

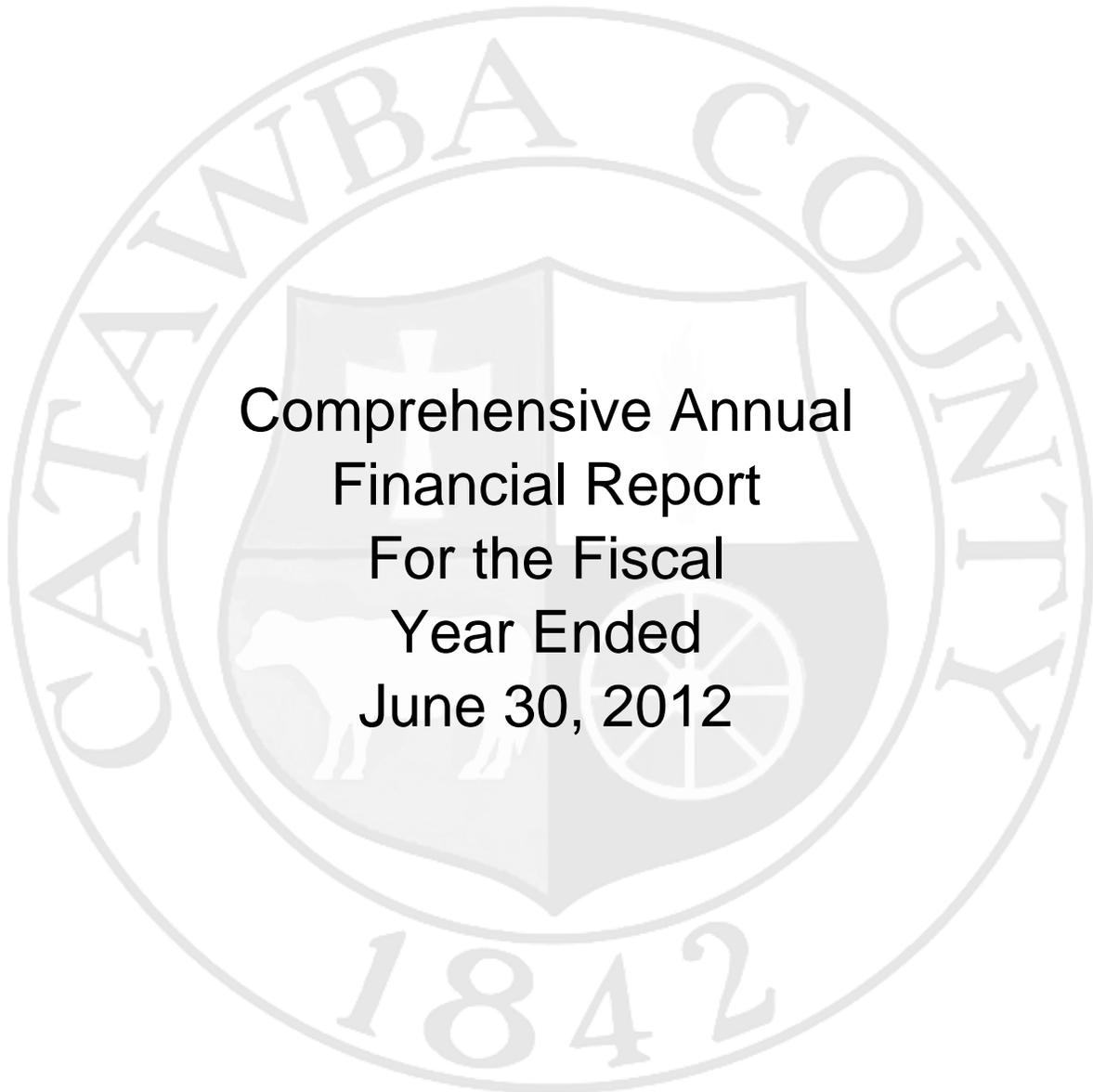


2012 Comprehensive Annual Financial Report



For the Fiscal Year Ended
June 30, 2012

Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

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

Prepared by Catawba County Finance Department
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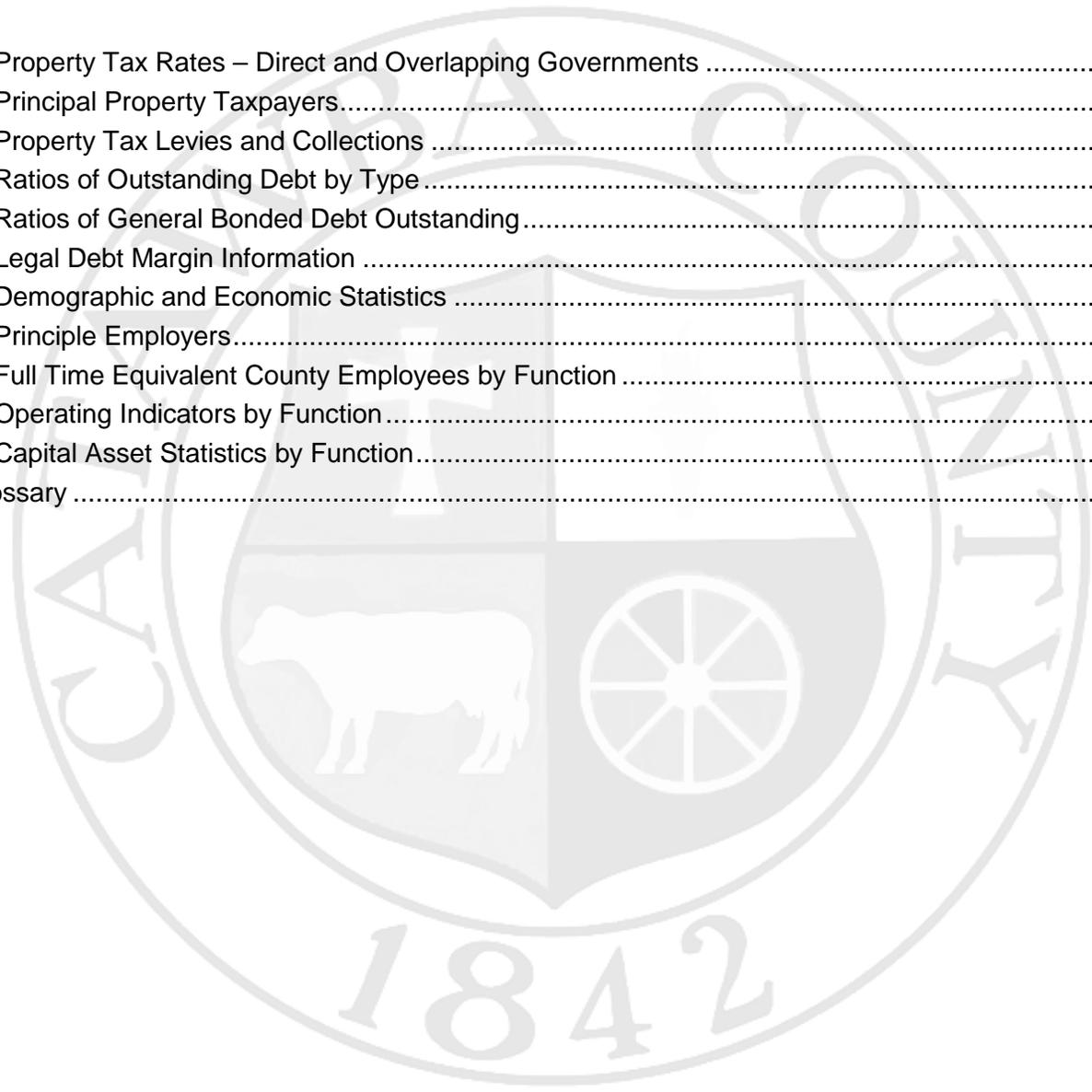
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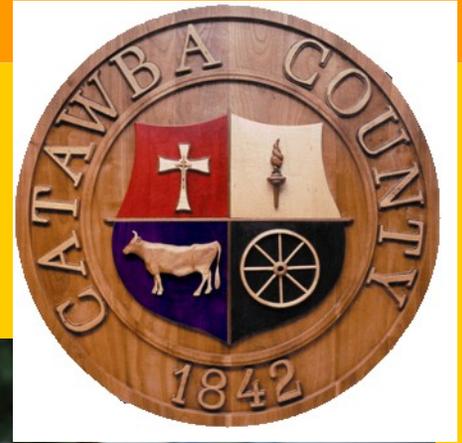
BOARD OF COMMISSIONERS



Catawba County Board of Commissioners

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

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P.O. Box 389
100-A South West Boulevard
Newton, North Carolina 28658-0389
Telephone: 828-465-8201
Fax: 828-465-8392
www.catawbacountync.gov

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

November 19, 2012

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 those requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Catawba County for the fiscal year ended June 30, 2012.

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.

“ . . . we hereby issue the Comprehensive Annual Financial Report of Catawba County for the fiscal year ended June 30, 2012”

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, 2012, 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, 2012, are fairly presented in conformity with GAAP. Issuance of an unqualified opinion means an auditor, upon review of a county's financial statements and accompanying notes, certifies that the financial statements are reliable and represent the true financial condition of the county. The independent auditor's report is presented as the first component of the financial section of this report.

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



also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports, along with the schedule of expenditures of Federal and State awards, findings and recommendations, if any, are published in a separate report.

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

COUNTY PROFILE

Located in a peaceful valley just east of the Blue Ridge Mountains, Catawba County is a land of scenic beauty, diverse cultures, and thriving industry. Three beautiful lakes are located within its 414 square miles, and the Catawba River winds along its northern and eastern border. The County is named for the river and the Catawba Indians who foraged in the valley and were friendly and helpful to the first 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 154,992, ranking 17th largest out of 100 counties in North Carolina.

In 1937, Catawba County became the third county in the State to adopt the Council-Manager form of government. The Board of Commissioners is comprised of a five-member board elected at large on staggered terms in a countywide election. The Board of Commissioners is the policy-making and legislative authority for the County. It is responsible for adopting the annual budget, approving zoning and planning issues and other matters related to the health and welfare of the County. The Board makes appointments to various boards and commissions and appoints the County Manager. The County Manager is the chief executive officer and is responsible for enforcement of laws and ordinances, preparation and administration of the annual budget, delivery of services, implementing policies, managing daily operations and appointment of department heads. The County is fortunate to have stability in its management structure with the County Manager affording the County 40 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

Catawba County's unemployment rate has decreased over the past two years from 12.9% in June 2010 to 12.0% in June 2011 to 11.3% in June 2012. Though the rate has not declined as quickly as hoped, it continues to fall from its peak of 15.6% in March 2009, the highest rate in the County since 1975. Catawba County continues to be home to a large industrial base, heavily concentrated in manufacturing. Catawba County's mainstay industries have stabilized and positive indications are apparent, with a trend to "re-shoring" of furniture manufacturing via consolidation back into Catawba County, a steady growth in fiber-optic and telecommunications investment and employment, and continued reinvestment by newer industry sectors. The county and region are renowned as a furniture-manufacturing and distribution center, with approximately 500,000 annual visitors to two furniture malls and twenty miles of furniture stores between Hickory and Lenoir, two of the largest cities in the region. Furthermore, the County has been a leader in the manufacture and development of fiber optics and telecommunications equipment for more than a decade, producing approximately 40% of the world's supply of fiber optic cable at its peak

and still providing significant employment opportunities for county residents. In addition to a large manufacturing and industrial base, the County is supported by a strong service-sector, currently accounting for half of the economic engine in the county. A transformation has occurred over the last twenty years as many furniture and textile jobs moved overseas where cheaper labor could be used for the manufacture of these products. As a result, the local economy is less reliant on its manufacturing base as it has reduced from 56% in 1990 to 27% today.

In the early years of the latest recession, job losses extended to the telecommunications and automotive industries as major employers including Corning, CommScope, Shurtape Technologies/Shuford Mills, Hickory Springs, and Getrag all reduced their workforce, though not nearly as severe as the prior economic recession in the early part of the decade. Since the recession ended, these layoffs have leveled off with only a few announced closings in the county. In 2011, GoldToeMoretz closed two distribution centers in the County, resulting in the loss of 66 jobs. This was a result of the sale of the company to Gilbane, a non-resident parent and the consolidation of facilities to achieve more operational efficiencies. Also, the US Postal Service closed its mail distribution facility in Conover.

Fortunately, the County has experienced some significant expansion of several companies recently. These include industries across the spectrum from traditional industries to the high-tech sector:

- Sarstedt opened a \$14 million fully-automated distribution center in Newton creating 20 jobs.
- Hollar Hosiery Investments is making a \$3 million investment into a vacated textile mill to house a new brewery by Skull Coast Brewing Co., a new restaurant and event space.
- Cargo Transporters added \$25 million in equipment and 50 new jobs for professional drivers.
- Shurtape Technologies invested \$1.2

million to renovate a high-profile building for a relocation of its headquarters in Hickory.

- Synthetic Finishing, a textile product finishing company announced a \$1 million expansion that moves its headquarters to the Hickory area that will include 46 new jobs.

Finally, several car dealerships that survived the economic recession have undergone major renovations the past eighteen months, spending more than \$10.5 million, most notably Mike Johnson Toyota (\$5.8 million) and Crossroads Nissan (\$3 million).

The County continues to actively recruit and attract companies with a focus on Information-based Industries, Emerging Energy and Alternative Energy facilities and producers, and Advanced Manufacturing, touting the County's skilled workforce and a high concentration of manufacturing support systems. In 2011 and 2012, some of these endeavors included:

- Fairmont Designs, a California-based home furnishings manufacturer, invested \$1.5 million and created 200 jobs in a former Thomasville Furniture plant for their east coast operations.
- Turbocoating Corp., an Italian manufacturer of coatings for turbines announced plans to add 110 jobs and invest \$15 million over the next three years in Hickory.
- Lee Industries expanding its operations and adding 75 new jobs in Conover,.
- Smart Electric N.A., based in Taiwan, is opening its American headquarters in Conover as it ventures into the manufacturing of industrial lighting so it can be closer to its U.S. customers.
- Punker LLC, a German manufacturer of fan wheels and blowers is adding a \$4.2 million plant and 62 jobs in Hickory.
- Bed Bath & Beyond is investing more than \$36 million in Claremont for their corporate data center creating 7 jobs initially.

In the past two years, 32 projects, most of them in manufacturing and production, have resulted in more than \$162.8 million in new investment and more than 1,600 jobs.

An \$8 million downtown redevelopment project in a former Broyhill Furniture complex is being created on a 27-acre site in Conover. Designed to support our manufacturing effort, the Manufacturing Solutions Center (MSC) has relocated, increasing its space from 8,000 to 20,000 square feet and is the centerpiece of the effort. The center's mission is to provide services for new and existing manufacturing companies, including product testing, research and development support and assistance, marketing support, website design, and assistance with export sales. To date, it has worked with large manufacturers such as Lee Industries, Nike, Hanes Brands and HBF furniture. In addition, it works with smaller startup companies such as EntoGenetics, which manufactures high-tech textiles that use fibers spun by genetically engineered silkworms. MSC helped the company locate specialized manufacturers capable of handling the material and weaving it into finished products for both military and civilian clients. It also develops partnerships with trade groups, colleges and universities. The project has received \$2.7 million in State and Federal grant funds since inception.

Additionally, targeted efforts have been made over the last few years to significantly add to the employment opportunities for county citizens, diversify the County's economic base from traditional manufacturing and textiles, and increase the property tax base. Three recent examples of this include: a Target distribution center in Newton, providing approximately 600 new jobs year-round and up to 900 seasonal positions within the County. The \$90 million facility is the largest



distribution facility in the Charlotte region at 1.6 million square feet and is a prototype for Target's regional distribution centers, serving 60 to 80 retail stores; Fiserv, a Fortune 500 company rated number one among the largest technology providers to the financial services industry, has opened in a previously vacant facility and employs 419 people. Convergys, another nationally recognized service operation, recently located in Hickory and has grown to over 675 employees.

The County secured the largest economic development project in its history with the announcement of Apple, Inc's. commitment to invest \$1 billion in Maiden and has constructed a data center in a 500,000 square foot facility to house its iCloud suite of services. Despite a commitment to create only 50 "badged" Apple positions over 9 years, the project has already created more than 100 new "Apple-badged" jobs in phase one, and employs an additional 150 permanent full-time contract workers on-site. The 183-acre site was marketed as a multi-jurisdictional park to attract a data center similar to the Google, Inc. complex in an adjacent county, with large amounts of power and water available, and included more than 750 construction jobs during the construction phase. The location of these two large projects has assisted economic development efforts in marketing the region as the "NC Data Center Corridor" a location with favorable labor conditions, abundance of fiber optics infrastructure, easy access to major airports and a high quality of life.

In 2011, Apple, Inc. began to develop a 170-acre site adjacent to the current facility for a 20-megawatt solar panel farm, the largest end-user farm in the country, which was not in the original plans for the data center. Most recently, Apple announced a \$3 million purchase of 200 acres in Conover for a second solar farm that will generate an additional 20-megawatts of power built by SunPower Corporation Systems. Earlier this year, a new 21,000 square foot "tactical" data center was permitted adjacent to the main data center in addition to a 5-megawatt fuel cell installation (also the largest in the country), which will be powered by 100% biogas and have

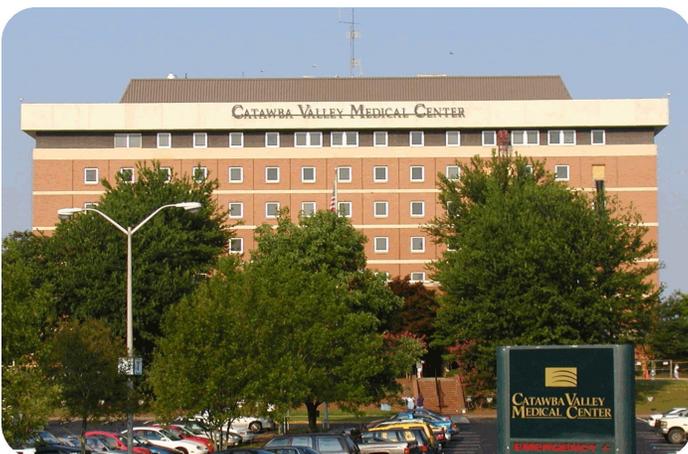
a taxable value of more than \$6 million. With all projects combined, Apple will produce enough energy to power the equivalent of 10,874 homes. Catawba County, being home to Apple's only east coast operations facility, has benefited from a great deal of national exposure as a result, having recently been written up in USA Today and interviewed by the London Sunday Times and the Washington Post for upcoming articles on Data Center recruitment. With the various projects completed and recently announced, it is expected that Apple will be a cornerstone of the county's economic future and trigger other economic development projects in the area. One such project announced in late-2012 is a solar project by Strata Solar from Chapel Hill. The company plans to develop a 40 acre solar farm in the county, generating 5 megawatts of power and employing 200 people for electrical and construction jobs during construction. An additional 17.5 megawatt solar project was permitted by the NC Utilities Commission in November to SunPower for an additional project in the City of Claremont.

A multi-jurisdictional park has been established with the County and the municipalities of Hickory, Conover, Maiden and Catawba. The partnership has agreed on a 70-acre site in Conover and has secured a \$2.6 million Community Development Block Grant from the NC Department of Commerce. The funds will be used to install infrastructure at the site including electric power supply, water and sewer, natural gas and telecommunications. Catawba County's share of the project stands at 57 percent, and will share in the expenses and the revenues of a future project in the park. The site will be marketed for other data center users in campus-style setting, similar to the site Apple purchased in Maiden.

Another economic development initiative in the county is the Greater Hickory Classic, a PGA Tour's Champions Tour golf event held at the Rock Barn Golf and Spa in Conover that receives support from the business community and local governments, including the County. Business North Carolina magazine ranked Rock Barn 18th in its annual top 100 Golf Courses in the State of North Carolina for 2011. The 2012

event occurred in October for the tenth consecutive year, and once again was broadcast on the Golf Channel that is available in 120 million homes worldwide and provides an estimated economic benefit to the County of \$15 million.

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 Magnet designation from the American Nurses Credentialing Center last year, becoming one of only 30 hospitals in the nation to receive the designation three times. The Magnet program recognizes health care organizations that provide the very best in nursing care and professionalism in nursing practice, resulting in the gold standard for nursing excellence. In addition, Catawba Valley Medical Center was named one of the top five hospitals in North Carolina for overall orthopedic services in 2011. The Medical Center recently completed 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. A second phase of expansion is currently underway, which includes the construction of a five-story addition totaling \$33 million that will house a Women's and Oncology



Pavilion. The project is scheduled to be complete in the spring of 2013.

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



HealthGrades, the leading independent healthcare ratings organization in the nation. They were one of only 238 hospitals in the country to receive this designation. In previous years, they have received the Distinguished Hospital award from J.D. Power and Associates, a global marketing information services firm, for providing an outstanding inpatient experience and service excellence to its visitors. The medical center has won this award four times in 2005, 2006, 2008 & 2010. With approximately 1,500 employees, the medical center is a strong corporate partner of the County, as well as the sixth largest property taxpayer for 2011.

Retail sales in the County increased by 3.9% in 2012, on top of a 2.5% increase the year before. This comes after declines of 1.8% and 10.9% the prior two years during an economic recession. **Catawba County remains a retail magnet for the region, capturing 61% of the \$3.0 billion in retail sales from the four-county**

Metropolitan Statistical Area (MSA), compared to only 42% of the population.

Though Catawba County's population ranks 17th largest in North Carolina, its retail sales per capita rank 12th highest out of 100 counties. One reason for this is a sizeable furniture presence still remaining in the County, with approximately 150 retail furniture showrooms and outlets as well as two internationally known furniture malls totaling 1.3 million square feet of exhibit space.

The county has been a leader in environmental initiatives, one of the first local governments 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. In 2010-11, Catawba County was ranked first in the state out of 100 counties in the amount of recycling per capita, totaling more than 56,000 tons. It was also the first county in the state to offer curbside recycling to its citizens.

In addition to Apple, Inc., the county continues to receive national and state recognition, which will hopefully increase economic development opportunities in the County:

- **The County was recognized in BIODIESEL Magazine** in August 2011 for the grand opening of its biodiesel research facility, a partnership between the County and Appalachian State University, who received a grant from the Golden LEAF Foundation to build a biodiesel research facility using the electricity and heat generated at the facility.

- ▶ The facility provides testing and research for biodiesel manufacturers in western NC and produces biodiesel from agricultural crops at the landfill and surrounding farms.
- ▶ This is the first facility of its kind in the state and meets Leadership in Energy and Environmental Design (LEED) standards.
- The County's EcoComplex is a Regional Biosolids Processing Facility that is designed to improve the ecology of Catawba County and promote economic development by attracting jobs in the green energy, agricultural and environmental sectors.
 - ▶ The facility received a \$30,000 grant in late 2010 to install wireless broadband service to assist researchers at partner universities and to remotely monitor equipment at the site.
 - ▶ Currently, two businesses are located at the facility producing wood products.
- In March 2012, **Site Selection Magazine ranked the region tied for 9th place in the nation for economic development announcements** for metropolitan areas with populations of 200,000 to 1 million. This was based on 23 projects in the four-county region the year before, with at least 20,000 square feet of new floor space, \$1



million in investment and at least 50 employees.

- Catawba County was named one of the **Top 10 Digital Counties in the nation by the Center for Digital Government in 2012** for its move to “virtual” technology over the last five years, reducing 70 physical computer servers to 18 that run more than 300 virtual servers improving efficiency in technology operations.

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, 2012, \$196 million in capital needs have been identified over the next eight years, which includes approximately \$90 million in school and community college construction needs.

To pay for the school and community college projects, the Catawba County Board of Commissioners began another four-year funding cycle in fiscal year 2011-12 by dedicating one cent of the property tax rate, equal to approximately \$1.5 million, along with \$1.5 million in annual lottery funds in addition to pledging the amount of school/community college debt retired each year towards new construction. This provides funding for \$68.9 million in new construction needs over the next four years for all three school systems and CVCC. The County completed the first year of the new funding plan in the 2011-12 fiscal year by using those funds for an elementary school addition, renovations to two existing schools and campus improvements at the community college.

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 in November 2007 for Catawba County. This revenue source is currently providing approximately \$4.2 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 being used for the addition of courtroom space (a county responsibility), a new 911 Communication Center and Emergency Operations Center (EOC). The County is currently in the design development stage of the project and expected to be ready for bid in late 2013.

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 half cent on the property tax rate or \$.75 million in fiscal year 2011-12, to be used for strategic water and sewer projects



throughout the county. Those funds, along with an additional \$1.3 million in sales tax revenues will help fund approximately \$35 million in water and sewer needs identified over the next eight years. In the past, Catawba County has received significant grant funding from the American Recovery and Reinvestment Act (ARRA) for water projects. ARRA funds were also used for school construction in the County in the form of Qualified School Construction

Bonds, which provide a 100% interest subsidy from the Federal Government to the County. These bonds have been issued for several school projects including a new LEED certified middle school for Newton-Conover Schools and expansion of an elementary, middle and high school for Catawba County Schools totaling approximately \$27 million. **The bonds had a fifteen-year term and were issued at a net 0% rate to the County, resulting in interest savings of more than \$9.3 million over the life of the loans.**

Another long-term initiative by the County is to improve the educational attainment of the region, which has ranked last out of 14 metro areas across the State. Catawba County continues to commit almost fifty cents of every local dollar towards education, which has funded several efforts over the years 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 were confirmed by the latest year-end results for the school systems. Catawba County Schools ended the 2010-11 year with an 86.2 percent graduation rate, which was ninth highest out of 115 school districts and first among medium-sized school districts in the State in four-year cohort rates. Hickory Public Schools had 71.2% of the senior class take the SAT exam last year, compared to 64% across the State; also, they had a combined average SAT score for math and reading of 1050 compared to 1001 in the other school districts. Newton-Conover Schools achieved an 85.2 percent rate for students who graduated in four years for the 2010-11 school year, well above the average of 77.9% in North Carolina.

Furthermore, the County continues to support higher education initiatives in the region. Catawba Valley Community College, one of the original seven members of the NC System of Community Colleges, receives annual funding from the County to support its three schools: Business , Industry and Technology; Health and

Public Services; Academics, Fine Arts and Education. County funding levels are currently 15th highest out of 58 community colleges in the state. Another education opportunity for its citizens is 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. In 2009, the Appalachian State University Greater Hickory Partnership was established between Appalachian State University and the three community colleges in the Hickory-Lenoir-Morganton region. The partnership coordinates delivery of Appalachian's off-campus degree programs in four regional centers: the ASU Center at Hickory and the North Carolina Center for Engineering Technologies (NCCET) in Catawba County, the ASU Center at Burke and the ASU Center at Caldwell. During the 2010-2011 academic year, 900 students were expected to pursue Appalachian degrees at these four centers.

The ASU Partnership also includes the NC Center for Engineering Technologies, which resides in a 55,000 square foot facility in Hickory and focuses on applied research in engineering-related fields and serves as a conduit to baccalaureate education delivered by University of North Carolina system schools. The primary schools involved in the center are Appalachian State University, Western Carolina University, University of North Carolina – Charlotte, Catawba Valley Community College, Caldwell County Community College and Technical Institute, and Western Piedmont Community College. The Center collaborates with other schools in bringing the best programs to the region to meet employment needs. This effort began as a regional economic development initiative and has become reality with public and private contributions of more than \$2.5 million. It is currently offering undergraduate degree programs enabling individuals employed in business, industry and State-related occupations

AWARDS AND ACKNOWLEDGEMENTS

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to Catawba County for its comprehensive annual financial report for the fiscal year ended June 30, 2011. 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 30 consecutive years. We believe this current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

In addition, the County has prepared and will be submitting a Popular Annual Financial Report (PAFR) to GFOA for 2011-12. This is the fifth 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 in

a more condensed fashion. PAFRs are supplements to, not replacements for CAFRs and are reviewed by a Popular Reporting Task Force and GFOA. The county has received an award for this report for four years in a row and hopes to make it a fifth with the 2011-12 entry.

Finally, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2011.

This is the twenty-third 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

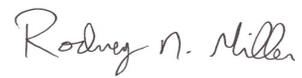
departments in carrying out the financial activities encompassed in this report. The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions 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.

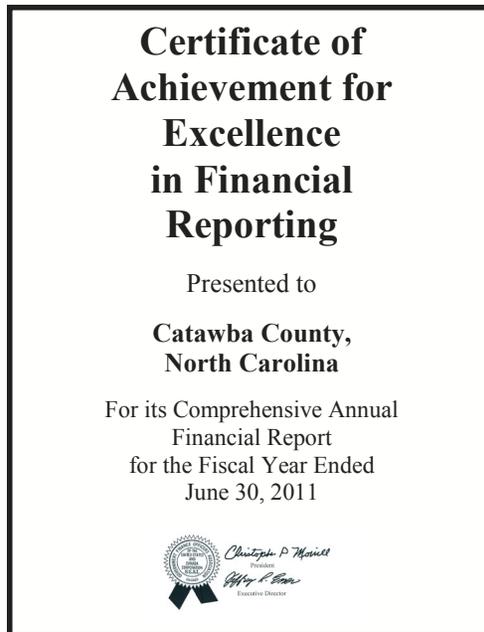
Respectfully submitted,



J. Thomas Lundy
County Manager



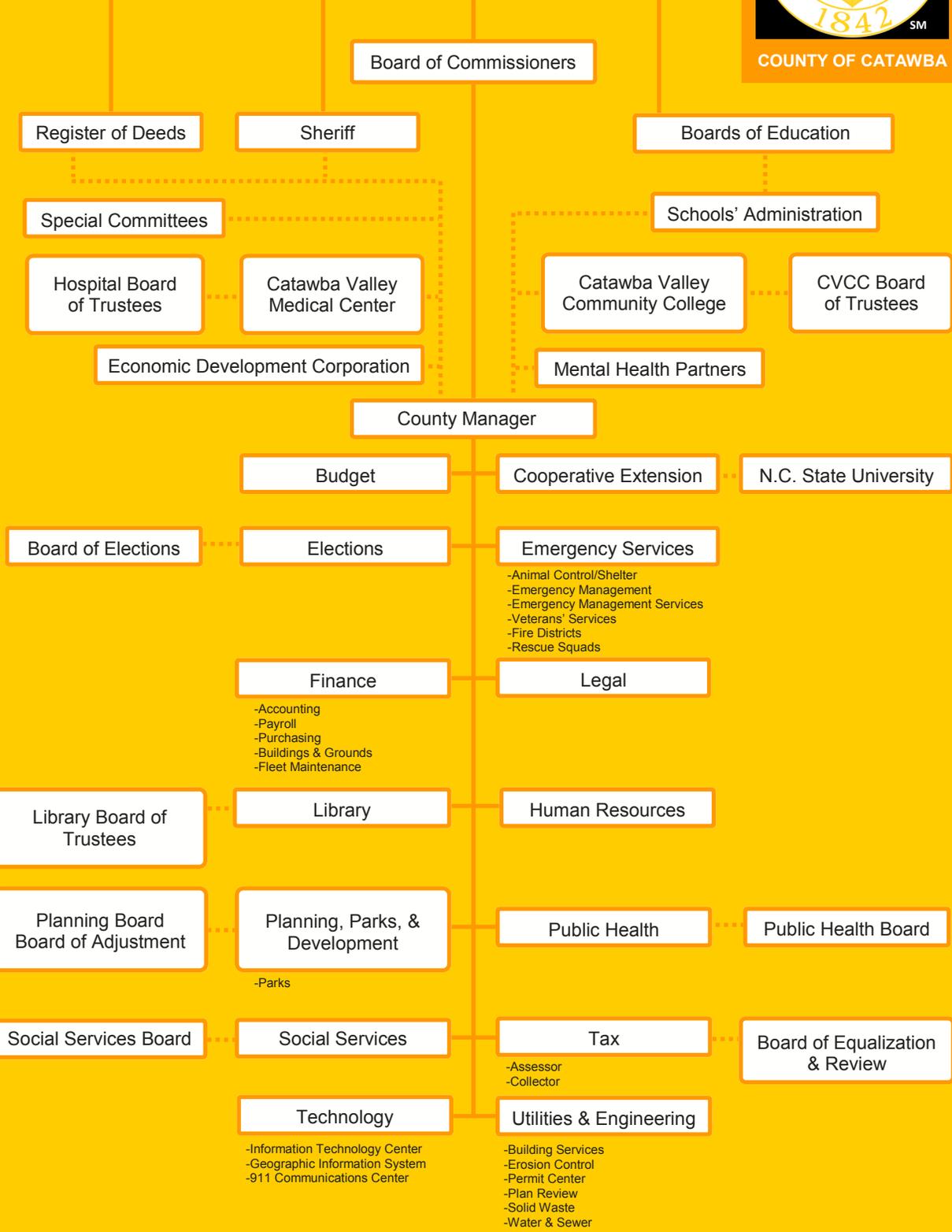
Rodney N. Miller
Finance Director





COUNTY OF CATAWBA

Citizens of Catawba County



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, 2012, 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, 2012, 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 19, 2012 on our consideration of Catawba County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing in the results of our audit.

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

Our audit was performed for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements of Catawba County, North Carolina as a whole. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 19, 2012

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, 2012. 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.

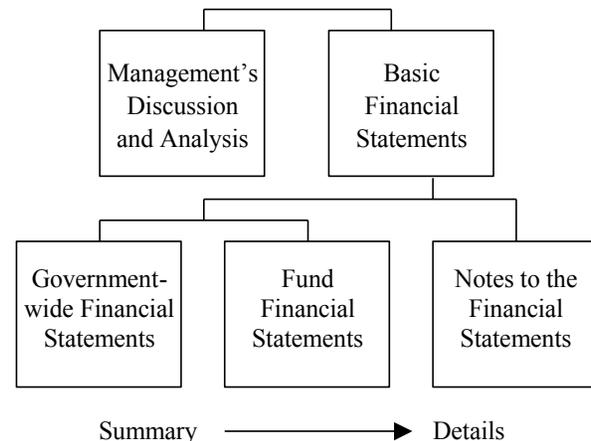
FINANCIAL HIGHLIGHTS

- ▶ The assets of Catawba County exceeded its liabilities at the close of the fiscal year by \$155,373,915 (*net assets*). Of this figure, approximately \$120 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net assets increased by \$2,940,933, resulting from an increase of \$627,051 in governmental activities, and \$2,313,882 in business-type activities.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$104,859,198, a decrease of (\$12,356,623) in comparison with the prior year. Approximately 29 percent of this total amount, or \$30,688,008, is restricted, or non-spendable. [See Exhibits 3 and 4]
- ▶ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,198,357, or 21 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total debt decreased by (\$12,603,046) during the current fiscal year. Outstanding debt principal is \$125,775,150 and equates to \$811 per capita at the end of the fiscal year.
- ▶ For the eighth consecutive year, Catawba County maintained its AA bond rating with Standard & Poor's and maintained its Aa1 bond rating with Moody's Investors Service for the 3rd consecutive year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A - Required Components of Annual Financial Report



BASIC FINANCIAL STATEMENTS

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

The government-wide financial statements are on Exhibit 1 and 2 of this report.

FUND FINANCIAL STATEMENTS

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

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

reconciliation that is a part of the fund financial statements.

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

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

- ▶ **Proprietary Funds** - Catawba County maintains one type of proprietary fund which includes two enterprise funds.

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

The proprietary funds financial statements can be found on pages 23-27 of this report.

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

The fiduciary funds financial statements can be found on page 28 of this report.

NOTES TO THE FINANCIAL STATEMENTS

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

The notes to the financial statements can be found beginning on page 29 of this report.

SUPPLEMENTARY INFORMATION

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

Required supplementary information can be found beginning on page 66 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets - As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Catawba County exceeded liabilities by \$155,373,915 as of June 30, 2012. The County's net assets increased by \$2,940,933 for the fiscal year ended June 30, 2012.

The largest portion of net assets, 77%, 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 \$283,795 during the current year. Catawba County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although

Government-Wide Financial Analysis Catawba County's Net Assets

	Governmental Activities		Business-type Activities		Total		Total	
	2012	2011	2012	2011	2012	2011	Dollar Change	Percent Change
Current and other assets	\$ 125,177,168	\$ 134,358,591	\$ 52,152,232	\$ 50,173,426	\$ 177,329,400	\$ 184,532,017	\$ (7,202,617)	-3.90%
Capital assets	83,604,826	83,760,519	55,031,372	54,591,884	138,636,198	138,352,403	283,795	0.21%
Total assets	208,781,994	218,119,110	107,183,604	104,765,310	315,965,598	322,884,420	(6,918,822)	-2.14%
Long-term liabilities	128,185,291	143,111,459	16,758,379	16,698,333	144,943,670	159,809,792	(14,866,122)	-9.30%
Other liabilities	14,887,433	9,925,432	760,580	716,214	15,648,013	10,641,646	5,006,367	47.05%
Total liabilities	143,072,724	153,036,891	17,518,959	17,414,547	160,591,683	170,451,438	(9,859,755)	-5.78%
Net assets:								
Invested in capital assets, net of related debt	71,902,720	71,693,769	47,665,657	46,958,987	119,568,377	118,652,756	915,621	0.77%
Restricted	32,831,276	47,011,143	-	-	32,831,276	47,011,143	(14,179,867)	-30.16%
Unrestricted	(39,024,726)	(53,622,693)	41,998,988	40,391,776	2,974,262	(13,230,917)	16,205,179	-122.48%
Total net assets	\$ 65,709,270	\$ 65,082,219	\$ 89,664,645	\$ 87,350,763	\$ 155,373,915	\$ 152,432,982	\$ 2,940,933	1.93%

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, 21.1%, represents resources that are subject to external restrictions on how they may be used.

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

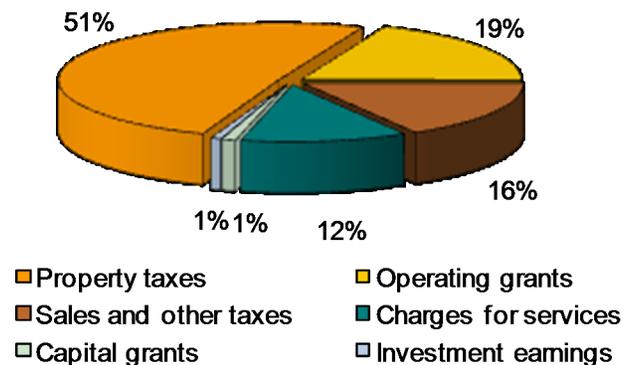
Governmental Activities - Governmental activities increased the County's net assets by \$627,051. Key elements of this change are as follows:

- ▶ A modest increase in property tax revenues and investment earnings.
- ▶ A decrease in education expenses as several school capital projects were completed during the year.
- ▶ Interest on long-term debt decreased by \$510,000 from the prior year due to

refunding prior debt with lower current interest rates.

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

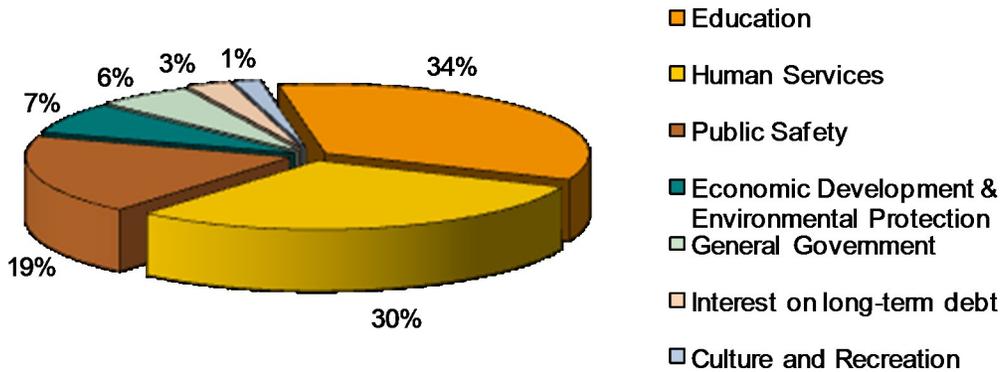
Revenues by Source - Governmental Activities



Business-type Activities - Business-type activities increased Catawba County's net assets by \$2,313,882. Key elements of this change are as follows:

- ▶ Article 46 Sales tax revenues totaling \$1.3 million for various water and sewer projects in the County.

Expenditures by Function - Governmental Activities



Catawba County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 20,686,795	\$ 23,023,392	\$ 5,912,649	\$ 5,742,856	\$ 26,599,444	\$ 28,766,248
Operating grants and contributions	31,816,198	32,659,457	447,717	501,033	32,263,915	33,160,490
Capital grants and contributions	1,746,730	5,380,157	1,366,637	1,957,808	3,113,367	7,337,965
General revenues:						
Property taxes	85,663,390	85,440,972	-	-	85,663,390	85,440,972
Sales and other taxes	27,912,171	27,996,050	1,585,139	302,161	29,497,310	28,298,211
Investment earnings, unrestricted	1,291,370	1,136,085	487,048	533,248	1,778,418	1,669,333
Total revenues	<u>169,116,654</u>	<u>175,636,113</u>	<u>9,799,190</u>	<u>9,037,106</u>	<u>178,915,844</u>	<u>184,673,219</u>
Expenses						
General government	9,737,258	9,795,648	-	-	9,737,258	9,795,648
Public safety	31,399,814	30,599,650	-	-	31,399,814	30,599,650
Environmental protection	459,609	508,248	-	-	459,609	508,248
Economic and physical development	11,657,411	9,713,902	-	-	11,657,411	9,713,902
Human services	50,113,468	51,350,294	-	-	50,113,468	51,350,294
Cultural and recreation	2,724,942	2,733,249	-	-	2,724,942	2,733,249
Education	57,134,411	65,072,007	-	-	57,134,411	65,072,007
Interest on long-term debt	4,487,690	4,998,419	-	-	4,487,690	4,998,419
Solid waste management	-	-	5,797,602	5,869,812	5,797,602	5,869,812
Water and sewer	-	-	2,462,706	1,365,042	2,462,706	1,365,042
Total expenses	<u>167,714,603</u>	<u>174,771,417</u>	<u>8,260,308</u>	<u>7,234,854</u>	<u>175,974,911</u>	<u>182,006,271</u>
Increase (decrease) in net assets before transfers	1,402,051	864,696	1,538,882	1,802,252	2,940,933	2,666,948
Transfers	(775,000)	(3,561,973)	775,000	3,561,973	-	-
Increase (decrease) in net assets	627,051	(2,697,277)	2,313,882	5,364,225	2,940,933	2,666,948
Net assets - beginning of year	65,082,219	67,779,496	87,350,763	81,986,538	152,432,982	149,766,034
Net assets - end of year	<u>\$ 65,709,270</u>	<u>\$ 65,082,219</u>	<u>\$ 89,664,645</u>	<u>\$ 87,350,763</u>	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</u>

- ▶ Transfer of 1/2 cent property tax for water and sewer projects in the amount \$775,000.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2012, the governmental funds of the County reported a combined fund balance of \$104,859,198, a 10.5 percent decrease from the previous year. The primary reason for this decrease in fund balance was expenditures for capital projects where debt proceeds were received in prior years.

General Fund - The General Fund is the chief operating fund of Catawba County. At the end of the current fiscal year, available fund balance of the General Fund was \$38,486,738, while total fund balance reached \$51,101,004. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures of \$186,303,591. Available fund balance

represents 20.66% of total General Fund expenditures while total fund balance represents 27.43% of that same amount.

The overall fund balance decreased by (\$1,983,620) primarily due to increase in debt service expenditures and restricted intergovernmental revenues. Additional information is provided in the discussion on General Fund budgetary highlights on the next page.

Other Major Funds - The General Capital Projects Fund is a major governmental fund. This fund accounts for the financing and construction of all general government multi-year capital projects. Its fund balance increased by \$2.7 million to \$24.8 million. The largest financing source came from \$2.6 million of sales taxes accumulated for future Justice Center expansion. Expenditures were \$2.9 million, a decrease from \$4.3 million in the prior year.

Non-Major Funds - Fund balances for non-major funds decreased by (\$13.0) million to \$28.9 million overall. The major decrease is from the School Construction Fund of (\$13.9) million, which was a result of an increase in expenditures relating to major construction 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 \$89.7 million with \$42 million of this amount being unrestricted. The increase in net assets in these funds was \$2.3 million. Other factors concerning the finances of these funds have 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.

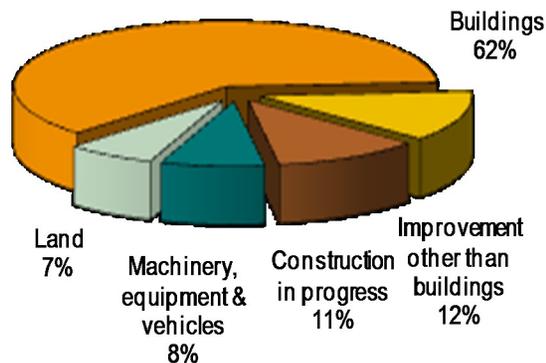
Total amendments to the General Fund increased revenues by \$1,874,859 or 1.1%. This increase was due mainly to anticipation of additional federal and state grants available for County services.

Actual revenues were less than final budgeted amounts by (\$2,257,990). There were several reasons including reduced investment earnings due to lower interest rates. The County did not receive some anticipated federal and state grants. There was a decrease in expected third party reimbursements for public health services.

Net amendments to budgeted appropriations were \$994,898 or .6%. 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 \$13,925,494. These cost savings resulted mainly from unspent appropriations of a) \$5.5 million in services and supplies in human services departments and b) \$3.3 million in salaries and benefits due to temporary vacancies in various departments and

reductions in health claims by County employees.

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



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, 2012, totals \$138,636,198 (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 and deletions:

- ▶ Addition of new computer servers and infrastructure of \$1,080,000.
- ▶ Purchase of new public safety vehicles of \$1,085,000.
- ▶ Retirement of obsolete computer servers and update infrastructure of \$1,909,000.

Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 5,689,821	\$ 5,689,821	\$ 7,364,944	\$ 7,258,519	\$ 13,054,765	\$ 12,948,340
Buildings	51,472,750	53,670,460	600,174	615,664	52,072,924	54,286,124
Improvements other than buildings	10,432,704	10,684,053	20,994,321	21,717,591	31,427,025	32,401,644
Machinery, equipment and vehicles	6,598,922	6,563,121	1,387,021	1,737,242	7,985,943	8,300,363
Construction in progress	9,410,629	7,153,064	24,684,912	23,262,868	34,095,541	30,415,932
Total	83,604,826	83,760,519	55,031,372	54,591,884	138,636,198	138,352,403

- ▶ Increase in construction in progress of approximately \$1.7 million primarily for water lines and a new regional biosolids facility.

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

Long-term Debt - As of June 30, 2012, Catawba County had total bonded debt outstanding of \$7,715,000, all of which is debt backed by the full faith and credit of the County. In addition, the County had other debt principal of \$123,901,497. The overall change in long-term debt was a net decrease of (\$12,603,046). The County issued limited obligation bonds during the year to refund existing debt and is included in numbers above.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 3rd consecutive year, its Aa1 bond rating from Moody's Investors Service and for the 8th consecutive year, its AA rating from Standard and Poor's. This stable bond rating is a clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt. The County plans to refinance additional debt next fiscal year to take advantage of historically low interest rates.

North Carolina general statutes limit the amount of debt that a unit of government can issue to 8 percent of the total assessed value of taxable

property located within that government's boundaries. The County's total debt burden outstanding is \$125,775,150 compared to the legal debt limit of \$1,241,235,370 or 10.1%.

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

FISCAL YEAR 2011-2012 ECONOMIC FACTORS

The following factors reflect the economic activity of the County.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 10.1% of its statutory limit. The property tax rate of \$0.53/\$100 was below the State average of \$0.62/\$100 and the 27th lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 61% of the \$3.0 billion in retail sales from the four-county Metropolitan Statistical Area in 2012 despite having only 42% of the population. In 2012, the County's total taxable retail sales increased 3.9% over the prior year.
- ▶ The county's unemployment has seen some improvement as the rate declined from 12.0% in June 2011 to 11.3% in June 2012.

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 7,715,000	\$ 12,110,000	\$ -	\$ -	\$ 7,715,000	\$ 12,110,000
Installment Purchases	19,475,148	48,564,015	-	6,282,897	19,475,148	54,846,912
Certificates of Participation	18,090,000	37,075,000	-	-	18,090,000	37,075,000
Qualified Zone Academy Bonds	500,000	550,000	-	-	500,000	550,000
Qualified School Const. Bonds	25,237,700	27,808,553	-	-	25,237,700	27,808,553
Limited Obligation Bonds	39,787,135	-	5,797,865	-	45,585,000	-
Build America Bonds	7,822,302	8,401,732	-	-	7,822,302	8,401,732
Federal Revolving Loan	-	-	1,350,000	1,350,000	1,350,000	1,350,000
Premium on long-term debt	5,623,497	2,077,346	217,850	-	5,841,347	2,077,346
Total	\$ 124,250,782	\$ 136,586,646	\$ 7,365,715	\$ 7,632,897	\$ 131,616,497	\$ 144,219,543

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Governmental Activities - The local economy continues to recover slowly. In next year's budget, the property tax rate at \$.53/100 is unchanged from the prior year. Projections include a 1.6 percent increase in property tax revenue and a 1.8 percent increase in sales tax revenue. The County is also budgeting a modest increase of 1.2 percent in operating expenses for a total approved budget of \$226,402,044 for fiscal year 2012-13.

Education continues to represent the largest portion of the local budget, with 48 cents of every property and sales tax dollar allocated for the instructional costs and capital needs of the three public school systems and Catawba Valley Community College.

The County places public safety as a high priority, and accordingly, additional expenditures are planned in this area. The second largest portion of local funds—22 cents of every property tax and sales tax dollar—is spent on public safety.

The County has made reductions over the last four years impacting more than 100 positions. At the same time, demand for service has increased due to the economy, so employees have taken on higher workloads and continued to provide excellent customer service and response time. In fiscal year 2012-2013 the County eliminates 6 positions but adds 7 new positions, including 5 in the public safety area. No cost of living allowance is included in next year's budget. The budget includes limited funds to recognize performance--a one percent and \$400 lump sum for employees, available on employee anniversary dates and based on ratings of individual performance. A limited amount of funding is included to address pay inequities in order to keep the County competitive with other jurisdictions through an annual reclassification study.

Business – type Activities - The \$8,524,653 budget includes \$6,516,819 for solid waste

operations and \$2,007,834 for water and sewer operations and capital expenditures. The budget commits \$1.2 million of the ¼ cent sales tax and \$775,000 or ½ cent on the property tax rate to fund County-wide water and wastewater needs.

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, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 91,316,081	\$ 29,076,826	\$ 120,392,907
Taxes receivable - net	3,252,797	-	3,252,797
Due from other governments	15,138,272	1,283,028	16,421,300
Notes receivable	-	261,219	261,219
Other receivables	3,041,441	379,671	3,421,112
Interest receivable	181,488	89,121	270,609
Inventories	338,109	-	338,109
Prepaid items	54,469	928	55,397
Deferred charges	2,931,379	60,538	2,991,917
Restricted cash and investments	6,779,864	21,000,901	27,780,765
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	15,100,450	32,049,856	47,150,306
Other capital assets, net of depreciation	68,504,376	22,981,516	91,485,892
Total capital assets	<u>83,604,826</u>	<u>55,031,372</u>	<u>138,636,198</u>
Net investment in joint venture	2,143,268	-	2,143,268
Total assets	<u>208,781,994</u>	<u>107,183,604</u>	<u>315,965,598</u>
Liabilities			
Accounts payable and accrued liabilities	6,047,916	760,580	6,808,496
Unearned revenues	606,488	-	606,488
Liabilities paid from restricted assets	2,609,532		2,609,532
Long-term liabilities:			
Due within one year	16,789,755	659,481	17,449,236
Due in more than one year	117,019,033	16,098,898	133,117,931
Total long-term liabilities	<u>133,808,788</u>	<u>16,758,379</u>	<u>150,567,167</u>
Total liabilities	<u>143,072,724</u>	<u>17,518,959</u>	<u>160,591,683</u>
Net Assets			
Invested in capital assets, net of related debt	71,902,720	47,665,657	119,568,377
Restricted			
Stabilization by State statute	16,874,025	-	16,874,025
Register of Deeds	50,346	-	50,346
Public safety	4,886,810	-	4,886,810
Fire Protection	859,873	-	859,873
Library Endowment	237,077	-	237,077
Social services scholarships	44,099	-	44,099
Parks preservation	161,597	-	161,597
School capital and construction	4,316,249	-	4,316,249
Hospital capital projects	5,401,200	-	5,401,200
Other	-	-	-
Unrestricted (deficit)	<u>(39,024,726)</u>	<u>41,998,988</u>	<u>2,974,262</u>
Total net assets	<u>\$ 65,709,270</u>	<u>\$ 89,664,645</u>	<u>\$ 155,373,915</u>

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

Component Units	
Catawba Valley Medical Center	Catawba County ABC Board
\$ 82,056,793	\$ 758,305
-	-
1,360,591	-
-	-
28,290,009	-
83,505	-
5,494,074	1,680,715
4,512,588	-
-	-
21,795,437	-
6,643,833	-
32,653,184	-
71,496,592	1,936,640
<u>104,149,776</u>	<u>1,936,640</u>
-	-
<u>254,386,606</u>	<u>4,375,660</u>
20,330,907	1,194,039
-	-
24,148,504	56,969
53,674,395	-
<u>77,822,899</u>	<u>56,969</u>
<u>98,153,806</u>	<u>1,251,008</u>
55,013,990	1,936,640
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
5,517,682	-
69,059	441,330
95,632,069	746,682
<u>\$ 156,232,800</u>	<u>\$ 3,124,652</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 9,737,258	\$ 2,018,381	\$ 961,540	\$ 1,500,000
Public safety	31,399,814	9,436,724	264,731	-
Environmental protection	459,609	5,100	46,853	-
Economic and physical development	11,657,411	2,287,770	648,147	546
Human services	50,113,468	6,368,320	29,701,087	-
Culture and recreation	2,724,942	61,080	193,840	-
Education	57,134,411	509,420	-	246,184
Interest on long-term debt	4,487,690	-	-	-
Total expenditures	<u>167,714,603</u>	<u>20,686,795</u>	<u>31,816,198</u>	<u>1,746,730</u>
Business-type activities				
Solid waste management	5,797,602	5,704,598	46,958	159,165
Water and sewer	2,462,706	208,051	400,759	1,207,472
Total expenditures	<u>8,260,308</u>	<u>5,912,649</u>	<u>447,717</u>	<u>1,366,637</u>
Total primary government	<u>\$ 175,974,911</u>	<u>\$ 26,599,444</u>	<u>\$ 32,263,915</u>	<u>\$ 3,113,367</u>
Component units				
Catawba Valley Medical Center	\$ 198,579,455	\$ 210,645,930	\$ 839,474	\$ 9,903
Catawba County ABC Board	11,626,122	11,474,583	-	-
Total Component Units	<u>\$ 210,205,577</u>	<u>\$ 222,120,513</u>	<u>\$ 839,474</u>	<u>\$ 9,903</u>

General Revenues:

Taxes

Property taxes, levied for general purposes

Local option sales taxes

Other taxes and licenses

Investment earnings, unrestricted

Total general revenues, excluding transfers

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Catawba Valley Medical Center	Catawba County ABC Board
\$ (5,257,337)	\$ -	\$ (5,257,337)		
(21,698,359)	-	(21,698,359)		
(407,656)	-	(407,656)		
(8,720,948)	-	(8,720,948)		
(14,044,061)	-	(14,044,061)		
(2,470,022)	-	(2,470,022)		
(56,378,807)	-	(56,378,807)		
(4,487,690)	-	(4,487,690)		
<u>(113,464,880)</u>	<u>-</u>	<u>(113,464,880)</u>		
-	113,119	113,119		
-	(646,424)	(646,424)		
-	(533,305)	(533,305)		
<u>(113,464,880)</u>	<u>(533,305)</u>	<u>(113,998,185)</u>		
			\$ 12,915,852	\$ -
				(151,539)
			<u>\$ 12,915,852</u>	<u>\$ (151,539)</u>
85,663,390	-	85,663,390	-	-
26,394,707	-	26,394,707	-	-
1,517,464	1,585,139	3,102,603	-	-
1,291,370	487,048	1,778,418	1,653,549	14,922
<u>114,866,931</u>	<u>2,072,187</u>	<u>116,939,118</u>	<u>1,653,549</u>	<u>14,922</u>
(775,000)	775,000	-	-	-
<u>114,091,931</u>	<u>2,847,187</u>	<u>116,939,118</u>	<u>1,653,549</u>	<u>14,922</u>
627,051	2,313,882	2,940,933	14,569,401	(136,617)
<u>65,082,219</u>	<u>87,350,763</u>	<u>152,432,982</u>	<u>141,663,399</u>	<u>3,261,269</u>
<u>\$ 65,709,270</u>	<u>\$ 89,664,645</u>	<u>\$ 155,373,915</u>	<u>\$ 156,232,800</u>	<u>\$ 3,124,652</u>

CATAWBA COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2012

	<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>Other Governmental Funds</u>	
Assets				
Cash and investments	\$ 44,753,286	\$ 24,286,201	\$ 22,276,594	\$ 91,316,081
Taxes receivable - net	3,081,790	-	171,007	3,252,797
Due from other governments	10,571,131	886,410	3,680,731	15,138,272
Other receivables	3,035,729	5,712	-	3,041,441
Interest receivable	102,003	42,082	37,403	181,488
Inventories	338,109	-	-	338,109
Prepaid items	54,469	-	-	54,469
Restricted cash and investments	2,463,615	-	4,316,249	6,779,864
Total assets	<u>64,400,132</u>	<u>25,220,405</u>	<u>30,481,984</u>	<u>120,102,521</u>
Liabilities				
Accounts payable and accrued liabilities	5,221,252	372,869	453,795	6,047,916
Deferred revenues	6,397,320	-	188,555	6,585,875
Liabilities to be paid from restricted assets	1,680,556	-	928,976	2,609,532
Total liabilities	<u>13,299,128</u>	<u>372,869</u>	<u>1,571,326</u>	<u>15,243,323</u>
Fund Balances				
Nonspendable				
Inventories	338,109	-	-	338,109
Prepaid	54,469	-	-	54,469
Restricted				
Stabilization by State Statute	12,221,688	934,204	3,718,133	16,874,025
Register of Deeds	50,346	-	-	50,346
Public Safety	-	-	2,743,542	2,743,542
Fire Protection	-	-	859,873	859,873
Library Endowment	-	-	237,077	237,077
Scholarship	-	-	44,099	44,099
Parks Preservation	-	-	161,597	161,597
School Capital and Construction	-	-	4,316,249	4,316,249
Hospital Capital	-	-	5,401,200	5,401,200
Committed				
Tax Revaluation	153,881	-	-	153,881
General Capital Reserve	448,620	-	-	448,620
General Capital	-	23,913,332	-	23,913,332
School Construction	-	-	1,815,442	1,815,442
School Capital	-	-	9,594,076	9,594,076
Hospital Construction	-	-	23,725	23,725
Assigned				
Public Health	197,421	-	-	197,421
Social Services	4,640,932	-	-	4,640,932
County Manager	217,313	-	-	217,313
Human Resources	579,873	-	-	579,873
Library	298,313	-	-	298,313
Cooperative Extension	154,516	-	-	154,516
Subsequent year's expenditures	6,542,811	-	-	6,542,811
Unassigned	25,202,712	-	(4,355)	25,198,357
Total fund balances	<u>51,101,004</u>	<u>24,847,536</u>	<u>28,910,658</u>	<u>104,859,198</u>
Total liabilities and fund balances	<u>\$ 64,400,132</u>	<u>\$ 25,220,405</u>	<u>\$ 30,481,984</u>	<u>\$ 120,102,521</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, 2012

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 104,859,198
Total net assets reported for governmental activities in the statement of net assets (Exhibit 1) is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	83,604,826
Net Investment in Joint Venture	2,143,268
Some of the County's taxes and revenues 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	5,979,387
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in fund statements	2,931,379
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>(133,808,788)</u>
Net assets of governmental activities (Exhibit 1)	<u>\$ 65,709,270</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	Major Funds		Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$ 80,809,063	\$ -	\$ 5,592,619	\$ 86,401,682
Other taxes	19,867,852	2,615,001	4,385,064	26,867,917
Unrestricted intergovernmental revenues	1,839,255	-	-	1,839,255
Restricted intergovernmental revenues	36,129,385	-	1,358,212	37,487,597
Licenses and permits	1,994,746	-	17,621	2,012,367
Sales and services	12,117,015	-	-	12,117,015
Investment earnings	520,342	232,618	210,814	963,774
Miscellaneous	2,919,831	711,921	43,274	3,675,026
Total revenues	156,197,489	3,559,540	11,607,604	171,364,633
Expenditures				
Current				
General government	10,134,171	-	-	10,134,171
Public safety	24,311,033	-	6,438,769	30,749,802
Environmental protection	451,864	-	-	451,864
Economic and physical development	11,009,996	-	297,369	11,307,365
Human services	49,245,126	-	800	49,245,926
Culture and recreation	2,677,465	-	-	2,677,465
Education	39,257,916	-	-	39,257,916
Capital outlay	-	2,933,658	17,876,495	20,810,153
Debt service				
Principal	39,751,528	-	-	39,751,528
Interest	5,023,779	-	-	5,023,779
Sinking fund escrow	1,853,902	-	-	1,853,902
Bond issuance costs	448,255	-	-	448,255
Total expenditures	184,165,035	2,933,658	24,613,433	211,712,126
Excess of revenues over (under) expenditures	(27,967,546)	625,882	(13,005,829)	(40,347,493)
Other Financing Sources (Uses)				
Transfers from other funds	6,612	1,428,763	15,056	1,450,431
Transfers to other funds	(2,138,556)	-	(86,875)	(2,225,431)
Sales of capital assets	24,349	-	-	24,349
Installment purchase issued	-	650,000	-	650,000
Refunding limited obligation bonds issued	41,995,366	-	-	41,995,366
Premium on limited obligation bonds	3,873,747	-	-	3,873,747
Payment to refunded bond escrow agent	(17,777,592)	-	-	(17,777,592)
Total other financing sources (uses)	25,983,926	2,078,763	(71,819)	27,990,870
Net change in fund balance	(1,983,620)	2,704,645	(13,077,648)	(12,356,623)
Fund Balances - Beginning of Year	53,084,624	22,142,891	41,988,306	117,215,821
Fund Balances - End of Year	\$ 51,101,004	\$ 24,847,536	\$ 28,910,658	\$ 104,859,198

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, 2012

Net change in *fund balances* - total governmental funds (Exhibit 4) \$ (12,356,623)

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. (155,693)

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. 159,960

Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds. (240,295)

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. 14,175,549

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. (955,847)

Change in net assets of governmental activities (Exhibit 2) \$ 627,051

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, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 79,851,008	\$ 79,851,008	\$ 80,809,063	\$ 958,055
Other taxes	18,456,451	18,456,451	19,867,852	1,411,401
Unrestricted intergovernmental revenues	1,916,000	1,916,000	1,839,255	(76,745)
Restricted intergovernmental revenues	37,480,993	39,628,541	36,129,385	(3,499,156)
Licenses and permits	1,899,839	1,899,839	1,994,746	94,907
Sales and services	13,650,415	13,339,561	12,117,015	(1,222,546)
Investment earnings	803,750	803,750	512,656	(291,094)
Miscellaneous	2,514,478	2,552,643	2,919,831	367,188
Total revenues	<u>156,572,934</u>	<u>158,447,793</u>	<u>156,189,803</u>	<u>(2,257,990)</u>
Expenditures				
Current				
General government	12,254,517	11,811,090	9,766,621	2,044,469
Public safety	24,927,141	25,390,426	24,311,033	1,079,393
Environmental protection	627,937	715,937	451,864	264,073
Economic and physical development	12,272,998	12,340,426	11,009,996	1,330,430
Human services	56,619,794	56,941,001	49,245,126	7,695,875
Culture and recreation	2,922,133	2,972,133	2,677,465	294,668
Education	39,753,652	39,753,652	39,257,916	495,736
Debt service				
Principal	12,060,453	39,385,503	39,751,528	(366,025)
Interest	5,792,430	6,110,496	5,023,779	1,086,717
Sinking fund escrow	1,853,910	1,853,910	1,853,902	8
Bond issuance costs	-	448,405	448,255	150
Total expenditures	<u>169,084,965</u>	<u>197,722,979</u>	<u>183,797,485</u>	<u>13,925,494</u>
Excess of revenues over (under) expenditures	<u>(12,512,031)</u>	<u>(39,275,186)</u>	<u>(27,607,682)</u>	<u>11,667,504</u>
Other Financing Sources (Uses)				
Transfers from other funds	56,612	6,612	6,612	-
Transfers to other funds	(2,510,199)	(2,510,199)	(2,510,199)	-
Sale of capital assets	-	-	24,349	24,349
Installment purchase obligation issued	1,415,475	1,415,475	-	(1,415,475)
Refunding limited obligation bonds issued	-	41,995,366	41,995,366	-
Premium on limited obligation bonds	-	3,873,747	3,873,747	-
Payment to refunded bond escrow agent	-	(17,777,592)	(17,777,592)	-
Fund balance appropriated	13,550,143	12,271,777	-	(12,271,777)
Total other financing sources (uses)	<u>12,512,031</u>	<u>39,275,186</u>	<u>25,612,283</u>	<u>(13,662,903)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,995,399)</u>	<u>\$ (1,995,399)</u>
Fund Balances - Beginning of Year			<u>52,488,035</u>	
Fund Balances - End of Year			\$ 50,492,636	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			3,598	
Transfer from other funds			371,643	
Expenditures			(367,550)	
Fund Balance, Beginning			151,272	
A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			4,088	
Fund Balance, Beginning			445,317	
Fund Balance, Ending (Exhibit 4)			<u>\$ 51,101,004</u>	

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

CATAWBA COUNTY, NORTH CAROLINA
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Assets			
Current assets			
Cash and investments	\$ 17,061,728	12,015,098	\$ 29,076,826
Due from other governments	162,705	1,120,323	1,283,028
Notes receivable	-	261,219	261,219
Accounts receivables (net of allowance)	360,151	19,520	379,671
Other receivables	31,092	58,029	89,121
Prepaid fees	928	-	928
Deferred charge on debt refunding	-	60,538	60,538
Restricted cash and investments	-	21,000,901	21,000,901
Total current assets	<u>17,616,604</u>	<u>34,535,628</u>	<u>52,152,232</u>
Noncurrent assets			
Capital assets			
Land, non-depreciable improvements, and construction in progress	10,891,829	21,158,027	32,049,856
Other capital assets, net of depreciation	15,511,548	7,469,968	22,981,516
Total capital assets	<u>26,403,377</u>	<u>28,627,995</u>	<u>55,031,372</u>
Total assets	<u>44,019,981</u>	<u>63,163,623</u>	<u>107,183,604</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	517,682	242,898	760,580
Accrued landfill closure and postclosure care costs	200,294	-	200,294
Installment loan payable	-	368,809	368,809
Installment loan premium	-	14,131	14,131
Compensated absences payable	70,741	5,506	76,247
Total current liabilities	<u>788,717</u>	<u>631,344</u>	<u>1,420,061</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	8,927,358	-	8,927,358
Installment loan payable	-	6,779,056	6,779,056
Installment loan premium	-	203,719	203,719
Compensated absences payable	37,841	13,741	51,582
Other post employment benefits obligation	133,751	3,432	137,183
Total noncurrent liabilities	<u>9,098,950</u>	<u>6,999,948</u>	<u>16,098,898</u>
Total liabilities	<u>9,887,667</u>	<u>7,631,292</u>	<u>17,518,959</u>
Net Assets			
Invested in capital assets, net of related debt	26,403,377	21,262,280	47,665,657
Unrestricted	7,728,937	34,270,051	41,998,988
Total net assets	<u>\$ 34,132,314</u>	<u>\$ 55,532,331</u>	<u>\$ 89,664,645</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, 2012

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 4,152,265	\$ -	\$ 4,152,265
Methane recovery	634,472	-	634,472
Other operating revenues	61,821	-	61,821
Total operating revenues	<u>4,848,558</u>	<u>-</u>	<u>4,848,558</u>
Operating Expenses			
Administration	511,706	81,968	593,674
Recycling	127,702	-	127,702
Solid waste management improvements	330,894	-	330,894
Solid waste code enforcement	84,238	-	84,238
Biodiesel and freon recovery	38,291	-	38,291
Sanitary landfill	2,461,740	-	2,461,740
Landfill closure and postclosure costs	302,136	-	302,136
Convenience centers	337,177	-	337,177
Blackburn landfill methane recovery	616,302	-	616,302
Water and sewer	-	1,897,412	1,897,412
Depreciation	987,416	271,723	1,259,139
Total operating expenses	<u>5,797,602</u>	<u>2,251,103</u>	<u>8,048,705</u>
Operating income (loss)	<u>(949,044)</u>	<u>(2,251,103)</u>	<u>(3,200,147)</u>
Nonoperating Revenues (Expenses)			
Engineering fees	-	24,250	24,250
Sales Taxes - Article 46 - one quarter of one percent	-	1,278,262	1,278,262
Interest on long term debt	-	(211,603)	(211,603)
Investment earnings	167,048	319,999	487,047
Miscellaneous	9,008	101,577	110,585
Municipal revenue sharing	-	482,983	482,983
Scrap tire grant	34,909	-	34,909
Solid waste disposal taxes	306,877	-	306,877
Proceeds from sale of equipment	44,446	-	44,446
Electronics management distribution	12,049	-	12,049
Solid waste capital revenue	802,587	-	802,587
Total nonoperating revenues (expenses)	<u>1,376,924</u>	<u>1,995,468</u>	<u>3,372,392</u>
Income (loss) before contributions and transfers	<u>427,880</u>	<u>(255,635)</u>	<u>172,245</u>
Capital contributions	159,165	-	159,165
American Reinvestment and Recovery Act	-	75,000	75,000
Community development block grants	-	1,132,472	1,132,472
Transfer from General Fund	-	775,000	775,000
Increase (decrease) in Net Assets	587,045	1,726,837	2,313,882
Net Assets - Beginning of Year	<u>33,545,269</u>	<u>53,805,494</u>	<u>87,350,763</u>
Net Assets - End of Year	<u>\$ 34,132,314</u>	<u>\$ 55,532,331</u>	<u>\$ 89,664,645</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, 2012

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 4,888,132	(902,482)	\$ 3,985,650
Cash paid for goods and services	(3,016,744)	(1,828,550)	(4,845,294)
Cash paid to employees	(1,495,343)	(77,335)	(1,572,678)
Other operating revenues	61,821	-	61,821
Net cash provided (used) by operating activities	<u>437,866</u>	<u>(2,808,367)</u>	<u>(2,370,501)</u>
Cash Flows from Noncapital Financing Activities			
Tire disposal tax	189,994	-	189,994
Solid waste disposal tax	68,558	-	68,558
White goods disposal tax	48,325	-	48,325
Other charges	65,503	-	65,503
Scrap tire grant	34,909	-	34,909
Other taxes	-	1,278,262	1,278,262
Domestic haulers	-	125,827	125,827
Municipal revenue sharing	-	482,983	482,983
Total cash provided by noncapital financing activities	<u>407,289</u>	<u>1,887,072</u>	<u>2,294,361</u>
Cash Flows from Capital and Related Financing Activities			
Loan proceeds for capital	-	75,000	75,000
Capital contribution-federal grant	-	75,000	75,000
Community development block grant	-	1,132,472	1,132,472
Principal paid on installment notes payable	-	(396,769)	(396,769)
Interest paid on installment notes payable	-	(211,603)	(211,603)
Installment debt refunding	-	(5,952)	(5,952)
Acquisition and construction of capital assets	(502,980)	(233,894)	(736,874)
Transfer from general fund	-	775,000	775,000
Net cash provided (used) by capital and related financing activities	<u>(502,980)</u>	<u>1,209,254</u>	<u>706,274</u>
Cash Flows from Investing Activities			
Investment earnings	<u>171,431</u>	<u>330,868</u>	<u>502,299</u>
Net increase (decrease) in cash and cash equivalents	513,606	618,827	1,132,433
Cash and cash equivalents - beginning of year	<u>16,548,122</u>	<u>32,397,172</u>	<u>48,945,294</u>
Cash and cash equivalents - end of year	<u>\$ 17,061,728</u>	<u>\$ 33,015,999</u>	<u>\$ 50,077,727</u>

CATAWBA COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

Business-Type Activities - Enterprise Funds

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ (949,044)	(2,251,103)	(3,200,147)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	987,416	271,723	1,259,139
Increase (decrease) in landfill closure and postclosure care costs	302,136	-	302,136
Changes in assets and liabilities			
(Increase) decrease in refundable sales tax	29,567	(989,302)	(959,735)
(Increase) decrease in other receivables	71,828	1,426	73,254
(Increase) decrease in notes receivables	-	85,394	85,394
Increase (decrease) in accounts payable and other liabilities	(24,299)	68,862	44,563
Increase (decrease) in notes payable	-	-	-
Increase (decrease) in other liabilities	-	-	-
Increase (decrease) in compensated absences	(3,068)	3,141	73
Increase (decrease) in accrued salaries and other benefits	23,330	1,492	24,822
Total adjustments	<u>1,386,910</u>	<u>(557,264)</u>	<u>829,646</u>
Net cash provided by operating activities	<u>\$ 437,866</u>	<u>(2,808,367)</u>	<u>\$ (2,370,501)</u>
Noncash investing, capital and financing activities:			
Contribution of capital assets	159,165	-	159,165
	<u>\$ 159,165</u>	<u>\$ -</u>	<u>\$ 159,165</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, 2012

	<u>Agency Funds</u>
Assets	
Cash and investments	<u>\$ 117,218</u>
 Liabilities	
Miscellaneous liabilities	<u>\$ 117,218</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, 2012

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, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The County reports the following major governmental funds:

General Fund - The *General Fund* is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, Federal and State grants, and other various taxes and licenses. The primary expenditures are for education, human services, public safety, economic and physical development, environmental protection, cultural and recreational projects, and general government services. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund. The General Capital Reserve Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

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

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vehicles; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

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

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not 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,

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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

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

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

D. Budgetary Data

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

Expenditures may not legally exceed appropriations at the fund and departmental level for all annually budgeted and multi-year funds. Transfers of appropriations between funds may be made only by the Board, with the exception of merit, reclassification funds, and special contingency which the County Manager has the authority to transfer. Transfers of appropriations between departments in a fund or from contingency shall be approved by the Board, but may be approved by the County Manager if he finds they are consistent with operational needs and any Board approved goals and do not exceed \$50,000 for department transfers or \$50,000 for transfers from contingency. Transfers from contingency approved by the Manager can exceed \$50,000 if he determines an emergency exists. All such transfers approved by the Manager must be presented to the Board at its next regular meeting. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

E. Assets, Liabilities and Fund Equity Deposits and Investments

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository any bank or savings 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Cash and Cash Equivalents

A cash and investment pool is maintained by the County to facilitate disbursement and investment and to maximize investment income. The pool is used by all funds except the Social Services and Sheriff Commissary agency funds. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Social Services and Sheriff Commissary agency funds are maintained in noninterest bearing demand deposit accounts as reflected on Schedule G-1.

Restricted Assets

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

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

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011.

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Long-Term Obligations

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

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

Compensated Absences

It is the policy of the County to permit employees to accumulate up to thirty (30) days earned but unused vacation leave, with such leave being fully vested when earned. The County's liability for accumulated earned vacation and salary-related payments as of June 30, 2012, is recorded in the government-wide financial statements. For the County's proprietary fund, an expense and liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned, if the amount is considered to be material.

The sick leave policy of the County provides for an unlimited accumulation of earned but unused sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither employee nor the County has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

are either a) not in spendable form or b) legally or contractually required to be maintained intact.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

County Manager - portion of fund balance that has been budgeted by the board for future county manager expenditures.

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

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

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

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

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

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

F. Management Estimates

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

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 \$(39,149,928) consists of several elements as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

**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)	\$ 136,022,448
Less accumulated depreciation	<u>(52,417,622)</u>
Net capital assets	<u>83,604,826</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	2,143,268
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide	5,979,387
Deferred charges related to advance refunding issued - included on government-wide statement of net assets but are not current financial resources	2,931,379
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	(7,715,000)
Certificates of participation	(18,090,000)
Installment purchase	(19,475,148)
Qualified zone academy bonds	(500,000)
Qualified school construction bonds	(25,237,700)
Build America bonds	(7,822,302)
Limited obligation bonds	(39,787,135)
Premium on long-term debt	(5,623,497)
Compensated absences	(4,101,309)
Net pension obligation	(861,093)
Net other post employment benefits	<u>(4,595,604)</u>
	<u>(133,808,788)</u>
Total adjustment	\$ <u><u>(39,149,928)</u></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 \$12,983,674 as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives	\$ 1,378,033
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	(1,533,726)
New debt issued during the year is recorded as a source of funds on the fund statements: it has no effect on the statement of activities - it affects only the government-wide statement of net assets	(42,645,366)
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	4,395,000
Certificates of participation	18,985,000
Installment purchases	29,738,867
Qualified zone academy bonds	50,000
Qualified construction construction bonds sinking fund	1,853,902
Build America bonds	579,430
Limited obligation bonds	2,208,231
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	
Current year debt issuance costs	448,255
Amortization of refunding costs not recorded on fund statements	(111,953)
Current year deferred interest	2,304,658
Amortization of deferred interest	(84,324)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(126,137)
Net (increase) decrease in pension obligation	(121,206)
Net (increase) decrease in other post employment benefits	(708,504)
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	159,960
Increase (decrease) in receivables and deferred revenue	(240,295)
Current year premium on bond issue	(3,873,747)
Amortization of premium on debt issuance	327,596
Total adjustment	<u>\$ 12,983,674</u>

NOTE 3. DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits and Investments

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateral-

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

ized 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 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, 2012, the County's deposits had a carrying amount of \$4,005,794 and a bank balance of \$5,139,376. Of the bank balance, \$674,824 was covered by federal depository insurance and \$4,464,552 in interest bearing deposits were covered under the Pooling Method.

At June 30, 2012, Catawba County had \$8,056 cash on hand.

Investments

As of June 30, 2012 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	\$ 255,133	\$ -	\$ -	\$ 255,133
U.S. Government-sponsored enterprises *	57,441,702	-	3,238,238	54,203,464
Commercial Paper	16,925,306	6,985,084	4,966,500	4,973,722
Money market-unrestricted	19,954,304	-	-	-
Money market-restricted	5,960,795	-	-	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	43,739,489	N/A	N/A	N/A
NC Capital Trust Management Trust				
Cash Portfolio-restricted	311	N/A	N/A	N/A
Total:	\$ 144,277,040	\$ 6,985,084	\$ 8,204,738	\$ 59,432,319

*\$22 million of these securities have call options. It is the intention of the County to hold these to final maturity and this time frame is reflected in the table.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy is to stagger portfolio maturities to avoid undue concentration of assets in a specific maturity sector. A portion of the portfolio is continuously invested in maturities of less than 12 months.

The investment policy limits all securities to a final maturity of not more than five years. The County does not have a board approved policy on interest rate risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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, 2012. 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, 2012. The County does not have a board approved policy on credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

Custodial Credit Risk

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

Concentration of Credit Risk

The County places no limit on the amount that the County may invest in any one issuer. More than 43% of the County's investments are in United States government-sponsored enterprises and commercial paper. Investments in Federal Farm Credit are 1%, Federal Home Loan Bank are 5%, Federal Home Loan Mortgage Corporation are 9%, Federal National Mortgage Agency are 24% and commercial paper are 3% 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>
2009	1,085,219	306,575	1,391,794
2010	1,153,886	222,123	1,376,009
2011	1,377,987	141,243	1,519,230
2012	1,271,592	-	1,271,592
Total	<u>\$ 4,888,684</u>	<u>\$ 669,941</u>	<u>\$ 5,558,625</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Receivables

Receivables at the government-wide level at June 30, 2012 were as follows:

	<u>Governmental activities</u>			
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>Non-major Funds</u>	<u>Total Governmental Activities</u>
	Receivables			
Accounts	\$ 3,672,453	\$ 5,712	\$ -	\$ 3,678,165
Taxes	8,148,793	-	411,701	8,560,494
Due from other government	10,571,131	886,410	3,680,731	15,138,272
Other	<u>220,572</u>	<u>42,082</u>	<u>37,403</u>	<u>300,057</u>
Gross Receivables	22,612,949	934,204	4,129,835	27,676,988
Allowance for uncollectibles	<u>(5,822,296)</u>	-	<u>(240,694)</u>	<u>(6,062,990)</u>
Net total receivables	<u>\$ 16,790,653</u>	<u>\$ 934,204</u>	<u>\$ 3,889,141</u>	<u>\$ 21,613,998</u>

	<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	\$ 360,151	\$ 1,308,380	\$ 1,668,531
Taxes	-	-	-
Notes	-	261,219	261,219
Due from other governments	162,705	1,120,323	1,283,028
Other	<u>31,092</u>	<u>58,029</u>	<u>89,121</u>
Gross Receivables	553,948	2,747,951	3,301,899
Allowance for uncollectibles	-	<u>(1,288,860)</u>	<u>(1,288,860)</u>
Net total receivables	<u>\$ 553,948</u>	<u>\$ 1,459,091</u>	<u>\$ 2,013,039</u>

Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 211,043</u>	<u>\$ 211,043</u>
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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	\$ 6,733,510	\$ 430,725
White goods disposal tax	-	12,255
Scrap tire tax	-	48,395
Solid waste disposal tax	-	15,834
Lottery funds	2,115,887	-
Various federal and state grants	5,435,038	679,012
Refundable sales tax	853,837	96,807
	<u>\$ 15,138,272</u>	<u>\$ 1,283,028</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,689,821	\$ -	\$ -	\$ 5,689,821
Construction in progress	7,153,064	2,257,565	-	9,410,629
Total capital assets, not being depreciated	<u>12,842,885</u>	<u>2,257,565</u>	<u>-</u>	<u>15,100,450</u>
Capital assets, being depreciated				
Buildings	88,584,297	39,676	-	88,623,973
Other improvements	14,255,819	35,339	-	14,291,158
Equipment and vehicles	18,961,414	1,748,130	(2,702,677)	18,006,867
Total capital assets, being depreciated	<u>121,801,530</u>	<u>1,823,145</u>	<u>(2,702,677)</u>	<u>120,921,998</u>
Less accumulated depreciation for				
Buildings	(34,913,837)	(2,237,386)	-	(37,151,223)
Other improvements	(3,571,766)	(286,688)	-	(3,858,454)
Equipment and vehicles	(12,398,293)	(1,673,438)	2,663,786	(11,407,945)
Total accumulated depreciation	<u>(50,883,896)</u>	<u>(4,197,512)</u>	<u>2,663,786</u>	<u>(52,417,622)</u>
Total capital assets, being depreciated, net	<u>70,917,634</u>	<u>(2,374,367)</u>	<u>(38,891)</u>	<u>68,504,376</u>
Governmental activities capital assets, net	<u>\$ 83,760,519</u>	<u>\$ (116,802)</u>	<u>\$ (38,891)</u>	<u>\$ 83,604,826</u>

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

Governmental activities	
General government	\$ 235,822
Public safety	2,123,681
Environmental protection	15,131
Economic & physical development	509,642
Human services	1,238,573
Culture and recreation	74,663
Total depreciation expense	<u>\$ 4,197,512</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 6,615,607	\$ 966	\$ -	\$ 6,616,573
Construction in progress	2,981,647	1,294,575	(966)	4,275,256
Total capital assets, not being depreciated	<u>9,597,254</u>	<u>1,295,541</u>	<u>(966)</u>	<u>10,891,829</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Capital assets, being depreciated				
Buildings	765,861	-	-	765,861
Other improvements	24,492,533	7,780	-	24,500,313
Equipment and vehicles	9,246,050	162,377	(113,363)	9,295,064
Total capital assets, being depreciated	<u>34,504,444</u>	<u>170,157</u>	<u>(113,363)</u>	<u>34,561,238</u>
Less accumulated depreciation for				
Buildings	(150,197)	(15,490)	-	(165,687)
Other improvements	(10,516,633)	(459,327)	-	(10,975,960)
Equipment and vehicles	(7,508,808)	(512,598)	113,363	(7,908,043)
Total accumulated depreciation	<u>(18,175,638)</u>	<u>(987,415)</u>	<u>113,363</u>	<u>(19,049,690)</u>
Total capital assets, being depreciated, net	<u>16,328,806</u>	<u>(817,258)</u>	<u>-</u>	<u>15,511,548</u>
Solid Waste Management capital assets, net	<u>\$ 25,926,060</u>	<u>\$ 478,283</u>	<u>\$ (966)</u>	<u>\$ 26,403,377</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 642,912	\$ 105,459	\$ -	\$ 748,371
Construction in progress	20,281,221	147,308	(18,873)	20,409,656
Total capital assets, not being depreciated	<u>20,924,133</u>	<u>252,767</u>	<u>(18,873)</u>	<u>21,158,027</u>
Capital assets, being depreciated				
Other improvements	9,266,871	-	-	9,266,871
Total capital assets, being depreciated	<u>9,266,871</u>	<u>-</u>	<u>-</u>	<u>9,266,871</u>
Less accumulated depreciation for				
Other improvements	(1,525,180)	(271,723)	-	(1,796,903)
Total accumulated depreciation	<u>(1,525,180)</u>	<u>(271,723)</u>	<u>-</u>	<u>(1,796,903)</u>
Total capital assets, being depreciated, net	<u>7,741,691</u>	<u>(271,723)</u>	<u>-</u>	<u>7,469,968</u>
Water & Sewer capital assets, net	<u>\$ 28,665,824</u>	<u>\$ (18,956)</u>	<u>\$ (18,873)</u>	<u>\$ 28,627,995</u>

Construction Commitments

The County has active construction and other capital projects as of June 30, 2012. The government's commitments with contractors and vendors is composed of numerous projects within the following funds: Invested in capital assets, net of related debt for June 30, 2012 was calculated as follows:

	Project Authorization	Expended to June 30, 2012	Committed	Future Financing
Governmental activities				
General Capital Projects	\$ 82,741,064	\$ 34,078,042	48,663,022	None
Schools Capital Projects	18,601,945	10,518,124	8,083,821	None
School Construction	63,227,662	53,359,334	9,868,328	None
Total governmental activities	<u>\$ 164,570,671</u>	<u>\$ 97,955,500</u>	<u>\$ 66,615,171</u>	

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	<u>Project Authorization</u>	<u>Expended to June 30, 2012</u>	<u>Committed</u>	Required Future Financing
Business-type activities				
Solid Waste Management Fund	\$ 1,933,377	\$ 1,171,568	\$ 761,809	None
Water and Sewer Fund	45,699,557	18,526,139	27,173,418	None
Total business-type activities	<u>\$ 47,632,934</u>	<u>\$ 19,697,707</u>	<u>\$ 27,935,227</u>	
		Governmental activities	Business-type activities	
Capital assets		<u>\$ 83,604,826</u>	<u>\$ 55,031,372</u>	
Total Debt, gross		(124,250,782)	(7,365,715)	
Add: Debt not related to Capital assets				
School debt for which County does not hold title		112,548,676	-	
Unexpended proceeds		-	-	
Total related debt		<u>(11,702,106)</u>	<u>(7,365,715)</u>	
Invested in Capital Assets, net of related debt		<u>\$ 71,902,720</u>	<u>\$ 47,665,657</u>	

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2012 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities				
General	\$ 1,894,512	\$ 2,543,578	\$ 783,162	\$ 5,221,252
General Capital Projects	372,869	-	-	372,869
Non-major Funds	443,813	9,982	-	453,795
Total governmental activities	<u>\$ 2,711,194</u>	<u>\$ 2,553,560</u>	<u>\$ 783,162</u>	<u>\$ 6,047,916</u>
Business-type Activities				
Solid Waste Management	\$ 366,813	\$ 150,796	73	517,682
Water and Sewer	215,982	5,188	21,728	242,898
Total business-type activities	<u>\$ 582,795</u>	<u>\$ 155,984</u>	<u>\$ 21,801</u>	<u>\$ 760,580</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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

Funding Policy. Covered employees are required by state statute to contribute six percent of their annual covered salary to LGERS. The County is required by the same statute to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers are 6.95% and 7.05%, 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, 2012, 2011, and 2010 were \$3,146,727, \$2,937,405 and \$2,218,768, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

Plan Description. Catawba County administers public employee retirement systems (the Separation Allowance), single-employer, defined benefit pension plans that provide retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the office for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 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, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>131</u>
	<u>135</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, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.25% to 7.85% per year. The inflation component was 3.00%. 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, 2010 was 20 years.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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	\$ 173,828
Interest on net pension obligation	36,994
Adjustment to annual required contribution	<u>(44,138)</u>
Annual pension cost	\$ 166,684
Contributions made	<u>45,478</u>
Increase (decrease) in net pension obligation	\$ 121,206
Net pension obligation beginning of year	<u>739,887</u>
Net pension obligation end of year	<u>\$ 861,093</u>

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	147,183	55.54	613,475
6/30/2011	186,152	32.09	739,887
6/30/2012	166,684	27.28	861,093

Funded Status and Funding Progress

As of December 31, 2011, 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 \$1,399,717. The covered payroll (annual payroll of active employees covered by the plan) was \$5,263,322, and the ratio of the UAAL to the covered payroll was 26.59%.

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, 2012 were \$350,356 which consisted of \$269,095 from the County and \$81,261 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 regis-

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 4. DETAIL NOTES ON ALL FUNDS (continued)

ter of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 151. Immediately following January 1 of each year, the Department of State Treasurer divides 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, 2012, the County's required and actual contributions were \$13,033.

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

Plan Description. According to County resolution, the County administers a single-employer defined benefit health care plan. This plan provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least thirty years of creditable service with the County. The County will pay the individual premium for these individuals. Employees who retire with at least 15 years of service but less than 30 years can purchase coverage at the County's group rates. Also, retirees can purchase coverage for their dependents at the County's group rates. Eligibility for coverage ceases when the retiree and/or dependents receive Medicare.

Membership consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

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

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

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

The current ARC rate is 2.07% of annual covered payroll. For the current year, the County contributed \$246,533 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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

Annual required contribution	\$ 962,206
Interest on net OPEB obligation	130,044
Adjustment to annual required contribution	<u>(112,194)</u>
Annual OPEB cost (expense)	980,056
Contributions made	<u>(246,533)</u>
Increase (decrease) in net OPEB obligation	733,523
Net OPEB obligation, beginning of year	3,999,264
Net OPEB obligation, end of year	<u>\$ 4,732,787</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 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>
2010	\$ 1,013,872	21.06%	\$ 3,251,091
2011	\$ 980,056	23.66%	\$ 3,999,264
2012	\$ 980,056	25.15%	\$ 4,732,787

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$9,569,644. The covered payroll (annual payroll of active employees covered by the plan) was \$46,608,375, and the ratio of the UAAL to the covered payroll was 20.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investment calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend in-

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

crease of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 9 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in LGERS, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership services in LGERS at the time of death are eligible for death benefits. Lump sum death benefits payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2012, the County made contributions to the State for death benefits of \$35,756. The County's required contribution for employees not engaged in law enforcement and for law enforcement officers represent .07% 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 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 \$9,127,652 reported as landfill closure and postclosure care liability as of June 30, 2012 represents a cumulative amount reported to date based on the use of 66.8% of the total estimated capacity of the material solid waste operating cell and 43.6% 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 \$7,761,610 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. The County expects to close the current material solid waste operating cell at the Blackburn facility in 2021 and the construction and demolition operating cell in 2021. 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:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Deferred Revenue		Unearned Revenue
	General Fund	Special Revenue	
Governmental Activities			
Taxes receivable (net)	\$ 3,081,790	\$ 171,007	\$ -
Ambulance receivable (net)	1,536,948	-	-
Business license receivable (net)	6,485	-	-
Human resource receivable (net)	1,183,157	-	-
Human resource unearned revenue:	238,148	-	238,148
Prepaid taxes not yet earned	293,509	-	293,509
Prepaid licenses and other	14,318	-	14,318
Other unearned revenues	42,965	17,548	60,513
	<u>\$ 6,397,320</u>	<u>\$ 188,555</u>	<u>\$ 606,488</u>

Risk Management

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

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning	\$ 441,422	\$ 436,015	\$ 667,389
Incurred claims	5,407,603	5,337,268	6,679,769
Claim payments	5,247,660	5,331,861	6,911,143
Unpaid claims, ending	<u>\$ 601,365</u>	<u>\$ 441,422</u>	<u>\$ 436,015</u>

Contingent Liabilities

At June 30, 2012, 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, 2012, total lease expenditures reached \$165,767.

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

<u>Year Ending</u>	<u>Amount</u>
2013	\$ 165,767
2014	146,909
2015	104,241
2016	80,742
	<u>\$ 497,659</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.

On November 22, 2011, the County refunded the outstanding balance of \$4,620,000.

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 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 original transaction required thirty semi-annual principal payments by the County of \$306,667 and

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

thirty semi-annual interest payments at an interest rate of 4.19%. On April 12, 2012, the County refinanced the transaction at a new interest rate of 2.39%. The balance of \$5,519,999 requires eighteen semi-annual principal payments of \$306,667 plus interest. This refinancing is expected to save the County \$471,960 in interest over the life of the loan.

For Catawba County, the future minimum payments as of June 30, 2012, including \$626,658 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2013	613,333	128,263
2014	613,333	113,605
2015	613,333	98,946
2016	613,333	84,287
2017	613,333	69,629
2018-2021	2,453,334	131,928
Total principal payments	<u><u>\$ 5,519,999</u></u>	
Total interest payments		<u><u>\$ 626,658</u></u>

3. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement in October, 2011 for the purpose of providing funds of \$650,000 for the upgrade of computer servers for the County.

The transaction requires twenty quarterly payments by the County of \$33,896 including principal and interest at 1.67%. For Catawba County, the future minimum payments as of June 30, 2012, including \$21,092 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2013	127,108	8,478
2014	129,244	6,342
2015	131,416	4,170
2016	133,625	1,961
2017	33,756	141
Total principal payments	<u><u>\$ 555,149</u></u>	
Total interest payments		<u><u>\$ 21,092</u></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%.

On November 22, 2011, the County refunded the outstanding principal balance of \$18,365,950.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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%.

On November 22, 2011, the County refunded the outstanding principal balance of \$3,924,800.

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, 2012, including \$3,115,500 of interest are:

	Governmental Activities	
	Principal	Interest
	<u> </u>	<u> </u>
2013	1,116,667	488,095
2014	1,116,667	446,555
2015	1,116,667	405,015
2016	1,116,667	363,475
2017	1,116,667	321,935
2018-2022	5,583,332	986,575
2023-2024	2,233,333	103,850
	<u> </u>	<u> </u>
Total principal payments	\$ 13,400,000	
	<u> </u>	
Total interest payments		\$ 3,115,500
		<u> </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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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, 2012 are:

	Governmental Activities	
	Principal	Interest
2013	50,000	-
2014	50,000	-
2015	50,000	-
2016	50,000	-
2017	50,000	-
2018-2022	250,000	-
Total	\$ 500,000	\$ -

Qualified School Construction Bonds

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on September 27, 2010 for the purpose of providing funds up to \$21,508,553 for the construction of a new middle school, renovations to a middle school, renovations to a high school, and renovations of a community college. The County's obligation under the contract will be designated as "Qualified School Construction Bonds (QSCBs)" pursuant to the federal QSCB program. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Boards of Education and Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education and Board of Trustees. The lease calls for nominal lease payments and a bargain purchase option. The lease term is the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education and Board of Trustees. The financing contract requires semi-annual sinking fund payments of \$716,951 beginning March 2011 with an interest rate of 5% and a maturity date of September 20, 2025. Under the QSCB agreement, the County's obligation is eligible for a 100% credit against the interest paid. The principal is due in full on September 27, 2025.

The future minimum payments as of June 30, 2012, including \$14,518,273 of interest, are as follows:

	Governmental Activities	
	Principal/Sinking Fund	Interest
2013	1,433,902	1,075,428
2014	1,433,902	1,075,428
2015	1,433,902	1,075,428
2016	1,433,902	1,075,428
2017	1,433,902	1,075,428
2018-2022	7,169,510	5,377,140
2023-2026	5,018,680	3,763,993
Total principal payments	\$ 19,357,700	
Total interest payments		\$ 14,518,273

2. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on May 4, 2011 for the purpose of providing funds up to \$6,300,000 for the renovations to an elementary school and renovations to a high school. The County's obligation under the con-

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

tract will be designated as “Qualified School Construction Bonds (QSCBs)” pursuant to the federal QSCB program. This agreement is an amendment to the QSCB financing from September 27, 2010. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Board of Education that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal lease payments and a bargain purchase option. The lease term is the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. The financing contract requires semi-annual sinking fund payments of \$210,000 beginning September 2011 with an interest rate of 5.52% and a maturity date of March 27, 2026. Under the QSCB agreement, the County’s obligation is eligible for a 100% credit against the interest paid.

The future minimum payments as of June 30, 2012, including \$4,868,640 of interest are:

	Governmental Activities	
	Principal/Sinking Fund	Interest
2013	420,000	347,760
2014	420,000	347,760
2015	420,000	347,760
2016	420,000	347,760
2017	420,000	347,760
2018-2022	2,100,000	1,738,800
2023-2026	1,680,000	1,391,040
Total principal payments	\$ 5,880,000	
Total interest payments		\$ 4,868,640

Build America Bonds

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

The future minimum payments as of June 30, 2012, including \$2,683,050 of interest are:

	Governmental Activities	
	Principal	Interest
2013	579,430	376,195
2014	579,430	347,803
2015	579,430	319,410
2016	579,430	291,019

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

2017	579,430	262,627
2018-2022	2,897,150	887,252
2023-2026	<u>2,028,002</u>	<u>198,744</u>
Total principal payments	<u>\$ 7,822,302</u>	
Total interest payments		<u>\$ 2,683,050</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.

On November 22, 2011, the County refunded \$16,205,000 of the outstanding principal.

The future minimum payments as of June 30, 2012, including \$538,913 of interest, are as follows:

	Governmental Activities	
	Principal	Interest
2013	<u>1,805,000</u>	<u>271,463</u>
2014	1,805,000	179,200
2015	<u>1,805,000</u>	<u>88,250</u>
Total principal payments	<u>\$ 5,415,000</u>	
Total interest payments		<u>\$ 538,913</u>

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, 2012, including \$4,372,875 of interest, are as follows:

	Governmental Activities	
	Principal	Interest
2013	<u>975,000</u>	<u>604,500</u>
2014	975,000	555,750
2015	975,000	516,750
2016	975,000	477,750
2017	975,000	438,750
2018-2022	4,875,000	1,486,875
2023-2025	<u>2,925,000</u>	<u>292,500</u>
Total principal payments	<u>\$ 12,675,000</u>	
Total interest payments		<u>\$ 4,372,875</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, 2012 are comprised of the following individual issues:

Serviced by the County's General Fund:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

\$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 %		\$ 800,000
\$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%		2,700,000
\$14,495,000 2002 School Facility and Community College Refunding Bonds due in varying annual installments from \$420,000 - \$2,070,000 through June 1, 2014: interest at 2.0 - 4.0%	Schools	728,000
	Community College	182,000
\$16,035,000 2005 School Facility and Community College Refunding Bonds due in varying annual installments from \$760,000 - \$2,240,000 through June 1, 2015: interest at 3.0 - 3.75%	Schools	3,174,122
	Community College	130,878
Total		<u>\$ 7,715,000</u>

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

	Governmental Activities	
	Principal	Interest
2013	4,390,000	344,006
2014	2,565,000	138,106
2015	760,000	28,500
Total	<u>\$ 7,715,000</u>	<u>\$ 510,612</u>

At June 30, 2012, Catawba County had a legal debt margin of \$1,115,460,220.

**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%.

On November 22, 2011, the County refunded the remaining principal balance of \$6,282,897.

Federal Revolving Loan

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

The future minimum payments as of June 30, 2012, including interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

	Business-type Activities	
	Principal	Interest
2013	75,000	-
2014	75,000	-
2015	75,000	-
2016	75,000	-
2017	75,000	-
2018-2022	375,000	-
2023-2027	375,000	-
2028-2030	225,000	-
Total principal payments	<u>\$ 1,350,000</u>	
Total interest payments		<u>\$ -</u>

2011 Limited Obligation Bonds

On November 22, 2011, the County issued \$48,115,000 of current and advance refunding bonds to provide resources to refinance existing financial obligations of the County and pay related financing costs. Included in this refunding were:

Governmental Activities

Installment Purchase Contract dated September 15, 2003 (current)	4,620,000
Certificate of Participation, Series 2004, dated August 1, 2004 (advanced)	16,205,000
Installment Purchase Contract dated May 30, 2008 (current)	18,365,950
Installment Purchase Contract dated August 8, 2008 (current)	3,924,000

Business-type Activities

Installment Purchase Contract dated May 30, 2008 (current)	6,282,897
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As a result, the refunded obligation are considered defeased and the liability has been removed from the government and business-type activities columns of the statement of net assets. The reacquisition price exceeded the net carrying value of the old debt by \$4,099,840. This amount is netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$4,854,562 and resulted in an economic gain of \$2,446,942.

The future minimum payments as of June 30, 2012, including \$14,435,950 of interest are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	2,016,196	1,581,273	293,804	230,427
2014	2,003,104	1,531,065	291,896	223,110
2015	1,990,011	1,471,168	289,989	214,382
2016	3,578,529	1,380,570	521,471	201,180
2017	3,547,981	1,248,863	517,019	181,987
2018-2022	15,893,907	4,213,522	2,316,093	614,003
2023-2027	9,487,466	1,148,010	1,382,534	167,290
2028	1,269,941	25,399	185,059	3,701
Total principal payments	<u>\$ 39,787,135</u>		<u>\$ 5,797,865</u>	
Total interest payments		<u>\$ 12,599,870</u>		<u>\$ 1,836,080</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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, 2012 were \$1.7 million.

Catawba Valley Medical Center

On August 12, 2009, the County issued County of Catawba, North Carolina Taxable Variable Rate Demand Hospital Revenue Bonds (Catawba Valley Medical Center Project) Series 2009 (the "Series 2009 Bonds") totaling \$25 million for the purpose of funding a construction project that will renovate and retrofit the current facilities while providing a utilities substructure that will allow for possible future expansion. At June 30, 2010, the variable rate was .3%. Payments of principal begin October 1, 2018 and continue through October 1, 2039. The revenue bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the County's property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

Total 2009 Hospital Revenue Bonds outstanding at June 30, 2012 were \$25,000,000.

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

Total 2010 Hospital Revenue Bonds outstanding at June 30, 2012 were \$21,640,000.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

On August 4, 2011, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba Memorial Hospital Project) Series 2011 (the "Series 2011 Bonds") through a commercial lender totaling \$11,340,000 for the purpose of refunding the Series 1999 Hospital Revenue Bonds ("Series 1999 Bonds") which had previously refunded the Series 1992 bonds ("Series 1992 Bonds"). Losses totaling \$2,286,075 and \$62,800 were deferred on the refunding of the Series 1992 Bonds and the Series 1999 Bonds, respectively. These losses are being amortized over the life of the Series 2011 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, ore revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds, and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any of its property in connection with any default under the bond order.

Total 2011 Hospital Refunding Bonds outstanding at June 30, 2012 were \$9,955,000.

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, 2012:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Current</u> <u>Portion</u> <u>of Balance</u>
Governmental activities					
General obligation debt	\$ 12,110,000	\$ -	\$ (4,395,000)	\$ 7,715,000	\$ 4,390,000
Certificates of participation	37,075,000	-	(18,985,000)	18,090,000	2,780,000
Installment purchase	48,564,015	650,000	(29,738,867)	19,475,148	1,857,108
Qualified Zone Academy Bond	550,000	-	(50,000)	500,000	50,000
Qualified School Const. Bond	27,808,553	-	(2,570,853)	25,237,700	1,853,902
Build America Bonds	8,401,732	-	(579,430)	7,822,302	579,430
Limited obligation bonds	-	41,995,366	(2,208,231)	39,787,135	2,016,196
Premium on long-term debt	2,077,346	3,873,747	(327,596)	5,623,497	428,475
Compensated absences	3,975,172	2,960,781	(2,834,644)	4,101,309	2,834,644
Net pension obligation	739,887	166,684	(45,478)	861,093	-
Net OPEB obligation	3,887,100	955,037	(246,533)	4,595,604	-
Total governmental activities	\$ 145,188,805	\$ 50,601,615	\$ (61,981,632)	\$ 133,808,788	\$ 16,789,755
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 8,825,516	\$ 302,136	\$ -	\$ 9,127,652	\$ 200,294
Compensated absences	111,650	67,673	(70,741)	108,582	70,741
Net OPEB obligation	109,595	24,156	-	133,751	-
Total Solid Waste Managemer	\$ 9,046,761	\$ 393,965	\$ (70,741)	\$ 9,369,985	\$ 271,035
Water & Sewer					
Installment purchase	\$ 6,282,897	-	\$ (6,282,897)	\$ -	\$ -
Limited obligation bonds	-	6,119,634	(321,769)	5,797,865	293,809
Federal Revolving Loan	1,350,000	75,000	(75,000)	1,350,000	75,000
Premium on long-term debt	-	226,093	(8,243)	217,850	14,131
Compensated absences	16,106	8,647	(5,506)	19,247	5,506
Net OPEB obligation	2,569	863	-	3,432	-
Total Water & Sewer	\$ 7,651,572	\$ 6,430,237	\$ (6,693,415)	\$ 7,388,394	\$ 388,446
Total business-type activities	\$ 16,698,333	\$ 6,824,202	\$ (6,764,156)	\$ 16,758,379	\$ 659,481

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

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 \$2,834,644 for governmental activities and \$74,770 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, 2012, according to information furnished by the Economic Development Commission, there were six series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$6.5 million.

Other Commitments

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

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2012, consists of the following:

General Fund

From the General fund to the Reappraisal fund to accumulate resources for the four year cycle revaluation of real property	371,643
From the General fund to the Citizens' Alert System to supplement other funding sources for the citizens' alert system.	15,056
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	1,348,500
From the General fund to the Water & Sewer fund for the installation of waterlines to supply adequate water to various County locations	<u>775,000</u>
Subtotal General Fund	<u><u>2,510,199</u></u>

Other Governmental Funds

From the Emergency Telephone System fund to the General Capital Projects fund to supplement other public safety projects	80,263
From the School Construction fund to the General fund to supplement funds for debt service	<u>6,612</u>
Subtotal Other Governmental Funds	<u>86,875</u>
Total transfers to other funds	<u><u>\$ 2,597,074</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)

D. Fund Balance

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Non-Major Funds</u>
Encumbrances	\$ 1,239,415.00	\$ -	\$ 144,696.00

NOTE 4. RELATED ORGANIZATION

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

NOTE 5. JOINT VENTURES

The County, in conjunction with the State of North Carolina and the Catawba County, Newton-Conover and Hickory Boards of Education, participate in a joint venture to operate the Catawba Valley 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 \$312,878 and installment purchase obligations of \$8,789,664 are outstanding at June 30, 2012. The County has an ongoing financial responsibility for the Community College because of statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$3,617,068 and \$871,455 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2012. In addition, the County made debt service payments of \$170,280 during the fiscal year on general obligation bonds and debt service payments of \$891,871 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, 2012. 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 \$23,500 to the Lake Norman Marine Commission for operating expenses during the fiscal year ended June 30, 2012. 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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

NOTE 5. JOINT VENTURES (continued)

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 \$2,143,268 at June 30, 2012. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

NOTE 6. JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$41,989 to the Council during the fiscal year ended June 30, 2012.

NOTE 7. BENEFIT PAYMENTS ISSUED BY THE STATE

The amounts listed below were paid directly to individual recipients by the State from Federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations, that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County 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	\$ 99,932,930	\$ 58,633,832
Temporary assistance for needy families	472,229	(230)
Low-income energy assistance	277	-
Aid the aged and disabled	-	1,267,484
Adoptive services	-	1,073,488
WC	3,372,829	-
	<u>\$ 103,778,265</u>	<u>\$ 60,974,574</u>

NOTE 8. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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



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

<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>
12/31/2006	0	922,560	922,560	0.00%	4,102,106	22.49%
12/31/2007	0	999,815	999,815	0.00%	4,756,519	21.02%
12/31/2008	0	1,118,461	1,118,461	0.00%	5,093,101	21.96%
12/31/2009	0	1,482,425	1,482,425	0.00%	5,311,352	27.91%
12/31/2010	0	1,299,009	1,299,009	0.00%	5,323,496	24.40%
12/31/2011	0	1,399,717	1,399,717	0.00%	5,263,322	26.59%

CATAWBA COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	111,942	101.66
2008	109,823	87.99
2009	124,340	87.91
2010	141,973	57.58
2011	188,321	31.72
2012	173,828	26.16

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	12/31/2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	N/A

CATAWBA COUNTY, NORTH CAROLINA
Other Post Employment Benefits (OPEB) - Pay As You Go
Required Supplementary Information
Schedule of Funding Progress

<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%
12/31/2009	\$0	\$9,569,644	\$9,569,644	0.00%	\$46,608,375	20.50%

CATAWBA COUNTY, NORTH CAROLINA
Other Post Employment Benefits (OPEB) - Pay As You Go
Required Supplementary Information
Schedule of Employer Contributions

<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
2011	962,206	24.10
2012	962,206	25.62

Notes to the Required Schedules:

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

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



Financial Statements of Individual Funds

General Fund

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

Reappraisal Fund –

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

General Capital Reserve Fund –

To account for the accumulation of funds for the financing and construction of schools, general and hospital capital projects. A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes.

CATAWBA COUNTY, NORTH CAROLINA
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
REVENUES				
Ad Valorem Taxes				
Current year	\$ 78,775,598	\$ 78,892,887		
Prior year	665,000	1,326,882		
Penalties and interest	350,000	491,025		
Tax leased vehicles	60,410	98,269		
Total ad valorem taxes	<u>79,851,008</u>	<u>80,809,063</u>	<u>958,055</u>	<u>79,768,849</u>
Other Taxes				
Local Option Sales Taxes				
Article 39 - one percent	10,378,667	11,016,057		
Article 40 - one half of one percent	4,939,437	5,459,189		
Article 42 - one half of one percent	2,386,101	2,563,376		
Article 44 - one half of one percent	-	20,880		
Article 46 - one quarter of one percent	324,746	335,141		
Subtotal local option sales taxes	<u>18,028,951</u>	<u>19,394,643</u>	<u>1,365,692</u>	<u>20,527,947</u>
Other Taxes and Licenses				
Real estate excise stamps	360,000	402,099		
ABC 5 cents per bottle	45,000	48,170		
Privilege licenses	22,500	22,940		
Subtotal other taxes and licenses	<u>427,500</u>	<u>473,209</u>	<u>45,709</u>	<u>430,078</u>
Total other taxes	<u>18,456,451</u>	<u>19,867,852</u>	<u>1,411,401</u>	<u>20,958,025</u>
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	325,000	362,584		
Video Programming fees	628,000	681,671		
Catawba County ABC profit distribution	963,000	795,000		
Total unrestricted intergovernmental revenues	<u>1,916,000</u>	<u>1,839,255</u>	<u>(76,745)</u>	<u>1,906,277</u>
Restricted Intergovernmental Revenues				
State of North Carolina				
Mental Health Services				
Criminal justice partnership program	123,388	123,388		
Social Services				
American recovery and reinvestment act (ARRA) funds	222,500	-		
ARRA - Adoptions	-	4		
Rural general public funds	119,968	-		
Office Juvenile Justice Corner house	222,967	217,937		
Smart Start	1,963,073	1,484,392		
Share the warmth grant	6,000	6,112		
Child boarding home funds	278,800	239,539		
Special permanency planning	42,516	44,387		
Community alternatives state in-home	40,116	40,124		
Fingerprinting criminal history	-	175		
Medicaid expansion	31,742	39,671		
Foster care visitation	13,747	13,754		
Child boarding home funds therapeutic	2,500	950		
Adult day care	144,500	139,010		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Adult services	46,900	40,504		
Elderly handicapped transportation	126,271	-		
State maintenance of effort	-	2,946		
Child Protective Services	212,717	221,172		
Community transportation grant	37,363	31,268		
Aid to blind equalization	75	-		
Public Health				
Smart Start	-	156,645		
School nurse initiative	199,510	200,000		
Health partners grant	50,000	10,577		
Immunization program	41,588	41,588		
Communicable diseases	8,197	8,197		
Communicable diseases -aid to counties	12,500	12,500		
Infection control	1,788	1,788		
Child health	85,793	85,793		
Child service coordination	2,189	-		
Child fatality prevention	1,250	778		
Childhood lead prevention	4,500	504		
Health aid to counties	159,841	145,835		
Maternal health	115,982	115,982		
Health promotion	23,552	8,142		
Glaxo funds	5,000	5,000		
Breast cancer grant	59,000	53,451		
Motivational interviewing	6,850	6,850		
North Carolina health and wellness grant	99,610	94,747		
Tuberculosis grant	24,926	24,926		
Other				
Veterans service	2,000	1,452		
Controlled substance tax	22,000	26,746		
Public school building capital lottery funds	2,090,000	1,500,000		
North Carolina department of natural resources	88,000	14,771		
Juvenile Justice & Delinquency Prevention				
Project challenge	48,795	48,795		
Catawba parenting network	23,441	23,441		
Juvenile crime prevention planning	13,550	13,550		
Juvenile crime gang intervention	50,000	16,320		
Peace pipeline conflict resolution	25,223	25,223		
North Carolina agriculture cost share	25,250	26,490		
North Carolina agriculture development	25,000	2,597		
Court facility fees	165,000	136,293		
District court fees	64,000	53,713		
State Aid - Library	135,645	134,790		
Safe roads act	15,000	9,851		
Library services and technology grant	10,000	-		
Library summer reading grant	1,000	2,750		
Soil and water conservation grant	3,960	3,600		
Subtotal state revenue	<u>7,345,083</u>	<u>5,659,018</u>	<u>(1,686,065)</u>	<u>6,437,704</u>
Federal				
Social Services				
Energy assistance administration	102,583	134,927		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Employment and training	2,500	-		
Medical transportation administration	1,177,116	1,210,682		
LIEAP Allocation (change acronym)	301,834	273,002		
Temporary assistance for needy family-domestic violence	29,779	31,224		
Temporary assistance for needy family-subsidized employment	158,400	32,209		
Social Security Payments	108,000	94,360		
US Department of Agriculture supplemental funds	2,026	3,135		
Supplemental meals	6,339	10,853		
Chore Level II	152,461	16,604		
Chore Level III	141,538	274,627		
In-home aid on site Social Security block grant	7,500	3,993		
IV-D administration	1,128,379	904,976		
IV-E board	50,000	227,289		
IV-E administration	1,137,014	892,672		
Independent living administration	40,775	51,400		
Links-independent living trust fund	60,000	15,738		
In-home case management Social Security block grant	-	1,458		
Case management at risk	136,750	271,104		
Work First block grant	2,204,239	2,139,878		
Food stamp fraud administration	47,814	66,374		
Food stamp administration	991,722	940,917		
Medicaid administration	1,528,015	1,493,441		
Adult day health	23,265	10,599		
IV-A Child care	273,097	219,105		
Title III Nutrition	118,860	127,822		
US Department of Agriculture nutrition	21,650	20,947		
US Department of Agriculture home delivered meals	33,100	31,869		
Home delivered meals	176,532	176,532		
Community assistance home delivered meals	11,950	11,058		
Community services block grant	216,627	216,627		
Crisis intervention	1,350,000	1,146,646		
Intensive family preservation restore families	65,645	86,400		
Public Health				
Bioterrorism grants	58,023	46,678		
Title X	120,000	97,041		
Other				
Help America Vote Grant	-	5,159		
Federal inmate transport	18,000	7,639		
Justice Assistance Grant	15,552	15,552		
Governor Crime Commission DV Unit Grant	86,957	90,816		
State criminal alien assistance program	22,963	22,963		
Emergency management planning grant	20,000	29,635		
Homeland security transfer switches grant	284,473	223,903		
Assistant secretary for preparedness and response grant	5,000	4,747		
Subtotal federal revenue	<u>12,436,478</u>	<u>11,682,601</u>	<u>(753,877)</u>	<u>11,151,278</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
State of North Carolina and Federal				
Social Services				
Social Services block grant	555,087	564,732		
Temporary assistance for needy families social security block grant	60,191	49,524		
Aid to families with dependent children	10,000	115		
Child day care purchase of care	5,568,834	5,659,664		
Aid to families with dependent children-foster care	800,000	747,839		
IV-E foster care therapeutic	5,000	8,319		
Temporary assistance for needy families foster care	2,000	91,319		
Adoption assistance non-recurring	20,000	31,145		
Adoption assistance medical	10,000	12,563		
Special children adoption fund	50,000	75,600		
IV-E/Child protective services	1,147,769	1,078,823		
High risk intervention	680,000	479,404		
Title III Adult day care	82,433	102,337		
IV-D Aid to families with dependent children	31,500	28,430		
IV-D Incentives	302,156	179,009		
Medicaid waiver-case management	370,300	382,122		
Community alternative program medical equipment and supplies	112,000	27,298		
Adult care home case management	78,283	73,331		
State adult specialist fund	53,453	48,121		
North Carolina Health Choice	90,569	123,062		
Public Health				
Medicaid per member per month	602,236	520,465		
Women Infants Children funds	792,713	755,540		
Other				
IV-D Civil papers	84,594	89,416		
Medicaid-emergency medical services transports	500,000	619,501		
Subtotal state and federal revenue	<u>12,009,118</u>	<u>11,747,679</u>	<u>(261,439)</u>	<u>11,605,210</u>
Fines & Forfeitures	<u>1,005,156</u>	<u>509,420</u>	<u>(495,736)</u>	<u>796,001</u>
Other grants				
Social Services				
Training services	-	1,500		
Icare Tour	-	1,590		
Rising Stars summer enrichment	5,000	-		
Community corrections contractual	290,000	245,572		
Confidential intermediary	1,000	1,550		
Adult day care - local	8,131	8,120		
Duke Endowment grant	700,000	565,277		
Medicaid contract local managing entity	30,000	93,823		
Other state revenue local managing entity	2,600	562		
Comprehensive treatment services program local managing entity	231,600	148,314		
Mental Health contract local managing entity	57,270	62,856		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Federal substance abuse local managing entity	1,600	-		
Medicaid direct billing	1,860,500	1,708,927		
Medicaid community support	79,000	17,875		
Catawba Valley Medical Center	83,535	76,748		
Vocational rehabilitation grant	-	20,783		
Hickory Public Schools	-	165,173		
Public Health				
Catawba Valley Medical Center	475,795	474,240		
Catawba County Schools	170,879	161,904		
Newton-Conover City Schools	38,831	38,832		
Hickory Public Schools	121,144	28,110		
Municipalities				
City Of Newton	32,912	23,983		
Town Of Maiden	5,163	5,199		
City Of Conover	42,380	45,273		
City Of Hickory	22,922	23,086		
City Of Claremont	20,963	22,939		
Town Of Longview	1,033	1,040		
Other				
Citizen alert notification				
Sex crimes investigation	57,571	56,764		
Transport mental health patients	6,000	4,670		
Mental health partners contracts	111,698	112,753		
Lifeskills rent	15,780	7,200		
Social services local funds	18,910	18,910		
Community Schools-Cooperative Extension	15,828	1,992		
Lawn and mowing services	2,226	2,067		
Hospice	50,000	83,656		
Supervisor training	-	7,000		
Voice over internet protocol revenue	186,031	191,866		
Tourism development authority	106,692	106,692		
Western Piedmont COG technology services	22,980	22,980		
Vocational rehabilitation grant funds	-	11,958		
Catawba Valley Behavioral Healthcare technical support	36,758	33,880		
Catawba Valley Community College - deputy reimbursement	156,587	161,616		
Catawba County Schools-deputy reimbursement	454,793	454,793		
Personnel indirect cost	1,308,594	1,308,594		
Subtotal other grants	<u>6,832,706</u>	<u>6,530,667</u>	<u>(302,039)</u>	<u>7,470,418</u>
Total restricted intergovernmental revenues	<u>39,628,541</u>	<u>36,129,385</u>	<u>(3,499,156)</u>	<u>37,460,611</u>
Licenses, Permits and Fees				
Marriage licenses	24,400	26,890		
Recording of legal instruments	477,000	504,088		
Uniform commercial code filing	9,400	9,315		
Gun permits	13,800	17,815		
Surrendered weapon storage fee	800	1,570		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Noise amplification permit	100	185		
Involuntary commitment fee	300	-		
Concealed weapon fees	39,000	61,745		
Public fingerprint fees	9,500	11,510		
Precious metals dealer fees	200	375		
Vehicle storage fees	200	300		
Building permits	935,000	985,376		
Building services after hours inspections	1,050	3,045		
Minor sub-division plat review	3,250	1,885		
Floodplain development	-	100		
Express plan review fee	4,000	3,650		
Plan review fees	4,000	4,593		
Storm water and erosion control	20,000	52,000		
Court fees	-	175		
Plat review fees	2,754	2,273		
Performance guarantees	230	120		
Telecommunications tower fees	47,000	17,500		
Zoning permits	13,500	11,600		
Accessory permit fees	3,325	550		
Sign permits	1,000	800		
Homeowners recovery fund	244	270		
Park fees and permits	6,000	6,198		
Environmental health fees	251,651	235,095		
Election filing fees	800	2,556		
Fire inspection fees	7,000	8,538		
Animal control fines and citations	2,500	5,526		
Immunizations	20,335	16,743		
Training fees	1,500	2,360		
Total licenses, permits, fees	<u>1,899,839</u>	<u>1,994,746</u>	<u>94,907</u>	<u>1,795,495</u>
Sales and Services				
Social Services				
Patient fees	8,900	10,274		
Insurance reimbursements	212,700	125,921		
State in-home fees	100	-		
IV-D application fees	20,500	19,964		
Level II and III chore fees	850	300		
Title III adult day care fees	1,150	25		
Trust account fees	5,000	5,172		
Adoption fees	7,500	2,775		
North Carolina health choice premiums	45,500	51,460		
IV-D blood test fees	900	919		
Access care	20,796	21,156		
Local support general assistance	15,000	12,005		
Public Health				
Patient fees	201,089	119,180		
Home health/third party reimbursements	3,871,359	3,096,860		
Pregnancy fees	8,000	(556)		
Clinic fees	211,700	151,887		
Child health fees	-	254		
Adult health fees	8,002	5,493		
Medicaid management fees	5,000	5,950		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Obstetrics services	414,000	379,159		
Lab fees	-	148		
Child seats copay	300	680		
Medicaid earned	20,000	-		
Medicaid earned maternity care coordinator	142	212		
Medicaid earned maternal health	416,000	407,273		
Medicaid escrow maternal health	209,810	96,444		
Medicaid earned postpartum maternity	-	3,102		
Medicaid earned postpartum newborn	9,000	9,185		
Medicaid earned child health	22,000	12,151		
Medicaid escrow child health	335,096	213,367		
Medicaid earned dental	376,120	338,257		
Medicaid escrow dental	102,220	174,873		
Medicaid earned adult health	50,000	53,001		
Medicaid escrow adult health	63,695	23,415		
Medicaid earned women's preventative health	325,000	243,838		
Medicaid escrow women's preventative health	90,444	347,004		
Medicaid earned enhanced nutrition	17,101	1,725		
Medicaid escrow sonogram	110,000	108,288		
Medicaid escrow immunization	47,000	-		
Social services/public health contract services	10,000	11,698		
Municipalities				
Tax billing/collection	181,790	167,975		
Data processing	500	-		
Election fees	75,000	60,720		
Animal shelter	194,119	194,124		
Fire inspections	30,375	28,621		
Other				
Tax fees and charges	30,000	23,643		
Motor vehicle tax-collection fee	32,000	37,001		
Leased vehicle tax - collection fee	765	1,258		
Sale of maps and publications	6,400	7,226		
Advertising fees for renaming streets	450	-		
Check processing fees	5,500	3,047		
Transport fees district confinement facility	57,234	42,742		
Garage services	7,000	7,934		
Sheriff service of process	235,000	323,822		
Project lifesavers	4,200	3,135		
Inmate services	68,000	46,568		
Ambulance services	4,989,000	4,959,656		
Animal services	82,000	67,489		
Planning department ordinance	50	-		
Zoning amendments	2,160	4,320		
Board of adjustment charges	1,275	2,975		
Clinic fees	7,000	7,280		
Miscellaneous fees	-	290		
Library rental fees	39,500	42,620		
Copy and print charges	28,269	31,710		
Total sales and services	<u>13,339,561</u>	<u>12,117,015</u>	<u>(1,222,546)</u>	<u>13,631,424</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Investment Earnings				
Interest On Investments	803,750	512,656	(291,094)	450,728
Miscellaneous				
Social Services				
Restitution funds	3,000	-		
Fraud services	27,675	68,097		
Nutrition meals project income	30,500	48,675		
Donations	75,000	-		
Miscellaneous	1,600	2,224		
Public Health				
Kids in Need	27,300	40,849		
Cardio pulmonary resuscitation training	8,988	4,095		
Distracted driving grant	-	500		
Donations	350	93,487		
Susan G. Komen grant	25,000	38,500		
Quality improvement	-	250		
Miscellaneous	4,778	3,257		
Other				
Badge revenue	-	90		
Rents & Royalties	119,376	118,436		
Cell tower lease payments	20,867	20,919		
Cable lease payment	-	1,176		
Park souvenir sales	300	-		
Concessions	50,000	60,611		
Commissary	25,000	22,979		
Sale of surplus properties	-	56,702		
Insurance settlements	40,000	157,906		
Drug reimbursement	1,000	80		
Excise tax administrative cost	6,000	8,042		
Donations	17,304	15,026		
Emergency management/Duke Power grant	36,571	28,168		
Hazmat revenue	16,000	37,003		
Carolina Thread Trail	1,760	-		
School of government grant	10,000	10,000		
Short term disability premiums	80,000	79,790		
Group health and dental premiums	1,721,400	1,784,159		
Miscellaneous revenue	202,874	218,810		
Total miscellaneous	<u>2,552,643</u>	<u>2,919,831</u>	<u>367,188</u>	<u>3,170,017</u>
Total revenues	<u>158,447,793</u>	<u>156,189,803</u>	<u>(2,257,990)</u>	<u>159,141,426</u>
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	5,680	5,590		
Other operating	165,150	129,815		
	<u>170,830</u>	<u>135,405</u>	<u>35,425</u>	<u>139,117</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Administration				
County Manager				
Salaries & employee benefits	824,822	795,877		
Other operating	34,119	55,694		
Non-operating	158,767	-		
	<u>1,017,708</u>	<u>851,571</u>	<u>166,137</u>	<u>890,068</u>
Legal Services				
Salaries & employee benefits	329,011	298,878		
Other operating	28,260	21,106		
	<u>357,271</u>	<u>319,984</u>	<u>37,287</u>	<u>337,780</u>
Budget				
Salaries & employee benefits	224,718	218,900		
Other operating	14,034	8,916		
	<u>238,752</u>	<u>227,816</u>	<u>10,936</u>	<u>232,985</u>
Total Administration	<u>1,613,731</u>	<u>1,399,371</u>	<u>214,360</u>	<u>1,460,833</u>
Tax Administration				
Tax Assessor				
Salaries & employee benefits	857,461	842,472		
Other operating	238,188	185,052		
Non-operating tax refunds	15,000	255		
	<u>1,110,649</u>	<u>1,027,779</u>	<u>82,870</u>	<u>1,053,196</u>
Tax Collector				
Salaries & employee benefits	441,134	398,460		
Other operating	119,723	91,722		
	<u>560,857</u>	<u>490,182</u>	<u>70,675</u>	<u>513,410</u>
Total Tax Administration	<u>1,671,506</u>	<u>1,517,961</u>	<u>153,545</u>	<u>1,566,606</u>
Board of Elections				
Salaries & employee benefits	325,530	312,969		
Other operating	152,100	98,829		
	<u>477,630</u>	<u>411,798</u>	<u>65,832</u>	<u>398,262</u>
Human Resources				
Human Resources				
Salaries & employee benefits	524,352	531,537		
Other operating	77,176	72,376		
Non-operating	443,356	-		
	<u>1,044,884</u>	<u>603,913</u>	<u>440,971</u>	<u>600,169</u>
Wellness				
Salaries & employee benefits	-	-		
Other operating	178,400	159,963		
	<u>178,400</u>	<u>159,963</u>	<u>18,437</u>	<u>140,514</u>
Recruitment				
Salaries & employee benefits	62,743	62,681		
Other operating	21,850	15,471		

CATAWBA COUNTY, NORTH CAROLINA
General Fund
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For the Fiscal Year Ended June 30, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Non-operating	115,860	-		
	<u>200,453</u>	<u>78,152</u>	<u>122,301</u>	<u>75,515</u>
Risk Management				
Salaries & employee benefits	130,130	129,453		
Other operating	23,542	15,673		
	<u>153,672</u>	<u>145,126</u>	<u>8,546</u>	<u>151,135</u>
Total Human Resources	<u>1,577,409</u>	<u>987,154</u>	<u>590,255</u>	<u>967,333</u>
Register of Deeds				
Salaries & employee benefits	526,915	532,079		
Other operating	306,531	246,594		
	<u>833,446</u>	<u>778,673</u>	<u>54,773</u>	<u>732,736</u>
Finance				
Administration				
Salaries & employee benefits	327,661	326,255		
Other operating	166,967	155,182		
	<u>494,628</u>	<u>481,437</u>	<u>13,191</u>	<u>497,048</u>
Accounting				
Salaries & employee benefits	434,433	433,971		
Other operating	355,035	308,576		
	<u>789,468</u>	<u>742,547</u>	<u>46,921</u>	<u>837,297</u>
Purchasing				
Salaries & employee benefits	195,683	187,013		
Other operating	32,801	26,522		
	<u>228,484</u>	<u>213,535</u>	<u>14,949</u>	<u>223,498</u>
Total Finance	<u>1,512,580</u>	<u>1,437,519</u>	<u>75,061</u>	<u>1,557,843</u>
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	10,500	-		
	<u>10,500</u>	<u>-</u>	<u>10,500</u>	<u>2,317</u>
Other Government Costs				
Salaries & employee benefits	181,438	20,303		
Other operating	213,770	172,797		
	<u>395,208</u>	<u>193,100</u>	<u>202,108</u>	<u>196,946</u>
Self Insurance				
Premiums	2,152,000	1,953,241		
Liability	819,500	611,556		
Workers Compensation	576,750	340,843		
Total Self Insurance	<u>3,548,250</u>	<u>2,905,640</u>	<u>642,610</u>	<u>2,645,736</u>
Total Other General Government Programs	<u>3,953,958</u>	<u>3,098,740</u>	<u>855,218</u>	<u>2,844,999</u>
Total General Government	<u>11,811,090</u>	<u>9,766,621</u>	<u>2,044,469</u>	<u>9,667,729</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Public Safety				
Sheriff				
Administration and Law Enforcement				
Salaries & employee benefits	3,241,459	3,195,962		
Other operating	1,103,184	981,516		
Capital outlay	465,669	465,669		
	<u>4,810,312</u>	<u>4,643,147</u>	<u>167,165</u>	<u>3,898,093</u>
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	154,879	154,016		
Other operating	3,000	3,000		
	<u>157,879</u>	<u>157,016</u>	<u>863</u>	<u>152,984</u>
School Resource Officers				
Salaries & employee benefits	604,221	602,821		
Other operating	39,600	39,573		
	<u>643,821</u>	<u>642,394</u>	<u>1,427</u>	<u>619,573</u>
Records				
Salaries & employee benefits	323,506	317,279		
Other operating	26,510	22,259		
Capital outlay	17,800	17,800		
	<u>367,816</u>	<u>357,338</u>	<u>10,478</u>	<u>362,271</u>
Mental Health Transport				
Salaries & employee benefits	6,877	4,828		
	<u>6,877</u>	<u>4,828</u>	<u>2,049</u>	<u>3,116</u>
Crime Prevention				
Salaries & employee benefits				
Other operating	2,317	2,317		
	<u>2,317</u>	<u>2,317</u>	<u>-</u>	<u>89,278</u>
Narcotics				
Salaries & employee benefits	407,842	403,395		
Other operating	76,606	75,944		
	<u>484,448</u>	<u>479,339</u>	<u>5,109</u>	<u>351,974</u>
Detectives				
Salaries & employee benefits	809,374	805,583		
Other operating	64,946	61,676		
	<u>874,320</u>	<u>867,259</u>	<u>7,061</u>	<u>839,642</u>
Lake Norman Water Patrol				
Salaries & employee benefits	281,641	275,339		
Other operating	26,450	15,559		
	<u>308,091</u>	<u>290,898</u>	<u>17,193</u>	<u>359,292</u>
Court Security				
Salaries & employee benefits	529,974	522,347		
Other operating	7,000	6,822		
	<u>536,974</u>	<u>529,169</u>	<u>7,805</u>	<u>532,560</u>

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Newton Detention Center				
Salaries & employee benefits	3,254,759	3,147,496		
Other operating	939,868	830,759		
Capital outlay	21,483	21,483		
	<u>4,216,110</u>	<u>3,999,738</u>	<u>216,372</u>	<u>4,023,553</u>
Prisoner Food Services				
Other operating	406,672	369,191	37,481	402,162
District Confinement Facility				
Salaries & employee benefits	53,728	49,406		
Other operating	1,306,483	1,305,487		
	<u>1,360,211</u>	<u>1,354,893</u>	<u>5,318</u>	<u>1,126,509</u>
Total Sheriff	<u>14,175,848</u>	<u>13,697,527</u>	<u>478,321</u>	<u>12,761,007</u>
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	213,757	214,455		
Other operating	442,194	349,396		
	<u>655,951</u>	<u>563,851</u>	<u>92,100</u>	<u>73,184</u>
Emergency Management				
Salaries & employee benefits				
Other operating	5,397	5,241		
	<u>5,397</u>	<u>5,241</u>	<u>156</u>	<u>413,979</u>
Veterans Services				
Salaries & employee benefits	64,681	64,009		
Other operating	5,700	5,015		
	<u>70,381</u>	<u>69,024</u>	<u>1,357</u>	<u>67,375</u>
Fire Marshal				
Salaries & employee benefits	209,250	205,925		
Other operating	35,372	26,979		
	<u>244,622</u>	<u>232,904</u>	<u>11,718</u>	<u>207,757</u>
Emergency Medical Services				
Salaries & employee benefits	5,926,162	5,796,072		
Other operating	1,055,694	885,005		
Capital outlay	676,975	657,823		
	<u>7,658,831</u>	<u>7,338,900</u>	<u>319,931</u>	<u>6,530,285</u>
Fire Fighting Alarms				
Other operating	-	-	-	33,600
Animal Control				
Salaries & employee benefits	172,845	170,306		
Other operating	50,860	41,975		
Capital outlay	33,400	32,647		
	<u>257,105</u>	<u>244,928</u>	<u>12,177</u>	<u>210,646</u>

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Animal Shelter				
Salaries & employee benefits	263,068	231,089		
Other operating	198,842	187,087		
	<u>461,910</u>	<u>418,176</u>	<u>43,734</u>	<u>485,834</u>
 Total Emergency Services	 <u>9,354,197</u>	 <u>8,873,024</u>	 <u>481,173</u>	 <u>8,022,660</u>
Communication Center				
Salaries & employee benefits	1,390,748	1,370,603		
Other operating	250,426	207,466		
	<u>1,641,174</u>	<u>1,578,069</u>	<u>63,105</u>	<u>1,585,279</u>
Other Public Safety				
Other operating	219,207	162,413	56,794	258,933
	<u>219,207</u>	<u>162,413</u>	<u>56,794</u>	<u>258,933</u>
 Total Public Safety	 <u>25,390,426</u>	 <u>24,311,033</u>	 <u>1,079,393</u>	 <u>22,627,879</u>
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	30,616	19,662		
Other operating	259,496	217,686		
Capital outlay	7,903	7,386		
Non-operating	128,908	-		
	<u>426,923</u>	<u>244,734</u>	<u>182,189</u>	<u>307,014</u>
Soil & Water Conservation				
Salaries & employee benefits	135,884	130,288		
Other operating	96,093	22,612		
	<u>231,977</u>	<u>152,900</u>	<u>79,077</u>	<u>144,890</u>
Forest Ranger				
Other operating	57,037	54,230	2,807	51,226
	<u>57,037</u>	<u>54,230</u>	<u>2,807</u>	<u>51,226</u>
 Total Environmental Protection	 <u>715,937</u>	 <u>451,864</u>	 <u>264,073</u>	 <u>503,130</u>
Economic and Physical Development Technology				
Information Technology Center				
Salaries & employee benefits	1,681,864	1,671,482		
Other operating	1,294,998	1,216,869		
	<u>2,976,862</u>	<u>2,888,351</u>	<u>88,511</u>	<u>2,906,715</u>
Geospatial Information Services				
Salaries & employee benefits	266,296	265,673		
Other operating	79,700	63,692		
	<u>345,996</u>	<u>329,365</u>	<u>16,631</u>	<u>337,018</u>
 Total Technology	 <u>3,322,858</u>	 <u>3,217,716</u>	 <u>105,142</u>	 <u>3,243,733</u>
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	474,429	471,244		

CATAWBA COUNTY, NORTH CAROLINA
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	135,247	71,010		
	<u>609,676</u>	<u>542,254</u>	<u>67,422</u>	<u>601,213</u>
County Parks				
Salaries & employee benefits	236,625	235,455		
Other operating	65,254	54,997		
Capital outlay	5,521	-		
	<u>307,400</u>	<u>290,452</u>	<u>16,948</u>	<u>283,165</u>
Other Economic and Physical Development				
Other operating	3,282,403	2,588,822	693,581	697,967
Total Economic Development and Planning	<u>4,199,479</u>	<u>3,421,528</u>	<u>777,951</u>	<u>1,582,345</u>
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	146,320	145,166		
Other operating	39,126	35,716		
	<u>185,446</u>	<u>180,882</u>	<u>4,564</u>	<u>164,820</u>
Building Inspection				
Salaries & employee benefits	648,051	652,778		
Other operating	348,917	335,938		
	<u>996,968</u>	<u>988,716</u>	<u>8,252</u>	<u>1,213,586</u>
Permit Center				
Salaries & employee benefits	310,873	308,313		
Other operating	26,073	22,542		
	<u>336,946</u>	<u>330,855</u>	<u>6,091</u>	<u>317,979</u>
Plan Review				
Salaries & employee benefits	265,395	264,518		
Other operating	13,427	11,972		
	<u>278,822</u>	<u>276,490</u>	<u>2,332</u>	<u>321,799</u>
Storm water and Erosion Control				
Salaries & employee benefits	133,143	123,004		
Other operating	24,297	14,204		
	<u>157,440</u>	<u>137,208</u>	<u>20,232</u>	<u>189,337</u>
Total Utilities & Engineering	<u>1,955,622</u>	<u>1,914,151</u>	<u>41,471</u>	<u>2,207,521</u>
Finance/Facilities Division				
Garage				
Salaries & employee benefits	222,423	219,457		
Other operating	340,560	306,237		
	<u>562,983</u>	<u>525,694</u>	<u>37,289</u>	<u>476,885</u>
General maintenance				
Salaries & employee benefits	563,416	548,838		
Other operating	165,590	110,563		
	<u>729,006</u>	<u>659,401</u>	<u>69,605</u>	<u>706,532</u>

CATAWBA COUNTY, NORTH CAROLINA
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Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
General Buildings				
Other operating	507,147	450,998		
	<u>507,147</u>	<u>450,998</u>	<u>56,149</u>	<u>473,604</u>
Justice Buildings				
Other operating	764,718	634,029		
	<u>764,718</u>	<u>634,029</u>	<u>130,689</u>	<u>681,836</u>
Library Buildings				
Other operating	76,091	61,963		
	<u>76,091</u>	<u>61,963</u>	<u>14,128</u>	<u>87,401</u>
Leased Buildings				
Other operating	35,680	32,681		
	<u>35,680</u>	<u>32,681</u>	<u>2,999</u>	<u>35,419</u>
Social Services Buildings				
Other operating	96,822	53,215		
	<u>96,822</u>	<u>53,215</u>	<u>43,607</u>	<u>78,874</u>
Public Health Buildings				
Other operating	42,799	25,653		
	<u>42,799</u>	<u>25,653</u>	<u>17,146</u>	<u>24,260</u>
Family Services Center				
Other operating	29,721	9,157		
	<u>29,721</u>	<u>9,157</u>	<u>20,564</u>	<u>38,125</u>
Street Signs				
Other operating	17,500	3,810		
	<u>17,500</u>	<u>3,810</u>	<u>13,690</u>	<u>17,027</u>
Total Finance/Facilities Division	<u>2,862,467</u>	<u>2,456,601</u>	<u>405,866</u>	<u>2,619,963</u>
Total Economic & Physical Development	<u>12,340,426</u>	<u>11,009,996</u>	<u>1,330,430</u>	<u>9,653,562</u>
Human Services				
Medical Examiner				
Other operating	100,000	85,100		
	<u>100,000</u>	<u>85,100</u>	<u>14,900</u>	<u>81,600</u>
Mental Health Services				
General Administration				
Other operating	878,546	872,168		
Mental Health Assistance	134,388	134,388		
	<u>1,012,934</u>	<u>1,006,556</u>	<u>6,378</u>	<u>1,522,339</u>
Social Services Department				
Administration				
Salaries & employee benefits	1,403,415	1,081,172		
Other operating	1,024,732	1,004,584		
Non-operating	3,414,318	-		
Capital outlay	5,000	-		
	<u>5,847,465</u>	<u>2,085,756</u>	<u>3,761,709</u>	<u>2,243,589</u>
Children and Family Services				
Salaries & employee benefits	1,793,869	1,729,611		
Other operating	432,270	393,618		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Social Services assistance	1,000	512		
	<u>2,227,139</u>	<u>2,123,741</u>	<u>103,398</u>	<u>2,118,860</u>
Department of Human Resources Teams				
Salaries & employee benefits	316,861	318,356		
Other operating	9,811	7,658		
Social Services assistance	1,000	1,011		
	<u>327,672</u>	<u>327,025</u>	<u>647</u>	<u>283,628</u>
Children's Day Care				
Salaries & employee benefits	390,993	350,654		
Other operating	6,136	3,047		
	<u>397,129</u>	<u>353,701</u>	<u>43,428</u>	<u>389,236</u>
Intensive Family Preservation				
Salaries & employee benefits	120,097	121,639		
Other operating	22,565	19,502		
Social Services assistance	8,300	1,699		
	<u>150,962</u>	<u>142,840</u>	<u>8,122</u>	<u>169,075</u>
Early Childhood Development				
Salaries & employee benefits	62,934	53,303		
Other operating	11,358	9,955		
	<u>74,292</u>	<u>63,258</u>	<u>11,034</u>	<u>72,622</u>
Prevention Management				
Salaries & employee benefits	103,996	108,027		
Other operating	1,950	1,430		
	<u>105,946</u>	<u>109,457</u>	<u>(3,511)</u>	<u>105,044</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	260,009	48,752		
Other operating	1,912	1,132		
	<u>261,921</u>	<u>49,884</u>	<u>212,037</u>	<u>147,365</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,525,571	3,494,629		
Other operating	(10,779)	57,280		
Social Services assistance	67,000	17,431		
	<u>3,581,792</u>	<u>3,569,340</u>	<u>12,452</u>	<u>3,552,841</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	750,759	731,522		
Other operating	96,980	80,939		
Social Services assistance	54,800	6,705		
	<u>902,539</u>	<u>819,166</u>	<u>83,373</u>	<u>767,825</u>
Teen Up				
Salaries & employee benefits	98,148	95,717		
Other operating	14,367	8,635		
Social Services assistance	1,500	1,620		
	<u>114,015</u>	<u>105,972</u>	<u>8,043</u>	<u>129,187</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Community Services Block Grant				
Salaries & employee benefits	193,339	194,231		
Other operating	9,685	7,136		
Social Services assistance	10,000	9,131		
	<u>213,024</u>	<u>210,498</u>	<u>2,526</u>	<u>209,478</u>
Therapeutic Foster Care				
Salaries & employee benefits	239,552	209,601		
Other operating	28,677	16,423		
Social Services assistance	1,000	668		
	<u>269,229</u>	<u>226,692</u>	<u>42,537</u>	<u>231,965</u>
Adoptions				
Salaries & employee benefits	780,114	752,991		
Other operating	20,048	13,952		
Social Services assistance	3,500	3,193		
	<u>803,662</u>	<u>770,136</u>	<u>33,526</u>	<u>771,325</u>
Child Advocacy				
Salaries & employee benefits	259,843	265,691		
Other operating	106,258	48,664		
Social Services assistance	4,000	471		
	<u>370,101</u>	<u>314,826</u>	<u>55,275</u>	<u>367,060</u>
FamilyNet Administration				
Salaries & employee benefits	616,628	599,842		
Other operating	325,274	195,883		
Social Services assistance	18,086	6,886		
	<u>959,988</u>	<u>802,611</u>	<u>157,377</u>	<u>981,495</u>
FamilyNet Community Support				
Salaries & employee benefits	136,701	136,614		
Other operating	19,107	12,698		
	<u>155,808</u>	<u>149,312</u>	<u>6,496</u>	<u>338,200</u>
FamilyNet Act				
Salaries & employee benefits	618,866	549,509		
Other operating	64,456	38,918		
Social Services assistance	500	1,332		
	<u>683,822</u>	<u>589,759</u>	<u>94,063</u>	<u>563,602</u>
FamilyNet In-home Services				
Salaries & employee benefits	527,446	447,792		
Other operating	15,365	22,301		
	<u>542,811</u>	<u>470,093</u>	<u>72,718</u>	<u>424,094</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	375,936	349,392		
Other operating	3,713	3,086		
	<u>379,649</u>	<u>352,478</u>	<u>27,171</u>	<u>229,944</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
FamilyNet Family Services				
Salaries & employee benefits	200,517	194,264		
Other operating	3,501	2,515		
	<u>204,018</u>	<u>196,779</u>	<u>7,239</u>	<u>210,264</u>
FamilyNet Children Services				
Salaries & employee benefits	298,844	244,586		
Other operating	4,208	4,129		
	<u>303,052</u>	<u>248,715</u>	<u>54,337</u>	<u>293,504</u>
FamilyNet ECST				
Salaries & employee benefits	404,363	312,494		
Other operating	(11,486)	26,996		
Social Services assistance	2,500			
	<u>395,377</u>	<u>339,490</u>	<u>55,887</u>	<u>379,124</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	61,961	54,811		
Other operating	12,037	11,891		
	<u>73,998</u>	<u>66,702</u>	<u>7,296</u>	<u>72,171</u>
Work First				
Salaries & employee benefits	449,843	438,151		
Other operating	510,412	339,367		
Social Services assistance	99,963	40,637		
	<u>1,060,218</u>	<u>818,155</u>	<u>242,063</u>	<u>615,411</u>
Office Juvenile Justice Girls Program				
Other operating	50,591	42,418		
Social Services assistance	500	-		
	<u>51,091</u>	<u>42,418</u>	<u>8,673</u>	<u>41,768</u>
Administration Group Homes				
Salaries & employee benefits	1,078,749	946,585		
Other operating	55,038	40,990		
	<u>1,133,787</u>	<u>987,575</u>	<u>146,212</u>	<u>1,048,996</u>
Emergency Shelter				
Other operating	6,000	-		
	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>4,640</u>
Girls Program				
Other operating	50,091	50,825		
Social Services assistance	500	27		
Capital outlay	22,000	-		
	<u>72,591</u>	<u>50,852</u>	<u>21,739</u>	<u>50,657</u>
Boys Program				
Other operating	48,915	46,569		
Social Services assistance	500	-		
	<u>49,415</u>	<u>46,569</u>	<u>2,846</u>	<u>49,616</u>

CATAWBA COUNTY, NORTH CAROLINA
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Office Juvenile Justice Boys Program				
Other operating	58,922	57,616		
Social Services assistance	500	-		
	<u>59,422</u>	<u>57,616</u>	<u>1,806</u>	<u>56,214</u>
Adult Services				
Other operating	400,657	398,443		
Social Services assistance	1,753,585	1,461,395		
	<u>2,154,242</u>	<u>1,859,838</u>	<u>294,404</u>	<u>1,664,553</u>
Adult Social Work				
Salaries & employee benefits	1,344,066	1,297,410		
Other operating	75,379	59,901		
Social Services assistance	12,500	11,898		
	<u>1,431,945</u>	<u>1,369,209</u>	<u>62,736</u>	<u>1,302,700</u>
Medicaid Administration				
Salaries & employee benefits	909,588	900,220		
Other operating	11,378	6,975		
	<u>920,966</u>	<u>907,195</u>	<u>13,771</u>	<u>901,807</u>
Transportation				
Salaries & employee benefits	442,864	408,566		
Other operating	284,659	34,221		
Capital outlay	88,000	(104)		
	<u>815,523</u>	<u>442,683</u>	<u>372,840</u>	<u>757,020</u>
Nutrition				
Salaries & employee benefits	157,879	156,790		
Other operating	68,757	70,309		
Social Services assistance	504,007	452,963		
	<u>730,643</u>	<u>680,062</u>	<u>50,581</u>	<u>679,500</u>
Public Assistance Administration				
Salaries & employee benefits	1,399,510	1,387,535		
Other operating	118,337	128,757		
	<u>1,517,847</u>	<u>1,516,292</u>	<u>1,555</u>	<u>1,479,726</u>
Food Stamps				
Salaries & employee benefits	1,488,340	1,467,278		
Other operating	93,628	91,289		
Social Services assistance	5,000	25		
	<u>1,586,968</u>	<u>1,558,592</u>	<u>28,376</u>	<u>1,482,594</u>
Child Support				
Salaries & employee benefits	1,275,020	1,123,493		
Other operating	30,141	17,216		
	<u>1,305,161</u>	<u>1,140,709</u>	<u>164,452</u>	<u>1,158,328</u>
General Assistance				
Other operating	53,750	75,433		
Social Services assistance	108,500	88,656		
	<u>162,250</u>	<u>164,089</u>	<u>(1,839)</u>	<u>156,656</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Public Assistance Payments				
Social Services assistance	1,340,012	1,277,838	62,174	1,241,740
Children's Purchase Services				
Social Services assistance	9,587,929	9,088,897	499,032	9,061,878
Total Social Services	<u>43,331,421</u>	<u>36,496,820</u>	<u>6,834,601</u>	<u>36,805,302</u>
Public Health Department				
Health Administration				
Salaries & employee benefits	690,012	679,627		
Other operating	240,464	223,274		
	<u>930,476</u>	<u>902,901</u>	<u>27,575</u>	<u>923,809</u>
Home Health				
Salaries & employee benefits	1,765,128	1,753,708		
Other operating	1,410,365	1,207,625		
	<u>3,175,493</u>	<u>2,961,333</u>	<u>214,160</u>	<u>3,023,570</u>
Environmental Health				
Salaries & employee benefits	811,217	736,514		
Other operating	126,539	114,129		
	<u>937,756</u>	<u>850,643</u>	<u>87,113</u>	<u>905,167</u>
Maternal Health				
Salaries & employee benefits	538,523	450,579		
Other operating	803,034	709,376		
Public Health assistance	24,057	25,154		
	<u>1,365,614</u>	<u>1,185,109</u>	<u>180,505</u>	<u>1,509,038</u>
Family Care Coordination				
Salaries & employee benefits	568,402	489,581		
Other operating	44,996	30,884		
	<u>613,398</u>	<u>520,465</u>	<u>92,933</u>	<u>433,967</u>
Child Health				
Salaries & employee benefits	555,007	526,348		
Other operating	99,850	89,875		
	<u>654,857</u>	<u>616,223</u>	<u>38,634</u>	<u>651,946</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	473,304	466,399		
Other operating	53,675	41,106		
	<u>526,979</u>	<u>507,505</u>	<u>19,474</u>	<u>521,474</u>
Child Health - Smart Start				
Salaries & employee benefits	128,200	123,950		
Other operating	34,948	35,657		
	<u>163,148</u>	<u>159,607</u>	<u>3,541</u>	<u>192,340</u>
Health and Wellness				
Salaries & employee benefits	42,000	41,618		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	58,000	56,547		
	<u>100,000</u>	<u>98,165</u>	<u>1,835</u>	<u>88,087</u>
School Nurse Fund Initiative				
Salaries & employee benefits	154,910	155,196		
Other operating	13,205	8,859		
	<u>168,115</u>	<u>164,055</u>	<u>4,060</u>	<u>160,271</u>
School Nurses Initiative - Catawba Valley Medical Center				
Salaries & employee benefits	279,313	277,337		
Other operating	26,321	21,874		
	<u>305,634</u>	<u>299,211</u>	<u>6,423</u>	<u>296,217</u>
School Nurses - Catawba County				
Salaries & employee benefits	216,575	213,619		
Other operating	21,514	16,234		
	<u>238,089</u>	<u>229,853</u>	<u>8,236</u>	<u>233,519</u>
School Nurses - Newton-Conover				
Salaries & employee benefits	106,185	105,444		
Other operating	11,404	10,601		
	<u>117,589</u>	<u>116,045</u>	<u>1,544</u>	<u>107,396</u>
School Nurses Initiative - Catawba County				
Salaries & employee benefits	57,176	61,107		
Other operating	5,785	5,022		
	<u>62,961</u>	<u>66,129</u>	<u>(3,168)</u>	<u>66,442</u>
Dental Health				
Salaries & employee benefits	318,548	337,912		
Other operating	167,143	163,803		
Public Health assistance	-	-		
	<u>485,691</u>	<u>501,715</u>	<u>(16,024)</u>	<u>420,781</u>
Glaucoma/Adult Health				
Salaries & employee benefits	402,727	351,876		
Other operating	337,341	289,368		
Capital outlay	16,900	16,900		
	<u>756,968</u>	<u>658,144</u>	<u>98,824</u>	<u>597,516</u>
Bioterrorism Grant				
Salaries & employee benefits	33,289	32,497		
Other operating	24,713	9,824		
	<u>58,002</u>	<u>42,321</u>	<u>15,681</u>	<u>121,576</u>
ABCD Grant				
Salaries & employee benefits				
Other operating				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,466</u>
Nurses/Family Planning				
Salaries & employee benefits	832,571	849,538		
Other operating	190,450	169,320		

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	1,023,021	1,018,858	4,163	1,058,171
Women Infants Children Program				
Salaries & employee benefits	742,406	695,556		
Other operating	70,449	62,812		
	<u>812,855</u>	<u>758,368</u>	<u>54,487</u>	<u>801,947</u>
Total Public Health	<u>12,496,646</u>	<u>11,656,650</u>	<u>839,996</u>	<u>12,131,700</u>
Total Human Services	<u>56,941,001</u>	<u>49,245,126</u>	<u>7,695,875</u>	<u>50,540,941</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	792,593	802,476		
Other operating	338,384	330,149		
Capital outlay	27,186	27,186		
Non-operating	239,872	-		
	<u>1,398,035</u>	<u>1,159,811</u>	<u>238,224</u>	<u>1,129,823</u>
Sherrills Ford Branch				
Salaries & employee benefits	100,937	101,026		
Other operating	40,299	43,103		
	<u>141,236</u>	<u>144,129</u>	<u>(2,893)</u>	<u>142,922</u>
Maiden Branch				
Salaries & employee benefits	83,920	66,070		
Other operating	30,428	26,434		
	<u>114,348</u>	<u>92,504</u>	<u>21,844</u>	<u>116,936</u>
St. Stephens Branch				
Salaries & employee benefits	290,032	277,964		
Other operating	95,366	94,660		
	<u>385,398</u>	<u>372,624</u>	<u>12,774</u>	<u>380,229</u>
Southwest Branch Library				
Salaries & employee benefits	134,902	131,197		
Other operating	117,510	116,862		
	<u>252,412</u>	<u>248,059</u>	<u>4,353</u>	<u>246,195</u>
Conover Branch Library				
Salaries & employee benefits	97,217	82,013		
Other operating	26,238	26,719		
	<u>123,455</u>	<u>108,732</u>	<u>14,723</u>	<u>72,576</u>
Claremont Branch Library				
Salaries & employee benefits	36,493	35,977		
Other operating	19,306	18,179		
	<u>55,799</u>	<u>54,156</u>	<u>1,643</u>	<u>51,849</u>
Total County Library	<u>2,470,683</u>	<u>2,180,015</u>	<u>290,668</u>	<u>2,140,530</u>

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Arts-Administration				
Other operating	497,450	497,450	-	521,000
Other Cultural				
Other operating	4,000	-	4,000	-
Total Culture and Recreation	<u>2,972,133</u>	<u>2,677,465</u>	<u>294,668</u>	<u>2,661,530</u>
Education				
Catawba County Schools				
Current expense	24,759,374	24,759,374		
Fines and forfeitures	708,398	358,989		
	<u>25,467,772</u>	<u>25,118,363</u>	<u>349,409</u>	<u>25,283,075</u>
Newton-Conover City Schools				
Current expense	4,214,453	4,214,453		
Fines and forfeitures	120,581	61,130		
	<u>4,335,034</u>	<u>4,275,583</u>	<u>59,451</u>	<u>4,266,625</u>
Hickory City Schools				
Current expense	6,157,601	6,157,601		
Fines and forfeitures	176,177	89,301		
	<u>6,333,778</u>	<u>6,246,902</u>	<u>86,876</u>	<u>6,432,183</u>
Catawba Valley Community College				
Current expense	3,617,068	3,617,068	-	3,617,068
Total Education	<u>39,753,652</u>	<u>39,257,916</u>	<u>495,736</u>	<u>39,598,951</u>
Debt Service				
General obligation bonds				
Principal	4,395,000	4,395,000		
Interest	523,110	523,106		
	<u>4,918,110</u>	<u>4,918,106</u>	<u>4</u>	<u>5,929,769</u>
Installment purchases				
Principal	31,581,063	31,947,098		
Interest	3,468,195	2,375,784		
	<u>35,049,258</u>	<u>34,322,882</u>	<u>726,376</u>	<u>6,197,550</u>
Certificates of Participation				
Principal	2,780,005	2,780,000		
Interest	1,856,201	1,856,112		
	<u>4,636,206</u>	<u>4,636,112</u>	<u>94</u>	<u>4,758,250</u>
Qualified Zone Academy Bonds				
Principal	50,000	50,000	-	50,000
Build America Bonds				
Principal	579,435	579,430		
Interest	262,990	262,981		
	<u>842,425</u>	<u>842,411</u>	<u>14</u>	<u>428,126</u>

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Qualified School Construction Bonds				
Principal (sinking fund escrow)	1,853,910	1,853,902		
Interest	-	5,796		
	<u>1,853,910</u>	<u>1,859,698</u>	<u>(5,788)</u>	<u>716,951</u>
Bond Issuance costs	<u>448,405</u>	<u>448,255</u>		
Total Debt Service	<u>47,798,314</u>	<u>47,077,464</u>	<u>720,700</u>	<u>18,080,646</u>
Total expenditures	<u>197,722,979</u>	<u>183,797,485</u>	<u>13,925,494</u>	<u>153,334,368</u>
Revenues over (under) expenditures	<u>(39,275,186)</u>	<u>(27,607,682)</u>	<u>11,667,504</u>	<u>5,807,058</u>
Other financing sources (uses)				
Transfers from				
General Capital Reserve Fund			-	83,879
School Capital Fund			-	50,000
School Construction Fund	6,612	6,612	-	322,792
Transfers to				
Citizens Alert System Fund	(15,056)	(15,056)	-	(15,285)
Reappraisal Fund	(371,643)	(371,643)	-	(397,685)
General Capital Reserve Fund	-	-	-	(71,443)
General Capital Projects Fund	(1,348,500)	(1,348,500)	-	(1,394,843)
Water and Sewer Construction Fund	(775,000)	(775,000)	-	(3,561,973)
Installment purchase obligation issued	1,415,475	-	(1,415,475)	-
Refunding limited obligation bonds issued	41,995,366	41,995,366	-	-
Premium on limited obligation bonds	3,873,747	3,873,747	-	-
Payment to refunded bond escrow agent	(17,777,592)	(17,777,592)	-	-
Sale of capital assets	-	24,349	24,349	-
Fund Balance appropriated/contingency	12,271,777	-	(12,271,777)	-
Total other financing sources (uses)	<u>39,275,186</u>	<u>25,612,283</u>	<u>(13,662,903)</u>	<u>(4,984,558)</u>
Net change in fund balance	<u>-</u>	<u>(1,995,399)</u>	<u>(1,995,399)</u>	<u>822,500</u>
Fund Balances - Beginning of Year		<u>52,488,035</u>		
Fund Balances - End of Year		<u>\$ 50,492,636</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 3,598	\$ 3,598	\$ 5,397
Total revenues	<u>-</u>	<u>3,598</u>	<u>3,598</u>	<u>5,397</u>
Expenditures				
Current				
General government				
Salaries & employee benefits	318,935	300,671	18,264	343,281
Other operating	55,101	43,273	11,828	81,482
Capital outlay	23,607	23,606	1	22,586
Total expenditures	<u>397,643</u>	<u>367,550</u>	<u>30,093</u>	<u>447,349</u>
Excess of revenues over (under) expenditures	<u>(397,643)</u>	<u>(363,952)</u>	<u>33,691</u>	<u>(441,952)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	371,643	371,643	-	397,685
Fund balance appropriated	26,000	-	(26,000)	-
Total other financing sources (uses)	<u>397,643</u>	<u>371,643</u>	<u>(26,000)</u>	<u>397,685</u>
Net change in fund balance	<u>\$ -</u>	<u>7,691</u>	<u>\$ 7,691</u>	<u>(44,267)</u>
Fund Balances - Beginning of Year		<u>151,272</u>		<u>195,539</u>
Fund Balances - End of Year		<u>\$ 158,963</u>		<u>\$ 151,272</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 4,088	\$ 4,088	\$ 7,142
Total revenues	<u>-</u>	<u>4,088</u>	<u>4,088</u>	<u>7,142</u>
Expenditures				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>4,088</u>	<u>4,088</u>	<u>7,142</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	71,443
Transfers to				
General Fund	-	-	-	(83,879)
General Capital Project Funds	-	-	-	(225,156)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,592)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,088</u>	<u>\$ 4,088</u>	<u>(230,450)</u>
Fund Balances - Beginning of Year		<u>445,317</u>		<u>675,767</u>
Fund Balances - End of Year		<u>\$ 449,405</u>		<u>\$ 445,317</u>

Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 4,109,757	\$ 18,166,837	\$ 22,276,594
Taxes receivable - net	171,007	-	171,007
Due from other governments	83,406	3,597,325	3,680,731
Interest receivable	7,794	29,609	37,403
Restricted cash and investments	-	4,316,249	4,316,249
Total assets	<u>4,371,964</u>	<u>26,110,020</u>	<u>30,481,984</u>
Liabilities			
Accounts payable and accrued liabilities	50,377	403,418	453,795
Deferred revenues	188,555	-	188,555
Liabilities to be paid from restricted assets	-	928,976	928,976
Total liabilities	<u>238,932</u>	<u>1,332,394</u>	<u>1,571,326</u>
Fund Balances			
Restricted			
Stabilization by State Statute	91,199	3,626,934	3,718,133
School Capital	-	4,316,249	4,316,249
Public Safety	2,743,542	-	2,743,542
Fire Protection	859,873	-	859,873
Library Endowment	237,077	-	237,077
Scholarship	44,099	-	44,099
Parks Preservation	161,597	-	161,597
Hospital Capital	-	5,401,200	5,401,200
Committed			
School Capital	-	9,594,076	9,594,076
School Construction	-	1,815,442	1,815,442
Hospital Construction	-	23,725	23,725
Unassigned	(4,355)	-	(4,355)
Total fund balances	<u>4,133,032</u>	<u>24,777,626</u>	<u>28,910,658</u>
Total liabilities and fund balances	<u>\$ 4,371,964</u>	<u>\$ 26,110,020</u>	<u>\$ 30,481,984</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, 2012

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 5,592,619	\$ -	\$ 5,592,619
Other taxes	-	4,385,064	4,385,064
Restricted intergovernmental revenues	1,143,980	214,232	1,358,212
Licenses and permits	17,621	-	17,621
Investment earnings	37,324	173,490	210,814
Miscellaneous	11,322	31,952	43,274
Total revenues	<u>6,802,866</u>	<u>4,804,738</u>	<u>11,607,604</u>
Expenditures			
Current			
General government	-	-	-
Public safety	6,438,769	-	6,438,769
Economic and physical development	297,369	-	297,369
Human services	800	-	800
Culture and recreation	-	-	-
Capital outlay	-	17,876,495	17,876,495
Total expenditures	<u>6,736,938</u>	<u>17,876,495</u>	<u>24,613,433</u>
Excess of revenues over (under) expenditures	65,928	(13,071,757)	(13,005,829)
Other Financing Sources (Uses)			
Transfers from other funds	15,056	-	15,056
Transfers to other funds	(80,263)	(6,612)	(86,875)
Total other financing sources (uses)	<u>(65,207)</u>	<u>(6,612)</u>	<u>(71,819)</u>
Net change in fund balance	721	(13,078,369)	(13,077,648)
Fund Balances - Beginning of Year	<u>4,132,311</u>	<u>37,855,995</u>	<u>41,988,306</u>
Fund Balances - End of Year	<u>\$ 4,133,032</u>	<u>\$ 24,777,626</u>	<u>\$ 28,910,658</u>



Nonmajor Special Revenue Funds

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

Emergency Telephone System Fund -

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

Citizens' Alert System Fund –

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

Narcotics Seized Funds and Property Fund –

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

Rescue Squads Fund -

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

Library Endowment Fund –

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

Gretchen Peed Scholarship Fund –

To account for donations that are stipulated for scholarships.

Parks/Historic Preservation Trust Fund –

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

Community Development Fund –

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

Fire District Funds -

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

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2012

	Emergency Telephone System Fund	Citizens' Alert System Fund	Narcotics Seized Funds And Property Fund	Rescue Squads Fund
Assets				
Cash and investments	\$ 2,225,310	\$ 23,262	\$ 246,091	\$ 278,432
Taxes receivable - net	-	-	-	-
Due from other governments	50,339	10,000	-	-
Interest receivable	4,077	69	430	716
Total assets	<u>2,279,726</u>	<u>33,331</u>	<u>246,521</u>	<u>279,148</u>
Liabilities				
Accounts payable and accrued liabilities	28,139	1,414	-	-
Deferred revenues	-	-	-	-
Total liabilities	<u>28,139</u>	<u>1,414</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted				
Stabilization by State Statute	54,416	10,069	430	716
Public Safety	2,197,171	21,848	246,091	278,432
Fire Protection	-	-	-	-
Library Endowment	-	-	-	-
Scholarship	-	-	-	-
Parks Preservation	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,251,587</u>	<u>31,917</u>	<u>246,521</u>	<u>279,148</u>
Total liabilities and fund balances	<u>\$ 2,279,726</u>	<u>\$ 33,331</u>	<u>\$ 246,521</u>	<u>\$ 279,148</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>
\$ 237,077	\$ 44,099	\$ 161,597	\$ 6,312	\$ 887,577	\$ 4,109,757
-	-	-	-	171,007	171,007
-	-	-	23,067	-	83,406
415	77	273	-	1,737	7,794
<u>237,492</u>	<u>44,176</u>	<u>161,870</u>	<u>29,379</u>	<u>1,060,321</u>	<u>4,371,964</u>
-	-	-	10,667	10,157	50,377
-	-	-	-	188,555	188,555
-	-	-	10,667	198,712	238,932
415	77	273	23,067	1,736	91,199
-	-	-	-	-	2,743,542
-	-	-	-	859,873	859,873
237,077	-	-	-	-	237,077
-	44,099	-	-	-	44,099
-	-	161,597	-	-	161,597
-	-	-	(4,355)	-	(4,355)
<u>237,492</u>	<u>44,176</u>	<u>161,870</u>	<u>18,712</u>	<u>861,609</u>	<u>4,133,032</u>
<u>\$ 237,492</u>	<u>\$ 44,176</u>	<u>\$ 161,870</u>	<u>\$ 29,379</u>	<u>\$ 1,060,321</u>	<u>\$ 4,371,964</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2012

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
Assets					
Cash and investments	\$ 8,722	\$ 11,400	\$ 87,319	\$ 45,817	\$ 12,910
Taxes receivable - net	13,859	13,905	22,109	2,723	12,186
Interest receivable	19	17	155	264	23
Total assets	<u>22,600</u>	<u>25,322</u>	<u>109,583</u>	<u>48,804</u>	<u>25,119</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	4,871	-	2,693
Deferred revenues	15,657	14,955	24,953	3,064	13,349
Total liabilities	<u>15,657</u>	<u>14,955</u>	<u>29,824</u>	<u>3,064</u>	<u>16,042</u>
Fund Balances					
Restricted					
Stabilization by State Statute	19	17	154	264	23
Fire Protection	6,924	10,350	79,605	45,476	9,054
Total fund balances	<u>6,943</u>	<u>10,367</u>	<u>79,759</u>	<u>45,740</u>	<u>9,077</u>
Total liabilities and fund balances	<u>\$ 22,600</u>	<u>\$ 25,322</u>	<u>\$ 109,583</u>	<u>\$ 48,804</u>	<u>\$ 25,119</u>

(continued on page 108)

Sherrills Ford Fire District Fund	Bandys Fire District Fund	Maiden Fire District Fund	Claremont Fire District Fund	Catawba Fire District Fund	Long View Fire District Fund	Newton Rural Fire District Fund
\$ 66,978	\$ 68,403	\$ 90,223	\$ 21,227	\$ 399,176	\$ 14,966	\$ 14,306
38,129	17,784	8,465	8,986	9,348	823	10,816
116	123	159	38	693	26	27
<u>105,223</u>	<u>86,310</u>	<u>98,847</u>	<u>30,251</u>	<u>409,217</u>	<u>15,815</u>	<u>25,149</u>
-	-	-	2,392	-	-	-
<u>41,526</u>	<u>19,085</u>	<u>9,160</u>	<u>9,939</u>	<u>9,848</u>	<u>916</u>	<u>12,845</u>
<u>41,526</u>	<u>19,085</u>	<u>9,160</u>	<u>12,331</u>	<u>9,848</u>	<u>916</u>	<u>12,845</u>
116	123	159	38	693	26	27
<u>63,581</u>	<u>67,102</u>	<u>89,528</u>	<u>17,882</u>	<u>398,676</u>	<u>14,873</u>	<u>12,277</u>
<u>63,697</u>	<u>67,225</u>	<u>89,687</u>	<u>17,920</u>	<u>399,369</u>	<u>14,899</u>	<u>12,304</u>
<u>\$ 105,223</u>	<u>\$ 86,310</u>	<u>\$ 98,847</u>	<u>\$ 30,251</u>	<u>\$ 409,217</u>	<u>\$ 15,815</u>	<u>\$ 25,149</u>

CATAWBA COUNTY, NORTH CAROLINA
Fire District Funds
Subcombining Balance Sheet
June 30, 2012

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
Assets			
Cash and investments	\$ 38,164	\$ 7,966	\$ 887,577
Taxes receivable - net	3,099	8,775	171,007
Interest receivable	68	9	1,737
Total assets	<u>41,331</u>	<u>16,750</u>	<u>1,060,321</u>
Liabilities			
Accounts payable and accrued liabilities	201	-	10,157
Deferred revenues	<u>3,605</u>	<u>9,653</u>	<u>188,555</u>
Total liabilities	<u>3,806</u>	<u>9,653</u>	<u>198,712</u>
Fund Balances			
Restricted			
Stabilization by State Statute	68	9	1,736
Fire Protection	<u>37,457</u>	<u>7,088</u>	<u>859,873</u>
Total fund balances	<u>37,525</u>	<u>7,097</u>	<u>861,609</u>
Total liabilities and fund balances	<u>\$ 41,331</u>	<u>\$ 16,750</u>	<u>\$ 1,060,321</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, 2012

	Emergency Telephone System Fund	Citizens' Alert System Fund	Narcotics Seized Funds and Property Fund	Rescue Squads Fund
Revenues				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 982,158
Restricted intergovernmental revenues	502,077	31,521	2,244	-
Licenses and permits	-	-	-	-
Investment earnings	19,190	213	1,670	1,233
Miscellaneous	-	10,000	-	-
Total revenues	<u>521,267</u>	<u>41,734</u>	<u>3,914</u>	<u>983,391</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	465,684	56,120	18,000	997,131
Economic and physical development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>465,684</u>	<u>56,120</u>	<u>18,000</u>	<u>997,131</u>
Excess of revenue over (under) expenditures	<u>55,583</u>	<u>(14,386)</u>	<u>(14,086)</u>	<u>(13,740)</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	15,056	-	-
Transfers to other funds	<u>(80,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,263)</u>	<u>15,056</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(24,680)	670	(14,086)	(13,740)
Fund Balances - Beginning of Year	<u>2,276,267</u>	<u>31,247</u>	<u>260,607</u>	<u>292,888</u>
Fund Balances - End of Year	<u>\$ 2,251,587</u>	<u>\$ 31,917</u>	<u>\$ 246,521</u>	<u>\$ 279,148</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>
\$ -	\$ -	\$ -	\$ -	\$ 4,610,461	\$ 5,592,619
-	-	-	319,831	288,307	1,143,980
-	-	17,621	-	-	17,621
2,286	427	1,466	60	10,779	37,324
-	1,250	72	-	-	11,322
<u>2,286</u>	<u>1,677</u>	<u>19,159</u>	<u>319,891</u>	<u>4,909,547</u>	<u>6,802,866</u>
-	-	-	-	-	-
-	-	-	-	4,901,834	6,438,769
-	-	-	297,369	-	297,369
-	800	-	-	-	800
-	-	-	-	-	-
<u>-</u>	<u>800</u>	<u>-</u>	<u>297,369</u>	<u>4,901,834</u>	<u>6,736,938</u>
<u>2,286</u>	<u>877</u>	<u>19,159</u>	<u>22,522</u>	<u>7,713</u>	<u>65,928</u>
-	-	-	-	-	15,056
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,263)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,207)</u>
2,286	877	19,159	22,522	7,713	721
<u>235,206</u>	<u>43,299</u>	<u>142,711</u>	<u>(3,810)</u>	<u>853,896</u>	<u>4,132,311</u>
<u>\$ 237,492</u>	<u>\$ 44,176</u>	<u>\$ 161,870</u>	<u>\$ 18,712</u>	<u>\$ 861,609</u>	<u>\$ 4,133,032</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	502,077	502,077	-	1,098,978
Investment earnings	-	19,190	19,190	39,425
Total revenues	<u>502,077</u>	<u>521,267</u>	<u>19,190</u>	<u>1,138,403</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	90,090	90,001	89	89,190
Other operating	418,875	294,572	124,303	856,263
Capital outlay	125,380	81,111	44,269	1,107,593
Total expenditures	<u>634,345</u>	<u>465,684</u>	<u>168,661</u>	<u>2,053,046</u>
Excess of revenues over (under) expenditures	<u>(132,268)</u>	<u>55,583</u>	<u>187,851</u>	<u>(914,643)</u>
Other Financing Sources (Uses)				
Transfers to				
General Capital Projects Fund	(80,263)	(80,263)	-	-
Fund balance appropriated	212,531	-	(212,531)	-
Total other financing sources (uses)	<u>132,268</u>	<u>(80,263)</u>	<u>(212,531)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(24,680)</u>	<u>\$ (24,680)</u>	<u>(914,643)</u>
Fund Balances - Beginning of Year		<u>2,276,267</u>		<u>3,190,910</u>
Fund Balances - End of Year		<u>\$ 2,251,587</u>		<u>\$ 2,276,267</u>

The County transferred \$80,263 of eligible 911 funds to the General Capital Projects Fund for public safety capital projects. These funds were the remainder of wireline funds not transferred from the Emergency Telephone System Fund in 2008.

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	2012			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Restricted intergovernmental revenues - federal	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Restricted intergovernmental revenues - local	11,521	11,521	-	\$ 11,521
Investment earnings	-	213	213	70
Miscellaneous	10,000	10,000	-	20,000
Total revenues	<u>41,521</u>	<u>41,734</u>	<u>213</u>	<u>51,591</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	19,077	18,620	457	18,797
Other operating	37,500	37,500	-	37,500
Total expenditures	<u>56,577</u>	<u>56,120</u>	<u>457</u>	<u>56,297</u>
Excess of revenues over (under) expenditures	<u>(15,056)</u>	<u>(14,386)</u>	<u>670</u>	<u>(4,706)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	15,056	15,056	-	15,285
Total other financing sources (uses)	<u>15,056</u>	<u>15,056</u>	<u>-</u>	<u>15,285</u>
Net change in fund balance	<u>\$ -</u>	670	<u>\$ 670</u>	10,579
Fund Balances - Beginning of Year		<u>31,247</u>		<u>20,668</u>
Fund Balances - End of Year		<u>\$ 31,917</u>		<u>\$ 31,247</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ 20,000	\$ 2,244	\$ (17,756)	\$ 16,815
Investment earnings	-	1,670	1,670	3,382
Sale of properties	1,000	-	(1,000)	-
Total revenues	<u>21,000</u>	<u>3,914</u>	<u>(17,086)</u>	<u>20,197</u>
Expenditures				
Current				
Public Safety				
Other operating	18,000	18,000	-	55,060
Capital outlay	90,487	-	90,487	-
Total expenditures	<u>108,487</u>	<u>18,000</u>	<u>90,487</u>	<u>55,060</u>
Excess of revenues over (under) expenditures	<u>(87,487)</u>	<u>(14,086)</u>	<u>73,401</u>	<u>(34,863)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	87,487	-	(87,487)	-
Total other financing sources (uses)	<u>87,487</u>	<u>-</u>	<u>(87,487)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(14,086)</u>	<u>\$ (14,086)</u>	<u>(34,863)</u>
Fund Balances - Beginning of Year		<u>260,607</u>		<u>295,470</u>
Fund Balances - End of Year		<u>\$ 246,521</u>		<u>\$ 260,607</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 982,158	\$ 982,158	\$ -	\$ 1,000,500
Investment earnings	-	1,233	1,233	11,018
Total revenues	<u>982,158</u>	<u>983,391</u>	<u>-</u>	<u>1,011,518</u>
Expenditures				
Public Safety				
Other operating	1,012,158	997,131	15,027	985,122
Total expenditures	<u>1,012,158</u>	<u>997,131</u>	<u>15,027</u>	<u>985,122</u>
Excess of revenues over (under) expenditures	<u>(30,000)</u>	<u>(13,740)</u>	<u>16,260</u>	<u>26,396</u>
Other Financing Sources (Uses)				
Fund balance appropriated	30,000	-	(30,000)	-
Total other financing sources (uses)	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,740)</u>	<u>\$ (14,973)</u>	<u>26,396</u>
Fund Balances - Beginning of Year		<u>292,888</u>		<u>266,492</u>
Fund Balances - End of Year		<u>\$ 279,148</u>		<u>\$ 292,888</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 2,286	\$ 2,286	\$ 2,603
Total revenues	<u>-</u>	<u>2,286</u>	<u>2,286</u>	<u>2,603</u>
Expenditures				
Culture and recreation	-	-	-	-
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>2,286</u>	<u>2,286</u>	<u>2,603</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,286</u>	<u>\$ 2,286</u>	<u>2,603</u>
Fund Balances - Beginning of Year		<u>235,206</u>		<u>232,603</u>
Fund Balances - End of Year		<u>\$ 237,492</u>		<u>\$ 235,206</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 427	\$ 427	\$ 473
Miscellaneous				
Donations	<u>7,500</u>	<u>1,250</u>	<u>(6,250)</u>	<u>1,250</u>
Total revenues	<u>7,500</u>	<u>1,677</u>	<u>(5,823)</u>	<u>1,723</u>
Expenditures				
Human services				
Scholarship awards	<u>7,500</u>	<u>800</u>	<u>6,700</u>	<u>-</u>
Total expenditures	<u>7,500</u>	<u>800</u>	<u>6,700</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>877</u>	<u>877</u>	<u>1,723</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>877</u>	<u>\$ 877</u>	<u>1,723</u>
Fund Balances - Beginning of Year		<u>43,299</u>		<u>41,576</u>
Fund Balances - End of Year		<u>\$ 44,176</u>		<u>\$ 43,299</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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Licenses and permits				
Developer fee	\$ -	\$ 17,621	\$ 17,621	\$ -
Investment earnings	-	1,466	1,466	1,592
Miscellaneous				
Cookbook sales	-	72	72	350
Total revenues	<u>-</u>	<u>19,159</u>	<u>19,159</u>	<u>1,942</u>
Expenditures				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>19,159</u>	<u>19,159</u>	<u>1,942</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>19,159</u>	<u>\$ 19,159</u>	<u>1,942</u>
Fund Balances - Beginning of Year		<u>142,711</u>		<u>140,769</u>
Fund Balances - End of Year		<u>\$ 161,870</u>		<u>\$ 142,711</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, 2012

Community Development Block Grant Scattered Site Housing (09-C-1987)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 400,000	\$ 245,563	\$ 154,437	\$ 400,000	\$ -
Total revenues	400,000	245,563	154,437	400,000	-
Expenditures					
Economic and physical development					
Administration	40,000	26,948	11,021	37,969	2,031
Emergency funds (L-1)	40,000	34,618	140,556	175,174	(135,174)
Rehabilitation	198,000	102,692	-	102,692	95,308
Clearance activities	5,000	5,900	-	5,900	(900)
Relocation assistance	110,000	71,215	50	71,265	38,735
Planning	7,000	7,000	-	7,000	-
Total expenditures	400,000	248,373	151,627	400,000	-
Excess of revenues over (under) expenditures	-	(2,810)	2,810	-	-
Net change in fund balance	\$ -	\$ (2,810)	2,810	\$ -	\$ -
Fund Balances - Beginning of Year			(2,810)		
Fund Balances - End of Year			\$ -		

NC Housing Finance Agency 2011 Urgent Repair Grant - URP11	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 37,500	\$ -	\$ 37,500	\$ 37,500	\$ -
Investment earnings	-	-	60	60	60
Total revenues	37,500	-	37,560	37,560	60
Expenditures					
Economic and physical development					
Administration	4,200	-	-	-	4,200
Rehabilitation	33,300	-	17,600	17,600	15,700
Total expenditures	37,500	-	17,600	17,600	19,900
Excess of revenues over (under) expenditures	-	-	19,960	19,960	19,960
Net change in fund balance	\$ -	\$ -	19,960	\$ 19,960	\$ 19,960
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			\$ 19,960		

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, 2012

NC Housing Finance Agency Duke Home Energy Loan Pool (HELP)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 8,250	\$ -	\$ 4,318	\$ 4,318	\$ (3,932)
Total revenues	<u>8,250</u>	<u>-</u>	<u>4,318</u>	<u>4,318</u>	<u>(3,932)</u>
Expenditures					
Economic and physical development					
Legal costs	750	-	392	392	358
Rehabilitation	<u>7,500</u>	<u>-</u>	<u>3,926</u>	<u>3,926</u>	<u>3,574</u>
Total expenditures	<u>8,250</u>	<u>-</u>	<u>4,318</u>	<u>4,318</u>	<u>358</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning of Year			<u>-</u>		
Fund Balances - End of Year			<u>\$ -</u>		

Community Development Block Grant Individual Development Accounts (09-C-2042)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 70,000	\$ 19,555	\$ 30,203	\$ 49,758	\$ (20,242)
Total revenues	<u>70,000</u>	<u>19,555</u>	<u>30,203</u>	<u>49,758</u>	<u>(20,242)</u>
Expenditures					
Economic and physical development					
Administration	10,000	6,013	3,987	10,000	-
Housing assistance	<u>60,000</u>	<u>14,542</u>	<u>26,464</u>	<u>41,006</u>	<u>18,994</u>
Total expenditures	<u>70,000</u>	<u>20,555</u>	<u>30,451</u>	<u>51,006</u>	<u>18,994</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(1,000)</u>	<u>(248)</u>	<u>(1,248)</u>	<u>(1,248)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,000)</u>	<u>(248)</u>	<u>\$ (1,248)</u>	<u>\$ (1,248)</u>
Fund Balances - Beginning of Year			<u>(1,000)</u>		
Fund Balances - End of Year			<u>\$ (1,248)</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, 2012

Community Development Block Grant Scattered Site Housing Project (07-D-2181)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 96,957	\$ -	\$ 93,373	\$ 93,373	\$ (3,584)
Total revenues	<u>96,957</u>	<u>-</u>	<u>93,373</u>	<u>93,373</u>	<u>(3,584)</u>
Expenditures					
Economic and physical development					
Administration	9,600	-	9,600	9,600	-
Rehabilitation	87,357	-	83,773	83,773	3,584
Total expenditures	<u>96,957</u>	<u>-</u>	<u>93,373</u>	<u>93,373</u>	<u>3,584</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning of Year			<u>-</u>		
Fund Balances - End of Year			<u>\$ -</u>		
Community Development Block Grant NC Tomorrow Initiative Project (11-C-2273NCT)					
Community Development Block Grant NC Tomorrow Initiative Project (11-C-2273NCT)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 50,000	\$ -	\$ -	\$ -	\$ (50,000)
Total revenues	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Expenditures					
Economic and physical development					
Administration	5,000	-	-	-	5,000
Planning	45,000	-	-	-	45,000
Total expenditures	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning of Year			<u>-</u>		
Fund Balances - End of Year			<u>\$ -</u>		
Grand Total					
Fund Balances - Beginning of Year			<u>(3,810)</u>		
Grand Total					
Fund Balances - End of Year			<u>\$ 18,712</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, 2012

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
Revenues					
Ad valorem taxes	\$ 428,033	\$ 200,601	\$ 609,298	\$ 76,903	\$ 262,755
Restricted intergovernmental revenue	-	-	-	-	-
Investment earnings	281	150	1,116	1,872	236
Total revenues	<u>428,314</u>	<u>200,751</u>	<u>610,414</u>	<u>78,775</u>	<u>262,991</u>
Expenditures					
Current					
Public safety	<u>436,028</u>	<u>206,386</u>	<u>609,069</u>	<u>209,639</u>	<u>287,937</u>
Total expenditures	<u>436,028</u>	<u>206,386</u>	<u>609,069</u>	<u>209,639</u>	<u>287,937</u>
Excess of revenue over (under) expenditures	<u>(7,714)</u>	<u>(5,635)</u>	<u>1,345</u>	<u>(130,864)</u>	<u>(24,946)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(7,714)	(5,635)	1,345	(130,864)	(24,946)
Fund Balances - Beginning of Year	<u>14,657</u>	<u>16,002</u>	<u>78,414</u>	<u>176,604</u>	<u>34,023</u>
Fund Balances - End of Year	<u>\$ 6,943</u>	<u>\$ 10,367</u>	<u>\$ 79,759</u>	<u>\$ 45,740</u>	<u>\$ 9,077</u>

(continued on page 126)

<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>
\$ 1,367,045	\$ 379,177	\$ 167,838	\$ 232,603	\$ 132,142	\$ 21,178	\$ 349,992
-	-	-	-	288,307	-	-
1,139	723	896	308	3,071	155	283
<u>1,368,184</u>	<u>379,900</u>	<u>168,734</u>	<u>232,911</u>	<u>423,520</u>	<u>21,333</u>	<u>350,275</u>
<u>1,401,958</u>	<u>476,183</u>	<u>192,829</u>	<u>232,603</u>	<u>100,251</u>	<u>21,009</u>	<u>351,316</u>
<u>1,401,958</u>	<u>476,183</u>	<u>192,829</u>	<u>232,603</u>	<u>100,251</u>	<u>21,009</u>	<u>351,316</u>
<u>(33,774)</u>	<u>(96,283)</u>	<u>(24,095)</u>	<u>308</u>	<u>323,269</u>	<u>324</u>	<u>(1,041)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(33,774)	(96,283)	(24,095)	308	323,269	324	(1,041)
<u>97,471</u>	<u>163,508</u>	<u>113,782</u>	<u>17,612</u>	<u>76,100</u>	<u>14,575</u>	<u>13,345</u>
<u>\$ 63,697</u>	<u>\$ 67,225</u>	<u>\$ 89,687</u>	<u>\$ 17,920</u>	<u>\$ 399,369</u>	<u>\$ 14,899</u>	<u>\$ 12,304</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, 2012

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
Revenues			
Ad valorem taxes	\$ 76,618	\$ 306,278	\$ 4,610,461
Restricted intergovernmental revenue	-	-	288,307
Investment earnings	403	146	10,779
Total revenues	<u>77,021</u>	<u>306,424</u>	<u>4,909,547</u>
Expenditures			
Current			
Public safety	<u>76,390</u>	<u>300,236</u>	<u>4,901,834</u>
Total expenditures	<u>76,390</u>	<u>300,236</u>	<u>4,901,834</u>
Excess of revenue over (under) expenditures	<u>631</u>	<u>6,188</u>	<u>7,713</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	631	6,188	7,713
Fund Balances - Beginning of Year	<u>36,894</u>	<u>909</u>	<u>853,896</u>
Fund Balances - End of Year	<u>\$ 37,525</u>	<u>\$ 7,097</u>	<u>\$ 861,609</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 424,883	\$ 428,033	\$ 3,150	\$ 415,068
Investment earnings	-	281	281	347
Total revenues	<u>424,883</u>	<u>428,314</u>	<u>3,431</u>	<u>415,415</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>436,028</u>	<u>436,028</u>	-	<u>431,534</u>
Total expenditures	<u>436,028</u>	<u>436,028</u>	-	<u>431,534</u>
Excess of revenues over (under) expenditures	(11,145)	(7,714)	3,431	(16,119)
Other Financing Sources (Uses)				
Fund balance appropriated	<u>11,145</u>	-	<u>(11,145)</u>	-
Total other financing sources (uses)	<u>11,145</u>	-	<u>(11,145)</u>	-
Net change in fund balance	<u>\$ -</u>	(7,714)	<u>\$ (7,714)</u>	(16,119)
Fund Balances - Beginning of Year		<u>14,657</u>		<u>30,776</u>
Fund Balances - End of Year		<u>\$ 6,943</u>		<u>\$ 14,657</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 195,793	\$ 200,601	\$ 4,808	\$ 195,710
Investment earnings	-	150	150	287
Total revenues	<u>195,793</u>	<u>200,751</u>	<u>4,958</u>	<u>195,997</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>206,386</u>	<u>206,386</u>	<u>-</u>	<u>192,066</u>
Total expenditures	<u>206,386</u>	<u>206,386</u>	<u>-</u>	<u>192,066</u>
Excess of revenues over (under) expenditures	(10,593)	(5,635)	4,958	3,931
Other Financing Sources (Uses)				
Fund balance appropriated	<u>10,593</u>	<u>-</u>	<u>(10,593)</u>	<u>-</u>
Total other financing sources (uses)	<u>10,593</u>	<u>-</u>	<u>(10,593)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(5,635)	<u>\$ (5,635)</u>	3,931
Fund Balances - Beginning of Year		<u>16,002</u>		<u>12,071</u>
Fund Balances - End of Year		<u>\$ 10,367</u>		<u>\$ 16,002</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 609,069	\$ 609,298	\$ 229	\$ 599,386
Investment earnings	-	1,116	1,116	1,818
Total revenues	<u>609,069</u>	<u>610,414</u>	<u>1,345</u>	<u>601,204</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>609,069</u>	<u>609,069</u>	-	<u>707,366</u>
Total expenditures	<u>609,069</u>	<u>609,069</u>	-	<u>707,366</u>
Excess of revenues over (under) expenditures	-	1,345	1,345	(106,162)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	1,345	<u>\$ 1,345</u>	(106,162)
Fund Balances - Beginning of Year		<u>78,414</u>		<u>184,576</u>
Fund Balances - End of Year		<u>\$ 79,759</u>		<u>\$ 78,414</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 129,991	\$ 76,903	\$ (53,088)	\$ 78,407
Investment earnings	-	1,872	1,872	1,585
Total revenues	<u>129,991</u>	<u>78,775</u>	<u>(51,216)</u>	<u>79,992</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>209,639</u>	<u>209,639</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>209,639</u>	<u>209,639</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(79,648)	(130,864)	(51,216)	79,992
Other Financing Sources (Uses)				
Fund balance appropriated	<u>79,648</u>	<u>-</u>	<u>(79,648)</u>	<u>-</u>
Total other financing sources (uses)	<u>79,648</u>	<u>-</u>	<u>(79,648)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(130,864)	<u>\$ (130,864)</u>	79,992
Fund Balances - Beginning of Year		<u>176,604</u>		<u>96,612</u>
Fund Balances - End of Year		<u>\$ 45,740</u>		<u>\$ 176,604</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 267,222	\$ 262,755	\$ (4,467)	\$ 260,837
Investment earnings	-	236	236	531
Total revenues	<u>267,222</u>	<u>262,991</u>	<u>(4,231)</u>	<u>261,368</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>292,404</u>	<u>287,937</u>	<u>4,467</u>	<u>256,949</u>
Total expenditures	<u>292,404</u>	<u>287,937</u>	<u>4,467</u>	<u>256,949</u>
Excess of revenues over (under) expenditures	(25,182)	(24,946)	236	4,419
Other Financing Sources (Uses)				
Fund balance appropriated	<u>25,182</u>	-	<u>(25,182)</u>	-
Total other financing sources (uses)	<u>25,182</u>	-	<u>(25,182)</u>	-
Net change in fund balance	<u>\$ -</u>	(24,946)	<u>\$ (24,946)</u>	4,419
Fund Balances - Beginning of Year		<u>34,023</u>		<u>29,604</u>
Fund Balances - End of Year		<u>\$ 9,077</u>		<u>\$ 34,023</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 1,351,958	\$ 1,367,045	\$ 15,087	\$ 1,353,426
Investment earnings	-	1,139	1,139	1,705
Total revenues	<u>1,351,958</u>	<u>1,368,184</u>	<u>16,226</u>	<u>1,355,131</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>1,401,958</u>	<u>1,401,958</u>	-	<u>1,366,219</u>
Total expenditures	<u>1,401,958</u>	<u>1,401,958</u>	-	<u>1,366,219</u>
Excess of revenues over (under) expenditures	(50,000)	(33,774)	16,226	(11,088)
Other Financing Sources (Uses)				
Transfer from Denver Fire District	-	-	-	-
Fund balance appropriated	<u>50,000</u>	-	<u>(50,000)</u>	-
Total other financing sources (uses)	<u>50,000</u>	-	<u>(50,000)</u>	-
Net change in fund balance	<u>\$ -</u>	(33,774)	<u>\$ (33,774)</u>	(11,088)
Fund Balances - Beginning of Year		<u>97,471</u>		<u>108,559</u>
Fund Balances - End of Year		<u>\$ 63,697</u>		<u>\$ 97,471</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 476,183	\$ 379,177	\$ (97,006)	\$ 368,513
Investment earnings	-	723	723	651
Total revenues	<u>476,183</u>	<u>379,900</u>	<u>(96,283)</u>	<u>369,164</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>476,183</u>	<u>476,183</u>	<u>-</u>	<u>299,230</u>
Total expenditures	<u>476,183</u>	<u>476,183</u>	<u>-</u>	<u>299,230</u>
Excess of revenues over (under) expenditures	-	(96,283)	(96,283)	69,934
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>(96,283)</u>	<u>\$ (96,283)</u>	69,934
Fund Balances - Beginning of Year		<u>163,508</u>		<u>93,574</u>
Fund Balances - End of Year		<u>\$ 67,225</u>		<u>\$ 163,508</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 166,299	\$ 167,838	\$ 1,539	\$ 163,116
Investment earnings	-	896	896	1,160
Total revenues	<u>166,299</u>	<u>168,734</u>	<u>2,435</u>	<u>164,276</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>192,829</u>	<u>192,829</u>	-	<u>137,261</u>
Total expenditures	<u>192,829</u>	<u>192,829</u>	-	<u>137,261</u>
Excess of revenues over (under) expenditures	(26,530)	(24,095)	2,435	27,015
Other Financing Sources (Uses)				
Fund balance appropriated	<u>26,530</u>	-	<u>(26,530)</u>	-
Total other financing sources (uses)	<u>26,530</u>	-	<u>(26,530)</u>	-
Net change in fund balance	<u>\$ -</u>	(24,095)	<u>\$ (24,095)</u>	27,015
Fund Balances - Beginning of Year		<u>113,782</u>		<u>86,767</u>
Fund Balances - End of Year		<u>\$ 89,687</u>		<u>\$ 113,782</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2010

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 233,509	\$ 232,603	\$ (906)	\$ 223,771
Investment earnings	-	308	308	299
Total revenues	<u>233,509</u>	<u>232,911</u>	<u>(598)</u>	<u>224,070</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>233,509</u>	<u>232,603</u>	<u>906</u>	<u>218,656</u>
Total expenditures	<u>233,509</u>	<u>232,603</u>	<u>906</u>	<u>218,656</u>
Excess of revenues over (under) expenditures	-	308	308	5,414
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	308	<u>\$ 308</u>	5,414
Fund Balances - Beginning of Year		<u>17,612</u>		<u>12,198</u>
Fund Balances - End of Year		<u>\$ 17,920</u>		<u>\$ 17,612</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 130,251	\$ 132,142	\$ 1,891	\$ 128,698
Restricted intergovernmental revenue				
Town of Catawba	-	288,307	288,307	-
Investment earnings	-	3,071	3,071	829
Total revenues	<u>130,251</u>	<u>423,520</u>	<u>293,269</u>	<u>129,527</u>
Expenditures				
Public safety				
Transmitted to fire department	130,251	100,251	30,000	137,362
Total expenditures	<u>130,251</u>	<u>100,251</u>	<u>30,000</u>	<u>137,362</u>
Excess of revenues over (under) expenditures	-	323,269	323,269	(7,835)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	323,269	<u>\$ 323,269</u>	(7,835)
Fund Balances - Beginning of Year		<u>76,100</u>		<u>83,935</u>
Fund Balances - End of Year		<u>\$ 399,369</u>		<u>\$ 76,100</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 21,009	\$ 21,178	\$ 169	\$ 22,260
Investment earnings	-	155	155	174
Total revenues	<u>21,009</u>	<u>21,333</u>	<u>324</u>	<u>22,434</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>21,009</u>	<u>21,009</u>	-	<u>21,693</u>
Total expenditures	<u>21,009</u>	<u>21,009</u>	-	<u>21,693</u>
Excess of revenues over (under) expenditures	-	324	324	741
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	324	<u>\$ 324</u>	741
Fund Balances - Beginning of Year		<u>14,575</u>		<u>13,834</u>
Fund Balances - End of Year		<u>\$ 14,899</u>		<u>\$ 14,575</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 347,191	\$ 349,992	\$ 2,801	\$ 343,897
Investment earnings	-	283	283	304
Total revenues	<u>347,191</u>	<u>350,275</u>	<u>3,084</u>	<u>344,201</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>351,316</u>	<u>351,316</u>	-	<u>335,674</u>
Total expenditures	<u>351,316</u>	<u>351,316</u>	-	<u>335,674</u>
Excess of revenues over (under) expenditures	(4,125)	(1,041)	3,084	8,527
Other Financing Sources (Uses)				
Fund balance appropriated	<u>4,125</u>	-	<u>(4,125)</u>	-
Total other financing sources (uses)	<u>4,125</u>	-	<u>(4,125)</u>	-
Net change in fund balance	<u>\$ -</u>	(1,041)	<u>\$ (1,041)</u>	8,527
Fund Balances - Beginning of Year		<u>13,345</u>		<u>4,818</u>
Fund Balances - End of Year		<u>\$ 12,304</u>		<u>\$ 13,345</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 76,390	\$ 76,618	\$ 228	\$ 74,208
Investment earnings	-	403	403	449
Total revenues	<u>76,390</u>	<u>77,021</u>	<u>631</u>	<u>74,657</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>76,390</u>	<u>76,390</u>	-	<u>72,697</u>
Total expenditures	<u>76,390</u>	<u>76,390</u>	-	<u>72,697</u>
Excess of revenues over (under) expenditures	-	631	631	1,960
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	631	<u>\$ 631</u>	1,960
Fund Balances - Beginning of Year		<u>36,894</u>		<u>34,934</u>
Fund Balances - End of Year		<u>\$ 37,525</u>		<u>\$ 36,894</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 300,236	\$ 306,278	\$ 6,042	\$ 294,102
Investment earnings	-	146	146	-
Total revenues	<u>300,236</u>	<u>306,424</u>	<u>6,188</u>	<u>294,102</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>300,236</u>	<u>300,236</u>	-	<u>306,202</u>
Total expenditures	<u>300,236</u>	<u>300,236</u>	-	<u>306,202</u>
Excess of revenues over (under) expenditures	-	6,188	6,188	(12,100)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	6,188	<u>\$ 6,188</u>	(12,100)
Fund Balances - Beginning of Year		<u>909</u>		<u>13,009</u>
Fund Balances - End of Year		<u>\$ 7,097</u>		<u>\$ 909</u>

Capital Projects Funds

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

Non Major Funds

School Capital Projects Fund -

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

School 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.

Hospital Capital Reserve Fund -

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

Major Funds

General Capital Projects Fund -

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

CATAWBA COUNTY, NORTH CAROLINA
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2012

	<u>School Capital Fund</u>	<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>
Assets					
Cash and investments	\$ 9,692,812	\$ 2,979,715	\$ 69,385	\$ 5,424,925	\$ 18,166,837
Due from other governments	1,201,963	2,395,362	-	-	3,597,325
Other receivables	-	-	-	-	-
Interest receivables	16,592	3,410	121	9,486	29,609
Restricted cash and investments	-	4,316,249	-	-	4,316,249
Total assets	<u>10,911,367</u>	<u>9,694,736</u>	<u>69,506</u>	<u>5,434,411</u>	<u>26,110,020</u>
Liabilities					
Accounts payable and accrued liabilities	168,121	235,297	-	-	403,418
Liabilities to be paid from restricted assets	-	928,976	-	-	928,976
Total liabilities	<u>168,121</u>	<u>1,164,273</u>	<u>-</u>	<u>-</u>	<u>1,332,394</u>
Fund Balance					
Restricted					
Stabilization by State Statute	1,218,555	2,398,772	121	9,486	3,626,934
School Construction	-	4,316,249	-	-	4,316,249
Hospital Capital	-	-	-	5,401,200	5,401,200
Committed					
School Capital	9,524,691	-	69,385	-	9,594,076
School Construction	-	1,815,442	-	-	1,815,442
Hospital Construction	-	-	-	23,725	23,725
Unassigned	-	-	-	-	-
Total fund balances	<u>10,743,246</u>	<u>8,530,463</u>	<u>69,506</u>	<u>5,434,411</u>	<u>24,777,626</u>
Total liabilities and fund balances	<u>\$ 10,911,367</u>	<u>\$ 9,694,736</u>	<u>\$ 69,506</u>	<u>\$ 5,434,411</u>	<u>\$ 26,110,020</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, 2012

	<u>School Capital Fund</u>	<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>
Revenues					
Other taxes	\$ 4,385,064	\$ -	\$ -	\$ -	\$ 4,385,064
Restricted intergovernmental revenues	214,232	-	-	-	214,232
Investment earnings	85,982	34,524	669	52,315	173,490
Miscellaneous	31,952	-	-	-	31,952
Total revenues	<u>4,717,230</u>	<u>34,524</u>	<u>669</u>	<u>52,315</u>	<u>4,804,738</u>
Expenditures					
Capital outlay	3,963,147	13,913,348	-	-	17,876,495
Total expenditures	<u>3,963,147</u>	<u>13,913,348</u>	<u>-</u>	<u>-</u>	<u>17,876,495</u>
Excess of revenues over (under) expenditures	<u>754,083</u>	<u>(13,878,824)</u>	<u>669</u>	<u>52,315</u>	<u>(13,071,757)</u>
Other Financing Sources (Uses)					
Transfers to other funds	-	(6,612)	-	-	(6,612)
Total other financing sources (uses)	<u>-</u>	<u>(6,612)</u>	<u>-</u>	<u>-</u>	<u>(6,612)</u>
Net change in fund balance	754,083	(13,885,436)	669	52,315	(13,078,369)
Fund Balances - Beginning of Year	<u>9,989,163</u>	<u>22,415,899</u>	<u>68,837</u>	<u>5,382,096</u>	<u>37,855,995</u>
Fund Balances - End of Year	<u>\$ 10,743,246</u>	<u>\$ 8,530,463</u>	<u>\$ 69,506</u>	<u>\$ 5,434,411</u>	<u>\$ 24,777,626</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, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other taxes					
Sales Taxes-Article 40 and 42	9,638,768	12,835,383	4,385,064	17,220,447	7,581,679
Restricted intergovernmental revenues					
Public School Building Lottery Fund	1,513,904	182,029	214,232	396,261	(1,117,643)
Investment earnings	7,419,273	3,496,728	85,982	3,582,710	(3,836,563)
Miscellaneous					
Partnership for Children	30,000	30,000	31,952	61,952	31,952
Total revenues	<u>18,601,945</u>	<u>16,544,140</u>	<u>4,717,230</u>	<u>21,261,370</u>	<u>2,659,425</u>
Expenditures					
Capital outlay					
Catawba County Schools					
American with Disabilities Act Renovations	675,000	665,651	3,215	668,866	6,134
Arndt Middle School Addition	125,000	68,474	55,438	123,912	1,088
Arndt Middle School Roofing	130,000	87,383	-	87,383	42,617
Bandys High School Gym Lobby Roofing	25,000	3,111	10,868	13,979	11,021
Bunker Hill High School Guidance Area	50,000	13,162	5,475	18,637	31,363
Capital Projects Manager	33,092	-	33,092	33,092	-
Catawba Elementary School Boiler	100,000	99,134	-	99,134	866
Dump Truck	50,000	49,500	-	49,500	500
Energy Management/Gym Lighting	64,000	63,014	-	63,014	986
Fred T Foard High School Tennis Courts	115,200	-	111,663	111,663	3,537
HVAC Controls System Upgrade	439,990	193,390	154,812	348,202	91,788
HVAC Equipment Upgrade	75,000	-	75,000	75,000	-
Maiden Middle Chiller Replacements	100,000	73,862	10,812	84,674	15,326
Per Capita Allocation	898,456	-	898,456	898,456	-
Propst Crossroads School Land	500,000	-	-	-	500,000
Roofing Projects	1,364,432	1,106,645	35,727	1,142,372	222,060
Sherrills Ford Lyle Creek Heating	80,000	73,844	-	73,844	6,156
Sherrills Ford Wastewater	40,000	35,068	2,100	37,168	2,832
Startown Elementary Window Replacement	20,000	-	-	-	20,000
Storage Facility	149,555	116,559	32,996	149,555	-
St. Stephens High School Bleachers	1,900,000	-	35,000	35,000	1,865,000
St. Stephens High School HVAC Piping	385,000	-	12,671	12,671	372,329
Sweetwater Early Childhood Center	159,000	61,952	-	61,952	97,048
Transportation Office	55,245	-	51,729	51,729	3,516
Webb Murray Elementary Computers	110,000	-	34,166	34,166	75,834
Webb Murray Elementary Renovation Planning	20,000	12,786	505	13,291	6,709
Window Replacements	61,000	22,738	-	22,738	38,262
Total Catawba County Schools	<u>7,724,970</u>	<u>2,746,273</u>	<u>1,563,725</u>	<u>4,309,998</u>	<u>3,414,972</u>
Catawba County Community College					
Administration Building HVAC	200,000	-	200,000	200,000	-
Bookstore Renovation	150,000	20,535	30,405	50,940	99,060
Center for Emerging Manufacturing Solutions	425,838	88,759	59,233	147,992	277,846
Cooling Tower	87,448	37,448	50,000	87,448	-
Energy Management	75,000	-	28,994	28,994	46,006
Engineering Building Air Conditioning	75,000	-	75,000	75,000	-
General Renovations	1,994,706	1,860,720	133,986	1,994,706	-
HVAC Replacement	245,000	135,535	109,465	245,000	-
Truck	16,014	-	16,014	16,014	-
Total Catawba Valley Community College	<u>3,269,006</u>	<u>2,142,997</u>	<u>703,097</u>	<u>2,846,094</u>	<u>422,912</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, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
Energy Management	140,000	-	140,000	140,000	-
Grandview/Longview Renovation	2,985	-	2,985	2,985	-
Hickory Career Magnet School	290,000	281,569	45	281,614	8,386
Hickory Career Magnet School Air Conditioning	400,000	-	-	-	400,000
Hickory High School Sinkhole	40,926	-	22,736	22,736	18,190
Jenkins Elementary Boiler	65,000	-	-	-	65,000
Longview Elementary Roofing	134,000	696	110,028	110,724	23,276
Mobile Units Replace Ramps	9,074	-	9,074	9,074	-
Per Capita Allocation	223,444	-	223,444	223,444	-
School Buses	85,000	-	-	-	85,000
Southwest Elementary Roof	328,972	327,495	-	327,495	1,477
Total Hickory Public Schools	<u>1,719,401</u>	<u>609,760</u>	<u>508,312</u>	<u>1,118,072</u>	<u>601,329</u>
Newton-Conover City Schools					
Activity Buses	92,000	-	84,818	84,818	7,182
Americans with Disabilities Act	80,000	79,426	-	79,426	574
Asbestos Removal	66,869	33,543	23,960	57,503	9,366
Capital Projects Manager	37,789	-	33,517	33,517	4,272
Conover School Roofing	325,000	-	271,758	271,758	53,242
Newton-Conover High School Gas Packs	36,000	25,150	-	25,150	10,850
Newton-Conover High School N Ashe Paving	150,000	-	132,337	132,337	17,663
NC Middle School to Elementary	826,806	150,786	466,918	617,704	209,102
NC Middle School Gym Renovation	60,000	-	-	-	60,000
Per Capita Allocation	152,932	-	152,932	152,932	-
Roofing Projects	807,272	715,792	21,773	737,565	69,707
Summit System	70,000	51,250	-	51,250	18,750
Total Newton-Conover City Schools	<u>2,704,668</u>	<u>1,055,947</u>	<u>1,188,013</u>	<u>2,243,960</u>	<u>460,708</u>
Future Unspecified Projects	<u>3,183,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183,900</u>
Total expenditures	<u>18,601,945</u>	<u>6,554,977</u>	<u>3,963,147</u>	<u>10,518,124</u>	<u>8,083,821</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>9,989,163</u>	<u>754,083</u>	<u>10,743,246</u>	<u>10,743,246</u>
Other Financing Sources (Uses)					
Transfers from					
Transfers to					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,989,163</u>	<u>754,083</u>	<u>\$ 10,743,246</u>	<u>\$ 10,743,246</u>
Fund Balances - Beginning of Year			<u>9,989,163</u>		
Fund Balances - End of Year			<u>\$ 10,743,246</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, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Public School Building Lottery Fund	\$ 938,232	\$ 3,316,596	\$ -	\$ 3,316,596	\$ 2,378,364
Investment earnings	2,827,600	2,214,847	34,524	2,249,371	(578,229)
Total revenues	<u>3,765,832</u>	<u>5,531,443</u>	<u>34,524</u>	<u>5,565,967</u>	<u>1,800,135</u>
Expenditures					
Catawba County Schools					
Arndt Middle School Renovation	5,150,000	4,866,878	282,697	5,149,575	425
Fred T Foard High School Renovation	4,763,000	4,762,508	-	4,762,508	492
Snow Creek Elementary	11,688,704	11,607,806	33,684	11,641,490	47,214
St. Stephens High School Cafeteria/Kitchen	1,709,992	871,219	838,773	1,709,992	-
Webb Murray Elementary Renovation	5,776,800	2,069,049	2,963,246	5,032,295	744,505
Total Catawba County Schools	<u>29,088,496</u>	<u>24,177,460</u>	<u>4,118,400</u>	<u>28,295,860</u>	<u>792,636</u>
Catawba Valley Community College					
Campus Renovation	1,500,000	-	-	-	1,500,000
East Campus Renovation	2,261,859	1,086,430	117,129	1,203,559	1,058,300
Student Services Center	3,071,440	2,973,771	51,229	3,025,000	46,440
Total Catawba Valley Community College	<u>6,833,299</u>	<u>4,060,201</u>	<u>168,358</u>	<u>4,228,559</u>	<u>2,604,740</u>
Hickory Public Schools					
Hickory Career Arts Magnet Renovation	1,631,440	-	1,628,547	1,628,547	2,893
Total Hickory Public Schools	<u>1,631,440</u>	<u>-</u>	<u>1,628,547</u>	<u>1,628,547</u>	<u>2,893</u>
Newton-Conover City Schools					
Newton-Conover Middle School Construction	20,800,000	11,208,325	7,586,521	18,794,846	2,005,154
South Newton Elementary	411,522	-	411,522	411,522	-
Total Newton-Conover City Schools	<u>21,211,522</u>	<u>11,208,325</u>	<u>7,998,043</u>	<u>19,206,368</u>	<u>2,005,154</u>
Other					
Future Projects	438,478	-	-	-	438,478
Future Debt Service	4,024,427	-	-	-	4,024,427
Total Other	<u>4,462,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,462,905</u>
Total expenditures	<u>63,227,662</u>	<u>39,445,986</u>	<u>13,913,348</u>	<u>53,359,334</u>	<u>9,868,328</u>
Excess of revenues over (under) expenditures	<u>(59,461,830)</u>	<u>(33,914,543)</u>	<u>(13,878,824)</u>	<u>(47,793,367)</u>	<u>11,668,463</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, 2012

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Other Financing Sources (Uses)					
Transfers from					
School Capital Fund	1,011,377	1,011,377	-	1,011,377	-
Transfers to					
General Fund	(6,612)	-	(6,612)	(6,612)	-
Qualified School Construction Bonds 2011	6,300,000	6,300,000	-	6,300,000	-
Qualified School Construction Bonds 2010	21,508,553	21,508,553	-	21,508,553	-
Build America Bonds 2010	8,691,447	8,691,447	-	8,691,447	-
Installment Purchase Obligations Issued 2012	3,000,000	-	-	-	(3,000,000)
Installment Purchase Obligations Issued 2009	16,750,000	16,750,000	-	16,750,000	-
Installment Purchase Obligations Issued 2008	2,207,065	2,069,065	-	2,069,065	(138,000)
Total other financing sources (uses)	<u>59,461,830</u>	<u>56,330,442</u>	<u>(6,612)</u>	<u>56,323,830</u>	<u>(3,138,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 22,415,899</u>	<u>(13,885,436)</u>	<u>\$ 8,530,463</u>	<u>\$ 8,530,463</u>
Fund Balances - Beginning of Year			<u>22,415,899</u>		
Fund Balances - End of Year			<u>\$ 8,530,463</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, 2012

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues					
Investment earnings	\$ -	\$ 68,837	\$ 669	\$ 69,506	\$ 69,506
Expenditures					
Capital Outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	-	68,837	669	69,506	69,506
Net change in fund balance	\$ -	\$ 68,837	669	\$ 69,506	\$ 69,506
Fund Balances - Beginning of Year			68,837		
Fund Balances - End of Year			\$ 69,506		

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, 2012

	Project Authorization	Actual			Over/ Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 23,537	\$ 229	\$ 23,766	\$ 23,766
Expenditures					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	23,537	229	23,766	23,766
Net change in fund balance	\$ -	\$ 23,537	229	\$ 23,766	\$ 23,766
Fund Balances - Beginning of Year			23,537		
Fund Balances - End of Year			23,766		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statement due to consolidation of the Hospital Capital Reserve Fund:					
Investment Earnings			52,086		
Fund Balance - Beginning (Hospital Capital Reserve Fund)			5,358,559		
Fund Balance - Ending (Consolidated Hospital Construction Fund)			\$ 5,434,411		

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, 2012
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 52,086	\$ 52,086	\$ 59,308
Total revenues	<u>-</u>	<u>52,086</u>	<u>52,086</u>	<u>59,308</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>52,086</u>	<u>52,086</u>	<u>59,308</u>
Other Financing Sources (Uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>52,086</u>	<u>\$ 52,086</u>	<u>59,308</u>
Fund Balances - Beginning of Year		<u>5,358,559</u>		<u>5,299,251</u>
Fund Balances - End of Year		<u>\$ 5,410,645</u>		<u>\$ 5,358,559</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, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	\$ 10,292,996	\$ 7,474,749	\$ 2,615,001	\$ 10,089,750	\$ (203,246)
Restricted intergovernmental revenues					
Geospatial grant	-	12,118	-	12,118	12,118
Governor's Crime Commission	121,624	114,281	-	114,281	(7,343)
Municipalities Grants	53,020	45,885	-	45,885	(7,135)
NC Department of Natural Resources Clean					
Water Management Trust - CWMTF 2008-006	2,060,272	2,060,272	-	2,060,272	-
Parks and Recreation grant	125,000	125,000	-	125,000	-
Investment earnings	4,010,738	6,122,477	232,618	6,355,095	2,344,357
Miscellaneous					
Animal Shelter	-	7,220	546	7,766	7,766
Duke Energy	1,119,588	1,119,588	-	1,119,588	-
Miscellaneous	298,136	154,213	-	154,213	(143,923)
Rental - Jail Beds	1,225,000	1,373,400	642,831	2,016,231	791,231
Rental - Lifeskills	179,892	156,600	68,544	225,144	45,252
Rental - Mental Health	816,174	766,233	-	766,233	(49,941)
Total revenues	20,302,440	19,532,036	3,559,540	23,091,576	2,789,136
Expenditures					
Capital outlay					
Animal Shelter - Debt	187,500	-	-	-	187,500
Animal Shelter - HVAC	133,500	130,200	-	130,200	3,300
Animal Shelter Renovation	3,500,000	43,320	160,826	204,146	3,295,854
Bandys EMS Addition	321,520	-	-	-	321,520
Dental Clinic	403,400	119,840	282,541	402,381	1,019
Employment Security Commission Building	150,000	24,463	15,608	40,071	109,929
Future EMS Base	236,000	-	-	-	236,000
Future Unspecified Projects	331,465	-	-	-	331,465
General Renovations	1,053,202	938,040	113,667	1,051,707	1,495
GIS Remapping	125,000	114,474	-	114,474	10,526
Imaging System	60,000	53,934	4,435	58,369	1,631
Jail Expansion	18,544,980	17,852,964	2,424	17,855,388	689,592
Jail Expansion - Federal Beds	550,000	-	-	-	550,000
Justice Center Expansion/Public Safety	39,430,225	784,921	614,381	1,399,302	38,030,923
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	69,928	-	-	-	69,928
Microsoft Software Licensing	1,265,000	974,107	248,885	1,222,992	42,008
Microwave Link - Anderson Mountain	40,000	-	35,339	35,339	4,661
Mobile Field Applications	391,000	390,172	-	390,172	828
Mobile Workforce	100,000	47,220	42,173	89,393	10,607
Mountain Creek Park	3,629,860	3,351,603	950	3,352,553	277,307
Multi-jurisdictional Park	468,755	-	-	-	468,755
PeopleSoft Financials Project	298,702	298,513	-	298,513	189
PeopleSoft Replacement	101,115	50,554	50,554	101,108	7
Permitting/Inspections System	750,000	669,488	53,378	722,866	27,134
Pictometry Flyover	95,000	94,800	-	94,800	200
Public Health Billing Software	110,000	61,668	13,215	74,883	35,117
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	21,092	1,097,522	17,382

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, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
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	2,275,000	8,325	41,150	49,475	2,225,525
Snow Creek Park Gardens	210,000	208,642	-	208,642	1,358
Tax Software	705,000	315,000	344,635	659,635	45,365
Technology Infrastructure Upgrades	1,768,100	804,119	828,065	1,632,184	135,916
Viper 800mhz System	378,764	300,345	60,340	360,685	18,079
Voting Equipment	1,124,000	1,112,689	-	1,112,689	11,311
Total expenditures	<u>82,741,064</u>	<u>31,144,384</u>	<u>2,933,658</u>	<u>34,078,042</u>	<u>48,663,022</u>
Excess of revenues over (under) expenditures	<u>(62,438,624)</u>	<u>(11,612,348)</u>	<u>625,882</u>	<u>(10,986,466)</u>	<u>51,452,158</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	16,561,396	15,212,896	1,348,500	16,561,396	-
General Capital Reserve Fund	225,156	225,156	-	225,156	-
Emergency Telephone Fund Transfer	2,957,890	2,877,627	80,263	2,957,890	-
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	27,362,500	-	650,000	650,000	(26,712,500)
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>62,438,624</u>	<u>33,755,239</u>	<u>2,078,763</u>	<u>35,834,002</u>	<u>(26,604,622)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 22,142,891</u>	<u>2,704,645</u>	<u>\$ 24,847,536</u>	<u>\$ 24,847,536</u>
Fund Balances - Beginning of Year			<u>22,142,891</u>		
Fund Balances - End of Year			<u>\$ 24,847,536</u>		



Enterprise Fund
(Proprietary Fund Type)

To account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Solid Waste Management Fund -

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

Solid Waste Management Construction Fund -

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

Water and Sewer Fund -

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

Water and Sewer Construction Fund -

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

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Fund
Schedule of Revenues, Expenditures and Changes in Net Assets - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	2012			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 4,045,767	\$ 4,152,265		
Methane recovery	628,000	634,472		
Other operating	112,200	61,821		
Total operating revenues	<u>4,785,967</u>	<u>4,848,558</u>	<u>62,591</u>	<u>4,492,208</u>
Nonoperating revenues				
Investment earnings	-	167,048		
Tire disposal tax	130,000	189,994		
Solid waste disposal tax	69,265	68,558		
White goods disposal tax	50,000	48,325		
Scrap tire grant	65,000	34,909		
Electronics management distribution	4,000	12,049		
Proceeds from sale of equipment	-	44,446		
Miscellaneous	5,800	9,008		
Total nonoperating revenues	<u>324,065</u>	<u>574,337</u>	<u>250,272</u>	<u>539,671</u>
Total revenues	<u>5,110,032</u>	<u>5,422,895</u>	<u>312,863</u>	<u>5,031,879</u>
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	225,650	224,048		
Other operating	299,376	287,658	-	-
	<u>525,026</u>	<u>511,706</u>	<u>13,320</u>	<u>496,723</u>
Recycling				
Other operating	153,940	127,702		
	<u>153,940</u>	<u>127,702</u>	<u>26,238</u>	<u>38,270</u>
Solid Waste Management Improvements				
Other operating	437,829	330,894		
	<u>437,829</u>	<u>330,894</u>	<u>106,935</u>	<u>171,151</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	78,229	68,860		
Other operating	51,226	15,378		
	<u>129,455</u>	<u>84,238</u>	<u>45,217</u>	<u>66,702</u>
Biodiesel and Freon Recovery				
Other operating	45,900	38,291		
	<u>45,900</u>	<u>38,291</u>	<u>7,609</u>	<u>23,215</u>
Sanitary Landfill				
Salaries & employee benefits	1,119,619	1,111,017		
Other operating	1,750,813	1,353,791		
	<u>2,870,432</u>	<u>2,464,808</u>	<u>405,624</u>	<u>2,542,141</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Convenience Centers				
Other operating	352,336	337,177		
	<u>352,336</u>	<u>337,177</u>	15,159	<u>332,507</u>
Household Hazardous Waste				
Other operating	-	-		
	<u>-</u>	<u>-</u>	-	<u>77,224</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	108,814	114,748		
Other operating	569,033	501,554		
	<u>677,847</u>	<u>616,302</u>	61,545	<u>615,163</u>
Total operating expenditures	<u>5,192,765</u>	<u>4,511,118</u>	681,647	<u>4,363,096</u>
Capital outlay	<u>903,954</u>	<u>299,990</u>	603,964	<u>1,551,996</u>
Total expenditures	<u>6,096,719</u>	<u>4,811,108</u>	1,285,611	<u>5,915,092</u>
Excess of revenues over (under) expenditures	<u>(986,687)</u>	<u>611,787</u>	1,598,474	<u>(883,213)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>986,687</u>	-	(986,687)	
Total other financing sources (uses)	<u>986,687</u>	-	(986,687)	-
Change in net assets	<u>\$ -</u>	<u>\$ 611,787</u>	<u>\$ 611,787</u>	<u>\$ (883,213)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Change in net assets		<u>\$ 611,787</u>		
Reconciling items				
Capital outlay		299,990		
Depreciation		(987,416)		
(Increase) decrease in accrued landfill closure and postclosure care		(302,136)		
(Increase) decrease in compensated absences		3,068		
Revenues from capital projects		802,587		
Capital contribution		<u>159,165</u>		
Total reconciling items		<u>(24,742)</u>		
Change in net assets (Exhibit 7) (full accrual)		<u>\$ 587,045</u>		

CATAWBA COUNTY, NORTH CAROLINA
Solid Waste Management Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
North Carolina Biofuels Grant	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Landfill user fees	1,918,377	1,115,790	802,587	1,918,377	-
Investment earnings	-	-	5,803	5,803	5,803
Total revenues	<u>1,933,377</u>	<u>1,115,790</u>	<u>808,390</u>	<u>1,924,180</u>	<u>(9,197)</u>
Expenditures					
Capital outlay					
Crop Processing Facility	980,790	11,483	929,411	940,894	39,896
EcoComplex Facility	500,000	103,542	103,957	207,499	292,501
Heat Exchange Facility	75,000	-	11,470	11,470	63,530
Subtitile D Cell Construction	277,587	-	-	-	277,587
Wood Gasification Facility	100,000	-	11,705	11,705	88,295
Total expenditures	<u>1,933,377</u>	<u>115,025</u>	<u>1,056,543</u>	<u>1,171,568</u>	<u>761,809</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,000,765</u>	<u>(248,153)</u>	<u>752,612</u>	<u>752,612</u>
Other Financing Sources (Uses)					
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,000,765</u>	<u>\$ (248,153)</u>	<u>\$ 752,612</u>	<u>\$ 752,612</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, 2012
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2011

	<u>2012</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating revenues				
Municipality revenue	322,776	400,759		
Investment earnings	-	115,688		
Total nonoperating revenues	<u>322,776</u>	<u>516,447</u>	<u>193,671</u>	<u>615,348</u>
Total revenues	<u>322,776</u>	<u>516,447</u>	<u>193,671</u>	<u>615,348</u>
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	78,054	81,968		
Other operating	251,566	123,847		
Principal	6,617,747	6,679,666		
Interest	323,390	274,433		
Capital outlay	-	-		
Total expenditures	<u>7,270,757</u>	<u>7,159,914</u>	<u>(110,843)</u>	<u>791,398</u>
Excess of revenues over (under) expenditures	<u>(6,947,981)</u>	<u>(6,643,467)</u>	<u>304,514</u>	<u>(176,050)</u>
Other Financing Sources (Uses)				
Limited Obligation bonds	6,119,634	6,119,634		
Premium on Installment Purchase Refunding	226,093	226,093		
Fund balance appropriated	602,254	-		
Total other financing sources (uses)	<u>6,947,981</u>	<u>6,345,727</u>	<u>(602,254)</u>	<u>1,915,778</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (297,740)</u>	<u>\$ (297,740)</u>	<u>\$ 1,739,728</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Net change in fund balance		<u>\$ (297,740)</u>		
Reconciling items				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (297,740)		
Depreciation		(271,723)		
Loan principal (excluding refunding)		396,769		
Revenues from capital projects		3,673,096		
Project expenditures not capitalized		<u>(1,773,565)</u>		
Change in net assets		<u>\$ 1,726,837</u>		

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	\$ 1,298,984	\$ -	\$ 1,278,262	\$ 1,278,262	\$ (20,722)
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	1,500,000	1,425,000	75,000	1,500,000	-
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 (09-C-2023)	150,000	118,250	-	118,250	(31,750)
Royal Heights Water (09-C-2018)	308,500	136,211	5,448	141,659	(166,841)
State Clean Water Grant (E-SRG-T-02-0139)	600,000	-	1,127,024	1,127,024	527,024
Municipal Revenue	82,224	-	82,224	82,224	-
Investment earnings	802,974	1,330,809	204,311	1,535,120	732,146
Miscellaneous					
Capital fees	124,529	43,029	24,250	67,279	(57,250)
Cardinal estates	32,193	-	29,918	29,918	(2,275)
Domestic Haulers	80,104	75,358	71,659	147,017	66,913
Sherrills Ford Development Water Project	35,462	-	-	-	(35,462)
Total revenues	5,055,878	3,128,657	2,898,096	6,026,753	970,875
Expenditures					
Capital outlay					
Blackburn Elementary Water	580,000	-	-	-	580,000
Blackburn/Plateau Water	3,780,600	3,092,184	10,104	3,102,288	678,312
Cardinal Estates Water	72,440	2,903	69,403	72,306	134
Community Development Block Grants (CDBG)					
Advents Crossroads Waterline	9,097	-	-	-	9,097
Infrastructure Water Hookup - 2005	28,290	11,000	-	11,000	17,290
Infrastructure Water Hookup - 2010	150,000	117,748	502	118,250	31,750
Royal Heights Water	330,000	136,478	18,784	155,262	174,738
Community Road Water	300,000	-	-	-	300,000
State Clean Water Grants					
Bunker Hill Sewer (E-SRG-T-02-0139)	2,768,734	261,221	1,097,060	1,358,281	1,410,453
EcoComplex Utilities	75,000	-	-	-	75,000
EPA Stormwater Phase II	150,000	-	-	-	150,000
Future Water & Sewer Projects	2,994,212	-	-	-	2,994,212
Heatherbrook Subdivision Water	325,000	155,938	-	155,938	169,062
Hwy 16 North Water	370,000	-	-	-	370,000
Hwy 150 Water Service	34,951	-	-	-	34,951
Hwy 150 Sewer Service	9,660,000	42,846	71,263	114,109	9,545,891
Hwy 150 Sewer Service Phase I and II	1,205,000	-	-	-	1,205,000
Leeland Terrace Subdivision Water	213,226	87,726	-	87,726	125,500
Mountain View Elementary Water	30,000	-	-	-	30,000
NDPES Testing and Removal	191,514	14,730	-	14,730	176,784
Newton Pass Through	15,000	-	-	-	15,000
Regional Biosolids Facility	1,669,367	701,805	159,165	860,970	808,397
Regional Water Supply Study	50,000	-	-	-	50,000
Rocky Ford/Startown Water	1,240,000	6,780	42,110	48,890	1,191,110
Sherrills Ford/Terrell Water	12,141	-	-	-	12,141

CATAWBA COUNTY, NORTH CAROLINA
Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2012

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Sludge Composting Project	1,868,246	876,184	447,435	1,323,619	544,627
Southeastern Catawba County Wastewater	6,810,573	6,443,148	65,990	6,509,138	301,435
Southeastern Catawba County Water Supply Loop	6,666,236	4,567,989	25,643	4,593,632	2,072,604
Stormwater Layers Flyover	99,930	-	-	-	99,930
Wastewater Treatment Plant-Hickory/Catawba	4,000,000	-	-	-	4,000,000
Total expenditures	45,699,557	16,518,680	2,007,459	18,526,139	27,173,418
Excess of revenues over (under) expenditures	(40,643,679)	(13,390,023)	890,637	(12,499,386)	28,144,293
Other Financing Sources (Uses)					
Transfers from (to)					
General Fund	2,421,195	1,646,195	775,000	2,421,195	-
General Fund	(1,237,224)	-	-	-	1,237,224
Water and Sewer Construction Fund - Governmental	24,299,708	30,427,414	-	30,427,414	6,127,706
Revolving Loan Obligations Issued	1,500,000	1,425,000	75,000	1,500,000	-
Installment Purchase Obligations Issued 2010	13,660,000	-	-	-	(13,660,000)
Total other financing sources (uses)	40,643,679	33,498,609	850,000	34,348,609	(6,295,070)
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 20,108,586</u>	<u>\$ 1,740,637</u>	<u>\$ 21,849,223</u>	<u>\$ 21,849,223</u>



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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, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
Social Services Fund				
Assets				
Cash and investments	\$ 48,679	\$ 370,757	\$ 356,387	\$ 63,049
Liabilities				
Miscellaneous liabilities	\$ 48,679	\$ 370,757	\$ 356,387	\$ 63,049
Sheriff Commissary Fund				
Assets				
Cash and investments	\$ 44,568	\$ 270,618	\$ 275,176	\$ 40,010
Liabilities				
Miscellaneous liabilities	\$ 44,568	\$ 270,618	\$ 275,176	\$ 40,010
Delinquent Motor Vehicle Fund				
Assets				
Cash and investments	\$ 5,093	\$ 66,644	\$ 66,735	\$ 5,002
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 5,093	\$ 66,644	\$ 66,735	\$ 5,002
Deed of Trust Fee Fund				
Assets				
Cash and investments	\$ 1,880	\$ 82,760	\$ 75,482	\$ 9,157
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 1,880	\$ 82,760	\$ 75,482	\$ 9,157
Total - All Agency Funds				
Assets				
Cash and investments	\$ 100,220	\$ 708,019	\$ 698,298	\$ 117,218
Liabilities				
Miscellaneous liabilities	\$ 100,220	\$ 708,019	\$ 698,298	\$ 117,218

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, 2012

	<u>Amounts Represented on Statements</u>	<u>Cost Value</u>	<u>Fair Value</u>
Cash			
On hand	\$ 8,056	\$ 8,056	\$ 8,056
In demand deposits (interest bearing)	3,902,735	3,902,735	3,902,735
(noninterest bearing)	103,059	103,059	103,059
Total cash	<u>\$ 4,013,850</u>	<u>\$ 4,013,850</u>	<u>\$ 4,013,850</u>
Other Investments			
North Carolina Capital Management Trust, unrestricted	43,739,489	43,739,489	43,739,489
North Carolina Capital Management Trust, restricted for capital	311	311	311
Finistar	2,393,371	2,393,371	2,393,371
Commercial Paper	16,925,306	16,925,306	16,925,306
Federal Farm Credit	1,999,600	1,997,880	1,999,600
Federal Home Loan Bank	6,840,644	6,923,532	6,840,644
Federal Home Loan Mortgage Corporation	13,678,950	13,494,700	13,678,950
Federal National Mortgage Association	34,922,508	34,790,798	34,922,508
Money Market, unrestricted	17,560,933	17,560,933	17,560,933
Money Market, restricted for capital	5,960,795	5,960,795	5,960,795
Certificates of deposit	255,133	255,133	255,133
Total other investments	<u>\$ 144,277,040</u>	<u>\$ 144,042,248</u>	<u>\$ 144,277,040</u>
Total cash and investments	<u>\$ 148,290,890</u>	<u>\$ 148,056,098</u>	<u>\$ 148,290,890</u>

Distribution by funds

General Fund	\$	44,753,286	
Restricted cash		2,463,615	\$ 47,216,901
Special Revenue Funds			
Emergency Telephone System Fund	\$	2,225,310	
Citizens' Alert System Fund		23,262	
Narcotics Seized Funds and Property Fund		246,091	
Rescue Squads Fund		278,432	
Library Endowment Fund		237,077	
Gretchen Peed Scholarship Fund		44,099	
Parks Preservation Trust Fund		161,597	
Community Development Fund		6,312	
Fire District Funds		<u>887,577</u>	4,109,757
Capital Projects Funds			
Schools Capital Projects Fund	\$	9,692,812	
School Bond Fund 1997 Series		69,385	
Hospital Construction Fund		5,424,925	
School Construction Fund		2,979,715	
Restricted Cash		4,316,249	
General Capital Projects Fund		<u>24,286,201</u>	46,769,287
Enterprise Fund			
Water & Sewer Fund	\$	12,015,098	
Restricted Cash		21,000,901	
Solid Waste Management Fund		17,061,728	50,077,727
Fiduciary Funds			
Social Services Fund	\$	63,049	
Sheriff Commissary Fund		40,010	
Delinquent Motor Vehicle Fund		5,002	
Deed of Trust Fee Fund		<u>9,157</u>	<u>117,218</u>
Total			<u>\$ 148,290,890</u>

CATAWBA COUNTY, NORTH CAROLINA
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2012

	<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	\$ 15,413,576,792	0.530	\$ 81,691,957	\$ 76,147,019	\$ 5,544,938
Penalties	-		639	639	-
Total	<u>15,413,576,792</u>		<u>81,692,596</u>	<u>76,147,658</u>	<u>5,544,938</u>
Discoveries:					
Current year taxes	126,609,057	0.530	671,028	109,622	561,406
Penalties	-		66,758	66,758	-
Total	<u>126,609,057</u>		<u>737,786</u>	<u>176,380</u>	<u>561,406</u>
Abatements:	<u>(37,460,000)</u>		<u>(198,538)</u>	<u>(69,616)</u>	<u>(128,922)</u>
Total property valuation	<u>\$ 15,502,725,849</u>				
Net levy			82,231,844	76,254,422	5,977,422
Uncollected taxes at June 30, 2012			<u>3,338,915</u>	<u>2,312,064</u>	<u>1,026,851</u>
Current year's taxes collected			<u>\$ 78,892,929</u>	<u>\$ 73,942,358</u>	<u>\$ 4,950,571</u>
Current levy collection percentage			<u>95.94%</u>	<u>96.97%</u>	<u>82.82%</u>

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 12,154,011,798
Personal Property	2,754,476,587
Public Service Companies ⁽²⁾	<u>606,953,739</u>
Total Assessed Valuation	\$ 15,515,442,124
Tax Rate per \$100	<u>0.530</u>
Levy (includes discoveries, releases and abatements) ⁽³⁾	<u>\$ 82,231,844</u>

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

Fire Protection Districts	\$ 4,669,150
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⁽¹⁾ Percentage of appraised value has been established by statute.

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

⁽³⁾ The levy includes interest and penalties.

CATAWBA COUNTY, NORTH CAROLINA
Schedule of Taxes Receivable
For the Year Ended June 30, 2012

<u>General Fund</u>	<u>Uncollected Balance June 30, 2011</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2012</u>
2011	\$ -	\$ 82,231,844	\$ 78,892,929	\$ 3,338,915
2010	3,002,758	-	1,640,045	1,362,713
2009	1,261,154	-	352,837	908,317
2008	836,815	-	180,610	656,205
2007	533,232	-	74,855	458,377
2006	362,378	-	34,782	327,596
2005	309,327	-	23,160	286,167
2004	289,229	-	18,392	270,837
2003	292,031	-	14,784	277,247
2002	266,020	-	3,601	262,419
Prior	248,341	-	248,341	-
	<u>\$ 7,401,285</u>	<u>\$ 82,231,844</u>	<u>\$ 81,484,336</u>	<u>\$ 8,148,793</u>
Less allowance for uncollectible taxes	<u>3,604,800</u>			<u>5,067,003</u>
Taxes receivable -- net	<u>\$ 3,796,485</u>			<u>\$ 3,081,790</u>

Reconciliation with revenues:

Ad valorem taxes		
General Fund	\$ 80,809,063	
Rescue Squad Fund	<u>982,158</u>	
Total ad valorem taxes		\$ 81,791,221
Reconciling items:		
Penalties and interest collected	(491,025)	
Tax on leased vehicle collected	(98,269)	
Prior year release/adjustments	34,068	
Taxes written off	<u>248,341</u>	
Total reconciling items		<u>(306,885)</u>
Total collections		<u>\$ 81,484,336</u>

CATAWBA COUNTY, NORTH CAROLINA
Schedule of General Bonded Indebtedness and Debt Service Requirement
For the Fiscal Year Ended June 30, 2012

<u>Date of Issue</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest</u>	<u>Notes and Bonds Outstanding June 30, 2011</u>	<u>Notes and Bonds Issued 2011-2012</u>	<u>Notes and Bonds Retired 2011-2012</u>	<u>Interest Paid 2011-2012</u>	<u>Notes and Bonds Outstanding June 30, 2012</u>	<u>Falling Due Within Next Fiscal Year</u>	
									<u>Principal</u>	<u>Interest</u>
6/01/1998	School Bonds Series 1998	1998-13	4.30-4.40	\$ 1,600,000	\$ -	\$ 800,000	\$ 70,400	\$ 800,000	\$ 800,000	\$ 35,200
6/01/1999	School Bonds Series 1999	2000-14	4.40-4.70	4,000,000	-	1,300,000	188,000	2,700,000	1,300,000	126,900
12/1/2002	Refunding Series 2002 Schools	2003-14	2.00-4.00	1,124,000	-	396,000	44,960	728,000	392,000	29,120
	Community College	2003-14	2.00-4.00	281,000	-	99,000	11,240	182,000	98,000	7,280
6/1/2005	Refunding Series 2005 Schools	2006-15	3.00-3.75	4,902,842	-	1,728,720	200,249	3,174,122	1,728,720	139,744
	Community College	2006-15	3.00-3.75	202,158	-	71,280	8,257	130,878	71,280	5,762
				<u>\$ 12,110,000</u>	<u>\$ -</u>	<u>\$ 4,395,000</u>	<u>\$ 523,106</u>	<u>\$ 7,715,000</u>	<u>\$ 4,390,000</u>	<u>\$ 344,006</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
For the Fiscal Year Ended June 30, 2012

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2013	13,526,636	5,225,461	18,752,097	368,804	230,427	599,231
2014	11,690,680	4,741,613	16,432,293	366,896	223,110	590,006
2015	9,874,759	4,355,397	14,230,156	364,989	214,382	579,371
2016	8,900,485	4,022,250	12,922,735	596,471	201,180	797,651
2017	8,770,068	3,765,132	12,535,200	592,019	181,987	774,006
2018-2022	41,222,232	14,822,090	56,044,322	2,691,093	614,003	3,305,096
2023-2027	23,372,484	6,898,141	30,270,625	1,757,534	167,290	1,924,824
2028-2030	1,269,941	25,399	1,295,340	410,059	3,701	413,760
	⁽¹⁾ <u>\$ 118,627,285</u>	<u>\$ 43,855,483</u>	<u>\$ 162,482,768</u>	<u>\$ 7,147,865</u>	<u>\$ 1,836,080</u>	<u>\$ 8,983,945</u>

⁽¹⁾ 10% of Legal Debt Limit



Statistical Section

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

<u>Content</u>	<u>Pages</u>
<i>Financial Trends</i> These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	172-181
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	182-185
<i>Debt Capacity</i> These tables present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	186-189
<i>Demographic and Economic Information</i> These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	190-191
<i>Operating Information</i> These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.	192-194

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

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

	Fiscal Year			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Invested in capital assets, net of related debt	71,902,720	71,693,769	\$ 68,272,595	\$ 67,484,313
Restricted	32,831,276	47,011,143	1,377,237	1,089,189
Unrestricted	<u>(39,024,726)</u>	<u>(53,622,693)</u>	<u>(1,870,336)</u>	<u>(5,481,946)</u>
Total governmental activities net assets	<u>65,709,270</u>	<u>65,082,219</u>	<u>67,779,496</u>	<u>63,091,556</u>
Business-type activities:				
Invested in capital assets, net of related debt	47,665,657	46,958,987	46,177,552	43,612,368
Restricted	-	-	-	-
Unrestricted	<u>41,998,988</u>	<u>40,391,776</u>	<u>35,808,986</u>	<u>33,954,727</u>
Total business-type activities net assets	<u>89,664,645</u>	<u>87,350,763</u>	<u>81,986,538</u>	<u>77,567,095</u>
Primary government:				
Invested in capital assets, net of related debt	119,568,377	118,652,756	114,450,147	111,096,681
Restricted	32,831,276	47,011,143	1,377,237	1,089,189
Unrestricted	<u>2,974,262</u>	<u>(13,230,917)</u>	<u>33,938,650</u>	<u>28,472,781</u>
Total primary government net assets	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>

Data Source

Audited Financial Statements

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

Fiscal Year

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 81,948,941	\$ 78,197,249	\$ 76,988,789	\$ 74,327,245	\$ 72,847,615	\$ 69,185,903
810,599	745,357	655,333	650,382	12,276,811	2,822,098
<u>35,727,062</u>	<u>16,336,081</u>	<u>10,274,088</u>	<u>24,523,260</u>	<u>21,007,494</u>	<u>24,825,035</u>
<u>118,486,602</u>	<u>95,278,687</u>	<u>87,918,210</u>	<u>99,500,887</u>	<u>106,131,920</u>	<u>96,833,036</u>
22,121,146	18,670,633	17,159,517	15,639,246	15,371,592	13,580,563
-	-	-	-	-	-
<u>8,696,235</u>	<u>12,411,036</u>	<u>10,784,695</u>	<u>10,547,160</u>	<u>9,707,303</u>	<u>10,020,174</u>
<u>30,817,381</u>	<u>31,081,669</u>	<u>27,944,212</u>	<u>26,186,406</u>	<u>25,078,895</u>	<u>23,600,737</u>
104,070,087	96,867,882	94,148,306	89,966,491	88,219,207	82,766,466
810,599	745,357	655,333	650,382	12,276,811	2,822,098
<u>44,423,297</u>	<u>28,747,117</u>	<u>21,058,783</u>	<u>35,070,420</u>	<u>30,714,797</u>	<u>34,845,209</u>
<u>\$ 149,303,983</u>	<u>\$ 126,360,356</u>	<u>\$ 115,862,422</u>	<u>\$ 125,687,293</u>	<u>\$ 131,210,815</u>	<u>\$ 120,433,773</u>

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

	Fiscal Year			
	2012	2011	2010	2009
Expenses				
Governmental activities:				
General government	\$ 9,737,258	\$ 9,795,648	\$ 10,533,518	\$ 10,172,611
Public safety	31,399,814	30,599,650	29,076,572	28,263,640
Environmental protection	459,609	508,248	495,248	539,138
Economic and physical development	11,657,411	9,713,902	10,627,991	10,743,831
Human services	50,113,468	51,350,294	51,688,459	56,066,282
Culture and recreation	2,724,942	2,733,249	2,830,504	2,830,192
Education	57,134,411	65,072,007	53,825,312	78,130,574
Interest on long-term debt	4,487,690	4,998,419	5,411,021	5,163,100
Total governmental activities expenses	<u>167,714,603</u>	<u>174,771,417</u>	<u>164,488,625</u>	<u>191,909,368</u>
Business-type activities:				
Solid waste management	5,797,602	5,869,812	5,800,628	5,570,927
Water and sewer	2,462,706	1,365,042	1,270,443	1,118,908
Total business-type activities expenses	<u>8,260,308</u>	<u>7,234,854</u>	<u>7,071,071</u>	<u>6,689,835</u>
Total primary government expenses	<u>175,974,911</u>	<u>182,006,271</u>	<u>171,559,696</u>	<u>198,599,203</u>
Program Revenues				
Governmental activities:				
Fees, fines, and charges for services:				
General government	2,018,381	2,915,961	2,631,983	2,683,400
Public safety	9,436,724	10,169,062	8,188,847	8,613,711
Environmental protection	5,100	5,525	4,675	5,125
Economic and physical development	2,287,770	1,788,439	2,858,217	2,013,945
Human services	6,368,320	7,286,797	7,876,144	7,962,471
Culture and recreation	61,080	61,607	74,256	77,989
Education	509,420	796,001	892,179	994,015
Operating grants and contributions	31,816,198	32,659,457	32,298,988	31,213,021
Capital grants and contributions	1,746,730	5,380,157	3,217,167	4,164,591
Total governmental activities program revenues	<u>54,249,723</u>	<u>61,063,006</u>	<u>58,042,456</u>	<u>57,728,268</u>
Business-type activities:				
Fees, fines, and charges for services	5,912,649	5,742,856	5,816,059	7,440,625
Operating grants and contributions	447,717	501,033	546,052	144,989
Capital grants and contributions	1,366,637	1,957,808	209,796	44,081
Total business-type activities program revenues	<u>7,727,003</u>	<u>8,201,697</u>	<u>6,571,907</u>	<u>7,629,695</u>
Total primary government program revenues	<u>61,976,726</u>	<u>69,264,703</u>	<u>64,614,363</u>	<u>65,357,963</u>
Net (Expenses) Revenues				
Governmental activities	(113,464,880)	(113,708,411)	(106,446,169)	(134,181,100)
Business-type activities	(533,305)	966,843	(499,164)	939,861
Total primary government net expense	<u>(113,998,185)</u>	<u>(112,741,568)</u>	<u>(106,945,333)</u>	<u>(133,241,239)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	85,663,390	85,440,972	84,763,108	84,738,225
Local option sales taxes	26,394,707	26,504,695	26,692,186	32,272,780
Other taxes and licenses	1,517,464	1,491,355	1,263,135	1,605,323
Unrestricted intergovernmental	-	-	-	-
Investment earnings	1,291,370	1,136,085	2,115,680	4,023,446
Transfers	(775,000)	(3,561,973)	(3,700,000)	(43,853,720)
Total governmental activities	<u>114,091,931</u>	<u>111,011,134</u>	<u>111,134,109</u>	<u>78,786,054</u>
Business-type activities:				
Other taxes and licenses	1,585,139	302,161	290,643	255,732
Investment earnings	487,048	533,248	927,964	1,700,401
Transfers	775,000	3,561,973	3,700,000	43,853,720
Total business-type activities	<u>2,847,187</u>	<u>4,397,382</u>	<u>4,918,607</u>	<u>45,809,853</u>
Total primary government	<u>116,939,118</u>	<u>115,408,516</u>	<u>116,052,716</u>	<u>124,595,907</u>
Change in Net Assets				
Governmental activities	627,051	(2,697,277)	4,687,940	(55,395,046)
Business-type activities	2,313,882	5,364,225	4,419,443	46,749,714
Total primary government	<u>\$ 2,940,933</u>	<u>\$ 2,666,948</u>	<u>\$ 9,107,383</u>	<u>\$ (8,645,332)</u>

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$ 11,203,800	\$ 9,001,933	\$ 9,593,037	\$ 8,383,352	\$ 7,654,774	\$ 7,488,739
26,316,167	22,897,052	20,926,787	19,900,883	18,701,908	17,113,397
546,680	504,416	481,844	447,428	343,334	288,825
10,827,271	12,054,976	9,383,320	9,567,712	12,075,442	3,995,945
74,150,353	66,083,707	67,310,514	66,858,370	59,973,114	57,455,455
2,760,614	2,771,008	2,687,546	2,543,170	2,412,593	2,256,079
50,388,730	52,216,062	65,203,410	57,377,775	39,661,513	33,710,855
4,584,583	4,909,742	4,956,696	4,223,199	3,055,058	3,309,748
<u>180,778,198</u>	<u>170,438,896</u>	<u>180,543,154</u>	<u>169,301,889</u>	<u>143,877,736</u>	<u>125,619,043</u>
8,172,432	5,260,776	5,035,563	5,755,205	5,022,049	5,396,381
-	-	-	-	-	-
<u>8,172,432</u>	<u>5,260,776</u>	<u>5,035,563</u>	<u>5,755,205</u>	<u>5,022,049</u>	<u>5,396,381</u>
<u>188,950,630</u>	<u>175,699,672</u>	<u>185,578,717</u>	<u>175,057,094</u>	<u>148,899,785</u>	<u>131,015,424</u>
4,340,110	4,380,295	5,136,475	3,554,324	3,645,125	3,042,134
6,950,872	5,017,287	4,807,088	4,210,617	3,566,200	2,627,209
4,825	4,575	4,575	4,247	3,850	3,730
4,618,557	3,247,499	2,497,490	2,314,143	1,771,763	1,233,712
9,819,859	9,779,244	11,996,379	13,808,150	14,855,301	13,606,776
62,332	63,723	53,911	51,652	45,520	43,369
1,081,098	1,126,095	1,110,419	1,185,125	1,472,428	904,533
46,999,422	43,735,432	41,299,324	39,488,016	34,010,552	30,045,717
4,857,657	101,953	496,774	416,096	-	-
<u>78,734,732</u>	<u>67,456,103</u>	<u>67,402,435</u>	<u>65,032,370</u>	<u>59,370,739</u>	<u>51,507,180</u>
6,626,224	6,677,959	6,046,872	6,154,906	6,164,825	5,865,730
41,279	102,816	129,482	145,601	59,007	63,206
148,518	526,398	-	-	-	-
<u>6,816,021</u>	<u>7,307,173</u>	<u>6,176,354</u>	<u>6,300,507</u>	<u>6,223,832</u>	<u>5,928,936</u>
<u>85,550,753</u>	<u>74,763,276</u>	<u>73,578,789</u>	<u>71,332,877</u>	<u>65,594,571</u>	<u>57,436,116</u>
(102,043,466)	(102,982,793)	(113,140,719)	(104,269,519)	(84,506,997)	(74,111,863)
(1,356,411)	2,046,397	1,140,791	545,302	1,201,783	532,555
<u>(103,399,877)</u>	<u>(100,936,396)</u>	<u>(111,999,928)</u>	<u>(103,724,217)</u>	<u>(83,305,214)</u>	<u>(73,579,308)</u>
82,048,071	68,378,012	65,459,626	64,264,969	63,381,711	59,644,241
35,299,813	33,760,033	29,984,796	28,690,324	26,988,268	25,417,154
2,119,554	2,135,782	2,015,798	1,807,700	1,456,338	1,343,759
-	-	-	-	1,336,917	1,379,229
5,786,693	6,069,443	4,099,093	2,876,185	642,647	2,107,354
(2,750)	-	(1,271)	(692)	-	-
<u>125,251,381</u>	<u>110,343,270</u>	<u>101,558,042</u>	<u>97,638,486</u>	<u>93,805,881</u>	<u>89,891,737</u>
228,024	221,825	178,691	243,796	165,754	180,656
861,349	869,235	437,053	317,721	110,621	336,438
2,750	-	1,271	692	-	-
<u>1,092,123</u>	<u>1,091,060</u>	<u>617,015</u>	<u>562,209</u>	<u>276,375</u>	<u>517,094</u>
<u>126,343,504</u>	<u>111,434,330</u>	<u>102,175,057</u>	<u>98,200,695</u>	<u>94,082,256</u>	<u>90,408,831</u>
23,207,915	7,360,477	(11,582,677)	(6,631,033)	9,298,884	15,779,874
(264,288)	3,137,457	1,757,806	1,107,511	1,478,158	1,049,649
<u>\$ 22,943,627</u>	<u>\$ 10,497,934</u>	<u>\$ (9,824,871)</u>	<u>\$ (5,523,522)</u>	<u>\$ 10,777,042</u>	<u>\$ 16,829,523</u>

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

	Fiscal Year	
	2012	2011
General Fund		
Nonspendable		
Inventories	\$ 338,109	\$ 395,153
Prepaid	54,469	86,781
Restricted		
Stabilization by State Statute	12,221,688	11,581,246
Register of Deeds	50,346	39,764
Committed		
Tax Revaluation	153,881	145,757
General Capital Reserve	448,620	444,128
Assigned		
Public Health	197,421	169,805
Social Services	4,640,932	4,594,451
County Manager	217,313	158,767
Human Resources	579,873	559,216
Library	298,313	350,508
Cooperative Extension	154,516	136,811
Subsequent year's expenditures	6,542,811	5,244,348
Unassigned	25,202,712	29,177,889
Total general fund	<u>51,101,004</u>	<u>53,084,624</u>
All other governmental funds		
Restricted		
Stabilization by State Statute	4,652,337	4,854,187
School Construction	4,316,249	19,189,675
School Capital	-	88,862
Public Safety	2,743,542	2,743,445
Fire Protection	859,873	852,061
Library Endowment	237,077	234,704
Scholarship	44,099	43,207
Parks Preservation	161,597	142,407
Hospital Capital	5,401,200	5,347,139
Committed		
General Capital	23,913,332	21,417,686
School Construction	1,815,442	213,091
School Capital	9,594,076	8,985,425
Hospital Construction	23,725	23,486
Assigned	-	-
Unassigned	(4,355)	(4,178)
Total fund balances	<u>53,758,194</u>	<u>64,131,197</u>
Total governmental funds	<u>\$ 104,859,198</u>	<u>\$ 117,215,821</u>

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Two years are presented in the format after the implementation of GASB 45.

The previous eight years are presented on the following page.



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

	Fiscal Year			
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 12,081,863	\$ 13,796,892	\$ 19,523,687	\$ 16,236,389
Unreserved	<u>39,583,672</u>	<u>36,617,111</u>	<u>35,804,493</u>	<u>27,788,364</u>
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>

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

Eight years are presented in the format prior to the implementation of GASB 45.

Two years presented after the implementation are presented on the previous page.

Fiscal Year

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

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

	Fiscal Year			
	2012 ⁽¹⁾	2011	2010	2009
Revenues				
Ad valorem taxes	\$ 86,401,682	\$ 85,290,748	\$ 84,697,609	\$ 84,125,547
Other taxes	26,867,917	26,934,772	27,121,865	32,794,322
Unrestricted intergovernmental revenues	1,839,255	1,906,277	1,878,455	2,127,081
Restricted intergovernmental revenues	37,487,597	41,544,195	41,218,717	41,946,212
Licenses and permits	2,012,367	1,795,495	2,547,643	2,271,147
Sales and services	12,117,015	13,631,424	13,041,964	12,936,583
Investment earnings	963,774	949,483	1,929,311	3,837,081
Miscellaneous	3,675,026	4,713,228	3,716,912	3,624,321
Total revenues	<u>171,364,633</u>	<u>176,765,622</u>	<u>176,152,476</u>	<u>183,662,294</u>
Expenditures				
Current:				
General government	10,134,171	10,115,078	11,601,149	11,556,920
Public safety	30,749,802	30,260,313	29,360,816	28,513,201
Environmental protection	451,864	503,130	469,014	512,882
Economic and physical development	11,307,365	9,926,951	10,619,754	10,727,052
Human services	49,245,926	50,540,941	50,879,470	55,118,250
Culture and recreation	2,677,465	2,661,530	2,758,668	2,758,206
Education	39,257,916	39,598,951	38,606,716	39,948,749
Capital Outlay	20,810,153	29,796,072	16,572,802	39,869,050
Debt service:				
Principal	39,751,528	12,460,866	13,421,793	12,067,834
Interest	5,023,779	4,902,829	5,315,420	5,067,500
Sinking fund escrow	1,853,902	716,951	-	-
Lease purchase payments	-	-	-	-
Bond issuance costs	448,255	-	-	-
Total expenditures	<u>211,712,126</u>	<u>191,483,612</u>	<u>179,605,602</u>	<u>206,139,644</u>
Other Financing Sources (uses)				
Transfers from other funds	1,450,431	2,694,737	4,395,302	12,262,330
Transfers to other funds	(2,225,431)	(6,256,710)	(8,095,302)	(48,646,927)
Installment purchase obligations issued	650,000	-	-	21,656,000
Qualified Zone Academy Bonds issued	-	-	-	-
Qualified School Construction Bonds issued	-	27,808,553	-	-
Build America bonds issued	-	8,691,447	-	-
Bond debt issued	-	-	-	-
Refunding bonds issued	41,995,366	-	-	-
Premium on refunding bonds	3,873,747	-	-	-
Payment to refunded bond escrow agent	(17,777,592)	-	-	-
Certificates of participation issued	-	-	-	-
Premium on certificates of participation	-	-	-	-
Sales of capital assets	24,349	-	-	-
Total other financing sources (uses)	<u>27,990,870</u>	<u>32,938,027</u>	<u>(3,700,000)</u>	<u>(14,728,597)</u>
Net change in fund balances	<u>\$ (12,356,623)</u>	<u>\$ 18,220,037</u>	<u>\$ (7,153,126)</u>	<u>\$ (37,205,947)</u>
Debt service as a percentage of noncapital expenditures	21.3%	9.3%	10.6%	8.4%

⁽¹⁾ Note: Beginning FY 2012, current refundings are shown as debt service expenditures rather than other financing use.

Fiscal Year

	2008	2007	2006	2005	2004	2003
\$	81,625,223	\$ 68,270,907	\$ 66,233,752	\$ 64,037,632	\$ 63,153,315	\$ 59,388,468
	36,391,110	35,415,288	31,654,028	30,151,572	28,444,404	25,207,828
	1,970,909	1,235,023	1,248,170	1,095,733	1,336,917	1,379,229
	56,482,993	46,532,532	44,764,103	42,141,280	36,297,819	32,683,132
	4,101,574	3,773,033	3,214,736	3,457,883	2,959,092	2,383,424
	15,071,656	12,849,786	16,591,727	17,420,439	17,742,167	16,664,263
	5,600,327	5,883,078	3,912,728	2,773,588	642,651	2,107,354
	4,309,242	3,998,845	3,725,976	3,803,472	4,614,575	2,997,207
	<u>205,553,034</u>	<u>177,958,492</u>	<u>171,345,220</u>	<u>164,881,599</u>	<u>155,190,940</u>	<u>142,810,905</u>
	9,944,571	9,613,213	9,978,986	9,449,992	8,506,393	8,543,435
	26,916,838	23,021,049	21,209,400	20,032,107	19,088,555	17,156,936
	520,587	475,667	452,180	428,549	384,942	321,413
	10,682,552	10,889,872	8,651,385	7,886,973	7,594,145	7,409,045
	73,690,327	65,236,455	66,508,454	65,701,149	59,078,864	56,659,920
	2,719,466	2,695,423	2,610,001	2,465,676	2,331,664	2,186,614
	38,014,454	34,222,295	32,544,711	30,410,166	30,048,641	27,437,466
	19,683,740	28,338,920	42,549,957	33,473,868	18,690,079	7,859,145
	10,724,874	10,338,333	9,975,000	9,230,000	7,160,000	7,065,000
	4,488,983	4,814,143	4,861,096	4,214,250	3,045,610	3,280,589
	-	-	-	-	-	-
	-	-	-	70,760	221,803	433,113
	-	-	-	89,146	-	-
	<u>197,386,392</u>	<u>189,645,370</u>	<u>199,341,170</u>	<u>183,452,636</u>	<u>156,150,696</u>	<u>138,352,676</u>
	9,515,201	11,547,146	9,763,224	12,301,254	14,239,408	7,945,528
	(9,517,951)	(11,547,146)	(9,764,495)	(12,301,946)	(14,239,408)	(7,945,528)
	28,607,000	1,450,000	9,200,000	-	9,900,000	-
	700,000	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	58,252
	-	-	-	16,035,000	-	-
	-	-	-	429,179	-	-
	-	-	-	(16,321,853)	-	-
	-	-	-	55,255,000	-	-
	-	-	-	2,868,950	-	-
	-	249,219	392,000	1,750	24,500	4,000
	<u>29,304,250</u>	<u>1,699,219</u>	<u>9,590,729</u>	<u>58,267,334</u>	<u>9,924,500</u>	<u>62,252</u>
\$	<u>37,470,892</u>	<u>(9,987,659)</u>	<u>(18,405,221)</u>	<u>39,696,297</u>	<u>8,964,744</u>	<u>4,520,481</u>
	8.1%	8.5%	7.9%	7.7%	7.0%	8.2%

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

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽¹⁾	Estimated Real Market Value
2003	8,265,105,733	2,796,143,745	507,720,148	11,568,969,626	0.495	12,965,336,351
2004 ⁽²⁾	9,513,468,457	2,640,843,044	517,072,839	12,671,384,340	0.480	12,715,889,955
2005	9,722,396,729	2,680,617,427	539,742,782	12,942,756,938	0.480	13,033,994,902
2006	9,919,033,408	2,558,398,877	545,842,516	13,023,274,801	0.490	13,499,818,390
2007	10,174,785,855	2,614,088,394	570,452,150	13,359,326,399	0.490	14,124,895,749
2008 ⁽²⁾	11,444,764,023	2,606,879,334	603,786,566	14,655,429,923	0.535	14,963,681,767
2009	11,778,146,940	2,560,844,568	794,924,639	15,133,916,147	0.535	15,452,232,129
2010	11,874,836,448	2,547,986,916	590,931,402	15,013,754,766	0.535	15,343,643,092
2011	12,057,640,336	2,454,965,234	610,253,122	15,122,858,692	0.535	15,122,858,692
2012 ⁽²⁾	12,154,011,798	2,754,476,587	606,953,739	15,515,442,124	0.530	N/A

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

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

Source: Catawba County Property Appraiser

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Catawba County										
Property Tax	0.5300	0.5350	0.5350	0.5350	0.5350	0.4900	0.4900	0.4800	0.4800	0.4950
Fire Districts:										
Bandys	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	0.0390	0.0390	0.0390
Catawba	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500	0.0350	0.0350
Cooksville	0.0517	0.0517	0.0517	0.0517	0.0517	0.0550	0.0550	0.0550	0.0550	0.0600
Denver	-	-	-	-	0.0389	0.0500	0.0500	0.0450	0.0293	0.0320
Fairbrook	-	-	-	-	-	0.0325	0.0325	0.0257	0.0257	0.0280
Hickory Rural	0.0700	0.0700	0.0700	0.0325	0.0325	-	-	-	-	-
Icard-Long View	-	-	-	-	-	-	-	-	-	0.0440
Icard-Mountain View	-	-	-	-	-	-	-	-	-	0.0400
Long View	0.0546	0.0546	0.0546	0.0546	0.0546	0.0568	0.0568	0.0568	0.0568	0.0620
Maiden	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0312	0.0312	0.0312	0.0340
Mountain View	0.0600	0.0600	0.0493	0.0493	0.0493	0.0525	0.0425	0.0425	0.0425	0.0450
Newton	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0513	0.0513	0.0560
Oxford	0.0558	0.0558	0.0558	0.0558	0.0558	0.0600	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0615	0.0615	0.0615	0.0615	0.0650	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0700	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400
St. Stephens	0.0700	0.0700	0.0700	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
Municipalities:										
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4500	0.4500	0.4500	0.4500
City of Conover	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800	0.3600	0.3800
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	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	0.3900	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800	0.4000
City of Newton	0.4800	0.4800	0.4800	0.4800	0.4600	0.4600	0.4400	0.4400	0.4400	0.4700
Total Maximum Rate - Fire District	0.6000	0.6050	0.6050	0.6050	0.6050	0.5600	0.5600	0.5500	0.5500	0.5650
Total Maximum Rate - Municipalities	1.0500	1.0550	1.0550	1.0550	1.0550	1.0100	1.0100	1.0000	1.0000	1.0450

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

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2011 and December 31, 2002

Taxpayer	Type of Business	December 31, 2011			December 31, 2002		
		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	\$ 456,040,635	1	2.94	\$ 344,713,265	1	2.98
Apple Inc.	Computer Server	383,586,246	2	2.47	-	-	-
Target Corporation	Warehouse/Retail	117,193,942	3	0.76	-	-	-
CommScope, Inc.	Cable mfg.	110,640,709	4	0.71	141,860,956	4	1.23
Getrag Gears of North America, Inc.	Gears	109,562,117	5	0.71	46,174,148	8	0.40
Frye Regional Medical Center	Medical care	74,999,086	6	0.48	51,869,901	7	0.45
Corning Cable Systems	Cable mfg.	66,849,207	7	0.43	219,053,490	2	1.89
Draka Comteq Americas, Inc.	Cable mfg.	65,880,858	8	0.42	-	-	-
Hickory Springs Mfg. Co., Inc.	Furniture supplies	49,445,966	9	0.32	42,047,797	10	0.36
Valley Hills Mall, LLC	Retail	45,505,200	10	0.29	42,148,100	9	0.36
Alcatel N. A., Inc.	Cable mfg.	-	-	-	146,640,930	3	1.27
Shuford Mills/Shurtape Technologies	Textiles & Tape	-	-	-	56,898,131	6	0.49
Central Telephone Company	Telephone	-	-	-	57,120,189	5	0.49
		<u>\$ 1,479,703,966</u>		<u>9.53</u>	<u>\$ 1,148,526,907</u>		<u>9.92</u>
Total Assessed Valuation		<u>\$ 15,515,442,124</u>			<u>\$ 11,568,969,626</u>		

Source: Catawba County Tax Collector

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

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	57,297,988	55,635,097	97.10	1,400,472	57,035,569	99.22
2004	2003	60,740,470	58,923,696	97.01	1,539,527	60,463,223	99.54
2005	2004	61,566,332	59,726,141	97.01	1,569,354	61,295,495	99.56
2006	2005	63,409,234	61,416,711	96.86	1,706,356	63,123,067	99.55
2007	2006	65,195,396	63,106,163	96.80	1,761,637	64,867,800	99.50
2008	2007	78,217,306	75,692,582	96.77	2,066,347	77,758,929	99.41
2009	2008	80,966,452	77,974,463	96.30	2,335,784	80,310,247	99.19
2010	2009	80,666,180	77,707,260	96.33	2,050,603	79,757,863	98.87
2011	2010	80,907,294	77,904,536	96.29	1,640,045	79,544,581	98.32
2012	2011	82,231,844	78,892,929	95.94	-	78,892,929	95.94

⁽¹⁾ Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

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

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Capitalized Leases	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Limited Obligation Bonds
2003	63,040,000	282,134	-	-	-	-	-	-
2004	55,880,000	69,778	-	9,900,000	-	-	-	-
2005	49,340,000	-	53,805,000	9,240,000	-	-	-	-
2006	42,815,000	-	51,015,000	17,780,000	-	-	-	-
2007	36,540,000	-	48,225,000	17,956,667	-	-	-	-
2008	30,160,000	-	45,435,000	45,008,793	700,000	-	-	-
2009	23,765,000	-	42,645,000	56,831,959	650,000	-	-	-
2010	17,310,000	-	39,855,000	52,705,167	600,000	-	-	-
2011	12,110,000	-	37,075,000	48,564,013	550,000	27,091,602	8,401,732	-
2012	7,715,000	-	18,090,000	19,475,148	500,000	25,237,700	7,822,302	39,787,135

N/A = Not available

Sources:

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

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

Business Type					
Installment Purchases	Limited Obligation Bonds	Federal Revolving Loan	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
-			63,322,134	1.60	432
-			65,849,778	1.69	448
-			112,385,000	2.71	755
-			111,610,000	2.61	747
-			102,721,667	2.22	668
-			121,303,793	2.51	780
6,771,353			130,663,312	2.61	832
6,532,188			117,002,355	2.37	736
6,282,897		1,350,000	141,425,244	2.73	889
-	5,797,865	1,350,000	125,775,150	N/A	811

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
2003	63,040,000	11,568,969,626	0.54	430
2004	55,880,000	12,671,384,340	0.44	380
2005	49,340,000	12,942,756,938	0.38	332
2006	42,815,000	13,023,274,801	0.33	287
2007	36,540,000	13,359,326,399	0.27	238
2008	30,160,000	14,655,429,923	0.21	194
2009	23,765,000	15,133,916,147	0.16	151
2010	17,310,000	15,013,754,766	0.12	109
2011	12,110,000	15,122,858,692	0.08	76
2012	7,715,000	15,515,442,124	0.05	50

Sources:

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



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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed value (after exemption)	15,515,442,124	15,122,858,692	15,013,754,766	15,068,712,596
Debt limit rate	8%	8%	8%	8%
Debt limit	1,241,235,370	1,209,828,695	1,201,100,381	1,205,497,008
Less: Total net debt applicable to limit	125,775,150	142,142,197	117,002,355	130,663,312
Legal debt margin	<u>1,115,460,220</u>	<u>1,067,686,498</u>	<u>1,084,098,026</u>	<u>1,074,833,696</u>
 Total net debt applicable to the limit as a percentage of debt limit	 10%	 12%	 10%	 11%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value (after exemptions)	\$ 15,515,442,124
Debt limit (8% of assessed value)	1,241,235,370
Debt applicable to limit:	
Outstanding general obligation debt	7,715,000
Authorized and unissued debt	-
Certificates of participation	18,090,000
Installment purchase	65,060,148
Qualified Zone Academy Bonds	500,000
Qualified School Construction Bonds	25,237,700
Build America Bonds	7,822,302
Federal Revolving Loan	1,350,000
Less: Statutory deductions	
Unissued debt	-
Total net debt applicable to limit	<u>125,775,150</u>
Legal debt margin	<u>\$ 1,115,460,220</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
14,655,429,923	13,359,326,399	\$ 13,023,274,801	\$ 12,942,756,938	\$ 12,671,384,340	\$ 11,568,969,626
8%	8%	8%	8%	8%	8%
1,172,434,394	1,068,746,112	1,041,861,984	1,035,420,555	1,013,710,747	925,517,570
121,303,793	102,721,667	111,610,000	112,385,000	69,575,814	66,859,085
<u>1,051,130,601</u>	<u>966,024,445</u>	<u>930,251,984</u>	<u>923,035,555</u>	<u>944,134,933</u>	<u>858,658,485</u>
10%	10%	11%	11%	7%	7%

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

Fiscal Year	Population Estimate ⁽¹⁾	Personal Income	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2003	146,690	3,949,628,250	26,925	36.3	23,825	9.30
2004	146,971	3,892,232,993	26,483	36.4	23,942	7.20
2005	148,797	4,140,871,713	27,829	36.6	24,243	6.60
2006	149,416	4,272,998,768	28,598	36.7	24,455	5.40
2007	153,784	4,624,900,016	30,074	37.0	24,766	5.90
2008	155,452	4,826,940,052	31,051	36.9	25,305	7.20
2009	157,073	4,998,534,079	31,823	38.1	24,688	15.50
2010	159,013	4,941,148,000	31,052	38.2	24,338	12.90
2011	159,125	5,016,806,000	32,504	38.4	24,245	12.00
2012	154,992	N/A	N/A	39.9	24,250	11.30

N/A = Not available

Sources:

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

² Bureau of Economic Analysis

³ Office of State Planning

⁴ North Carolina Department of Public Instruction

⁵ Department of Commerce - Employment Security Commission

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

Employer	2012			2003		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Catawba County School Systems	1,897	1	2.88%	1,914	2	2.69%
Catawba Valley Medical Center	1,717	2	2.61%	1,345	6	1.89%
Frye Regional Medical Center	1,500	3	2.28%	1,990	1	2.80%
CommScope, Inc.	1,376	4	2.09%	1,850	3	2.60%
Catawba County Government	1,136	5	1.73%	1,149	7	1.62%
Hickory Springs Manufacturing Company, Inc.	1,065	6	1.62%	1,425	4	2.00%
Corning Cable Systems ⁽³⁾	1,000	7	1.52%	1,108	8	1.56%
Pierre Foods	931	8	1.41%	-	-	-
Ethan Allen, Inc.	900	9	1.37%	-	-	-
Sherrill Furniture Company	700	10	1.06%	850	10	1.20%
Thomasville Furniture Industries	-	-	-	1,055	9	1.48%
CV Industries, Inc.	-	-	-	1,415	5	1.99%
	<u>12,222</u>		<u>19.63%</u>	<u>14,101</u>		<u>24.24%</u>

Sources:

¹ Survey of Employers² Labor estimates provided by the Employment Security Commission of North Carolina³ Catawba County Chamber of Commerce

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

	Full-time Equivalent Employees as of June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Function										
Governmental activities:										
General government	86	90	92	92	89	90	87	86	85	84
Public safety	337	340	341	334	321	307	248	245	240	235
Environmental protection	3	9	11	11	11	11	11	9	10	10
Economic and physical development	75	90	98	100	93	91	94	89	87	78
Human services	573	572	561	578	614	583	583	655	641	639
Culture and recreation	<u>32</u>	<u>33</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>38</u>	<u>38</u>	<u>38</u>	<u>36</u>
Total governmental activities	<u>1,106</u>	<u>1,135</u>	<u>1,140</u>	<u>1,151</u>	<u>1,164</u>	<u>1,119</u>	<u>1,061</u>	<u>1,123</u>	<u>1,100</u>	<u>1,081</u>
Business-type activities:										
Water sewer	1	1	1	1	-	-	-	-	-	-
Solid waste management	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>28</u>
Total business-type activities	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>28</u>
Total primary government	<u>1,136</u>	<u>1,164</u>	<u>1,169</u>	<u>1,180</u>	<u>1,193</u>	<u>1,147</u>	<u>1,089</u>	<u>1,152</u>	<u>1,128</u>	<u>1,109</u>

Sources: Catawba County Human Resources Department

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

Function	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
General government										
Number of registered voters	99,286	99,844	101,558	101,142	99,117	95,855	95,470	93,633	95,480	93,299
Number of marriage licenses issued	1,076	991	926	1,062	1,181	1,073	1,040	1,135	1,071	1,071
Number of tax bills issued	232,817	263,073	297,925	272,581	272,255	266,786	266,221	265,177	262,797	260,636
Public safety										
Number of 911 dispatch/calls	87,108	82,876	83,000	83,367	115,000	108,658	106,093	86,941	106,262	92,094
Sheriff Department offenses reported	6,195	5,737	6,256	5,479	5,312	5,477	5,163	5,284	5,846	5,535
Environmental protection										
Cooperative extension agent contacts	75,102	46,960	45,945	71,001	66,324	67,385	37,194	33,163	24,819	24,743
Economic and physical development										
Number of commercial permits issued	750	496	504	534	721	622	663	760	733	387
Number of residential permits issued	876	991	1,057	1,056	1,497	1,692	1,799	1,681	1,762	1,429
Human services										
Households that received assistance with energy bills	3,333	2,785	2,764	3,042	2,004	1,429	1,261	1,111	944	1,140
Medicaid clients receiving transportation assistance	23,177	19,893	19,136	17,689	15,551	17,200	16,305	14,124	13,690	12,544
Child support services cases currently open	6,873	6,498	7,600	7,500	7,337	7,360	7,696	6,795	7,580	7,590
Public health clients served	23,063	24,068	28,826	21,534	21,634	24,965	17,183	26,123	22,113	20,803
Restaurant inspections	1,357	1,429	1,419	1,226	1,443	1,463	1,432	1,406	1,398	1,305
Culture and recreation										
Total circulation for library system	738,923	740,462	775,544	744,652	681,796	666,069	657,271	681,001	667,246	590,730
Number of patrons visiting parks	112,257	101,280	134,463	121,370	75,797	67,029	43,022	50,337	45,293	36,989
Education										
Public school student enrollment K-12	24,250	24,245	24,338	24,688	25,305	24,766	24,455	24,243	23,942	23,825
Business-type activities:										
Solid waste management										
Tons buried - MSW	117,330	123,149	122,938	165,811	151,007	165,384	167,988	168,140	164,590	164,142
Tons buried - C&D	27,980	23,203	22,570	32,911	38,745	49,733	40,246	30,294	31,920	25,490
Tons recycled	28,765	31,347	28,125	29,416	28,932	29,836	29,477	25,820	28,634	32,081

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
General government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	8	9	8	8	9	8	8	7	7	7
Public safety										
Buildings	10	10	9	8	8	8	8	8	7	7
Vehicles	207	182	168	156	166	153	148	143	144	144
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	49	50	57	57	60	47	51	59 ⁽¹⁾	37	37
Human services										
Buildings	38	39	39	39	39	40	40	40	40	40
Vehicles	35	35	32	27	47	46	39	40 ⁽²⁾	62	62
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	1	1	2	2	2	2	2	2	2	2
Business-type activities:										
Solid waste management										
Buildings	6	6	6	6	7	7	7	4	4	4
Vehicles	27	27	26	26	25	26	25	26	25	25
Water and sewer										
Buildings	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A
Vehicles	0	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not available

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

² Divestiture of Mental Health services.

Sources: Catawba County Departments

Catawba County, North Carolina

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Catawba County, North Carolina

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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