198,599,203</u>
<b>Increase (decrease) in net assets before transfers</b>	8,387,940	(11,541,326)	719,443	2,895,994	9,107,383	(8,645,332)
<b>Transfers</b>	(3,700,000)	(43,853,720)	3,700,000	43,853,720	-	-
<b>Increase (decrease) in net assets</b>	4,687,940	(55,395,046)	4,419,443	46,749,714	9,107,383	(8,645,332)
<b>Net assets - beginning of year</b>	63,091,556	118,486,602	77,567,095	30,817,381	140,658,651	149,303,983
<b>Net assets - end of year</b>	<u>\$ 67,779,496</u>	<u>\$ 63,091,556</u>	<u>\$ 81,986,538</u>	<u>\$ 77,567,095</u>	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>

**Governmental Activities** - Governmental activities increased the County's net assets by \$4,687,940. Key elements of this increase are as follows:

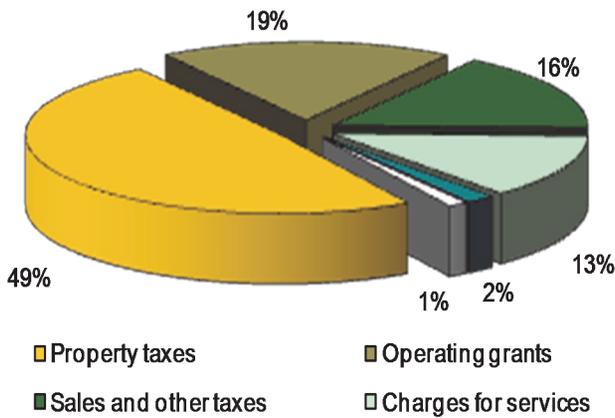
- ▶ A decrease in human services expenses as the State assumed the remainder of the Medicaid cost from the County.
- ▶ A decrease in education expenses as various school construction projects approached completion.
- ▶ Sales and other tax revenues decreased by \$5.9 million as the State assumed the County's Article 44 sales tax to help pay for Medicaid.

▶ Investment earnings decreased by \$1.9 million from the prior year due to the economic recession.

- ▶ Anticipating these shortfalls, County departments reduced their expenses by 2% of their budgets, decreased payments to outside agencies, and left several employee positions vacant.

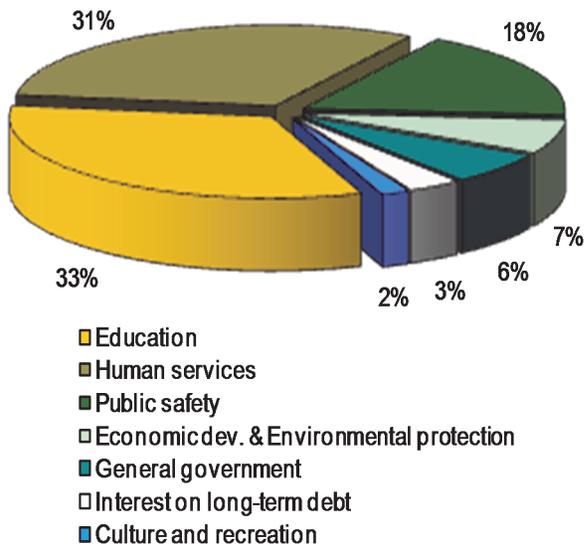
The graph on the next page represents the major sources of revenues for governmental activities.

### Revenues by Source – Governmental Activities



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

### Expenditures by Function – Governmental Activities



**Business-type Activities** - Business-type activities increased Catawba County's net assets by \$4,419,443. Key elements of this increase are as follows:

- ▶ A transfer of 1-1/2 cents of the property tax rate and Article 46 Sales tax revenues from the General Fund for various water and sewer projects in the County.
- ▶ An increase in grant funds to support water and sewer activities.
- ▶ A decrease of \$1.4 million in capital outlay in the Solid Waste Management Fund.

### FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2010, the governmental funds of the County reported a combined fund balance of \$98,995,784, a 6.7 percent decrease from the previous year. The primary reason for this change in fund balance is a decrease in the School Capital Fund and the School Construction Fund as various school construction projects neared completion.

**General Fund** - The General Fund is the chief operating fund of Catawba County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$39,583,672, while total fund balance reached \$51,665,535. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 24.4% of total General Fund expenditures while total fund balance represents 31.8% of that same amount.

The overall fund balance increased by \$1,251,532 due to decreases in expenditures in the human services, education and capital outlay functions. Additional information is provided in the discussion on General Fund budgetary highlights on the next page.

**Other Major Funds** - The General Capital 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 \$2 million to \$18.7 million. The largest financing source came from the allocation of sales taxes of \$2.4

million from the General Fund to pay for a future Justice Center and Public Safety project. Expenditures were \$1.3 million, a decrease from \$1.7 million in the prior year.

The School Capital 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 decreased by (\$2.5) million to \$11.1 million. The largest financing source came from the allocation of sales taxes of \$3.6 million as required by State Statute. Expenditures were \$3.9 million, a decrease from \$6.8 million in the prior year, a result of major projects nearing completion. Net transfers to and from other funds were (\$2,524,631).

**Non-Major Funds** - Fund balances for non-major funds decreased by (\$7.9) million to \$17.4 million overall. The major decrease is from the School Construction Fund of (\$9.5) million. This was mainly as a result of expenditures relating to construction 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 \$82.0 million with \$35.8 million of this amount being unrestricted. The increase in net assets in these funds was \$4.4 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 \$1,163,247 or .7%. This increase was due to anticipation of additional federal and state

grants available for County services.

Actual revenues were more than final budgeted amounts by \$366,060. The primary factor for this increase was the greater amount of property and sales tax collected and investment earnings in excess of budgeted amounts.

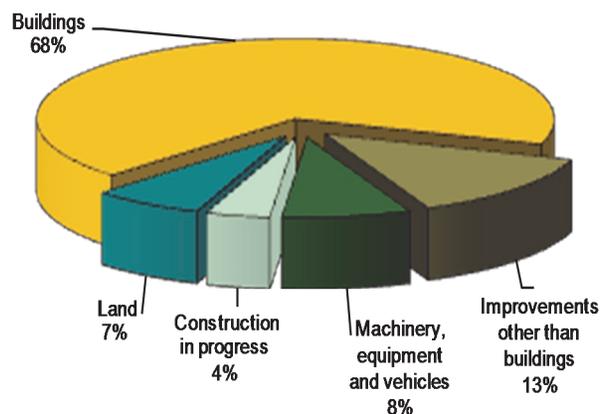
Net amendments to budgeted appropriations were \$596,204 or .3%. The majority of amendments were for human services, mainly for change in expectations for receipts of federal and state grants. Actual expenditures were less than final budgeted amounts by \$11,197,227. These cost savings resulted mainly from unspent appropriations of a) \$6 million in services and supplies in human services departments, b) \$1.2 million in services and supplies in public safety departments and c) \$2.9 million in salaries and benefits due to temporary vacancies in various departments. 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, 2010, totals \$133,792,014 (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 \$4 million primarily for water lines and a wastewater facility.
- ▶ Increase in construction in progress of approximately \$1.3 million primarily for the expansion of Unit 3 of the County landfill.

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



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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 5,689,821	\$ 5,689,821	\$ 7,223,539	\$ 7,108,489	\$ 12,913,360	\$ 12,798,310
Buildings	55,096,588	39,380,808	631,155	646,646	55,727,743	40,027,454
Improvements other than buildings	10,935,105	10,999,639	21,588,463	12,049,442	32,523,568	23,049,081
Machinery, equipment and vehicles	6,571,861	6,214,576	1,806,814	2,346,793	8,378,675	8,561,369
Construction in progress	3,238,737	19,645,186	21,009,931	25,434,830	24,248,668	45,080,016
<b>Total</b>	<b>81,532,112</b>	<b>81,930,030</b>	<b>52,259,902</b>	<b>47,586,200</b>	<b>133,792,014</b>	<b>129,516,230</b>

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

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

**Long-term Debt** - As of June 30, 2010, Catawba County had total bonded debt outstanding of \$17,310,000, all of which is debt backed by the full faith and credit of the County. In addition, the County had Installment Purchase debt of \$59,237,355, Certificates of Participation debt of \$39,855,000 and Qualified Zone Academy Bonds of \$600,000. Catawba County's total debt decreased by (\$13,660,957) during the past fiscal year.

### FISCAL YEAR 2009-2010 ECONOMIC FACTORS

The following factors reflect the economic activity of the County.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 29<sup>th</sup> consecutive year, its Aa2 bond rating from Moody's Investors Service and for the 6<sup>th</sup> 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.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 10.8% of its statutory limit. The property tax rate of \$0.535/\$100 was below the State average of \$0.6346/\$100 and the 31<sup>st</sup> lowest of all 100 counties in North Carolina.
- ▶ Creation of new jobs/investment. County economic development efforts have successfully assisted with new business developments, bringing more than 1,000 jobs and over \$1 billion in investment to Catawba County in fiscal year 2009-10.
- ▶ This included the largest economic development project in the County's history. In July 2009 Apple, Inc, a Fortune 100 company, picked Catawba County as their east coast site for a computer server farm. The project will create 50 new jobs initially and 250 related jobs upon its completion later this year.

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 \$117,002,354 compared to the legal debt margin of \$1,084,098,026.

### Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 17,310,000	\$ 23,765,000	\$ -	\$ -	\$ 17,310,000	\$ 23,765,000
Installment Purchases	52,705,166	56,831,959	6,532,188	6,771,353	59,237,354	63,603,312
Certificates of Participation	39,855,000	42,645,000	-	-	39,855,000	42,645,000
Qualified Zone Academy Bonds	600,000	650,000	-	-	600,000	650,000
<b>Total</b>	<b>\$ 110,470,166</b>	<b>\$ 123,891,959</b>	<b>\$6,532,188</b>	<b>\$6,771,353</b>	<b>\$ 117,002,354</b>	<b>\$ 130,663,312</b>

- ▶ The economic recession has impacted retail sales negatively this past year as evidenced by a 2.0% decrease in sales tax revenues.
- ▶ Catawba County voters approved a 1/4 cent local sales tax in 2008 that continues to accumulate to fund additional courtrooms, a new public safety center and various educational and economic development initiatives in the county in the coming year.
- ▶ The county's unemployment rate has declined from 15.6% in March 09, during the peak of the economic recession, to 12.3% in August 2010.

Sales tax revenues have declined in recent years, but there are signs of recovery in retail sales. The County is budgeting a conservative 1% increase in sales tax revenue. The budget proposes no new programs, no cost of living or performance pay increases for employees. In addition the County's operating expenses are reduced by 2%, for a total budget of \$202,234,759 for FY 2010-11.

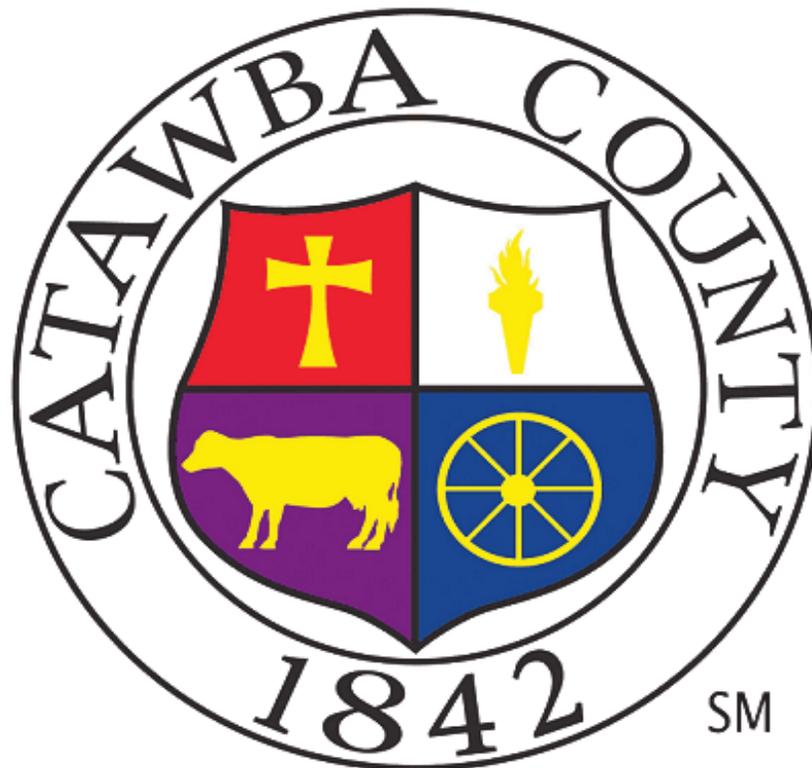
**Business – type Activities** - The \$10,850,046 budget includes \$6,109,221 for solid waste operations and \$4,740,825 for water and sewer operations and capital expenditures. The County continues to dedicate 1.5 cents of the property tax rate for water and sewer needs in the county.

**BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

**Governmental Activities** - The property tax rate remains at the current \$0.535/\$100 assessed value. The budget projects property taxes to be essentially flat for fiscal year 2010-11. Real property, business personal property, and public utility values are expected to grow by approximately 1%; however, motor vehicle values are expected to decline by 4%.

**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, 2010**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 89,568,126	\$ 43,934,239	\$ 133,502,365
Taxes receivable - net	3,840,864	-	3,840,864
Due from other governments	14,489,105	372,783	14,861,888
Notes receivable	-	446,261	446,261
Other receivables	2,825,276	347,260	3,172,536
Interest receivable	595,124	265,401	860,525
Inventories	351,335	-	351,335
Prepaid items	44,899	-	44,899
Deferred charges	470,033	-	470,033
Restricted cash and investments	1,875,478	449,838	2,325,316
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	8,928,558	28,233,470	37,162,028
Other capital assets, net of depreciation	72,603,554	24,026,432	96,629,986
Total capital assets	<u>81,532,112</u>	<u>52,259,902</u>	<u>133,792,014</u>
Net investment in joint venture	1,333,074	-	1,333,074
Total assets	<u>196,925,426</u>	<u>98,075,684</u>	<u>295,001,110</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	8,284,908	1,313,053	9,597,961
Unearned revenues	2,683,247	-	2,683,247
Long-term liabilities:			
Due within one year	15,260,153	521,585	15,781,738
Due in more than one year	102,917,622	14,254,508	117,172,130
Total long-term liabilities	<u>118,177,775</u>	<u>14,776,093</u>	<u>132,953,868</u>
Total liabilities	<u>129,145,930</u>	<u>16,089,146</u>	<u>145,235,076</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	68,272,595	46,177,552	114,450,147
Restricted			
Public safety	1,333,074	-	1,333,074
Register of Deeds	44,163	-	44,163
Debt service	-	-	-
Capital projects	-	-	-
Other	-	-	-
Unrestricted	<u>(1,870,336)</u>	<u>35,808,986</u>	<u>33,938,650</u>
Total net assets	<u>\$ 67,779,496</u>	<u>\$ 81,986,538</u>	<u>\$ 149,766,034</u>

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

Component Units	
Catawba Valley Medical Center	Catawba County ABC Board
\$ 61,923,809	\$ 733,641
-	-
2,091,886	-
-	-
23,094,429	-
290,360	-
5,013,919	1,730,279
1,087,748	-
-	-
31,932,284	-
5,391,939	-
15,947,573	-
53,058,108	2,237,395
<u>69,005,681</u>	<u>2,237,395</u>
-	-
<u>199,832,055</u>	<u>4,701,315</u>
17,474,238	1,066,891
-	-
15,561,573	9,274
<u>37,391,602</u>	-
<u>52,953,175</u>	<u>9,274</u>
<u>70,427,413</u>	<u>1,076,165</u>
29,908,521	2,237,395
-	-
-	-
1,170,287	-
5,322,530	-
189,293	421,172
<u>92,814,011</u>	<u>966,583</u>
<u>\$ 129,404,642</u>	<u>\$ 3,625,150</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 10,533,518	\$ 2,631,983	\$ 942,974	\$ 1,511,322
Public safety	29,076,572	8,188,847	675,836	-
Environmental protection	495,248	4,675	58,051	-
Economic and physical development	10,627,991	2,858,217	347,454	16,223
Human services	51,688,459	7,876,144	29,964,851	-
Culture and recreation	2,830,504	74,256	309,822	-
Education	53,825,312	892,179	-	1,689,622
Interest on long-term debt	5,411,021	-	-	-
Total expenses	<u>164,488,625</u>	<u>22,526,301</u>	<u>32,298,988</u>	<u>3,217,167</u>
Business-type activities				
Solid waste management	5,800,628	5,603,814	199,904	150,200
Water and sewer	1,270,443	212,245	346,148	59,596
Total expenses	<u>7,071,071</u>	<u>5,816,059</u>	<u>546,052</u>	<u>209,796</u>
Total primary government	<u>\$ 171,559,696</u>	<u>\$ 28,342,360</u>	<u>\$ 32,845,040</u>	<u>\$ 3,426,963</u>
<b>Component units</b>				
Catawba Valley Medical Center	\$ 179,966,143	\$ 188,626,658	\$ 753,598	\$ 41,957
Catawba County ABC Board	11,369,282	10,950,480	-	-
Total Component Units	<u>\$ 191,335,425</u>	<u>\$ 199,577,138</u>	<u>\$ 753,598</u>	<u>\$ 41,957</u>

## General Revenues:

## Taxes

Property taxes, levied for general purposes

Local option sales taxes

Other taxes and licenses

Investment earnings, unrestricted

## Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - 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
\$ (5,447,239)	\$ -	\$ (5,447,239)		
(20,211,889)	-	(20,211,889)		
(432,522)	-	(432,522)		
(7,406,097)	-	(7,406,097)		
(13,847,464)	-	(13,847,464)		
(2,446,426)	-	(2,446,426)		
(51,243,511)	-	(51,243,511)		
(5,411,021)	-	(5,411,021)		
<u>(106,446,169)</u>	<u>-</u>	<u>(106,446,169)</u>		
-	153,290	153,290		
-	(652,454)	(652,454)		
<u>-</u>	<u>(499,164)</u>	<u>(499,164)</u>		
<u>\$ (106,446,169)</u>	<u>\$ (499,164)</u>	<u>\$ (106,945,333)</u>		
			\$ 9,456,070	\$ -
			<u>-</u>	<u>(418,802)</u>
			<u>\$ 9,456,070</u>	<u>\$ (418,802)</u>
\$ 84,763,108	\$ -	\$ 84,763,108	\$ -	\$ -
26,692,186	-	26,692,186	-	-
1,263,135	290,643	1,553,778	-	-
2,115,680	927,964	3,043,644	1,533,711	8,344
(3,700,000)	3,700,000	-	-	-
<u>111,134,109</u>	<u>4,918,607</u>	<u>116,052,716</u>	<u>1,533,711</u>	<u>8,344</u>
4,687,940	4,419,443	9,107,383	10,989,781	(410,458)
<u>63,091,556</u>	<u>77,567,095</u>	<u>140,658,651</u>	<u>118,414,861</u>	<u>4,035,608</u>
<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>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	<u>Major Funds</u>			<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>School Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
<b>Assets</b>					
Cash and investments	\$ 47,280,016	\$ 18,097,617	\$ 10,468,603	\$ 13,721,890	\$ 89,568,126
Taxes receivable - net	3,667,554	-	-	173,310	3,840,864
Due from other governments	9,715,221	652,933	938,984	3,181,967	14,489,105
Other receivables	2,821,422	-	-	3,854	2,825,276
Interest receivable	333,908	105,507	60,923	94,786	595,124
Inventories	351,335	-	-	-	351,335
Prepaid items	44,899	-	-	-	44,899
Restricted cash and investments	-	43	-	1,875,435	1,875,478
Total assets	<u>64,214,355</u>	<u>18,856,100</u>	<u>11,468,510</u>	<u>19,051,242</u>	<u>113,590,207</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	6,429,438	108,286	315,242	1,431,942	8,284,908
Deferred revenues	6,119,382	-	-	190,133	6,309,515
Total liabilities	<u>12,548,820</u>	<u>108,286</u>	<u>315,242</u>	<u>1,622,075</u>	<u>14,594,423</u>
<b>Fund Balances</b>					
Reserved for inventories	351,335	-	-	-	351,335
Reserved for prepaid items	44,899	-	-	-	44,899
Reserved for encumbrances	820,024	-	-	-	820,024
Reserved by state statute	10,821,442	-	-	177,161	10,998,603
Reserved for register of deeds	44,163	-	-	-	44,163
Unreserved	39,583,672	18,747,814	11,153,268	-	69,484,754
Unreserved, reported in nonmajor					
Special revenue funds	-	-	-	10,994,696	10,994,696
Capital projects funds	-	-	-	6,257,310	6,257,310
Total fund balances	<u>51,665,535</u>	<u>18,747,814</u>	<u>11,153,268</u>	<u>17,429,167</u>	<u>98,995,784</u>
Total liabilities and fund balances	<u>\$ 64,214,355</u>	<u>\$ 18,856,100</u>	<u>\$ 11,468,510</u>	<u>\$ 19,051,242</u>	<u>\$ 113,590,207</u>

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, 2010**

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 98,995,784
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	81,532,112
Net Investment in Joint Venture	1,333,074
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	3,626,268
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in fund statements	470,033
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>(118,177,775)</u>
Net assets of governmental activities (Exhibit 1)	<u>\$ 67,779,496</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Major Funds</u>			<u>Non Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>School Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
<b>Revenues</b>					
Ad valorem taxes	\$ 80,274,373	\$ -	\$ -	\$ 4,423,236	\$ 84,697,609
Other taxes	21,049,665	2,441,394	3,630,806	-	27,121,865
Unrestricted intergovernmental revenues	1,878,455	-	-	-	1,878,455
Restricted intergovernmental revenues	38,282,090	16,222	2,055	2,918,350	41,218,717
Licenses and permits	2,545,161	-	-	2,482	2,547,643
Sales and services	13,041,964	-	-	-	13,041,964
Investment earnings	1,005,537	354,507	200,759	368,508	1,929,311
Miscellaneous	3,005,599	629,858	65,000	16,455	3,716,912
Total revenues	<u>161,082,844</u>	<u>3,441,981</u>	<u>3,898,620</u>	<u>7,729,031</u>	<u>176,152,476</u>
<b>Expenditures</b>					
Current					
General government	11,191,370	-	-	409,779	11,601,149
Public safety	23,767,431	-	-	5,593,385	29,360,816
Environmental protection	469,014	-	-	-	469,014
Economic and physical development	10,548,766	-	-	70,988	10,619,754
Human services	50,878,670	-	-	800	50,879,470
Culture and recreation	2,758,668	-	-	-	2,758,668
Education	38,606,716	-	-	-	38,606,716
Capital outlay	-	1,354,206	3,917,311	11,301,285	16,572,802
Debt service					
Principal	13,421,793	-	-	-	13,421,793
Interest	5,315,420	-	-	-	5,315,420
Total expenditures	<u>156,957,848</u>	<u>1,354,206</u>	<u>3,917,311</u>	<u>17,376,237</u>	<u>179,605,602</u>
Excess of revenues over (under) expenditures	<u>4,124,996</u>	<u>2,087,775</u>	<u>(18,691)</u>	<u>(9,647,206)</u>	<u>(3,453,126)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	2,610,919	-	-	1,784,383	4,395,302
Transfers to other funds	(5,484,383)	-	(2,524,631)	(86,288)	(8,095,302)
Total other financing sources (uses)	<u>(2,873,464)</u>	<u>-</u>	<u>(2,524,631)</u>	<u>1,698,095</u>	<u>(3,700,000)</u>
Net change in fund balance	1,251,532	2,087,775	(2,543,322)	(7,949,111)	(7,153,126)
<b>Fund Balances - Beginning of Year</b>	<u>50,414,003</u>	<u>16,660,039</u>	<u>13,696,590</u>	<u>25,378,278</u>	<u>106,148,910</u>
<b>Fund Balances - End of Year</b>	<u>\$ 51,665,535</u>	<u>\$ 18,747,814</u>	<u>\$ 11,153,268</u>	<u>\$ 17,429,167</u>	<u>\$ 98,995,784</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, 2010**

Net change in *fund balances* - total governmental funds (Exhibit 4) \$ (7,153,126)

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. (397,918)

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. 283,344

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds. (648,206)

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. 13,421,793

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. (817,947)

Change in net assets of governmental activities (Exhibit 2) \$ 4,687,940

**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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
<b>Revenues</b>				
Ad Valorem taxes	\$ 79,475,931	\$ 79,475,931	\$ 80,274,373	\$ 798,442
Other taxes	21,700,270	20,561,081	21,049,665	488,584
Unrestricted intergovernmental revenues	1,816,000	1,606,000	1,878,455	272,455
Restricted intergovernmental revenues	37,703,010	40,256,493	38,282,090	(1,974,403)
Licenses and permits	2,532,415	2,532,415	2,545,161	12,746
Sales and services	13,034,568	13,000,711	13,041,964	41,253
Investment earnings	807,788	707,788	1,005,537	297,749
Miscellaneous	2,483,555	2,576,365	3,005,599	429,234
Total revenues	<u>159,553,537</u>	<u>160,716,784</u>	<u>161,082,844</u>	<u>366,060</u>
<b>Expenditures</b>				
Current				
General government	11,712,279	11,532,657	11,191,370	341,287
Public safety	24,846,615	25,515,040	23,767,431	1,747,609
Environmental protection	584,320	596,529	469,014	127,515
Economic and physical development	11,101,281	11,069,945	10,548,766	521,179
Human services	56,382,579	57,245,400	50,878,670	6,366,730
Culture and recreation	2,954,050	2,987,442	2,758,668	228,774
Education	39,738,108	38,968,423	38,606,716	361,707
Debt service				
Principal	16,058,235	15,412,900	13,421,793	1,991,107
Interest	4,732,740	5,378,075	5,315,420	62,655
Total expenditures	<u>168,110,207</u>	<u>168,706,411</u>	<u>156,957,848</u>	<u>11,748,563</u>
Excess of revenues over (under) expenditures	<u>(8,556,670)</u>	<u>(7,989,627)</u>	<u>4,124,996</u>	<u>12,114,623</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	2,610,919	2,610,919	2,610,919	-
Transfers to other funds	(5,521,770)	(5,484,383)	(5,484,383)	-
Installment purchase obligation issued	1,497,510	1,497,510	-	(1,497,510)
Fund balance appropriated	9,970,011	9,365,581	-	(9,365,581)
Total other financing sources (uses)	<u>8,556,670</u>	<u>7,989,627</u>	<u>(2,873,464)</u>	<u>(10,863,091)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,251,532	<u>\$ 1,251,532</u>
<b>Fund Balances - Beginning of Year</b>			<u>50,414,003</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 51,665,535</u>	

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

**Business-Type Activities - Enterprise Funds**

	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and investments	\$ 16,832,932	27,101,307	\$ 43,934,239
Due from other governments	163,844	208,939	372,783
Notes receivable	-	446,261	446,261
Accounts receivables (net of allowance)	335,877	8,916	344,793
Other receivables	103,574	164,294	267,868
Restricted cash and investments	-	449,838	449,838
Total current assets	<u>17,436,227</u>	<u>28,379,555</u>	<u>45,815,782</u>
Noncurrent assets			
Capital assets			
Land, non-depreciable improvements, and construction in progress	8,505,518	19,727,952	28,233,470
Other capital assets, net of depreciation	16,128,512	7,897,920	24,026,432
Total capital assets	<u>24,634,030</u>	<u>27,625,872</u>	<u>52,259,902</u>
Total assets	<u>42,070,257</u>	<u>56,005,427</u>	<u>98,075,684</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	911,406	401,647	1,313,053
Accrued landfill closure and postclosure care costs	200,294	-	200,294
Installment loan payable	-	249,291	249,291
Compensated absences payable	67,000	5,000	72,000
Total current liabilities	<u>1,178,700</u>	<u>655,938</u>	<u>1,834,638</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	7,839,961	-	7,839,961
Installment loan payable	-	6,282,897	6,282,897
Compensated absences payable	36,128	7,797	43,925
Other post employment benefits obligation	85,999	1,726	87,725
Total noncurrent liabilities	<u>7,962,088</u>	<u>6,292,420</u>	<u>14,254,508</u>
Total liabilities	<u>9,140,788</u>	<u>6,948,358</u>	<u>16,089,146</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	24,634,030	21,543,522	46,177,552
Unrestricted	8,295,439	27,513,547	35,808,986
Total net assets	<u>\$ 32,929,469</u>	<u>\$ 49,057,069</u>	<u>\$ 81,986,538</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, 2010**

**Business-Type Activities - Enterprise Funds**

	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 4,864,891	\$ 212,245	\$ 5,077,136
Methane recovery	671,221	-	671,221
Other operating revenues	64,702	-	64,702
Total operating revenues	<u>5,600,814</u>	<u>212,245</u>	<u>5,813,059</u>
<b>Operating Expenses</b>			
Administration	455,360	-	455,360
Recycling	39,649	-	39,649
Solid waste management improvements	257,060	-	257,060
Solid waste code enforcement	74,180	-	74,180
Sanitary landfill	2,268,726	-	2,268,726
Landfill closure and postclosure costs	949,217	-	949,217
Convenience centers	329,002	-	329,002
Household hazardous waste	86,320	-	86,320
Blackburn landfill methane recovery	625,964	-	625,964
Water and sewer	-	545,826	545,826
Composting expenses	-	287,148	287,148
Depreciation	715,150	156,229	871,379
Total operating expenses	<u>5,800,628</u>	<u>989,203</u>	<u>6,789,831</u>
Operating income (loss)	<u>(199,814)</u>	<u>(776,958)</u>	<u>(976,772)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Investment earnings	339,798	588,166	927,964
Solid waste disposal taxes	290,643	-	290,643
North Carolina biofuels grant	135,000	-	135,000
Scrap tire grant	64,904	-	64,904
Community Development Block Grants	-	59,596	59,596
Municipal revenue sharing	-	346,148	346,148
Interest on long term debt	-	(281,240)	(281,240)
Miscellaneous	3,000	-	3,000
Total nonoperating revenues (expenses)	<u>833,345</u>	<u>712,670</u>	<u>1,546,015</u>
Income (loss) before contributions and transfers	<u>633,531</u>	<u>(64,288)</u>	<u>569,243</u>
Capital contributions	150,200	-	150,200
Transfer from General Fund	-	3,700,000	3,700,000
Increase (decrease) in Net Assets	783,731	3,635,712	4,419,443
<b>Net Assets - Beginning of Year</b>	<u>32,145,738</u>	<u>45,421,357</u>	<u>77,567,095</u>
<b>Net Assets - End of Year</b>	<u>\$ 32,929,469</u>	<u>\$ 49,057,069</u>	<u>\$ 81,986,538</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, 2010**

**Business-Type Activities - Enterprise Funds**

	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 5,547,701	562,382	\$ 6,110,083
Cash paid for goods and services	(2,137,235)	(949,895)	(3,087,130)
Cash paid to employees	(1,382,665)	(45,902)	(1,428,567)
Other operating revenues	67,702	-	67,702
Net cash provided (used) by operating activities	<u>2,095,503</u>	<u>(433,415)</u>	<u>1,662,088</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Tire disposal tax	171,301	-	171,301
Solid waste disposal tax	69,266	-	69,266
White goods disposal tax	50,076	-	50,076
North Carolina biofuels grant	135,000	-	135,000
Scrap tire grant	64,904	-	64,904
Municipal revenue sharing	-	346,148	346,148
Community development block grant	-	59,596	59,596
Transfer from general fund	-	3,700,000	3,700,000
Total cash provided by noncapital financing activities	<u>490,547</u>	<u>4,105,744</u>	<u>4,596,291</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Principal paid on installment notes payable	-	(239,165)	(239,165)
Interest paid on installment notes payable	-	(281,240)	(281,240)
Acquisition and construction of capital assets	(1,237,378)	(4,157,502)	(5,394,880)
Net cash provided (used) by capital and related financing activities	<u>(1,237,378)</u>	<u>(4,677,907)</u>	<u>(5,915,285)</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	<u>318,497</u>	<u>561,159</u>	<u>879,656</u>
Net increase (decrease) in cash and cash equivalents	1,667,169	(444,419)	1,222,750
Cash and cash equivalents - beginning of year	<u>15,165,763</u>	<u>27,995,564</u>	<u>43,161,327</u>
Cash and cash equivalents - end of year	<u>\$ 16,832,932</u>	<u>27,551,145</u>	<u>\$ 44,384,077</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2010**

**Business-Type Activities - Enterprise Funds**

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ (199,814)	(776,958)	(976,772)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	715,150	156,229	871,379
Increase (decrease) in landfill closure and postclosure care costs	949,217	-	949,217
Changes in assets and liabilities			
(Increase) decrease in refundable sales tax	(29,151)	210,493	181,342
(Increase) decrease in other receivables	43,740	13,833	57,573
(Increase) decrease in notes receivables	-	125,811	125,811
Increase (decrease) in accounts payable and other liabilities	543,898	(165,488)	378,410
Increase (decrease) in compensated absences	(1,264)	-	(1,264)
Increase (decrease) in accrued salaries and other benefits	73,727	2,665	76,392
Total adjustments	<u>2,295,317</u>	<u>343,543</u>	<u>2,638,860</u>
Net cash provided by operating activities	<u>\$ 2,095,503</u>	<u>(433,415)</u>	<u>\$ 1,662,088</u>
Noncash investing, capital and financing activities:			
Contribution of capital assets	150,200	-	150,200
	<u>\$ 150,200</u>	<u>\$ -</u>	<u>\$ 150,200</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, 2010**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments	<u>\$ 95,386</u>
 <b>Liabilities</b>	
Miscellaneous liabilities	<u>\$ 95,386</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, 2010

**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, 2010

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the County and for each function of the County's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. *Indirect expense allocations* that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

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

Proprietary fund operating revenues, such as charges for services, result in exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary services.

The County reports the following major governmental funds:

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

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

**School Capital Projects Fund** - The *School Capital Projects Fund* accounts for the financing and construction of all major capital projects for the three 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 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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

**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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise 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 nonoperating revenues and expenses.

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change, Catawba County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. 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 reve-

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

nue. 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 association whose principal office is located in North Carolina. Also, the unit may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorized the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), a SEC-registered money market mutual fund.

The County's investments are carried at fair value 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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 School Construction Fund and the Water and Sewer Fund because their use is completely restricted to the purpose for which the funds were borrowed.

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

**Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2009.

**Allowance for Doubtful Accounts**

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

**Inventories and Prepaid Items**

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

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

**Capital Assets**

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

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, 2010, 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 externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Restricted Net Assets are classified as follows:

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

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

**Fund Balances**

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The governmental fund types classify fund balances as follows:

**Reserved**

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

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

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

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

**Unreserved**

**Designated for subsequent year's expenditures** - portion of total fund balance available for appropriation that has been designated for the adopted 2010-2011 budget ordinance.

Designations of Catawba County represent tentative management plans that are subject to change. The unreserved fund balance had the following designations at June 30, 2010.

Designated for subsequent year's expenditures:

General Fund	\$	13,796,533
General Capital Projects Fund	\$	39,513,889
School Capital Projects Fund	\$	7,261,926
Nonmajor Special Revenue Funds	\$	661,334
Nonmajor Capital Project Funds	\$	33,231,374

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

**F. Management Estimates**

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. The net adjustment of \$(31,216,288) consists of several elements as follows:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 130,377,941
Less accumulated depreciation	<u>(48,845,829)</u>
Net capital assets	<u>81,532,112</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	1,333,074
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Deferred charges related to advance refunding issued - included on government-wide statement of net assets but are not current financial resources	470,033
--	---------

Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	3,626,268
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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	(17,310,000)
Certificates of participation	(39,855,000)
Installment purchase	(52,705,166)
Qualified zone academy bonds	(600,000)
Compensated absences	(3,930,768)
Net pension obligation	(613,475)
Net other post employment benefits	<u>(3,163,366)</u>
	<u>(118,177,775)</u>

Total adjustment	<u>\$ (31,216,288)</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 \$11,841,066 as follows:

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives	\$ 2,697,538
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Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(3,095,456)
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Principal payments on debt owed are recorded as a use of funds on the fund statements but again affects only the statement of net assets in the government-wide statements

General obligation bonds	6,455,000
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**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

Certificates of participation	2,790,000
Installment purchases	4,126,793
Qualified zone academy bonds	50,000
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	(95,600)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(68,053)
Net (increase) decrease in pension obligation	(65,434)
Net (increase) decrease in other post employment benefits	(775,225)
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	283,344
Increase(decrease) in receivables and deferred revenue for year ended 6/30/2010	(648,205)
Amortization of premium on debt issuance	186,365
Total adjustment	<u>\$ 11,841,066</u>

**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Excess of Expenditures over Appropriations**

The expenditures in the self-insurance fund exceeded revenue by \$964,443 as a result of excess health insurance claims. The County has modified its health insurance program to control these costs. The expenditures for the mental health function of the General Fund were \$1,590,254, which exceeded appropriation of \$1,576,402. This \$13,852 difference is the result of more funding from the ABC Board being received and distributed on behalf of Mental Health than had been anticipated in the budget.

**NOTE 4. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**Deposits and Investments**

**Deposits**

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the name of the County. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity, these deposits are considered held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

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, 2010, the County's deposits had a carrying amount of (\$2,638) and a bank balance of \$315,339. Of the bank balance, \$315,339 was covered by federal depository insurance.

At June 30, 2010, Catawba County had \$8,856 cash on hand.

**Investments**

As of June 30, 2010 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	\$ 19,255,133	\$ 12,000,000	\$ 7,255,133	\$ -
U.S. Government-sponsored enterprises *	78,962,618	2,511,547	4,807,473	71,643,598
Commercial Paper	1,997,911	-	-	-
Money market-unrestricted	4,924,839	-	-	-
Money market-restricted	2,325,194	-	-	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	28,451,031	N/A	N/A	N/A
NC Capital Trust Management Trust				
Cash Portfolio-restricted	123	N/A	N/A	N/A
<b>Total:</b>	<b>\$ 135,916,849</b>	<b>\$ 14,511,547</b>	<b>\$ 12,062,606</b>	<b>\$ 71,643,598</b>

\*\$41.5 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, 2010. The County's investment in U.S. government-sponsored enterprises includes Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (FreddieMac), Federal National Mortgage Association (FannieMae), and are rated AAA by Standard & 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, 2010. 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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

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 68% of the County's investments are in United States government-sponsored enterprises. Investments in Federal Home Loan Bank are 30%, Federal Home Loan Mortgage Corporation are 12%, and Federal National Mortgage Agency are 26% 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>
2007	920,875	260,147	1,181,022
2008	1,033,217	198,894	1,232,111
2009	1,085,219	111,235	1,196,454
2010	1,153,886	-	1,153,886
<b>Total</b>	<b>\$ 4,193,197</b>	<b>\$ 570,276</b>	<b>\$ 4,763,473</b>

**Receivables**

Receivables at the government-wide level at June 30, 2010 were as follows:

	<u>Governmental activities</u>				<u>Total Governmental Activities</u>
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>School Capital Projects Fund</u>	<u>Non-major Funds</u>	
Receivables					
Accounts	\$ 2,633,102	\$ -	\$ -	\$ -	\$ 2,633,102
Taxes	7,629,352	-	-	351,010	7,980,362
Due from other governments	9,715,221	652,933	938,984	3,181,967	14,489,105
Other	896,866	105,507	60,923	98,640	1,161,936
Gross Receivables	20,874,541	758,440	999,907	3,631,617	26,264,505
Allowance for uncollectibles	(4,336,436)	-	-	(177,700)	(4,514,136)
Net total receivables	<u>\$ 16,538,105</u>	<u>\$ 758,440</u>	<u>\$ 999,907</u>	<u>\$ 3,453,917</u>	<u>\$ 21,750,369</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

	<u>Business-type activities</u>		
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total Business-type Activities</u>
Receivables			
Accounts	\$ 335,877	\$ 1,297,776	\$ 1,633,653
Taxes	-	-	-
Notes	-	446,261	446,261
Due from other governments	163,844	208,939	372,783
Other	103,574	164,294	267,868
Gross Receivables	603,295	2,117,270	2,720,565
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	<u>\$ 603,295</u>	<u>\$ 828,410</u>	<u>\$ 1,431,705</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 329,745</u>	<u>\$ 329,745</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 6,126,741	\$ -
White goods disposal tax	-	14,943
Scrap tire tax	-	44,569
Solid waste disposal tax	-	15,308
Lottery funds	6,396,451	-
Various federal and state grants	1,371,128	71,654
Refundable sales tax	594,785	226,309
	<u>\$ 14,489,105</u>	<u>\$ 372,783</u>

**Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,689,821	\$ 25,981	\$ (25,981)	\$ 5,689,821
Construction in progress	19,645,186	852,588	(17,259,037)	3,238,737
Total capital assets, not being depreciated	<u>25,335,007</u>	<u>878,569</u>	<u>(17,285,018)</u>	<u>8,928,558</u>
Capital assets, being depreciated				
Buildings	71,434,659	17,145,663	-	88,580,322
Other improvements	14,028,675	214,123	(13,177)	14,229,621

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

Equipment and vehicles	<u>17,680,258</u>	<u>1,832,061</u>	<u>(872,879)</u>	<u>18,639,440</u>
Total capital assets, being depreciated	<u>103,143,592</u>	<u>19,191,847</u>	<u>(886,056)</u>	<u>121,449,383</u>
Less accumulated depreciation for				
Buildings	(32,053,851)	(1,429,883)	-	(33,483,734)
Other improvements	(3,029,036)	(277,317)	11,837	(3,294,516)
Equipment and vehicles	<u>(11,465,682)</u>	<u>(1,388,256)</u>	<u>786,359</u>	<u>(12,067,579)</u>
Total accumulated depreciation	<u>(46,548,569)</u>	<u>(3,095,456)</u>	<u>798,196</u>	<u>(48,845,829)</u>
Total capital assets, being depreciated, net	<u>56,595,023</u>	<u>16,096,391</u>	<u>(87,860)</u>	<u>72,603,554</u>
Governmental activities capital assets, net	<u>\$ 81,930,030</u>	<u>\$ 16,974,960</u>	<u>\$ (17,372,878)</u>	<u>\$ 81,532,112</u>

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

Governmental activities	
General government	\$ 154,393
Public safety	1,285,189
Environmental protection	26,234
Economic & physical development	324,057
Human services	1,233,747
Culture and recreation	<u>71,836</u>
Total depreciation expense	<u>\$ 3,095,456</u>

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities</b>				
<b>Solid Waste Management</b>				
Capital assets, not being depreciated				
Land	\$ 6,573,282	\$ 7,375	\$ -	\$ 6,580,657
Construction in progress	<u>7,627,733</u>	<u>1,356,284</u>	<u>(7,059,156)</u>	<u>1,924,861</u>
Total capital assets, not being depreciated	<u>14,201,015</u>	<u>1,363,659</u>	<u>(7,059,156)</u>	<u>8,505,518</u>
Capital assets, being depreciated				
Buildings	765,861	-	-	765,861
Other improvements	16,903,977	7,080,435	-	23,984,412
Equipment and vehicles	<u>8,846,428</u>	<u>2,641</u>	-	<u>8,849,069</u>
Total capital assets, being depreciated	<u>26,516,266</u>	<u>7,083,076</u>	-	<u>33,599,342</u>
Less accumulated depreciation for				
Buildings	(119,215)	(15,491)	-	(134,706)
Other improvements	(10,136,830)	(157,039)	-	(10,293,869)
Equipment and vehicles	<u>(6,499,635)</u>	<u>(542,620)</u>	-	<u>(7,042,255)</u>
Total accumulated depreciation	<u>(16,755,680)</u>	<u>(715,150)</u>	-	<u>(17,470,830)</u>
Total capital assets, being depreciated, net	<u>9,760,586</u>	<u>6,367,926</u>	-	<u>16,128,512</u>
Business-type activities capital assets, net	<u>\$ 23,961,601</u>	<u>\$ 7,731,585</u>	<u>\$ (7,059,156)</u>	<u>\$ 24,634,030</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Water &amp; Sewer</b>				
Capital assets, not being depreciated				
Land	\$ 535,207	\$ 108,075	\$ (400)	\$ 642,882
Construction in progress	17,807,097	4,011,724	(2,733,751)	19,085,070
Total capital assets, not being depreciated	18,342,304	4,119,799	(2,734,151)	19,727,952
Capital assets, being depreciated				
Buildings	-	-	-	-
Other improvements	6,495,017	2,771,854	-	9,266,871
Equipment and vehicles	-	-	-	-
Total capital assets, being depreciated	6,495,017	2,771,854	-	9,266,871
Less accumulated depreciation for				
Buildings	-	-	-	-
Other improvements	(1,212,722)	(156,229)	-	(1,368,951)
Equipment and vehicles	-	-	-	-
Total accumulated depreciation	(1,212,722)	(156,229)	-	(1,368,951)
Total capital assets, being depreciated, net	5,282,295	2,615,625	-	7,897,920
Business-type activities capital assets, net	\$ 23,624,599	\$ 6,735,424	\$ (2,734,151)	\$ 27,625,872

**Construction Commitments**

The County has active construction and other capital projects as of June 30, 2010. The government's commitments with contractors and vendors is composed of numerous projects within the following funds:

	<b>Project Authorization</b>	<b>Expended to June 30, 2010</b>	<b>Committed</b>	<b>Future Financing</b>
<b>Governmental activities</b>				
General Capital Projects	\$ 66,524,088	\$ 28,266,576	38,257,512	None
Schools Capital Projects	19,033,186	12,696,630	6,336,556	None
School Construction	91,771,445	58,533,446	33,237,999	None
Total governmental activities	\$ 177,328,719	\$ 99,496,652	\$ 77,832,067	
<b>Business-type activities</b>				
Water and Sewer Fund	\$ 43,922,731	\$ 14,743,210	\$ 29,179,521	Required Future Financing

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

Invested in capital assets, net of related debt for June 30, 2010 was calculated as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 81,532,112	\$ 52,259,902
Total Debt, gross	(110,470,167)	(6,532,188)
Add: Debt not related to Capital assets		
School debt for which County does not hold title	97,210,650	-
Unexpended proceeds	-	449,838
Total related debt	<u>(13,259,517)</u>	<u>(6,082,350)</u>
Invested in Capital Assets, net of related debt	<u>\$ 68,272,595</u>	<u>\$ 46,177,552</u>

**B. Liabilities**

**Payables**

Payables at the government-wide level at June 30, 2010 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities</b>				
General	\$ 2,900,820	\$ 2,330,387	\$ 1,198,231	\$ 6,429,438
General Capital Projects	108,286	-	-	108,286
School Capital Projects	315,242	-	-	315,242
Non-major Funds	1,384,675	46,585	682	1,431,942
Total governmental activities	<u>\$ 4,709,023</u>	<u>\$ 2,376,972</u>	<u>\$ 1,198,913</u>	<u>\$ 8,284,908</u>
<b>Business-type Activities</b>				
Solid Waste Management	\$ 754,884	\$ 151,260	\$ 5,262	\$ 911,406
Water and Sewer	378,987	3,543	19,117	401,647
Total business-type activities	<u>\$ 1,133,871</u>	<u>\$ 154,803</u>	<u>\$ 24,379</u>	<u>\$ 1,313,053</u>

**Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

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

**Funding Policy.** Covered employees are required by state statute to contribute six percent of their annual covered salary to LGERS. The County is required by the same statute to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers are 4.88% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of Catawba County are established and may be amended by the North Carolina General Assembly. The County's contribution to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$2,218,768, 2,211,738 and \$2,229,221, 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, 2010

**NOTE 4. 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, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>134</u>
	<u>144</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, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. The inflation component was 3.75%. The assumptions do not include postretirement benefit increases. The actuarial value of assets was market value. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2008 was 22 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	\$ 141,973
Interest on net pension obligation	39,733
Adjustment to annual required contribution	<u>(34,523)</u>
Annual pension cost	\$ 147,183
Contributions made	<u>81,749</u>
Increase (decrease) in net pension obligation	\$ 65,434
Net pension obligation beginning of year	<u>548,041</u>
Net pension obligation end of year	<u>\$ 613,475</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

**3 Year Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	115,452	83.70	528,099
6/30/2009	129,251	84.57	548,041
6/30/2010	147,183	55.54	613,475

**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 the unfunded actuarial accrued liability (UAAL) was \$1,482,425. The covered payroll (annual payroll of active employees covered by the plan) was \$5,311,352, and the ratio of the UAAL to the covered payroll was 27.91%.

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, 2010 were \$370,475 which consisted of \$265,991 from the County and \$104,484 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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

of G.S. 151. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the year ended June 30, 2010, the County's required and actual contributions were \$11,975.

**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, 2007, the date of the latest actuarial valuation:

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

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 2.21% of annual covered payroll. For the current year, the County contributed \$213,496 or .5% of annual covered payroll. The County has a limited self-insurance plan covering health care coverage, and has a stop loss policy with private insurers.

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

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

Annual required contribution	\$ 1,013,872
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
<b>Annual OPEB cost (expense)</b>	<b>1,013,872</b>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

Contributions made	(213,496)
Increase (decrease) in net OPEB obligation	800,376
Net OPEB obligation, beginning of year	2,450,715
Net OPEB obligation, end of year	<u>\$ 3,251,091</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>For the Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB 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

**Funded Status and Funding Progress.** As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$9,826,953. The covered payroll (annual payroll of active employees covered by the plan) was \$45,934,924, and the ratio of the UAAL to the covered payroll was 21.4 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, 2007 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 11.00 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, 2007, was 30 years.

**Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership services in LGERS at the time of death are eligible for death benefits. Lump sum death benefits

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

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, 2010, the County made contributions to the State for death benefits of \$40,226. 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 \$8,040,255 reported as landfill closure and postclosure care liability as of June 30, 2010 represents a cumulative amount reported to date based on the use of 60% of the total estimated capacity of the material solid waste operating cell and 51% 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 \$8,645,913 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2010. The County expects to close the current material solid waste operating cell at the Blackburn facility in 2019 and the construction and demolition operating cell in 2019. 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
<b>Governmental Activities</b>	<b>General Fund</b>	<b>Special Revenue</b>	
Taxes receivable (net)	\$ 3,667,554	\$ 173,310	\$ -
Ambulance receivable (net)	874,155	-	-
Business license receivable (net)	6,485	-	-
Human resource receivable (net)	1,168,469	-	-
Prepaid taxes not yet earned	274,748	-	274,748
Prepaid licenses and other	15,102	-	15,102
Unamortized debt premium	-	-	2,263,705
Other unearned revenues	112,869	16,823	129,692
	\$ 6,119,382	\$ 190,133	\$ 2,683,247

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010**

**NOTE 4. 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>2010</u>	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning	\$ 667,389	\$ 887,351	\$ 730,282
Incurred claims	6,679,769	5,651,413	4,707,625
Claim payments	6,911,143	5,871,375	4,550,556
Unpaid claims, ending	<u>\$ 436,015</u>	<u>\$ 667,389</u>	<u>\$ 887,351</u>

**Contingent Liabilities**

At June 30, 2010, 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, 2010, total lease expenditures reached \$284,569.

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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

<u>Year Ending</u>	<u>Amount</u>
2011	\$ 283,182
2012	268,062
2013	265,991
2014	262,019
	<u>\$ 1,079,254</u>

**Governmental Activities  
Installment Purchases**

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement for the purpose of providing funds up to \$9,900,000 to pay a portion of the cost of constructing and equipping a public middle school for Hickory City Schools. The installment purchase was executed on September 15, 2003 pursuant to a deed of trust that requires legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Board of Education of the Hickory Administrative School Unit ("Board of Education") that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The transaction requires fifteen principal payments by the County of \$660,000 and thirty semi-annual interest payments at an interest rate of 3.54%. For Catawba County, the future minimum payments as of June 30, 2010, including \$947,746 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2011	660,000	198,690
2012	660,000	175,774
2013	660,000	151,962
2014	660,000	128,598
2015	660,000	105,234
2016-2019	2,640,000	187,488
Total principal payments	<u>\$ 5,940,000</u>	
Total interest payments		<u>\$ 947,746</u>

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

The transaction requires thirty semi-annual principal payments by the County of \$306,667 and thirty semi-annual interest payments at an interest rate of 4.19%. For Catawba County, the future minimum payments as of June 30, 2010, including \$1,625,441 of interest are:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 613,333	276,261
2012	613,333	250,562
2013	613,333	224,863
2014	613,333	199,165
2015	613,333	173,466
2016-2020	3,066,669	481,850
2021	613,333	19,274
Total principal payments	<u>\$ 6,746,667</u>	
Total interest payments		<u>\$ 1,625,441</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, 2010, including \$20,418 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2011	343,736	16,975
2012	179,730	3,443
Total principal payments	<u>\$ 523,466</u>	
Total interest payments		<u>\$ 20,418</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, 2010, including \$7,536,900 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2011	1,080,350	803,483
2012	1,080,350	758,217
2013	1,080,350	712,950
2014	1,080,350	667,683
2015	1,080,350	622,417
2016-2020	5,401,750	2,433,083

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

2021-2025	5,401,750	1,301,417
2026-2028	<u>3,241,050</u>	<u>237,650</u>
Total principal payments	\$ <u>19,446,300</u>	
Total interest payments		\$ <u>7,536,900</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, 2010 including interest are:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	<u>327,067</u>	189,813
2012	327,067	175,488
2013	327,067	161,162
2014	327,067	146,837
2015	327,067	132,511
2016-2020	1,635,332	447,672
2021-2023	<u>1,144,733</u>	100,279
Total principal payments	\$ <u>4,415,400</u>	
Total interest payments		\$ <u>1,353,762</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, 2010, including interest are:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	<u>1,116,667</u>	571,175
2012	1,116,667	529,635
2013	1,116,667	488,095
2014	1,116,667	446,555

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

2015	1,116,667	405,015
2016-2020	5,583,332	1,401,975
2021-2024	4,466,666	373,860
Total principal payments	<u>\$ 15,633,333</u>	
Total interest payments		<u>\$ 4,216,310</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, 2010 are:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	50,000	-
2012	50,000	-
2013	50,000	-
2014	50,000	-
2015	50,000	-
2016-2020	250,000	-
2021-2022	100,000	-
<b>Total</b>	<u><u>\$ 600,000</u></u>	<u><u>\$ -</u></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, 2010, including \$9,853,075 of interest, are as follows:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	1,805,000	1,296,500
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
2016-2020	9,005,000	3,307,762
2021-2024	7,200,000	945,000
Total principal payments	<u><u>\$ 25,230,000</u></u>	
Total interest payments		<u><u>\$ 9,853,075</u></u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. 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, 2010, including \$5,698,125 of interest, are as follows:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2011	975,000	681,750
2012	975,000	643,500
2013	975,000	604,500
2014	975,000	555,750
2015	975,000	516,750
2016-2020	4,875,000	1,962,187
2021-2025	4,875,000	733,688
Total principal payments	<u>\$ 14,625,000</u>	
Total interest payments		<u>\$ 5,698,125</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, 2010 are comprised of the following individual issues:

Serviced by the County's General Fund:

<p><b>\$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 %</b></p>	<p><b>\$ 2,375,000</b></p>				
<p><b>\$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%</b></p>	<p><b>5,250,000</b></p>				
<p><b>\$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%</b></p>	<table border="0"> <tr> <td style="padding-right: 20px;">Schools</td> <td style="text-align: right;">1,976,000</td> </tr> <tr> <td>Community College</td> <td style="text-align: right;">494,000</td> </tr> </table>	Schools	1,976,000	Community College	494,000
Schools	1,976,000				
Community College	494,000				
<p><b>\$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%</b></p>	<table border="0"> <tr> <td style="padding-right: 20px;">Schools</td> <td style="text-align: right;">6,929,286</td> </tr> <tr> <td>Community College</td> <td style="text-align: right;">285,714</td> </tr> </table>	Schools	6,929,286	Community College	285,714
Schools	6,929,286				
Community College	285,714				
<p><b>Total</b></p>	<p><b><u>\$ 17,310,000</u></b></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, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	5,200,000	729,769
2012	4,395,000	523,106
2013	4,390,000	344,006
2014	2,565,000	138,106
2015	760,000	28,500
<b>Total</b>	<b>\$ 17,310,000</b>	<b>\$ 1,763,487</b>

At June 30, 2010, Catawba County had \$6,970,000 of authorized but unissued bonds and had a legal debt margin of \$1,084,098,026.

**General Obligation Refunding Bonds**

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

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

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

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

\$3,680,000 School Bonds, Series 2000, dated 6/1/2000, and stated to mature in installments on June 1 in the years 2006-2015. These bonds were called June 1, 2010.

There were no 2005 Refunding Bonds outstanding at June 30, 2010.

**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, 2010 including \$2,835,105 of interest are:

	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2011	249,291	271,114
2012	259,845	260,560
2013	270,847	249,558
2014	282,314	238,091
2015	294,267	226,138
2016-2020	1,669,111	932,915

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

2021-2025	2,053,667	548,359
2026-2028	<u>1,452,846</u>	<u>108,370</u>
Total principal payments	<u>\$ 6,532,188</u>	
Total interest payments		<u>\$ 2,835,105</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, 2010 were \$2 million.

**Catawba Valley Medical Center**

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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

Total 1999 Hospital Refunding Bonds outstanding at June 30, 2010 were \$14,015,000.

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 1.65%. Payments of principal begin October 1, 2018 and continue through October 1, 2039.

**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, 2010:

	<b>Balance June 30, 2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2010</b>	<b>Current Portion of Balance</b>
<b>Governmental activities</b>					
General obligation debt	\$ 23,765,000	\$ -	\$ (6,455,000)	\$ 17,310,000	\$ 5,200,000
Certificates of participation	42,645,000	-	(2,790,000)	39,855,000	2,780,000
Installment purchase	56,831,959	-	(4,126,793)	52,705,166	4,141,153
Qualified Zone Academy Bond	650,000	-	(50,000)	600,000	50,000
Compensated absences	3,862,715	2,862,232	(2,794,179)	3,930,768	2,795,000
Net pension obligation	548,041	147,183	(81,749)	613,475	81,000
Net OPEB obligation	2,388,141	988,721	(213,496)	3,163,366	213,000
<b>Total governmental activities</b>	<b>\$ 130,690,856</b>	<b>\$ 3,998,136</b>	<b>\$ (16,511,217)</b>	<b>\$ 118,177,775</b>	<b>\$ 15,260,153</b>
<b>Business-type activities</b>					
Installment purchase	\$ 6,771,353	\$ -	\$ (239,165)	\$ 6,532,188	249,291
Accrued landfill closure and postclosure costs	7,091,038	949,217	-	8,040,255	200,294
Compensated absences	117,188	70,575	(71,838)	115,925	72,000
Net OPEB obligation	62,574	25,151	-	87,725	-
<b>Total business-type activities</b>	<b>\$ 14,042,153</b>	<b>\$ 1,044,943</b>	<b>\$ (311,003)</b>	<b>\$ 14,776,093</b>	<b>\$ 521,585</b>

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 \$2,795,000 for governmental activities and \$72,000 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, 2010, according to information furnished by the Economic Development Commission, there were eight series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$9.7 million.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)**

**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**

Transfers to/from other funds at June 30, 2010, 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	10,341
From the General fund to the Reappraisal fund to accumulate resources for the four year cycle revaluation of real property	439,680
From the General fund to the General Capital Reserve fund to accumulate resources for future economic development projects	300,000
From the General fund to the Rescue Squads fund for the first responder program and to supplement other funding sources	1,034,362
From the General fund to the Water & Sewer fund for the installation of waterlines to supply adequate water to various County locations	<u>3,700,000</u>
Subtotal General Fund	<u><u>5,484,383</u></u>

**Schools Capital Fund**

From the Schools Capital Projects fund to the General Fund to supplement funds for debt service	<u>2,524,631</u>
Subtotal School Capital Fund	<u><u>2,524,631</u></u>

**Other Governmental Funds**

From the General Capital Reserve fund to the General fund to supplement funds for economic development projects	<u>86,288</u>
Subtotal Other Governmental Funds	<u><u>86,288</u></u>

Total transfers to other funds \$ 8,095,302

**NOTE 5. RELATED ORGANIZATION**

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

## **CATAWBA COUNTY, NORTH CAROLINA**

### **Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010**

#### **NOTE 6. JOINT VENTURES**

The County, in conjunction with the State of North Carolina and the Catawba County, Newton-Conover and Hickory Boards of Education, participate in a joint venture to operate the Catawba Valley Community College. The State of North Carolina, Catawba County, and the Boards of Education each appoint four members of the thirteen-member board of trustees of the community college. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County has periodically issued general obligation bonds and installment purchase obligations to provide financing for new and restructured facilities. General obligation debt of \$779,714 and installment purchase obligations of \$8,870,612 are outstanding at June 30, 2010. 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 \$3,332,000 and \$2,921,124 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2010. In addition, the County made debt service payments of \$463,655 during the fiscal year on general obligation bonds and debt service payments of \$1,048,843 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, 2010. 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 \$25,500 to the Lake Norman Marine Commission for operating expenses during the fiscal year ended June 30, 2010. 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 \$1,333,074 at June 30, 2010. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

#### **NOTE 7. JOINTLY GOVERNED ORGANIZATION**

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$40,816 to the Council during the fiscal year ended June 30, 2010.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 8. BENEFIT PAYMENTS ISSUED BY THE STATE**

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

	<u>Federal</u>	<u>State</u>
Medical assistance	\$ 110,337,041	\$ 37,888,200
Temporary assistance for needy families	634,248	(155)
Low-income energy assistance	1,085,642	-
Aid the aged and disabled	-	1,226,603
Adoptive services	-	1,315,336
WIC	3,153,008	-
	<u>\$ 115,209,939</u>	<u>\$ 40,429,984</u>

**NOTE 9. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Federal and State Assisted Programs**

The County has received proceeds from various Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Based upon prior experience, management believes such disallowances, if any, will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**NOTE 10. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

In September, 2010 Catawba County entered into a \$30.2 million financing agreement for the construction of a new middle school, renovations to a middle school, high school and community college. This financing includes \$8.7 million in Build America Bonds and \$21.5 million in Qualified School Construction Bonds.

## **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, 2005 to 2010**

<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>
12/31/2004	0	1,138,936	1,138,936	0.00%	3,835,301	29.70%
12/31/2005	0	1,013,767	1,013,767	0.00%	3,953,071	25.65%
12/31/2006	0	922,560	922,560	0.00%	4,102,106	22.49%
12/31/2007	0	999,815	999,815	0.00%	4,756,519	21.02%
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%

**CATAWBA COUNTY, NORTH CAROLINA**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**For Fiscal Years Ended June 30, 2005 to 2010**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2005	111,448	119.46
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

**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 2010**

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Health Care Benefit - Pay As You Go**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**  
**For Fiscal Years Ended June 30, 2008 to 2010**

<u>Year Ended June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2008	1,882,841	11.16
2009	1,013,872	23.27
2010	1,013,872	21.06

**Notes to the Required Schedules:**

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

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - 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)*	11.00 - 5.00%
Year of ultimate trend rate	2016
*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.

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>REVENUES</b>				
<b>Ad Valorem Taxes</b>				
Current year	\$ 77,877,521	\$ 77,707,260		
Prior year	1,310,000	1,987,419		
Penalties and interest	235,000	502,857		
Tax leased vehicles	53,410	76,837		
Total ad valorem taxes	<u>79,475,931</u>	<u>80,274,373</u>	<u>798,442</u>	<u>80,440,854</u>
<b>Other Taxes</b>				
<b>Local Option Sales Taxes</b>				
Article 39 - one percent	9,882,743	10,131,238		
Article 40 - one half of one percent	5,515,144	5,562,788		
Article 42 - one half of one percent	2,203,800	2,434,653		
Article 44 - one half of one percent	528,894	536,159		
Article 46 - one quarter of one percent	1,961,500	1,955,147		
Subtotal local option sales taxes	<u>20,092,081</u>	<u>20,619,985</u>	<u>527,904</u>	<u>26,268,074</u>
<b>Other Taxes and Licenses</b>				
Real estate excise stamps	400,000	358,797		
ABC 5 cents per bottle	45,000	48,118		
Privilege licenses	24,000	22,765		
Subtotal other taxes and licenses	<u>469,000</u>	<u>429,680</u>	<u>(39,320)</u>	<u>521,540</u>
Total other taxes	<u>20,561,081</u>	<u>21,049,665</u>	<u>488,584</u>	<u>26,789,614</u>
<b>Unrestricted Intergovernmental Revenues</b>				
Beer & Wine Tax	115,000	117,869		
Video Programming fees	628,000	715,586		
Catawba County ABC profit distribution	863,000	1,045,000		
Total unrestricted intergovernmental revenues	<u>1,606,000</u>	<u>1,878,455</u>	<u>272,455</u>	<u>2,127,081</u>
<b>Restricted Intergovernmental Revenues</b>				
<b>State of North Carolina</b>				
Mental Health Services				
Criminal justice partnership program	122,789	126,522		
Social Services				
American recovery and reinvestment act (ARRA) funds	951,191	1,204,734		
ARRA - Adoptions	-	51,739		
ARRA - Foster Care	-	34,378		
Rural general public funds	111,024	122,238		
Office Juvenile Justice Corner house	225,996	226,837		
Smart Start	2,019,799	1,795,799		
Share the warmth grant	2,000	6,769		
Child boarding home funds	368,500	230,367		
State administrative aid	69,160	-		
Special permanency planning	9,884	23,230		
Community alternatives state in-home	40,116	40,120		
Fingerprinting criminal history	250	-		
Family finders grant	65,000	95,917		
Medicaid expansion	31,742	35,980		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Foster care visitation	3,493	7,948		
Child boarding home funds therapeutic	2,000	1,211		
Adult day care	129,000	148,590		
Adult services	46,900	39,454		
Elderly handicapped transportation	124,953	127,224		
State maintenance of effort	527,042	-		
Child Protective Services	253,234	216,217		
Community transportation grant	30,000	29,610		
Aid to blind equalization	75	104		
<b>Public Health</b>				
Accreditation revenue	-	5,000		
Smart Start	228,755	219,588		
School based health center	48,510	36,731		
School nurse initiative	200,000	174,499		
Health partners grant	18,000	7,674		
Immunization program	34,122	34,122		
Improving immunization capacity	7,000	6,822		
Communicable diseases	8,197	8,197		
Communicable diseases -aid to counties	12,500	12,500		
Healthy people 2020	500	600		
Smoke free law	4,145	4,145		
Child health	85,793	85,793		
Child service coordination	2,189	1,947		
Child fatality prevention	1,250	1,250		
Childhood lead prevention	4,500	-		
Health aid to counties	187,841	184,531		
Maternal health	115,982	61,869		
Health promotion	23,552	23,552		
H1N1 flu vaccine funds	15,000	15,000		
Breast cancer grant	49,470	71,909		
North Carolina health and wellness grant	93,908	69,230		
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	34,731		
Public school building capital lottery funds	1,500,000	1,500,000		
<b>Juvenile Justice &amp; Delinquency Prevention</b>				
Project challenge	48,212	48,212		
Catawba parenting network	23,734	23,734		
Juvenile crime prevention planning	14,250	14,251		
Juvenile crime prevention commission	20,000	-		
Peace pipeline conflict resolution	19,332	19,332		
North Carolina agriculture cost share	25,835	26,390		
North Carolina agriculture development	5,750	4,239		
Court facility fees	185,000	166,729		
District court fees	65,000	66,962		
State Aid - Library	151,186	156,521		
Emergency medical services for quality assurance grant	-	5,106		
Safe roads act	15,000	12,981		
Emergency services homeland security grants	157,671	235,037		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Citizens corp grant	12,363	-		
Library services and technology grant	82,732	80,113		
Library summer reading grant	-	2,500		
Soil and water conservation grant	4,000	4,000		
Subtotal state revenue	<u>8,672,353</u>	<u>8,036,711</u>	<u>(635,642)</u>	<u>7,593,228</u>
<b>Federal</b>				
<b>Social Services</b>				
Permanency planning	44,395	34,291		
Energy assistance administration	129,865	124,819		
Employment and training	14,000	1,642		
Medical transportation administration	841,019	1,019,686		
Temporary assistance for needy family-domestic violence	30,000	29,202		
Temporary assistance for needy family-subsidized employment	71,250	114,038		
Social Security Payments	83,500	126,470		
US Department of Agriculture supplemental funds	3,350	1,992		
Supplemental meals	1,340	4,579		
Community alternatives program chore	901,500	192,986		
Chore Level II	152,461	167,391		
Chore Level III	141,538	126,807		
In-home aid on site Social Security block grant	66,082	7,883		
IV-D administration	1,093,104	781,968		
IV-E board	92,000	54,128		
IV-E administration	985,104	953,372		
Independent living administration	32,725	42,924		
Links-independent living trust fund	40,000	33,151		
In-home case management Social Security block grant	-	3,190		
Case management at risk	137,500	208,464		
Work First block grant	1,360,148	2,176,263		
Food stamp fraud administration	49,193	56,823		
Food stamp administration	694,341	700,446		
FNS Recovery	-	63,844		
SNAP Federal defense bill	32,904	-		
Medicaid administration	1,453,520	1,359,458		
Adult day health	16,099	18,282		
IV-A Child care	219,286	306,201		
Title III Nutrition	118,860	127,475		
US Department of Agriculture nutrition	24,500	22,186		
US Department of Agriculture home delivered meals	34,650	33,102		
Home delivered meals	180,450	180,263		
Community assistance home delivered meals	11,800	10,947		
Community services block grant	214,266	229,729		
Crisis intervention	800,000	750,187		
Intensive family preservation restore families	50,104	-		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Public Health				
Bioterrorism grants	65,749	70,709		
H1N1 flu funds	205,360	228,942		
School based flu funds	32,800	32,767		
Title X	129,800	98,359		
Help America Vote Grant	11,322	11,322		
Juvenile Crime Prevention - Gang assessment	54,500	36,519		
Federal inmate transport	5,000	38,893		
Sex Crime Investigation Grant	57,333	-		
Secure our schools grant		82,715		
Justice Assistance Grant	16,403	16,403		
Local law enforcement block grant	67,495	46,720		
Bullet proof vests grant	-	1,562		
Governor Crime Commission DV Unit Grant	136,202	125,715		
State criminal alien assistance program	31,745	31,745		
Homeland security exercise grant	35,000	-		
Emergency management planning grant	20,000	47,192		
Homeland security resource database grant	39,000	-		
Homeland security transfer switches grant	200,000	-		
Assistance to firefighters grant	32,000	27,994		
Assistant secretary for preparedness and response grant	6,000	2,944		
Subtotal federal revenue	<u>11,266,563</u>	<u>10,964,690</u>	<u>(301,873)</u>	<u>10,534,420</u>
<b>State of North Carolina and Federal</b>				
Social Services				
Social Services block grant	491,858	551,632		
Temporary assistance for needy families social security block grant	60,191	59,417		
Aid to families with dependent children	40,139	3,145		
Child day care purchase of care	5,532,959	5,472,881		
Aid to families with dependent children-foster care	698,000	854,731		
IV-E foster care therapeutic	15,000	5,908		
Temporary assistance for needy families foster care	24,000	2,205		
Adoption assistance non-recurring	50,000	19,385		
Adoption assistance medical	300,000	177,809		
Special children adoption fund	50,000	45,000		
IV-E/Child protective services	1,205,726	976,302		
Family preservation	58,444	108,548		
High risk intervention	684,000	739,226		
Title III Adult day care	82,433	68,193		
IV-D Aid to families with dependent children	42,000	35,082		
IV-D Child support - non AFDC	36,500	44,800		
IV-D Incentives	302,156	341,526		
Medicaid waiver-case management	404,510	418,118		
Community alternative program medical equipment and supplies	142,000	121,329		
Adult care home case management	75,447	75,098		
State adult specialist fund	44,427	46,537		
North Carolina Health Choice	73,137	60,262		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Public Health				
Women Infants Children funds	768,818	754,819		
IV-D Civil papers	74,966	95,298		
Legal services	-	34		
Medicaid-emergency medical services transports	420,000	572,447		
Subtotal state and federal revenue	<u>11,676,711</u>	<u>11,649,732</u>	<u>(26,979)</u>	<u>11,524,612</u>
<b>Fines &amp; Forfeitures</b>	<u>1,253,886</u>	<u>892,179</u>	<u>(361,707)</u>	<u>994,015</u>
<b>Other grants</b>				
Social Services				
Training services	500	-		
Rising Stars summer enrichment	15,000	10,416		
Community corrections contractual	290,000	182,162		
Confidential intermediary	1,000	700		
Hickory Housing Authority	5,500	-		
Adult day care - local	7,344	7,519		
Duke Endowment grant	351,044	391,258		
Medicaid contract local managing entity	5,940	15,538		
Child mental health local managing entity	185,868	65,860		
Other state revenue local managing entity	60,318	13,430		
Comprehensive treatment services program local managing entity	95,740	222,335		
Mental Health contract local managing entity	374,500	539,501		
Federal substance abuse local managing entity	23,000	29,413		
Medicaid direct billing	1,912,735	1,616,784		
Medicaid community support	489,028	86,475		
Catawba Valley Medical Center	80,061	78,721		
Catawba County Schools	53,153	-		
Hickory Public Schools	117,605	145,837		
United Fund emergency grant	27,323	-		
Public Health				
Catawba Valley Medical Center	454,176	439,846		
Catawba County Schools	160,621	145,705		
Newton-Conover City Schools	32,817	33,566		
Hickory Public Schools	63,637	33,368		
Municipalities				
City Of Newton	41,516	41,312		
Town Of Maiden	4,435	4,329		
City Of Conover	42,550	43,404		
City Of Hickory	19,695	19,213		
City Of Claremont	20,832	21,298		
Town Of Longview	887	866		
Sex crimes investigation	-	65,605		
Transport mental health patients	13,000	5,465		
Mental health partners contracts	120,043	120,593		
Social services local funds	18,910	18,910		
Community Schools-Cooperative Extension	14,166	14,166		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Lawn and mowing services	2,226	1,895		
Hospice	20,000	78,772		
Supervisor training	-	7,250		
Voice over internet protocol revenue	214,545	223,438		
Four-H Grant	13,495	13,495		
Tourism development authority	72,869	72,869		
Western Piedmont COG technology services	22,980	21,065		
Catawba Valley Behavioral Healthcare technical support	58,800	61,240		
Catawba Valley Behavioral Healthcare rent	15,780	-		
Catawba Valley Community College - deputy reimbursement	144,500	127,809		
Catawba County Schools-deputy reimbursement	449,033	447,542		
Personnel indirect cost	1,269,808	1,269,808		
Subtotal other grants	<u>7,386,980</u>	<u>6,738,778</u>	<u>(648,202)</u>	<u>6,973,225</u>
Total restricted intergovernmental revenues	<u>40,256,493</u>	<u>38,282,090</u>	<u>(1,974,403)</u>	<u>37,619,500</u>
<b>Licenses, Permits and Fees</b>				
Marriage licenses	13,790	24,459		
Recording of legal instruments	443,250	476,289		
Uniform commercial code filing	12,084	10,817		
Gun permits	12,350	14,135		
Surrendered weapon storage fee	800	495		
Noise amplification permit	100	920		
Concealed weapon fees	18,850	47,959		
Public fingerprint fees	13,400	8,660		
Precious metals dealer fees	-	730		
Electronic house arrest fees	5,000	1,660		
Vehicle storage fees	200	30		
Building permits	1,516,038	1,622,664		
Building services after hours inspections	-	1,260		
Minor sub-division plat review	3,250	2,470		
Express plan review fee	-	8,750		
Plan review fees	4,780	4,290		
Storm water and erosion control	40,000	26,200		
Plat review fees	5,638	1,855		
Performance guarantees	520	270		
Telecommunications tower fees	89,500	2,500		
Zoning permits	6,625	14,425		
Accessory permit fees	2,750	1,900		
Sign permits	1,000	950		
Homeowners recovery fund	-	356		
Park fees and permits	6,000	6,626		
Environmental health fees	326,240	233,956		
Election filing fees	150	6,877		
Fire inspection fees	6,100	7,168		
Animal control fines and citations	2,000	2,805		
Immunizations	1,500	13,060		
Training fees	500	625		
Total licenses, permits, fees	<u>2,532,415</u>	<u>2,545,161</u>	<u>12,746</u>	<u>2,224,220</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Sales and Services</b>				
Social Services				
Patient fees	35,000	13,050		
Insurance reimbursements	234,657	206,997		
State in-home fees	100	500		
Home study fees	-	700		
IV-D application fees	23,750	20,218		
Level II and III chore fees	700	2,081		
Title III adult day care fees	500	176		
Community alternatives program chore fee	10,807	2,451		
Trust account fees	5,000	4,325		
Adoption fees	7,500	1,463		
North Carolina health choice premiums	44,000	45,056		
IV-D blood test fees	1,300	624		
Access care	20,460	20,796		
Local support general assistance	15,000	14,933		
Public Health				
Patient fees	212,390	197,165		
Home health/third party reimbursements	3,367,110	3,349,566		
Pregnancy fees	8,500	4,554		
Clinic fees	200,000	177,262		
Child health fees	5,000	3,484		
Adult health fees	1,588	1,853		
Medicaid health check fees	35,073	19,163		
Medicaid management fees	14,000	10,783		
Obstetrics services	500,000	504,462		
Medicaid escrow	59,722	59,722		
Medicaid earned	41,500	33,246		
Medicaid earned maternity care coordinator	230,511	205,060		
Medicaid maximization maternity care coordinat	-	22,690		
Medicaid earned maternal health	602,114	529,651		
Medicaid escrow maternal health	81,013	166,000		
Medicaid earned postpartum maternity	12,500	4,708		
Medicaid earned postpartum newborn	23,000	8,520		
Medicaid earned child service coordination	251,782	208,609		
Medicaid maximization child service coordinator	-	49,398		
Medicaid earned child health	20,000	37,279		
Medicaid escrow child health	312,027	284,000		
Medicaid earned dental	300,186	390,346		
Medicaid earned adult health	44,000	52,560		
Medicaid escrow adult health	38,370	13,000		
Medicaid earned women's preventative health	256,050	291,512		
Medicaid escrow women's preventative health	111,000	138,000		
Medicaid earned enhanced nutrition	12,500	4,021		
Medicaid escrow sonogram	132,516	126,279		
Social services/public health contract services	10,000	10,128		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Municipalities</b>				
Tax billing/collection	177,670	151,834		
Data processing	500	691		
Election fees	127,545	79,149		
Animal shelter	173,863	126,922		
Fire inspections	30,371	30,374		
Tax fees and charges	18,000	44,028		
Motor vehicle tax-collection fee	37,855	34,220		
Leased vehicle tax - collection fee	765	1,066		
Sale of maps and publications	12,650	5,770		
Advertising fees for renaming streets	350	3,050		
Check processing fees	5,200	6,362		
Transport fees district confinement facility	54,408	13,602		
Garage services	8,000	7,980		
Sheriff service of process	200,000	210,891		
Project lifesavers	2,600	3,750		
Inmate services	38,830	125,517		
Ambulance services	4,637,156	4,791,393		
Animal services	100,400	76,871		
Planning department ordinance	100	-		
Zoning amendments	8,640	720		
Board of adjustment charges	5,100	850		
Clinic fees	4,000	3,938		
Library rental fees	38,100	52,607		
Copy and print charges	37,382	33,988		
Total sales and services	<u>13,000,711</u>	<u>13,041,964</u>	<u>41,253</u>	<u>12,936,583</u>
<b>Investment Earnings</b>				
Interest On Investments	<u>707,788</u>	<u>1,005,537</u>	<u>297,749</u>	<u>2,053,754</u>
<b>Miscellaneous</b>				
<b>Social Services</b>				
North Carolina Association of Residential Child				
Facilities Services	500	2,800		
Restitution funds	3,175	1,320		
Fraud services	64,075	53,560		
Nutrition meals project income	54,000	28,947		
Donations	50,000	46,858		
Miscellaneous	6,900	1,336		
<b>Public Health</b>				
Kids in Need	36,200	45,078		
Cardio pulmonary resuscitation training	7,836	195		
Donations	350	-		
Susan G. Komen grant	31,000	42,500		
Miscellaneous	3,550	1,506		
Badge revenue	-	750		
Rents & Royalties	112,574	109,522		
Cell tower lease payments	19,669	19,718		
Cable lease payment	1,176	1,176		

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Park souvenir sales	300	-		
Concessions	50,000	58,579		
Commissary	25,000	20,772		
Sale of surplus properties		63,217		
Insurance settlements	48,000	121,467		
Drug reimbursement	3,000	159		
Excise tax administrative cost	10,000	7,176		
Donations	16,400	22,188		
Leadership grant	5,150	-		
Emergency management/Duke Power grant	36,010	36,010		
Hazmat revenue	16,000	24,082		
Carolina Thread Trail	60,000	62,140		
Short term disability premiums	80,000	82,091		
Group health and dental premiums	1,630,000	1,867,504		
Miscellaneous revenue	205,500	284,948		
Total miscellaneous	<u>2,576,365</u>	<u>3,005,599</u>	<u>429,234</u>	<u>2,768,825</u>
 Total revenues	 <u>160,716,784</u>	 <u>161,082,844</u>	 <u>366,060</u>	 <u>166,960,431</u>
 <b>EXPENDITURES</b>				
<b>General Government</b>				
<b>Board of Commissioners</b>				
Salaries & employee benefits	4,605	4,605		
Other operating	180,228	152,257		
	<u>184,833</u>	<u>156,862</u>	<u>27,971</u>	<u>162,988</u>
 <b>Administration</b>				
County Manager				
Salaries & employee benefits	862,514	855,627		
Other operating	42,050	44,651		
Non-operating	78,886	-		
	<u>983,450</u>	<u>900,278</u>	<u>83,172</u>	<u>873,483</u>
 Legal Services				
Salaries & employee benefits	317,754	316,714		
Other operating	25,664	21,422		
	<u>343,418</u>	<u>338,136</u>	<u>5,282</u>	<u>324,547</u>
 Budget				
Salaries & employee benefits	205,356	202,786		
Other operating	25,764	6,925		
	<u>231,120</u>	<u>209,711</u>	<u>21,409</u>	<u>223,202</u>
 Total Administration	 <u>1,557,988</u>	 <u>1,448,125</u>	 <u>109,863</u>	 <u>1,421,232</u>
 <b>Tax Administration</b>				
Tax Assessor				
Salaries & employee benefits	827,306	824,249		
Other operating	217,927	146,958		
Non-operating tax refunds	20,000	53		
	<u>1,065,233</u>	<u>971,260</u>	<u>93,973</u>	<u>1,054,755</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Tax Collector				
Salaries & employee benefits	410,434	398,922		
Other operating	132,351	110,862		
	<u>542,785</u>	<u>509,784</u>	<u>33,001</u>	<u>497,361</u>
 Total Tax Administration	 <u>1,608,018</u>	 <u>1,481,044</u>	 <u>126,974</u>	 <u>1,552,116</u>
 <b>Board of Elections</b>				
Salaries & employee benefits	367,698	372,755		
Other operating	194,022	114,034		
	<u>561,720</u>	<u>486,789</u>	<u>74,931</u>	<u>448,376</u>
 <b>Human Resources</b>				
Personnel				
Salaries & employee benefits	533,799	421,937		
Other operating	95,731	52,130		
Non-operating	206,958	-		
	<u>836,488</u>	<u>474,067</u>	<u>362,421</u>	<u>581,610</u>
Recruitment				
Salaries & employee benefits	58,899	59,785		
Other operating	34,800	14,764		
Non-operating	80,900	-		
	<u>174,599</u>	<u>74,549</u>	<u>100,050</u>	<u>77,773</u>
Risk Management				
Salaries & employee benefits	122,108	121,694		
Other operating	27,300	13,760		
	<u>149,408</u>	<u>135,454</u>	<u>13,954</u>	<u>135,430</u>
 Total Human Resources	 <u>1,160,495</u>	 <u>684,070</u>	 <u>476,425</u>	 <u>794,813</u>
 <b>Register of Deeds</b>				
Salaries & employee benefits	504,650	500,095		
Other operating	289,935	250,009		
	<u>794,585</u>	<u>750,104</u>	<u>44,481</u>	<u>865,193</u>
 <b>Finance</b>				
Administration				
Salaries & employee benefits	305,845	302,890		
Other operating	186,600	170,651		
	<u>492,445</u>	<u>473,541</u>	<u>18,904</u>	<u>455,565</u>
Accounting				
Salaries & employee benefits	408,713	406,021		
Other operating	414,535	370,721		
	<u>823,248</u>	<u>776,742</u>	<u>46,506</u>	<u>816,793</u>
Purchasing and Service Center				
Salaries & employee benefits	202,502	201,578		
Other operating	24,666	19,594		
	<u>227,168</u>	<u>221,172</u>	<u>5,996</u>	<u>219,285</u>
 Total Finance	 <u>1,542,861</u>	 <u>1,471,455</u>	 <u>71,406</u>	 <u>1,491,643</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Other General Government Programs</b>				
Government Agencies - Justice Center				
Other operating	10,500	9,773		
	<u>10,500</u>	<u>9,773</u>	<u>727</u>	<u>33,270</u>
Other Government Costs				
Salaries & employee benefits	329,000	25,485		
Other operating	261,322	191,885		
	<u>590,322</u>	<u>217,370</u>	<u>372,952</u>	<u>250,402</u>
Self Insurance				
Wellness	217,200	176,063		
Premiums	1,990,000	3,008,532		
Liability	785,505	742,417		
Workers Compensation	528,630	558,766		
	<u>3,521,335</u>	<u>4,485,778</u>	<u>(964,443)</u>	<u>4,133,752</u>
Total Self Insurance	<u>3,521,335</u>	<u>4,485,778</u>	<u>(964,443)</u>	<u>4,133,752</u>
Total Other General Government Programs	<u>4,122,157</u>	<u>4,712,921</u>	<u>(590,764)</u>	<u>4,417,424</u>
Total General Government	<u>11,532,657</u>	<u>11,191,370</u>	<u>341,287</u>	<u>11,153,785</u>
<b>Public Safety</b>				
<b>Sheriff</b>				
Administration and Law Enforcement				
Salaries & employee benefits	3,035,382	3,011,123		
Other operating	956,405	785,915		
Capital outlay	369,570	360,756		
	<u>4,361,357</u>	<u>4,157,794</u>	<u>203,563</u>	<u>4,572,797</u>
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	144,627	144,137		
Other operating	3,000	3,000		
	<u>147,627</u>	<u>147,137</u>	<u>490</u>	<u>141,228</u>
School Resource Officers				
Salaries & employee benefits	580,900	576,457		
Other operating	39,600	38,265		
	<u>620,500</u>	<u>614,722</u>	<u>5,778</u>	<u>600,179</u>
Records				
Salaries & employee benefits	348,591	342,992		
Other operating	22,881	18,982		
	<u>371,472</u>	<u>361,974</u>	<u>9,498</u>	<u>339,994</u>
Mental Health Transport				
Salaries & employee benefits	13,024	5,370		
	<u>13,024</u>	<u>5,370</u>	<u>7,654</u>	<u>13,986</u>
Crime Prevention				
Salaries & employee benefits	109,713	103,347		
Other operating	16,750	10,616		
	<u>126,463</u>	<u>113,963</u>	<u>12,500</u>	<u>169,794</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Narcotics				
Salaries & employee benefits	285,597	280,454		
Other operating	68,600	53,072		
	<u>354,197</u>	<u>333,526</u>	<u>20,671</u>	<u>352,763</u>
Detectives				
Salaries & employee benefits	763,833	746,354		
Other operating	73,650	59,799		
	<u>837,483</u>	<u>806,153</u>	<u>31,330</u>	<u>767,431</u>
Lake Norman Water Patrol				
Salaries & employee benefits	305,163	284,582		
Other operating	26,450	20,570		
	<u>331,613</u>	<u>305,152</u>	<u>26,461</u>	<u>150,458</u>
Court Security				
Salaries & employee benefits	486,651	470,291		
Other operating	7,000	6,391		
	<u>493,651</u>	<u>476,682</u>	<u>16,969</u>	<u>468,412</u>
Newton Detention Center				
Salaries & employee benefits	3,182,829	3,110,917		
Other operating	967,285	796,321		
Capital outlay	84,800	30,669		
	<u>4,234,914</u>	<u>3,937,907</u>	<u>297,007</u>	<u>3,955,538</u>
Prisoner Food Services				
Other operating	452,712	442,971	9,741	438,350
District Confinement Facility				
Salaries & employee benefits	63,714	60,603		
Other operating	1,727,777	1,667,824		
	<u>1,791,491</u>	<u>1,728,427</u>	<u>63,064</u>	<u>1,114,674</u>
<b>Total Sheriff</b>	<u>14,136,504</u>	<u>13,431,778</u>	<u>704,726</u>	<u>13,085,604</u>
<b>Emergency Services</b>				
Emergency Services Administration				
Salaries & employee benefits	26,071	24,245		
Other operating	34,950	27,805		
	<u>61,021</u>	<u>52,050</u>	<u>8,971</u>	<u>48,227</u>
Emergency Management				
Salaries & employee benefits	249,974	241,627		
Other operating	600,430	271,949		
Capital outlay	6,000	-		
	<u>856,404</u>	<u>513,576</u>	<u>342,828</u>	<u>641,687</u>
Veterans Services				
Salaries & employee benefits	51,145	49,217		
Other operating	5,700	5,194		
	<u>56,845</u>	<u>54,411</u>	<u>2,434</u>	<u>48,549</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Fire Marshal				
Salaries & employee benefits	177,122	170,684		
Other operating	34,062	23,895		
	<u>211,184</u>	<u>194,579</u>	<u>16,605</u>	<u>168,731</u>
Emergency Medical Services				
Salaries & employee benefits	5,661,707	5,480,544		
Other operating	970,985	770,345		
Capital outlay	860,508	851,886		
	<u>7,493,200</u>	<u>7,102,775</u>	<u>390,425</u>	<u>6,758,483</u>
Fire Fighting Alarms				
Other operating	33,600	33,600	-	33,600
Animal Control				
Salaries & employee benefits	158,680	149,350		
Other operating	59,300	47,976		
	<u>217,980</u>	<u>197,326</u>	<u>20,654</u>	<u>269,317</u>
Animal Shelter				
Salaries & employee benefits	240,080	234,824		
Other operating	220,730	177,053		
Capital outlay	7,000	-		
	<u>467,810</u>	<u>411,877</u>	<u>55,933</u>	<u>403,297</u>
Total Emergency Services	<u>9,398,044</u>	<u>8,560,194</u>	<u>837,850</u>	<u>8,371,891</u>
Communication Center				
Salaries & employee benefits	1,326,738	1,266,200		
Other operating	269,914	261,537		
	<u>1,596,652</u>	<u>1,527,737</u>	<u>68,915</u>	<u>1,521,358</u>
Other Public Safety				
Other operating	383,840	247,722	136,118	239,430
Total Public Safety	<u>25,515,040</u>	<u>23,767,431</u>	<u>1,747,609</u>	<u>23,218,283</u>
<b>Environmental Protection</b>				
Cooperative Extension				
Salaries & employee benefits	243,290	190,934		
Other operating	89,282	87,709		
Non-operating	68,424	-		
	<u>400,996</u>	<u>278,643</u>	<u>122,353</u>	<u>326,269</u>
Soil & Water Conservation				
Salaries & employee benefits	130,685	128,749		
Other operating	12,037	9,059		
	<u>142,722</u>	<u>137,808</u>	<u>4,914</u>	<u>138,665</u>
Forest Ranger				
Other operating	52,811	52,563	248	47,948
Total Environmental Protection	<u>596,529</u>	<u>469,014</u>	<u>127,515</u>	<u>512,882</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Economic and Physical Development</b>				
<b>Technology</b>				
Information Technology Center				
Salaries & employee benefits	1,665,088	1,654,057		
Other operating	1,242,840	1,207,384		
	<u>2,907,928</u>	<u>2,861,441</u>	<u>46,487</u>	<u>2,822,914</u>
Geospatial Information Services				
Salaries & employee benefits	254,262	251,650		
Other operating	86,605	67,921		
	<u>340,867</u>	<u>319,571</u>	<u>21,296</u>	<u>328,261</u>
Total Technology	<u>3,248,795</u>	<u>3,181,012</u>	<u>67,783</u>	<u>3,151,175</u>
<b>Economic Development and Planning</b>				
Planning & Zoning				
Salaries & employee benefits	507,991	508,579		
Other operating	245,860	178,586		
	<u>753,851</u>	<u>687,165</u>	<u>66,686</u>	<u>712,100</u>
County Parks				
Salaries & employee benefits	286,506	244,212		
Other operating	67,680	58,739		
Capital outlay	15,036	9,515		
	<u>369,222</u>	<u>312,466</u>	<u>56,756</u>	<u>303,314</u>
Other Economic and Physical Development				
Other operating	1,420,992	1,408,520	12,472	755,158
Total Economic Development and Planning	<u>2,544,065</u>	<u>2,408,151</u>	<u>135,914</u>	<u>1,770,572</u>
<b>Utilities &amp; Engineering</b>				
Utilities & Engineering Administration				
Salaries & employee benefits	136,884	136,252		
Other operating	25,879	24,263		
	<u>162,763</u>	<u>160,515</u>	<u>2,248</u>	<u>157,570</u>
Building Inspection				
Salaries & employee benefits	1,032,258	1,012,955		
Other operating	367,729	340,687		
	<u>1,399,987</u>	<u>1,353,642</u>	<u>46,345</u>	<u>1,700,574</u>
Water & Sewer				
Salaries & employee benefits	-	-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
Permit Center				
Salaries & employee benefits	324,629	325,786		
Other operating	22,601	18,971		
	<u>347,230</u>	<u>344,757</u>	<u>2,473</u>	<u>339,257</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Plan Review				
Salaries & employee benefits	318,919	292,599		
Other operating	11,912	10,024		
	<u>330,831</u>	<u>302,623</u>	<u>28,208</u>	<u>268,986</u>
Storm water and Erosion Control				
Salaries & employee benefits	188,848	184,694		
Other operating	24,084	14,418		
	<u>212,932</u>	<u>199,112</u>	<u>13,820</u>	<u>188,418</u>
Total Utilities & Engineering	<u>2,453,743</u>	<u>2,360,649</u>	<u>93,094</u>	<u>2,656,305</u>
<b>Finance/Facilities Division</b>				
Garage				
Salaries & employee benefits	207,496	208,284		
Other operating	318,930	296,041		
	<u>526,426</u>	<u>504,325</u>	<u>22,101</u>	<u>517,707</u>
General maintenance				
Salaries & employee benefits	557,285	559,753		
Other operating	151,561	112,733		
	<u>708,846</u>	<u>672,486</u>	<u>36,360</u>	<u>671,090</u>
General Buildings				
Other operating	486,765	439,303		
Capital outlay	109,100	108,141		
	<u>595,865</u>	<u>547,444</u>	<u>48,421</u>	<u>679,580</u>
Justice Buildings				
Other operating	707,030	655,090		
	<u>707,030</u>	<u>655,090</u>	<u>51,940</u>	<u>722,857</u>
Library Buildings				
Other operating	64,665	56,768		
	<u>64,665</u>	<u>56,768</u>	<u>7,897</u>	<u>60,545</u>
Leased Buildings				
Other operating	25,425	19,199		
	<u>25,425</u>	<u>19,199</u>	<u>6,226</u>	<u>14,947</u>
Social Services Buildings				
Other operating	71,450	66,653		
	<u>71,450</u>	<u>66,653</u>	<u>4,797</u>	<u>91,335</u>
Public Health Buildings				
Other operating	38,535	34,396		
	<u>38,535</u>	<u>34,396</u>	<u>4,139</u>	<u>51,665</u>
Mental Health Buildings				
Other operating	65,400	22,969		
	<u>65,400</u>	<u>22,969</u>	<u>42,431</u>	<u>24,217</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Street Signs				
Other operating	19,700	19,624	76	17,105
Total Finance/Facilities Division	2,823,342	2,598,954	224,388	2,851,048
Total Economic & Physical Development	11,069,945	10,548,766	521,179	10,429,100
<b>Human Services</b>				
Medical Examiner				
Other operating	100,000	96,500	3,500	85,200
<b>Mental Health Services</b>				
General Administration				
Other operating	1,576,402	1,590,254	(13,852)	3,303,265
	1,576,402	1,590,254	(13,852)	3,303,265
Total Mental Health Services	1,576,402	1,590,254	(13,852)	3,303,265
<b>Social Services Department</b>				
Administration				
Salaries & employee benefits	1,092,096	1,114,713		
Other operating	1,131,323	1,170,327		
Non-operating	2,467,033	-		
Capital outlay	45,000	-		
	4,735,452	2,285,040	2,450,412	2,227,852
Children and Family Services				
Salaries & employee benefits	1,765,066	1,725,271		
Other operating	457,470	391,663		
Social Services assistance	1,000	1,058		
	2,223,536	2,117,992	105,544	2,049,904
Department of Human Resources Teams				
Salaries & employee benefits	347,032	261,864		
Other operating	13,465	10,817		
Social Services assistance	3,000	-		
	363,497	272,681	90,816	353,899
Children's Day Care				
Salaries & employee benefits	420,837	369,043		
Other operating	5,527	3,142		
	426,364	372,185	54,179	413,565
Intensive Family Preservation				
Salaries & employee benefits	179,448	162,549		
Other operating	26,490	21,790		
Social Services assistance	500	31		
	206,438	184,370	22,068	198,437
Early Childhood Development				
Salaries & employee benefits	100,189	53,711		
Other operating	9,452	14,393		
	109,641	68,104	41,537	110,843

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Prevention Management				
Salaries & employee benefits	99,750	86,707		
Other operating	1,000	522		
	<u>100,750</u>	<u>87,229</u>	<u>13,521</u>	<u>98,822</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	271,399	197,975		
Other operating	25,646	33,630		
Social Services assistance	4,238	9,940		
	<u>301,283</u>	<u>241,545</u>	<u>59,738</u>	<u>-</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,378,375	3,335,253		
Other operating	35,036	35,054		
Social Services assistance	47,000	40,488		
	<u>3,460,411</u>	<u>3,410,795</u>	<u>49,616</u>	<u>3,322,164</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	509,635	498,092		
Other operating	42,540	63,986		
Social Services assistance	7,450	2,230		
	<u>559,625</u>	<u>564,308</u>	<u>(4,683)</u>	<u>223,780</u>
Teen Up				
Salaries & employee benefits	159,099	119,650		
Other operating	22,000	16,917		
Social Services assistance	2,500	772		
	<u>183,599</u>	<u>137,339</u>	<u>46,260</u>	<u>200,592</u>
Community Services Block Grant				
Salaries & employee benefits	218,967	194,368		
Other operating	18,015	8,340		
Social Services assistance	2,500	16,243		
	<u>239,482</u>	<u>218,951</u>	<u>20,531</u>	<u>238,754</u>
Therapeutic Foster Care				
Salaries & employee benefits	229,866	229,757		
Other operating	27,977	17,188		
Social Services assistance	1,000	327		
	<u>258,843</u>	<u>247,272</u>	<u>11,571</u>	<u>242,077</u>
Adoptions				
Salaries & employee benefits	853,979	750,656		
Other operating	17,000	14,862		
Social Services assistance	3,500	3,030		
	<u>874,479</u>	<u>768,548</u>	<u>105,931</u>	<u>851,765</u>
Child Advocacy				
Salaries & employee benefits	251,113	240,766		
Other operating	95,839	93,954		
Social Services assistance	8,000	653		
	<u>354,952</u>	<u>335,373</u>	<u>19,579</u>	<u>337,260</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Temporary Assistance Needy Families				
Salaries & employee benefits	-	-	-	1,606
FamilyNet Administration				
Salaries & employee benefits	498,816	521,025		
Other operating	680,397	470,376		
Social Services assistance	10,000	8,002		
	<u>1,189,213</u>	<u>999,403</u>	<u>189,810</u>	<u>1,051,428</u>
FamilyNet Community Support				
Salaries & employee benefits	498,615	362,151		
Other operating	40,554	23,699		
	<u>539,169</u>	<u>385,850</u>	<u>153,319</u>	<u>418,589</u>
FamilyNet Act				
Salaries & employee benefits	427,964	437,004		
Other operating	62,050	33,500		
Social Services assistance	500	783		
	<u>490,514</u>	<u>471,287</u>	<u>19,227</u>	<u>432,743</u>
FamilyNet In-home Services				
Salaries & employee benefits	292,053	282,383		
Other operating	15,927	21,964		
	<u>307,980</u>	<u>304,347</u>	<u>3,633</u>	<u>174,028</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	299,813	205,692		
Other operating	2,744	2,323		
	<u>302,557</u>	<u>208,015</u>	<u>94,542</u>	<u>236,713</u>
FamilyNet Family Services				
Salaries & employee benefits	418,839	236,584		
Other operating	8,000	5,657		
	<u>426,839</u>	<u>242,241</u>	<u>184,598</u>	<u>349,571</u>
FamilyNet Children Services				
Salaries & employee benefits	441,364	352,586		
Other operating	3,694	4,197		
	<u>445,058</u>	<u>356,783</u>	<u>88,275</u>	<u>387,134</u>
FamilyNet ECST				
Salaries & employee benefits	420,225	370,333		
Other operating	40,200	19,404		
Social Services assistance	4,000	12,843		
	<u>464,425</u>	<u>402,580</u>	<u>61,845</u>	<u>451,445</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	188,480	93,940		
Other operating	20,408	12,831		
	<u>208,888</u>	<u>106,771</u>	<u>102,117</u>	<u>167,090</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Work First				
Salaries & employee benefits	528,369	445,807		
Other operating	136,250	107,880		
Social Services assistance	168,600	49,868		
	<u>833,219</u>	<u>603,555</u>	<u>229,664</u>	<u>654,858</u>
Office Juvenile Justice Girls Program				
Other operating	44,700	37,617		
Social Services assistance	2,000	1,728		
	<u>46,700</u>	<u>39,345</u>	<u>7,355</u>	<u>47,672</u>
Administration Group Homes				
Salaries & employee benefits	1,323,351	1,064,348		
Other operating	55,688	42,502		
	<u>1,379,039</u>	<u>1,106,850</u>	<u>272,189</u>	<u>1,266,068</u>
Emergency Shelter				
Other operating	45,300	2,717		
Social Services assistance	2,500	-		
	<u>47,800</u>	<u>2,717</u>	<u>45,083</u>	<u>46,585</u>
Girls Program				
Other operating	47,750	42,000		
Social Services assistance	3,000	1,776		
Capital outlay	22,000	-		
	<u>72,750</u>	<u>43,776</u>	<u>28,974</u>	<u>65,664</u>
Boys Program				
Other operating	46,200	45,237		
Social Services assistance	3,000	2,689		
	<u>49,200</u>	<u>47,926</u>	<u>1,274</u>	<u>52,625</u>
Office Juvenile Justice Boys Program				
Other operating	55,400	50,557		
Social Services assistance	3,000	2,229		
	<u>58,400</u>	<u>52,786</u>	<u>5,614</u>	<u>60,252</u>
Adult Services				
Other operating	1,088,407	563,107		
Social Services assistance	1,202,009	1,149,456		
	<u>2,290,416</u>	<u>1,712,563</u>	<u>577,853</u>	<u>2,309,153</u>
Adult Social Work				
Salaries & employee benefits	1,276,793	1,243,268		
Other operating	87,422	49,638		
Social Services assistance	13,500	11,126		
	<u>1,377,715</u>	<u>1,304,032</u>	<u>73,683</u>	<u>1,360,159</u>
Medicaid Administration				
Salaries & employee benefits	845,368	827,155		
Other operating	8,104	6,420		
	<u>853,472</u>	<u>833,575</u>	<u>19,897</u>	<u>812,223</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Transportation				
Salaries & employee benefits	362,743	344,719		
Other operating	315,116	330,988		
Capital outlay	110,160	109,412		
	<u>788,019</u>	<u>785,119</u>	<u>2,900</u>	<u>771,993</u>
Nutrition				
Salaries & employee benefits	112,243	134,179		
Other operating	19,513	21,374		
Social Services assistance	504,007	433,595		
	<u>635,763</u>	<u>589,148</u>	<u>46,615</u>	<u>595,548</u>
Public Assistance Administration				
Salaries & employee benefits	1,347,668	1,289,147		
Other operating	106,465	103,566		
	<u>1,454,133</u>	<u>1,392,713</u>	<u>61,420</u>	<u>1,271,239</u>
Food Stamps				
Salaries & employee benefits	1,157,316	1,150,193		
Other operating	87,139	72,909		
Social Services assistance	28,000	3,260		
	<u>1,272,455</u>	<u>1,226,362</u>	<u>46,093</u>	<u>1,120,814</u>
Child Support				
Salaries & employee benefits	1,283,881	1,201,720		
Other operating	28,831	18,868		
	<u>1,312,712</u>	<u>1,220,588</u>	<u>92,124</u>	<u>1,284,299</u>
General Assistance				
Other operating	57,588	38,570		
Social Services assistance	140,823	103,978		
	<u>198,411</u>	<u>142,548</u>	<u>55,863</u>	<u>183,904</u>
Public Assistance Payments				
Social Services assistance	1,340,012	1,252,086	87,926	4,123,359
Children's Purchase Services				
Social Services assistance	10,456,066	10,060,335	395,731	9,429,023
Total Social Services	<u>43,239,277</u>	<u>37,205,033</u>	<u>6,034,244</u>	<u>39,995,499</u>
<b>Public Health Department</b>				
Health Administration				
Salaries & employee benefits	686,841	669,825		
Other operating	260,850	228,306		
	<u>947,691</u>	<u>898,131</u>	<u>49,560</u>	<u>908,932</u>
Home Health				
Salaries & employee benefits	1,508,779	1,563,610		
Other operating	1,255,393	1,228,710		
	<u>2,764,172</u>	<u>2,792,320</u>	<u>(28,148)</u>	<u>2,547,925</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Environmental Health				
Salaries & employee benefits	829,360	827,377		
Other operating	145,703	139,924		
	<u>975,063</u>	<u>967,301</u>	<u>7,762</u>	<u>933,074</u>
Maternal Health				
Salaries & employee benefits	600,172	591,094		
Other operating	972,714	935,629		
Public Health assistance	30,057	23,678		
	<u>1,602,943</u>	<u>1,550,401</u>	<u>52,542</u>	<u>1,570,258</u>
Maternity Care Coordinator				
Salaries & employee benefits	224,261	223,220		
Other operating	6,550	4,836		
	<u>230,811</u>	<u>228,056</u>	<u>2,755</u>	<u>246,292</u>
Child Health				
Salaries & employee benefits	484,505	489,025		
Other operating	123,796	98,832		
	<u>608,301</u>	<u>587,857</u>	<u>20,444</u>	<u>526,059</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	433,638	430,209		
Other operating	27,910	22,918		
	<u>461,548</u>	<u>453,127</u>	<u>8,421</u>	<u>489,826</u>
Child Health - Smart Start				
Salaries & employee benefits	174,229	168,192		
Other operating	33,621	26,888		
	<u>207,850</u>	<u>195,080</u>	<u>12,770</u>	<u>183,524</u>
Child Health - Health Check				
Salaries & employee benefits	50,790	40,140		
Other operating	2,900	1,270		
	<u>53,690</u>	<u>41,410</u>	<u>12,280</u>	<u>63,458</u>
Adolescent Health				
Salaries & employee benefits	108,864	103,412		
Other operating	64,063	58,178		
	<u>172,927</u>	<u>161,590</u>	<u>11,337</u>	<u>157,096</u>
Child Service Coordinator				
Salaries & employee benefits	271,176	257,920		
Other operating	18,395	15,105		
	<u>289,571</u>	<u>273,025</u>	<u>16,546</u>	<u>301,741</u>
Health and Wellness				
Salaries & employee benefits	67,908	49,868		
Other operating	26,000	22,325		
	<u>93,908</u>	<u>72,193</u>	<u>21,715</u>	<u>84,476</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
School Health Assistants				
Salaries & employee benefits	21,782	21,778		
	<u>21,782</u>	<u>21,778</u>	<u>4</u>	<u>81,907</u>
School Nurse Fund Initiative				
Salaries & employee benefits	145,797	144,002		
Other operating	12,915	8,317		
	<u>158,712</u>	<u>152,319</u>	<u>6,393</u>	<u>150,237</u>
School Nurses Initiative - Catawba Valley Medical Center				
Salaries & employee benefits	271,336	261,928		
Other operating	24,295	19,574		
	<u>295,631</u>	<u>281,502</u>	<u>14,129</u>	<u>304,491</u>
School Nurses - Catawba County				
Salaries & employee benefits	208,261	204,489		
Other operating	21,483	16,774		
	<u>229,744</u>	<u>221,263</u>	<u>8,481</u>	<u>355,102</u>
School Nurses - Newton-Conover				
Salaries & employee benefits	105,189	103,627		
Other operating	5,920	3,252		
	<u>111,109</u>	<u>106,879</u>	<u>4,230</u>	<u>102,001</u>
School Nurses Initiative - Catawba County				
Salaries & employee benefits	50,485	17,922		
Other operating	5,845	5,195		
	<u>56,330</u>	<u>23,117</u>	<u>33,213</u>	<u>51,349</u>
Dental Health				
Salaries & employee benefits	299,786	299,569		
Other operating	105,405	74,673		
Public Health assistance	-	26,405		
	<u>405,191</u>	<u>400,647</u>	<u>4,544</u>	<u>413,929</u>
Dental - Smart Start				
Salaries & employee benefits	-	-	-	67,145
	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,145</u>
Glaucoma/Adult Health				
Salaries & employee benefits	300,857	302,804		
Other operating	310,720	270,869		
	<u>611,577</u>	<u>573,673</u>	<u>37,904</u>	<u>550,069</u>
Bioterrorism Grant				
Salaries & employee benefits	34,198	31,798		
Other operating	243,136	174,691		
Capital outlay	-	39,725		
	<u>277,334</u>	<u>246,214</u>	<u>31,120</u>	<u>19,267</u>
NAP-SACC Smart Start				
Salaries & employee benefits	-	-	-	37,628
	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,628</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Nurses/Family Planning				
Salaries & employee benefits	779,487	796,469		
Other operating	199,031	188,082		
	<u>978,518</u>	<u>984,551</u>	<u>(6,033)</u>	<u>924,518</u>
Women Infants Children Program				
Salaries & employee benefits	644,248	634,697		
Other operating	131,070	119,752		
	<u>775,318</u>	<u>754,449</u>	<u>20,869</u>	<u>662,982</u>
Total Public Health	<u>12,329,721</u>	<u>11,986,883</u>	<u>342,838</u>	<u>11,733,286</u>
Total Human Services	<u>57,245,400</u>	<u>50,878,670</u>	<u>6,366,730</u>	<u>55,117,250</u>
<b>Culture and Recreation</b>				
<b>County Library</b>				
Library Administration - Main Library				
Salaries & employee benefits	892,682	889,448		
Other operating	352,103	327,458		
Non-operating	132,462	-		
	<u>1,377,247</u>	<u>1,216,906</u>	<u>160,341</u>	<u>1,216,227</u>
Sherrills Ford Branch				
Salaries & employee benefits	143,915	112,322		
Other operating	45,899	44,054		
	<u>189,814</u>	<u>156,376</u>	<u>33,438</u>	<u>126,918</u>
Maiden Branch				
Salaries & employee benefits	92,593	92,097		
Other operating	32,766	31,310		
	<u>125,359</u>	<u>123,407</u>	<u>1,952</u>	<u>128,345</u>
St. Stephens Branch				
Salaries & employee benefits	273,378	262,689		
Other operating	114,124	110,974		
	<u>387,502</u>	<u>373,663</u>	<u>13,839</u>	<u>382,369</u>
Southwest Branch Library				
Salaries & employee benefits	128,257	122,196		
Other operating	126,760	121,448		
	<u>255,017</u>	<u>243,644</u>	<u>11,373</u>	<u>249,719</u>
Conover Branch Library				
Salaries & employee benefits	48,725	48,975		
Other operating	21,038	20,674		
	<u>69,763</u>	<u>69,649</u>	<u>114</u>	<u>68,948</u>
Claremont Branch Library				
Salaries & employee benefits	33,680	33,395		
Other operating	17,806	15,374		
	<u>51,486</u>	<u>48,769</u>	<u>2,717</u>	<u>49,481</u>
Total County Library	<u>2,456,188</u>	<u>2,232,414</u>	<u>223,774</u>	<u>2,222,007</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Arts-Administration				
Other operating	526,254	526,254	-	506,199
Other Cultural				
Other operating	5,000	-	5,000	5,000
Total Culture and Recreation	2,987,442	2,758,668	228,774	2,733,206
<b>Education</b>				
Catawba County Schools				
Current expense	24,267,476	24,267,476		
Fines and forfeitures	885,003	629,700		
	25,152,479	24,897,176	255,303	25,784,086
Newton-Conover City Schools				
Current expense	3,959,040	3,959,040		
Fines and forfeitures	144,381	102,779		
	4,103,421	4,061,819	41,602	4,144,589
Hickory City Schools				
Current expense	6,156,021	6,156,021		
Fines and forfeitures	224,502	159,700		
	6,380,523	6,315,721	64,802	6,820,074
Catawba Valley Community College				
Current expense	3,332,000	3,332,000	-	3,200,000
Total Education	38,968,423	38,606,716	361,707	39,948,749
<b>Debt Service</b>				
General obligation bonds				
Principal	6,455,005	6,455,000		
Interest	993,500	993,494		
	7,448,505	7,448,494	11	7,638,544
Installment purchases				
Principal	6,117,890	4,126,793		
Interest	2,283,585	2,220,951		
	8,401,475	6,347,744	2,053,731	4,453,240
Certificates of Participation				
Principal	2,790,005	2,790,000		
Interest	2,100,990	2,100,975		
	4,890,995	4,890,975	20	4,993,550
Qualified Zone Academy Bonds				
Principal	50,000	50,000	-	50,000
Total Debt Service	20,790,975	18,737,213	2,053,762	17,135,334
Total expenditures	168,706,411	156,957,848	11,748,563	160,248,589
Revenues over (under) expenditures	(7,989,627)	4,124,996	12,114,623	6,711,842

**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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Other financing sources (uses)</b>				
Transfers from				
General Capital Reserve Fund	86,288	86,288	-	88,696
General Capital Projects Fund			-	812,323
School Capital Fund	2,524,631	2,524,631	-	50,000
School Construction Fund			-	79,257
Transfers to				
Emergency Telephone Fund			-	(454)
Citizens Alert System Fund	(10,341)	(10,341)	-	(38,834)
Reappraisal Fund	(439,680)	(439,680)	-	(479,200)
General Capital Reserve Fund	(300,000)	(300,000)	-	(365,095)
Rescue Squads Fund	(1,034,362)	(1,034,362)	-	(967,150)
General Capital Projects Fund			-	(2,527,335)
School Capital Fund			-	(336,835)
School Construction Fund			-	(4,001,010)
Water and Sewer Fund	(3,700,000)	(3,700,000)	-	(3,940,143)
Solid Waste Management Fund			-	(239)
Installment purchase obligation issued	1,497,510	-	(1,497,510)	-
Fund Balance appropriated/contingency	9,365,581	-	(9,365,581)	-
Total other financing sources (uses)	<u>7,989,627</u>	<u>(2,873,464)</u>	<u>(10,863,091)</u>	<u>(11,626,019)</u>
Net change in fund balance	<u>-</u>	1,251,532	<u>1,251,532</u>	<u>(4,914,177)</u>
<b>Fund Balances - Beginning of Year</b>		<u>50,414,003</u>		
<b>Fund Balances - End of Year</b>		<u>\$ 51,665,535</u>		



## **Combining Statements for Nonmajor Funds**

**CATAWBA COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2010**

	<b>Special Revenue Funds (Schedule C-1)</b>	<b>Capital Project Funds (Schedule D-1)</b>	<b>Total Nonmajor Governmental Funds (Exhibit 3)</b>
<b>Assets</b>			
Cash and investments	\$ 11,078,511	\$ 2,643,379	\$ 13,721,890
Taxes receivable - net	173,310	-	173,310
Due from other governments	105,722	3,076,245	3,181,967
Other receivables	3,854	-	3,854
Interest receivable	67,585	27,201	94,786
Restricted cash and investments	-	1,875,435	1,875,435
Total assets	<u>11,428,982</u>	<u>7,622,260</u>	<u>19,051,242</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	66,992	1,364,950	1,431,942
Deferred revenues	190,133	-	190,133
Total liabilities	<u>257,125</u>	<u>1,364,950</u>	<u>1,622,075</u>
<b>Fund Balances</b>			
Reserved by State statute	177,161	-	177,161
Unreserved	10,994,696	6,257,310	17,252,006
Total fund balances	<u>11,171,857</u>	<u>6,257,310</u>	<u>17,429,167</u>
Total liabilities and fund balances	<u>\$ 11,428,982</u>	<u>\$ 7,622,260</u>	<u>\$ 19,051,242</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, 2010**

	<b>Special Revenue Funds (Schedule C-3)</b>	<b>Capital Project Funds (Schedule D-2)</b>	<b>Total Nonmajor Governmental Funds (Exhibit 4)</b>
<b>Revenues</b>			
Ad valorem taxes	\$ 4,423,236	\$ -	\$ 4,423,236
Restricted intergovernmental revenues	1,295,783	1,622,567	2,918,350
Licenses and permits	2,482	-	2,482
Investment earnings	236,294	132,214	368,508
Miscellaneous	16,455	-	16,455
Total revenues	<u>5,974,250</u>	<u>1,754,781</u>	<u>7,729,031</u>
<b>Expenditures</b>			
Current			
General government	409,779	-	409,779
Public safety	5,593,385	-	5,593,385
Economic and physical development	70,988	-	70,988
Human services	800	-	800
Capital outlay	-	11,301,285	11,301,285
Total expenditures	<u>6,074,952</u>	<u>11,301,285</u>	<u>17,376,237</u>
Excess of revenues over (under) expenditures	(100,702)	(9,546,504)	(9,647,206)
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	1,784,383	-	1,784,383
Transfers to other funds	(86,288)	-	(86,288)
Total other financing sources (uses)	<u>1,698,095</u>	<u>-</u>	<u>1,698,095</u>
Net change in fund balance	1,597,393	(9,546,504)	(7,949,111)
<b>Fund Balances - Beginning of Year</b>	<u>9,574,464</u>	<u>15,803,814</u>	<u>25,378,278</u>
<b>Fund Balances - End of Year</b>	<u>\$ 11,171,857</u>	<u>\$ 6,257,310</u>	<u>\$ 17,429,167</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.

### *Reappraisal Fund-*

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

### *General Capital Reserve Fund -*

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

### *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.

### *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, 2010**

	<u>Emergency Telephone System Fund</u>	<u>Citizens' Alert System Fund</u>	<u>Narcotics Seized Funds And Property Fund</u>	<u>Reappraisal Fund</u>	<u>General Capital Reserve Fund</u>
<b>Assets</b>					
Cash and investments	\$ 3,101,305	\$ 21,881	\$ 293,211	\$ 226,410	\$ 671,795
Taxes receivable - net	-	-	-	-	-
Due from other governments	94,377	-	525	246	-
Other receivables	-	-	-	3,854	-
Interest receivable	17,883	190	1,734	2,472	3,972
Total assets	<u>3,213,565</u>	<u>22,071</u>	<u>295,470</u>	<u>232,982</u>	<u>675,767</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	22,655	1,403	-	37,443	-
Deferred revenues	-	-	-	-	-
Total liabilities	<u>22,655</u>	<u>1,403</u>	<u>-</u>	<u>37,443</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved by State statute	112,260	190	2,259	6,572	3,972
Unreserved	3,078,650	20,478	293,211	188,967	671,795
Total fund balances	<u>3,190,910</u>	<u>20,668</u>	<u>295,470</u>	<u>195,539</u>	<u>675,767</u>
Total liabilities and fund balances	<u>\$ 3,213,565</u>	<u>\$ 22,071</u>	<u>\$ 295,470</u>	<u>\$ 232,982</u>	<u>\$ 675,767</u>

<b>Hospital Capital Reserve Fund</b>	<b>Rescue Squads Fund</b>	<b>Library Endowment Fund</b>	<b>Gretchen Peed Scholarship Fund</b>	<b>Parks/ Historic Preservation Fund</b>	<b>Community Development Fund</b>	<b>Fire District Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 5,268,104	\$ 264,132	\$ 231,235	\$ 42,129	\$ 139,955	\$ 1,581	\$ 816,773	\$ 11,078,511
-	-	-	-	-	-	173,310	173,310
-	-	-	-	-	10,574	-	105,722
-	-	-	-	-	-	-	3,854
31,147	2,360	1,368	247	814	81	5,317	67,585
<u>5,299,251</u>	<u>266,492</u>	<u>232,603</u>	<u>42,376</u>	<u>140,769</u>	<u>12,236</u>	<u>995,400</u>	<u>11,428,982</u>
-	-	-	800	-	4,691	-	66,992
-	-	-	-	-	-	190,133	190,133
-	-	-	800	-	4,691	190,133	257,125
31,147	2,360	1,368	247	814	10,655	5,317	177,161
5,268,104	264,132	231,235	41,329	139,955	(3,110)	799,950	10,994,696
<u>5,299,251</u>	<u>266,492</u>	<u>232,603</u>	<u>41,576</u>	<u>140,769</u>	<u>7,545</u>	<u>805,267</u>	<u>11,171,857</u>
<u>\$ 5,299,251</u>	<u>\$ 266,492</u>	<u>\$ 232,603</u>	<u>\$ 42,376</u>	<u>\$ 140,769</u>	<u>\$ 12,236</u>	<u>\$ 995,400</u>	<u>\$ 11,428,982</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Fire District Funds**  
**Subcombining Balance Sheet**  
**June 30, 2010**

	<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>
<b>Assets</b>					
Cash and investments	\$ 32,272	\$ 12,821	\$ 186,517	\$ 96,475	\$ 30,458
Taxes receivable - net	11,590	17,581	20,587	3,057	12,411
Interest receivable	159	57	1,042	564	149
Total assets	<u>44,021</u>	<u>30,459</u>	<u>208,146</u>	<u>100,096</u>	<u>43,018</u>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	-	-	-	-	-
Deferred revenues	13,245	18,388	23,570	3,484	13,414
Total liabilities	<u>13,245</u>	<u>18,388</u>	<u>23,570</u>	<u>3,484</u>	<u>13,414</u>
<b>Fund Balances</b>					
Reserved by State statute	159	57	1,042	564	149
Unreserved	30,617	12,014	183,534	96,048	29,455
Total fund balances	<u>30,776</u>	<u>12,071</u>	<u>184,576</u>	<u>96,612</u>	<u>29,604</u>
Total liabilities and fund balances	<u>\$ 44,021</u>	<u>\$ 30,459</u>	<u>\$ 208,146</u>	<u>\$ 100,096</u>	<u>\$ 43,018</u>

(continued on page 104)

<b>Sherrills Ford Fire District Fund</b>	<b>Bandys Fire District Fund</b>	<b>Maiden Fire District Fund</b>	<b>Claremont Fire District Fund</b>	<b>Catawba Fire District Fund</b>	<b>Long View Fire District Fund</b>	<b>Newton Rural Fire District Fund</b>
\$ 111,087	\$ 94,257	\$ 86,939	\$ 13,416	\$ 83,943	\$ 13,978	\$ 6,197
35,439	18,695	6,846	11,343	11,158	995	13,293
575	903	498	62	485	79	8
<u>147,101</u>	<u>113,855</u>	<u>94,283</u>	<u>24,821</u>	<u>95,586</u>	<u>15,052</u>	<u>19,498</u>
-	-	-	-	-	-	-
<u>38,542</u>	<u>20,281</u>	<u>7,516</u>	<u>12,623</u>	<u>11,651</u>	<u>1,218</u>	<u>14,680</u>
<u>38,542</u>	<u>20,281</u>	<u>7,516</u>	<u>12,623</u>	<u>11,651</u>	<u>1,218</u>	<u>14,680</u>
575	903	498	62	485	79	8
<u>107,984</u>	<u>92,671</u>	<u>86,269</u>	<u>12,136</u>	<u>83,450</u>	<u>13,755</u>	<u>4,810</u>
<u>108,559</u>	<u>93,574</u>	<u>86,767</u>	<u>12,198</u>	<u>83,935</u>	<u>13,834</u>	<u>4,818</u>
<u>\$ 147,101</u>	<u>\$ 113,855</u>	<u>\$ 94,283</u>	<u>\$ 24,821</u>	<u>\$ 95,586</u>	<u>\$ 15,052</u>	<u>\$ 19,498</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Fire District Funds**  
**Subcombining Balance Sheet**  
**June 30, 2010**

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
<b>Assets</b>			
Cash and investments	\$ 35,072	\$ 13,341	\$ 816,773
Taxes receivable - net	3,357	6,958	173,310
Interest receivable	198	538	5,317
Total assets	<u>38,627</u>	<u>20,837</u>	<u>995,400</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	-	-	-
Deferred revenues	<u>3,693</u>	<u>7,828</u>	<u>190,133</u>
Total liabilities	<u>3,693</u>	<u>7,828</u>	<u>190,133</u>
<b>Fund Balances</b>			
Reserved by State statute	198	538	5,317
Unreserved	<u>34,736</u>	<u>12,471</u>	<u>799,950</u>
Total fund balances	<u>34,934</u>	<u>13,009</u>	<u>805,267</u>
Total liabilities and fund balances	<u>\$ 38,627</u>	<u>\$ 20,837</u>	<u>\$ 995,400</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, 2010**

	<u>Emergency Telephone System Fund</u>	<u>Citizens' Alert System Fund</u>	<u>Narcotics Seized Funds and Property Fund</u>	<u>Reappraisal Fund</u>	<u>General Capital Reserve Fund</u>
<b>Revenues</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	1,098,978	39,087	79,525	-	-
Licenses and permits	-	-	-	-	-
Investment earnings	57,720	631	6,052	11,305	13,966
Miscellaneous	-	10,000	-	-	-
Total revenues	<u>1,156,698</u>	<u>49,718</u>	<u>85,577</u>	<u>11,305</u>	<u>13,966</u>
<b>Expenditures</b>					
Current					
General government	-	-	-	409,779	-
Public safety	304,880	56,012	8,000	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>304,880</u>	<u>56,012</u>	<u>8,000</u>	<u>409,779</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>851,818</u>	<u>(6,294)</u>	<u>77,577</u>	<u>(398,474)</u>	<u>13,966</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	10,341	-	439,680	300,000
Transfers to other funds	-	-	-	-	(86,288)
Total other financing sources (uses)	<u>-</u>	<u>10,341</u>	<u>-</u>	<u>439,680</u>	<u>213,712</u>
Net change in fund balance	851,818	4,047	77,577	41,206	227,678
<b>Fund Balances - Beginning of Year</b>	<u>2,339,092</u>	<u>16,621</u>	<u>217,893</u>	<u>154,333</u>	<u>448,089</u>
<b>Fund Balances - End of Year</b>	<u>\$ 3,190,910</u>	<u>\$ 20,668</u>	<u>\$ 295,470</u>	<u>\$ 195,539</u>	<u>\$ 675,767</u>

<u>Hospital Capital Reserve Fund</u>	<u>Rescue Squads Fund</u>	<u>Library Endowment Fund</u>	<u>Gretchen Peed Scholarship Fund</u>	<u>Parks/ Historic Preservation Fund</u>	<u>Community Development Fund</u>	<u>Fire District Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,423,236	\$ 4,423,236
-	-	-	-	-	78,193	-	1,295,783
-	-	-	-	2,482	-	-	2,482
106,487	13,130	4,649	1,602	2,774	340	17,638	236,294
-	-	-	5,155	1,300	-	-	16,455
<u>106,487</u>	<u>13,130</u>	<u>4,649</u>	<u>6,757</u>	<u>6,556</u>	<u>78,533</u>	<u>4,440,874</u>	<u>5,974,250</u>
-	-	-	-	-	-	-	409,779
-	957,894	-	-	-	-	4,266,599	5,593,385
-	-	-	-	-	70,988	-	70,988
-	-	-	800	-	-	-	800
-	-	-	-	-	-	-	-
-	<u>957,894</u>	-	<u>800</u>	-	<u>70,988</u>	<u>4,266,599</u>	<u>6,074,952</u>
<u>106,487</u>	<u>(944,764)</u>	<u>4,649</u>	<u>5,957</u>	<u>6,556</u>	<u>7,545</u>	<u>174,275</u>	<u>(100,702)</u>
-	1,034,362	-	-	-	-	-	1,784,383
-	-	-	-	-	-	-	(86,288)
-	<u>1,034,362</u>	-	-	-	-	-	<u>1,698,095</u>
106,487	89,598	4,649	5,957	6,556	7,545	174,275	1,597,393
<u>5,192,764</u>	<u>176,894</u>	<u>227,954</u>	<u>35,619</u>	<u>134,213</u>	-	<u>630,992</u>	<u>9,574,464</u>
<u>\$ 5,299,251</u>	<u>\$ 266,492</u>	<u>\$ 232,603</u>	<u>\$ 41,576</u>	<u>\$ 140,769</u>	<u>\$ 7,545</u>	<u>\$ 805,267</u>	<u>\$ 11,171,857</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Restricted intergovernmental revenues				
North Carolina 911 funds	1,061,276	1,098,978	37,702	1,268,696
Investment earnings	-	57,720	57,720	73,335
Total revenues	<u>1,061,276</u>	<u>1,156,698</u>	<u>95,422</u>	<u>1,342,031</u>
<b>Expenditures</b>				
Current				
Public Safety				
Salaries & employee benefits	87,150	82,636	4,514	80,648
Other operating	285,925	222,244	63,681	322,424
Nonoperating	688,201	-	688,201	-
Total expenditures	<u>1,061,276</u>	<u>304,880</u>	<u>756,396</u>	<u>403,072</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>851,818</u>	<u>851,818</u>	<u>938,959</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	-	-	-	454
Transfers to				
General Capital Projects Fund	-	-	-	(94,875)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,421)</u>
Net change in fund balance	<u>\$ -</u>	<u>851,818</u>	<u>\$ 851,818</u>	<u>844,538</u>
<b>Fund Balances - Beginning of Year</b>		<u>2,339,092</u>		<u>1,494,554</u>
<b>Fund Balances - End of Year</b>		<u>\$ 3,190,910</u>		<u>\$ 2,339,092</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<b>2010</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Restricted intergovernmental revenues - federal	\$ -	\$ -	\$ -	\$ 26,577
Restricted intergovernmental revenues - local	19,087	39,087	20,000	\$ 37,322
Investment earnings	-	631	631	642
Miscellaneous	10,000	10,000	-	96
<b>Total revenues</b>	<u>29,087</u>	<u>49,718</u>	<u>20,631</u>	<u>64,637</u>
<b>Expenditures</b>				
<b>Current</b>				
Public Safety				
Salaries & employee benefits	18,505	18,512	(7)	25,839
Other operating	47,500	37,500	10,000	61,011
<b>Total expenditures</b>	<u>66,005</u>	<u>56,012</u>	<u>9,993</u>	<u>86,850</u>
Excess of revenues over (under) expenditures	<u>(36,918)</u>	<u>(6,294)</u>	<u>30,624</u>	<u>(22,213)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	10,341	10,341	-	38,834
Fund balance appropriated	26,577	-	(26,577)	-
<b>Total other financing sources (uses)</b>	<u>36,918</u>	<u>10,341</u>	<u>(26,577)</u>	<u>38,834</u>
Net change in fund balance	<u>\$ -</u>	4,047	<u>\$ 4,047</u>	16,621
<b>Fund Balances - Beginning of Year</b>		<u>16,621</u>		<u>-</u>
<b>Fund Balances - End of Year</b>		<u>\$ 20,668</u>		<u>\$ 16,621</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ 8,000	\$ 79,525	\$ 71,525	\$ 97,128
Investment earnings	-	6,052	6,052	8,024
Sale of properties	2,000	-	(2,000)	-
Miscellaneous	-	-	-	-
Total revenues	<u>10,000</u>	<u>85,577</u>	<u>75,577</u>	<u>105,152</u>
<b>Expenditures</b>				
Current				
Public Safety				
Other operating	22,000	500	21,500	10,507
Capital outlay	7,500	7,500	-	-
Drug prevention contingency	20,000	-	20,000	-
Total expenditures	<u>49,500</u>	<u>8,000</u>	<u>41,500</u>	<u>10,507</u>
Excess of revenues over (under) expenditures	<u>(39,500)</u>	<u>77,577</u>	<u>117,077</u>	<u>94,645</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>39,500</u>	<u>-</u>	<u>(39,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>39,500</u>	<u>-</u>	<u>(39,500)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>77,577</u>	<u>\$ 77,577</u>	<u>94,645</u>
<b>Fund Balances - Beginning of Year</b>		<u>217,893</u>		<u>123,248</u>
<b>Fund Balances - End of Year</b>		<u>\$ 295,470</u>		<u>\$ 217,893</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 11,305	\$ 11,305	\$ 14,134
Total revenues	<u>-</u>	<u>11,305</u>	<u>11,305</u>	<u>14,134</u>
<b>Expenditures</b>				
Current				
General government				
Salaries & employee benefits	350,925	336,490	14,435	340,240
Other operating	88,755	73,289	15,466	62,895
Total expenditures	<u>439,680</u>	<u>409,779</u>	<u>29,901</u>	<u>403,135</u>
Excess of revenues over (under) expenditures	<u>(439,680)</u>	<u>(398,474)</u>	<u>41,206</u>	<u>(389,001)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	439,680	439,680	-	479,200
Total other financing sources (uses)	<u>439,680</u>	<u>439,680</u>	<u>-</u>	<u>479,200</u>
Net change in fund balance	<u>\$ -</u>	41,206	<u>\$ 41,206</u>	90,199
<b>Fund Balances - Beginning of Year</b>		<u>154,333</u>		<u>64,134</u>
<b>Fund Balances - End of Year</b>		<u>\$ 195,539</u>		<u>\$ 154,333</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 13,966	\$ 13,966	\$ 17,869
Total revenues	<u>-</u>	<u>13,966</u>	<u>13,966</u>	<u>17,869</u>
<b>Expenditures</b>				
Other operating	300,000	-	300,000	19,950
Total expenditures	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>19,950</u>
Excess of revenues over (under) expenditures	<u>(300,000)</u>	<u>13,966</u>	<u>313,966</u>	<u>(2,081)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	300,000	300,000	-	365,095
Fund balance appropriated	86,288	-	(86,288)	-
Transfers to				
General Fund	(86,288)	(86,288)	-	(88,696)
Total other financing sources (uses)	<u>300,000</u>	<u>213,712</u>	<u>(86,288)</u>	<u>276,399</u>
Net change in fund balance	<u>\$ -</u>	227,678	<u>\$ 227,678</u>	274,318
<b>Fund Balances - Beginning of Year</b>		<u>448,089</u>		<u>173,771</u>
<b>Fund Balances - End of Year</b>		<u>\$ 675,767</u>		<u>\$ 448,089</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 106,487	\$ 106,487	\$ 204,470
Total revenues	<u>-</u>	<u>106,487</u>	<u>106,487</u>	<u>204,470</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>106,487</u>	<u>106,487</u>	<u>204,470</u>
<b>Other Financing Sources (Uses)</b>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>106,487</u>	<u>\$ 106,487</u>	<u>204,470</u>
<b>Fund Balances - Beginning of Year</b>		<u>5,192,764</u>		<u>4,988,294</u>
<b>Fund Balances - End of Year</b>		<u>\$ 5,299,251</u>		<u>\$ 5,192,764</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 13,130	\$ 13,130	\$ 20,317
Miscellaneous	-	-	-	346
Total revenues	<u>-</u>	<u>13,130</u>	<u>13,130</u>	<u>20,317</u>
<b>Expenditures</b>				
Public Safety				
Other operating	1,101,460	957,894	143,566	919,275
Total expenditures	<u>1,101,460</u>	<u>957,894</u>	<u>143,566</u>	<u>919,275</u>
Excess of revenues over (under) expenditures	<u>(1,101,460)</u>	<u>(944,764)</u>	<u>156,696</u>	<u>(898,958)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	1,034,362	1,034,362	-	967,150
Fund balance appropriated	67,098	-	(67,098)	-
Total other financing sources (uses)	<u>1,101,460</u>	<u>1,034,362</u>	<u>(67,098)</u>	<u>967,150</u>
Net change in fund balance	<u>\$ -</u>	89,598	<u>\$ 89,598</u>	68,538
<b>Fund Balances - Beginning of Year</b>		<u>176,894</u>		<u>108,356</u>
<b>Fund Balances - End of Year</b>		<u>\$ 266,492</u>		<u>\$ 176,894</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 4,649	\$ 4,649	\$ 9,265
Total revenues	<u>-</u>	<u>4,649</u>	<u>4,649</u>	<u>9,265</u>
<b>Expenditures</b>				
Culture and recreation				
Other operating	-	-	-	25,000
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>4,649</u>	<u>4,649</u>	<u>(15,735)</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,649</u>	<u>\$ 4,649</u>	<u>(15,735)</u>
<b>Fund Balances - Beginning of Year</b>		<u>227,954</u>		<u>243,689</u>
<b>Fund Balances - End of Year</b>		<u>\$ 232,603</u>		<u>\$ 227,954</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ 1,602	\$ 1,602	\$ 1,393
Miscellaneous				
Donations	<u>10,000</u>	<u>5,155</u>	<u>(4,845)</u>	<u>2,750</u>
Total revenues	<u>10,000</u>	<u>6,757</u>	<u>(3,243)</u>	<u>4,143</u>
<b>Expenditures</b>				
Human services				
Scholarship awards	<u>10,000</u>	<u>800</u>	<u>9,200</u>	<u>1,000</u>
Total expenditures	<u>10,000</u>	<u>800</u>	<u>9,200</u>	<u>1,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>5,957</u>	<u>5,957</u>	<u>3,143</u>
<b>Other Financing Sources (Uses)</b>				
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>5,957</u>	<u>\$ 5,957</u>	<u>3,143</u>
<b>Fund Balances - Beginning of Year</b>		<u>35,619</u>		<u>32,476</u>
<b>Fund Balances - End of Year</b>		<u>\$ 41,576</u>		<u>\$ 35,619</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, 2010**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Licenses and permits				
Developer fee	\$ -	\$ 2,482	\$ 2,482	\$ 46,927
Investment earnings	-	2,774	2,774	5,357
Miscellaneous				
Cookbook sales	-	1,300	1,300	1,680
Total revenues	<u>-</u>	<u>6,556</u>	<u>6,556</u>	<u>53,964</u>
<b>Expenditures</b>				
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>6,556</u>	<u>6,556</u>	<u>53,964</u>
<b>Other Financing Sources (Uses)</b>				
Transfers to				
General Capital Projects Fund	-	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>6,556</u>	<u>\$ 6,556</u>	<u>23,964</u>
<b>Fund Balances - Beginning of Year</b>		<u>134,213</u>		<u>110,249</u>
<b>Fund Balances - End of Year</b>		<u>\$ 140,769</u>		<u>\$ 134,213</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, 2010**

NC Housing Finance Agency 2010 Urgent Repair Grant - URP0905	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	340	340	340
Total revenues	<u>75,000</u>	<u>-</u>	<u>37,840</u>	<u>37,840</u>	<u>(37,160)</u>
<b>Expenditures</b>					
Economic and physical development					
Administration	10,000	-	3,600	3,600	6,400
Rehabilitation	65,000	-	25,725	25,725	39,275
Total expenditures	<u>75,000</u>	<u>-</u>	<u>29,325</u>	<u>29,325</u>	<u>45,675</u>
Excess of revenues over (under) expenditures	-	-	8,515	8,515	8,515
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	8,515	<u>\$ 8,515</u>	<u>\$ 8,515</u>
<b>Fund Balances - Beginning of Year</b>			-		
<b>Fund Balances - End of Year</b>			<u>\$ 8,515</u>		

Community Development Block Grant Scattered Site Housing (09-C-1987)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 400,000	\$ -	\$ 40,693	\$ 40,693	\$ (359,307)
Total revenues	<u>400,000</u>	<u>-</u>	<u>40,693</u>	<u>40,693</u>	<u>(359,307)</u>
<b>Expenditures</b>					
Economic and physical development					
Administration	40,000	-	2,795	2,795	37,205
Emergency funds (L-1)	40,000	-	22,679	22,679	17,321
Rehabilitation	198,000	-	7,544	7,544	190,456
Clearance activities	5,000	-	300	300	4,700
Relocation assistance	110,000	-	345	345	109,655
Planning	7,000	-	7,000	7,000	-
Total expenditures	<u>400,000</u>	<u>-</u>	<u>40,663</u>	<u>40,663</u>	<u>359,337</u>
Excess of revenues over (under) expenditures	-	-	30	30	(30)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	30	<u>\$ 30</u>	<u>\$ (30)</u>
<b>Fund Balances - Beginning of Year</b>			-		
<b>Fund Balances - End of Year</b>			<u>\$ 30</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, 2010**

Community Development Block Grant Individual Development Accounts (09-C-2042)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 70,000	\$ -	\$ -	\$ -	\$ (70,000)
Total revenues	<u>70,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>
<b>Expenditures</b>					
Economic and physical development					
Administration	10,000	-	-	-	10,000
Housing assistance	60,000	-	1,000	1,000	59,000
Total expenditures	<u>70,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>69,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,000)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>
<b>Fund Balances - Beginning of Year</b>			<u>-</u>		
<b>Fund Balances - End of Year</b>			<u>\$ (1,000)</u>		
<b>Grand Total</b>					
<b>Fund Balances - Beginning of Year</b>			<u>-</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 7,545</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, 2010**

	<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>
<b>Revenues</b>					
Ad valorem taxes	\$ 344,058	\$ 204,034	\$ 590,546	\$ 78,840	\$ 262,633
Investment earnings	750	220	2,763	1,572	563
Total revenues	<u>344,808</u>	<u>204,254</u>	<u>593,309</u>	<u>80,412</u>	<u>263,196</u>
<b>Expenditures</b>					
Current					
Public safety	<u>350,883</u>	<u>227,704</u>	<u>438,011</u>	-	<u>251,504</u>
Total expenditures	<u>350,883</u>	<u>227,704</u>	<u>438,011</u>	-	<u>251,504</u>
Excess of revenue over (under) expenditures	<u>(6,075)</u>	<u>(23,450)</u>	<u>155,298</u>	<u>80,412</u>	<u>11,692</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(6,075)	(23,450)	155,298	80,412	11,692
<b>Fund Balances - Beginning of Year</b>	<u>36,851</u>	<u>35,521</u>	<u>29,278</u>	<u>16,200</u>	<u>17,912</u>
<b>Fund Balances - End of Year</b>	<u>\$ 30,776</u>	<u>\$ 12,071</u>	<u>\$ 184,576</u>	<u>\$ 96,612</u>	<u>\$ 29,604</u>

(continued on page 122)

<u>Sherrills Ford Fire District Fund</u>	<u>Bandys Fire District Fund</u>	<u>Maiden Fire District Fund</u>	<u>Claremont Fire District Fund</u>	<u>Catawba Fire District Fund</u>	<u>Long View Fire District Fund</u>	<u>Newton Rural Fire District Fund</u>
\$ 1,346,510	\$ 370,160	\$ 137,561	\$ 226,587	\$ 126,155	\$ 22,648	\$ 341,583
2,408	2,893	1,257	319	1,744	285	375
<u>1,348,918</u>	<u>373,053</u>	<u>138,818</u>	<u>226,906</u>	<u>127,899</u>	<u>22,933</u>	<u>341,958</u>
<u>1,341,766</u>	<u>407,999</u>	<u>120,312</u>	<u>235,064</u>	<u>122,758</u>	<u>21,687</u>	<u>370,110</u>
<u>1,341,766</u>	<u>407,999</u>	<u>120,312</u>	<u>235,064</u>	<u>122,758</u>	<u>21,687</u>	<u>370,110</u>
<u>7,152</u>	<u>(34,946)</u>	<u>18,506</u>	<u>(8,158)</u>	<u>5,141</u>	<u>1,246</u>	<u>(28,152)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,152	(34,946)	18,506	(8,158)	5,141	1,246	(28,152)
<u>101,407</u>	<u>128,520</u>	<u>68,261</u>	<u>20,356</u>	<u>78,794</u>	<u>12,588</u>	<u>32,970</u>
<u>\$ 108,559</u>	<u>\$ 93,574</u>	<u>\$ 86,767</u>	<u>\$ 12,198</u>	<u>\$ 83,935</u>	<u>\$ 13,834</u>	<u>\$ 4,818</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, 2010**

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
<b>Revenues</b>			
Ad valorem taxes	\$ 74,808	\$ 297,113	\$ 4,423,236
Investment earnings	731	1,758	17,638
Total revenues	<u>75,539</u>	<u>298,871</u>	<u>4,440,874</u>
<b>Expenditures</b>			
Current			
Public safety	<u>72,325</u>	<u>306,476</u>	<u>4,266,599</u>
Total expenditures	<u>72,325</u>	<u>306,476</u>	<u>4,266,599</u>
Excess of revenue over (under) expenditures	<u>3,214</u>	<u>(7,605)</u>	<u>174,275</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,214	(7,605)	174,275
<b>Fund Balances - Beginning of Year</b>	<u>31,720</u>	<u>20,614</u>	<u>630,992</u>
<b>Fund Balances - End of Year</b>	<u>\$ 34,934</u>	<u>\$ 13,009</u>	<u>\$ 805,267</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 334,238	\$ 344,058	\$ 9,820	\$ 343,467
Investment earnings	-	750	750	1,789
Total revenues	<u>334,238</u>	<u>344,808</u>	<u>10,570</u>	<u>345,256</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>350,883</u>	<u>350,883</u>	-	<u>349,843</u>
Total expenditures	<u>350,883</u>	<u>350,883</u>	-	<u>349,843</u>
Excess of revenues over (under) expenditures	(16,645)	(6,075)	10,570	(4,587)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>16,645</u>	-	<u>(16,645)</u>	-
Total other financing sources (uses)	<u>16,645</u>	-	<u>(16,645)</u>	-
Net change in fund balance	<u>\$ -</u>	(6,075)	<u>\$ (6,075)</u>	(4,587)
<b>Fund Balances - Beginning of Year</b>		<u>36,851</u>		<u>41,438</u>
<b>Fund Balances - End of Year</b>		<u>\$ 30,776</u>		<u>\$ 36,851</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 197,989	\$ 204,034	\$ 6,045	\$ 193,241
Investment earnings	-	220	220	1,858
Total revenues	<u>197,989</u>	<u>204,254</u>	<u>6,265</u>	<u>195,099</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>227,704</u>	<u>227,704</u>	-	<u>194,160</u>
Total expenditures	<u>227,704</u>	<u>227,704</u>	-	<u>194,160</u>
Excess of revenues over (under) expenditures	(29,715)	(23,450)	6,265	939
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>29,715</u>	-	<u>(29,715)</u>	-
Total other financing sources (uses)	<u>29,715</u>	-	<u>(29,715)</u>	-
Net change in fund balance	<u>\$ -</u>	(23,450)	<u>\$ (23,450)</u>	939
<b>Fund Balances - Beginning of Year</b>		<u>35,521</u>		<u>34,582</u>
<b>Fund Balances - End of Year</b>		<u>\$ 12,071</u>		<u>\$ 35,521</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 588,011	\$ 590,546	\$ 2,535	\$ 434,701
Investment earnings	-	2,763	2,763	1,823
Total revenues	<u>588,011</u>	<u>593,309</u>	<u>5,298</u>	<u>436,524</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>588,011</u>	<u>438,011</u>	<u>150,000</u>	<u>446,324</u>
Total expenditures	<u>588,011</u>	<u>438,011</u>	<u>150,000</u>	<u>446,324</u>
Excess of revenues over (under) expenditures	-	155,298	155,298	(9,800)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	155,298	<u>\$ 155,298</u>	(9,800)
<b>Fund Balances - Beginning of Year</b>		<u>29,278</u>		<u>39,078</u>
<b>Fund Balances - End of Year</b>		<u>\$ 184,576</u>		<u>\$ 29,278</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 79,648	\$ 78,840	\$ (808)	\$ 81,593
Investment earnings	-	1,572	1,572	772
Total revenues	<u>79,648</u>	<u>80,412</u>	<u>764</u>	<u>82,365</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>79,648</u>	-	<u>79,648</u>	<u>80,128</u>
Total expenditures	<u>79,648</u>	-	<u>79,648</u>	<u>80,128</u>
Excess of revenues over (under) expenditures	-	80,412	80,412	2,237
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	80,412	<u>\$ 80,412</u>	2,237
<b>Fund Balances - Beginning of Year</b>		<u>16,200</u>		<u>13,963</u>
<b>Fund Balances - End of Year</b>		<u>\$ 96,612</u>		<u>\$ 16,200</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 251,504	\$ 262,633	\$ 11,129	\$ 258,557
Investment earnings	-	563	563	2,797
Total revenues	<u>251,504</u>	<u>263,196</u>	<u>11,692</u>	<u>261,354</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>251,504</u>	<u>251,504</u>	-	<u>335,893</u>
Total expenditures	<u>251,504</u>	<u>251,504</u>	-	<u>335,893</u>
Excess of revenues over (under) expenditures	-	11,692	11,692	(74,539)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	11,692	<u>\$ 11,692</u>	(74,539)
<b>Fund Balances - Beginning of Year</b>		<u>17,912</u>		<u>92,451</u>
<b>Fund Balances - End of Year</b>		<u>\$ 29,604</u>		<u>\$ 17,912</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 1,286,687	\$ 1,346,510	\$ 59,823	\$ 931,914
Investment earnings	-	2,408	2,408	4,394
Total revenues	<u>1,286,687</u>	<u>1,348,918</u>	<u>62,231</u>	<u>936,308</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>1,341,766</u>	<u>1,341,766</u>	-	<u>1,018,498</u>
Total expenditures	<u>1,341,766</u>	<u>1,341,766</u>	-	<u>1,018,498</u>
Excess of revenues over (under) expenditures	(55,079)	7,152	62,231	(82,190)
<b>Other Financing Sources (Uses)</b>				
Transfer from Denver Fire District	-	-	-	137
Fund balance appropriated	<u>55,079</u>	-	<u>(55,079)</u>	-
Total other financing sources (uses)	<u>55,079</u>	-	<u>(55,079)</u>	<u>137</u>
Net change in fund balance	<u>\$ -</u>	7,152	<u>\$ 7,152</u>	(82,053)
<b>Fund Balances - Beginning of Year</b>		<u>101,407</u>		<u>183,460</u>
<b>Fund Balances - End of Year</b>		<u>\$ 108,559</u>		<u>\$ 101,407</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<b>2010</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Ad valorem taxes	\$ 357,842	\$ 370,160	\$ 12,318	\$ 366,400
Investment earnings	-	2,893	2,893	5,434
Total revenues	<u>357,842</u>	<u>373,053</u>	<u>15,211</u>	<u>371,834</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>411,304</u>	<u>407,999</u>	<u>3,305</u>	<u>352,547</u>
Total expenditures	<u>411,304</u>	<u>407,999</u>	<u>3,305</u>	<u>352,547</u>
Excess of revenues over (under) expenditures	(53,462)	(34,946)	18,516	19,287
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>53,462</u>	-	<u>(53,462)</u>	-
Total other financing sources (uses)	<u>53,462</u>	-	<u>(53,462)</u>	-
Net change in fund balance	<u>\$ -</u>	(34,946)	<u>\$ (34,946)</u>	19,287
<b>Fund Balances - Beginning of Year</b>		<u>128,520</u>		<u>109,233</u>
<b>Fund Balances - End of Year</b>		<u>\$ 93,574</u>		<u>\$ 128,520</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 137,261	\$ 137,561	\$ 300	\$ 139,767
Investment earnings	-	1,257	1,257	2,926
Total revenues	<u>137,261</u>	<u>138,818</u>	<u>1,557</u>	<u>142,693</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>137,261</u>	<u>120,312</u>	<u>16,949</u>	<u>137,838</u>
Total expenditures	<u>137,261</u>	<u>120,312</u>	<u>16,949</u>	<u>137,838</u>
Excess of revenues over (under) expenditures	-	18,506	18,506	4,855
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	18,506	<u>\$ 18,506</u>	4,855
<b>Fund Balances - Beginning of Year</b>		<u>68,261</u>		<u>63,406</u>
<b>Fund Balances - End of Year</b>		<u>\$ 86,767</u>		<u>\$ 68,261</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 221,814	\$ 226,587	\$ 4,773	\$ 222,576
Investment earnings	-	319	319	1,224
Total revenues	<u>221,814</u>	<u>226,906</u>	<u>5,092</u>	<u>223,800</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>235,064</u>	<u>235,064</u>	-	<u>224,808</u>
Total expenditures	<u>235,064</u>	<u>235,064</u>	-	<u>224,808</u>
Excess of revenues over (under) expenditures	(13,250)	(8,158)	5,092	(1,008)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>13,250</u>	-	<u>(13,250)</u>	-
Total other financing sources (uses)	<u>13,250</u>	-	<u>(13,250)</u>	-
Net change in fund balance	<u>\$ -</u>	(8,158)	<u>\$ (8,158)</u>	(1,008)
<b>Fund Balances - Beginning of Year</b>		<u>20,356</u>		<u>21,364</u>
<b>Fund Balances - End of Year</b>		<u>\$ 12,198</u>		<u>\$ 20,356</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 127,166	\$ 126,155	\$ (1,011)	\$ 129,599
Investment earnings	-	1,744	1,744	3,285
Total revenues	<u>127,166</u>	<u>127,899</u>	<u>733</u>	<u>132,884</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>127,166</u>	<u>122,758</u>	<u>4,408</u>	<u>126,285</u>
Total expenditures	<u>127,166</u>	<u>122,758</u>	<u>4,408</u>	<u>126,285</u>
Excess of revenues over (under) expenditures	-	5,141	5,141	6,599
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	5,141	<u>\$ 5,141</u>	6,599
<b>Fund Balances - Beginning of Year</b>		<u>78,794</u>		<u>72,195</u>
<b>Fund Balances - End of Year</b>		<u>\$ 83,935</u>		<u>\$ 78,794</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 21,687	\$ 22,648	\$ 961	\$ 22,460
Investment earnings	-	285	285	540
Total revenues	<u>21,687</u>	<u>22,933</u>	<u>1,246</u>	<u>23,000</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>21,687</u>	<u>21,687</u>	-	<u>22,392</u>
Total expenditures	<u>21,687</u>	<u>21,687</u>	-	<u>22,392</u>
Excess of revenues over (under) expenditures	-	1,246	1,246	608
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	1,246	<u>\$ 1,246</u>	608
<b>Fund Balances - Beginning of Year</b>		<u>12,588</u>		<u>11,980</u>
<b>Fund Balances - End of Year</b>		<u>\$ 13,834</u>		<u>\$ 12,588</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 334,322	\$ 341,583	\$ 7,261	\$ 345,874
Investment earnings	-	375	375	1,688
Total revenues	<u>334,322</u>	<u>341,958</u>	<u>7,636</u>	<u>347,562</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>370,110</u>	<u>370,110</u>	-	<u>354,549</u>
Total expenditures	<u>370,110</u>	<u>370,110</u>	-	<u>354,549</u>
Excess of revenues over (under) expenditures	(35,788)	(28,152)	7,636	(6,987)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>35,788</u>	-	<u>(35,788)</u>	-
Total other financing sources (uses)	<u>35,788</u>	-	<u>(35,788)</u>	-
Net change in fund balance	<u>\$ -</u>	(28,152)	<u>\$ (28,152)</u>	(6,987)
<b>Fund Balances - Beginning of Year</b>		<u>32,970</u>		<u>39,957</u>
<b>Fund Balances - End of Year</b>		<u>\$ 4,818</u>		<u>\$ 32,970</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 72,325	\$ 74,808	\$ 2,483	\$ 74,395
Investment earnings	-	731	731	1,368
Total revenues	<u>72,325</u>	<u>75,539</u>	<u>3,214</u>	<u>75,763</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>72,325</u>	<u>72,325</u>	-	<u>72,701</u>
Total expenditures	<u>72,325</u>	<u>72,325</u>	-	<u>72,701</u>
Excess of revenues over (under) expenditures	-	3,214	3,214	3,062
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	3,214	<u>\$ 3,214</u>	3,062
<b>Fund Balances - Beginning of Year</b>		<u>31,720</u>		<u>28,658</u>
<b>Fund Balances - End of Year</b>		<u>\$ 34,934</u>		<u>\$ 31,720</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 299,406	\$ 297,113	\$ (2,293)	\$ 140,149
Investment earnings	-	1,758	1,758	825
Total revenues	<u>299,406</u>	<u>298,871</u>	<u>(535)</u>	<u>140,974</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>306,476</u>	<u>306,476</u>	<u>-</u>	<u>132,790</u>
Total expenditures	<u>306,476</u>	<u>306,476</u>	<u>-</u>	<u>132,790</u>
Excess of revenues over (under) expenditures	(7,070)	(7,605)	(535)	8,184
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	-	-	-	-
Fund balance appropriated	<u>7,070</u>	<u>-</u>	<u>(7,070)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,070</u>	<u>-</u>	<u>(7,070)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,605)</u>	<u>\$ (7,605)</u>	<u>8,184</u>
<b>Fund Balances - Beginning of Year</b>		<u>20,614</u>		<u>12,430</u>
<b>Fund Balances - End of Year</b>		<u>\$ 13,009</u>		<u>\$ 20,614</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 Construction 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.

### **Major Funds**

#### *General Capital Projects Fund -*

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

#### *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.

**CATAWBA COUNTY, NORTH CAROLINA**  
**Nonmajor Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2010**

	<b>School Construction Fund</b>	<b>School Bond Fund - 1997 Series Fund</b>	<b>Hospital Construction Fund</b>	<b>Total Nonmajor Capital Projects Fund</b>
<b>Assets</b>				
Cash and investments	\$ 2,552,563	\$ 67,675	\$ 23,141	\$ 2,643,379
Due from other governments	3,076,245	-	-	3,076,245
Interest receivables	26,665	400	136	27,201
Restricted cash and investments	1,875,435	-	-	1,875,435
Total assets	<u>7,530,908</u>	<u>68,075</u>	<u>23,277</u>	<u>7,622,260</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,364,950	-	-	1,364,950
Total liabilities	<u>1,364,950</u>	<u>-</u>	<u>-</u>	<u>1,364,950</u>
<b>Fund Balance</b>				
Unreserved	6,165,958	68,075	23,277	6,257,310
Total fund balances	<u>6,165,958</u>	<u>68,075</u>	<u>23,277</u>	<u>6,257,310</u>
Total liabilities and fund balances	<u>\$ 7,530,908</u>	<u>\$ 68,075</u>	<u>\$ 23,277</u>	<u>\$ 7,622,260</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, 2010**

	<u>School Construction Fund</u>	<u>School Bond Fund - 1997 Series Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
<b>Revenues</b>				
Restricted intergovernmental revenues	\$ 1,622,567	\$ -	\$ -	\$ 1,622,567
Investment earnings	130,444	1,302	468	132,214
Total revenues	<u>1,753,011</u>	<u>1,302</u>	<u>468</u>	<u>1,754,781</u>
<b>Expenditures</b>				
Capital outlay	<u>11,301,285</u>	-	-	<u>11,301,285</u>
Total expenditures	<u>11,301,285</u>	-	-	<u>11,301,285</u>
Excess of revenues over (under) expenditures	<u>(9,548,274)</u>	<u>1,302</u>	<u>468</u>	<u>(9,546,504)</u>
Net change in fund balance	(9,548,274)	1,302	468	(9,546,504)
<b>Fund Balances - Beginning of Year</b>	<u>15,714,232</u>	<u>66,773</u>	<u>22,809</u>	<u>15,803,814</u>
<b>Fund Balances - End of Year</b>	<u>\$ 6,165,958</u>	<u>\$ 68,075</u>	<u>\$ 23,277</u>	<u>\$ 6,257,310</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, 2010**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues					
Public School Building Lottery Fund	\$ 1,445,693	\$ 2,773,962	\$ 1,622,567	\$ 4,396,529	\$ 2,950,836
Investment earnings	2,820,988	2,055,667	130,444	2,186,111	(634,877)
Total revenues	<u>4,266,681</u>	<u>4,829,629</u>	<u>1,753,011</u>	<u>6,582,640</u>	<u>2,315,959</u>
<b>Expenditures</b>					
Catawba County Schools					
Arndt Middle School Renovation	4,250,000	-	549,820	549,820	3,700,180
Bandys High School Renovation	5,933,474	5,508,065	395,361	5,903,426	30,048
Bunker Hill High School Renovation	7,991,000	7,020,722	964,493	7,985,215	5,785
Fred T Foard High School Renovation	4,793,000	4,045,394	683,512	4,728,906	64,094
Snow Creek Elementary	11,938,704	9,622,337	1,944,194	11,566,531	372,173
St. Stephens High School Track	679,000	613,884	65,116	679,000	-
Total Catawba County Schools	<u>35,585,178</u>	<u>26,810,402</u>	<u>4,602,496</u>	<u>31,412,898</u>	<u>4,172,280</u>
Catawba Valley Community College					
East Campus Renovation	2,308,299	-	58,907	58,907	2,249,392
Multi-use Driver Training Facility	68,863	27,162	41,701	68,863	-
Paving Project	367,078	-	367,078	367,078	-
Student Services Center	3,025,000	148,992	1,597,656	1,746,648	1,278,352
Total Catawba Valley Community College	<u>5,769,240</u>	<u>176,154</u>	<u>2,065,342</u>	<u>2,241,496</u>	<u>3,527,744</u>
Hickory Public Schools					
Grandview Middle School	11,931,503	11,930,190	1,313	11,931,503	-
Hickory High School Renovation	9,547,577	5,897,638	2,206,904	8,104,542	1,443,035
Total Hickory Public Schools	<u>21,479,080</u>	<u>17,827,828</u>	<u>2,208,217</u>	<u>20,036,045</u>	<u>1,443,035</u>
Newton-Conover City Schools					
Newton-Conover High School Renovation	2,940,728	2,417,777	439,297	2,857,074	83,654
Newton-Conover Middle School Construction	20,800,000	-	1,985,933	1,985,933	18,814,067
Total Newton-Conover City Schools	<u>23,740,728</u>	<u>2,417,777</u>	<u>2,425,230</u>	<u>4,843,007</u>	<u>18,897,721</u>
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	4,347,219	-	-	-	4,347,219
Total Other	<u>5,197,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,197,219</u>
Total expenditures	<u>91,771,445</u>	<u>47,232,161</u>	<u>11,301,285</u>	<u>58,533,446</u>	<u>33,237,999</u>
Excess of revenues over (under) expenditures	<u>(87,504,764)</u>	<u>(42,402,532)</u>	<u>(9,548,274)</u>	<u>(51,950,806)</u>	<u>35,553,958</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, 2010**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Other Financing Sources (Uses)</b>					
Transfers from					
General Fund	6,958,159	6,958,159	-	6,958,159	-
School Capital Fund	1,864,554	1,864,554	-	1,864,554	-
Transfers to					
General Fund	(5,079,111)	(5,079,111)	-	(5,079,111)	-
School Capital Fund	(1,389,838)	(1,389,838)	-	(1,389,838)	-
Installment Purchase Obligations Issued 2010	28,475,000	-	-	-	(28,475,000)
Installment Purchase Obligations Issued 2009	16,750,000	16,750,000	-	16,750,000	-
Installment Purchase Obligations Issued 2008	27,426,000	26,513,000	-	26,513,000	(913,000)
Installment Purchase Obligations Issued 2004	9,900,000	9,900,000	-	9,900,000	-
Certificates of Participation Issued 2005	2,600,000	2,600,000	-	2,600,000	-
Total other financing sources (uses)	<u>87,504,764</u>	<u>58,116,764</u>	<u>-</u>	<u>58,116,764</u>	<u>(29,388,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,714,232</u>	<u>(9,548,274)</u>	<u>\$ 6,165,958</u>	<u>\$ 6,165,958</u>
<b>Fund Balances - Beginning of Year</b>			<u>15,714,232</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 6,165,958</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, 2010**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues</b>					
Investment earnings	\$ -	\$ 66,773	\$ 1,302	\$ 68,075	\$ 68,075
<b>Expenditures</b>					
Capital Outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	-	66,773	1,302	68,075	68,075
Net change in fund balance	<u>\$ -</u>	<u>\$ 66,773</u>	<u>1,302</u>	<u>\$ 68,075</u>	<u>\$ 68,075</u>
<b>Fund Balances - Beginning of Year</b>			<u>66,773</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 68,075</u>		

**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, 2010**

	<b>Project</b>	<b>Actual</b>			<b>Over/ Under</b>
		<b>Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	
<b>Revenues</b>					
Investment earnings	\$ -	\$ 22,809	\$ 468	\$ 23,277	\$ 23,277
<b>Expenditures</b>					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	22,809	468	23,277	23,277
Net change in fund balance	<u>\$ -</u>	<u>\$ 22,809</u>	468	<u>\$ 23,277</u>	<u>\$ 23,277</u>
<b>Fund Balances - Beginning of Year</b>			<u>22,809</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 23,277</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, 2010**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Other Taxes					
Sales Taxes - Article 46-one quarter of one	\$ 5,275,000	\$ 2,782,058	\$ 2,441,394	\$ 5,223,452	\$ (51,548)
Restricted intergovernmental revenues					
Geospatial grant	-	12,118	-	12,118	12,118
Municipalities Grants	53,020	29,663	16,222	45,885	(7,135)
Parks and Recreation grant	125,000	125,000	-	125,000	-
Investment earnings	2,401,724	5,552,337	354,507	5,906,844	3,505,120
Miscellaneous					
Personnel indirect cost	50,000	50,000	-	50,000	-
Miscellaneous	158,136	144,213	5,997	150,210	(7,926)
Rental - Jail Beds	550,000	682,153	446,303	1,128,456	578,456
Rental - Lifeskills	59,964	-	-	-	(59,964)
Rental - Mental Health	816,174	664,419	177,558	841,977	25,803
Total revenues	<u>9,489,018</u>	<u>10,041,961</u>	<u>3,441,981</u>	<u>13,483,942</u>	<u>3,994,924</u>
<b>Expenditures</b>					
Capital outlay					
Animal Shelter - HVAC	133,500	130,200	-	130,200	3,300
Animal Shelter Renovation	400,000	4,000	27,770	31,770	368,230
Bandys EMS Addition	237,506	-	-	-	237,506
Dental Clinic	403,400	118,024	128	118,152	285,248
Finance/Budget/Personnel Software	1,446,323	1,394,654	50,554	1,445,208	1,115
Future Unspecified Projects	106,309	-	-	-	106,309
General Renovations	943,238	934,224	3,816	938,040	5,198
GIS Remapping	125,000	43,912	70,562	114,474	10,526
Imaging System	60,000	44,419	9,515	53,934	6,066
Jail Expansion	17,869,980	17,708,193	139,797	17,847,990	21,990
Jail Expansion - Federal Beds	550,000	-	-	-	550,000
Justice Center Expansion/Public Safety	33,045,266	287,882	51,276	339,158	32,706,108
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	59,964	-	-	-	59,964
Microsoft Software Licensing	865,000	673,263	150,422	823,685	41,315
Mobile Field Applications	391,000	346,614	43,558	390,172	828
Mobile Workforce	50,000	-	47,220	47,220	2,780
PeopleSoft Financials Project	298,702	298,513	-	298,513	189
Permitting/Inspections System	750,000	267,182	339,832	607,014	142,986
Pictometry Flyover	95,000	94,800	-	94,800	200
Public Health Billing System	60,000	59,985	-	59,985	15
Public Safety Software System	622,149	620,794	-	620,794	1,355
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	1,125,000	-	4,350	4,350	1,120,650
Sherrills Ford Park	450,000	-	850	850	449,150
Snow Creek Park Gardens	210,000	205,760	2,882	208,642	1,358
Tax Software	530,000	315,000	-	315,000	215,000
Technology Infrastructure Upgrades	818,100	474,817	329,302	804,119	13,981
Viper 800mhz System	502,752	64,187	81,426	145,613	357,139
Voting Equipment	1,124,000	1,112,689	-	1,112,689	11,311
Total expenditures	<u>66,524,088</u>	<u>26,912,370</u>	<u>1,354,206</u>	<u>28,266,576</u>	<u>38,257,512</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, 2010**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Excess of revenues over (under) expenditures	<u>(57,035,070)</u>	<u>(16,870,409)</u>	<u>2,087,775</u>	<u>(14,782,634)</u>	<u>42,252,436</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from					
General Fund	15,213,261	15,213,261	-	15,213,261	-
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	23,612,500	-	-	-	(23,612,500)
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)	<u>57,035,070</u>	<u>33,530,448</u>	<u>-</u>	<u>33,530,448</u>	<u>(23,504,622)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,660,039</u>	<u>2,087,775</u>	<u>\$ 18,747,814</u>	<u>\$ 18,747,814</u>
<b>Fund Balances - Beginning of Year</b>			<u>16,660,039</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 18,747,814</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, 2010**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Other taxes					
Sales Taxes-Article 40 and 42	4,341,571	8,133,230	3,630,806	11,764,036	7,422,465
Restricted intergovernmental revenues					
Public School Building Capital Fund	9,080,536	8,751,917	2,055	8,753,972	(326,564)
Public School Building Lottery Fund	178,904	182,029	-	182,029	3,125
Investment earnings	6,942,680	4,424,607	200,759	4,625,366	(2,317,314)
Miscellaneous					
Partnership for Children	30,000	-	15,000	15,000	(15,000)
Hickory Public Schools	-	-	50,000	50,000	50,000
Total revenues	<u>20,573,691</u>	<u>21,491,783</u>	<u>3,898,620</u>	<u>25,390,403</u>	<u>4,816,712</u>
<b>Expenditures</b>					
Capital outlay					
Catawba County Schools					
Activity Buses	388,235	386,235	2,000	388,235	-
American with Disabilities Act Renovations	675,000	571,440	18,240	589,680	85,320
Annex Renovations	343,227	36,506	306,721	343,227	-
Arndt Middle School Addition	125,000	-	4,434	4,434	120,566
Arndt Middle School Roofing	180,000	-	54,438	54,438	125,562
Asbestos Flooring Replacement	150,000	145,991	4,009	150,000	-
Bus Garage - Biodiesel Tank	40,290	34,181	6,109	40,290	-
Capital Projects Manager	33,092	-	33,092	33,092	-
Dump Truck	50,000	-	49,500	49,500	500
Energy Management/Gym Lighting	64,000	54,756	3,617	58,373	5,627
Energy Management Retrofits	20,000	-	20,000	20,000	-
Gym Floor Replacements	95,000	94,054	946	95,000	-
HVAC Controls System Upgrade	164,990	159,200	5,790	164,990	-
Per Capita Allocation	865,591	-	865,591	865,591	-
Roofing Projects	1,084,432	774,994	189,902	964,896	119,536
School Buses	2,767,579	2,533,024	-	2,533,024	234,555
Sherrills Ford Wastewater	40,000	29,749	-	29,749	10,251
Storage Facility	180,000	-	115,389	115,389	64,611
Sweetwater Early Childhood Center	159,000	-	61,952	61,952	97,048
Window Replacements	61,000	-	22,738	22,738	38,262
Total Catawba County Schools	<u>7,486,436</u>	<u>4,820,130</u>	<u>1,764,468</u>	<u>6,584,598</u>	<u>901,838</u>
Catawba County Community College					
Alert System	100,000	-	38,800	38,800	61,200
Bookstore Renovation	150,000	-	-	-	150,000
Center for Emerging Manufacturing Solutions	425,838	-	-	-	425,838
Cooling Tower	37,448	-	37,448	37,448	-
Equipment Allowance	95,000	-	34,187	34,187	60,813
General Renovations	1,755,721	1,601,631	154,090	1,755,721	-
Mower	19,564	-	19,564	19,564	-
Parking Lot Security	40,000	-	31,661	31,661	8,339
Paving Projects	420,000	119,328	300,672	420,000	-
Safety Locks	50,000	-	50,000	50,000	-
Security Cameras	90,000	-	-	-	90,000
Simulated Hospital	1,000,000	-	86,952	86,952	913,048
Student Parking Lot	85,000	3,080	81,920	85,000	-
Truck	20,488	-	20,488	20,488	-
Total Catawba Valley Community College	<u>4,289,059</u>	<u>1,724,039</u>	<u>855,782</u>	<u>2,579,821</u>	<u>1,709,238</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, 2010**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
American with Disabilities Act	150,000	147,505	2,495	150,000	-
Hickory High School Asbestos	1,710,000	1,094,314	536,069	1,630,383	79,617
Hickory High School Vocational Building	25,000	7,708	17,292	25,000	-
Mobile Classrooms	90,000	89,481	519	90,000	-
Per Capita Allocation	206,894	-	206,894	206,894	-
Southwest Elementary Roof	328,972	321,551	5,944	327,495	1,477
Total Hickory Public Schools	<u>2,510,866</u>	<u>1,660,559</u>	<u>769,213</u>	<u>2,429,772</u>	<u>81,094</u>
Newton-Conover City Schools					
Activity Buses	74,856	55,000	19,856	74,856	-
Americans with Disabilities Act	80,000	77,986	1,440	79,426	574
Asbestos Removal	66,869	33,543	-	33,543	33,326
Capital Projects Manager	35,265	-	30,747	30,747	4,518
Newton-Conover High School General Renovations	335,815	322,000	13,815	335,815	-
NC Middle School to Elementary	226,806	-	41,710	41,710	185,096
Per Capita Allocation	133,057	-	133,057	133,057	-
Roofing Projects	487,272	37,930	286,076	324,006	163,266
Summit System	70,000	48,132	1,147	49,279	20,721
Total Newton-Conover City Schools	<u>1,509,940</u>	<u>574,591</u>	<u>527,848</u>	<u>1,102,439</u>	<u>407,501</u>
Future Unspecified Projects	<u>3,236,885</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,236,885</u>
Total expenditures	<u>19,033,186</u>	<u>8,779,319</u>	<u>3,917,311</u>	<u>12,696,630</u>	<u>6,336,556</u>
Excess of revenues over (under) expenditures	<u>1,540,505</u>	<u>12,712,464</u>	<u>(18,691)</u>	<u>12,693,773</u>	<u>11,153,268</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from					
General Fund	1,084,778	1,084,778	-	1,084,778	-
School Construction Fund	1,389,838	1,389,838	-	1,389,838	-
Transfers to					
General Fund	(2,871,693)	(347,062)	(2,524,631)	(2,871,693)	-
School Construction Fund	(1,143,428)	(1,143,428)		(1,143,428)	-
Total other financing sources (uses)	<u>(1,540,505)</u>	<u>984,126</u>	<u>(2,524,631)</u>	<u>(1,540,505)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,696,590</u>	<u>(2,543,322)</u>	<u>\$ 11,153,268</u>	<u>\$ 11,153,268</u>
<b>Fund Balances - Beginning of Year</b>			<u>13,696,590</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 11,153,268</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.

*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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Operating revenues				
Charges for services				
Solid waste charges	\$ 5,181,201	\$ 4,864,891		
Methane recovery	584,028	671,221		
Other operating	84,850	64,702		
Total operating revenues	<u>5,850,079</u>	<u>5,600,814</u>	<u>(249,265)</u>	<u>5,922,920</u>
Nonoperating revenues				
Investment earnings	-	339,798		
Tire disposal tax	130,000	171,301		
Solid waste disposal tax	80,814	69,266		
White goods disposal tax	50,000	50,076		
North Carolina biofuels grant	150,000	135,000		
Scrap tire grant	80,000	64,904		
Miscellaneous	-	3,000		
Total nonoperating revenues	<u>490,814</u>	<u>833,345</u>	<u>342,531</u>	<u>932,045</u>
Total revenues	<u>6,340,893</u>	<u>6,434,159</u>	<u>93,266</u>	<u>6,854,965</u>
<b>Expenditures</b>				
Solid Waste Management				
Administration				
Salaries & employee benefits	211,789	210,112		
Other operating	248,818	245,248		
Solid waste reserve	879,357	-		
	<u>1,339,964</u>	<u>455,360</u>	<u>884,604</u>	<u>445,047</u>
Recycling				
Other operating	53,099	39,649		
	<u>53,099</u>	<u>39,649</u>	<u>13,450</u>	<u>44,887</u>
Solid Waste Management Improvements				
Other operating	407,084	257,060		
	<u>407,084</u>	<u>257,060</u>	<u>150,024</u>	<u>250,729</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	66,553	65,021		
Other operating	70,470	9,159		
	<u>137,023</u>	<u>74,180</u>	<u>62,843</u>	<u>63,267</u>
Sanitary Landfill				
Salaries & employee benefits	1,079,888	1,077,814		
Other operating	1,781,614	1,192,176		
	<u>2,861,502</u>	<u>2,269,990</u>	<u>591,512</u>	<u>2,527,813</u>
Convenience Centers				
Other operating	318,565	329,002		
	<u>318,565</u>	<u>329,002</u>	<u>(10,437)</u>	<u>329,592</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Household Hazardous Waste				
Other operating	90,719	86,320		
	<u>90,719</u>	<u>86,320</u>	4,399	<u>72,285</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	126,621	103,445		
Other operating	615,163	522,519		
	<u>741,784</u>	<u>625,964</u>	115,820	<u>683,694</u>
Total operating expenditures	<u>5,949,740</u>	<u>4,137,525</u>	1,812,215	<u>4,417,314</u>
Capital outlay	<u>2,759,327</u>	<u>1,237,378</u>	1,521,949	<u>2,646,344</u>
Total expenditures	<u>8,709,067</u>	<u>5,374,903</u>	3,334,164	<u>7,063,658</u>
Excess of revenues over (under) expenditures	<u>(2,368,174)</u>	<u>1,059,256</u>	3,427,430	<u>(208,693)</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>2,368,174</u>	-	(2,368,174)	
Total other financing sources (uses)	<u>2,368,174</u>	-	(2,368,174)	<u>239</u>
Change in net assets	<u>\$ -</u>	<u>\$ 1,059,256</u>	<u>\$ 1,059,256</u>	<u>\$ (208,454)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Change in net assets		<u>\$ 1,059,256</u>		
Reconciling items				
Capital outlay		1,237,378		
Depreciation		(715,150)		
(Increase) decrease in accrued landfill closure and postclosure care costs		(949,217)		
(Increase) decrease in compensated absences		1,264		
Capital contribution		<u>150,200</u>		
Total reconciling items		<u>(275,525)</u>		
Change in net assets (Exhibit 7) (full accrual)		<u>\$ 783,731</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, 2010**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2009**

	<u>2010</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Operating revenues				
Charges for services				
Domestic Haulers	\$ 55,150	\$ 63,605		
Capital and engineering fees	595,410	148,640		
Total operating revenues	<u>650,560</u>	<u>212,245</u>	<u>(438,315)</u>	<u>412,284</u>
Nonoperating revenues				
State clean water grant	1,000,000	-		
Municipality revenue	513,859	346,148		
Investment earnings	-	241,754		
Total nonoperating revenues	<u>1,513,859</u>	<u>587,902</u>	<u>(925,957)</u>	<u>1,471,527</u>
Total revenues	<u>2,164,419</u>	<u>800,147</u>	<u>(1,364,272)</u>	<u>1,883,811</u>
<b>Expenditures</b>				
Water and Sewer Administration				
Salaries & employee benefits	47,964	48,567		
Other operating	76,555	43,016		
Principal	239,165	239,165		
Interest	281,245	281,240		
Water and sewer reserve	5,226,724	-		
Total expenditures	<u>5,871,653</u>	<u>611,988</u>	<u>5,259,665</u>	<u>629,447</u>
Excess of revenues over (under) expenditures	<u>(3,707,234)</u>	<u>188,159</u>	<u>3,895,393</u>	<u>1,254,364</u>
<b>Other Financing Sources (Uses)</b>				
Transfer from General fund	3,700,000	3,700,000		
Fund balance appropriated	7,234	-	-	-
Total other financing sources (uses)	<u>3,707,234</u>	<u>3,700,000</u>	<u>(7,234)</u>	<u>5,794,527</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,888,159</u>	<u>\$ 3,888,159</u>	<u>\$ 7,048,891</u>
<b>Reconciling items</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 3,888,159		
Capital outlay		-		
Depreciation		(156,229)		
Loan principal		239,165		
Revenues from capital projects		406,008		
Project expenditures not capitalized		(741,391)		
Change in net assets		<u>\$ 3,635,712</u>		



**CATAWBA COUNTY, NORTH CAROLINA**  
**Water and Sewer Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**From Inception and for the Year Ended June 30, 2010**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	3,000,000	-	-	-	(3,000,000)
Clean Water Bond High Unit Cost Grant					
SECC Water Loop	5,897	-	-	-	(5,897)
Community Development Block Grants (CDBG)					
Infrastructure Water Hookup	35,011	-	-	-	(35,011)
Infrastructure Water Hookup - 2010	75,000	-	55,887	55,887	(19,113)
Royal Heights Water	308,500	-	3,709	3,709	(304,791)
State Clean Water Grants					
Balls Creek	97,093	-	-	-	(97,093)
Municipal Grants	25,246	-	-	-	(25,246)
Investment earnings	786,503	786,503	346,412	1,132,915	346,412
Miscellaneous					
Sherrills Ford Development Water Project	35,462	-	-	-	(35,462)
<b>Total revenues</b>	<b>4,368,712</b>	<b>786,503</b>	<b>406,008</b>	<b>1,192,511</b>	<b>(3,176,201)</b>
<b>Expenditures</b>					
Capital outlay					
Blackburn Elementary Water	580,000	-	-	-	580,000
Blackburn/Plateau Water	3,780,600	121,659	2,333,988	2,455,647	1,324,953
Clarks Creek Wastewater	120,000	-	-	-	120,000
Community Development Block Grants (CDBG)					
Adverts Crossroads Waterline	9,097	-	-	-	9,097
Infrastructure Water Hookup	28,290	11,000	-	11,000	17,290
Infrastructure Water Hookup - 2010	75,000	-	70,076	70,076	4,924
Mt. Grove Shiloh Water	104,871	-	-	-	104,871
Royal Heights Water	330,000	-	12,499	12,499	317,501
Community Road Water	300,000	-	-	-	300,000
State Clean Water Grants					
Balls Creek Elementary	315,458	133,680	-	133,680	181,778
Bunker Hill Sewer	2,768,734	123,037	115,374	238,411	2,530,323
Conover/Southeastern Catawba County Pass					
Through	5,000	-	-	-	5,000
EPA Stormwater Phase II	125,000	-	-	-	125,000
Future Water & Sewer Projects	2,994,212	-	-	-	2,994,212
Heatherbrook Subdivision Water	325,000	-	-	-	325,000
Hwy 150 Water Service	34,951	-	-	-	34,951
Hwy 150 Sewer Service	9,660,000	-	9,517	9,517	9,650,483
Leeland Terrace Subdivision Water	213,226	-	83,516	83,516	129,710
Miscellaneous	2,356,679	-	-	-	2,356,679
Mountain View Elementary Water	30,000	-	-	-	30,000
NDPES Testing and Removal	191,514	5,820	5,940	11,760	179,754
Newton Pass Through	15,000	-	-	-	15,000
Regional Biosolids Facility	1,069,367	244,428	150,201	394,629	674,738
Regional Water Supply Study	50,000	-	-	-	50,000
Remington Drive Water	30,000	-	28,737	28,737	1,263
Rocky Ford/Startown Water	1,240,000	-	-	-	1,240,000
Sherrills Ford/Terrell Water	12,141	-	-	-	12,141
Shiloh Road Water Line	9,446	-	-	-	9,446
Sludge Composting Project	1,118,246	234,946	287,148	522,094	596,152
Southeastern Catawba County Interconnect					
Water Line	12,420	-	-	-	12,420
Southeastern Catawba County Wastewater	6,810,573	4,704,346	1,528,556	6,232,902	577,671

**CATAWBA COUNTY, NORTH CAROLINA**  
**Water and Sewer Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**From Inception and for the Year Ended June 30, 2010**

	<b>Project Authorization</b>	<b>Actual</b>			<b>Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
Southeastern Catawba County Water Supply Loop	5,107,976	4,265,402	273,340	4,538,742	569,234
Stormwater Layers Flyover	99,930	-	-	-	99,930
Wastewater Treatment Plant-Hickory/Catawba	4,000,000	-	-	-	4,000,000
<b>Total expenditures</b>	<b>43,922,731</b>	<b>9,844,318</b>	<b>4,898,892</b>	<b>14,743,210</b>	<b>29,179,521</b>
Excess of revenues over (under) expenditures	(39,554,019)	(9,057,815)	(4,492,884)	(13,550,699)	26,003,320
<b>Other Financing Sources (Uses)</b>					
Transfers from (to)					
General Fund	(1,237,224)	-	-	-	1,237,224
Water and Sewer Construction Fund - Governmental	27,131,243	30,589,831	-	30,589,831	3,458,588
Installment Purchase Obligations Issued 2010	13,660,000	-	-	-	(13,660,000)
<b>Total other financing sources (uses)</b>	<b>39,554,019</b>	<b>30,589,831</b>	<b>-</b>	<b>30,589,831</b>	<b>(8,964,188)</b>
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 21,532,016	\$ (4,492,884)	\$ 17,039,132	\$ 17,039,132



**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, 2010**

	<u>Balance June 20, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
<b>Social Services Fund</b>				
Assets				
Cash and investments	\$ 51,032	\$ 289,423	\$ 297,751	\$ 42,704
Liabilities				
Miscellaneous liabilities	\$ 51,032	\$ 289,423	\$ 297,751	\$ 42,704
<b>Sheriff Commissary Fund</b>				
Assets				
Cash and investments	\$ 29,362	\$ 237,525	\$ 221,522	\$ 45,365
Liabilities				
Miscellaneous liabilities	\$ 29,362	\$ 237,525	\$ 221,522	\$ 45,365
<b>Delinquent Motor Vehicle Fund</b>				
Assets				
Cash and investments	\$ 5,186	\$ 65,062	\$ 65,166	\$ 5,082
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 5,186	\$ 65,062	\$ 65,166	\$ 5,082
<b>Deed of Trust Fee Fund</b>				
Assets				
Cash and investments	\$ -	\$ 16,430	\$ 14,195	\$ 2,235
Liabilities				
Intergovernmental payable - State of North Carolina	\$ -	\$ 16,430	\$ 14,195	\$ 2,235
<b>Total - All Agency Funds</b>				
Assets				
Cash and investments	\$ 85,580	\$ 608,440	\$ 598,634	\$ 95,386
Liabilities				
Miscellaneous liabilities	\$ 85,580	\$ 608,440	\$ 598,634	\$ 95,386

## **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, 2010**

	<u>Amounts Represented on Statements</u>	<u>Cost Value</u>	<u>Fair Value</u>
<b>Cash</b>			
On hand	\$ 8,856	\$ 8,856	\$ 8,856
In demand deposits (interest bearing)	(90,707)	(90,707)	(90,707)
(noninterest bearing)	88,069	88,069	# 88,069
Total cash	<u>\$ 6,218</u>	<u>\$ 6,218</u>	<u>\$ 6,218</u>
<b>Other Investments</b>			
North Carolina Capital Management Trust, unrestricted	\$ 28,451,031	\$ 28,451,031	\$ 28,451,031
North Carolina Capital Management Trust, restricted for capital	123	123	123
Finistar	2,378,299	2,378,299	2,378,299
Commercial Paper	1,997,911	1,997,911	1,997,911
Federal Home Loan Bank	31,391,716	30,871,641	31,391,716
Federal Home Loan Mortgage Corporation	14,648,291	14,426,219	14,648,291
Federal National Mortgage Association	32,922,611	32,707,931	32,922,611
Money Market, unrestricted	2,546,540	2,546,540	2,546,540
Money Market, restricted for capital	2,325,194	2,325,194	2,325,194
Certificates of deposit	19,255,133	19,255,133	19,255,133
Total other investments	<u>\$ 135,916,849</u>	<u>\$ 134,960,022</u>	<u>\$ 135,916,849</u>
<b>Total cash and investments</b>	<u>\$ 135,923,067</u>	<u>\$ 134,966,240</u>	<u>\$ 135,923,067</u>

**Distribution by funds**

<b>General Fund</b>		\$ 47,280,016
<b>Special Revenue Funds</b>		
Emergency Telephone System Fund	\$ 3,101,305	
Citizens' Alert System Fund	21,881	
Narcotics Seized Funds and Property Fund	293,211	
Reappraisal Fund	226,410	
General Capital Reserve Fund	671,795	
Hospital Capital Reserve Fund	5,268,104	
Rescue Squads Fund	264,132	
Library Endowment Fund	231,235	
Gretchen Peed Scholarship Fund	42,129	
Parks Preservation Trust Fund	139,955	
Community Development Fund	1,581	
Fire District Funds	<u>816,773</u>	11,078,511
<b>Capital Projects Funds</b>		
General Capital Projects Fund	\$ 18,097,617	
Restricted Cash	43	
Schools Capital Projects Fund	10,468,603	
School Construction Fund	2,552,563	
Restricted Cash	1,875,435	
School Bond Fund 1997 Series	67,675	
Hospital Construction Fund	<u>23,141</u>	33,085,077
<b>Enterprise Fund</b>		
Solid Waste Management Fund	\$ 16,832,932	
Water & Sewer Fund	27,101,307	
Restricted Cash	<u>449,838</u>	44,384,077
<b>Fiduciary Funds</b>		
Social Services Fund	\$ 42,704	
Sheriff Commissary Fund	45,365	
Delinquent Motor Vehicle Tax Fund	5,082	
Deed of Trust Fee Fund	<u>2,235</u>	<u>95,386</u>
<b>Total</b>		<u>\$ 135,923,067</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2010**

	<u>County-wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 14,646,030,280	0.535	\$ 78,356,262	\$ 74,728,212	\$ 3,628,050
Motor vehicles taxed at prior year's rate	314,245,047	0.535	1,681,211	-	1,681,211
Penalties	-		121,687	121,687	-
Total	<u>14,960,275,327</u>		<u>80,159,160</u>	<u>74,849,899</u>	<u>5,309,261</u>
Discoveries:					
Current year taxes	109,072,710	0.535	583,539	39,149	544,390
Prior year taxes at applicable rate	-		213,789	157,083	56,706
Penalties	-		7,116	7,116	-
Total	<u>109,072,710</u>		<u>804,444</u>	<u>203,348</u>	<u>601,096</u>
Abatements:	<u>(55,593,271)</u>		<u>(297,424)</u>	<u>(215,301)</u>	<u>(82,123)</u>
Total property valuation	<u>\$ 15,013,754,766</u>				
Net levy			80,666,180	74,837,946	5,828,234
Uncollected taxes at June 30, 2010			<u>2,958,920</u>	<u>2,039,593</u>	<u>919,327</u>
Current year's taxes collected			<u>\$ 77,707,260</u>	<u>\$ 72,798,353</u>	<u>\$ 4,908,907</u>
Current levy collection percentage			<u>96.33%</u>	<u>97.27%</u>	<u>84.23%</u>

**Secondary Market Disclosures**

Assessed Valuation:		
Assessment Ratio <sup>(1)</sup>		100%
Real Property		\$ 11,874,836,448
Personal Property		2,547,986,916
Public Service Companies <sup>(2)</sup>		<u>590,931,402</u>
Total Assessed Valuation		<u>\$ 15,013,754,766</u>
Tax Rate per \$100		0.535
Levy (includes discoveries, releases and abatements) <sup>(3)</sup>		\$ 80,666,180

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	\$ 4,436,382
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<sup>(1)</sup> Percentage of appraised value has been established by statute.

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

<sup>(3)</sup> The levy includes interest and penalties.

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Taxes Receivable**  
**For the Year Ended June 30, 2010**

<u>General Fund</u>	<u>Uncollected Balance June 30, 2009</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2010</u>
2009	\$ -	\$ 80,666,180	\$ 77,707,260	\$ 2,958,920
2008	2,991,989	-	1,793,486	1,198,503
2007	900,437	-	258,367	642,070
2006	486,428	-	79,091	407,337
2005	373,048	-	34,212	338,836
2004	326,352	-	19,701	306,651
2003	313,919	-	12,570	301,349
2002	285,414	-	9,682	275,732
2001	263,203	-	3,275	259,928
Prior to 2001	944,076	-	4,050	940,026
	<u>\$ 6,884,866</u>	<u>\$ 80,666,180</u>	<u>\$ 79,921,694</u>	<u>\$ 7,629,352</u>
Less allowance for uncollectible taxes	<u>3,276,000</u>			<u>3,961,798</u>
Taxes receivable -- net	<u>\$ 3,608,866</u>			<u>\$ 3,667,554</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 80,274,373
Reconciling items:	
Penalties and interest collected	(502,857)
Tax on leased vehicle collected	(76,837)
Prior year release/adjustments	227,015
Total reconciling items	<u>(352,679)</u>
Total collections	<u>\$ 79,921,694</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of General Bonded Indebtedness and Debt Service Requirement**  
**For the Fiscal Year Ended June 30, 2010**

Date of Issue	Purpose	Maturity	Interest	Notes and Bonds	Notes and Bonds	Notes and Bonds	Interest Paid 2009-2010	Notes and Bonds	Falling Due Within	
				Outstanding June 30, 2009	Issued 2009-2010	Retired 2009-2010		Outstanding June 30, 2010	Principal	Interest
6/01/1998	School Bonds Series 1998	1998-13	4.30-4.40	3,125,000	-	750,000	137,500	2,375,000	775,000	104,500
6/01/1999	School Bonds Series 1999	2000-14	4.40-4.70	6,450,000	-	1,200,000	303,150	5,250,000	1,250,000	246,750
6/01/2000	School Bonds Series 2000	2001-15	5.30-5.40	625,000	-	625,000	33,125	-	-	-
12/1/2002	Refunding Series 2002 Schools	2003-14	2.00-4.00	3,288,000	-	1,312,000	131,520	1,976,000	852,000	79,040
	Community College	2003-14	2.00-4.00	822,000	-	328,000	32,880	494,000	213,000	19,760
6/1/2005	Refunding Series 2005 Schools	2006-15	3.00-3.75	9,080,582	-	2,151,296	341,248	6,929,286	2,026,444	268,642
	Community College	2006-15	3.00-3.75	374,418	-	88,704	14,071	285,714	83,556	11,077
				<u>\$ 23,765,000</u>	<u>\$ -</u>	<u>\$ 6,455,000</u>	<u>\$ 993,494</u>	<u>\$ 17,310,000</u>	<u>\$ 5,200,000</u>	<u>\$ 729,769</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Long-Term Debt Requirements and Maturity Schedule**  
**For the Fiscal Year Ended June 30, 2010**

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2011	12,171,153	4,764,416	16,935,569	249,291	271,114	520,405
2012	11,202,147	4,272,338	15,474,485	259,845	260,560	520,405
2013	11,017,417	3,809,763	14,827,180	270,847	249,558	520,405
2014	9,192,417	3,312,656	12,505,073	282,314	238,091	520,405
2015	7,387,417	2,922,906	10,310,323	294,267	226,138	520,405
2016-2020	32,457,083	10,222,017	42,679,100	1,669,111	932,915	2,602,026
2021-2025	23,801,482	3,473,518	27,275,000	2,053,667	548,359	2,602,026
2026-2028	3,241,050	237,650	3,478,700	1,452,846	108,370	1,561,216
	<sup>(1)</sup> <u>\$ 110,470,166</u>	<u>\$ 33,015,264</u>	<u>\$ 143,485,430</u>	<u>\$ 6,532,188</u>	<u>\$ 2,835,105</u>	<u>\$ 9,367,293</u>

<sup>(1)</sup> 10% of Legal Debt Limit



## Statistical Section

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

<u>Content</u>	<u>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.	168-175
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	176-179
<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.	180-183
<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.	184-185
<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.	186-188

*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			
	2010	2009	2008	2007
Governmental activities:				
Invested in capital assets, net of related debt	\$ 68,272,595	\$ 67,484,313	\$ 81,948,941	\$ 78,197,249
Restricted	1,377,237	1,089,189	810,599	745,357
Unrestricted	<u>(1,870,336)</u>	<u>(5,481,946)</u>	<u>35,727,062</u>	<u>16,336,081</u>
Total governmental activities net assets	<u>67,779,496</u>	<u>63,091,556</u>	<u>118,486,602</u>	<u>95,278,687</u>
Business-type activities:				
Invested in capital assets, net of related debt	46,177,552	43,612,368	22,121,146	18,670,633
Restricted	-	-	-	-
Unrestricted	<u>35,808,986</u>	<u>33,954,727</u>	<u>8,696,235</u>	<u>12,411,036</u>
Total business-type activities net assets	<u>81,986,538</u>	<u>77,567,095</u>	<u>30,817,381</u>	<u>31,081,669</u>
Primary government:				
Invested in capital assets, net of related debt	114,450,147	111,096,681	104,070,087	96,867,882
Restricted	1,377,237	1,089,189	810,599	745,357
Unrestricted	<u>33,938,650</u>	<u>28,472,781</u>	<u>44,423,297</u>	<u>28,747,117</u>
Total primary government net assets	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>	<u>\$ 149,303,983</u>	<u>\$ 126,360,356</u>

Data Source  
Audited Financial Statements

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

**Fiscal Year**

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 76,988,789	\$ 74,327,245	\$ 72,847,615	\$ 69,185,903	\$ 65,163,339	N/A
655,333	650,382	12,276,811	2,822,098	4,636,398	N/A
<u>10,274,088</u>	<u>24,523,260</u>	<u>21,007,494</u>	<u>24,825,035</u>	<u>11,253,425</u>	<u>N/A</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>	<u>-</u>
17,159,517	15,639,246	15,371,592	13,580,563	13,841,215	N/A
-	-	-	-	-	N/A
<u>10,784,695</u>	<u>10,547,160</u>	<u>9,707,303</u>	<u>10,020,174</u>	<u>8,709,873</u>	<u>N/A</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>	<u>-</u>
94,148,306	89,966,491	88,219,207	82,766,466	79,004,554	N/A
655,333	650,382	12,276,811	2,822,098	4,636,398	N/A
<u>21,058,783</u>	<u>35,070,420</u>	<u>30,714,797</u>	<u>34,845,209</u>	<u>19,963,298</u>	<u>N/A</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>	<u>N/A</u>

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

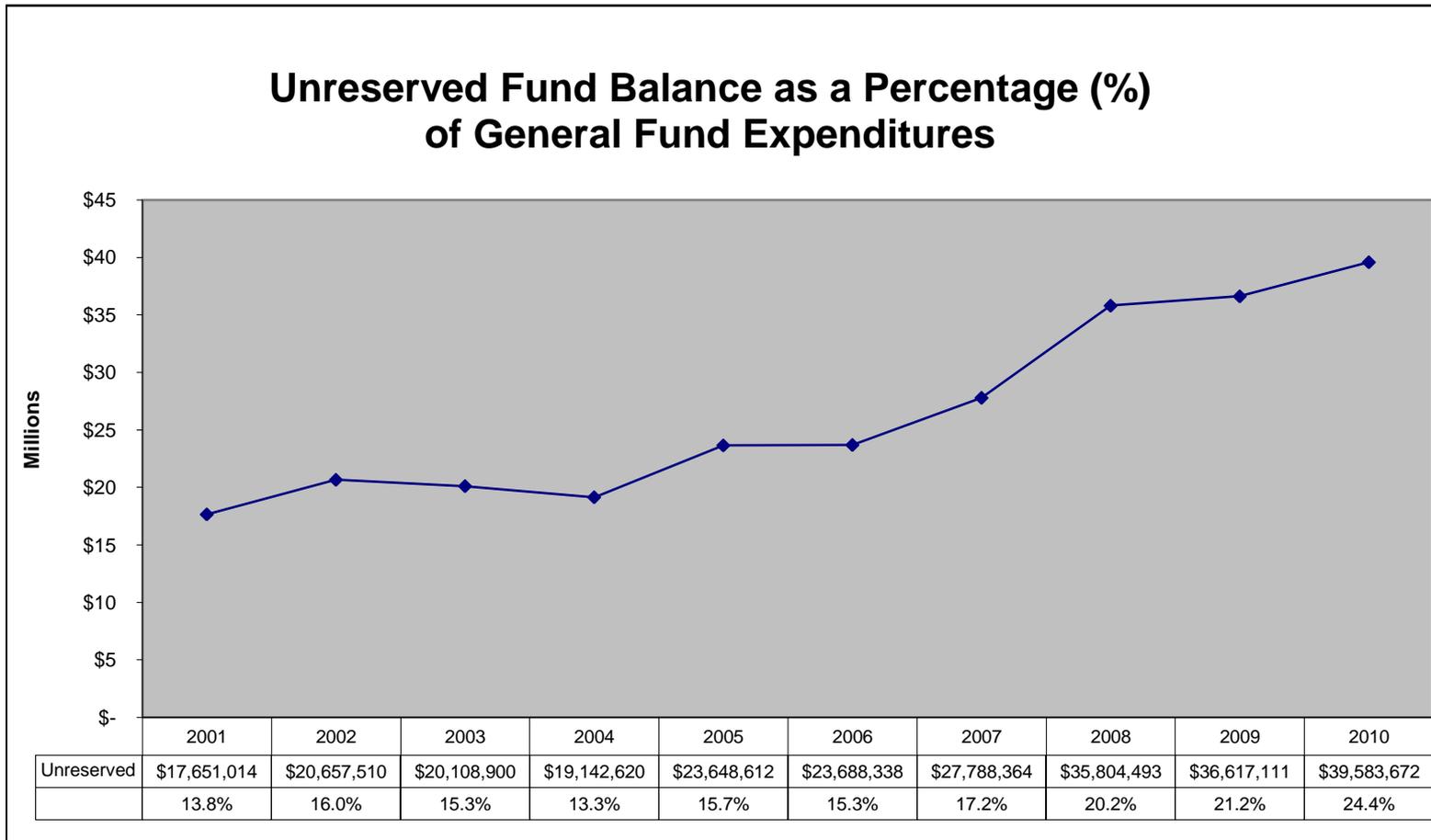
	Fiscal Year			
	2010	2009	2008	2007
<b>Expenses</b>				
Governmental activities:				
General government	\$ 10,533,518	\$ 10,172,611	\$ 11,203,800	\$ 9,001,933
Public safety	29,076,572	28,263,640	26,316,167	22,897,052
Environmental protection	495,248	539,138	546,680	504,416
Economic and physical development	10,627,991	10,743,831	10,827,271	12,054,976
Human services	51,688,459	56,066,282	74,150,353	66,083,707
Culture and recreation	2,830,504	2,830,192	2,760,614	2,771,008
Education	53,825,312	78,130,574	50,388,730	52,216,062
Interest on long-term debt	5,411,021	5,163,100	4,584,583	4,909,742
Total governmental activities expenses	<u>164,488,625</u>	<u>191,909,368</u>	<u>180,778,198</u>	<u>170,438,896</u>
Business-type activities:				
Solid waste management	5,800,628	5,570,927	8,172,432	5,260,776
Water and sewer	<u>1,270,443</u>	<u>1,118,908</u>	-	-
Total business-type activities expenses	<u>7,071,071</u>	<u>6,689,835</u>	<u>8,172,432</u>	<u>5,260,776</u>
Total primary government expenses	<u>171,559,696</u>	<u>198,599,203</u>	<u>188,950,630</u>	<u>175,699,672</u>
<b>Program Revenues</b>				
Governmental activities:				
Fees, fines, and charges for services:				
General government	2,631,983	2,683,400	4,340,110	4,380,295
Public safety	8,188,847	8,613,711	6,950,872	5,017,287
Environmental protection	4,675	5,125	4,825	4,575
Economic and physical development	2,858,217	2,013,945	4,618,557	3,247,499
Human services	7,876,144	7,962,471	9,819,859	9,779,244
Culture and recreation	74,256	77,989	62,332	63,723
Education	892,179	994,015	1,081,098	1,126,095
Operating grants and contributions	32,298,988	31,213,021	46,999,422	43,735,432
Capital grants and contributions	<u>3,217,167</u>	<u>4,164,591</u>	<u>4,857,657</u>	<u>101,953</u>
Total governmental activities program revenues	<u>58,042,456</u>	<u>57,728,268</u>	<u>78,734,732</u>	<u>67,456,103</u>
Business-type activities:				
Fees, fines, and charges for services	5,816,059	7,440,625	6,626,224	6,677,959
Operating grants and contributions	546,052	144,989	41,279	102,816
Capital grants and contributions	<u>209,796</u>	<u>44,081</u>	<u>148,518</u>	<u>526,398</u>
Total business-type activities program revenues	<u>6,571,907</u>	<u>7,629,695</u>	<u>6,816,021</u>	<u>7,307,173</u>
Total primary government program revenues	<u>64,614,363</u>	<u>65,357,963</u>	<u>85,550,753</u>	<u>74,763,276</u>
<b>Net (Expenses) Revenues</b>				
Governmental activities	(106,446,169)	(134,181,100)	(102,043,466)	(102,982,793)
Business-type activities	<u>(499,164)</u>	<u>939,861</u>	<u>(1,356,411)</u>	<u>2,046,397</u>
Total primary government net expense	<u>(106,945,333)</u>	<u>(133,241,239)</u>	<u>(103,399,877)</u>	<u>(100,936,396)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes	84,763,108	84,738,225	82,048,071	68,378,012
Local option sales taxes	26,692,186	32,272,780	35,299,813	33,760,033
Other taxes and licenses	1,263,135	1,605,323	2,119,554	2,135,782
Unrestricted intergovernmental	-	-	-	-
Investment earnings	2,115,680	4,023,446	5,786,693	6,069,443
Miscellaneous, unrestricted	-	-	-	-
Transfers	<u>(3,700,000)</u>	<u>(43,853,720)</u>	<u>(2,750)</u>	-
Total governmental activities	<u>111,134,109</u>	<u>78,786,054</u>	<u>125,251,381</u>	<u>110,343,270</u>
Business-type activities:				
Other taxes and licenses	290,643	255,732	228,024	221,825
Investment earnings	927,964	1,700,401	861,349	869,235
Transfers	<u>3,700,000</u>	<u>43,853,720</u>	<u>2,750</u>	-
Total business-type activities	<u>4,918,607</u>	<u>45,809,853</u>	<u>1,092,123</u>	<u>1,091,060</u>
Total primary government	<u>116,052,716</u>	<u>124,595,907</u>	<u>126,343,504</u>	<u>111,434,330</u>
<b>Change in Net Assets</b>				
Governmental activities	4,687,940	(55,395,046)	23,207,915	7,360,477
Business-type activities	<u>4,419,443</u>	<u>46,749,714</u>	<u>(264,288)</u>	<u>3,137,457</u>
Total primary government	<u>\$ 9,107,383</u>	<u>\$ (8,645,332)</u>	<u>\$ 22,943,627</u>	<u>\$ 10,497,934</u>

Fiscal Year

2006	2005	2004	2003	2002	2001
\$ 9,593,037	\$ 8,383,352	\$ 7,654,774	\$ 7,488,739	\$ 6,589,117	N/A
20,926,787	19,900,883	18,701,908	17,113,397	16,116,145	N/A
481,844	447,428	343,334	288,825	413,588	N/A
9,383,320	9,567,712	12,075,442	3,995,945	11,023,798	N/A
67,310,514	66,858,370	59,973,114	57,455,455	56,180,481	N/A
2,687,546	2,543,170	2,412,593	2,256,079	2,303,221	N/A
65,203,410	57,377,775	39,661,513	33,710,855	36,517,278	N/A
4,956,696	4,223,199	3,055,058	3,309,748	3,786,722	N/A
<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>	<u>N/A</u>
5,035,563	5,755,205	5,022,049	5,396,381	4,730,935	N/A
-	-	-	-	-	N/A
<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>N/A</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>	<u>N/A</u>
5,136,475	3,554,324	3,645,125	3,042,134	2,041,026	N/A
4,807,088	4,210,617	3,566,200	2,627,209	2,857,343	N/A
4,575	4,247	3,850	3,730	-	N/A
2,497,490	2,314,143	1,771,763	1,233,712	1,324,016	N/A
11,996,379	13,808,150	14,855,301	13,606,776	12,912,757	N/A
53,911	51,652	45,520	43,369	33,831	N/A
1,110,419	1,185,125	1,472,428	904,533	1,018,039	N/A
41,299,324	39,488,016	34,010,552	30,045,717	33,326,706	N/A
496,774	416,096	-	-	-	N/A
<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>	<u>N/A</u>
6,046,872	6,154,906	6,164,825	5,865,730	6,059,102	N/A
129,482	145,601	59,007	63,206	60,527	N/A
-	-	-	-	-	N/A
<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>N/A</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>	<u>N/A</u>
(113,140,719)	(104,269,519)	(84,506,997)	(74,111,863)	(79,416,632)	N/A
1,140,791	545,302	1,201,783	532,555	1,388,694	N/A
<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>	<u>N/A</u>
65,459,626	64,264,969	63,381,711	59,644,241	57,696,921	N/A
29,984,796	28,690,324	26,988,268	25,417,154	21,638,450	N/A
2,015,798	1,807,700	1,456,338	1,343,759	1,388,474	N/A
-	-	1,336,917	1,379,229	4,021,740	N/A
4,099,093	2,876,185	642,647	2,107,354	2,720,791	N/A
-	-	-	-	1,038,890	N/A
(1,271)	(692)	-	-	41,301	N/A
<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>	<u>N/A</u>
178,691	243,796	165,754	180,656	194,554	N/A
437,053	317,721	110,621	336,438	405,559	N/A
1,271	692	-	-	(41,301)	N/A
<u>617,015</u>	<u>562,209</u>	<u>276,375</u>	<u>517,094</u>	<u>558,812</u>	<u>N/A</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>	<u>N/A</u>
(11,582,677)	(6,631,033)	9,298,884	15,779,874	9,129,935	N/A
1,757,806	1,107,511	1,478,158	1,049,649	1,947,506	N/A
<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>	<u>N/A</u>

**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>	<u>2001</u>
\$ 15,895,612	\$ 12,235,484	\$ 11,990,412	\$ 10,053,302	\$ 8,813,164	\$ 10,198,051
23,688,338	23,648,612	19,142,620	20,108,900	20,657,510	17,651,014
<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>	<u>27,849,065</u>
359,947	1,732,131	2,568,115	2,700,597	2,719,555	2,900,932
15,021,904	18,654,056	16,127,154	17,608,291	18,961,967	17,742,794
<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>29,427,246</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>50,070,972</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>	<u>\$ 77,920,037</u>

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

	Fiscal Year			
	2010	2009	2008	2007
<b>Revenues</b>				
Ad valorem taxes	\$ 84,697,609	\$ 84,125,547	\$ 81,625,223	\$ 68,270,907
Other taxes	27,121,865	32,794,322	36,391,110	35,415,288
Unrestricted intergovernmental revenues	1,878,455	2,127,081	1,970,909	1,235,023
Restricted intergovernmental revenues	41,218,717	41,946,212	56,482,993	46,532,532
Licenses and permits	2,547,643	2,271,147	4,101,574	3,773,033
Sales and services	13,041,964	12,936,583	15,071,656	12,849,786
Investment earnings	1,929,311	3,837,081	5,600,327	5,883,078
Miscellaneous	3,716,912	3,624,321	4,309,242	3,998,845
<b>Total revenues</b>	<u>176,152,476</u>	<u>183,662,294</u>	<u>205,553,034</u>	<u>177,958,492</u>
<b>Expenditures</b>				
Current:				
General government	11,601,149	11,556,920	9,944,571	9,613,213
Public safety	29,360,816	28,513,201	26,916,838	23,021,049
Environmental protection	469,014	512,882	520,587	475,667
Economic and physical development	10,619,754	10,727,052	10,682,552	10,889,872
Human services	50,879,470	55,118,250	73,690,327	65,236,455
Culture and recreation	2,758,668	2,758,206	2,719,466	2,695,423
Education	38,606,716	39,948,749	38,014,454	34,222,295
Capital Outlay	16,572,802	39,869,050	19,683,740	28,338,920
Debt service:				
Principal	13,421,793	12,067,834	10,724,874	10,338,333
Interest	5,315,420	5,067,500	4,488,983	4,814,143
Lease purchase payments	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>179,605,602</u>	<u>206,139,644</u>	<u>197,386,392</u>	<u>189,645,370</u>
<b>Other Financing Sources (uses)</b>				
Transfers from other funds	4,395,302	12,262,330	9,515,201	11,547,146
Transfers to other funds	(8,095,302)	(48,646,927)	(9,517,951)	(11,547,146)
Installment purchase obligations issued	-	21,656,000	28,607,000	1,450,000
Qualified Zone Academy Bonds issued	-	-	700,000	-
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	-	-	-	249,219
<b>Total other financing sources (uses)</b>	<u>(3,700,000)</u>	<u>(14,728,597)</u>	<u>29,304,250</u>	<u>1,699,219</u>
<b>Net change in fund balances</b>	<u>\$ (7,153,126)</u>	<u>\$ (37,205,947)</u>	<u>\$ 37,470,892</u>	<u>\$ (9,987,659)</u>
Debt service as a percentage of				
noncapital expenditures	11.7%	8.4%	8.1%	8.5%

**Fiscal Year**

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 66,233,752	\$ 64,037,632	\$ 63,153,315	\$ 59,388,468	\$ 57,268,329	\$ 55,112,257
31,654,028	30,151,572	28,444,404	25,207,828	23,023,315	23,470,898
1,248,170	1,095,733	1,336,917	1,379,229	4,021,740	4,466,558
44,764,103	42,141,280	36,297,819	32,683,132	36,382,864	39,579,663
3,214,736	3,457,883	2,959,092	2,383,424	2,211,753	2,104,748
16,591,727	17,420,439	17,742,167	16,664,263	15,121,137	13,122,659
3,912,728	2,773,588	642,651	2,107,354	2,720,791	5,300,521
3,725,976	3,803,472	4,614,575	2,997,207	2,544,061	2,612,919
<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>	<u>145,770,223</u>
9,978,986	9,449,992	8,506,393	8,543,435	7,569,288	7,466,659
21,209,400	20,032,107	19,088,555	17,156,936	16,313,961	15,025,312
452,180	428,549	384,942	321,413	388,926	505,205
8,651,385	7,886,973	7,594,145	7,409,045	7,518,580	6,735,065
66,508,454	65,701,149	59,078,864	56,659,920	55,721,269	53,307,727
2,610,001	2,465,676	2,331,664	2,186,614	2,234,409	2,292,733
32,544,711	30,410,166	30,048,641	27,437,466	28,202,411	27,566,111
42,549,957	33,473,868	18,690,079	7,859,145	13,181,244	25,702,494
9,975,000	9,230,000	7,160,000	7,065,000	6,800,000	6,835,000
4,861,096	4,214,250	3,045,610	3,280,589	3,756,560	4,087,385
-	70,760	221,803	433,113	430,757	558,770
-	89,146	-	-	-	-
<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>	<u>150,082,461</u>
9,763,224	12,301,254	14,239,408	7,945,528	4,144,646	9,007,001
(9,764,495)	(12,301,946)	(14,239,408)	(7,945,528)	(4,103,345)	(7,987,501)
9,200,000	-	9,900,000	-	-	-
-	-	-	-	-	-
-	-	-	58,252	-	-
-	-	-	-	400,000	-
-	16,035,000	-	-	-	-
-	429,179	-	-	-	-
-	(16,321,853)	-	-	-	-
-	55,255,000	-	-	-	-
-	2,868,950	-	-	-	-
392,000	1,750	24,500	4,000	-	-
<u>9,590,729</u>	<u>58,267,334</u>	<u>9,924,500</u>	<u>62,252</u>	<u>441,301</u>	<u>1,019,500</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>	<u>\$ (3,292,738)</u>
7.9%	7.7%	7.0%	8.2%	7.9%	7.9%

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Utility Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate <sup>(1)</sup></b>	<b>Estimated Real Market Value</b>
2001	7,676,297,260	2,614,445,636	484,704,904	10,775,447,800	0.495	11,493,810,987
2002	7,988,283,700	2,709,118,917	479,273,637	11,176,676,254	0.495	12,119,579,542
2003	8,265,105,733	2,796,143,745	507,720,148	11,568,969,626	0.495	12,965,336,351
2004 <sup>(2)</sup>	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 <sup>(2)</sup>	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	N/A

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

<sup>(2)</sup> 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 <sup>(1)</sup>**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Catawba County</b>	0.5350	0.5350	0.5350	0.4900	0.4900	0.4800	0.4800	0.4950	0.4950	0.4950
<b>Fire Districts:</b>										
Bandys	0.0600	0.0600	0.0600	0.0600	0.0500	0.0390	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	0.0500	0.0500	0.0350	0.0350	0.0350	0.0350
Cooksville	0.0517	0.0517	0.0517	0.0550	0.0550	0.0550	0.0550	0.0600	0.0600	0.0600
Denver	-	-	0.0389	0.0500	0.0500	0.0450	0.0293	0.0320	0.0320	0.0320
Fairbrook	-	-	-	0.0325	0.0325	0.0257	0.0257	0.0280	0.0280	0.0280
Hickory Rural	0.0700	0.0325	0.0325	-	-	-	-	-	-	-
Icard-Long View	-	-	-	-	-	-	-	0.0440	0.0440	0.0440
Icard-Mountain View	-	-	-	-	-	-	-	0.0400	0.0400	0.0400
Long View	0.0546	0.0546	0.0546	0.0568	0.0568	0.0568	0.0568	0.0620	0.0620	0.0620
Maiden	0.0500	0.0500	0.0500	0.0500	0.0312	0.0312	0.0312	0.0340	0.0340	0.0340
Mountain View	0.0493	0.0493	0.0493	0.0525	0.0425	0.0425	0.0425	0.0450	0.0450	0.0450
Newton	0.0700	0.0700	0.0700	0.0700	0.0700	0.0513	0.0513	0.0560	0.0560	0.0600
Oxford	0.0558	0.0558	0.0558	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0615	0.0615	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0700	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400
Startown	-	-	-	-	-	-	-	-	-	0.0500
St. Stephens	0.0700	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Viewmont	-	-	-	0.0325	0.0325	0.0248	0.0248	0.0270	0.0270	0.0270
<b>Municipalities:</b>										
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	0.4500	0.4500	0.4500	0.4500	0.4500	0.4500
City of Conover	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800	0.3600	0.3800	0.3600	0.3600
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5500	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	0.3800	0.3800	0.4000	0.4000	0.3700
City of Newton	0.4800	0.4800	0.4600	0.4600	0.4400	0.4400	0.4400	0.4700	0.4700	0.4700
Total Maximum Rate - Fire District	0.6050	0.6050	0.6050	0.5600	0.5600	0.5500	0.5500	0.5650	0.5650	0.5650
Total Maximum Rate - Municipalities	1.0550	1.0550	1.0550	1.0100	1.0100	1.0000	1.0000	1.0450	1.0450	1.0450

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2009 and December 31, 2000**

Taxpayer	Type of Business	December 31, 2009			December 31, 2000		
		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	\$ 433,348,357	1	2.89	\$ 327,162,378	1	3.04
Getrag Gears of North America, Inc.	Gears mfg.	129,677,116	2	0.86	-	-	-
CommScope, Inc.	Cable mfg.	128,462,553	3	0.86	132,761,437	3	1.23
Target Corporation	Warehouse/Retail	104,626,992	4	0.70	-	-	-
Frye Regional Medical Center	Medical care	84,831,953	5	0.57	-	-	-
Corning Cable Systems	Cable mfg.	74,191,266	6	0.49	165,928,131	2	1.54
Draka Comteq Americas, Inc.	Cable mfg.	70,617,246	7	0.47	-	-	-
Hickory Springs Mfg. Co., Inc.	Furniture supplies	59,411,136	8	0.40	51,066,920	6	0.47
Valley Hills Mall, LLC	Retail	50,192,205	9	0.33	34,009,890	9	0.32
Shuford Mills, Inc./Shuford Development	Textiles/Tape mfg.	46,828,469	10	0.31	49,096,330	7	0.46
Alcatel N. A., Inc.	Cable mfg.	-	-	-	103,062,455	4	0.96
Central Telephone Company	Telephone	-	-	-	53,618,846	5	0.50
Carolina Mills, Inc.	Textiles	-	-	-	39,432,837	8	0.37
The Lane Company	Furniture mtg.	-	-	-	31,692,986	10	0.29
		<u>\$ 1,182,187,293</u>		<u>7.88</u>	<u>\$ 987,832,210</u>		<u>9.18</u>
Total Assessed Valuation		<u>\$ 15,013,754,766</u>			<u>\$ 10,775,447,800</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 ( <sup>1</sup> )	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2001	2000	53,320,741	51,850,467	97.24	1,239,009	53,089,476	99.57
2002	2001	55,392,904	53,815,634	97.15	1,317,342	55,132,976	99.53
2003	2002	57,297,988	55,635,097	97.10	1,387,159	57,022,256	99.22
2004	2003	60,740,470	58,923,696	97.01	1,515,425	60,439,121	99.50
2005	2004	61,566,332	59,726,141	97.01	1,533,540	61,259,681	99.50
2006	2005	63,409,234	61,416,711	96.86	1,653,687	63,070,398	99.47
2007	2006	65,195,396	63,106,163	96.80	1,681,896	64,788,059	99.38
2008	2007	78,217,306	75,692,582	96.77	1,882,654	77,575,236	99.18
2009	2008	80,966,452	77,974,463	96.30	1,793,486	79,767,949	98.52
2010	2009	80,666,180	77,707,260	96.33	-	77,707,260	96.33

<sup>(1)</sup> 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 Activities		Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Capitalized Leases	Installment Purchases	Total Primary Government		
2001	76,450,000	-	563,775	-	306,897	-	77,320,672	1.95	546
2002	69,650,000	-	163,180	-	522,908	-	70,336,088	1.77	485
2003	63,040,000	-	-	-	282,134	-	63,322,134	1.60	432
2004	55,880,000	-	9,900,000	-	69,778	-	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	N/A	736

N/A = Not available

Sources:

<sup>1</sup> U.S. Department of Commerce Bureau of Economic Analysis

<sup>2</sup> 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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessed Value</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita <sup>(1)</sup></b>
2001	76,450,000	10,775,447,800	0.71	540
2002	69,650,000	11,176,676,254	0.62	480
2003	63,040,000	11,568,969,626	0.54	430
2004	55,880,000	12,671,384,340	0.44	380
2005	49,340,000	12,942,756,938	0.38	332
2006	42,815,000	13,023,274,801	0.33	287
2007	36,540,000	13,359,326,399	0.27	238
2008	30,160,000	14,655,429,923	0.21	194
2009	23,765,000	15,133,916,147	0.16	151
2010	17,310,000	15,013,754,766	0.12	109

Sources:

<sup>(1)</sup> Population based on estimates issued by the Bureau of the Census

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed value (after exemption)	15,013,754,766	15,068,712,596	14,655,429,923	13,359,326,399
Debt limit rate	8%	8%	8%	8%
Debt limit	1,201,100,381	1,205,497,008	1,172,434,394	1,068,746,112
Less: Total net debt applicable to limit	117,002,355	130,663,312	121,303,793	102,721,667
Legal debt margin	<u>1,084,098,026</u>	<u>1,074,833,696</u>	<u>1,051,130,601</u>	<u>966,024,445</u>
 Total net debt applicable to the limit as a percentage of debt limit	 10%	 11%	 10%	 10%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed value (after exemptions)	\$ 15,013,754,766
Debt limit (8% of assessed value)	1,201,100,381
Debt applicable to limit:	
Outstanding general obligation debt	17,310,000
Authorized and unissued general obligation debt	6,970,000
Certificates of participation	39,855,000
Installment purchase	59,237,355
Qualified Zone Academy Bonds	600,000
Less: Statutory deductions	
Unissued refunding bonds	<u>(6,970,000)</u>
Total net debt applicable to limit	<u>117,002,355</u>
Legal debt margin	<u>\$ 1,084,098,026</u>

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 13,023,274,801	\$ 12,942,756,938	\$ 12,671,384,340	\$ 11,568,969,626	\$ 11,176,676,254	\$ 10,775,447,800
8%	8%	8%	8%	8%	8%
1,041,861,984	1,035,420,555	1,013,710,747	925,517,570	894,134,100	862,035,824
111,610,000	112,385,000	69,575,814	66,859,085	73,775,188	80,653,877
<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>	<u>781,381,947</u>
11%	11%	7%	7%	8%	9%

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

<b>Fiscal Year</b>	<b>Population Estimate <sup>(1)</sup></b>	<b>Personal Income</b>	<b>Per Capita Income <sup>(2)</sup></b>	<b>Median Age <sup>(3)</sup></b>	<b>School Enrollment <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
2001	141,686	\$ 3,958,281,782	\$ 27,937	36.1	23,875	6.40
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	N/A	N/A	38.2	24,338	12.90

N/A = Not available

Sources:

<sup>1</sup> Based upon estimates issued by the U.S. Census Bureau

<sup>2</sup> Bureau of Economic Analysis

<sup>3</sup> Office of State Planning

<sup>4</sup> North Carolina Department of Public Instruction

<sup>5</sup> Department of Commerce - Employment Security Commission

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

Employer	2010			2001		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>
Catawba County School Systems	1,910	1	2.98%	1,939	3	2.58%
Frye Regional Medical Center	1,700	2	2.65%	1,745	4	2.32%
Catawba Valley Medical Center	1,590	3	2.48%	1,370	9	1.82%
CommScope, Inc.	1,550	4	2.42%	2,440	2	3.25%
Catawba County Government	1,169	5	1.82%	1,285	10	1.71%
Pierre Foods	1,026	6	1.60%	-	-	-
Hickory Springs Manufacturing Company, Inc.	1,000	7	1.56%	1,447	7	1.93%
Corning Cable Systems <sup>(3)</sup>	1,000	8	1.56%	3,300	1	4.39%
Ethan Allen, Inc.	906	9	1.41%	-	-	-
Sherrill Furniture Company	736	10	1.15%	-	-	-
Thomasville Furniture Industries	-	-	-	1,644	5	2.19%
CV Industries, Inc.	-	-	-	1,600	6	2.13%
Alcatel N.A., Inc.	-	-	-	1,445	8	1.92%
	<u>12,587</u>		<u>19.63%</u>	<u>18,215</u>		<u>24.24%</u>

## Sources:

<sup>1</sup> Survey of Employers<sup>2</sup> Labor estimates provided by the Employment Security Commission of North Carolina<sup>3</sup> Catawba County Chamber of Commerce

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

	<b>Full-time Equivalent Employees as of June 30</b>									
	<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>	<u>2001</u>
<b>Function</b>										
Governmental activities:										
General government	92	92	89	90	87	86	85	84	86	89
Public safety	341	334	321	307	248	245	240	235	225	226
Environmental protection	11	11	11	11	11	9	10	10	11	12
Economic and physical development	98	100	93	91	94	89	87	78	83	82
Human services	561	578	614	583	583	655	641	639	616	628
Culture and recreation	37	37	37	37	38	38	38	36	38	38
Total governmental activities	<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>	<u>1,075</u>
Business-type activities:										
Water sewer	1	1	-	-	-	-	-	-	-	-
Solid waste management	28	28	28	28	28	29	28	28	26	24
Total business-type activities	<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>	<u>24</u>
Total primary government	<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>	<u>1,099</u>

Sources: Catawba County Human Resources Department

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

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental activities:										
General government										
Number of registered voters	101,558	101,142	99,117	95,855	95,470	93,633	95,480	93,299	93,035	90,175
Number of marriage licenses issued	926	1,062	1,181	1,073	1,040	1,135	1,071	1,071	1,142	1,121
Number of tax bills issued	297,925	272,581	272,255	266,786	266,221	265,177	262,797	260,636	259,736	256,096
Public safety										
Number of 911 dispatch/calls	83,000	83,367	115,000	108,658	106,093	86,941	106,262	92,094	111,880	78,070
Sheriff Department offenses reported	6,256	5,479	5,312	5,477	5,163	5,284	5,846	5,535	5,526	2,303
Environmental protection										
Cooperative extension agent contacts	45,945	71,001	66,324	67,385	37,194	33,163	24,819	24,743	27,912	24,542
Economic and physical development										
Number of commercial permits issued	504	534	721	622	663	760	733	387	491	523
Number of residential permits issued	1,057	1,056	1,497	1,692	1,799	1,681	1,762	1,429	1,973	2,121
Human services										
Households that received assistance with energy bills	2,764	3,042	2,004	1,429	1,261	1,111	944	1,140	1,230	1,998
Medicaid clients receiving transportation assistance	19,136	17,689	15,551	17,200	16,305	14,124	13,690	12,544	9,577	10,242
Children benefiting from child support services	7,600	7,500	7,337	7,360	7,696	6,795	7,580	7,590	7,459	7,855
Public health clients served	28,826	21,534	21,634	24,965	17,183	26,123	22,113	20,803	27,337	N/A
Restaurant inspections	1,419	1,226	1,443	1,463	1,432	1,406	1,398	1,305	1,364	1,328
Culture and recreation										
Total circulation for library system	775,544	744,652	681,796	666,069	657,271	681,001	667,246	590,730	557,407	546,949
Number of patrons visiting parks	134,463	121,370	75,797	67,029	43,022	50,337	45,293	36,989	21,505	N/A
Education										
Public school student enrollment K-12	24,338	24,688	25,305	24,766	24,455	24,243	23,942	23,825	23,688	23,875
Business-type activities:										
Solid waste management										
Tons buried - MSW	122,938	165,811	151,007	165,384	167,988	168,140	164,590	164,142	164,469	174,900
Tons buried - C&D	22,570	32,911	38,745	49,733	40,246	30,294	31,920	25,490	35,884	30,103
Tons recycled	28,125	29,416	28,932	29,836	29,477	25,820	28,634	32,081	32,187	30,895

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental activities:										
General government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	8	8	9	8	8	7	7	7	N/A	N/A
Public safety										
Buildings	9	8	8	8	8	8	7	7	7	7
Vehicles	168	156	166	153	148	143	144	144	N/A	N/A
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	2	2	2	2	2	2	2	2	N/A	N/A
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	57	57	60	47	51	59 <sup>(1)</sup>	37	37	N/A	N/A
Human services										
Buildings	39	39	39	40	40	40	40	40	38	38
Vehicles	32	27	47	46	39	40 <sup>(2)</sup>	62	62	N/A	N/A
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	2	2	2	2	2	2	2	2	N/A	N/A
Business-type activities:										
Solid waste management										
Buildings	6	6	7	7	7	4	4	4	5	5
Vehicles	26	26	25	26	25	26	25	25	N/A	N/A
Water and sewer										
Buildings	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vehicles	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not available

<sup>1</sup> City of Hickory Permit Center merged with County Permit Center. The County acquired vehicles from City of Hickory.

<sup>2</sup> Divestiture of Mental Health services.

Sources: Catawba County Departments