



# 2013

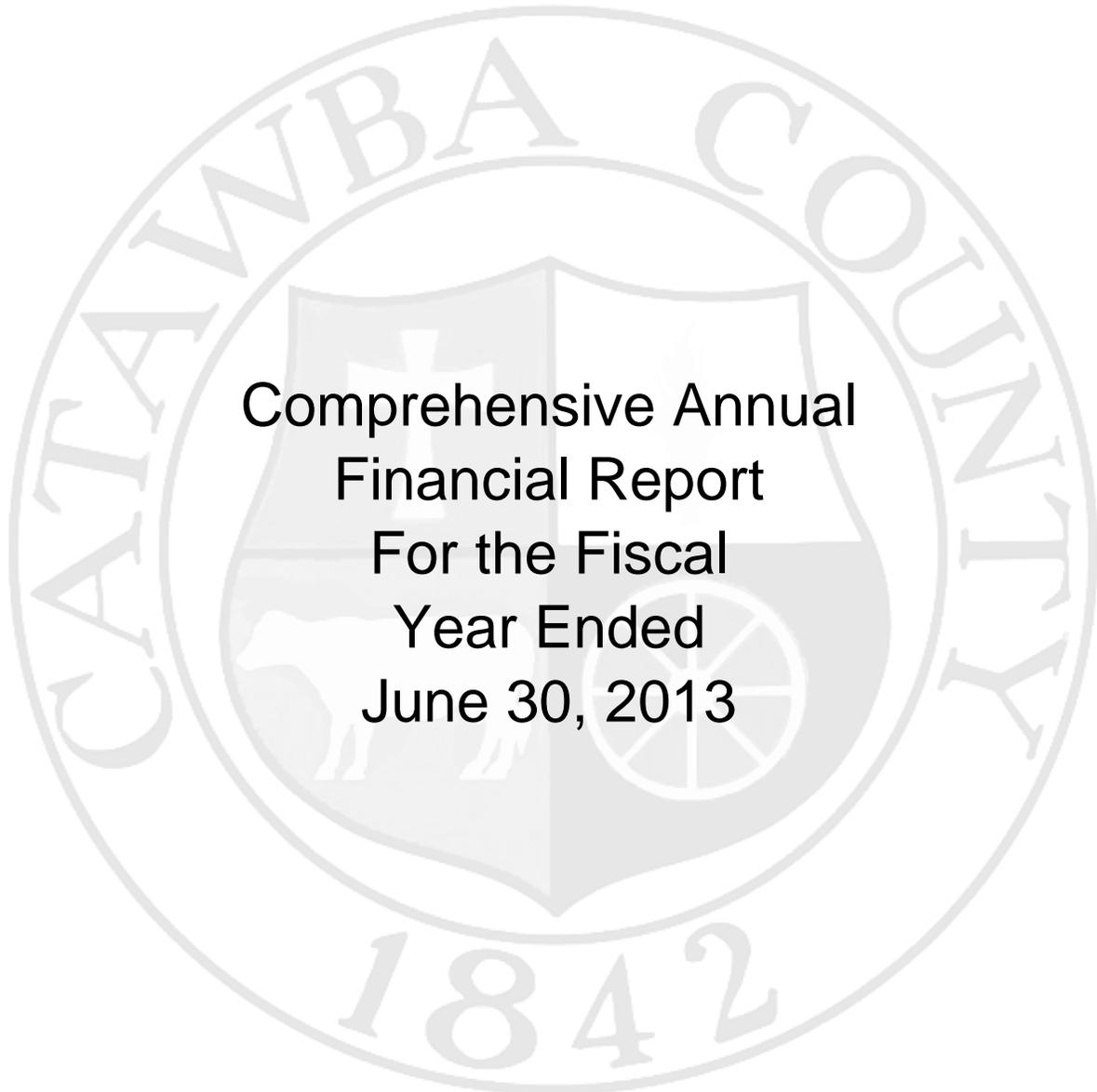
## Comprehensive Annual Financial Report



Fiscal Year Ended June 30, 2013

**CATAWBA**  
COUNTY  
North Carolina

# Catawba County, North Carolina



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013

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Prepared by Catawba County Finance Department  
Published November 18, 2013

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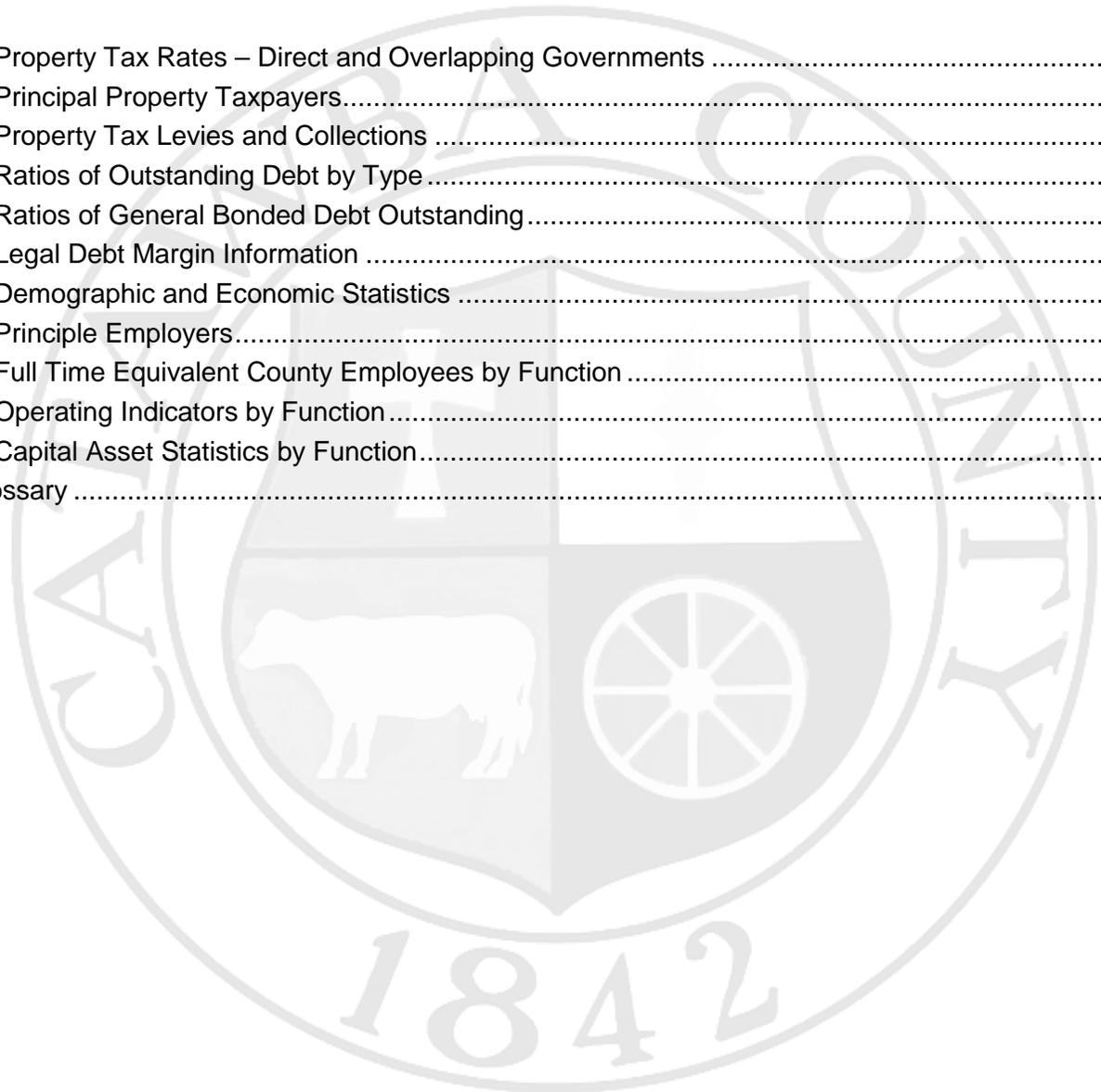
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# BOARD OF COMMISSIONERS



## **Catawba County Board of Commissioners**

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



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

November 18, 2013

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, 2013.

### 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, 2013”*

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, 2013, 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. Issuance of an unmodified 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 with a population of 155,494, maintaining its ranking of 17<sup>th</sup> largest 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 more than forty years of continuous service.

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

The annual budget serves as the foundation for the County's financial planning and control. Each year all County departments are required to submit requests for appropriation to the County Manager, who then compiles a proposed balanced budget and presents it to the Board of Commissioners for review. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the County's fiscal year.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

## **LOCAL ECONOMY**

Since the end of the national economic recession in June 2009, the local economy has continued to improve. The region, which includes Alexander, Burke, Caldwell and Catawba counties, has shown signs of improvement this past year, with the unemployment rate falling more than one percent the past three years in the month of July: 12.4% in 2011; 11.1% in 2012; and 10.0% in 2013. The region has experienced modest

improvement with a gain of 3,000 jobs in calendar year 2012, with approximately 2,400 of those in manufacturing, improving the region's standing among of fourteen metro areas in North Carolina.

For Catawba County, the unemployment rate has declined each of the past two years from 12.2% in July 2011 to 11.3% in July 2012 to 10.3% in July 2013. Catawba County continues to be home to a large industrial base, heavily concentrated in manufacturing at 27 percent, almost three times the national average of 10 percent. While this reliance on manufacturing is still significant, the County has taken deliberate steps to diversify reducing that reliance from 56% in 1990 to 27% today. 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. **Catawba County's mainstay industries have stabilized and positive indications are apparent, with a trend to "re-shoring" of furniture manufacturing jobs back into Catawba County, a steady growth in fiber-optic and telecommunications investment and employment, and continued reinvestment by newer industry sectors.**

Job gains have continued in the County as some significant expansion projects have occurred over the past two years. These include industries across the spectrum from traditional to the high-tech sector:

- HSM Solutions, formerly Hickory Springs Manufacturing is expanding its manufacturing facility with a \$3.3 million investment and creating 162 new jobs; in addition, HSM Solutions broke ground on a

new \$1.5 million facility in Conover that will house a 10,000 square foot foam tech lab

- Moretz Mills is investing more than \$8 million to renovate its 84-year old hosiery mill that will turn an 83,000 square foot factory building into a mixed-use complex that will house a restaurant, gym, spa, therapy business and possibly apartments. This is the second vacant hosiery building to be renovated in the same block, which is in close proximity to downtown Hickory, the Salt Block and Lenoir Rhyne University. The former project opened earlier this year and combines a restaurant, yogurt shop, event space and a future brewery into the remodeled space
- R&D Plastics added a new production line and warehouse to their existing facility creating an additional 16 jobs and investing more than \$1 million
- CR Laine Furniture, a fixture in the community since 1958, is expanding its facilities by 42,000 square feet and adding 50 new employees
- GKN Driveline, a manufacturer of automotive driveline components, invested \$6.8 million in new equipment to serve their growing customer base
- Von Drehle Corporation formed Blue Ridge Moulding, an injection molding company that

plans to make dispensers for Von Drehle's paper products, and is investing \$1.7 million and creating 18 new jobs

- Cornerstone United, an international warranty company, is relocating and expanding its operations into the Piedmont Wagon Co. building in Hickory, which will add 30 new jobs
- TSG Finishings consolidated its operations adding 46 jobs and investing \$1.6 million in the county
- MicroD Inc., a global leader in integrated online furniture presentations and website solutions, has expanded. The company opened in Hickory twenty years ago with four employees and relocated earlier this year into a new 7,800 square foot facility to accommodate its current workforce of 60 employees

In addition, the County continues to actively recruit and attract companies with a focus on higher-wage industries of Information-based, Emerging & Alternative Energy facilities and producers, and Advanced Manufacturing, touting the County's skilled workforce and a high concentration of manufacturing support systems. Earlier this year, the following manufacturing companies made investments in the County:



- Lee Industries invested \$2.5 million into an expansion of its operations and relocated its corporate headquarters to Conover adding 75 new jobs



- Smart Electric N.A., based in Taiwan, opened its American headquarters in Conover as it ventured 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 added a \$4.2 million plant and 62 jobs in Hickory
- Bed Bath & Beyond invested more than \$36 million for their corporate data center in Claremont creating 7 jobs initially
- Taiji Group, a Chinese Paper Company located its first US manufacturing operation in Conover, investing \$3 million and 78 new jobs over four years

**In the past year, the County has added more than \$102.5 million in new investment and more than 625 jobs. Last year, Site Selection Magazine ranked the region tied for 9<sup>th</sup> 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 with at least 20,000 square feet of new floor space, \$1 million in investment and at least 50 employees.**

To help fully leverage and bolster the manufacturing effort in the county, the Manufacturing Solutions Center (MSC) relocated and increased its space from 8,000 to 20,000 square feet in the Conover Station, an \$8 million downtown development project on a 27-acre site formerly occupied by Broyhill Furniture. Its mission is to assist new and existing manufacturing companies with product testing, research and development support and assistance, marketing support, website design, and assistance with export sales. It also develops partnerships with trade groups, colleges and universities. In the past ten years, the Center is credited with creating or saving over 1,000 manufacturing jobs and providing a \$250 million economic impact worldwide and has become a model for the State. Some of their clients include Nike, Adidas, Hanes Brands, Land's End and Target and they have assisted businesses in 46 states and 6 continents. One of its local clients recently sought assistance from MSC and created a new product called Bootights, which combines tights and a sock sewn together to be worn with boots. The product is now sold in high-end retailers such as

Nieman Marcus and Nordstrom. The expansion project received \$2.7 million in Federal and State grant funds and opened late last year.

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 by offering local incentives to bring these projects to fruition. Examples of this include:

- Fiserv, a Fortune 500 company rated number one among the largest technology providers to the financial services industry, committed to invest \$4.9 million into a previously vacant facility and employ 400 people over a three year period. After the three-year period ended in 2012, Fiserv has exceeded its commitment by investing more than \$6 million and creating 440 new jobs above the county average wage at its customer care facility in Hickory
- Convergys, a leader in customer management for over thirty years, opened in Hickory in 2008 and committed to 446 new jobs. Their current workforce is 650 employees and in March of this year, they announced the creation of 100 additional jobs bringing their total employment to 750 employees in the county.

Another strategy that has been employed by the County includes the formation of a multi-jurisdictional industrial park funded in partnership by various local governments in the county, which landed the **County's largest economic development project in its history: Apple, Inc. committed to invest \$1 billion in Maiden and has already constructed a 500,000 square foot data center to house its iCloud suite of services.** The project created more than 100 new jobs in its first phase, with plans to add a total of 250 contract workers to operate the facility when the entire \$1 billion project is completed. The 183-acre site was marketed as a multi-jurisdictional park to attract a data center similar to the Google, Inc. complex in an adjacent county, with large amounts of power



Katie Fehrenbacher/Gigaom



Katie Fehrenbacher/Gigaom

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 the development of 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. In addition, a new 21,000 square foot “tactical” data center has been added adjacent to the main data center in addition to a planned 5-megawatt fuel cell installation. This fuel cell installation was recently upgraded to a 10-megawatt facility, which will be powered with 100% biogas and have a taxable value of more than \$6 million. Last year, Apple also 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. This facility is expected to cost \$10 million and combined with the Maiden facility, it 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 including articles written in the USA Today and interviewed by the London Sunday Times and the Washington Post for articles on Data Center

recruitment. With the various projects completed and recently announced, it is expected that Apple will continue to 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 in Claremont by Strata Solar from Chapel Hill. The company plans to develop a 100 acre solar farm, generating 5 megawatts of power and employing 200 people for electrical and construction jobs during construction.

A second multi-jurisdictional park, NC Data Campus, is currently under construction in cooperation with the County and the municipalities of Hickory, Conover, Maiden and Catawba. The partnership has secured a \$2.6 million Community Development Block Grant from the NC Department of Commerce and is currently developing a 70-acre site in Conover. The funds are being used to install infrastructure 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 is being marketed for another data center, similar to the Apple site.

Another economic development initiative this past year was the result of the Southern Growth Policies Board, which was engaged by a group of Catawba County leaders and organizations to examine the community’s current economic competitiveness and to help develop a set of recommendations to move the community to where it wants to be in the future. **Innovate Catawba** is the culmination of their work where six workgroups have been created to spur future economic growth in the County:

- Inspiring Communities—to develop community assets that appeal to the young of all ages for living, working and playing
- Reinventing Spaces—to improve the aesthetics and economic development potential of our community through programs that promote legacy structure demolition or

renovation. This area has already yielded success in the form of the County's Landfill Fee Waiver program, which has waived demolition fees on redevelopment projects totaling \$100,000, with an estimated re-investment of more than \$21 million. Examples of this include: Hollar Hosiery, Moretz Mills, Mulls Motel and Pet Dairy buildings.

- Building Quality Shell Buildings and Parks—to catalyze job growth by developing public/private initiatives to examine, promote and build competitively priced buildings and sites suitable for business location and job growth
- Incubating Small Business and Encouraging Entrepreneurship—to enhance the County's offerings for the development of small business, to create an environment attractive to entrepreneurs and build the talent needed to grow creative, innovative enterprises. This group has launched its efforts with the expansion of the Manufacturing Solutions Center and the receipt of a sizeable grant from the Kauffman Foundation that will be used to encourage small business and entrepreneurial activities
- Workforce Connectivity and Development—to develop a multifaceted approach to connect the various elements of current and future workforce to jobs in Catawba County
- Leading and Communicating—to identify, expand and train leaders who understand the need to uplearn and function at a higher level of complexity and competence; to take positive Catawba news, efforts, workgroup activities and other positive events and create a consistent, clear system for sharing with the community and the rest of the world

A community event based in Catawba County with positive economic impact is the Greater Hickory Kia 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 18<sup>th</sup> in its annual top 100 Golf Courses in the State of North Carolina in 2011. The 2013 event occurred in October for the eleventh consecutive year. Once again, the event 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, has received multiple awards over the last few years:

- Three Magnet designations from the American Nurses Credentialing Center
- One of America's Best 100 Hospitals for Patient Experience in 2012 and 2013
- 2013 Best Hospital for Patient Experience in Obstetrics
- One of America's Best Hospitals in Orthopedics in 2013 by WomenCertified
- 2013 QUEST Award for High-Value Healthcare from Premier, recognizing a reduction in harm, mortality, readmissions



and costs, while improving the patient experience and delivering evidence-based care.

The medical center recently completed its second phase of expansion, which included the construction of a five-story addition totaling \$34 million for a Women’s and Oncology Pavilion, providing centralized space for cancer treatment as well as for labor and delivery.

Frye Regional Medical Center, which celebrated its 100-year anniversary last year, has also received numerous awards for its services to the community:



- Women’s Choice Award for Excellence in Orthopedics in 2013

- The American College of Cardiology Foundation’s Platinum Performance Achievement Award in 2012 for implementing a higher standard of care for heart attack patients

- The previous year, they were

ranked number one in the state of North Carolina and in the top 5% of U.S. hospitals for cardiac surgery and patient safety by HealthGrades, the leading independent healthcare ratings organization in the nation

- The Distinguished Hospital award from J.D. Power and Associates in four of the last eight years for providing an outstanding inpatient experience and service excellence to its visitors

With approximately 1,500 employees countywide, the medical center is a strong corporate partner of the County as well as the seventh largest property taxpayer for 2013.

The County is also supported by a strong service-sector, enabling it to be a retail magnet for the region, capturing more than 60% of the \$2.9 billion in retail sales from the four-county Metropolitan Statistical Area (MSA), compared to only 43% of the population. Retail sales in the County increased by 1.0% in 2013, on top of a 3.9% increase the year before. This is the third year in a row that revenues have increased, reversing a decline the prior two years during the economic recession. 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

- 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

- Within the EcoComplex, a partnership was formed in 2011 between the County and Appalachian State University that led to the completion of a Biodiesel Research, Development and Production Facility. The complex includes crush abilities and a biodiesel production capacity of 100,000 gallons per year, which can be used in county equipment. Research will include

growing crops around the Blackburn Landfill at the EcoComplex to test which feed stocks grow best in the local climate and produce the best oil for biodiesel. In addition, two businesses are located at the facility producing wood products

- In 2011-12, Catawba County ranked second in the state out of 100 counties in the amount of recycling per capita, totaling more than 54,000 tons. It was also the first county in the state to offer curbside recycling to its citizens and now offers single stream recycling in the unincorporated sections of the County
- The County and UNC-Charlotte were jointly awarded a \$95,200 grant from the Biofuels Center of NC to establish a permanent, fully-functional cellulosic ethanol production operation. The project is expected to produce up to 300 gallons of ethanol weekly using feedstock produced onsite and serve as a biofuels research and education laboratory for engineering and biotechnology students

The county continues to receive national and state awards/recognition, which will hopefully provide future economic development opportunities for the County.

- The EcoComplex has won multiple awards the last few years, most recently receiving the 2013 Energy Leadership Award in the Charlotte Business

Journal for “playing a key role in making the Carolinas a global player in the energy industry”

- The County received a 2013 National Association of Counties (NACo) award for the development of a Performance Dashboard, which is a web-based program that uses interactive charts, graphs and narratives to provide citizens with a wealth of data on County government services and allows users to compare the County with others throughout the state and nation
- Catawba County has been named #1 in the Top 10 Digital Counties in the nation by the Center for Digital Government in 2013 for several new technology initiatives: the County’s GIS Real Estate website with several new features available to users, the use of QR codes on building permits to allow smart phone users to access data about a parcel in the field, and the Performance Dashboard mentioned previously

**LONG-TERM FINANCIAL PLANNING**

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, 2013, \$177 million in capital needs have been identified over the next eight years, which includes approximately \$73 million in school and community college construction needs. These projections have been completed taking into account a tax rate that is roughly 1/3 of the allowable limit.

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 county adopted a new ¼ cent sales tax, approved overwhelmingly by local referendum, which is currently providing approximately \$4.2 million a year in revenues to keep up with growth in the County without relying solely on the property tax.





Some of the additional funds are being used to expand the County's Justice Center to include the addition of new courtrooms (a county responsibility) and a new 911 Communication Center and Emergency Operations Center (EOC). The County accepted construction bids on the project in October 2013 with a base bid of \$23 million with construction expected to take approximately two years.

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 also continued a policy of setting aside funds, one half cent on the property tax rate or \$775,000 in fiscal year 2012-13, 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 \$42 million in water and sewer needs identified over the next eight years.

Catawba County is committed to education and recognizes the linkage between this and a well-trained workforce. To pay for the school and community college projects, the Catawba County Board of Commissioners continued their practice for a 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 second year of the funding plan in the 2012-13 fiscal year by using those funds for two new elementary schools, renovations to an existing middle school and campus improvements at the community college.

Another long-term initiative by the County is to improve the educational attainment of the region, which is directly linked to workforce development efforts. 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.

These efforts seem to be paying off as evidenced by the latest year-end results for the school systems. Catawba County Schools ended the 2012-13 school year with a 91.3 percent graduation rate for students who graduated in four years. Hickory Public Schools posted an 82.8 percent rate, its highest in the history of the school system and Newton-Conover Schools achieved an 87.4 percent rate, all three districts ending the year above the State of North Carolina average of 82.5%.

Finally, the County continues to support higher education initiatives in the region. The Hickory Metro Higher Education Center was created



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.

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 Center collaborates with other schools in bringing the best programs to the region to meet employment needs. This effort began as a regional economic development initiative and has become reality with public and private contributions of more than \$2.5 million. It is currently offering undergraduate degree programs enabling individuals employed in business, industry and State-related occupations to pursue a four-year degree through part-time evening study.



Other education initiatives include:

- Apprenticeship Catawba—a new partnership between local advanced manufacturers to provide opportunities and hands-on experience in a possible career working with robots, computer-aided design or electronics
- ValleySIM Hospital—a state-of-the-art facility designed to provide students, the community and the region with a realistic health care setting for education and research
- Challenger Early College High School—a public, selected enrollment high school and joint oversight project of the Catawba Valley Education Consortium
- Adult High School/GED Program—a study designed to successfully pass the series of 5 GED tests and improve reading, math, vocabulary and English skills.

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 to remain competitive.

# AWARDS AND ACKNOWLEDGEMENTS

## AWARDS

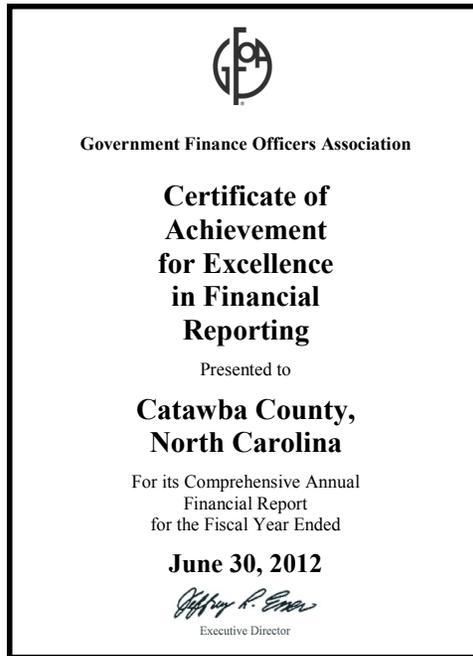
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to Catawba County for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement 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 31 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 2012-13. This is the sixth 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 five years in a row and hopes to continue with the 2012-13 entry.

Finally, the County has also received the GFOA's Award for Distinguished Budget

Presentation for its annual appropriated budget dated July 1, 2012. This is the twenty-fourth 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

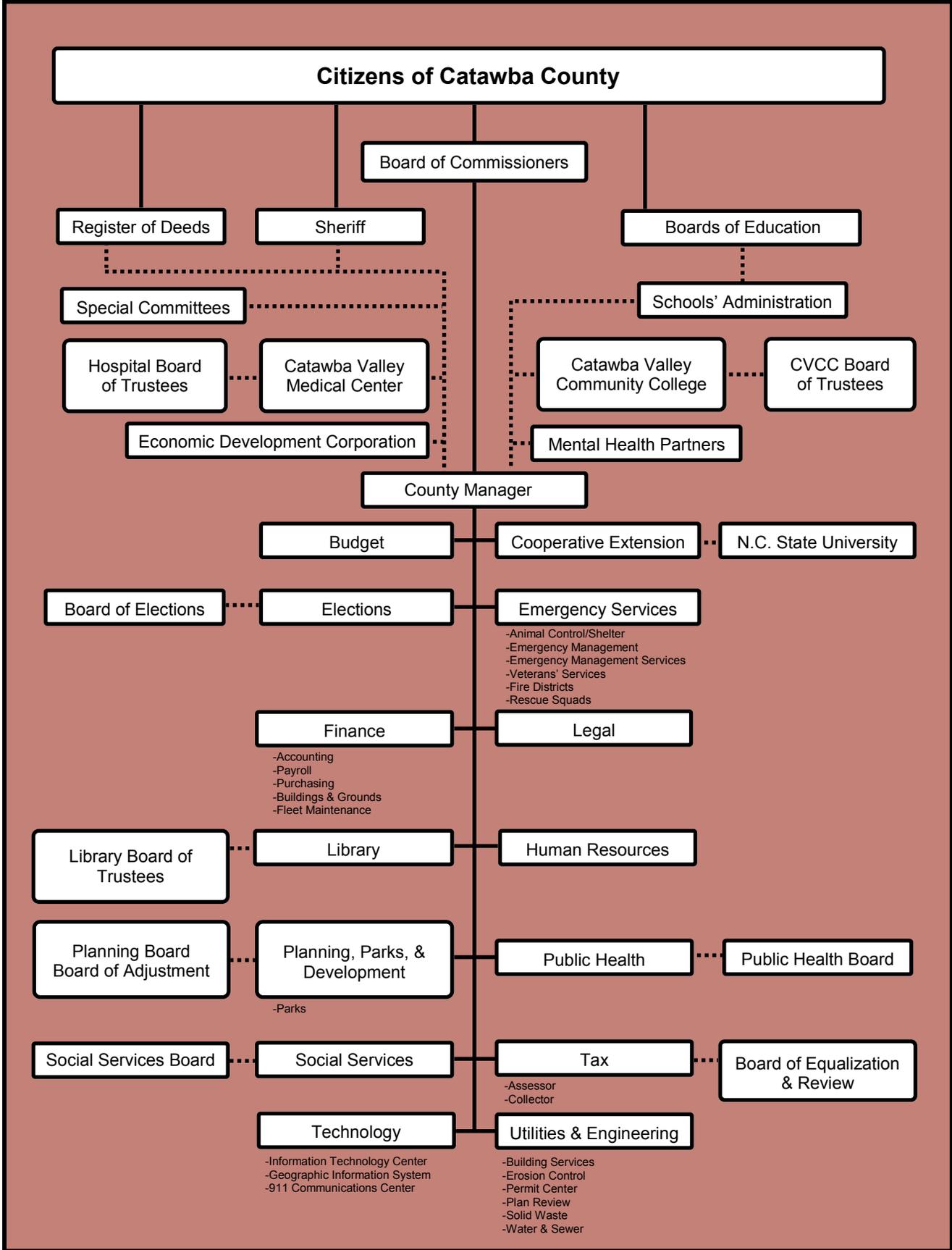
preparation of this report. Special recognition is extended to Jeanne Jarrett and Kenneth Maynor, along with Martin, Starnes & Associates, CPAs for their assistance with the report.

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



# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Catawba County  
Newton, North Carolina

### **Report On the Financial Statements**

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, 2013, and the related Notes to the Financial Statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catawba Valley Medical Center which represents 98 percent, 98 percent, and 94 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Catawba Valley Medical Center, is based solely on the report of another auditor. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the 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

fund information of Catawba County, North Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and the other Post-Employment 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 and the other auditors 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.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Catawba County's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical section 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. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements; and accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of Catawba County'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* in considering Catawba County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
November 18, 2013

# 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, 2013. 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.

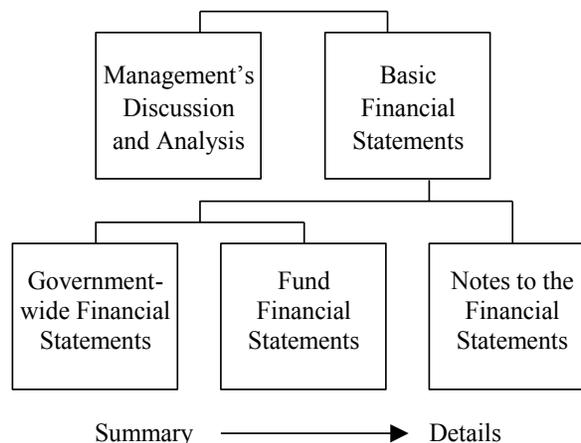
## FINANCIAL HIGHLIGHTS

- ▶ The assets and deferred outflows of resources of Catawba County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$157,844,945 (*net position*). Of this figure, approximately \$124 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net position increased by \$2,673,807, resulting from an increase of \$1,172,414 in governmental activities and \$1,501,393 in business-type activities.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$125,945,115, an increase of \$21,085,917 in comparison with the prior year. Approximately 39 percent of this total amount, or \$49,022,666, is restricted and non-spendable. [See Exhibits 3 and 4]
- ▶ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,199,035, or 16 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total debt increased by \$28,859,560 during the current fiscal year. Outstanding debt principal is \$154,634,710 and equates to \$994 per capita at the end of the fiscal year.
- ▶ For the ninth 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 4th 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 position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Deferred outflows of resources are a consumption of net position that are applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position that are applicable to a future reporting period. Measuring net position 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 Position 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 Position 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 position may serve over time as one useful indicator of a government's financial condition. Catawba County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$157,844,945 as of June 30, 2013. The County's net position increased by \$2,471,030 for the fiscal year ended June 30, 2013. Of this amount, \$2,673,807 is an increase in net position after transfers. The remainder, or (\$202,777) is a restatement of the net position at the beginning of the year in accordance with GASB Statement 65. Additional information can be found in the notes to the financial statements.

**Government-Wide Financial Analysis**  
**Catawba County's Net Position**

	Governmental Activities		Business-type Activities		Total		Total	
	2013	2012	2013	2012	2013	2012	Dollar Change	Percent Change
Current and other assets	\$148,077,455	\$122,245,789	\$ 58,830,785	\$ 52,152,232	\$206,908,240	\$174,398,021	\$ 32,510,219	18.64%
Capital assets	84,659,283	83,604,826	58,558,562	55,031,372	143,217,845	138,636,198	4,581,647	3.30%
Total assets	232,736,738	205,850,615	117,389,347	107,183,604	350,126,085	313,034,219	37,091,866	11.85%
Total deferred outflow s of resources	3,562,549	2,931,379	56,612	60,538	3,619,161	2,991,917	627,244	20.96%
Long-term liabilities	155,512,637	133,808,788	25,287,123	16,758,379	180,799,760	150,567,167	30,232,593	20.08%
Other liabilities	13,130,358	8,657,448	992,798	760,580	14,123,156	9,418,028	4,705,128	49.96%
Total liabilities	168,642,995	142,466,236	26,279,921	17,518,959	194,922,916	159,985,195	34,937,721	21.84%
Total deferred inflow s of resources	977,385	606,488	-	-	977,385	606,488	370,897	61.15%
<b>Net position:</b>								
Net investment in capital assets	72,733,148	71,902,720	51,632,394	47,665,657	124,365,542	119,568,377	4,797,165	4.01%
Restricted	50,910,338	32,831,276	-	-	50,910,338	32,831,276	18,079,062	55.07%
Unrestricted	(56,964,579)	(39,024,726)	39,533,644	41,998,988	(17,430,935)	2,974,262	(20,405,197)	-686.06%
Total net position	\$ 66,678,907	\$ 65,709,270	\$ 91,166,038	\$ 89,664,645	\$157,844,945	\$155,373,915	\$ 2,471,030	1.59%

The largest portion of net position, 78.8%, reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt outstanding that was issued to acquire those items. Capital assets increased by \$4,581,647 during the current year. Catawba County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Catawba County's investment in its capital assets is reported net of the outstanding related debt, the resources to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of Catawba County's net position, 32.3%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is unrestricted which is a negative (11.1%) of the total net position. This is due to the issuance of debt by the County to pay for public school and community college capital projects. The liability

is included in the County's statement of net position, but the capital assets are recorded by the public schools and community college.

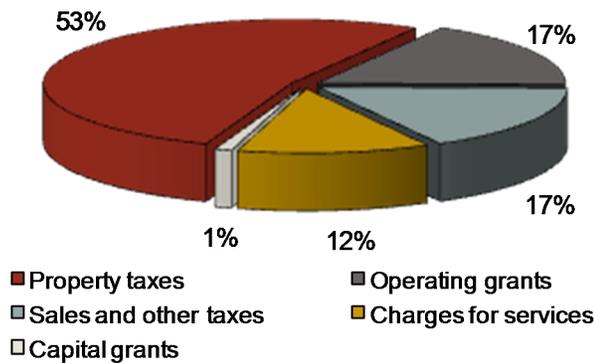
In order to provide a complete picture of the changes in net position of the County, information is provided separately for the net positions of governmental and business-type activities.

**Governmental Activities** - Governmental activities increased the County's net position by \$969,637. This includes the restatement of net position in the amount of (\$202,777) required by GASB 65 referred to previously. Key elements of this change are as follows:

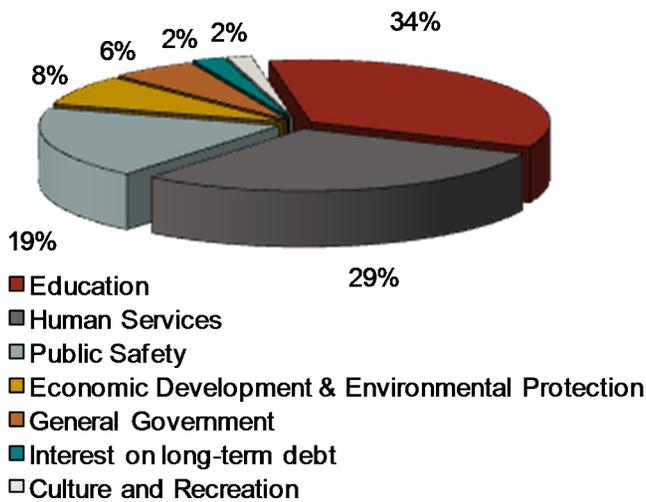
- ▶ An increase in sales tax revenues of \$281,466 due to an improving economic environment in the County.
- ▶ Interest on long-term debt decreased by \$885,591 from the prior year due to refunding prior debt with lower current interest rates.

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

### Revenues by Source - Governmental Activities

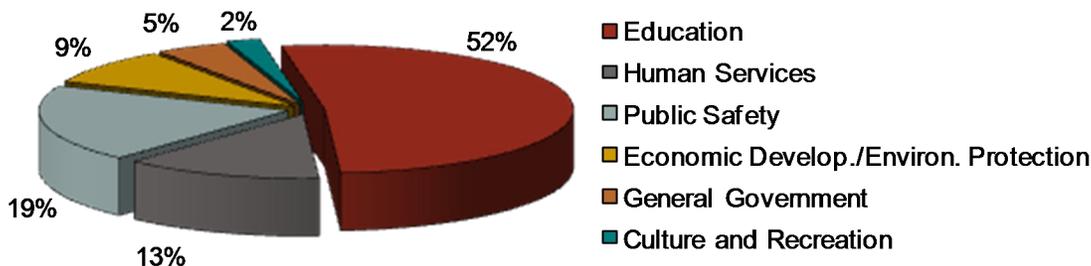


### Expenditures by Function - Governmental Activities



The following graph shows the expenditures percentage as funded by local dollars.

### Expenditures by Function - Funded by Local Dollars



**Business-type Activities** - Business-type activities increased Catawba County's net position by \$1,501,393. 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.
- ▶ Transfer of 1/2 cent property tax for water and sewer projects in the amount \$775,000.
- ▶ Capital expenditures of (\$945,000) for Solid Waste projects

### 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.

### Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 21,191,015	\$ 20,686,795	\$ 5,880,833	\$ 5,912,649	\$ 27,071,848	\$ 26,599,444
Operating grants and contributions	28,576,342	31,816,198	650,178	447,717	29,226,520	32,263,915
Capital grants and contributions	1,859,891	1,746,730	731,970	1,366,637	2,591,861	3,113,367
General revenues:						
Property taxes	89,347,893	85,663,390	-	-	89,347,893	85,663,390
Sales and other taxes	28,193,637	27,912,171	1,587,713	1,585,139	29,781,350	29,497,310
Investment earnings, unrestricted	(183,818)	1,291,370	(94,709)	487,048	(278,527)	1,778,418
Gain (loss) on sale of assets	9,169	-	(12,471)	-	(3,302)	-
<b>Total revenues</b>	<b>168,994,129</b>	<b>169,116,654</b>	<b>8,743,514</b>	<b>9,799,190</b>	<b>177,737,643</b>	<b>178,915,844</b>
<b>Expenses</b>						
General government	9,760,225	9,737,258	-	-	9,760,225	9,737,258
Public safety	31,236,944	31,399,814	-	-	31,236,944	31,399,814
Environmental protection	508,073	459,609	-	-	508,073	459,609
Economic and physical development	12,780,487	11,657,411	-	-	12,780,487	11,657,411
Human services	48,863,130	50,113,468	-	-	48,863,130	50,113,468
Cultural and recreation	2,776,547	2,724,942	-	-	2,776,547	2,724,942
Education	57,519,210	57,134,411	-	-	57,519,210	57,134,411
Interest on long-term debt	3,602,099	4,487,690	-	-	3,602,099	4,487,690
Solid waste management	-	-	5,927,016	5,797,602	5,927,016	5,797,602
Water and sewer	-	-	2,090,105	2,462,706	2,090,105	2,462,706
<b>Total expenses</b>	<b>167,046,715</b>	<b>167,714,603</b>	<b>8,017,121</b>	<b>8,260,308</b>	<b>175,063,836</b>	<b>175,974,911</b>
Increase (decrease) in net position						
before transfers	1,947,414	1,402,051	726,393	1,538,882	2,673,807	2,940,933
Transfers	(775,000)	(775,000)	775,000	775,000	-	-
Increase (decrease) in net position after transfers	1,172,414	627,051	1,501,393	2,313,882	2,673,807	2,940,933
Net position - beginning of year, previously reported	65,709,270	65,082,219	89,664,645	87,350,763	155,373,915	152,432,982
Restatement	(202,777)	-	-	-	(202,777)	-
Net position- beginning, restated	65,506,493	65,082,219	89,664,645	87,350,763	155,171,138	152,432,982
Net position - end of year	<b>\$ 66,678,907</b>	<b>\$ 65,709,270</b>	<b>\$ 91,166,038</b>	<b>\$ 89,664,645</b>	<b>\$ 157,844,945</b>	<b>\$ 155,373,915</b>

At June 30, 2013, the governmental funds of the County reported a combined fund balance of \$125,945,115, a 20.1 percent increase from the previous year. The primary reason for this increase in fund balance was the issuance of debt of \$33,600,000 for two public elementary schools, a County animal shelter, and an economic development project.

**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 \$37,313,077, while total

fund balance reached \$50,618,164. As a measure of the general fund's liquidity, the North Carolina Local Government Commission recommends comparing the available fund balance to total fund expenditures. Available fund balance represents 23.76% of total General Fund expenditures.

The overall fund balance decreased by (\$482,840) due, in part, to a net decrease in investment value at June 30 as required by GASB 31. This requirement adjusts the County's investment portfolio to a fair market value at year

end. 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 \$8.2 million to \$33 million. The largest financing sources came from \$2.6 million of sales taxes accumulated for future Justice Center expansion and new debt issued of \$6.8 million. Expenditures were \$3.3 million, an increase from \$2.9 million in the prior year as construction began on a new animal shelter and parking deck.

The School Construction Fund is a major governmental fund. This fund accounts for the financing and multi-year construction projects for public school and community college facilities. Its fund balance increased by \$17 million to \$25.7 million. The largest financing source came from new debt issued of \$26.6 million. Expenditures were \$10.1 million mainly for the construction of two new public schools.

**Non-Major Funds** - Fund balances for non-major funds decreased by (\$3.7) million to \$16.6 million overall. The major decrease is from the School Capital Fund of (\$3.6) million, which was a result of an increase in expenditures relating to major 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 position of the Enterprise Funds at the end of the fiscal year amounted to \$91.2 million with \$39.6 million of this amount being unrestricted. The increase in net position in these funds was \$1.5 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 \$817,590 or .5%. 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 (\$244,678). There were several reasons including: reduced investment earnings due to adjustment for fair market value, a decrease in expected third party reimbursements for public health services, and some anticipated federal and state grants that were not received at year end.

Net amendments to budgeted appropriations were \$318,350 or .2%. 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 \$20,698,980. These cost savings resulted mainly from unspent appropriations of a) \$5.8 million in services and supplies in human services departments, b) \$3.3 million in salaries and benefits due to temporary vacancies in various departments, c) reductions in health claims by County employees, and d) principal and interest payments of \$7.3 million that were unspent due to the timing of new debt issuance.

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

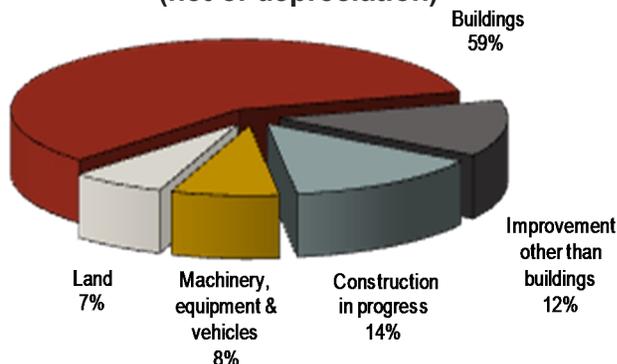
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 5,689,821	\$ 5,689,821	\$ 7,886,912	\$ 7,364,944	\$ 13,576,733	\$ 13,054,765
Buildings	49,670,152	51,472,750	584,683	600,174	50,254,835	52,072,924
Improvements other than buildings	10,954,261	10,432,704	20,484,287	20,994,321	31,438,548	31,427,025
Machinery, equipment and vehicles	6,466,168	6,598,922	1,743,104	1,387,021	8,209,272	7,985,943
Construction in progress	11,878,881	9,410,629	27,859,576	24,684,912	39,738,457	34,095,541
<b>Total</b>	<b>84,659,283</b>	<b>83,604,826</b>	<b>58,558,562</b>	<b>55,031,372</b>	<b>143,217,845</b>	<b>138,636,198</b>

### 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, 2013, totals \$143,217,845 (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 public safety vehicles of \$1,012,616.
- ▶ Purchase of new landfill equipment of \$791,985.
- ▶ Increase in construction in progress in governmental funds of approximately \$2.8 million primarily for the addition of a new animal shelter and parking deck.

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



- ▶ The enterprise funds increase of approximately \$3.1 million was for the extension of new sewer lines along Highway 150.

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, 2013, Catawba County had total bonded debt outstanding of \$3,325,000, all of which is debt backed by the full faith and credit of the County. In addition, the County had other outstanding debt of \$156,708,446. The overall change in long-term debt was a net increase of \$28,416,949. The County issued installment purchase debt during the year of \$41,600,000 and refunded \$10,965,000 of outstanding 2005 certificates of participation.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 4th consecutive year, its Aa1 bond rating from Moody's Investors Service and for the 9<sup>th</sup> consecutive year, its AA rating from Standard and Poor's. This stable bond rating is a clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

North Carolina general statutes limit the amount of debt that a unit of local government can issue. The County's total debt burden outstanding is \$154,634,710 compared to the legal debt limit of \$1,282,230,749 or 12% of the legal debt limit.

## Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 3,325,000	\$ 7,715,000	\$ -	\$ -	\$ 3,325,000	\$ 7,715,000
Installment Purchases	48,618,040	19,475,148	8,000,000	-	56,618,040	19,475,148
Certificates of Participation	16,465,000	18,090,000	-	-	16,465,000	18,090,000
Qualified Zone Academy Bonds	450,000	500,000	-	-	450,000	500,000
Qualified School Const. Bonds	23,383,798	25,237,700	-	-	23,383,798	25,237,700
Limited Obligation Bonds	37,770,939	39,787,135	5,504,061	5,797,865	43,275,000	45,585,000
Build America Bonds	7,242,872	7,822,302	-	-	7,242,872	7,822,302
Federal Revolving Loan	-	-	1,275,000	1,350,000	1,275,000	1,350,000
Department of Commerce	2,600,000	-	-	-	2,600,000	-
Premium on long-term debt	5,195,017	5,623,497	203,719	217,850	5,398,736	5,841,347
<b>Total</b>	<b>\$ 145,050,666</b>	<b>\$ 124,250,782</b>	<b>\$ 14,982,780</b>	<b>\$ 7,365,715</b>	<b>\$ 160,033,446</b>	<b>\$ 131,616,497</b>

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

### FISCAL YEAR 2012-13 ECONOMIC FACTORS

The following factors reflect the economic activity of the County.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 12% of its statutory limit. The property tax rate of \$0.53/\$100 was below the State average of \$0.64/\$100 and the 28<sup>th</sup> lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 60% of the \$2.9 billion in retail sales from the four-county Metropolitan Statistical Area in 2013 despite having only 43% of the population.
- ▶ The county's unemployment has seen some improvement as the rate declined from 11.3% in June 2012 to 10.8% in June 2013.

### BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2014

**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 2.5 percent increase in property tax revenue and a 2.0 percent increase in sales tax revenue. The County is also budgeting a modest increase of 1.3 percent in operating expenses for a total approved budget of \$226,253,141 for fiscal year 2013-14.

Education continues to represent the largest portion of the local budget, with 47.6 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—23 cents of every property tax and sales tax dollar—is spent on public safety.

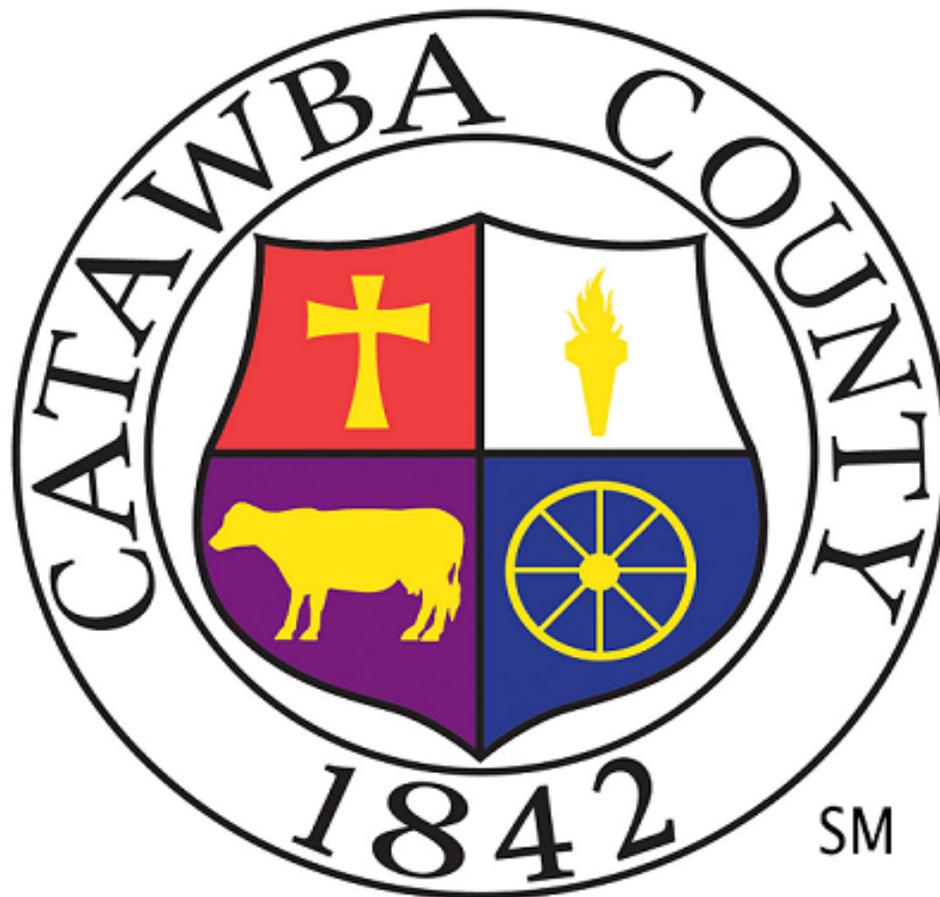
As a commitment to public safety, in fiscal year 2013-2014 the County budgets funds for five new road patrol deputies, replacement of three ambulances, upgrades to the 911 telephone system, construction of a new animal shelter, and expansion of the Justice Center. Over the past five years, the County has impacted over 9 percent of the workforce as it has right sized staffing in comparison to demand for services and available funding. The fiscal year 2013-14 budget eliminates or reduces hours for 32 positions. The budget includes a \$600 cost of living adjustment, the first adjustment in four years. Other salary adjustments are based on

performance and include a 2 percent increase for employees who exhibit satisfactory performance as reflected in the annual evaluation. 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 \$8,266,501 budget includes \$6,281,859 for solid waste and \$1,984,642 for water and sewer operations. As the County grows, there is a greater demand for clean drinking water and sewage disposal. To address these needs, the budget commits 1 cent (\$1.6 million) of the property tax rate and \$1.3 million of the 1/4 cent sales tax to fund strategic water and sewer needs. The County has entered into a Solid Waste Franchise agreement with a private company, with a result of reduced costs to the County and citizens.

### 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 Position**  
**June 30, 2013**

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 95,380,581	\$ 30,789,576	\$ 126,170,157
Taxes receivable - net	3,354,642	-	3,354,642
Due from other governments	14,665,823	764,601	15,430,424
Notes receivable	631,230	208,655	839,885
Other receivables	3,049,354	388,880	3,438,234
Interest receivable	170,749	90,154	260,903
Inventories	305,186	-	305,186
Prepaid items	26,922	195,903	222,825
Restricted cash and investments	28,619,909	26,393,016	55,012,925
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	17,568,702	35,746,488	53,315,190
Other capital assets, net of depreciation	67,090,581	22,812,074	89,902,655
Total capital assets	84,659,283	58,558,562	143,217,845
Net investment in joint venture	1,873,059	-	1,873,059
Total assets	232,736,738	117,389,347	350,126,085
<b>Deferred outflows of resources</b>	3,562,549	56,612	3,619,161
<b>Liabilities</b>			
Accounts payable and accrued liabilities	8,699,259	992,798	9,692,057
Liabilities paid from restricted assets	4,431,099		4,431,099
Long-term liabilities:			
Due within one year	17,301,468	1,264,130	18,565,598
Due in more than one year	138,211,169	24,022,993	162,234,162
Total long-term liabilities	155,512,637	25,287,123	180,799,760
Total liabilities	168,642,995	26,279,921	194,922,916
<b>Deferred inflows of resources</b>	977,385	-	977,385
<b>Net Position</b>			
Net investment in capital assets	72,733,148	51,632,394	124,365,542
Restricted			
Stabilization by State statute	16,834,858	-	16,834,858
Register of Deeds	66,229	-	66,229
Public safety	4,531,082	-	4,531,082
Fire Protection	893,577	-	893,577
Library Endowment	236,757	-	236,757
Social services scholarships	44,288	-	44,288
Parks preservation	75,197	-	75,197
School capital and construction	22,834,431	-	22,834,431
Hospital capital projects	5,393,919	-	5,393,919
Other	-	-	-
Unrestricted (deficit)	(56,964,579)	39,533,644	(17,430,935)
Total net position	\$ 66,678,907	\$ 91,166,038	\$ 157,844,945

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

<b>Component Units</b>	
<b>Catawba Valley Medical Center</b>	<b>Catawba County ABC Board</b>
\$ 73,373,868	\$ 840,196
-	-
1,112,950	-
-	-
28,758,054	-
210,581	-
5,437,063	1,747,405
4,512,588	-
7,988,042	-
9,871,734	-
7,660,904	-
<u>112,855,519</u>	<u>1,862,321</u>
<u>120,516,423</u>	<u>1,862,321</u>
-	-
<u>251,781,303</u>	<u>4,449,922</u>
-	-
37,166,977	1,277,542
-	-
2,742,861	78,386
<u>51,037,325</u>	-
<u>53,780,186</u>	<u>78,386</u>
<u>90,947,163</u>	<u>1,355,928</u>
-	-
68,056,937	1,862,321
-	-
-	-
-	-
-	-
-	-
-	-
-	-
5,418,008	-
38,931	424,297
<u>87,320,264</u>	<u>807,376</u>
<u>\$ 160,834,140</u>	<u>\$ 3,093,994</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities				
General government	\$ 9,760,225	\$ 1,869,484	\$ 1,055,021	\$ 1,500,000
Public safety	31,236,944	9,178,100	84,435	-
Environmental protection	508,073	4,675	62,247	-
Economic and physical development	12,780,487	2,329,590	368,462	150
Human services	48,863,130	7,247,968	26,786,085	-
Culture and recreation	2,776,547	62,192	220,092	-
Education	57,519,210	499,006	-	359,741
Interest on long-term debt	3,602,099	-	-	-
Total governmental activities	<u>167,046,715</u>	<u>21,191,015</u>	<u>28,576,342</u>	<u>1,859,891</u>
Business-type activities				
Solid waste management	5,927,016	5,489,468	138,076	140,098
Water and sewer	2,090,105	391,365	512,102	591,872
Total business-type activities	<u>8,017,121</u>	<u>5,880,833</u>	<u>650,178</u>	<u>731,970</u>
Total primary government	<u>\$ 175,063,836</u>	<u>\$ 27,071,848</u>	<u>\$ 29,226,520</u>	<u>\$ 2,591,861</u>
<b>Component units</b>				
Catawba Valley Medical Center	\$ 202,121,677	\$ 203,178,015	\$ 908,050	\$ 1,345,484
Catawba County ABC Board	12,225,121	12,176,258	-	-
Total Component Units	<u>\$ 214,346,798</u>	<u>\$ 215,354,273</u>	<u>\$ 908,050</u>	<u>\$ 1,345,484</u>

## General Revenues:

Taxes  
  Property taxes, levied for general purposes  
  Local option sales taxes  
  Other taxes  
  Investment earnings, unrestricted  
  Gain (loss) on sale of capital assets  
Transfers  
  Total general revenues and transfers

Change in net position

Net position, beginning, previously reported  
Restatement  
Net position, beginning, restated

Net position, ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Catawba Valley Medical Center	Catawba County ABC Board
\$ (5,335,720)	\$ -	\$ (5,335,720)		
(21,974,409)	-	(21,974,409)		
(441,151)	-	(441,151)		
(10,082,285)	-	(10,082,285)		
(14,829,077)	-	(14,829,077)		
(2,494,263)	-	(2,494,263)		
(56,660,463)	-	(56,660,463)		
(3,602,099)	-	(3,602,099)		
<u>(115,419,467)</u>	<u>-</u>	<u>(115,419,467)</u>		
-	(159,374)	(159,374)		
-	(594,766)	(594,766)		
-	(754,140)	(754,140)		
<u>(115,419,467)</u>	<u>(754,140)</u>	<u>(116,173,607)</u>		
			\$ 3,309,872	\$ -
			-	(48,863)
			<u>\$ 3,309,872</u>	<u>\$ (48,863)</u>
89,347,893	-	89,347,893	-	-
26,644,767	1,293,304	27,938,071	-	-
1,548,870	294,409	1,843,279	-	-
(183,818)	(94,709)	(278,527)	1,272,048	18,205
9,169	(12,471)	(3,302)	19,420	-
(775,000)	775,000	-	-	-
<u>116,591,881</u>	<u>2,255,533</u>	<u>118,847,414</u>	<u>1,291,468</u>	<u>18,205</u>
1,172,414	1,501,393	2,673,807	4,601,340	(30,658)
65,709,270	89,664,645	155,373,915	156,232,800	3,124,652
(202,777)	-	(202,777)	-	-
<u>65,506,493</u>	<u>89,664,645</u>	<u>155,171,138</u>	<u>156,232,800</u>	<u>3,124,652</u>
<u>\$ 66,678,907</u>	<u>\$ 91,166,038</u>	<u>\$ 157,844,945</u>	<u>\$ 160,834,140</u>	<u>\$ 3,093,994</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Balance Sheet  
Governmental Funds  
June 30, 2013

	Major Funds			Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	
<b>Assets</b>					
Cash and investments	\$ 43,843,765	\$ 29,360,097	\$ 5,429,598	\$ 16,747,121	\$ 95,380,581
Taxes receivable - net	3,168,132	-	-	186,510	3,354,642
Due from other governments	10,912,619	733,120	1,910,064	1,110,020	14,665,823
Notes receivable	631,230	-	-	-	631,230
Other receivables	3,037,930	11,424	-	-	3,049,354
Interest receivable	88,112	46,848	7,894	27,895	170,749
Inventories	305,186	-	-	-	305,186
Prepaid items	26,922	-	-	-	26,922
Restricted cash and investments	2,503,771	3,281,707	22,834,431	-	28,619,909
<b>Total assets</b>	<b>64,517,667</b>	<b>33,433,196</b>	<b>30,181,987</b>	<b>18,071,546</b>	<b>146,204,396</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	5,330,628	422,540	1,715,175	1,230,916	8,699,259
Liabilities to be paid from restricted assets	1,644,590	-	2,786,509	-	4,431,099
<b>Total liabilities</b>	<b>6,975,218</b>	<b>422,540</b>	<b>4,501,684</b>	<b>1,230,916</b>	<b>13,130,358</b>
<b>Deferred Inflows of Resources</b>	<b>6,924,285</b>	<b>-</b>	<b>-</b>	<b>204,638</b>	<b>7,128,923</b>
<b>Fund Balances</b>					
Nonspendable					
Inventories	305,186	-	-	-	305,186
Prepaid	26,922	-	-	-	26,922
Restricted					
Stabilization by State Statute	12,972,979	791,393	1,917,958	1,137,915	16,820,245
Register of Deeds	66,229	-	-	-	66,229
School Capital	-	-	-	-	-
Public Safety	-	-	-	2,658,023	2,658,023
Fire Protection	-	-	-	893,577	893,577
Library Endowment	-	-	-	236,757	236,757
Scholarship	-	-	-	44,288	44,288
Parks Preservation	-	-	-	75,197	75,197
School Capital and Construction	-	-	22,834,431	-	22,834,431
Hospital Capital	-	-	-	5,393,919	5,393,919
Committed					
Tax Revaluation	166,678	-	-	-	166,678
General Capital Reserve	448,015	-	-	-	448,015
General Capital	-	32,219,263	-	-	32,219,263
School Construction	-	-	927,914	-	927,914
School Capital	-	-	-	6,172,623	6,172,623
Hospital Construction	-	-	-	23,693	23,693
Assigned					
Public Health	428,814	-	-	-	428,814
Social Services	4,505,344	-	-	-	4,505,344
County Manager	182,660	-	-	-	182,660
Human Resources	624,570	-	-	-	624,570
Library	334,917	-	-	-	334,917
Subsequent year's expenditures	6,356,815	-	-	-	6,356,815
Unassigned	24,199,035	-	-	-	24,199,035
<b>Total fund balances</b>	<b>50,618,164</b>	<b>33,010,656</b>	<b>25,680,303</b>	<b>16,635,992</b>	<b>125,945,115</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 64,517,667</b>	<b>\$ 33,433,196</b>	<b>\$ 30,181,987</b>	<b>\$ 18,071,546</b>	<b>\$ 146,204,396</b>

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 Position**  
**June 30, 2013**

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

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 125,945,115
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	84,659,283
The County has an equity interest in a joint venture. This investments is not a current financial resource and therefore not reported in the funds	1,873,059
Charges related to refunding bond issues	3,562,549
Liabilites for earned revenues considered deferred inflows of resources in fund statements	6,151,538
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>(155,512,637)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 66,678,907</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Major Funds			Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	
<b>Revenues</b>					
Ad valorem taxes	\$ 83,500,533	\$ -	-	\$ 5,745,517	\$ 89,246,050
Other taxes	20,685,904	2,619,663	-	3,896,004	27,201,571
Unrestricted intergovernmental revenues	1,887,066	-	-	-	1,887,066
Restricted intergovernmental revenues	35,182,823	-	-	989,717	36,172,540
Licenses and permits	2,331,347	-	-	15,569	2,346,916
Sales and services	11,518,226	-	-	-	11,518,226
Investment earnings	(105,020)	(52,218)	(8,496)	(18,084)	(183,818)
Miscellaneous	2,772,504	684,208	-	12,712	3,469,424
Total revenues	157,773,383	3,251,653	(8,496)	10,641,435	171,657,975
<b>Expenditures</b>					
Current					
General government	10,339,386	-	-	-	10,339,386
Public safety	24,562,204	-	-	6,366,387	30,928,591
Environmental protection	477,163	-	-	-	477,163
Economic and physical development	12,779,225	-	-	71,492	12,850,717
Human services	48,069,751	-	-	-	48,069,751
Culture and recreation	2,694,713	-	-	-	2,694,713
Education	39,695,975	-	-	-	39,695,975
Capital outlay	-	3,290,533	10,123,433	7,699,803	21,113,769
Debt service					
Principal	11,732,733	-	-	-	11,732,733
Interest	3,600,703	-	-	-	3,600,703
Sinking fund escrow	1,853,902	-	-	-	1,853,902
Advance refunding escrow	1,128,232	-	-	-	1,128,232
Bond issuance costs	135,592	-	-	-	135,592
Total expenditures	157,069,579	3,290,533	10,123,433	14,137,682	184,621,227
Excess of revenues over (under) expenditures	703,804	(38,880)	(10,131,929)	(3,496,247)	(12,963,252)
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	50,000	1,402,000	714,223	81,444	2,247,667
Transfers to other funds	(2,645,563)	-	(47,704)	(329,400)	(3,022,667)
Sales of capital assets	9,169	-	-	-	9,169
Installment purchase issued	184,750	6,800,000	26,615,250	-	33,600,000
Refunding certificates of participation issued	10,965,000	-	-	-	10,965,000
Payment to refunded bond escrow agent	(9,750,000)	-	-	-	(9,750,000)
Total other financing sources (uses)	(1,186,644)	8,202,000	27,281,769	(247,956)	34,049,169
Net change in fund balance	(482,840)	8,163,120	17,149,840	(3,744,203)	21,085,917
<b>Fund Balances - Beginning of Year</b>	51,101,004	24,847,536	8,530,463	20,380,195	104,859,198
<b>Fund Balances - End of Year</b>	\$ 50,618,164	\$ 33,010,656	\$ 25,680,303	\$ 16,635,992	\$ 125,945,115

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, 2013**

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

Net change in <i>fund balances</i> - total governmental funds (Exhibit 4)	\$ 21,085,917
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.	1,054,457
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.	(270,209)
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	172,157
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.	(20,799,884)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(70,024)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 1,172,414</u>

**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, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
<b>Revenues</b>				
Ad Valorem taxes	\$ 81,137,540	\$ 81,137,540	\$ 83,500,533	\$ 2,362,993
Other taxes	19,530,672	19,530,672	20,685,904	1,155,232
Unrestricted intergovernmental revenues	1,841,000	1,841,000	1,887,066	46,066
Restricted intergovernmental revenues	37,345,580	38,034,043	35,182,823	(2,851,220)
Licenses and permits	1,700,949	1,700,949	2,331,347	630,398
Sales and services	12,505,162	12,560,619	11,518,226	(1,042,393)
Investment earnings	503,500	503,500	(103,867)	(607,367)
Miscellaneous	2,637,221	2,710,891	2,772,504	61,613
Total revenues	<u>157,201,624</u>	<u>158,019,214</u>	<u>157,774,536</u>	<u>(244,678)</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	12,276,716	11,903,316	9,969,891	1,933,425
Public safety	25,470,748	25,673,325	24,562,204	1,111,121
Environmental protection	652,322	725,551	477,163	248,388
Economic and physical development	13,699,678	13,816,471	12,779,225	1,037,246
Human services	56,261,580	56,284,981	48,069,751	8,215,230
Culture and recreation	3,003,654	3,003,654	2,694,713	308,941
Education	40,055,274	40,055,274	39,695,975	359,299
<b>Debt service</b>				
Principal	14,392,745	14,392,745	11,732,733	2,660,012
Interest	8,285,860	8,285,860	3,600,703	4,685,157
Sinking fund escrow	1,853,905	1,853,905	1,853,902	3
Advance refunding escrow	-	1,209,000	1,128,232	80,768
Bond issuance costs	-	275,750	135,592	140,158
Total expenditures	<u>175,952,482</u>	<u>177,479,832</u>	<u>156,700,084</u>	<u>20,779,748</u>
Excess of revenues over (under) expenditures	<u>(18,750,858)</u>	<u>(19,460,618)</u>	<u>1,074,452</u>	<u>20,535,070</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	50,000	50,000	50,000	-
Transfers to other funds	(3,009,597)	(3,027,713)	(3,027,713)	-
Sale of capital assets	-	-	9,169	9,169
Installment purchase obligation issued	6,781,650	6,966,400	184,750	(6,781,650)
Refunding certificates of participation issued	-	11,050,000	10,965,000	(85,000)
Payment to refunded bond escrow agent	-	(9,750,000)	(9,750,000)	-
Fund balance appropriated	14,928,805	14,171,931	-	(14,171,931)
Total other financing sources (uses)	<u>18,750,858</u>	<u>19,460,618</u>	<u>(1,568,794)</u>	<u>(21,029,412)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(494,342)</u>	<u>\$ (494,342)</u>
<b>Fund Balances - Beginning of Year</b>			<u>50,492,636</u>	
<b>Fund Balances - End of Year</b>			\$ 49,998,294	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			(505)	
Transfer from other funds			382,150	
Expenditures			(369,495)	
Fund Balance, Beginning			158,963	
A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			(648)	
Fund Balance, Beginning			449,405	
Fund Balance, Ending (Exhibit 4)			<u>\$ 50,618,164</u>	

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and investments	\$ 17,761,097	13,028,479	\$ 30,789,576
Due from other governments	170,707	593,894	764,601
Notes receivable	-	208,655	208,655
Accounts receivables (net of allowance)	374,853	14,027	388,880
Other receivables	29,589	60,565	90,154
Prepaid fees	295	195,608	195,903
Restricted cash and investments	-	26,393,016	26,393,016
Total current assets	<u>18,336,541</u>	<u>40,494,244</u>	<u>58,830,785</u>
Noncurrent assets			
Capital assets			
Land, non-depreciable improvements, and construction in progress	11,110,060	24,636,428	35,746,488
Other capital assets, net of depreciation	15,558,392	7,253,682	22,812,074
Total capital assets	<u>26,668,452</u>	<u>31,890,110</u>	<u>58,558,562</u>
Total assets	<u>45,004,993</u>	<u>72,384,354</u>	<u>117,389,347</u>
<b>Deferred outflows of resources</b>			
Deferred charge on debt refunding	-	56,612	56,612
Total deferred outflows of resources	<u>-</u>	<u>56,612</u>	<u>56,612</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	500,085	492,713	992,798
Accrued landfill closure and postclosure care costs	213,721	-	213,721
Installment loan payable	-	969,774	969,774
Installment loan premium	-	14,131	14,131
Compensated absences payable	59,457	7,047	66,504
Total current liabilities	<u>773,263</u>	<u>1,483,665</u>	<u>2,256,928</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	9,792,820	-	9,792,820
Installment loan payable	-	13,809,287	13,809,287
Installment loan premium	-	189,588	189,588
Compensated absences payable	56,804	14,028	70,832
Other post employment benefits obligation	156,202	4,264	160,466
Total noncurrent liabilities	<u>10,005,826</u>	<u>14,017,167</u>	<u>24,022,993</u>
Total liabilities	<u>10,779,089</u>	<u>15,500,832</u>	<u>26,279,921</u>
<b>Net Position</b>			
Net investment in capital assets	26,668,452	24,907,330	51,575,782
Unrestricted	7,557,452	32,032,804	39,590,256
Total net position	<u>\$ 34,225,904</u>	<u>\$ 56,940,134</u>	<u>\$ 91,166,038</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 Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

**Business-Type Activities - Enterprise Funds**

	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 4,780,331	\$ -	\$ 4,780,331
Methane recovery	661,004	-	661,004
Other operating revenues	37,119	-	37,119
Total operating revenues	<u>5,478,454</u>	<u>-</u>	<u>5,478,454</u>
<b>Operating Expenses</b>			
Administration	502,245	81,886	584,131
Recycling	208,464	-	208,464
Solid waste management improvements	171,034	-	171,034
Solid waste code enforcement	63,756	-	63,756
Biodiesel and freon recovery	35,158	-	35,158
Sanitary landfill	2,393,102	-	2,393,102
Landfill closure and postclosure costs	878,889	-	878,889
Convenience centers	315,106	-	315,106
Blackburn landfill methane recovery	596,080	-	596,080
Water and sewer	-	1,571,711	1,571,711
Depreciation	763,182	216,286	979,468
Total operating expenses	<u>5,927,016</u>	<u>1,869,883</u>	<u>7,796,899</u>
Operating income (loss)	<u>(448,562)</u>	<u>(1,869,883)</u>	<u>(2,318,445)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Engineering fees	-	20,418	20,418
Sales Taxes - Article 46 - one quarter of one percent	-	1,293,304	1,293,304
Interest on long term debt	-	(220,222)	(220,222)
Investment earnings	(28,974)	(65,735)	(94,709)
Miscellaneous	2,070	370,947	373,017
Municipal revenue sharing	-	512,102	512,102
Scrap tire grant	27,222	-	27,222
North Carolina biofuels grant	40,894	-	40,894
Solid waste reduction grant	30,000	-	30,000
Solid waste disposal taxes	294,409	-	294,409
Proceeds from sale of equipment	39,960	-	39,960
Loss on fixed assets	(12,471)	-	(12,471)
Electronics management distribution	8,944	-	8,944
Total nonoperating revenues (expenses)	<u>402,054</u>	<u>1,910,814</u>	<u>2,312,868</u>
Income (loss) before contributions and transfers	<u>(46,508)</u>	<u>40,931</u>	<u>(5,577)</u>
Capital contributions	140,098	-	140,098
State Clean Water grant	-	425,031	425,031
Community development block grants	-	166,841	166,841
Transfer from General Fund	-	775,000	775,000
Increase (decrease) in Net Position	93,590	1,407,803	1,501,393
<b>Net Position - Beginning of Year</b>	<u>34,132,314</u>	<u>55,532,331</u>	<u>89,664,645</u>
<b>Net Position - End of Year</b>	<u>\$ 34,225,904</u>	<u>\$ 56,940,134</u>	<u>\$ 91,166,038</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, 2013**

**Business-Type Activities - Enterprise Funds**

	<b>Solid Waste Management Fund</b>	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 5,419,264	388,878	\$ 5,808,142
Cash paid for goods and services	(2,827,572)	(1,321,596)	(4,149,168)
Cash paid to employees	(1,444,840)	(79,526)	(1,524,366)
Other operating revenues	37,119	-	37,119
Net cash provided (used) by operating activities	<u>1,183,971</u>	<u>(1,012,244)</u>	<u>171,727</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Tire disposal tax	189,698	-	189,698
Solid waste disposal tax	57,122	-	57,122
White goods disposal tax	47,589	-	47,589
Biofuels grant	40,894	-	40,894
Scrap tire grant	27,222	-	27,222
Solid waste reduction grant	30,000	-	30,000
Other charges	11,014	-	11,014
Other taxes	-	1,293,304	1,293,304
Domestic haulers	-	391,365	391,365
Municipal revenue sharing	-	512,102	512,102
Total cash provided by noncapital financing activities	<u>403,539</u>	<u>2,196,771</u>	<u>2,600,310</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Installment loan proceeds for capital	-	8,000,000	8,000,000
Community development block grant	-	166,841	166,841
State clean water grant	-	425,031	425,031
Principal paid on installment notes payable	-	(368,804)	(368,804)
Interest paid on installment notes payable	-	(220,222)	(220,222)
(Premium)/deferred charge from debt refunding	-	(10,205)	(10,205)
Acquisition and construction of capital assets	(900,630)	(3,478,401)	(4,379,031)
Proceeds from sale of assets	39,960	-	39,960
Transfer from general fund	-	775,000	775,000
Net cash provided (used) by capital and related financing activities	<u>(860,670)</u>	<u>5,289,240</u>	<u>4,428,570</u>
<b>Cash Flows from Investing Activities</b>			
Investment earnings	<u>(27,471)</u>	<u>(68,271)</u>	<u>(95,742)</u>
Net increase (decrease) in cash and cash equivalents	699,369	6,405,496	7,104,865
Cash and cash equivalents - beginning of year	<u>17,061,728</u>	<u>33,015,999</u>	<u>50,077,727</u>
Cash and cash equivalents - end of year	<u>\$ 17,761,097</u>	<u>39,421,495</u>	<u>\$ 57,182,592</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

**Business-Type Activities - Enterprise Funds**

	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ (448,562)	(1,869,883)	(2,318,445)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	763,182	216,286	979,468
Increase (decrease) in landfill closure and postclosure care costs	878,889	-	878,889
Changes in assets and liabilities			
(Increase) decrease in refundable sales tax	(8,002)	526,429	518,427
(Increase) decrease in other receivables	(14,069)	(190,115)	(204,184)
(Increase) decrease in notes receivables	-	52,564	52,564
Increase (decrease) in accounts payable and other liabilities	(18,944)	250,115	231,171
Increase (decrease) in compensated absences	7,679	1,828	9,507
Increase (decrease) in accrued salaries and other benefits	23,798	532	24,330
Total adjustments	<u>1,632,533</u>	<u>857,639</u>	<u>2,490,172</u>
Net cash provided by operating activities	<u>\$ 1,183,971</u>	<u>(1,012,244)</u>	<u>\$ 171,727</u>
Noncash investing, capital and financing activities:			
Contribution of capital assets	140,098	-	140,098
	<u>\$ 140,098</u>	<u>\$ -</u>	<u>\$ 140,098</u>

The accompanying notes are an integral part of the financial statements

**CATAWBA COUNTY, NORTH CAROLINA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<b>Agency Funds</b>
<b>Assets</b>	
Cash and investments	<u>\$ 92,509</u>
 <b>Liabilities</b>	
Miscellaneous liabilities	<u>\$ 92,509</u>

The accompanying notes are an integral part of the financial statements

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**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 position and the statement of activities) 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 Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

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

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

The County reports the following major proprietary funds, which are both enterprise funds:

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

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

The County reports the following fiduciary fund types:

**Agency Funds** - *Agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency funds: Social Services Fund, which accounts for moneys deposited with the Social Services department for the benefit of certain individuals; the Sheriff

## CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

Commissary Fund, which accounts for monies deposited with the Sheriff department for inmates; the Delinquent Motor Vehicle Fund, which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

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

#### C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change, Catawba County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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 position 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.

**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, Deferred Inflows and Outflows, 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 County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorized the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of

## **CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

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, 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. Money in the School Capital Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

#### **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, 2012.

#### **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 (first-in, first-out), which approximates market. The County's General Fund inventory 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, and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

The County holds title to certain Catawba County Board of Education and Hickory Public Schools Board of Education and Newton-Conover City Schools Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit financing of acquisi-

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

tion 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, the Hickory Public Schools Board of Education, and the Newton-Conover City Schools Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following 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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion—a charge on refunding that had previously been classified as an asset. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County items that meet the criterion for this category are prepaid taxes, and taxes and other receivables.

**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 on the statements of net position.

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, 2013, 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.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

**Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents 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 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.

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

**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. The Board of Commissioners is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*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 used for school construction.

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

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

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

*Public Health* - portion of fund balance that 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.

*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.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

**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.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position– governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(59,266,208) consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 140,094,225
Less accumulated depreciation	<u>(55,434,942)</u>
Net capital assets	<u>84,659,283</u>

Equity in joint ventures recorded on government-wide statement of net position but not on fund statements because it is not a current financial source of funds	1,873,059
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Deferred charges related to advance refunding issued - included on government-wide statement of net position but are not current financial resources	3,562,549
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Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	6,151,538
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Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:

General obligation bonds	(3,325,000)
Certificates of participation	(16,465,000)
Installment purchase	(48,618,040)
Qualified zone academy bonds	(450,000)
Qualified school construction bonds	(23,383,798)
Build America bonds	(7,242,872)
Limited obligation bonds	(37,770,939)
Department of Commerce	(2,600,000)
Premium on long-term debt	(5,195,017)
Compensated absences	(4,195,457)
Net pension obligation	(994,540)
Net other post employment benefits	<u>(5,271,974)</u>
	<u>(155,512,637)</u>

Total adjustment	\$ <u>(59,266,208)</u>
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**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

**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 position in governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(19,913,503) as follows:

Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives	\$ 4,723,015
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(3,656,932)
Loss on disposal of capital assets	(11,626)
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 position	(44,565,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affects only the statement of net position in the government-wide statements	
General obligation bonds	4,390,000
Certificates of participation	12,590,000
Installment purchases	1,857,108
Qualified zone academy bonds	50,000
Qualified construction construction bonds sinking fund	1,853,902
Build America bonds	579,430
Limited obligation bonds	2,016,196
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 deferred interest	1,081,222
Amortization of deferred interest	(247,281)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(94,148)
Net (increase) decrease in pension obligation	(133,447)
Net (increase) decrease in other post employment benefits	(676,370)
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	(270,209)
Increase (decrease) in receivables and deferred revenue	172,157
Amortization of premium on debt issuance	428,480
Total adjustment	<u>\$ (19,913,503)</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**Deposits and Investments**

**Deposits**

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents 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 for the County, 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, 2013, the County's deposits had a carrying amount of \$3,159,483 and a bank balance of \$3,470,897. Of the bank balance, \$393,419 was covered by federal depository insurance and \$3,077,478 in interest bearing deposits were covered under the Pooling Method.

At June 30, 2013, Catawba County had \$7,656 cash on hand.

**Investments**

As of June 30, 2013 the County had the following investments and maturities.

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 6</b>		
		<b>months</b>	<b>6-12 months</b>	<b>1-5 years</b>
Certificates of deposit	\$ 255,133	\$ -	\$ -	\$ 255,133
U.S. Government-sponsored enterprises *	85,846,342	1,610,000	3,009,406	81,226,936
Commercial Paper	27,417,953	20,445,741	6,972,212	-
Money market-unrestricted	20,171,289	-	-	-
Money market-restricted	27,882,584	-	-	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	16,520,842	N/A	N/A	N/A
NC Capital Trust Management Trust				
Cash Portfolio-restricted	14,309	N/A	N/A	N/A
<b>Total:</b>	<b>\$ 178,108,452</b>	<b>\$ 22,055,741</b>	<b>\$ 9,981,618</b>	<b>\$ 81,482,069</b>

\*\$50 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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

maturity sector. A portion of the portfolio is continuously invested in maturities of less than 12 months.

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

**Credit Risk**

The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2013, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. 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, 2013. The County's investment in U.S. government-sponsored enterprises includes Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (FreddieMac), Federal National Mortgage Association (FannieMae), and are rated AAA by Standard & Poor's and 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, 2013. 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 56% of the County's investments are in United States government-sponsored enterprises and commercial paper. Investments in Federal Farm Credit are 5%, Federal Home Loan Bank are 9%, Federal Home Loan Mortgage Corporation are 17%, Federal National Mortgage Agency are 25% and commercial paper are 18% of the County's total investments. The County does not have a board approved policy on concentration of credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

**Property Tax – Use – Value Assessment on Certain Lands**

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2010	1,153,886	325,973	1,479,859
2011	1,377,987	265,263	1,643,250
2012	1,271,592	130,338	1,401,930
2013	1,293,335	-	1,293,335
Total	<u>\$ 5,096,800</u>	<u>\$ 721,574</u>	<u>\$ 5,818,374</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**Receivables**

Receivables at the government-wide level at June 30, 2013 were as follows:

	<u>Governmental activities</u>				<b>Total Governmental Activities</b>
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>School Construction Fund</u>	<u>Non-major Funds</u>	
<b>Receivables</b>					
Accounts	\$ 3,319,498	\$ 11,424	\$ -	\$ -	\$ 3,330,922
Taxes	8,875,911	-	-	465,164	9,341,075
Notes	631,230	-	-	-	631,230
Due from other government	10,912,619	733,120	1,910,064	1,110,020	14,665,823
Other	179,094	46,848	7,894	27,898	261,734
Gross Receivables	<u>23,918,352</u>	<u>791,392</u>	<u>1,917,958</u>	<u>1,603,082</u>	<u>28,230,784</u>
Allowance for uncollectibles	(6,080,332)	-	-	(278,654)	(6,358,986)
Net total receivables	<u>\$ 17,838,020</u>	<u>\$ 791,392</u>	<u>\$ 1,917,958</u>	<u>\$ 1,324,428</u>	<u>\$ 21,871,798</u>

	<u>Business-type activities</u>		
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total Business-type Activities</u>
<b>Receivables</b>			
Accounts	\$ 374,853	\$ 1,302,887	\$ 1,677,740
Taxes	-	-	-
Notes	-	208,655	208,655
Due from other governments	170,707	593,894	764,601
Other	29,589	60,565	90,154
Gross Receivables	<u>575,149</u>	<u>2,166,001</u>	<u>2,741,150</u>
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	<u>\$ 575,149</u>	<u>\$ 877,141</u>	<u>\$ 1,452,290</u>
 Amounts not scheduled for collection during the subsequent year	 <u>\$ -</u>	 <u>\$ 167,715</u>	 <u>\$ 167,715</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 6,813,647	\$ 333,637
White goods disposal tax	-	12,057
Scrap tire tax	-	51,235
Solid waste disposal tax	-	9,285
Lottery funds	1,844,790	-
Various federal and state grants	5,475,843	148,754
Refundable sales tax	531,543	209,633
	<u>\$ 14,665,823</u>	<u>\$ 764,601</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 5,689,821	\$ -	\$ -	\$ 5,689,821
Construction in progress	<u>9,410,629</u>	<u>2,808,102</u>	<u>(339,850)</u>	<u>11,878,881</u>
Total capital assets, not being depreciated	<u>15,100,450</u>	<u>2,808,102</u>	<u>(339,850)</u>	<u>17,568,702</u>
Capital assets, being depreciated				
Buildings	88,623,973	-	-	88,623,973
Other improvements	14,291,158	930,239	(125,439)	15,095,958
Equipment and vehicles	<u>18,006,867</u>	<u>1,324,524</u>	<u>(525,799)</u>	<u>18,805,592</u>
Total capital assets, being depreciated	<u>120,921,998</u>	<u>2,254,763</u>	<u>(651,238)</u>	<u>122,525,523</u>
Less accumulated depreciation for				
Buildings	(37,151,223)	(1,802,598)	-	(38,953,821)
Other improvements	(3,858,454)	(283,243)	-	(4,141,697)
Equipment and vehicles	<u>(11,407,945)</u>	<u>(1,571,091)</u>	<u>639,612</u>	<u>(12,339,424)</u>
Total accumulated depreciation	<u>(52,417,622)</u>	<u>(3,656,932)</u>	<u>639,612</u>	<u>(55,434,942)</u>
Total capital assets, being depreciated, net	<u>68,504,376</u>	<u>(1,402,169)</u>	<u>(11,626)</u>	<u>67,090,581</u>
Governmental activities capital assets, net	<u>\$ 83,604,826</u>	<u>\$ 1,405,933</u>	<u>\$ (351,476)</u>	<u>\$ 84,659,283</u>

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

Governmental activities	
General government	\$ 156,575
Public safety	1,867,614
Environmental protection	30,910
Economic & physical development	297,673
Human services	1,222,457
Culture and recreation	<u>81,703</u>
Total depreciation expense	<u>\$ 3,656,932</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
<b>Solid Waste Management</b>				
Capital assets, not being depreciated				
Land	\$ 6,616,573	\$ -	\$ -	\$ 6,616,573
Construction in progress	<u>4,275,256</u>	<u>218,231</u>	-	<u>4,493,487</u>
Total capital assets, not being depreciated	<u>10,891,829</u>	<u>218,231</u>	-	<u>11,110,060</u>
Capital assets, being depreciated				
Buildings	765,861	-	-	765,861
Other improvements	<u>24,500,313</u>	<u>18,250</u>	-	<u>24,518,563</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

Equipment and vehicles	9,295,064	804,247	(1,031,795)	9,067,516
Total capital assets, being depreciated	<u>34,561,238</u>	<u>822,497</u>	<u>(1,031,795)</u>	<u>34,351,940</u>
Less accumulated depreciation for				
Buildings	(165,687)	(15,491)	-	(181,178)
Other improvements	(10,975,960)	(311,998)	-	(11,287,958)
Equipment and vehicles	<u>(7,908,043)</u>	<u>(435,693)</u>	<u>1,019,324</u>	<u>(7,324,412)</u>
Total accumulated depreciation	<u>(19,049,690)</u>	<u>(763,182)</u>	<u>1,019,324</u>	<u>(18,793,548)</u>
Total capital assets, being depreciated, net	<u>15,511,548</u>	<u>59,315</u>	<u>(12,471)</u>	<u>15,558,392</u>
Solid Waste Management capital assets, net	<u>\$ 26,403,377</u>	<u>\$ 277,546</u>	<u>\$ (12,471)</u>	<u>\$ 26,668,452</u>
	<b>Beginning</b>			<b>Ending</b>
<b>Business-type activities</b>	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
<b>Water &amp; Sewer</b>				
Capital assets, not being depreciated				
Land	\$ 748,371	\$ 521,968	\$ -	\$ 1,270,339
Construction in progress	20,409,656	2,956,433	-	23,366,089
Total capital assets, not being depreciated	<u>21,158,027</u>	<u>3,478,401</u>	<u>-</u>	<u>24,636,428</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	(1,796,903)	(216,286)	-	(2,013,189)
Total accumulated depreciation	<u>(1,796,903)</u>	<u>(216,286)</u>	<u>-</u>	<u>(2,013,189)</u>
Total capital assets, being depreciated, net	<u>7,469,968</u>	<u>(216,286)</u>	<u>-</u>	<u>7,253,682</u>
Water & Sewer capital assets, net	<u>\$ 28,627,995</u>	<u>\$ 3,262,115</u>	<u>\$ -</u>	<u>\$ 31,890,110</u>

**Construction Commitments**

The County has active construction and other capital projects as of June 30, 2013. The government's commitments with contractors and vendors is composed of numerous projects within the following funds:

	<b>Project Authorization</b>	<b>Expended to June 30, 2013</b>	<b>Committed</b>	<b>Required Future Financing</b>
<b>Governmental activities</b>				
General Capital Projects	\$ 89,742,372	\$ 36,271,053	53,471,319	None
Schools Capital Projects	20,428,919	14,667,954	5,760,965	None
School Construction	<u>72,395,439</u>	<u>45,368,777</u>	<u>27,026,662</u>	None
Total governmental activities	<u>\$ 182,566,730</u>	<u>\$ 96,307,784</u>	<u>\$ 86,258,946</u>	
<b>Business-type activities</b>				
Solid Waste Management Fund	\$ 1,933,377	\$ 1,245,324	688,053	None
Water and Sewer Fund	<u>40,121,596</u>	<u>23,239,696</u>	<u>16,881,900</u>	None
Total business-type activities	<u>\$ 42,054,973</u>	<u>\$ 24,485,020</u>	<u>\$ 17,569,953</u>	

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

Net investment in capital assets for June 30, 2013 was calculated as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 84,659,283	\$ 58,558,562
Total Debt, gross	(139,855,649)	(14,982,780)
School debt for which County does not hold title	121,407,728	
Premium on long term debt, net of school related debt	(446,185)	-
Deferred outflows, net of school related debt	1,086,264	56,612
Unexpended proceeds	5,881,707	8,000,000
Total related debt	<u>(11,926,135)</u>	<u>(6,926,168)</u>
Net investment in capital assets	<u>\$ 72,733,148</u>	<u>\$ 51,632,394</u>

**B. Liabilities**

**Payables**

Payables at the government-wide level at June 30, 2013 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities				
General	\$ 2,022,020	\$ 2,512,420	\$ 660,496	\$ 5,194,936
General Capital Projects	422,104	436	-	422,540
School Construction	1,715,175	-	-	1,715,175
Non-major Funds	1,221,552	9,315	49	1,230,916
Total governmental activities	<u>\$ 5,380,851</u>	<u>\$ 2,522,171</u>	<u>\$ 660,545</u>	<u>\$ 8,563,567</u>
Business-type Activities				
Solid Waste Management	\$ 347,870	\$ 152,143	72	500,085
Water and Sewer	468,514	4,888	19,311	492,713
Total business-type activities	<u>\$ 816,384</u>	<u>\$ 157,031</u>	<u>\$ 19,383</u>	<u>\$ 992,798</u>

**Pension Plan Obligations**

**Local Governmental Employees' Retirement System**

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

**Funding Policy.** Covered employees are required by state statute to contribute six percent of their annual covered salary to LGERS. The County is required by the same statute to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers are 6.74% and 6.77%, respectively, of annual covered payroll. The contribution requirements of members and of Catawba County are established and may be amended by

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

the North Carolina General Assembly. The County's contribution to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$3,115,631, \$3,146,727, and \$2,937,405, 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, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>140</u>
	<u>146</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, 2011 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, 2011 was 19 years.

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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

Annual required contribution	\$ 188,405
Interest on net pension obligation	43,055
Adjustment to annual required contribution	<u>(53,587)</u>
Annual pension cost	\$ 177,873
Contributions made	<u>44,426</u>
Increase (decrease) in net pension obligation	\$ 133,447
Net pension obligation beginning of year	<u>861,093</u>
Net pension obligation end of year	<u><u>\$ 994,540</u></u>

**3 Year Trend Information**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2011	186,152	32.09	739,887
6/30/2012	166,684	27.28	861,093
6/30/2013	177,873	24.98	994,540

**Funded Status and Funding Progress**

As of December 31, 2012, 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 \$1,639,585. The covered payroll (annual payroll of active employees covered by the plan) was \$5,636,592, and the ratio of the UAAL to the covered payroll was 29.09%.

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, 2013 were \$353,815 which consisted of \$279,185 from the County and \$74,630 from the law enforcement officers.

**Register of Deeds' Supplemental Pension Fund**

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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

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

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 3 of G.S. 161. 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, 2013, the County's required and actual contributions were \$14,913.

**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, 2011, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	50	8
Terminated plan members entitled to but not yet receiving benefits	0	0
Active plan members	978	131
<b>Total</b>	<b>1028</b>	<b>139</b>

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

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

The current ARC rate is 2.01% of annual covered payroll. For the current year, the County contributed \$249,130 or .5% of annual covered payroll. The County has a limited self-insurance plan covering health care coverage, and has a stop loss policy with private insurers.

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

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of fund-

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

ing 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	\$ 940,323
Interest on net OPEB obligation	189,311
Adjustment to annual required contribution	<u>(180,851)</u>
Annual OPEB cost (expense)	948,783
Contributions made	<u>(249,130)</u>
Increase (decrease) in net OPEB obligation	699,653
Net OPEB obligation, beginning of year	4,732,787
Net OPEB obligation, end of year	<u>\$ 5,432,440</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<u>For the Year Ended</u> <u>June 30</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2011	\$ 980,056	23.66%	\$3,999,264
2012	\$ 980,056	25.15%	\$4,732,787
2013	\$ 948,783	26.26%	\$5,432,440

**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, thus, the unfunded actuarial accrued liability (UAAL) was \$9,245,855. The covered payroll (annual payroll of active employees covered by the plan) was \$45,475,885, and the ratio of the UAAL to the covered payroll was 20.3 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, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investment calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.50 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an payroll on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**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. 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 Resource Recovery Facility**

State and Federal laws and regulations require the County to place a final cover on its current operating cell at Blackburn Resource Recovery 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 Resource Recovery facility for which the entire amount of the closure and postclosure costs has been recognized as the cell capacity was used. Although closure and postclosure care costs will be paid only or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,006,541 reported as landfill closure and postclosure care liability as of June 30, 2013 represents a cumulative amount reported to date based on the use of 70.75% of the total estimated capacity of the material solid waste operating cell and 47.0% 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 \$7,751,407 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. The County expects to close the current material solid waste operating cell at the Blackburn Resource Recovery facility in 2021 and the construction and demolition operating cell in 2022. 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 Outflows and Inflows of Resources**

The amount of deferred outflows of resources is a charge on refunding of debt of \$3,619,161.

	Unavailable Revenue		Unearned Revenue	
	General Fund	Special Revenue	General Fund	Special Revenue
<b>Governmental Activities</b>				
Taxes receivable (net)	\$ 3,168,132	\$ 186,510	\$ -	\$ -
Ambulance receivable (net)	1,761,200	-	-	-
Business license receivable (net)	6,485	-	-	-
Human resource receivable (net)	1,029,211	-	-	-
Economic development unearned revenue	-	-	631,230	-
Prepaid taxes not yet earned	-	-	328,027	18,128
	<u>\$ 5,965,028</u>	<u>\$ 186,510</u>	<u>\$ 959,257</u>	<u>\$ 18,128</u>

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**Risk Management**

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

The County health plan is self insured with claims paid through a third party administrator. The plan has specific stop loss coverage for individual losses in excess of \$100,000 and aggregate plan losses in excess of 120% of expected net paid claims.

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

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

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

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Unpaid claims, beginning	\$ 601,365	\$ 441,422	\$ 436,015
Incurred claims	5,052,358	5,407,603	5,337,268
Claim payments	<u>5,147,063</u>	<u>5,247,660</u>	<u>5,331,861</u>
Unpaid claims, ending	<u>\$ 506,660</u>	<u>\$ 601,365</u>	<u>\$ 441,422</u>

**Contingent Liabilities**

At June 30, 2013, 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, 2013, total lease expenditures reached \$190,843.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

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

<u>Year Ending</u>	<u>Amount</u>
2014	\$ 190,783
2015	179,458
2016	122,509
2017	75,249
	<u>\$ 567,999</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 in April, 2006 for the purpose of providing funds up to \$9,200,000 to pay a portion of the cost of constructing and equipping a public elementary school for Catawba County Schools. The installment purchase was issued pursuant to a deed of trust that requires legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Board of Education of Catawba County Schools ("Board of Education") that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments with the lease term the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

The original transaction required thirty semi-annual principal payments by the County of \$306,667 and 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, 2013, including \$498,395 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	613,333	113,605
2015	613,333	98,946
2016	613,333	84,287
2017	613,333	69,629
2018	613,333	54,970
2019-2021	1,840,002	76,958
Total principal payments	<u>\$ 4,906,667</u>	
Total interest payments		<u>\$ 498,395</u>

2. 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, 2013, including \$12,614 of interest are:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	129,244	6,342
2015	131,416	4,170
2016	133,625	1,961
2017	33,755	141
Total principal payments	<u>\$ 428,040</u>	
Total interest payments		<u>\$ 12,614</u>

3. 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, 2013, including \$2,627,405 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
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	1,116,667	280,395
2019-2023	5,583,332	778,875
2024	1,116,666	31,155
Total principal payments	<u>\$ 12,283,333</u>	
Total interest payments		<u>\$ 2,627,405</u>

3. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on April 30, 2013 for the purpose of providing funds up to \$31,000,000 for the construction and renovations to public schools, community college, and County animal shelter. 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 April 30, 2013 and requires fifteen annual principal payments of \$2,066,666 and interest payments at an interest rate of 1.96%.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

For Catawba County, the future minimum payments as of June 30, 2013, including \$4,811,854 of interest are:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	2,066,666	558,654
2015	2,066,666	567,093
2016	2,066,666	526,587
2017	2,066,666	486,080
2018	2,066,666	445,573
2019-2023	10,333,335	1,620,267
2024-2028	10,333,335	607,600
<b>Total principal payments</b>	<b>\$ 31,000,000</b>	
<b>Total interest payments</b>		<b>\$ 4,811,854</b>

**Qualified Zone Academy Bonds**

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

For Catawba County, the future minimum payments as of June 30, 2013 are:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	50,000	-
2015	50,000	-
2016	50,000	-
2017	50,000	-
2018	50,000	-
2019-2022	200,000	-
<b>Total</b>	<b>\$ 450,000</b>	<b>\$ -</b>

**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

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

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 up to 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, 2013, including \$13,442,846 of interest, are as follows:

	<b>Governmental Activities</b>	
	<b>Principal/Sinking Fund</b>	<b>Interest</b>
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	1,433,902	1,075,428
2019-2023	7,169,510	5,377,140
2024-2026	3,584,778	2,688,566
Total principal payments	<u>\$ 17,923,798</u>	
Total interest payments		<u>\$ 13,442,846</u>

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 contract will be designated as "Qualified School Construction Bonds (QSCBs)" pursuant to the federal QSCB program. This agreement is an amendment to the QSCB financing from September 27, 2010. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Board of Education that transfers the rights and responsibilities for the maintenance and insurance of the property to the Board of Education. The lease calls for nominal lease payments and a bargain purchase option. The lease term is the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. The financing contract requires semi-annual 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 up to a 100% credit against the interest paid.

The future minimum payments as of June 30, 2013, including \$4,520,880 of interest are:

	<b>Governmental Activities</b>	
	<b>Principal/Sinking Fund</b>	<b>Interest</b>
2014	420,000	347,760
2015	420,000	347,760
2016	420,000	347,760
2017	420,000	347,760
2018	420,000	347,760
2019-2023	2,100,000	1,738,800
2024-2026	1,260,000	1,043,280
Total principal payments	<u>\$ 5,460,000</u>	
Total interest payments		<u>\$ 4,520,880</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**Build America Bonds**

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

The future minimum payments as of June 30, 2013, including \$2,306,855 of interest are:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	579,430	347,803
2015	579,430	319,410
2016	579,430	291,019
2017	579,430	262,627
2018	579,430	234,235
2019-2023	2,897,150	745,292
2024-2026	1,448,572	106,469
Total principal payments	<u>\$ 7,242,872</u>	
Total interest payments		<u>\$ 2,306,855</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, 2013, including 267,450 of interest, are as follows:

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	1,805,000	179,200
2015	1,805,000	88,250
Total principal payments	<u>\$ 3,610,000</u>	
Total interest payments		<u>\$ 267,450</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.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

On December 12, 2012 the County refunded \$9,750,000 of the outstanding principal.

The future minimum payments as of June 30, 2013, including \$117,000 of interest, are as follows:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	975,000	78,000
2015	975,000	39,000
Total principal payments	<u>\$ 1,950,000</u>	
Total interest payments		<u>\$ 117,000</u>

3. On December 12, 2012, the County issued \$10,965,000 Certificates of Participation, Series 2012 to advance refund \$9,750,000 of Certificates of Participation, Series 2005.

As a result, the refunded obligations are considered defeased and the liability has been removed from the government columns of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$1,128,232. 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 13 years and resulted in an economic gain of \$956,495.

The future minimum payments as of June 30, 2013, including \$1,611,688 of interest are as follows:

	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	175,000	226,824
2015	180,000	223,184
2016	1,160,000	219,440
2017	1,145,000	195,312
2018	1,130,000	171,496
2019-2023	5,225,000	516,776
2024-2025	1,890,000	58,656
Total principal payments	<u>\$ 10,905,000</u>	
Total interest payments		<u>\$ 1,611,688</u>

**North Carolina Department of Commerce Loan**

On April 22, 2013, the County entered into an agreement with the North Carolina Department of Commerce for a Community Development Block Grant (12-L-2401) to provide funds for an industrial site development project. The funds are provided under Title I of the Housing and Community Development Act of 1974, as amended (P.L. 93-383). The County is obligated to repay these funds over a seven year period. The financing contract requires interest payments for the first two years beginning July 2014 at an interest rate of 2% and a maturity date of July 1, 2020.

The future minimum payments as of June 30, 2013, including \$262,060 of interest are as follows:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	-	-
2015	-	52,000
2016	-	52,000
2017	499,612	52,000
2018	509,604	42,008
2019 - 2021	1,590,784	64,052
Total principal payments	<u>\$ 2,600,000</u>	
Total interest payments		<u>\$ 262,060</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, 2013 are comprised of the following individual issues:

Serviced by the County's General Fund:

<p>\$16,645,000 1999 School Facility Series Bonds due in varying annual installments from \$950,000 - \$1,400,000 through June 1, 2014: interest at 4.4 - 4.7%</p>		\$1,400,000
<p>\$14,495,000 2002 School Facility and Community College Refunding Bonds due in varying annual installments from \$420,000 - \$2,070,000 through June 1, 2014: interest at 2.0 - 4.0%</p>	<p>Schools Community College</p>	<p>336,000 84,000</p>
<p>\$16,035,000 2005 School Facility and Community College Refunding Bonds due in varying annual installments from \$760,000 - \$2,240,000 through June 1, 2015: interest at 3.0 - 3.75%</p>	<p>Schools Community College</p>	<p>1,445,402 59,598</p>
<p><b>Total</b></p>		<p><u><u>\$ 3,325,000</u></u></p>

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

	<b>Governmental Activities</b>	
	<u>Principal</u>	<u>Interest</u>
2014	2,565,000	138,106
2015	760,000	28,500
<b>Total</b>	<u><u>\$ 3,325,000</u></u>	<u><u>\$ 166,606</u></u>

At June 30, 2013, Catawba County had a legal debt margin of \$1,127,596,039.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**Business-Type Activities**

**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, 2013, including interest are:

	<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	75,000	-
2015	75,000	-
2016	75,000	-
2017	75,000	-
2018	75,000	-
2019-2023	375,000	-
2024-2028	375,000	-
2029-2030	150,000	-
Total principal payments	<u>\$ 1,275,000</u>	
Total interest payments		<u>\$ -</u>

**Installment Purchase**

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on May 21, 2013 for the purpose of providing funds up to \$8,000,000 for the construction of sewer lines and pump stations along Highway 150. This agreement requires twenty-four semi-annual principal and interest payments in varying amounts at an interest rate of 1.81%.

For Catawba County, the future minimum payments as of June 30, 2013, including \$949,018 of interest are:

	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014	602,878	124,689
2015	613,788	133,888
2016	624,899	122,778
2017	636,210	111,468
2018	647,725	99,952
2019-2023	3,418,785	316,602
2024-2025	1,455,715	39,641
Total principal payments	<u>\$ 8,000,000</u>	
Total interest payments		<u>\$ 949,018</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:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**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 position. 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, 2013, including \$12,624,250 of interest are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	3,539,253	1,107,118	515,747	161,332
2019-2023	15,309,122	3,545,319	2,230,878	516,631
2024-2028	7,802,939	734,494	1,137,061	107,031
<b>Total principal payments</b>	<b>\$ 37,770,939</b>		<b>\$ 5,504,061</b>	
<b>Total interest payments</b>		<b>\$ 11,018,597</b>		<b>\$ 1,605,653</b>

**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

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

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, 2013 were \$1.5 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, 2013 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, 2013 were \$20,920,000.

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, 2013 were \$8,215,000.

**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, 2013:

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>
	<b>June 30, 2012</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2013</b>	<b>Portion</b>
					<b>of Balance</b>
<b>Governmental activities</b>					
General obligation debt	\$ 7,715,000	\$ -	\$ (4,390,000)	\$ 3,325,000	\$ 2,565,000
Certificates of participation	18,090,000	10,965,000	(12,590,000)	16,465,000	2,955,000
Installment purchase	19,475,148	31,000,000	(1,857,108)	48,618,040	3,925,910
Qualified Zone Academy Bonds	500,000	-	(50,000)	450,000	50,000
Qualified School Const. Bond	25,237,700	-	(1,853,902)	23,383,798	1,853,902
Build America Bonds	7,822,302	-	(579,430)	7,242,872	579,430
Limited obligation bonds	39,787,135	-	(2,016,196)	37,770,939	2,003,104
Department of Commerce		2,600,000	-	2,600,000	-
Premium on long-term debt	5,623,497	-	(428,480)	5,195,017	428,475
Compensated absences	4,101,309	3,034,795	(2,940,647)	4,195,457	2,940,647
Net pension obligation	861,093	177,873	(44,426)	994,540	-
Net OPEB obligation	4,595,604	925,500	(249,130)	5,271,974	-
<b>Total governmental activities</b>	<b>\$ 133,808,788</b>	<b>\$ 48,703,168</b>	<b>\$ (26,999,319)</b>	<b>\$ 155,512,637</b>	<b>\$ 17,301,468</b>
<b>Business-type activities</b>					
<b>Solid-Waste Management</b>					
Accrued landfill closure and postclosure costs	\$ 9,127,652	\$ 878,889	\$ -	\$ 10,006,541	\$ 213,721
Compensated absences	108,582	67,136	(59,457)	116,261	59,457
Net OPEB obligation	133,751	22,451	-	156,202	-
<b>Total Solid Waste Management</b>	<b>\$ 9,369,985</b>	<b>\$ 968,476</b>	<b>\$ (59,457)</b>	<b>\$ 10,279,004</b>	<b>\$ 273,178</b>
<b>Water &amp; Sewer</b>					
Installment purchase	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 602,878
Limited obligation bonds	5,797,865	-	(293,804)	5,504,061	291,896
Federal Revolving Loan	1,350,000	-	(75,000)	1,275,000	75,000
Premium on long-term debt	217,850	-	(14,131)	203,719	14,131
Compensated absences	19,247	8,875	(7,047)	21,075	7,047
Net OPEB obligation	3,432	832	-	4,264	-
<b>Total Water &amp; Sewer</b>	<b>\$ 7,388,394</b>	<b>\$ 8,009,707</b>	<b>\$ (389,982)</b>	<b>\$ 15,008,119</b>	<b>\$ 990,952</b>
<b>Total business-type activities</b>	<b>\$ 16,758,379</b>	<b>\$ 8,978,183</b>	<b>\$ (449,439)</b>	<b>\$ 25,287,123</b>	<b>\$ 1,264,130</b>

Compensated absences typically have been liquidated in the general fund and are accounted for on a last in first out (LIFO) basis, assuming that employees are taking leave time as it is earned. The current portion of compensated absences is estimated at \$2,940,647 for governmental activities and \$66,504 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.

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

As of June 30, 2013, according to information furnished by the Economic Development Commission, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$5.5 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, 2013, 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	382,150
From the General fund to the Emergency Telephone System fund to supplement other funding sources	18,116
From the General fund to the Citizens' Alert System to supplement other funding sources for the citizens' alert system	15,624
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	1,300,000
From the General fund to School Construction fund for the construction of new school facilities	536,823
From the General fund to Water & Sewer Construction fund for the construction of waterlines to supply adequate water to various County locations	530,000
From the General fund to the Water & Sewer fund for the installation of waterlines to supply adequate water to various County locations	245,000
Subtotal General Fund	<u>3,027,713</u>

**School Construction Fund**

From the School Construction fund to the Schools Capital Projects fund to supplement funds for various school renovations	<u>47,704</u>
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**Other Governmental Funds**

From the Parks/Historic Preservation fund to General Capital Projects fund to supplement funds to secure the historic Bunker Hill Covered bridge	102,000
From the School Capital Projects fund to the General Fund to supplement funds for debt service	50,000
From the School Capital Projects fund to the School Construction fund to supplement funds for new school construction	<u>177,400</u>
Subtotal Other Governmental Funds	<u>329,400</u>
Total transfers to other funds	<u>\$ 3,404,817</u>

**CATAWBA COUNTY, NORTH CAROLINA**

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 3. DETAIL NOTES ON ALL FUNDS (continued)**

**D. Fund Balance**

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

<b>Total fund balance - General Fund</b>	<b>\$ 50,618,164</b>
<b>Less:</b>	
Inventories	305,186
Prepaid	26,922
Stabilization by State Statute	12,972,979
<b>Fund Balance Available</b>	<b>37,313,077</b>

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

	<b>General Fund</b>	<b>General Capital Projects Fund</b>	<b>Non-Major Funds</b>
Encumbrances	\$ 1,009,984	\$ 3,780,831	\$ 8,360

**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 \$143,598 and installment purchase obligations of \$9,419,976 are outstanding at June 30, 2013. The County made debt service payments of \$182,322 during the fiscal year on general obligation

bonds and debt service payments of \$1,202,910 on capital related installment purchase obligations. 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 \$3,712,188 and \$3,037,670 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2013. 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, 2013. 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.

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**NOTE 5. JOINT VENTURES (continued)**

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, 2013. Complete financial statements for the Commission can be obtained from the Lake Norman Marine Commission, PO Box 2454, Cornelius, NC 28031.

The County, in conjunction with Burke County, participates in the operation of the Burke-Catawba Regional Jail Agency (the "Agency"), a regional jail facility. The Agency, established under North Carolina

General Statute 153A-210, was created for that purpose. On dissolution of the corporation, the net assets of the Agency will be shared by the two counties, according to their allocation. The Agency is governed by a four-member board composed of two appointees from each county. The counties are each obligated by contract to remit amounts required annually to supplement the Agency's operating revenues and are entitled to an allocated share of the Agency's annual operating income, if any. The County's net investment and its share of the operating results of the Agency are reported in the County's Statement of Net Assets. The County's equity interest in the Agency was estimated at \$1,873,059 at June 30, 2013. 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 \$41,844 to the Council during the fiscal year ended June 30, 2013.

**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.

	<b>Federal</b>	<b>State</b>
Medical assistance	\$ 107,869,893	\$ 59,583,352
Temporary assistance for needy families	434,094	(150)
State-County Special Assistance		
Domiciliary Payments	-	1,185,108
Adoptive services	-	1,065,963
WMC	3,363,973	-
	<u>\$ 111,667,960</u>	<u>\$ 61,834,273</u>

**CATAWBA COUNTY, NORTH CAROLINA**

**Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2013**

**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.

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally,

**NOTE 9. CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT**

GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as a deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures. Previously deferred bond issuance costs totaling \$202,777 were recognized as an expenditure in the current year. As a result, beginning net position for governmental activities decreased from \$65,709,270 to \$65,506,493.



## **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>
12/31/2007	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%
12/31/2012	0	1,639,585	1,639,585	0.00%	5,636,592	29.09%

**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>
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
2013	188,405	23.58

**Notes to the Required Schedules:**

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

Valuation date	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay - closed
Remaining amortization period	19 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**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as % of Covered Payroll</b>
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%
12/31/2011	\$0	\$9,245,855	\$9,245,855	0.00%	\$45,475,885	20.30%

**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
2013	940,323	26.49

**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	12/31/2011
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	9.50 - 5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3.00%



## **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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>REVENUES</b>				
<b>Ad Valorem Taxes</b>				
Current year	\$ 80,062,130	\$ 81,441,422		
Prior year	665,000	1,415,868		
Penalties and interest	350,000	540,272		
Tax leased vehicles	60,410	102,971		
Total ad valorem taxes	<u>81,137,540</u>	<u>83,500,533</u>	<u>2,362,993</u>	<u>80,809,063</u>
<b>Other Taxes</b>				
<b>Local Option Sales Taxes</b>				
Article 39 - one percent	10,613,325	11,099,248		
Article 40 - one half of one percent	4,999,564	5,336,173		
Article 40 - food	697,944	773,239		
Article 42 - one half of one percent	2,205,020	2,281,703		
Article 42 - food	278,111	315,633		
Article 46 - one quarter of one percent	309,208	323,103		
Subtotal local option sales taxes	<u>19,103,172</u>	<u>20,129,099</u>	<u>1,025,927</u>	<u>19,394,643</u>
<b>Other Taxes and Licenses</b>				
Real estate excise stamps	360,000	489,384		
ABC 5 cents per bottle	45,000	44,473		
Privilege licenses	22,500	22,948		
Subtotal other taxes and licenses	<u>427,500</u>	<u>556,805</u>	<u>129,305</u>	<u>473,209</u>
Total other taxes	<u>19,530,672</u>	<u>20,685,904</u>	<u>1,155,232</u>	<u>19,867,852</u>
<b>Unrestricted Intergovernmental Revenues</b>				
Beer & Wine Tax	350,000	339,018		
Video Programming fees	628,000	653,048		
Catawba County ABC profit distribution	863,000	895,000		
Total unrestricted intergovernmental revenues	<u>1,841,000</u>	<u>1,887,066</u>	<u>46,066</u>	<u>1,839,255</u>
<b>Restricted Intergovernmental Revenues</b>				
<b>State of North Carolina</b>				
Mental Health Services				
Criminal justice partnership program	122,789	-		
Social Services				
Office Juvenile Justice Corner house	275,648	122,825		
Children's trust grant	100,000	67,608		
Smart Start	1,506,702	1,508,784		
Share the warmth grant	12,000	9,310		
Child boarding home funds	305,500	288,775		
Special permanency planning	42,516	93,141		
Community alternatives state in-home	40,116	40,149		
Fingerprinting criminal history	-	20		
Medicaid expansion	31,742	24,004		
S/C special assistance	-	5,346		
Foster care visitation	13,753	15,480		
Child boarding home funds therapeutic	2,500	1,058		
Adult day care	144,500	138,042		
Adult services	29,144	70,866		

**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, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Child Protective Services	212,717	215,130		
Aid to blind equalization	80	-		
Public Health				
Smart Start	156,645	156,645		
School nurse initiative	200,000	200,000		
Health partners grant	145,780	94,444		
Immunization program	34,122	34,458		
Communicable diseases	8,197	8,197		
Communicable diseases -aid to counties	12,500	12,500		
Eat smart, move more	35,780	25,042		
Child health	88,656	88,656		
Child service coordination	2,180	-		
Child fatality prevention	1,282	1,282		
Get alarmed North Carolina	9,980	9,980		
Health aid to counties	149,300	128,690		
Maternal health	115,982	115,982		
Health promotion	8,142	-		
Breast cancer grant	72,269	73,259		
Tuberculosis grant	24,926	29,952		
Other				
Veterans service	1,452	1,452		
Controlled substance tax	27,000	9,085		
Public school building capital lottery funds	1,500,000	1,500,000		
North Carolina department of natural resources	73,229	31,972		
Juvenile Justice & Delinquency Prevention				
Project challenge	60,851	60,851		
Catawba parenting network	45,122	45,122		
Juvenile crime prevention planning	15,259	15,018		
Juvenile crime gang intervention	2,989	-		
Juvenile crime Alexander youth	18,104	9,281		
Peace pipeline conflict resolution	55,486	58,475		
North Carolina agriculture cost share	26,875	26,675		
North Carolina agriculture development	10,000	3,747		
Court facility fees	165,000	131,291		
District court fees	64,000	58,871		
State Aid - Library	134,790	143,253		
Safe roads act	12,000	9,469		
Library services and technology grant	10,000	19,840		
Library summer reading grant	1,500	500		
Soil and water conservation grant	3,600	3,600		
Subtotal state revenue	<u>6,132,705</u>	<u>5,708,127</u>	<u>(424,578)</u>	<u>5,659,018</u>
<b>Federal</b>				
Social Services				
Energy assistance administration	95,295	88,412		
Employment and training	500	-		
Medical transportation administration	1,274,515	1,203,802		
Low income energy assistance program	205,000	307,898		
Temporary assistance for needy family-domestic violence	30,000	-		

**CATAWBA COUNTY, NORTH CAROLINA**  
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**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Temporary assistance for needy family-subsidized employment	50,000	-		
Social security block grant federal guardianship	-	88,513		
Social Security Payments	103,000	121,308		
US Department of Agriculture supplemental funds	2,200	3,680		
Supplemental meals	10,906	11,906		
Chore Level II	152,461	12,393		
Chore Level III	141,538	281,709		
In-home aid on site Social Security block grant	1,800	4,800		
IV-D administration	1,235,785	948,579		
IV-E board	240,000	147,146		
IV-E administration	922,398	904,395		
Independent living administration	44,880	56,926		
Links-independent living trust fund	60,000	7,370		
In-home case management Social Security block grant	1,500	16,815		
Case management at risk	128,600	347,587		
Work First block grant	2,169,739	2,342,901		
Food stamp fraud administration	74,884	73,510		
Food stamp administration	1,059,936	1,012,607		
Medicaid administration	1,556,209	1,573,436		
Adult day health	23,265	9,879		
IV-A Child care	218,478	216,127		
Title III Nutrition	118,860	145,436		
US Department of Agriculture nutrition	20,000	21,770		
US Department of Agriculture home delivered meals	32,500	33,150		
Home delivered meals	176,532	174,854		
Community assistance home delivered meals	10,500	12,411		
Community services block grant	216,627	216,627		
Crisis intervention	1,800,000	897,792		
Intensive family preservation restore families	86,400	70,200		
<b>Public Health</b>				
Bioterrorism grants	57,052	57,052		
Federal drug administration funds	5,000	2,500		
Title X	100,000	86,440		
<b>Other</b>				
Training Grant	40,000	33,040		
Hazardous Mitigation Funds	75,000	-		
Help America Vote Grant	7,585	7,585		
Federal inmate transport	18,000	13,343		
Local law enforcement grant	15,706	15,706		
Bulletproof vest grant	-	2,555		
Governor Crime Commission DV Unit Grant	-	4,300		
State criminal alien assistance program	21,452	21,452		
Homeland security exercise grant	20,000	-		
Emergency management planning grant	20,000	29,878		
Homeland security transfer switches grant	16,398	122,237		

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Assistant secretary for preparedness and response grant	5,000	4,839		
Subtotal federal revenue	<u>12,665,501</u>	<u>11,754,866</u>	<u>(910,635)</u>	<u>11,682,601</u>
<b>State of North Carolina and Federal</b>				
<b>Social Services</b>				
Social Services block grant	574,869	622,452		
Temporary assistance for needy families social security block grant	55,483	58,246		
Aid to families with dependent children	1,000	136		
Child day care purchase of care	5,527,348	5,468,202		
Aid to families with dependent children-foster care	830,000	849,552		
IV-E foster care therapeutic	5,000	6,638		
Temporary assistance for needy families foster care	-	53,352		
Adoption assistance non-recurring	20,000	17,489		
Adoption assistance medical	10,000	1,748		
Special children adoption fund	50,000	86,400		
IV-E/Child protective services	1,035,859	485,176		
High risk intervention	450,000	429,174		
Title III Adult day care	91,037	100,885		
IV-D Aid to families with dependent children	29,400	24,994		
IV-D Incentives	302,156	110,151		
Medicaid waiver-case management	371,400	386,270		
Community alternative program medical equipment and supplies	50,000	8,047		
Adult care home case management	81,919	16,996		
State adult specialist fund	49,726	47,282		
North Carolina Health Choice	97,164	96,414		
<b>Public Health</b>				
Medicaid per member per month	749,083	811,071		
Women Infants Children funds	814,566	811,750		
<b>Other</b>				
IV-D Civil papers	83,387	85,994		
Legal services	10,000	-		
Medicaid-emergency medical services transports	500,000	535,326		
Subtotal state and federal revenue	<u>11,789,397</u>	<u>11,113,745</u>	<u>(675,652)</u>	<u>11,747,679</u>
<b>Fines &amp; Forfeitures</b>	<u>858,305</u>	<u>499,006</u>	<u>(359,299)</u>	<u>509,420</u>
<b>Other grants</b>				
<b>Social Services</b>				
Contract services	-	74,390		
Training services	-	12,325		
Icare Tour	-	212		
Community corrections contractual	230,328	240,439		
Confidential intermediary	800	350		
Adult day care - local	8,363	7,603		
Duke Endowment grant	775,000	610,408		
Medicaid contract local managing entity	-	1,953		

**CATAWBA COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other state revenue local managing entity	4,000	17,324		
Comprehensive treatment services program local managing entity	178,389	134,514		
Medicaid direct billing	1,738,899	1,468,915		
Medicaid community support	81,858	14,381		
Mental health maintenance of effort	-	16,160		
Catawba Valley Medical Center	84,380	80,809		
Newton-Conover City Schools	-	23,953		
Hickory Public Schools	88,000	88,943		
<b>Public Health</b>				
Catawba Valley Medical Center	545,015	476,175		
Catawba County Schools	173,622	172,093		
Newton-Conover City Schools	39,996	37,801		
Hickory Public Schools	19,362	(1,942)		
March of Dimes	703	702		
<b>Municipalities</b>				
City Of Newton	26,925	18,964		
Town Of Maiden	4,650	4,669		
City Of Conover	44,355	44,665		
City Of Hickory	20,635	20,950		
City Of Claremont	20,612	21,747		
Town Of Longview	930	711		
<b>Other</b>				
Citizen alert notification				
Sex crimes investigation	59,969	42,448		
Transport mental health patients	6,000	-		
Mental health partners contracts	10,000	10,000		
Lifeskills rent	7,200	7,200		
Social services local funds	18,910	18,910		
Lawn and mowing services	2,226	1,895		
Hospice	50,000	83,141		
Supervisor training	-	7,250		
Voice over internet protocol revenue	186,031	193,749		
Tourism development authority	123,603	115,475		
Western Piedmont COG technology services	22,980	21,065		
Vocational rehabilitation grant funds	-	508		
Catawba Valley Behavioral Healthcare technical support	36,758	36,960		
Catawba Valley Community College - deputy reimbursement	162,587	164,216		
Catawba County Schools-deputy reimbursement	464,854	464,853		
Personnel indirect cost	1,350,195	1,350,195		
Subtotal other grants	<u>6,588,135</u>	<u>6,107,079</u>	<u>(481,056)</u>	<u>6,530,667</u>
<b>Total restricted intergovernmental revenues</b>	<u>38,034,043</u>	<u>35,182,823</u>	<u>(2,851,220)</u>	<u>36,129,385</u>
<b>Licenses, Permits and Fees</b>				
Marriage licenses	24,000	25,572		
Recording of legal instruments	450,000	580,911		

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Fund**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Uniform commercial code filing	8,800	9,714		
Gun permits	13,800	29,825		
Surrendered weapon storage fee	800	651		
Noise amplification permit	100	50		
Involuntary commitment fee	300	150		
Concealed weapon fees	47,200	109,790		
Public fingerprint fees	9,500	11,400		
Precious metals dealer fees	200	196		
Vehicle storage fees	200	590		
Building permits	750,000	1,136,891		
Building services after hours inspections	1,575	4,410		
Minor sub-division plat review	3,250	2,015		
Floodplain development	200	50		
Express plan review fee	2,400	5,600		
Contract services plan review	-	4,125		
Plan review fees	7,500	15,353		
Storm water and erosion control	20,000	43,275		
Plat review fees	2,754	1,673		
Performance guarantees	230	40		
Telecommunications tower fees	47,000	40,000		
Zoning permits	13,500	12,766		
Accessory permit fees	3,325	350		
Sign permits	1,000	1,150		
Homeowners recovery fund	225	225		
Park fees and permits	6,000	6,528		
Environmental health fees	254,587	256,247		
Election filing fees	-	105		
Fire inspection fees	7,003	9,109		
Animal control fines and citations	3,000	5,050		
Immunizations	21,000	17,201		
Training fees	1,500	335		
Total licenses, permits, fees	<u>1,700,949</u>	<u>2,331,347</u>	<u>630,398</u>	<u>1,994,746</u>

**Sales and Services**

<b>Social Services</b>				
Patient fees	11,800	14,235		
Insurance reimbursements	215,718	296,648		
State in-home fees	100	-		
IV-D application fees	20,275	19,538		
Level II and III chore fees	550	285		
Title III adult day care fees	500	113		
Trust account fees	4,500	6,674		
Adoption fees	2,300	3,547		
North Carolina health choice premiums	50,500	48,225		
IV-D blood test fees	1,100	1,026		
Access care	21,360	21,444		
Local support general assistance	10,000	4,943		
<b>Public Health</b>				
Patient fees	167,503	107,082		
Home health/third party reimbursements	3,965,666	2,712,273		
Pregnancy fees	-	(3,336)		
Clinic fees	214,000	147,138		

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Fund**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Child health fees	-	139		
Adult health fees	8,000	7,778		
Medicaid management fees	-	1,238		
Obstetrics services	56,611	65,330		
Lab fees	-	257		
Child seats copay	400	1,200		
Medicaid earned	21,914	-		
Medicaid earned maternal health	-	119,069		
Medicaid escrow maternal health	56,611	87,671		
Medicaid earned postpartum maternity	-	7,091		
Medicaid earned child health	22,000	12,073		
Medicaid escrow child health	424,426	269,415		
Medicaid earned dental	420,000	401,961		
Medicaid escrow dental	-	62,770		
Medicaid earned adult health	50,000	50,186		
Medicaid escrow adult health	122,013	88,865		
Medicaid earned women's preventative health	324,035	234,622		
Medicaid escrow women's preventative health	194,330	-		
Medicaid earned enhanced nutrition	8,612	667		
Medicaid escrow sonogram	-	11,126		
Medicaid escrow immunization	48,853	33,799		
Social services/public health contract services	10,000	10,916		
<b>Municipalities</b>				
Tax billing/collection	177,400	204,110		
Data processing	-	1,440		
Election fees	40,283	40,283		
Animal shelter	198,755	198,756		
Fire inspections	30,374	30,374		
<b>Other</b>				
Tax fees and charges	40,000	27,599		
Motor vehicle tax-collection fee	35,000	37,969		
Leased vehicle tax - collection fee	600	1,390		
Sale of maps and publications	2,900	4,878		
Advertising fees for renaming streets	450	-		
Check processing fees	6,000	4,621		
Transport fees district confinement facility	57,470	29,140		
Garage services	7,000	3,657		
Sheriff service of process	310,000	312,914		
Project lifesavers	4,200	3,587		
Inmate services	68,500	29,369		
Ambulance services	4,989,000	5,577,440		
Animal services	68,000	73,537		
Planning department ordinance	50	-		
Zoning amendments	2,160	720		
Board of adjustment charges	1,700	2,975		
Clinic fees	7,000	9,508		
Library rental fees	36,200	43,235		
Copy and print charges	23,900	34,716		
Total sales and services	<u>12,560,619</u>	<u>11,518,226</u>	<u>(1,042,393)</u>	<u>12,117,015</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Fund**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
<b>Investment Earnings</b>				
Interest On Investments	503,500	(103,867)	(607,367)	512,656
<b>Miscellaneous</b>				
Social Services				
Fraud services	31,875	82,703		
Nutrition meals project income	48,450	54,803		
Donations	-	96,724		
Miscellaneous	1,100	707		
Public Health				
Kids in Need	27,300	43,603		
Cardio pulmonary resuscitation training	6,474	2,301		
Map improvement project	-	4,000		
Distracted driving grant	1,000	3,250		
Donations	95,000	-		
Susan G. Komen grant	47,000	49,000		
Miscellaneous	2,000	10,810		
Other				
Badge revenue	150	60		
Register of deeds automation	76,000	-		
Rents & Royalties	116,714	112,174		
Cell tower lease payments	21,493	21,547		
Cable lease payment	1,176	1,294		
Park souvenir sales	300	-		
Concessions	50,000	54,245		
Commissary	25,000	50,939		
Sale of surplus properties	-	23,050		
Insurance settlements	40,000	35,340		
Drug reimbursement	1,000	622		
Excise tax administrative cost	8,000	9,788		
Donations	11,312	9,832		
Emergency management/Duke Power grant	47,423	38,068		
Hazmat revenue	16,000	7,663		
Carolina Thread Trail	792	-		
Short term disability premiums	76,650	76,013		
Group health and dental premiums	1,750,820	1,727,812		
Miscellaneous revenue	207,862	256,156		
Total miscellaneous	<u>2,710,891</u>	<u>2,772,504</u>	<u>61,613</u>	<u>2,919,831</u>
Total revenues	<u>158,019,214</u>	<u>157,774,536</u>	<u>(244,678)</u>	<u>156,189,803</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
<b>Board of Commissioners</b>				
Salaries & employee benefits	10,930	10,930		
Other operating	148,710	111,306		
	<u>159,640</u>	<u>122,236</u>	<u>37,404</u>	<u>135,405</u>
<b>Administration</b>				
County Manager				

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Fund**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	833,649	860,271		
Other operating	70,375	69,942		
Non-operating	153,088	-		
	<u>1,057,112</u>	<u>930,213</u>	<u>126,899</u>	<u>851,571</u>
<b>Legal Services</b>				
Salaries & employee benefits	336,433	283,878		
Other operating	28,617	34,558		
	<u>365,050</u>	<u>318,436</u>	<u>46,614</u>	<u>319,984</u>
<b>Budget</b>				
Salaries & employee benefits	224,059	221,714		
Other operating	19,076	11,338		
	<u>243,135</u>	<u>233,052</u>	<u>10,083</u>	<u>227,816</u>
<b>Total Administration</b>	<u>1,665,297</u>	<u>1,481,701</u>	<u>183,596</u>	<u>1,399,371</u>
<b>Tax Administration</b>				
<b>Tax Assessor</b>				
Salaries & employee benefits	798,661	776,949		
Other operating	255,370	237,651		
Non-operating tax refunds	2,000	376		
	<u>1,056,031</u>	<u>1,014,976</u>	<u>41,055</u>	<u>1,027,779</u>
<b>Tax Collector</b>				
Salaries & employee benefits	448,747	452,986		
Other operating	127,520	96,988		
Capital outlay	6,572	6,572		
	<u>582,839</u>	<u>556,546</u>	<u>26,293</u>	<u>490,182</u>
<b>Total Tax Administration</b>	<u>1,638,870</u>	<u>1,571,522</u>	<u>67,348</u>	<u>1,517,961</u>
<b>Board of Elections</b>				
Salaries & employee benefits	354,579	372,389		
Other operating	215,024	174,908		
	<u>569,603</u>	<u>547,297</u>	<u>22,306</u>	<u>411,798</u>
<b>Human Resources</b>				
<b>Human Resources</b>				
Salaries & employee benefits	522,192	522,524		
Other operating	113,302	67,003		
Non-operating	430,072	-		
	<u>1,065,566</u>	<u>589,527</u>	<u>476,039</u>	<u>603,913</u>
<b>Wellness</b>				
Other operating	187,650	179,432		
	<u>187,650</u>	<u>179,432</u>	<u>8,218</u>	<u>159,963</u>
<b>Recruitment</b>				
Salaries & employee benefits	63,706	63,797		
Other operating	26,400	13,480		
Non-operating	122,301	-		
	<u>212,407</u>	<u>77,277</u>	<u>135,130</u>	<u>78,152</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Risk Management				
Salaries & employee benefits	131,959	131,345		
Other operating	24,150	18,613		
	<u>156,109</u>	<u>149,958</u>	<u>6,151</u>	<u>145,126</u>
 Total Human Resources	 <u>1,621,732</u>	 <u>996,194</u>	 <u>625,538</u>	 <u>987,154</u>
<b>Register of Deeds</b>				
Salaries & employee benefits	505,667	491,122		
Other operating	300,058	208,166		
	<u>805,725</u>	<u>699,288</u>	<u>106,437</u>	<u>778,673</u>
<b>Finance</b>				
Administration				
Salaries & employee benefits	336,910	336,079		
Other operating	171,435	160,104		
	<u>508,345</u>	<u>496,183</u>	<u>12,162</u>	<u>481,437</u>
Accounting				
Salaries & employee benefits	443,209	441,965		
Other operating	362,083	391,370		
	<u>805,292</u>	<u>833,335</u>	<u>(28,043)</u>	<u>742,547</u>
Purchasing				
Salaries & employee benefits	211,667	202,455		
Other operating	44,471	35,850		
	<u>256,138</u>	<u>238,305</u>	<u>17,833</u>	<u>213,535</u>
 Total Finance	 <u>1,569,775</u>	 <u>1,567,823</u>	 <u>1,952</u>	 <u>1,437,519</u>
<b>Other General Government Programs</b>				
Government Agencies - Justice Center				
Other operating	9,550	9,050		
	<u>9,550</u>	<u>9,050</u>	<u>500</u>	<u>-</u>
Other Government Costs				
Salaries & employee benefits	36,500	21,517		
Other operating	243,624	233,855		
	<u>280,124</u>	<u>255,372</u>	<u>24,752</u>	<u>193,100</u>
Self Insurance				
Premiums	2,136,750	1,706,030		
Liability	869,500	677,482		
Workers Compensation	576,750	335,896		
Total Self Insurance	<u>3,583,000</u>	<u>2,719,408</u>	<u>863,592</u>	<u>2,905,640</u>
 Total Other General Government Programs	 <u>3,872,674</u>	 <u>2,983,830</u>	 <u>888,844</u>	 <u>3,098,740</u>
 Total General Government	 <u>11,903,316</u>	 <u>9,969,891</u>	 <u>1,933,425</u>	 <u>9,766,621</u>
<b>Public Safety</b>				
<b>Sheriff</b>				

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Administration and Law Enforcement				
Salaries & employee benefits	3,473,311	3,468,577		
Other operating	1,111,213	1,050,928		
Capital outlay	415,018	415,018		
	<u>4,999,542</u>	<u>4,934,523</u>	<u>65,019</u>	<u>4,643,147</u>
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	157,240	156,234		
Other operating	3,000	3,000		
	<u>160,240</u>	<u>159,234</u>	<u>1,006</u>	<u>157,016</u>
School Resource Officers				
Salaries & employee benefits	615,034	606,376		
Other operating	39,364	39,369		
	<u>654,398</u>	<u>645,745</u>	<u>8,653</u>	<u>642,394</u>
Records				
Salaries & employee benefits	333,833	325,020		
Other operating	21,798	22,715		
Capital outlay	33,990	33,990		
	<u>389,621</u>	<u>381,725</u>	<u>7,896</u>	<u>357,338</u>
Mental Health Transport				
Salaries & employee benefits	6,877	167		
	<u>6,877</u>	<u>167</u>	<u>6,710</u>	<u>4,828</u>
Crime Prevention				
Salaries & employee benefits				
Other operating				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,317</u>
Narcotics				
Salaries & employee benefits	432,531	412,388		
Other operating	71,600	70,462		
	<u>504,131</u>	<u>482,850</u>	<u>21,281</u>	<u>479,339</u>
Detectives				
Salaries & employee benefits	838,287	810,064		
Other operating	64,397	59,353		
Capital outlay	20,000	20,000		
	<u>922,684</u>	<u>889,417</u>	<u>33,267</u>	<u>867,259</u>
Lake Norman Water Patrol				
Salaries & employee benefits	293,586	282,713		
Other operating	29,904	27,522		
Capital outlay	44,090	44,090		
	<u>367,580</u>	<u>354,325</u>	<u>13,255</u>	<u>290,898</u>
Court Security				
Salaries & employee benefits	551,667	521,784		
Other operating	7,000	6,999		
	<u>558,667</u>	<u>528,783</u>	<u>29,884</u>	<u>529,169</u>

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Newton Detention Center				
Salaries & employee benefits	3,366,486	3,247,952		
Other operating	913,509	809,863		
Capital outlay	-			
	<u>4,279,995</u>	<u>4,057,815</u>	<u>222,180</u>	<u>3,999,738</u>
Prisoner Food Services				
Other operating	384,741	383,543	1,198	369,191
District Confinement Facility				
Salaries & employee benefits	55,822	45,467		
Other operating	1,139,855	1,133,779		
	<u>1,195,677</u>	<u>1,179,246</u>	<u>16,431</u>	<u>1,354,893</u>
<b>Total Sheriff</b>	<u>14,424,153</u>	<u>13,997,373</u>	<u>426,780</u>	<u>13,697,527</u>
<b>Emergency Services</b>				
Emergency Services Administration				
Salaries & employee benefits	228,488	226,070		
Other operating	335,709	141,590		
	<u>564,197</u>	<u>367,660</u>	<u>196,537</u>	<u>563,851</u>
Emergency Management				
Salaries & employee benefits				
Other operating				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,241</u>
Veterans Services				
Salaries & employee benefits	65,475	60,847		
Other operating	5,700	5,195		
	<u>71,175</u>	<u>66,042</u>	<u>5,133</u>	<u>69,024</u>
Fire Marshal				
Salaries & employee benefits	275,995	247,611		
Other operating	37,372	31,612		
Capital outlay	35,975	32,533		
	<u>349,342</u>	<u>311,756</u>	<u>37,586</u>	<u>232,904</u>
Emergency Medical Services				
Salaries & employee benefits	6,088,028	6,026,418		
Other operating	1,153,544	960,433		
Capital outlay	553,906	548,883		
	<u>7,795,478</u>	<u>7,535,734</u>	<u>259,744</u>	<u>7,338,900</u>
Animal Control				
Salaries & employee benefits	171,811	165,632		
Other operating	50,860	29,457		
	<u>222,671</u>	<u>195,089</u>	<u>27,582</u>	<u>244,928</u>
Animal Shelter				
Salaries & employee benefits	206,097	180,697		
Other operating	202,842	162,755		

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	408,939	343,452	65,487	418,176
Total Emergency Services	<u>9,411,802</u>	<u>8,819,733</u>	<u>592,069</u>	<u>8,873,024</u>
Communication Center				
Salaries & employee benefits	1,427,281	1,390,811		
Other operating	218,764	191,019		
	<u>1,646,045</u>	<u>1,581,830</u>	<u>64,215</u>	<u>1,578,069</u>
Other Public Safety				
Other operating	191,325	163,268	28,057	162,413
Total Public Safety	<u>25,673,325</u>	<u>24,562,204</u>	<u>1,111,121</u>	<u>24,311,033</u>
<b>Environmental Protection</b>				
Cooperative Extension				
Salaries & employee benefits	22,384	21,613		
Other operating	271,854	225,999		
Non-operating	154,516	-		
	<u>448,754</u>	<u>247,612</u>	<u>201,142</u>	<u>244,734</u>
Soil & Water Conservation				
Salaries & employee benefits	136,499	132,929		
Other operating	81,304	39,807		
	<u>217,803</u>	<u>172,736</u>	<u>45,067</u>	<u>152,900</u>
Forest Ranger				
Other operating	58,994	56,815	2,179	54,230
Total Environmental Protection	<u>725,551</u>	<u>477,163</u>	<u>248,388</u>	<u>451,864</u>
<b>Economic and Physical Development Technology</b>				
Information Technology Center				
Salaries & employee benefits	1,720,735	1,705,017		
Other operating	1,364,213	1,296,814		
	<u>3,084,948</u>	<u>3,001,831</u>	<u>83,117</u>	<u>2,888,351</u>
Geospatial Information Services				
Salaries & employee benefits	271,269	270,331		
Other operating	73,140	64,005		
Capital outlay	6,500	6,344		
	<u>350,909</u>	<u>340,680</u>	<u>10,229</u>	<u>329,365</u>
Total Technology	<u>3,435,857</u>	<u>3,342,511</u>	<u>93,346</u>	<u>3,217,716</u>
<b>Economic Development and Planning</b>				
Planning & Zoning				
Salaries & employee benefits	408,933	404,199		
Other operating	119,001	65,832		
	<u>527,934</u>	<u>470,031</u>	<u>57,903</u>	<u>542,254</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
County Parks				
Salaries & employee benefits	239,084	238,548		
Other operating	65,254	54,574		
Capital outlay	5,521	5,521		
	<u>309,859</u>	<u>298,643</u>	<u>11,216</u>	<u>290,452</u>
Other Economic and Physical Development				
Other operating	4,482,805	4,082,200	400,605	2,588,822
Total Economic Development and Planning	<u>5,320,598</u>	<u>4,850,874</u>	<u>469,724</u>	<u>3,421,528</u>
<b>Utilities &amp; Engineering</b>				
Utilities & Engineering Administration				
Salaries & employee benefits	150,943	152,523		
Other operating	26,304	24,458		
	<u>177,247</u>	<u>176,981</u>	<u>266</u>	<u>180,882</u>
Building Inspection				
Salaries & employee benefits	631,879	669,909		
Other operating	347,561	333,187		
	<u>979,440</u>	<u>1,003,096</u>	<u>(23,656)</u>	<u>988,716</u>
Permit Center				
Salaries & employee benefits	315,904	256,348		
Other operating	28,150	26,756		
	<u>344,054</u>	<u>283,104</u>	<u>60,950</u>	<u>330,855</u>
Plan Review				
Salaries & employee benefits	287,018	285,772		
Other operating	18,095	15,433		
	<u>305,113</u>	<u>301,205</u>	<u>3,908</u>	<u>276,490</u>
Storm water and Erosion Control				
Salaries & employee benefits	135,229	71,876		
Other operating	22,290	13,133		
	<u>157,519</u>	<u>85,009</u>	<u>72,510</u>	<u>137,208</u>
Total Utilities & Engineering	<u>1,963,373</u>	<u>1,849,395</u>	<u>113,978</u>	<u>1,914,151</u>
<b>Finance/Facilities Division</b>				
Garage				
Salaries & employee benefits	225,889	219,588		
Other operating	360,400	346,518		
Capital outlay	26,200	26,138		
	<u>612,489</u>	<u>592,244</u>	<u>20,245</u>	<u>525,694</u>
General maintenance				
Salaries & employee benefits	543,636	558,982		
Other operating	220,900	137,959		
Capital outlay	26,250	26,249		
	<u>790,786</u>	<u>723,190</u>	<u>67,596</u>	<u>659,401</u>
General Buildings				

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

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Other operating	510,105	470,119		
	<u>510,105</u>	<u>470,119</u>	39,986	450,998
Justice Buildings				
Other operating	886,130	729,577		
	<u>886,130</u>	<u>729,577</u>	156,553	634,029
Library Buildings				
Other operating	62,550	52,342	10,208	61,963
Leased Buildings				
Other operating	50,770	36,361	14,409	32,681
Social Services Buildings				
Other operating	94,093	72,521		
	<u>94,093</u>	<u>72,521</u>	21,572	53,215
Public Health Buildings				
Other operating	38,390	27,538		
	<u>38,390</u>	<u>27,538</u>	10,852	25,653
Family Services Center				
Other operating	21,845	9,716	12,129	9,157
Street Signs				
Other operating	29,485	22,837	6,648	3,810
Total Finance/Facilities Division	<u>3,096,643</u>	<u>2,736,445</u>	360,198	2,456,601
Total Economic & Physical Development	<u>13,816,471</u>	<u>12,779,225</u>	1,037,246	11,009,996
<b>Human Services</b>				
Medical Examiner				
Other operating	100,000	86,100	13,900	85,100
<b>Mental Health Services</b>				
General Administration				
Other operating	758,000	757,037		
Mental Health Assistance	122,789	-		
	<u>880,789</u>	<u>757,037</u>	123,752	1,006,556
<b>Social Services Department</b>				
Administration				
Salaries & employee benefits	1,236,757	1,068,948		
Other operating	1,006,183	1,007,841		
Non-operating	3,515,874	-		
Capital outlay	5,000	-		
	<u>5,763,814</u>	<u>2,076,789</u>	3,687,025	2,085,756
Children and Family Services				
Salaries & employee benefits	1,899,581	1,686,045		
Other operating	417,149	328,183		
Social Services assistance	1,000	415		

**CATAWBA COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	2,317,730	2,014,643	303,087	2,123,741
Department of Human Resources Teams				
Salaries & employee benefits	322,781	325,917		
Other operating	10,166	6,141		
Social Services assistance	1,400	1,055		
	<u>334,347</u>	<u>333,113</u>	<u>1,234</u>	<u>327,025</u>
Children's Day Care				
Salaries & employee benefits	399,280	343,791		
Other operating	4,777	2,839		
	<u>404,057</u>	<u>346,630</u>	<u>57,427</u>	<u>353,701</u>
Intensive Family Preservation				
Salaries & employee benefits	124,175	78,584		
Other operating	20,608	13,940		
Social Services assistance	2,650	2,693		
	<u>147,433</u>	<u>95,217</u>	<u>52,216</u>	<u>142,840</u>
Early Childhood Development				
Salaries & employee benefits	52,416	51,336		
Other operating	10,849	9,513		
	<u>63,265</u>	<u>60,849</u>	<u>2,416</u>	<u>63,258</u>
Prevention Management				
Salaries & employee benefits	111,837	109,078		
Other operating	2,000	626		
	<u>113,837</u>	<u>109,704</u>	<u>4,133</u>	<u>109,457</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	49,943	49,849		
Other operating	1,000	1,335		
Social Services assistance	15,000	15,000		
	<u>65,943</u>	<u>66,184</u>	<u>(241)</u>	<u>49,884</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,669,332	3,510,720		
Other operating	57,555	60,555		
Social Services assistance	67,000	9,048		
	<u>3,793,887</u>	<u>3,580,323</u>	<u>213,564</u>	<u>3,569,340</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	817,948	631,789		
Other operating	97,690	67,842		
Social Services assistance	27,400	3,227		
	<u>943,038</u>	<u>702,858</u>	<u>240,180</u>	<u>819,166</u>
Teen Up				
Salaries & employee benefits	159,509	129,981		
Other operating	20,315	11,406		
Social Services assistance	16,500	28,955		
	<u>196,324</u>	<u>170,342</u>	<u>25,982</u>	<u>105,972</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Community Services Block Grant				
Salaries & employee benefits	197,861	196,098		
Other operating	4,500	7,463		
Social Services assistance	14,266	16,971		
	<u>216,627</u>	<u>220,532</u>	<u>(3,905)</u>	<u>210,498</u>
Therapeutic Foster Care				
Salaries & employee benefits	232,848	237,817		
Other operating	21,777	14,363		
Social Services assistance	1,000	744		
	<u>255,625</u>	<u>252,924</u>	<u>2,701</u>	<u>226,692</u>
Adoptions				
Salaries & employee benefits	787,685	770,670		
Other operating	17,056	21,049		
Social Services assistance	3,500	3,054		
	<u>808,241</u>	<u>794,773</u>	<u>13,468</u>	<u>770,136</u>
Child Advocacy				
Salaries & employee benefits	269,700	279,688		
Other operating	57,681	33,371		
Social Services assistance	4,000	234		
	<u>331,381</u>	<u>313,293</u>	<u>18,088</u>	<u>314,826</u>
FamilyNet Administration				
Salaries & employee benefits	686,653	575,539		
Other operating	283,897	194,228		
Social Services assistance	10,000	3,683		
	<u>980,550</u>	<u>773,450</u>	<u>207,100</u>	<u>802,611</u>
FamilyNet Community Support				
Salaries & employee benefits	76,304	42,181		
Other operating	5,554	7,834		
	<u>81,858</u>	<u>50,015</u>	<u>31,843</u>	<u>149,312</u>
FamilyNet Act				
Salaries & employee benefits	613,812	521,988		
Other operating	28,800	6,323		
Social Services assistance	500	1,768		
	<u>643,112</u>	<u>530,079</u>	<u>113,033</u>	<u>589,759</u>
FamilyNet In-home Services				
Salaries & employee benefits	469,021	460,662		
Other operating	14,777	21,878		
	<u>483,798</u>	<u>482,540</u>	<u>1,258</u>	<u>470,093</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	524,359	473,705		
Other operating	3,000	7,533		
	<u>527,359</u>	<u>481,238</u>	<u>46,121</u>	<u>352,478</u>
FamilyNet Family Services				

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	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	192,929	139,590		
Other operating	3,000	664		
	<u>195,929</u>	<u>140,254</u>	<u>55,675</u>	<u>196,779</u>
FamilyNet Children Services				
Salaries & employee benefits	288,145	232,481		
Other operating	3,194	5,525		
	<u>291,339</u>	<u>238,006</u>	<u>53,333</u>	<u>248,715</u>
FamilyNet ECST				
Salaries & employee benefits	349,308	306,668		
Other operating	29,486	25,058		
	<u>378,794</u>	<u>331,726</u>	<u>47,068</u>	<u>339,490</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	63,416	62,697		
Other operating	14,008	11,851		
	<u>77,424</u>	<u>74,548</u>	<u>2,876</u>	<u>66,702</u>
Work First				
Salaries & employee benefits	464,252	308,770		
Other operating	363,000	398,899		
Social Services assistance	949,600	899,027		
	<u>1,776,852</u>	<u>1,606,696</u>	<u>170,156</u>	<u>818,155</u>
Office Juvenile Justice Girls Program				
Other operating	49,255	41,110		
	<u>49,255</u>	<u>41,110</u>	<u>8,145</u>	<u>42,418</u>
Administration Group Homes				
Salaries & employee benefits	1,122,168	951,833		
Other operating	45,988	41,019		
	<u>1,168,156</u>	<u>992,852</u>	<u>175,304</u>	<u>987,575</u>
Girls Program				
Other operating	49,175	43,676		
Capital outlay	22,000	-		
	<u>71,175</u>	<u>43,676</u>	<u>27,499</u>	<u>50,852</u>
Boys Program				
Other operating	48,555	40,764		
	<u>48,555</u>	<u>40,764</u>	<u>7,791</u>	<u>46,569</u>
Office Juvenile Justice Boys Program				
Other operating	58,655	56,670		
	<u>58,655</u>	<u>56,670</u>	<u>1,985</u>	<u>57,616</u>
Adult Services				
Other operating	402,493	399,214		
Social Services assistance	1,251,145	296,534		
	<u>1,653,638</u>	<u>695,748</u>	<u>957,890</u>	<u>1,859,838</u>
Adult Social Work				

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	1,407,783	1,410,719		
Other operating	70,422	57,061		
Social Services assistance	10,500	11,249		
	<u>1,488,705</u>	<u>1,479,029</u>	<u>9,676</u>	<u>1,369,209</u>
Medicaid Administration				
Salaries & employee benefits	934,948	916,489		
Other operating	7,554	5,600		
	<u>942,502</u>	<u>922,089</u>	<u>20,413</u>	<u>907,195</u>
Transportation				
Salaries & employee benefits	469,320	431,481		
Other operating	36,762	33,825		
Capital outlay	72,615	71,843		
	<u>578,697</u>	<u>537,149</u>	<u>41,548</u>	<u>442,683</u>
Nutrition				
Salaries & employee benefits	163,714	161,653		
Other operating	68,058	68,591		
Social Services assistance	478,574	469,877		
	<u>710,346</u>	<u>700,121</u>	<u>10,225</u>	<u>680,062</u>
Public Assistance Administration				
Salaries & employee benefits	1,426,957	1,415,333		
Other operating	25,439	24,140		
	<u>1,452,396</u>	<u>1,439,473</u>	<u>12,923</u>	<u>1,516,292</u>
Food Stamps				
Salaries & employee benefits	1,541,392	1,519,724		
Other operating	88,439	68,834		
Social Services assistance	1,000	-		
	<u>1,630,831</u>	<u>1,588,558</u>	<u>42,273</u>	<u>1,558,592</u>
Child Support				
Salaries & employee benefits	1,327,122	1,093,913		
Other operating	22,331	24,866		
	<u>1,349,453</u>	<u>1,118,779</u>	<u>230,674</u>	<u>1,140,709</u>
General Assistance				
Other operating	98,500	81,908		
Social Services assistance	108,500	91,692		
	<u>207,000</u>	<u>173,600</u>	<u>33,400</u>	<u>164,089</u>
Public Assistance Payments				
Social Services assistance	1,387,520	1,194,810	192,710	1,277,838
Children's Purchase Services				
Social Services assistance	9,352,893	9,070,084	282,809	9,088,897
Total Social Services	<u>43,342,341</u>	<u>35,941,238</u>	<u>7,401,103</u>	<u>36,496,820</u>
<b>Public Health Department</b>				
Health Administration				

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	711,152	689,591		
Other operating	224,651	197,713		
	<u>935,803</u>	<u>887,304</u>	<u>48,499</u>	<u>902,901</u>
Home Health				
Salaries & employee benefits	1,874,985	1,855,743		
Other operating	1,343,638	1,292,458		
	<u>3,218,623</u>	<u>3,148,201</u>	<u>70,422</u>	<u>2,961,333</u>
Environmental Health				
Salaries & employee benefits	808,503	737,691		
Other operating	126,570	112,375		
	<u>935,073</u>	<u>850,066</u>	<u>85,007</u>	<u>850,643</u>
Maternal Health				
Salaries & employee benefits	36,588	16,566		
Other operating	241,884	223,380		
	<u>278,472</u>	<u>239,946</u>	<u>38,526</u>	<u>1,185,109</u>
Pregnancy Care Management				
Salaries & employee benefits	311,675	309,112		
Other operating	26,000	16,823		
	<u>337,675</u>	<u>325,935</u>	<u>11,740</u>	<u>-</u>
Laboratory				
Salaries & employee benefits	127,674	127,999		
Other operating	47,025	39,586		
	<u>174,699</u>	<u>167,585</u>	<u>7,114</u>	<u>-</u>
Post Partum Newborn				
Salaries & employee benefits	74,024	70,098		
Other operating	6,935	2,985		
	<u>80,959</u>	<u>73,083</u>	<u>7,876</u>	<u>-</u>
Family Care Coordination				
Salaries & employee benefits				
Other operating				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,465</u>
Child Health				
Salaries & employee benefits	541,629	491,386		
Other operating	93,236	89,862		
	<u>634,865</u>	<u>581,248</u>	<u>53,617</u>	<u>616,223</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	480,102	458,371		
Other operating	59,102	43,349		
	<u>539,204</u>	<u>501,720</u>	<u>37,484</u>	<u>507,505</u>
Child Health - Smart Start				
Salaries & employee benefits	125,000	124,340		
Other operating	35,500	35,665		
	<u>160,500</u>	<u>160,005</u>	<u>495</u>	<u>159,607</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Care Coordination for Children				
Salaries & employee benefits	314,629	292,585		
Other operating	30,229	24,887		
	<u>344,858</u>	<u>317,472</u>	<u>27,386</u>	<u>-</u>
Health and Wellness				
Salaries & employee benefits				
Other operating				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,165</u>
School Nurse Fund Initiative				
Salaries & employee benefits	156,339	152,909		
Other operating	13,023	9,204		
	<u>169,362</u>	<u>162,113</u>	<u>7,249</u>	<u>164,055</u>
School Nurses Initiative - Catawba Valley Medical Center				
Salaries & employee benefits	283,109	252,418		
Other operating	29,752	25,721		
	<u>312,861</u>	<u>278,139</u>	<u>34,722</u>	<u>299,211</u>
School Nurses - Catawba County				
Salaries & employee benefits	217,644	217,308		
Other operating	19,848	19,086		
	<u>237,492</u>	<u>236,394</u>	<u>1,098</u>	<u>229,853</u>
School Nurses - Newton-Conover				
Salaries & employee benefits	106,602	106,818		
Other operating	12,121	9,696		
	<u>118,723</u>	<u>116,514</u>	<u>2,209</u>	<u>116,045</u>
School Nurses Initiative - Catawba County				
Salaries & employee benefits	61,960	61,722		
Other operating	5,477	5,285		
	<u>67,437</u>	<u>67,007</u>	<u>430</u>	<u>66,129</u>
Dental Health				
Salaries & employee benefits	331,627	328,330		
Other operating	116,061	71,608		
Public Health assistance	43,000	42,986		
	<u>490,688</u>	<u>442,924</u>	<u>47,764</u>	<u>501,715</u>
Glaucoma/Adult Health				
Salaries & employee benefits	424,319	382,332		
Other operating	447,594	300,504		
	<u>871,913</u>	<u>682,836</u>	<u>189,077</u>	<u>658,144</u>
Bioterrorism Grant				
Salaries & employee benefits	43,844	31,900		
Other operating	13,208	12,290		
	<u>57,052</u>	<u>44,190</u>	<u>12,862</u>	<u>42,321</u>
Nurses/Family Planning				

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Salaries & employee benefits	955,755	1,011,634		
Other operating	181,377	151,630		
Public Health assistance	31,000	24,411		
	<u>1,168,132</u>	<u>1,187,675</u>	<u>(19,543)</u>	<u>1,018,858</u>
Women Infants Children Program				
Salaries & employee benefits	762,752	749,706		
Other operating	64,708	65,313		
	<u>827,460</u>	<u>815,019</u>	<u>12,441</u>	<u>758,368</u>
Total Public Health	<u>11,961,851</u>	<u>11,285,376</u>	<u>676,475</u>	<u>11,656,650</u>
Total Human Services	<u>56,284,981</u>	<u>48,069,751</u>	<u>8,215,230</u>	<u>49,245,126</u>
<b>Culture and Recreation</b>				
<b>County Library</b>				
Library Administration - Main Library				
Salaries & employee benefits	822,518	828,140		
Other operating	326,219	300,016		
Non-operating	241,630	-		
	<u>1,390,367</u>	<u>1,128,156</u>	<u>262,211</u>	<u>1,159,811</u>
Sherrills Ford Branch				
Salaries & employee benefits	103,054	104,878		
Other operating	43,317	41,052		
	<u>146,371</u>	<u>145,930</u>	<u>441</u>	<u>144,129</u>
Maiden Branch				
Salaries & employee benefits	69,035	68,849		
Other operating	30,247	26,144		
	<u>99,282</u>	<u>94,993</u>	<u>4,289</u>	<u>92,504</u>
St. Stephens Branch				
Salaries & employee benefits	283,394	264,940		
Other operating	100,888	98,382		
	<u>384,282</u>	<u>363,322</u>	<u>20,960</u>	<u>372,624</u>
Southwest Branch Library				
Salaries & employee benefits	136,531	134,817		
Other operating	128,940	124,110		
	<u>265,471</u>	<u>258,927</u>	<u>6,544</u>	<u>248,059</u>
Conover Branch Library				
Salaries & employee benefits	100,900	99,322		
Other operating	23,253	21,532		
	<u>124,153</u>	<u>120,854</u>	<u>3,299</u>	<u>108,732</u>
Claremont Branch Library				
Salaries & employee benefits	37,048	36,490		
Other operating	16,680	14,041		
	<u>53,728</u>	<u>50,531</u>	<u>3,197</u>	<u>54,156</u>
Total County Library	<u>2,463,654</u>	<u>2,162,713</u>	<u>300,941</u>	<u>2,180,015</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
Arts-Administration				
Other operating	532,000	532,000	-	497,450
Other Cultural				
Other operating	8,000	-	8,000	-
Total Culture and Recreation	<u>3,003,654</u>	<u>2,694,713</u>	<u>308,941</u>	<u>2,677,465</u>
<b>Education</b>				
Catawba County Schools				
Current expense	24,801,580	24,801,580		
Fines and forfeitures	599,900	348,793		
	<u>25,401,480</u>	<u>25,150,373</u>	<u>251,107</u>	<u>25,118,363</u>
Newton-Conover City Schools				
Current expense	4,304,825	4,304,825		
Fines and forfeitures	104,125	60,547		
	<u>4,408,950</u>	<u>4,365,372</u>	<u>43,578</u>	<u>4,275,583</u>
Hickory City Schools				
Current expense	6,378,376	6,378,376		
Fines and forfeitures	154,280	89,666		
	<u>6,532,656</u>	<u>6,468,042</u>	<u>64,614</u>	<u>6,246,902</u>
Catawba Valley Community College				
Current expense	3,712,188	3,712,188	-	3,617,068
Total Education	<u>40,055,274</u>	<u>39,695,975</u>	<u>359,299</u>	<u>39,257,916</u>
<b>Debt Service</b>				
General obligation bonds				
Principal	4,390,000	4,390,000		
Interest	344,010	344,006		
	<u>4,734,010</u>	<u>4,734,006</u>	<u>4</u>	<u>4,918,106</u>
Installment purchases				
Principal	6,593,305	3,873,304		
Interest	6,821,350	2,206,283		
	<u>13,414,655</u>	<u>6,079,587</u>	<u>7,335,068</u>	<u>34,322,882</u>
Certificates of Participation				
Principal	2,780,005	2,840,000		
Interest	875,970	744,154		
	<u>3,655,975</u>	<u>3,584,154</u>	<u>71,821</u>	<u>4,636,112</u>
Qualified Zone Academy Bonds				
Principal	50,000	50,000	-	50,000
Build America Bonds				
Principal	579,435	579,429		
Interest	244,530	250,147		

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	<u>Prior Year Actuals</u>
	823,965	829,576	(5,611)	842,411
Qualified School Construction Bonds				
Principal (sinking fund escrow)	1,853,905	1,853,902		
Interest	-	56,113		
	<u>1,853,905</u>	<u>1,910,015</u>	<u>(56,110)</u>	<u>1,859,698</u>
Advance refunding escrow	<u>1,209,000</u>	<u>1,128,232</u>	<u>80,768</u>	<u>-</u>
Bond Issuance Costs	<u>275,750</u>	<u>135,592</u>	<u>140,158</u>	<u>448,255</u>
Total Debt Service	<u>26,017,260</u>	<u>18,451,162</u>	<u>7,566,098</u>	<u>47,077,464</u>
Total expenditures	<u>177,479,832</u>	<u>156,700,084</u>	<u>20,779,748</u>	<u>183,797,485</u>
Revenues over (under) expenditures	<u>(19,460,618)</u>	<u>1,074,452</u>	<u>20,535,070</u>	<u>(27,607,682)</u>
<b>Other financing sources (uses)</b>				
Transfers from				
School Capital Fund	50,000	50,000	-	-
School Construction Fund	-	-	-	6,612
Transfers to				
Emergency Telephone System	(18,116)	(18,116)	-	-
Citizens Alert System Fund	(15,624)	(15,624)	-	(15,056)
Reappraisal Fund	(382,150)	(382,150)	-	(371,643)
General Capital Projects Fund	(1,300,000)	(1,300,000)	-	(1,348,500)
School Construction Fund	(536,823)	(536,823)	-	-
Water and Sewer Construction Fund	(530,000)	(530,000)	-	(775,000)
Water and Sewer Operations Fund	(245,000)	(245,000)	-	-
Installment purchase obligation issued	6,966,400	184,750	(6,781,650)	-
Refunding limited obligation bonds issued	-	-	-	41,995,366
Refunding certificates of participation issued	11,050,000	10,965,000	(85,000)	-
Payment to refunded bond escrow agent	(9,750,000)	(9,750,000)	-	(17,777,592)
Premium on limited obligation bonds	-	-	-	3,873,747
Sale of capital assets	-	9,169	9,169	24,349
Fund Balance appropriated/contingency	<u>14,171,931</u>	<u>-</u>	<u>(14,171,931)</u>	<u>-</u>
Total other financing sources (uses)	<u>19,460,618</u>	<u>(1,568,794)</u>	<u>(21,029,412)</u>	<u>25,612,283</u>
Net change in fund balance	<u>-</u>	<u>(494,342)</u>	<u>(494,342)</u>	<u>(1,995,399)</u>
<b>Fund Balances - Beginning of Year</b>		<u>50,492,636</u>		
<b>Fund Balances - End of Year</b>		<u>\$ 49,998,294</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ (505)	\$ (505)	\$ 3,598
Total revenues	<u>-</u>	<u>(505)</u>	<u>(505)</u>	<u>3,598</u>
<b>Expenditures</b>				
Current				
General government				
Salaries & employee benefits	324,820	308,663	16,157	300,671
Other operating	84,330	60,832	23,498	43,273
Capital outlay	-	-	-	23,606
Total expenditures	<u>409,150</u>	<u>369,495</u>	<u>39,655</u>	<u>367,550</u>
Excess of revenues over (under) expenditures	<u>(409,150)</u>	<u>(370,000)</u>	<u>39,150</u>	<u>(363,952)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	382,150	382,150	-	371,643
Fund balance appropriated	27,000	-	(27,000)	-
Total other financing sources (uses)	<u>409,150</u>	<u>382,150</u>	<u>(27,000)</u>	<u>371,643</u>
Net change in fund balance	<u>\$ -</u>	12,150	<u>\$ 12,150</u>	7,691
<b>Fund Balances - Beginning of Year</b>		<u>158,963</u>		<u>151,272</u>
<b>Fund Balances - End of Year</b>		<u>\$ 171,113</u>		<u>\$ 158,963</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ (648)	\$ (648)	\$ 4,088
Total revenues	<u>-</u>	<u>(648)</u>	<u>(648)</u>	<u>4,088</u>
<b>Expenditures</b>				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(648)</u>	<u>(648)</u>	<u>4,088</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from	-	-	-	-
Transfers to	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(648)</u>	<u>\$ (648)</u>	<u>4,088</u>
<b>Fund Balances - Beginning of Year</b>		<u>449,405</u>		<u>445,317</u>
<b>Fund Balances - End of Year</b>		<u>\$ 448,757</u>		<u>\$ 449,405</u>

## **Combining Statements for Nonmajor Funds**

**CATAWBA COUNTY, NORTH CAROLINA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	<b>Special Revenue Funds (Schedule C-1)</b>	<b>Capital Project Funds (Schedule D-1)</b>	<b>Total Nonmajor Governmental Funds (Exhibit 3)</b>
<b>Assets</b>			
Cash and investments	\$ 3,963,070	\$ 12,784,051	\$ 16,747,121
Taxes receivable - net	186,510	-	186,510
Due from other governments	111,817	998,203	1,110,020
Interest receivable	6,080	21,815	27,895
Total assets	<u>4,267,477</u>	<u>13,804,069</u>	<u>18,071,546</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<u>37,100</u>	<u>1,193,816</u>	<u>1,230,916</u>
Total liabilities	<u>37,100</u>	<u>1,193,816</u>	<u>1,230,916</u>
<b>Deferred Inflows of Resources</b>			
Taxes receivable	186,510	-	186,510
Prepaid taxes	<u>18,128</u>	<u>-</u>	<u>18,128</u>
Total deferred inflows of resources	<u>204,638</u>	<u>-</u>	<u>204,638</u>
<b>Fund Balances</b>			
Restricted			
Stabilization by State Statute	117,897	1,020,018	1,137,915
Public Safety	2,658,023	-	2,658,023
Fire Protection	893,577	-	893,577
Library Endowment	236,757	-	236,757
Scholarship	44,288	-	44,288
Parks Preservation	75,197	-	75,197
Hospital Capital	-	5,393,919	5,393,919
Committed			
School Capital	-	6,172,623	6,172,623
Hospital Construction	-	23,693	23,693
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>4,025,739</u>	<u>12,610,253</u>	<u>16,635,992</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,267,477</u>	<u>\$ 13,804,069</u>	<u>\$ 18,071,546</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, 2013**

	<b>Special Revenue Funds (Schedule C-3)</b>	<b>Capital Project Funds (Schedule D-2)</b>	<b>Total Nonmajor Governmental Funds (Exhibit 4)</b>
<b>Revenues</b>			
Ad valorem taxes	\$ 5,745,517	\$ -	\$ 5,745,517
Other taxes	-	3,896,004	3,896,004
Restricted intergovernmental revenues	629,976	359,741	989,717
Licenses and permits	15,569	-	15,569
Investment earnings	(4,928)	(13,156)	(18,084)
Miscellaneous	12,712	-	12,712
<b>Total revenues</b>	<u>6,398,846</u>	<u>4,242,589</u>	<u>10,641,435</u>
<b>Expenditures</b>			
Current			
Public safety	6,366,387	-	6,366,387
Economic and physical development	71,492	-	71,492
Capital outlay	-	7,699,803	7,699,803
<b>Total expenditures</b>	<u>6,437,879</u>	<u>7,699,803</u>	<u>14,137,682</u>
Excess of revenues over (under) expenditures	(39,033)	(3,457,214)	(3,496,247)
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	33,740	47,704	81,444
Transfers to other funds	(102,000)	(227,400)	(329,400)
<b>Total other financing sources (uses)</b>	<u>(68,260)</u>	<u>(179,696)</u>	<u>(247,956)</u>
Net change in fund balance	(107,293)	(3,636,910)	(3,744,203)
<b>Fund Balances - Beginning of Year</b>	<u>4,133,032</u>	<u>16,247,163</u>	<u>20,380,195</u>
<b>Fund Balances - End of Year</b>	<u>\$ 4,025,739</u>	<u>\$ 12,610,253</u>	<u>\$ 16,635,992</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, 2013**

	<b>Emergency Telephone System Fund</b>	<b>Citizens' Alert System Fund</b>	<b>Narcotics Seized Funds And Property Fund</b>	<b>Rescue Squads Fund</b>
<b>Assets</b>				
Cash and investments	\$ 2,273,982	\$ 30,687	\$ 105,215	\$ 285,239
Taxes receivable - net	-	-	-	-
Due from other governments	95,224	14,226	2,367	-
Interest receivable	3,851	62	194	-
<b>Total assets</b>	<b><u>2,373,057</u></b>	<b><u>44,975</u></b>	<b><u>107,776</u></b>	<b><u>285,239</u></b>
<b>Liabilities and Fund Balances</b>				
Accounts payable and accrued liabilities	35,634	1,419	-	47
<b>Total liabilities</b>	<b><u>35,634</u></b>	<b><u>1,419</u></b>	<b><u>-</u></b>	<b><u>47</u></b>
<b>Deferred Inflows of Resources</b>				
Taxes receivable	-	-	-	-
Prepaid taxes	-	-	-	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances</b>				
Restricted				
Stabilization by State Statute	99,075	14,288	2,561	-
Public Safety	2,238,348	29,268	105,215	285,192
Fire Protection	-	-	-	-
Library Endowment	-	-	-	-
Scholarship	-	-	-	-
Parks Preservation	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b><u>2,337,423</u></b>	<b><u>43,556</u></b>	<b><u>107,776</u></b>	<b><u>285,192</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 2,373,057</u></b>	<b><u>\$ 44,975</u></b>	<b><u>\$ 107,776</u></b>	<b><u>\$ 285,239</u></b>

<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>
\$ 236,757	\$ 44,288	\$ 75,197	\$ -	\$ 911,705	\$ 3,963,070
-	-	-	-	186,510	186,510
-	-	-	-	-	111,817
392	73	112	-	1,396	6,080
<u>237,149</u>	<u>44,361</u>	<u>75,309</u>	<u>-</u>	<u>1,099,611</u>	<u>4,267,477</u>
-	-	-	-	-	37,100
-	-	-	-	-	37,100
-	-	-	-	186,510	186,510
-	-	-	-	18,128	18,128
-	-	-	-	204,638	204,638
-	-	-	-	-	-
392	73	112	-	1,396	117,897
-	-	-	-	-	2,658,023
-	-	-	-	893,577	893,577
236,757	-	-	-	-	236,757
-	44,288	-	-	-	44,288
-	-	75,197	-	-	75,197
-	-	-	-	-	-
<u>237,149</u>	<u>44,361</u>	<u>75,309</u>	<u>-</u>	<u>894,973</u>	<u>4,025,739</u>
<u>\$ 237,149</u>	<u>\$ 44,361</u>	<u>\$ 75,309</u>	<u>\$ -</u>	<u>\$ 1,099,611</u>	<u>\$ 4,267,477</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Fire District Funds**  
**Subcombining Balance Sheet**  
**June 30, 2013**

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
<b>Assets</b>					
Cash and investments	\$ 19,968	\$ 14,789	\$ 46,379	\$ 101,570	\$ 22,359
Taxes receivable - net	15,578	14,858	23,982	2,921	11,871
Interest receivable	22	19	56	167	27
Total assets	<u>35,568</u>	<u>29,666</u>	<u>70,417</u>	<u>104,658</u>	<u>34,257</u>
<b>Liabilities and Fund Balances</b>					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Taxes receivable	15,578	14,858	23,982	2,921	11,871
Prepaid taxes	1,944	872	2,964	282	1,189
Total deferred inflows of resources	<u>17,522</u>	<u>15,730</u>	<u>26,946</u>	<u>3,203</u>	<u>13,060</u>
<b>Fund Balances</b>					
Restricted					
Stabilization by State Statute	22	19	56	167	27
Fire Protection	18,024	13,917	43,415	101,288	21,170
Total fund balances	<u>18,046</u>	<u>13,936</u>	<u>43,471</u>	<u>101,455</u>	<u>21,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,568</u>	<u>\$ 29,666</u>	<u>\$ 70,417</u>	<u>\$ 104,658</u>	<u>\$ 34,257</u>

(continued on page 110)

<b>Sherrills Ford Fire District Fund</b>	<b>Bandys Fire District Fund</b>	<b>Maiden Fire District Fund</b>	<b>Claremont Fire District Fund</b>	<b>Catawba Fire District Fund</b>	<b>Long View Fire District Fund</b>	<b>Newton Rural Fire District Fund</b>
\$ 55,401	\$ 53,068	\$ 95,413	\$ 26,308	\$ 387,916	\$ 16,124	\$ 17,294
39,730	21,574	9,375	8,806	9,986	706	11,904
68	78	154	36	644	25	19
<u>95,199</u>	<u>74,720</u>	<u>104,942</u>	<u>35,150</u>	<u>398,546</u>	<u>16,855</u>	<u>29,217</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
39,730	21,574	9,375	8,806	9,986	706	11,904
<u>3,811</u>	<u>1,707</u>	<u>772</u>	<u>1,135</u>	<u>511</u>	<u>88</u>	<u>1,256</u>
<u>43,541</u>	<u>23,281</u>	<u>10,147</u>	<u>9,941</u>	<u>10,497</u>	<u>794</u>	<u>13,160</u>
68	78	154	36	644	25	19
<u>51,590</u>	<u>51,361</u>	<u>94,641</u>	<u>25,173</u>	<u>387,405</u>	<u>16,036</u>	<u>16,038</u>
<u>51,658</u>	<u>51,439</u>	<u>94,795</u>	<u>25,209</u>	<u>388,049</u>	<u>16,061</u>	<u>16,057</u>
<u>\$ 95,199</u>	<u>\$ 74,720</u>	<u>\$ 104,942</u>	<u>\$ 35,150</u>	<u>\$ 398,546</u>	<u>\$ 16,855</u>	<u>\$ 29,217</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Fire District Funds**  
**Subcombining Balance Sheet**  
**June 30, 2013**

	<b>Cooksville Fire District Fund</b>	<b>Hickory Rural Fire District Fund</b>	<b>Total Fire District Funds</b>
<b>Assets</b>			
Cash and investments	\$ 40,228	\$ 14,888	\$ 911,705
Taxes receivable - net	4,313	10,906	186,510
Interest receivable	64	17	1,396
Total assets	44,605	25,811	1,099,611
<b>Liabilities and Fund Balances</b>			
Accounts payable and accrued liabilities	-	-	-
Total liabilities	-	-	-
<b>Deferred Inflows of Resources</b>			
Taxes receivable	4,313	10,906	186,510
Taxes collected in advance	623	974	18,128
Total deferred inflows of resources	4,936	11,880	204,638
<b>Fund Balances</b>			
Restricted			
Stabilization by State Statute	64	17	1,396
Fire Protection	39,605	13,914	893,577
Total fund balances	39,669	13,931	894,973
Total liabilities, deferred inflows of resources and fund balances	\$ 44,605	\$ 25,811	\$ 1,099,611



**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, 2013**

	<b>Emergency Telephone System Fund</b>	<b>Citizens' Alert System Fund</b>	<b>Narcotics Seized Funds and Property Fund</b>	<b>Rescue Squads Fund</b>
<b>Revenues</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,013,173
Restricted intergovernmental revenues	518,772	43,041	15,435	-
Licenses and permits	-	-	-	-
Investment earnings	(3,903)	(133)	358	(1,411)
Miscellaneous	-	10,000	2,438	-
Total revenues	<u>514,869</u>	<u>52,908</u>	<u>18,231</u>	<u>1,011,762</u>
<b>Expenditures</b>				
Current				
Public safety	447,149	56,893	156,976	1,005,718
Economic and physical development	-	-	-	-
Total expenditures	<u>447,149</u>	<u>56,893</u>	<u>156,976</u>	<u>1,005,718</u>
Excess of revenue over (under) expenditures	<u>67,720</u>	<u>(3,985)</u>	<u>(138,745)</u>	<u>6,044</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	18,116	15,624	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>18,116</u>	<u>15,624</u>	<u>-</u>	<u>-</u>
Net change in fund balance	85,836	11,639	(138,745)	6,044
<b>Fund Balances - Beginning of Year</b>	<u>2,251,587</u>	<u>31,917</u>	<u>246,521</u>	<u>279,148</u>
<b>Fund Balances - End of Year</b>	<u>\$ 2,337,423</u>	<u>\$ 43,556</u>	<u>\$ 107,776</u>	<u>\$ 285,192</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>
\$ -	\$ -	\$ -	\$ -	\$ 4,732,344	\$ 5,745,517
-	-	-	52,728	-	629,976
-	-	15,569	-	-	15,569
(343)	(65)	(154)	52	671	(4,928)
-	250	24	-	-	12,712
<u>(343)</u>	<u>185</u>	<u>15,439</u>	<u>52,780</u>	<u>4,733,015</u>	<u>6,398,846</u>
-	-	-	-	4,699,651	6,366,387
-	-	-	71,492	-	71,492
-	-	-	71,492	4,699,651	6,437,879
<u>(343)</u>	<u>185</u>	<u>15,439</u>	<u>(18,712)</u>	<u>33,364</u>	<u>(39,033)</u>
-	-	-	-	-	33,740
-	-	(102,000)	-	-	(102,000)
-	-	(102,000)	-	-	(68,260)
(343)	185	(86,561)	(18,712)	33,364	(107,293)
<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>\$ 237,149</u>	<u>\$ 44,361</u>	<u>\$ 75,309</u>	<u>\$ -</u>	<u>\$ 894,973</u>	<u>\$ 4,025,739</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Restricted intergovernmental revenues				
North Carolina 911 funds	518,772	518,772	-	502,077
Investment earnings	-	(3,903)	(3,903)	19,190
Total revenues	<u>518,772</u>	<u>514,869</u>	<u>(3,903)</u>	<u>521,267</u>
<b>Expenditures</b>				
Current				
Public Safety				
Salaries & employee benefits	92,172	88,068	4,104	90,001
Other operating	538,687	323,862	214,825	294,572
Capital outlay	43,579	35,219	8,360	81,111
Total expenditures	<u>674,438</u>	<u>447,149</u>	<u>227,289</u>	<u>465,684</u>
Excess of revenues over (under) expenditures	<u>(155,666)</u>	<u>67,720</u>	<u>223,386</u>	<u>55,583</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	18,116	18,116	-	-
Transfers to				
General Capital Projects Fund	-	-	-	(80,263)
Fund balance appropriated	<u>137,550</u>	<u>-</u>	<u>(137,550)</u>	<u>-</u>
Total other financing sources (uses)	<u>155,666</u>	<u>18,116</u>	<u>(137,550)</u>	<u>(80,263)</u>
Net change in fund balance	<u>\$ -</u>	<u>85,836</u>	<u>\$ 85,836</u>	<u>(24,680)</u>
<b>Fund Balances - Beginning of Year</b>		<u>2,251,587</u>		<u>2,276,267</u>
<b>Fund Balances - End of Year</b>		<u>\$ 2,337,423</u>		<u>\$ 2,251,587</u>

The County transferred \$18,116 from the General Fund to cover ineligible 911 expenses from the prior fiscal year.

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<b>2013</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Restricted intergovernmental revenues - federal	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Restricted intergovernmental revenues - local	11,521	23,041	11,520	\$ 11,521
Investment earnings	-	(133)	(133)	213
Miscellaneous	10,000	10,000	-	10,000
<b>Total revenues</b>	<u>41,521</u>	<u>52,908</u>	<u>11,387</u>	<u>41,734</u>
<b>Expenditures</b>				
<b>Current</b>				
Public Safety				
Salaries & employee benefits	19,645	19,393	252	18,620
Other operating	37,500	37,500	-	37,500
<b>Total expenditures</b>	<u>57,145</u>	<u>56,893</u>	<u>252</u>	<u>56,120</u>
Excess of revenues over (under) expenditures	<u>(15,624)</u>	<u>(3,985)</u>	<u>11,639</u>	<u>(14,386)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from				
General Fund	15,624	15,624	-	15,056
<b>Total other financing sources (uses)</b>	<u>15,624</u>	<u>15,624</u>	<u>-</u>	<u>15,056</u>
Net change in fund balance	<u>\$ -</u>	11,639	<u>\$ 11,639</u>	670
<b>Fund Balances - Beginning of Year</b>		<u>31,917</u>		<u>31,247</u>
<b>Fund Balances - End of Year</b>		<u>\$ 43,556</u>		<u>\$ 31,917</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ 20,000	\$ 15,435	\$ (4,565)	\$ 2,244
Investment earnings	-	358	358	1,670
Sale of properties	1,000	1,545	545	-
Miscellaneous	-	893	893	-
Total revenues	<u>21,000</u>	<u>18,231</u>	<u>(2,769)</u>	<u>3,914</u>
<b>Expenditures</b>				
Current				
Public Safety				
Other operating	16,060	3,278	12,782	18,000
Capital outlay	154,665	153,698	967	-
Total expenditures	<u>170,725</u>	<u>156,976</u>	<u>13,749</u>	<u>18,000</u>
Excess of revenues over (under) expenditures	<u>(149,725)</u>	<u>(138,745)</u>	<u>10,980</u>	<u>(14,086)</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	149,725	-	(149,725)	-
Total other financing sources (uses)	<u>149,725</u>	<u>-</u>	<u>(149,725)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(138,745)</u>	<u>\$ (138,745)</u>	<u>(14,086)</u>
<b>Fund Balances - Beginning of Year</b>		<u>246,521</u>		<u>260,607</u>
<b>Fund Balances - End of Year</b>		<u>\$ 107,776</u>		<u>\$ 246,521</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 1,013,173	\$ 1,013,173	\$ -	\$ 982,158
Investment earnings	-	(1,411)	(1,411)	1,233
Total revenues	<u>1,013,173</u>	<u>1,011,762</u>	<u>(1,411)</u>	<u>983,391</u>
<b>Expenditures</b>				
Public Safety				
Other operating	1,040,736	1,005,718	35,018	997,131
Total expenditures	<u>1,040,736</u>	<u>1,005,718</u>	<u>35,018</u>	<u>997,131</u>
Excess of revenues over (under) expenditures	<u>(27,563)</u>	<u>6,044</u>	<u>33,607</u>	<u>(13,740)</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	27,563	-	(27,563)	-
Total other financing sources (uses)	<u>27,563</u>	<u>-</u>	<u>(27,563)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>6,044</u>	<u>\$ 6,044</u>	<u>(13,740)</u>
<b>Fund Balances - Beginning of Year</b>		<u>279,148</u>		<u>292,888</u>
<b>Fund Balances - End of Year</b>		<u>\$ 285,192</u>		<u>\$ 279,148</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ (343)	\$ (343)	\$ 2,286
Total revenues	<u>-</u>	<u>(343)</u>	<u>(343)</u>	<u>2,286</u>
<b>Expenditures</b>				
Culture and recreation	-	-	-	-
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(343)</u>	<u>(343)</u>	<u>2,286</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(343)</u>	<u>\$ (343)</u>	<u>2,286</u>
<b>Fund Balances - Beginning of Year</b>		<u>237,492</u>		<u>235,206</u>
<b>Fund Balances - End of Year</b>		<u>\$ 237,149</u>		<u>\$ 237,492</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ (65)	\$ (65)	\$ 427
Miscellaneous				
Donations	<u>1,500</u>	<u>250</u>	<u>(1,250)</u>	<u>1,250</u>
Total revenues	<u>1,500</u>	<u>185</u>	<u>(1,315)</u>	<u>1,677</u>
<b>Expenditures</b>				
Human services				
Scholarship awards	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>800</u>
Total expenditures	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>800</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>185</u>	<u>185</u>	<u>877</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>185</u>	<u>\$ 185</u>	<u>877</u>
<b>Fund Balances - Beginning of Year</b>		<u>44,176</u>		<u>43,299</u>
<b>Fund Balances - End of Year</b>		<u>\$ 44,361</u>		<u>\$ 44,176</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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Licenses and permits				
Developer fee	\$ -	\$ 15,569	\$ 15,569	\$ 17,621
Investment earnings	-	(154)	(154)	1,466
Miscellaneous				
Cookbook sales	-	24	24	72
Total revenues	<u>-</u>	<u>15,439</u>	<u>15,439</u>	<u>19,159</u>
<b>Expenditures</b>				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>15,439</u>	<u>15,439</u>	<u>19,159</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	102,000	-	(102,000)	-
Transfers to				
General Capital Projects Fund	(102,000)	(102,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(102,000)</u>	<u>(102,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(86,561)</u>	<u>\$ (86,561)</u>	<u>19,159</u>
<b>Fund Balances - Beginning of Year</b>		<u>161,870</u>		<u>142,711</u>
<b>Fund Balances - End of Year</b>		<u>\$ 75,309</u>		<u>\$ 161,870</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, 2013**

<b>NC Housing Finance Agency 2011 Urgent Repair Grant - URP11</b>	<b>Project Authorization</b>	<b>Actual</b>			<b>Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 37,500	\$ 37,500	\$ -	\$ 37,500	\$ -
Investment earnings	-	60	52	112	112
Total revenues	37,500	37,560	52	37,612	112
<b>Expenditures</b>					
Economic and physical development					
Administration	4,200	-	5,138	5,138	(938)
Rehabilitation	33,300	17,600	14,874	32,474	826
Total expenditures	37,500	17,600	20,012	37,612	(112)
Excess of revenues over (under) expenditures	-	19,960	(19,960)	-	-
Net change in fund balance	\$ -	\$ 19,960	(19,960)	\$ -	\$ -
<b>Fund Balances - Beginning of Year</b>			19,960		
<b>Fund Balances - End of Year</b>			\$ -		

<b>Community Development Block Grant Individual Development Accounts (09-C-2042)</b>	<b>Project Authorization</b>	<b>Actual</b>			<b>Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 70,000	\$ 49,758	\$ 2,728	\$ 52,486	\$ (17,514)
Total revenues	70,000	49,758	2,728	52,486	(17,514)
<b>Expenditures</b>					
Economic and physical development					
Administration	10,000	10,000	-	10,000	-
Housing assistance	60,000	41,006	1,480	42,486	17,514
Total expenditures	70,000	51,006	1,480	52,486	17,514
Excess of revenues over (under) expenditures	-	(1,248)	1,248	-	-
Net change in fund balance	\$ -	\$ (1,248)	1,248	\$ -	\$ -
<b>Fund Balances - Beginning of Year</b>			(1,248)		
<b>Fund Balances - End of Year</b>			\$ -		

**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, 2013**

Community Development Block Grant NC Tomorrow Initiative Project (11-C-2273NCT)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Expenditures</b>					
Economic and physical development					
Administration	5,000	-	5,000	5,000	-
Planning	45,000	-	45,000	45,000	-
Total expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</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>
<b>Fund Balances - Beginning of Year</b>			<u>-</u>		
<b>Fund Balances - End of Year</b>			<u>\$ -</u>		

Community Development Block Grant 2012 NC Scattered Site Housing Project (12-C-2412)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues	\$ 225,000	\$ -	\$ -	\$ -	\$ (225,000)
Total revenues	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,000)</u>
<b>Expenditures</b>					
Economic and physical development					
Administration	22,500	-	-	-	22,500
Rehabilitation	202,500	-	-	-	202,500
Total expenditures	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</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>
<b>Fund Balances - Beginning of Year</b>			<u>-</u>		
<b>Fund Balances - End of Year</b>			<u>\$ -</u>		
<b>Grand Total</b>					
<b>Fund Balances - Beginning of Year</b>			<u>18,712</u>		
<b>Fund Balances - End of Year</b>			<u>\$ -</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, 2013**

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
<b>Revenues</b>					
Ad valorem taxes	\$ 431,752	\$ 203,832	\$ 616,873	\$ 75,818	\$ 267,351
Investment earnings	191	76	165	(391)	84
Total revenues	<u>431,943</u>	<u>203,908</u>	<u>617,038</u>	<u>75,427</u>	<u>267,435</u>
<b>Expenditures</b>					
Current					
Public safety	<u>420,840</u>	<u>200,339</u>	<u>653,326</u>	<u>19,712</u>	<u>255,315</u>
Total expenditures	<u>420,840</u>	<u>200,339</u>	<u>653,326</u>	<u>19,712</u>	<u>255,315</u>
Excess of revenue over (under) expenditures	<u>11,103</u>	<u>3,569</u>	<u>(36,288)</u>	<u>55,715</u>	<u>12,120</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	11,103	3,569	(36,288)	55,715	12,120
<b>Fund Balances - Beginning of Year</b>	<u>6,943</u>	<u>10,367</u>	<u>79,759</u>	<u>45,740</u>	<u>9,077</u>
<b>Fund Balances - End of Year</b>	<u>\$ 18,046</u>	<u>\$ 13,936</u>	<u>\$ 43,471</u>	<u>\$ 101,455</u>	<u>\$ 21,197</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>
\$ 1,376,010	\$ 444,734	\$ 170,112	\$ 234,447	\$ 133,616	\$ 22,317	\$ 357,368
651	118	(59)	72	(497)	(13)	149
<u>1,376,661</u>	<u>444,852</u>	<u>170,053</u>	<u>234,519</u>	<u>133,119</u>	<u>22,304</u>	<u>357,517</u>
<u>1,388,700</u>	<u>460,638</u>	<u>164,945</u>	<u>227,230</u>	<u>144,439</u>	<u>21,142</u>	<u>353,764</u>
<u>1,388,700</u>	<u>460,638</u>	<u>164,945</u>	<u>227,230</u>	<u>144,439</u>	<u>21,142</u>	<u>353,764</u>
<u>(12,039)</u>	<u>(15,786)</u>	<u>5,108</u>	<u>7,289</u>	<u>(11,320)</u>	<u>1,162</u>	<u>3,753</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(12,039)	(15,786)	5,108	7,289	(11,320)	1,162	3,753
<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>\$ 51,658</u>	<u>\$ 51,439</u>	<u>\$ 94,795</u>	<u>\$ 25,209</u>	<u>\$ 388,049</u>	<u>\$ 16,061</u>	<u>\$ 16,057</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, 2013**

	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
<b>Revenues</b>			
Ad valorem taxes	\$ 92,061	\$ 306,053	\$ 4,732,344
Investment earnings	(15)	140	671
Total revenues	<u>92,046</u>	<u>306,193</u>	<u>4,733,015</u>
<b>Expenditures</b>			
Current			
Public safety	<u>89,902</u>	<u>299,359</u>	<u>4,699,651</u>
Total expenditures	<u>89,902</u>	<u>299,359</u>	<u>4,699,651</u>
Excess of revenue over (under) expenditures	<u>2,144</u>	<u>6,834</u>	<u>33,364</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,144	6,834	33,364
<b>Fund Balances - Beginning of Year</b>	<u>37,525</u>	<u>7,097</u>	<u>861,609</u>
<b>Fund Balances - End of Year</b>	<u>\$ 39,669</u>	<u>\$ 13,931</u>	<u>\$ 894,973</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 417,825	\$ 431,752	\$ 13,927	\$ 428,033
Investment earnings	-	191	191	281
Total revenues	<u>417,825</u>	<u>431,943</u>	<u>14,118</u>	<u>428,314</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>420,840</u>	<u>420,840</u>	-	<u>436,028</u>
Total expenditures	<u>420,840</u>	<u>420,840</u>	-	<u>436,028</u>
Excess of revenues over (under) expenditures	(3,015)	11,103	14,118	(7,714)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>3,015</u>	-	<u>(3,015)</u>	-
Total other financing sources (uses)	<u>3,015</u>	-	<u>(3,015)</u>	-
Net change in fund balance	<u>\$ -</u>	11,103	<u>\$ 11,103</u>	(7,714)
<b>Fund Balances - Beginning of Year</b>		<u>6,943</u>		<u>14,657</u>
<b>Fund Balances - End of Year</b>		<u>\$ 18,046</u>		<u>\$ 6,943</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<b>2013</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Ad valorem taxes	\$ 195,659	\$ 203,832	\$ 8,173	\$ 200,601
Investment earnings	-	76	76	150
Total revenues	<u>195,659</u>	<u>203,908</u>	<u>8,249</u>	<u>200,751</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>200,339</u>	<u>200,339</u>	-	<u>206,386</u>
Total expenditures	<u>200,339</u>	<u>200,339</u>	-	<u>206,386</u>
Excess of revenues over (under) expenditures	(4,680)	3,569	8,249	(5,635)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>4,680</u>	-	<u>(4,680)</u>	-
Total other financing sources (uses)	<u>4,680</u>	-	<u>(4,680)</u>	-
Net change in fund balance	<u>\$ -</u>	3,569	<u>\$ 3,569</u>	(5,635)
<b>Fund Balances - Beginning of Year</b>		<u>10,367</u>		<u>16,002</u>
<b>Fund Balances - End of Year</b>		<u>\$ 13,936</u>		<u>\$ 10,367</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 582,560	\$ 616,873	\$ 34,313	\$ 609,298
Investment earnings	-	165	165	1,116
Total revenues	<u>582,560</u>	<u>617,038</u>	<u>34,478</u>	<u>610,414</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>653,326</u>	<u>653,326</u>	-	<u>609,069</u>
Total expenditures	<u>653,326</u>	<u>653,326</u>	-	<u>609,069</u>
Excess of revenues over (under) expenditures	(70,766)	(36,288)	34,478	1,345
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>70,766</u>	-	<u>(70,766)</u>	-
Total other financing sources (uses)	<u>70,766</u>	-	<u>(70,766)</u>	-
Net change in fund balance	<u>\$ -</u>	(36,288)	<u>\$ (36,288)</u>	1,345
<b>Fund Balances - Beginning of Year</b>		<u>79,759</u>		<u>78,414</u>
<b>Fund Balances - End of Year</b>		<u>\$ 43,471</u>		<u>\$ 79,759</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 78,280	\$ 75,818	\$ (2,462)	\$ 76,903
Investment earnings	-	(391)	(391)	1,872
Total revenues	<u>78,280</u>	<u>75,427</u>	<u>(2,853)</u>	<u>78,775</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>48,843</u>	<u>19,712</u>	<u>29,131</u>	<u>209,639</u>
Total expenditures	<u>48,843</u>	<u>19,712</u>	<u>29,131</u>	<u>209,639</u>
Excess of revenues over (under) expenditures	29,437	55,715	26,278	(130,864)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>(29,437)</u>	-	<u>29,437</u>	-
Total other financing sources (uses)	<u>(29,437)</u>	-	<u>29,437</u>	-
Net change in fund balance	<u>\$ -</u>	55,715	<u>\$ 55,715</u>	(130,864)
<b>Fund Balances - Beginning of Year</b>		<u>45,740</u>		<u>176,604</u>
<b>Fund Balances - End of Year</b>		<u>\$ 101,455</u>		<u>\$ 45,740</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 255,315	\$ 267,351	\$ 12,036	\$ 262,755
Investment earnings	-	84	84	236
Total revenues	<u>255,315</u>	<u>267,435</u>	<u>12,120</u>	<u>262,991</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>255,315</u>	<u>255,315</u>	-	<u>287,937</u>
Total expenditures	<u>255,315</u>	<u>255,315</u>	-	<u>287,937</u>
Excess of revenues over (under) expenditures	-	12,120	12,120	(24,946)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	12,120	<u>\$ 12,120</u>	(24,946)
<b>Fund Balances - Beginning of Year</b>		<u>9,077</u>		<u>34,023</u>
<b>Fund Balances - End of Year</b>		<u>\$ 21,197</u>		<u>\$ 9,077</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 1,346,269	\$ 1,376,010	\$ 29,741	\$ 1,367,045
Investment earnings	-	651	651	1,139
Total revenues	<u>1,346,269</u>	<u>1,376,661</u>	<u>30,392</u>	<u>1,368,184</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>1,388,700</u>	<u>1,388,700</u>	<u>-</u>	<u>1,401,958</u>
Total expenditures	<u>1,388,700</u>	<u>1,388,700</u>	<u>-</u>	<u>1,401,958</u>
Excess of revenues over (under) expenditures	(42,431)	(12,039)	30,392	(33,774)
<b>Other Financing Sources (Uses)</b>				
Transfer from Denver Fire District	-	-	-	-
Fund balance appropriated	<u>42,431</u>	<u>-</u>	<u>(42,431)</u>	<u>-</u>
Total other financing sources (uses)	<u>42,431</u>	<u>-</u>	<u>(42,431)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(12,039)	<u>\$ (12,039)</u>	(33,774)
<b>Fund Balances - Beginning of Year</b>		<u>63,697</u>		<u>97,471</u>
<b>Fund Balances - End of Year</b>		<u>\$ 51,658</u>		<u>\$ 63,697</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 424,850	\$ 444,734	\$ 19,884	\$ 379,177
Investment earnings	5,788	118	(5,670)	723
Total revenues	<u>430,638</u>	<u>444,852</u>	<u>14,214</u>	<u>379,900</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>460,638</u>	<u>460,638</u>	<u>-</u>	<u>476,183</u>
Total expenditures	<u>460,638</u>	<u>460,638</u>	<u>-</u>	<u>476,183</u>
Excess of revenues over (under) expenditures	(30,000)	(15,786)	14,214	(96,283)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
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>(15,786)</u>	<u>\$ (15,786)</u>	<u>(96,283)</u>
<b>Fund Balances - Beginning of Year</b>		<u>67,225</u>		<u>163,508</u>
<b>Fund Balances - End of Year</b>		<u>\$ 51,439</u>		<u>\$ 67,225</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 164,945	\$ 170,112	\$ 5,167	\$ 167,838
Investment earnings	-	(59)	(59)	896
Total revenues	<u>164,945</u>	<u>170,053</u>	<u>5,108</u>	<u>168,734</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>164,945</u>	<u>164,945</u>	-	<u>192,829</u>
Total expenditures	<u>164,945</u>	<u>164,945</u>	-	<u>192,829</u>
Excess of revenues over (under) expenditures	-	5,108	5,108	(24,095)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	5,108	<u>\$ 5,108</u>	(24,095)
<b>Fund Balances - Beginning of Year</b>		<u>89,687</u>		<u>113,782</u>
<b>Fund Balances - End of Year</b>		<u>\$ 94,795</u>		<u>\$ 89,687</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 227,230	\$ 234,447	\$ 7,217	\$ 232,603
Investment earnings	-	72	72	308
Total revenues	<u>227,230</u>	<u>234,519</u>	<u>7,289</u>	<u>232,911</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>227,230</u>	<u>227,230</u>	-	<u>232,603</u>
Total expenditures	<u>227,230</u>	<u>227,230</u>	-	<u>232,603</u>
Excess of revenues over (under) expenditures	-	7,289	7,289	308
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	7,289	<u>\$ 7,289</u>	308
<b>Fund Balances - Beginning of Year</b>		<u>17,920</u>		<u>17,612</u>
<b>Fund Balances - End of Year</b>		<u>\$ 25,209</u>		<u>\$ 17,920</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 130,539	\$ 133,616	\$ 3,077	\$ 132,142
Restricted intergovernmental revenue				
Town of Catawba	-	-	-	288,307
Investment earnings	-	(497)	(497)	3,071
Total revenues	<u>130,539</u>	<u>133,119</u>	<u>2,580</u>	<u>423,520</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	144,439	144,439	-	100,251
Total expenditures	<u>144,439</u>	<u>144,439</u>	<u>-</u>	<u>100,251</u>
Excess of revenues over (under) expenditures	(13,900)	(11,320)	2,580	323,269
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	13,900	-	(13,900)	-
Total other financing sources (uses)	<u>13,900</u>	<u>-</u>	<u>(13,900)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(11,320)	<u>\$ (11,320)</u>	323,269
<b>Fund Balances - Beginning of Year</b>		<u>399,369</u>		<u>76,100</u>
<b>Fund Balances - End of Year</b>		<u>\$ 388,049</u>		<u>\$ 399,369</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 21,142	\$ 22,317	\$ 1,175	\$ 21,178
Investment earnings	-	(13)	(13)	155
Total revenues	<u>21,142</u>	<u>22,304</u>	<u>1,162</u>	<u>21,333</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>21,142</u>	<u>21,142</u>	-	<u>21,009</u>
Total expenditures	<u>21,142</u>	<u>21,142</u>	-	<u>21,009</u>
Excess of revenues over (under) expenditures	-	1,162	1,162	324
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	1,162	<u>\$ 1,162</u>	324
<b>Fund Balances - Beginning of Year</b>		<u>14,899</u>		<u>14,575</u>
<b>Fund Balances - End of Year</b>		<u>\$ 16,061</u>		<u>\$ 14,899</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<b>2013</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Ad valorem taxes	\$ 345,650	\$ 357,368	\$ 11,718	\$ 349,992
Investment earnings	-	149	149	283
Total revenues	<u>345,650</u>	<u>357,517</u>	<u>11,867</u>	<u>350,275</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>353,764</u>	<u>353,764</u>	-	<u>351,316</u>
Total expenditures	<u>353,764</u>	<u>353,764</u>	-	<u>351,316</u>
Excess of revenues over (under) expenditures	(8,114)	3,753	11,867	(1,041)
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>8,114</u>	-	<u>(8,114)</u>	-
Total other financing sources (uses)	<u>8,114</u>	-	<u>(8,114)</u>	-
Net change in fund balance	<u>\$ -</u>	3,753	<u>\$ 3,753</u>	(1,041)
<b>Fund Balances - Beginning of Year</b>		<u>12,304</u>		<u>13,345</u>
<b>Fund Balances - End of Year</b>		<u>\$ 16,057</u>		<u>\$ 12,304</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Ad valorem taxes	\$ 88,723	\$ 92,061	\$ 3,338	\$ 76,618
Investment earnings	1,179	(15)	(1,194)	403
Total revenues	<u>89,902</u>	<u>92,046</u>	<u>2,144</u>	<u>77,021</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>89,902</u>	<u>89,902</u>	<u>-</u>	<u>76,390</u>
Total expenditures	<u>89,902</u>	<u>89,902</u>	<u>-</u>	<u>76,390</u>
Excess of revenues over (under) expenditures	-	2,144	2,144	631
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	2,144	<u>\$ 2,144</u>	631
<b>Fund Balances - Beginning of Year</b>		<u>37,525</u>		<u>36,894</u>
<b>Fund Balances - End of Year</b>		<u>\$ 39,669</u>		<u>\$ 37,525</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, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<b>2013</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Ad valorem taxes	\$ 298,631	\$ 306,053	\$ 7,422	\$ 306,278
Investment earnings	-	140	140	146
Total revenues	<u>298,631</u>	<u>306,193</u>	<u>7,562</u>	<u>306,424</u>
<b>Expenditures</b>				
Public safety				
Transmitted to fire department	<u>299,359</u>	<u>299,359</u>	-	<u>300,236</u>
Total expenditures	<u>299,359</u>	<u>299,359</u>	-	<u>300,236</u>
Excess of revenues over (under) expenditures	(728)	6,834	7,562	6,188
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	<u>728</u>	-	<u>(728)</u>	-
Total other financing sources (uses)	<u>728</u>	-	<u>(728)</u>	-
Net change in fund balance	<u>\$ -</u>	6,834	<u>\$ 6,834</u>	6,188
<b>Fund Balances - Beginning of Year</b>		<u>7,097</u>		<u>909</u>
<b>Fund Balances - End of Year</b>		<u>\$ 13,931</u>		<u>\$ 7,097</u>

## Capital Projects Funds

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

### Non Major Funds

#### *School Capital Projects Fund -*

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

#### *School Bond Fund - 1997 Series -*

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

#### *Hospital Construction Fund -*

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

#### *Hospital Capital Reserve Fund -*

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

### Major Funds

#### *General Capital Projects Fund -*

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

#### *School Construction Fund -*

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Nonmajor Capital Projects Funds**  
**Combining Balance Sheet**  
**June 30, 2013**

	<u>School Capital Fund</u>	<u>School Bond Fund - 1997 Series Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
<b>Assets</b>				
Cash and investments	\$ 7,296,932	\$ 69,507	\$ 5,417,612	\$ 12,784,051
Due from other governments	998,203	-	-	998,203
Other receivables	-	-	-	-
Interest receivables	12,855	-	8,960	21,815
Restricted cash and investments	-	-	-	-
Total assets	<u>8,307,990</u>	<u>69,507</u>	<u>5,426,572</u>	<u>13,804,069</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	1,193,816	-	-	1,193,816
Liabilities to be paid from restricted assets	-	-	-	-
Total liabilities	<u>1,193,816</u>	<u>-</u>	<u>-</u>	<u>1,193,816</u>
<b>Fund Balance</b>				
Restricted				
Stabilization by State Statute	1,011,058	-	8,960	1,020,018
School Capital	-	-	-	-
School Construction	-	-	-	-
Hospital Capital	-	-	5,393,919	5,393,919
Committed				
School Capital	6,103,116	69,507	-	6,172,623
School Construction	-	-	-	-
Hospital Construction	-	-	23,693	23,693
General Capital	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>7,114,174</u>	<u>69,507</u>	<u>5,426,572</u>	<u>12,610,253</u>
Total liabilities and fund balances	<u>\$ 8,307,990</u>	<u>\$ 69,507</u>	<u>\$ 5,426,572</u>	<u>\$ 13,804,069</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, 2013**

	<u>School Capital Fund</u>	<u>School Bond Fund - 1997 Series Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
<b>Revenues</b>				
Other taxes	\$ 3,896,004	\$ -	\$ -	\$ 3,896,004
Restricted intergovernmental revenues	359,741	-	-	359,741
Investment earnings	<u>(5,318)</u>	<u>1</u>	<u>(7,839)</u>	<u>(13,156)</u>
Total revenues	<u>4,250,427</u>	<u>1</u>	<u>(7,839)</u>	<u>4,242,589</u>
<b>Expenditures</b>				
Capital outlay	<u>7,699,803</u>	<u>-</u>	<u>-</u>	<u>7,699,803</u>
Total expenditures	<u>7,699,803</u>	<u>-</u>	<u>-</u>	<u>7,699,803</u>
Excess of revenues over (under) expenditures	<u>(3,449,376)</u>	<u>1</u>	<u>(7,839)</u>	<u>(3,457,214)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	47,704	-	-	47,704
Transfers to other funds	<u>(227,400)</u>	<u>-</u>	<u>-</u>	<u>(227,400)</u>
Total other financing sources (uses)	<u>(179,696)</u>	<u>-</u>	<u>-</u>	<u>(179,696)</u>
Net change in fund balance	(3,629,072)	1	(7,839)	(3,636,910)
<b>Fund Balances - Beginning of Year</b>	<u>10,743,246</u>	<u>69,506</u>	<u>5,434,411</u>	<u>16,247,163</u>
<b>Fund Balances - End of Year</b>	<u>\$ 7,114,174</u>	<u>\$ 69,507</u>	<u>\$ 5,426,572</u>	<u>\$ 12,610,253</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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Other taxes					
Sales Taxes-Article 40 and 42	9,813,492	13,670,474	3,896,004	17,566,478	7,752,986
Restricted intergovernmental revenues					
Public School Building Lottery Fund	2,167,564	396,261	359,741	756,002	(1,411,562)
Investment earnings	8,597,559	3,582,710	(5,318)	3,577,392	(5,020,167)
Miscellaneous					
Partnership for Children	30,000	61,952	-	61,952	31,952
Total revenues	<u>20,608,615</u>	<u>17,711,397</u>	<u>4,250,427</u>	<u>21,961,824</u>	<u>1,353,209</u>
<b>Expenditures</b>					
Capital outlay					
Catawba County Schools					
Activity Buses	162,214	-	162,214	162,214	-
American with Disabilities Act Renovations	675,000	668,866	5,109	673,975	1,025
Arndt Middle School Addition	125,000	123,912		123,912	1,088
Arndt Middle School Boiler	110,000	-	3,750	3,750	106,250
Arndt Middle School Fire Alarm	80,000	-	37,125	37,125	42,875
Arndt Middle School Roofing	130,000	87,383	12,426	99,809	30,191
Bandys High School Gym Lobby Roofing	25,000	13,979	7,207	21,186	3,814
Bunker Hill High School Guidance Area	50,000	18,637	31,338	49,975	25
Capital Projects Manager	33,092	-	33,092	33,092	-
Dump Truck	50,000	49,500	-	49,500	500
Energy Management/Gym Lighting	64,000	63,014	-	63,014	986
Gymnasium Floors	120,000	-	3,000	3,000	117,000
HVAC Controls System Upgrade	439,990	348,202	35,839	384,041	55,949
Per Capita Allocation	891,280	-	891,280	891,280	-
Propst Crossroads School Land	500,000	-	-	-	500,000
Roofing Projects	1,584,432	1,142,372	226,837	1,369,209	215,223
Sewer Development	89,000	-	-	-	89,000
Sherrills Ford Wastewater	40,000	37,168	-	37,168	2,832
Startown Elementary Window Replacement	20,000	-	20,000	20,000	-
St. Stephens High School Bleachers	3,900,000	35,000	3,342,214	3,377,214	522,786
St. Stephens High School Chiller	125,000	-	116,267	116,267	8,733
St. Stephens High School HVAC Piping	385,000	12,671	85,519	98,190	286,810
Sweetwater Early Childhood Center	159,000	61,952	-	61,952	97,048
Transportation Office	55,245	51,729	404	52,133	3,112
Webb Murray Elementary Computers	110,000	34,166	50,200	84,366	25,634
Webb Murray Elementary Renovation Planning	20,000	13,291	-	13,291	6,709
Window Replacements	61,000	22,738	23,364	46,102	14,898
Total Catawba County Schools	<u>10,004,253</u>	<u>2,784,580</u>	<u>5,087,185</u>	<u>7,871,765</u>	<u>2,132,488</u>
Catawba Valley Community College					
Auditorium Renovations	70,000	-	-	-	70,000
Bookstore Renovation	150,000	50,940	99,060	150,000	-
Center for Emerging Manufacturing Solutions	425,838	147,992	277,846	425,838	-
Energy Management	75,000	28,994	46,006	75,000	-
Fire Alarm Upgrade	125,000	-	125,000	125,000	-
General Renovations	2,124,706	1,994,706	109,281	2,103,987	20,719
Security Cameras	175,000	-	175,000	175,000	-
Truck	36,014	16,014	20,000	36,014	-
Total Catawba Valley Community College	<u>3,181,558</u>	<u>2,238,646</u>	<u>852,193</u>	<u>3,090,839</u>	<u>90,719</u>
Hickory Public Schools					

**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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Energy Management	177,073	140,000	37,073	177,073	-
Hickory Career Magnet School	286,614	281,614	5,000	286,614	-
Hickory Career Magnet School Air Conditioning	300,000	-	157,530	157,530	142,470
Hickory High School Sinkhole	150,647	22,736	127,911	150,647	-
Hickory High School Track	80,000	-	80,000	80,000	-
Jenkins Elementary Boiler	65,000	-	65,000	65,000	-
Jenkins Elementary Fencing	22,112	-	6,196	6,196	15,916
Jenkins Elementary Walkways	31,227	-	-	-	31,227
Longview Renovation	-	2,985	(2,985)	-	-
Maintenance Vehicles	50,000	-	50,000	50,000	-
Oakwood Elementary Gymnasium	110,000	-	-	-	110,000
Oakwood Elementary Stairs	30,000	-	29,783	29,783	217
Per Capita Allocation	179,216	-	179,216	179,216	-
School Buses	80,679	-	80,679	80,679	-
<b>Total Hickory Public Schools</b>	<b>1,562,568</b>	<b>447,335</b>	<b>815,403</b>	<b>1,262,738</b>	<b>299,830</b>
<b>Newton-Conover City Schools</b>					
Activity Buses	88,503	84,818	3,685	88,503	-
Asbestos Removal	96,869	57,503	38,122	95,625	1,244
Capital Projects Manager	53,632	-	49,751	49,751	3,881
NC Middle School to Elementary	993,561	617,704	364,765	982,469	11,092
Per Capita Allocation	154,700	-	154,700	154,700	-
Roofing Projects	782,272	737,565	37,881	775,446	6,826
Shuford Elementary Air Conditioning	296,118	-	296,118	296,118	-
Technology Van	28,000	-	-	-	28,000
<b>Total Newton-Conover City Schools</b>	<b>2,493,655</b>	<b>1,497,590</b>	<b>945,022</b>	<b>2,442,612</b>	<b>51,043</b>
Future Unspecified Projects	3,186,885	-	-	-	3,186,885
<b>Total expenditures</b>	<b>20,428,919</b>	<b>6,968,151</b>	<b>7,699,803</b>	<b>14,667,954</b>	<b>5,760,965</b>
Excess of revenues over (under) expenditures	179,696	10,743,246	(3,449,376)	7,293,870	7,114,174
<b>Other Financing Sources (Uses)</b>					
Transfers from					
School Construction Fund	47,704	-	47,704	47,704	-
Transfers to					
General Fund	(50,000)	-	(50,000)	(50,000)	-
School Construction Fund	(177,400)	-	(177,400)	(177,400)	-
<b>Total other financing sources (uses)</b>	<b>(179,696)</b>	<b>-</b>	<b>(179,696)</b>	<b>(179,696)</b>	<b>-</b>
Net change in fund balance	\$ -	\$ 10,743,246	(3,629,072)	\$ 7,114,174	\$ 7,114,174
<b>Fund Balances - Beginning of Year</b>			10,743,246		
<b>Fund Balances - End of Year</b>			<b>\$ 7,114,174</b>		

**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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Investment earnings	\$ -	\$ 69,506	\$ 1	\$ 69,507	\$ 69,507
<b>Expenditures</b>					
Capital Outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures	-	69,506	1	69,507	69,507
Net change in fund balance	\$ -	\$ 69,506	1	\$ 69,507	\$ 69,507
<b>Fund Balances - Beginning of Year</b>			69,506		
<b>Fund Balances - End of Year</b>			\$ 69,507		

**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, 2013**

	Project Authorization	Actual			Over/ Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Investment earnings	\$ -	\$ 23,766	\$ (34)	\$ 23,732	\$ 23,732
<b>Expenditures</b>					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	23,766	(34)	23,732	23,732
Net change in fund balance	\$ -	\$ 23,766	(34)	\$ 23,732	\$ 23,732
<b>Fund Balances - Beginning of Year</b>			23,766		
<b>Fund Balances - End of Year</b>			23,732		
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			(7,805)		
Fund Balance - Beginning (Hospital Capital Reserve Fund)			5,410,645		
Fund Balance - Ending (Consolidated Hospital Construction Fund)			\$ 5,426,572		

**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, 2013**  
**With Comparative Actual Amounts for Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Investment earnings	\$ -	\$ (7,805)	\$ (7,805)	\$ 52,086
Total revenues	<u>-</u>	<u>(7,805)</u>	<u>(7,805)</u>	<u>52,086</u>
<b>Expenditures</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(7,805)</u>	<u>(7,805)</u>	<u>52,086</u>
<b>Other Financing Sources (Uses)</b>				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,805)</u>	<u>\$ (7,805)</u>	<u>52,086</u>
<b>Fund Balances - Beginning of Year</b>		<u>5,410,645</u>		<u>5,358,559</u>
<b>Fund Balances - End of Year</b>		<u>\$ 5,402,840</u>		<u>\$ 5,410,645</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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	\$ 11,701,129	\$ 8,992,228	\$ 2,619,663	\$ 11,611,891	\$ (89,238)
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	3,900,774	6,355,095	(52,218)	6,302,877	2,402,103
Miscellaneous					
Animal Shelter	-	7,766	-	7,766	7,766
Duke Energy	1,119,588	1,119,588	-	1,119,588	-
Miscellaneous	298,136	154,213	-	154,213	(143,923)
Park Donations	66,175	-	150	150	(66,025)
Rental - Jail Beds	1,700,000	2,016,231	615,514	2,631,745	931,745
Rental - Lifeskills	239,856	225,144	68,544	293,688	53,832
Rental - Mental Health	816,174	766,233	-	766,233	(49,941)
<b>Total revenues</b>	<b>22,201,748</b>	<b>21,994,054</b>	<b>3,251,653</b>	<b>25,245,707</b>	<b>3,043,959</b>
<b>Expenditures</b>					
Capital outlay					
Animal Shelter - Debt	187,500	-	-	-	187,500
Animal Shelter - HVAC	133,500	130,200	-	130,200	3,300
Animal Shelter Renovation	4,200,000	204,146	1,121,425	1,325,571	2,874,429
Bandys EMS Addition	321,520	-	-	-	321,520
Bunker Hill Covered Bridge	168,175	-	-	-	168,175
Dental Clinic	403,400	402,381	-	402,381	1,019
Employment Security Commission Building	150,000	40,071	-	40,071	109,929
Future EMS Base	236,000	-	-	-	236,000
Future Unspecified Projects	456,465	-	-	-	456,465
General Renovations	1,053,202	1,051,707	-	1,051,707	1,495
GIS Remapping	125,000	114,474	-	114,474	10,526
Imaging System	60,000	58,369	1,631	60,000	-
Jail Expansion	19,019,980	17,855,388	-	17,855,388	1,164,592
Jail Expansion - Federal Beds	550,000	-	-	-	550,000
Justice Center Expansion/Public Safety	41,679,983	1,399,302	1,277,821	2,677,123	39,002,860
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	1,465,000	1,222,992	188,855	1,411,847	53,153
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	89,393	-	89,393	10,607
Mountain Creek Park	3,629,860	3,352,553	9,282	3,361,835	268,025
Multi-jurisdictional Park	724,652	-	-	-	724,652
Multi-jurisdictional Data Park	2,600,000	-	-	-	2,600,000
Oblique Photography	95,000	94,800	-	94,800	200
PeopleSoft Financials Project	298,702	298,513	-	298,513	189
PeopleSoft Replacement	101,115	101,108	-	101,108	7
Permitting/Inspections System	750,000	722,866	1,540	724,406	25,594
Public Health Billing Software	110,000	74,883	-	74,883	35,117
Public Health Billing System	60,000	59,985	-	59,985	15

**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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Public Safety Software System	622,149	620,794	-	620,794	1,355
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	311,727	182,874	-	182,874	128,853
Sherrills Ford Library	2,925,000	49,475	181,723	231,198	2,693,802
Snow Creek Park Gardens	210,000	208,642	-	208,642	1,358
Tax Software	1,055,000	659,635	283,135	942,770	112,230
Technology Infrastructure Upgrades	1,968,100	1,632,184	196,724	1,828,908	139,192
Viper 800mhz System	396,146	360,685	28,397	389,082	7,064
Voting Equipment	1,124,000	1,112,689	-	1,112,689	11,311
Total expenditures	<u>89,742,372</u>	<u>32,980,520</u>	<u>3,290,533</u>	<u>36,271,053</u>	<u>53,471,319</u>
Excess of revenues over (under) expenditures	<u>(67,540,624)</u>	<u>(10,986,466)</u>	<u>(38,880)</u>	<u>(11,025,346)</u>	<u>56,515,278</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from					
General Fund	17,861,396	16,561,396	1,300,000	17,861,396	-
General Capital Reserve Fund	225,156	225,156	-	225,156	-
Emergency Telephone Fund Transfer	2,957,890	2,957,890	-	2,957,890	-
Park Preservation Fund	472,000	370,000	102,000	472,000	-
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
Department of Commerce loan issued (Grant 12-L-2401)	2,600,000	-	2,600,000	2,600,000	-
Installment purchase issued	28,462,500	650,000	4,200,000	4,850,000	(23,612,500)
Certificates of Participation Issued - Series 2005	17,140,550	16,950,000	-	16,950,000	(190,550)
Premium on Certificates of Participation	859,450	859,450	-	859,450	-
Total other financing sources (uses)	<u>67,540,624</u>	<u>35,834,002</u>	<u>8,202,000</u>	<u>44,036,002</u>	<u>(23,504,622)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 24,847,536</u>	<u>8,163,120</u>	<u>\$ 33,010,656</u>	<u>\$ 33,010,656</u>
<b>Fund Balances - Beginning of Year</b>			<u>24,847,536</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 33,010,656</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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Restricted intergovernmental revenues					
Public School Building Lottery Fund	\$ 131,440	\$ 2,509,804	\$ -	\$ 2,509,804	\$ 2,378,364
Investment earnings	1,499,655	783,428	(8,496)	774,932	(724,723)
Total revenues	<u>1,631,095</u>	<u>3,293,232</u>	<u>(8,496)</u>	<u>3,284,736</u>	<u>1,653,641</u>
<b>Expenditures</b>					
Catawba County Schools					
Arndt Middle School Renovation	5,150,000	5,149,575	425	5,150,000	-
Webb Murray Elementary Renovation	<u>5,776,800</u>	<u>5,032,295</u>	<u>365,671</u>	<u>5,397,966</u>	<u>378,834</u>
Total Catawba County Schools	<u>10,926,800</u>	<u>10,181,870</u>	<u>366,096</u>	<u>10,547,966</u>	<u>378,834</u>
Catawba Valley Community College					
Campus Renovation	3,500,000	-	995,715	995,715	2,504,285
East Campus Renovation	2,261,859	1,203,559	996,855	2,200,414	61,445
Student Services Center	3,071,440	3,025,000	46,440	3,071,440	-
Vocational Building	<u>1,000,000</u>	<u>-</u>	<u>146,467</u>	<u>146,467</u>	<u>853,533</u>
Total Catawba Valley Community College	<u>9,833,299</u>	<u>4,228,559</u>	<u>2,185,477</u>	<u>6,414,036</u>	<u>3,419,263</u>
Hickory Public Schools					
Hickory Career Arts Magnet Renovation	1,628,841	1,628,547	294	1,628,841	-
Longview Elementary	<u>12,004,669</u>	<u>-</u>	<u>3,263,779</u>	<u>3,263,779</u>	<u>8,740,890</u>
Total Hickory Public Schools	<u>13,633,510</u>	<u>1,628,547</u>	<u>3,264,073</u>	<u>4,892,620</u>	<u>8,740,890</u>
Newton-Conover City Schools					
Newton-Conover Middle School Construction	19,915,000	18,794,846	839,281	19,634,127	280,873
Newton-Conover Middle School to Elementary	1,085,000	-	1,048,972	1,048,972	36,028
South Newton Elementary	<u>11,590,580</u>	<u>411,522</u>	<u>2,419,534</u>	<u>2,831,056</u>	<u>8,759,524</u>
Total Newton-Conover City Schools	<u>32,590,580</u>	<u>19,206,368</u>	<u>4,307,787</u>	<u>23,514,155</u>	<u>9,076,425</u>
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	<u>4,561,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,561,250</u>
Total Other	<u>5,411,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,411,250</u>
Total expenditures	<u>72,395,439</u>	<u>35,245,344</u>	<u>10,123,433</u>	<u>45,368,777</u>	<u>27,026,662</u>
Excess of revenues over (under) expenditures	<u>(70,764,344)</u>	<u>(31,952,112)</u>	<u>(10,131,929)</u>	<u>(42,084,041)</u>	<u>28,680,303</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, 2013**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Other Financing Sources (Uses)</b>					
Transfers from					
General Fund	4,537,833	4,001,010	536,823	4,537,833	-
School Capital Fund	1,138,777	961,377	177,400	1,138,777	-
Transfers to					
General Fund	(6,612)	(6,612)		(6,612)	-
School Capital Fund	(47,704)	-	(47,704)	(47,704)	-
Qualified School Construction Bonds 2011	5,776,800	5,776,800	-	5,776,800	-
Qualified School Construction Bonds 2010	21,458,553	21,458,553	-	21,458,553	-
Build America Bonds 2010	5,791,447	5,791,447	-	5,791,447	-
Installment Purchase Obligations Issued 2013	26,615,250	-	23,615,250	23,615,250	(3,000,000)
Installment Purchase Obligations Issued 2012	3,000,000	-	3,000,000	3,000,000	-
Installment Purchase Obligations Issued 2009	2,500,000	2,500,000	-	2,500,000	-
Total other financing sources (uses)	<u>70,764,344</u>	<u>40,482,575</u>	<u>27,281,769</u>	<u>67,764,344</u>	<u>(3,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,530,463</u>	17,149,840	<u>\$ 25,680,303</u>	<u>\$ 25,680,303</u>
<b>Fund Balances - Beginning of Year</b>			<u>8,530,463</u>		
<b>Fund Balances - End of Year</b>			<u>\$ 25,680,303</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 and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<b>2013</b>			<b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over/Under</b>	
<b>Revenues</b>				
Operating revenues				
Charges for services				
Solid waste charges	\$ 4,904,410	\$ 4,780,331		
Methane recovery	641,100	661,004		
Other operating	85,200	37,119		
Total operating revenues	<u>5,630,710</u>	<u>5,478,454</u>	<u>(152,256)</u>	<u>4,848,558</u>
Nonoperating revenues				
Investment earnings	-	(29,300)		
Tire disposal tax	130,000	189,698		
Solid waste disposal tax	69,747	57,122		
White goods disposal tax	46,642	47,589		
Scrap tire grant	34,000	27,222		
North Carolina biofuels grant	-	40,894		
Solid waste reduction grant	30,000	30,000		
Electronics management distribution	4,000	8,944		
Proceeds from sale of equipment	80,000	39,960		
Miscellaneous	800	2,070		
Total nonoperating revenues	<u>395,189</u>	<u>414,199</u>	<u>19,010</u>	<u>574,337</u>
Total revenues	<u>6,025,899</u>	<u>5,892,653</u>	<u>(133,246)</u>	<u>5,422,895</u>
<b>Expenditures</b>				
Solid Waste Management				
Administration				
Salaries & employee benefits	230,435	228,205		
Other operating	291,056	274,040	-	-
	<u>521,491</u>	<u>502,245</u>	<u>19,246</u>	<u>511,706</u>
Recycling				
Other operating	221,149	208,464		
	<u>221,149</u>	<u>208,464</u>	<u>12,685</u>	<u>127,702</u>
Solid Waste Management Improvements				
Other operating	450,636	126,909		
	<u>450,636</u>	<u>126,909</u>	<u>323,727</u>	<u>330,894</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	80,356	43,095		
Other operating	64,071	20,661		
	<u>144,427</u>	<u>63,756</u>	<u>80,671</u>	<u>84,238</u>
Biodiesel and Freon Recovery				
Other operating	47,633	35,158		
	<u>47,633</u>	<u>35,158</u>	<u>12,475</u>	<u>38,291</u>
Sanitary Landfill				
Salaries & employee benefits	1,083,089	1,082,042		

**CATAWBA COUNTY, NORTH CAROLINA**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Other operating	1,782,852	1,303,381		
	<u>2,865,941</u>	<u>2,385,423</u>	480,518	<u>2,464,808</u>
Convenience Centers				
Other operating	335,043	315,106		
	<u>335,043</u>	<u>315,106</u>	19,937	<u>337,177</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	118,338	115,296		
Other operating	581,682	480,784		
	<u>700,020</u>	<u>596,080</u>	103,940	<u>616,302</u>
Total operating expenditures	<u>5,286,340</u>	<u>4,233,141</u>	1,053,199	<u>4,511,118</u>
Capital outlay	<u>2,048,942</u>	<u>870,999</u>	1,177,943	<u>299,990</u>
Total expenditures	<u>7,335,282</u>	<u>5,104,140</u>	2,231,142	<u>4,811,108</u>
Excess of revenues over (under) expenditures	<u>(1,309,383)</u>	<u>788,513</u>	2,097,896	<u>611,787</u>
<b>Other Financing Sources (Uses)</b>				
Fund balance appropriated	1,309,383	-	(1,309,383)	
Total other financing sources (uses)	<u>1,309,383</u>	<u>-</u>	<u>(1,309,383)</u>	<u>-</u>
Change in net assets	<u>\$ -</u>	<u>\$ 788,513</u>	<u>\$ 788,513</u>	<u>\$ 611,787</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

Change in net assets	<u>\$ 788,513</u>
Reconciling items	
Capital outlay	870,999
Expenses not capitalized	(44,125)
Depreciation	(763,182)
(Increase) decrease in accrued landfill closure and postclosure care	(878,889)
(Increase) decrease in compensated absences	(7,679)
Loss on fixed assets	(12,471)
Revenues from capital projects	326
Capital contribution	140,098
Total reconciling items	<u>(694,923)</u>
Change in net assets (Exhibit 7) (full accrual)	<u>\$ 93,590</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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
North Carolina Biofuels Grant	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Landfill user fees	1,918,377	1,918,377		1,918,377	-
Investment earnings	-	5,803	326	6,129	6,129
Total revenues	<u>1,933,377</u>	<u>1,924,180</u>	<u>326</u>	<u>1,924,506</u>	<u>(8,871)</u>
<b>Expenditures</b>					
Capital outlay					
Crop Processing Facility	980,790	940,894	20,226	961,120	19,670
EcoComplex Facility	500,000	207,499	43,770	251,269	248,731
Heat Exchange Facility	75,000	11,470	-	11,470	63,530
Subtitle D Cell Construction	277,587	-	-	-	277,587
Wood Gasification Facility	100,000	11,705	9,760	21,465	78,535
Total expenditures	<u>1,933,377</u>	<u>1,171,568</u>	<u>73,756</u>	<u>1,245,324</u>	<u>688,053</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>752,612</u>	<u>(73,430)</u>	<u>679,182</u>	<u>679,182</u>
<b>Other Financing Sources (Uses)</b>					
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>\$ 752,612</u>	<u>\$ (73,430)</u>	<u>\$ 679,182</u>	<u>\$ 679,182</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Water and Sewer Fund**  
**Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2013**  
**With Comparative Actual Amounts For Fiscal Year Ended June 30, 2012**

	<u>2013</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
<b>Revenues</b>				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating revenues				
Sales Taxes - Article 46 - one quarter of one percent	1,236,834	1,290,442		
Municipality revenue	451,000	512,102		
Domestic Haulers	35,000	73,258		
Capital fees	40,000	318,107		
Investment earnings	-	(21,950)		
Total nonoperating revenues	<u>1,762,834</u>	<u>2,171,959</u>	<u>409,125</u>	<u>516,447</u>
Total revenues	<u>1,762,834</u>	<u>2,171,959</u>	<u>409,125</u>	<u>516,447</u>
<b>Expenditures</b>				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	78,512	81,886		
Other operating	1,209,433	207,307		
Principal	801,935	368,804		
Interest	840,317	220,222		
Capital outlay	74,342	-		
Total expenditures	<u>3,004,539</u>	<u>878,219</u>	<u>(2,126,320)</u>	<u>7,159,914</u>
Excess of revenues over (under) expenditures	<u>(1,241,705)</u>	<u>1,293,740</u>	<u>2,535,445</u>	<u>(6,643,467)</u>
<b>Other Financing Sources (Uses)</b>				
Transfer from General fund	245,000	245,000		
Fund balance appropriated	996,705	-		
Total other financing sources (uses)	<u>1,241,705</u>	<u>245,000</u>	<u>(996,705)</u>	<u>6,345,727</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,538,740</u>	<u>\$ 1,538,740</u>	<u>\$ (297,740)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Net change in fund balance		<u>\$ 1,538,740</u>		
<b>Reconciling items</b>				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 1,538,740		
Depreciation		(216,286)		
Loan principal		368,804		
Revenues from capital projects		1,080,949		
Project expenditures not capitalized		<u>(1,364,404)</u>		
Change in net assets		<u>\$ 1,407,803</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, 2013**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	\$ 1,298,984	\$ 1,278,262	\$ 2,862	\$ 1,281,124	\$ (17,860)
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	1,500,000	1,500,000	-	1,500,000	-
Clean Water Bond High Unit Cost Grant					
SECC Water Loop	5,897	-	-	-	(5,897)
Community Development Block Grants (CDBG)					
Royal Heights Water (09-C-2018)	308,500	141,659	166,841	308,500	-
State Clean Water Grant (E-SRG-T-02-0139)	1,600,000	1,127,024	425,031	1,552,055	(47,945)
Municipal Revenue	82,224	82,224	-	82,224	-
Investment earnings	802,974	1,535,120	(43,785)	1,491,335	688,361
Miscellaneous					
Capital fees	124,529	67,279	-	67,279	(57,250)
Cardinal estates	32,193	29,918	-	29,918	(2,275)
Domestic Haulers	80,104	136,017	-	136,017	55,913
Sherrills Ford Development Water Project	35,462	-	-	-	(35,462)
<b>Total revenues</b>	<b>5,870,867</b>	<b>5,897,503</b>	<b>550,949</b>	<b>6,448,452</b>	<b>577,585</b>
<b>Expenditures</b>					
Capital outlay					
Blackburn Elementary Water	580,000	-	-	-	580,000
Blackburn/Plateau Water	3,780,600	3,102,288	-	3,102,288	678,312
Cardinal Estates Water	72,440	72,306	-	72,306	134
Community Development Block Grants (CDBG)					
Adverts Crossroads Waterline	9,097	-	5,200	5,200	3,897
Royal Heights Water - 09-C-2018	330,000	155,262	160,993	316,255	13,745
Community Road Water	300,000	-	-	-	300,000
County Complex Water and Sewer	80,000	-	69,955	69,955	10,045
State Clean Water Grants					
Bunker Hill Sewer (E-SRG-T-02-0139)	2,768,734	1,358,281	794,860	2,153,141	615,593
EcoComplex Utilities	75,000	-	-	-	75,000
EPA Stormwater Phase II	150,000	-	45,724	45,724	104,276
Future Water & Sewer Projects	2,994,212	-	-	-	2,994,212
Heatherbrook Subdivision Water	325,000	155,938	15,300	171,238	153,762
Hwy 16 North Water	370,000	-	-	-	370,000
Hwy 150 Water Service	34,951	-	-	-	34,951
Hwy 150 Sewer Service	8,000,000	114,109	3,035,106	3,149,215	4,850,785
Hwy 150 Sewer Service Phase I and II	935,329	-	-	-	935,329
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
Ramseur Road Water	50,000	-	10,475	10,475	39,525
Regional Biosolids Facility	1,669,367	860,970	101,953	962,923	706,444
Regional Water Supply Study	50,000	-	-	-	50,000
Rocky Ford/Startown Water	1,240,000	48,890	127,194	176,084	1,063,916
Southeastern Catawba County Water Improvements	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, 2013**

	<b>Project Authorization</b>	<b>Actual</b>			<b>Over/Under</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
Sludge Composting Project	2,268,246	1,323,619	394,114	1,717,733	550,513
Southeastern Catawba County Wastewater	6,810,573	6,509,138	70,777	6,579,915	230,658
Southeastern Catawba County Water Supply Loop	6,666,236	4,593,632	11,156	4,604,788	2,061,448
Stormwater Layers Flyover	99,930	-	-	-	99,930
<b>Total expenditures</b>	<b>40,121,596</b>	<b>18,396,889</b>	<b>4,842,807</b>	<b>23,239,696</b>	<b>16,881,900</b>
Excess of revenues over (under) expenditures	(34,250,729)	(12,499,386)	(4,291,858)	(16,791,244)	17,459,485
<b>Other Financing Sources (Uses)</b>					
Transfers from (to)					
General Fund	2,951,195	2,421,195	530,000	2,951,195	-
Water and Sewer Construction Fund - Governmental	21,799,534	30,427,414	-	30,427,414	8,627,880
Revolving Loan Obligations Issued	1,500,000	1,500,000	-	1,500,000	-
Installment Purchase Obligations Issued 2010	8,000,000	-	8,000,000	8,000,000	-
<b>Total other financing sources (uses)</b>	<b>34,250,729</b>	<b>34,348,609</b>	<b>8,530,000</b>	<b>42,878,609</b>	<b>8,627,880</b>
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 21,849,223	\$ 4,238,142	\$ 26,087,365	\$ 26,087,365



**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, 2013**

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
<b>Social Services Fund</b>				
Assets				
Cash and investments	\$ 63,049	\$ 547,423	\$ 566,259	\$ 44,213
Liabilities				
Miscellaneous liabilities	\$ 63,049	\$ 547,423	\$ 566,259	\$ 44,213
<b>Sheriff Commissary Fund</b>				
Assets				
Cash and investments	\$ 40,010	\$ 324,805	\$ 331,576	\$ 33,239
Liabilities				
Miscellaneous liabilities	\$ 40,010	\$ 324,805	\$ 331,576	\$ 33,239
<b>Delinquent Motor Vehicle Fund</b>				
Assets				
Cash and investments	\$ 5,002	\$ 71,772	\$ 71,761	\$ 5,013
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 5,002	\$ 71,772	\$ 71,761	\$ 5,013
<b>Deed of Trust Fee Fund</b>				
Assets				
Cash and investments	\$ 9,157	\$ 111,805	\$ 110,918	\$ 10,044
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 9,157	\$ 111,805	\$ 110,918	\$ 10,044
<b>Total - All Agency Funds</b>				
Assets				
Cash and investments	\$ 117,218	\$ 1,055,805	\$ 1,080,514	\$ 92,509
Liabilities				
Miscellaneous liabilities	\$ 117,218	\$ 1,055,805	\$ 1,080,514	\$ 92,509

## **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, 2013**

	<u>Amounts Represented on Statements</u>	<u>Cost Value</u>	<u>Fair Value</u>
<b>Cash</b>			
On hand	\$ 7,656	\$ 7,656	\$ 7,656
In demand deposits (interest bearing)	3,082,031	3,068,325	3,082,031
(noninterest bearing)	<u>77,452</u>	<u>77,452</u>	<u>77,452</u>
Total cash	<u>\$ 3,167,139</u>	<u>\$ 3,153,433</u>	<u>\$ 3,167,139</u>
<b>Other Investments</b>			
North Carolina Capital Management Trust, unrestricted	16,520,842	16,520,842	16,520,842
North Carolina Capital Management Trust, restricted for capital	14,309	14,309	14,309
Finistar	2,599,066	2,599,066	2,599,066
Commercial Paper	27,417,953	27,417,953	27,417,953
Federal Farm Credit	6,929,370	6,991,680	6,929,370
Federal Home Loan Bank	13,894,355	14,166,069	13,894,355
Federal Home Loan Mortgage Corporation	25,261,687	25,702,578	25,261,687
Federal National Mortgage Association	38,150,930	38,717,875	38,150,930
Money Market, unrestricted	17,572,223	17,572,223	17,572,223
Money Market, restricted for capital	27,882,584	27,882,584	27,882,584
Municipal Bond	1,610,000	1,619,741	1,610,000
Certificates of deposit	<u>255,133</u>	<u>255,133</u>	<u>255,133</u>
Total other investments	<u>\$ 178,108,452</u>	<u>\$ 179,460,053</u>	<u>\$ 178,108,452</u>
<b>Total cash and investments</b>	<u>\$ 181,275,591</u>	<u>\$ 182,613,486</u>	<u>\$ 181,275,591</u>

**Distribution by funds**

<b>General Fund</b>	\$	46,347,536	
Restricted cash			\$ 46,347,536
<b>Special Revenue Funds</b>			
Emergency Telephone System Fund	\$	2,273,982	
Citizens' Alert System Fund		30,687	
Narcotics Seized Funds and Property Fund		105,215	
Rescue Squads Fund		285,239	
Library Endowment Fund		236,757	
Gretchen Peed Scholarship Fund		44,288	
Parks Preservation Trust Fund		75,197	
Community Development Fund		-	
Fire District Funds		<u>911,705</u>	3,963,070
<b>Capital Projects Funds</b>			
Schools Capital Projects Fund	\$	7,296,932	
Restricted Cash			
School Bond Fund 1997 Series		69,507	
Hospital Construction Fund		5,417,612	
School Construction Fund		5,429,598	
Restricted Cash		22,834,431	
General Capital Projects Fund		29,360,097	
Restricted Cash		<u>3,281,707</u>	73,689,884
<b>Enterprise Fund</b>			
Water & Sewer Fund	\$	13,028,479	
Restricted Cash		26,393,016	
Solid Waste Management Fund		17,761,097	57,182,592
<b>Fiduciary Funds</b>			
Social Services Fund	\$	44,213	
Sheriff Commissary Fund		33,239	
Delinquent Motor Vehicle Fund		5,013	
Deed of Trust Fee Fund		<u>10,044</u>	<u>92,509</u>
<b>Total</b>			<u>\$ 181,275,591</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Analysis of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2013**

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 15,838,591,321	0.530	\$ 83,944,534	\$ 78,113,870	\$ 5,830,664
Penalties	-		277,706	277,706	-
Total	15,838,591,321		84,222,240	78,391,576	5,830,664
Discoveries:					
Current year taxes	240,096,226	0.530	1,272,510	690,371	582,139
Penalties	-		19,557	19,557	-
Total	240,096,226		1,292,067	709,928	582,139
Abatements:	(106,890,566)		(566,520)	(407,064)	(159,456)
Total property valuation	<u>\$ 15,971,796,981</u>				
Net levy			84,947,787	78,694,440	6,253,347
Uncollected taxes at June 30, 2013			3,506,365	2,411,790	1,094,575
Current year's taxes collected			<u>\$ 81,441,422</u>	<u>\$ 76,282,650</u>	<u>\$ 5,158,772</u>
Current levy collection percentage			<u>95.87%</u>	<u>96.94%</u>	<u>82.50%</u>

**Secondary Market Disclosures**

Assessed Valuation:		
Assessment Ratio <sup>(1)</sup>		100%
Real Property		\$ 12,240,949,134
Personal Property		3,127,347,289
Public Service Companies <sup>(2)</sup>		659,587,935
Total Assessed Valuation		<u>\$ 16,027,884,358</u>
Tax Rate per \$100		0.530
Levy (includes discoveries, releases and abatements) <sup>(3)</sup>		<u>\$ 84,947,787</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	\$ 4,797,744
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<sup>(1)</sup> Percentage of appraised value has been established by statute.

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

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

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of Taxes Receivable**  
**June 30, 2013**

<u>General Fund</u>	<u>Uncollected Balance June 30, 2012</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2013</u>
2012	\$ -	\$ 84,947,787	\$ 81,441,422	\$ 3,506,365
2011	3,338,915	-	1,774,822	1,564,093
2010	1,362,713	-	419,758	942,955
2009	908,317	-	188,576	719,741
2008	656,205	-	72,617	583,588
2007	458,377	-	32,258	426,119
2006	327,596	-	11,529	316,067
2005	286,167	-	7,783	278,384
2004	270,837	-	5,605	265,232
2003	277,247	-	3,880	273,367
Prior	262,419	-	262,419	-
	<u>\$ 8,148,793</u>	<u>\$ 84,947,787</u>	<u>\$ 84,220,669</u>	<u>\$ 8,875,911</u>
Less allowance for uncollectible taxes	<u>5,067,003</u>			<u>5,707,779</u>
Taxes receivable -- net	<u>\$ 3,081,790</u>			<u>\$ 3,168,132</u>

Reconciliation with revenues:

Ad valorem taxes		
General Fund	\$ 83,500,533	
Rescue Squad Fund	<u>1,013,173</u>	
Total ad valorem taxes		\$ 84,513,706
Reconciling items:		
Penalties and interest collected	(540,272)	
Tax on leased vehicle collected	(102,971)	
Prior year release/adjustments	87,787	
Taxes written off	<u>262,419</u>	
Total reconciling items		<u>(293,037)</u>
Total collections		<u>\$ 84,220,669</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**Schedule of General Bonded Indebtedness and Debt Service Requirement**  
**For the Fiscal Year Ended June 30, 2013**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest</u>	<u>Notes and Bonds Outstanding June 30, 2012</u>	<u>Notes and Bonds Issued 2012-2013</u>	<u>Notes and Bonds Retired 2012-2013</u>	<u>Interest Paid 2012-2013</u>	<u>Notes and Bonds Outstanding June 30, 2013</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	\$ 800,000	\$ -	\$ 800,000	\$ 35,200	\$ -	\$ -	\$ -
6/01/1999	School Bonds Series 1999	2000-14	4.40-4.70	2,700,000	-	1,300,000	126,900	1,400,000	1,400,000	65,800
12/1/2002	Refunding Series 2002 Schools	2003-14	2.00-4.00	728,000	-	392,000	29,120	336,000	336,000	13,440
	Community College	2003-14	2.00-4.00	182,000	-	98,000	7,280	84,000	84,000	3,360
6/1/2005	Refunding Series 2005 Schools	2006-15	3.00-3.75	3,174,122	-	1,728,720	139,744	1,445,402	715,498	53,308
	Community College	2006-15	3.00-3.75	130,878	-	71,280	5,762	59,598	29,502	2,198
				<u>\$ 7,715,000</u>	<u>\$ -</u>	<u>\$ 4,390,000</u>	<u>\$ 344,006</u>	<u>\$ 3,325,000</u>	<u>\$ 2,565,000</u>	<u>\$ 138,106</u>

**CATAWBA COUNTY, NORTH CAROLINA**  
**General Long-Term Debt Requirements and Maturity Schedule**  
**For the Fiscal Year Ended June 30, 2013**

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2014	13,932,346	5,049,342	18,981,688	969,774	347,799	1,317,573
2015	12,121,425	4,719,925	16,841,350	978,778	348,270	1,327,048
2016	11,152,152	4,342,527	15,494,679	1,221,370	323,958	1,545,328
2017	11,506,347	4,059,774	15,566,121	1,228,229	293,455	1,521,684
2018	11,458,855	3,758,983	15,217,838	1,238,472	261,284	1,499,756
2019-2023	52,248,232	14,463,476	66,711,708	6,024,663	836,233	6,860,896
2024-2028	27,436,292	5,270,223	32,706,515	2,967,775	146,672	3,114,447
2029-2030	-	-	-	150,000	-	150,000
	(1) <u>\$ 139,855,649</u>	<u>\$ 41,664,250</u>	<u>\$ 181,519,899</u>	<u>\$ 14,779,061</u>	<u>\$ 2,557,671</u>	<u>\$ 17,336,732</u>

(1) 12% of Legal Debt Limit



## Statistical Section

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

<u>Content</u>	<u>Pages</u>
<i>Financial Trends</i> These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	174-183
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	184-187
<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.	188-193
<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.	194-195
<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.	196-198

*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 Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:				
Net investment in capital assets	72,733,148	71,902,720	71,693,769	\$ 68,272,595
Restricted	50,910,338	32,831,276	47,011,143	1,377,237
Unrestricted	<u>(56,964,579)</u>	<u>(39,024,726)</u>	<u>(53,622,693)</u>	<u>(1,870,336)</u>
Total governmental activities net position	<u>66,678,907</u>	<u>65,709,270</u>	<u>65,082,219</u>	<u>67,779,496</u>
Business-type activities:				
Net investment in capital assets	51,632,394	47,665,657	46,958,987	46,177,552
Restricted	-	-	-	-
Unrestricted	<u>39,533,644</u>	<u>41,998,988</u>	<u>40,391,776</u>	<u>35,808,986</u>
Total business-type activities net position	<u>91,166,038</u>	<u>89,664,645</u>	<u>87,350,763</u>	<u>81,986,538</u>
Primary government:				
Net investment in capital assets	124,365,542	119,568,377	118,652,756	114,450,147
Restricted	50,910,338	32,831,276	47,011,143	1,377,237
Unrestricted	<u>(17,430,935)</u>	<u>2,974,262</u>	<u>(13,230,917)</u>	<u>33,938,650</u>
Total primary government net position	<u>\$ 157,844,945</u>	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>

Data Source

Audited Financial Statements

Catawba County implemented GASB 54 during the fiscal year ended June 30, 2011 and GASB 63 during the fiscal year ended June 30, 2013.

**Fiscal Year**

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 67,484,313	\$ 81,948,941	\$ 78,197,249	\$ 76,988,789	\$ 74,327,245	\$ 72,847,615
1,089,189	810,599	745,357	655,333	650,382	12,276,811
(5,481,946)	35,727,062	16,336,081	10,274,088	24,523,260	21,007,494
<u>63,091,556</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>
43,612,368	22,121,146	18,670,633	17,159,517	15,639,246	15,371,592
-	-	-	-	-	-
<u>33,954,727</u>	<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>77,567,095</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>
111,096,681	104,070,087	96,867,882	94,148,306	89,966,491	88,219,207
1,089,189	810,599	745,357	655,333	650,382	12,276,811
<u>28,472,781</u>	<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>\$ 140,658,651</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>

**CATAWBA COUNTY, NORTH CAROLINA****Changes in Net Position****Last Ten Fiscal Years**

(accrual basis of accounting)

	Fiscal Year			
	2013	2012	2011	2010
<b>Expenses</b>				
Governmental activities:				
General government	\$ 9,760,225	\$ 9,737,258	\$ 9,795,648	\$ 10,533,518
Public safety	31,236,944	31,399,814	30,599,650	29,076,572
Environmental protection	508,073	459,609	508,248	495,248
Economic and physical development	12,780,487	11,657,411	9,713,902	10,627,991
Human services	48,863,130	50,113,468	51,350,294	51,688,459
Culture and recreation	2,776,547	2,724,942	2,733,249	2,830,504
Education	57,519,210	57,134,411	65,072,007	53,825,312
Interest on long-term debt	3,602,099	4,487,690	4,998,419	5,411,021
Total governmental activities expenses	<u>167,046,715</u>	<u>167,714,603</u>	<u>174,771,417</u>	<u>164,488,625</u>
Business-type activities:				
Solid waste management	5,927,016	5,797,602	5,869,812	5,800,628
Water and sewer	2,090,105	2,462,706	1,365,042	1,270,443
Total business-type activities expenses	<u>8,017,121</u>	<u>8,260,308</u>	<u>7,234,854</u>	<u>7,071,071</u>
Total primary government expenses	<u>175,063,836</u>	<u>175,974,911</u>	<u>182,006,271</u>	<u>171,559,696</u>
<b>Program Revenues</b>				
Governmental activities:				
Fees, fines, and charges for services:				
General government	1,869,484	2,018,381	2,915,961	2,631,983
Public safety	9,178,100	9,436,724	10,169,062	8,188,847
Environmental protection	4,675	5,100	5,525	4,675
Economic and physical development	2,329,590	2,287,770	1,788,439	2,858,217
Human services	7,247,968	6,368,320	7,286,797	7,876,144
Culture and recreation	62,192	61,080	61,607	74,256
Education	499,006	509,420	796,001	892,179
Operating grants and contributions	28,576,342	31,816,198	32,659,457	32,298,988
Capital grants and contributions	1,859,891	1,746,730	5,380,157	3,217,167
Total governmental activities program revenues	<u>51,627,248</u>	<u>54,249,723</u>	<u>61,063,006</u>	<u>58,042,456</u>
Business-type activities:				
Fees, fines, and charges for services	5,880,833	5,912,649	5,742,856	5,816,059
Operating grants and contributions	650,178	447,717	501,033	546,052
Capital grants and contributions	731,970	1,366,637	1,957,808	209,796
Total business-type activities program revenues	<u>7,262,981</u>	<u>7,727,003</u>	<u>8,201,697</u>	<u>6,571,907</u>
Total primary government program revenues	<u>58,890,229</u>	<u>61,976,726</u>	<u>69,264,703</u>	<u>64,614,363</u>
<b>Net (Expenses) Revenues</b>				
Governmental activities	(115,419,467)	(113,464,880)	(113,708,411)	(106,446,169)
Business-type activities	(754,140)	(533,305)	966,843	(499,164)
Total primary government net expense	<u>(116,173,607)</u>	<u>(113,998,185)</u>	<u>(112,741,568)</u>	<u>(106,945,333)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	89,347,893	85,663,390	85,440,972	84,763,108
Local option sales taxes	26,644,767	26,394,707	26,504,695	26,692,186
Other taxes	1,548,870	1,517,464	1,491,355	1,263,135
Unrestricted intergovernmental	-	-	-	-
Investment earnings	(183,818)	1,291,370	1,136,085	2,115,680
Gain (loss) on sales of capital assets	9,169	-	-	-
Transfers	(775,000)	(775,000)	(3,561,973)	(3,700,000)
Total governmental activities	<u>116,591,881</u>	<u>114,091,931</u>	<u>111,011,134</u>	<u>111,134,109</u>
Business-type activities:				
Taxes				
Local option sales taxes	1,293,304	-	-	-
Other taxes	294,409	1,585,139	302,161	290,643
Investment earnings	(94,709)	487,048	533,248	927,964
Gain (loss) on sales of capital assets	(12,471)	-	-	-
Transfers	775,000	775,000	3,561,973	3,700,000
Total business-type activities	<u>2,255,533</u>	<u>2,847,187</u>	<u>4,397,382</u>	<u>4,918,607</u>
Total primary government	<u>118,847,414</u>	<u>116,939,118</u>	<u>115,408,516</u>	<u>116,052,716</u>
<b>Change in Net Position</b>				
Governmental activities	1,172,414	627,051	(2,697,277)	4,687,940
Business-type activities	1,501,393	2,313,882	5,364,225	4,419,443
Total primary government	<u>\$ 2,673,807</u>	<u>\$ 2,940,933</u>	<u>\$ 2,666,948</u>	<u>\$ 9,107,383</u>

**Data Source**

Audited Financial Statements

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 10,172,611	\$ 11,203,800	\$ 9,001,933	\$ 9,593,037	\$ 8,383,352	\$ 7,654,774
28,263,640	26,316,167	22,897,052	20,926,787	19,900,883	18,701,908
539,138	546,680	504,416	481,844	447,428	343,334
10,743,831	10,827,271	12,054,976	9,383,320	9,567,712	12,075,442
56,066,282	74,150,353	66,083,707	67,310,514	66,858,370	59,973,114
2,830,192	2,760,614	2,771,008	2,687,546	2,543,170	2,412,593
78,130,574	50,388,730	52,216,062	65,203,410	57,377,775	39,661,513
5,163,100	4,584,583	4,909,742	4,956,696	4,223,199	3,055,058
<u>191,909,368</u>	<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>
5,570,927	8,172,432	5,260,776	5,035,563	5,755,205	5,022,049
1,118,908	-	-	-	-	-
<u>6,689,835</u>	<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>198,599,203</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>
2,683,400	4,340,110	4,380,295	5,136,475	3,554,324	3,645,125
8,613,711	6,950,872	5,017,287	4,807,088	4,210,617	3,566,200
5,125	4,825	4,575	4,575	4,247	3,850
2,013,945	4,618,557	3,247,499	2,497,490	2,314,143	1,771,763
7,962,471	9,819,859	9,779,244	11,996,379	13,808,150	14,855,301
77,989	62,332	63,723	53,911	51,652	45,520
994,015	1,081,098	1,126,095	1,110,419	1,185,125	1,472,428
31,213,021	46,999,422	43,735,432	41,299,324	39,488,016	34,010,552
4,164,591	4,857,657	101,953	496,774	416,096	-
<u>57,728,268</u>	<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>
7,440,625	6,626,224	6,677,959	6,046,872	6,154,906	6,164,825
144,989	41,279	102,816	129,482	145,601	59,007
44,081	148,518	526,398	-	-	-
<u>7,629,695</u>	<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>65,357,963</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>
(134,181,100)	(102,043,466)	(102,982,793)	(113,140,719)	(104,269,519)	(84,506,997)
939,861	(1,356,411)	2,046,397	1,140,791	545,302	1,201,783
<u>(133,241,239)</u>	<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>
84,738,225	82,048,071	68,378,012	65,459,626	64,264,969	63,381,711
32,272,780	35,299,813	33,760,033	29,984,796	28,690,324	26,988,268
1,605,323	2,119,554	2,135,782	2,015,798	1,807,700	1,456,338
-	-	-	-	-	1,336,917
4,023,446	5,786,693	6,069,443	4,099,093	2,876,185	642,647
-	-	-	-	-	-
<u>(43,853,720)</u>	<u>(2,750)</u>	<u>-</u>	<u>(1,271)</u>	<u>(692)</u>	<u>-</u>
<u>78,786,054</u>	<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>
-	-	-	-	-	-
255,732	228,024	221,825	178,691	243,796	165,754
1,700,401	861,349	869,235	437,053	317,721	110,621
-	-	-	-	-	-
43,853,720	2,750	-	1,271	692	-
<u>45,809,853</u>	<u>1,092,123</u>	<u>1,091,060</u>	<u>617,015</u>	<u>562,209</u>	<u>276,375</u>
<u>124,595,907</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>
(55,395,046)	23,207,915	7,360,477	(11,582,677)	(6,631,033)	9,298,884
46,749,714	(264,288)	3,137,457	1,757,806	1,107,511	1,478,158
<u>\$ (8,645,332)</u>	<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>

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

	Fiscal Year		
	2013	2012	2011
<b>General Fund</b>			
Nonspendable			
Inventories	\$ 305,186	\$ 338,109	\$ 395,153
Prepaid	26,922	54,469	86,781
Restricted			
Stabilization by State Statute	12,972,979	12,221,688	11,581,246
Register of Deeds	66,229	50,346	39,764
Committed			
Tax Revaluation	166,678	153,881	145,757
General Capital Reserve	448,015	448,620	444,128
Assigned			
Public Health	428,814	197,421	169,805
Social Services	4,505,344	4,640,932	4,594,451
County Manager	182,660	217,313	158,767
Human Resources	624,570	579,873	559,216
Library	334,917	298,313	350,508
Cooperative Extension	-	154,516	136,811
Subsequent year's expenditures	6,356,815	6,542,811	5,244,348
Unassigned	24,199,035	25,202,712	29,177,889
Total general fund	<u>50,618,164</u>	<u>51,101,004</u>	<u>53,084,624</u>
<b>All other governmental funds</b>			
Restricted			
Stabilization by State Statute	3,847,266	4,652,337	4,854,187
School Construction	22,834,431	4,316,249	19,189,675
School Capital	-	-	88,862
Public Safety	2,658,023	2,743,542	2,743,445
Fire Protection	893,577	859,873	852,061
Library Endowment	236,757	237,077	234,704
Scholarship	44,288	44,099	43,207
Parks Preservation	75,197	161,597	142,407
Hospital Capital	5,393,919	5,401,200	5,347,139
Committed			
General Capital	32,219,263	23,913,332	21,417,686
School Construction	927,914	1,815,442	213,091
School Capital	6,172,623	9,594,076	8,985,425
Hospital Construction	23,693	23,725	23,486
Assigned	-	-	-
Unassigned	-	(4,355)	(4,178)
Total fund balances	<u>75,326,951</u>	<u>53,758,194</u>	<u>64,131,197</u>
Total governmental funds	<u>\$ 125,945,115</u>	<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.

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

The previous seven 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.

<b>Fiscal Year</b>		
<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 15,895,612	\$ 12,235,484	\$ 11,990,412
<u>23,688,338</u>	<u>23,648,612</u>	<u>19,142,620</u>
<u>39,583,950</u>	<u>35,884,096</u>	<u>31,133,032</u>
359,947	1,732,131	2,568,115
15,021,904	18,654,056	16,127,154
<u>60,905,823</u>	<u>78,006,562</u>	<u>44,752,247</u>
<u>76,287,674</u>	<u>98,392,749</u>	<u>63,447,516</u>
<u>\$ 115,871,624</u>	<u>\$ 134,276,845</u>	<u>\$ 94,580,548</u>

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

	Fiscal Year			
	2013	2012 <sup>(1)</sup>	2011	2010
<b>Revenues</b>				
Ad valorem taxes	\$ 89,246,050	\$ 86,401,682	\$ 85,290,748	\$ 84,697,609
Other taxes	27,201,571	26,867,917	26,934,772	27,121,865
Unrestricted intergovernmental revenues	1,887,066	1,839,255	1,906,277	1,878,455
Restricted intergovernmental revenues	36,172,540	37,487,597	41,544,195	41,218,717
Licenses and permits	2,346,916	2,012,367	1,795,495	2,547,643
Sales and services	11,518,226	12,117,015	13,631,424	13,041,964
Investment earnings	(183,818)	963,774	949,483	1,929,311
Miscellaneous	3,469,424	3,675,026	4,713,228	3,716,912
<b>Total revenues</b>	<u>171,657,975</u>	<u>171,364,633</u>	<u>176,765,622</u>	<u>176,152,476</u>
<b>Expenditures</b>				
Current:				
General government	10,339,386	10,134,171	10,115,078	11,601,149
Public safety	30,928,591	30,749,802	30,260,313	29,360,816
Environmental protection	477,163	451,864	503,130	469,014
Economic and physical development	12,850,717	11,307,365	9,926,951	10,619,754
Human services	48,069,751	49,245,926	50,540,941	50,879,470
Culture and recreation	2,694,713	2,677,465	2,661,530	2,758,668
Education	39,695,975	39,257,916	39,598,951	38,606,716
Capital Outlay	21,113,769	20,810,153	29,796,072	16,572,802
Debt service:				
Principal	11,732,733	39,751,528	12,460,866	13,421,793
Interest	3,600,703	5,023,779	4,902,829	5,315,420
Sinking fund escrow	1,853,902	1,853,902	716,951	-
Lease purchase payments	-	-	-	-
Advance refunding escrow	1,128,232	-	-	-
Bond issuance costs	135,592	448,255	-	-
<b>Total expenditures</b>	<u>184,621,227</u>	<u>211,712,126</u>	<u>191,483,612</u>	<u>179,605,602</u>
<b>Other Financing Sources (uses)</b>				
Transfers from other funds	2,247,667	1,450,431	2,694,737	4,395,302
Transfers to other funds	(3,022,667)	(2,225,431)	(6,256,710)	(8,095,302)
Installment purchase obligations issued	33,600,000	650,000	-	-
Qualified Zone Academy Bonds issued	-	-	-	-
Qualified School Construction Bonds issued	-	-	27,808,553	-
Build America bonds issued	-	-	8,691,447	-
Refunding bonds issued	10,965,000	41,995,366	-	-
Payment to refunded bond escrow agent	(9,750,000)	(17,777,592)	-	-
Premium on refunding bonds	-	3,873,747	-	-
Certificates of participation issued	-	-	-	-
Premium on certificates of participation	-	-	-	-
Sales of capital assets	9,169	24,349	-	-
<b>Total other financing sources (uses)</b>	<u>34,049,169</u>	<u>27,990,870</u>	<u>32,938,027</u>	<u>(3,700,000)</u>
<b>Net change in fund balances</b>	<u>\$ 21,085,917</u>	<u>\$ (12,356,623)</u>	<u>\$ 18,220,037</u>	<u>\$ (7,153,126)</u>
Debt service as a percentage of noncapital expenditures	10.2%	22.4%	9.7%	10.6%

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

**Fiscal Year**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$	84,125,547	\$ 81,625,223	\$ 68,270,907	\$ 66,233,752	\$ 64,037,632	\$ 63,153,315
	32,794,322	36,391,110	35,415,288	31,654,028	30,151,572	28,444,404
	2,127,081	1,970,909	1,235,023	1,248,170	1,095,733	1,336,917
	41,946,212	56,482,993	46,532,532	44,764,103	42,141,280	36,297,819
	2,271,147	4,101,574	3,773,033	3,214,736	3,457,883	2,959,092
	12,936,583	15,071,656	12,849,786	16,591,727	17,420,439	17,742,167
	3,837,081	5,600,327	5,883,078	3,912,728	2,773,588	642,651
	3,624,321	4,309,242	3,998,845	3,725,976	3,803,472	4,614,575
	<u>183,662,294</u>	<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>
	11,556,920	9,944,571	9,613,213	9,978,986	9,449,992	8,506,393
	28,513,201	26,916,838	23,021,049	21,209,400	20,032,107	19,088,555
	512,882	520,587	475,667	452,180	428,549	384,942
	10,727,052	10,682,552	10,889,872	8,651,385	7,886,973	7,594,145
	55,118,250	73,690,327	65,236,455	66,508,454	65,701,149	59,078,864
	2,758,206	2,719,466	2,695,423	2,610,001	2,465,676	2,331,664
	39,948,749	38,014,454	34,222,295	32,544,711	30,410,166	30,048,641
	39,869,050	19,683,740	28,338,920	42,549,957	33,473,868	18,690,079
	12,067,834	10,724,874	10,338,333	9,975,000	9,230,000	7,160,000
	5,067,500	4,488,983	4,814,143	4,861,096	4,214,250	3,045,610
	-	-	-	-	-	-
	-	-	-	-	70,760	221,803
	-	-	-	-	-	-
	-	-	-	-	89,146	-
	<u>206,139,644</u>	<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>
	12,262,330	9,515,201	11,547,146	9,763,224	12,301,254	14,239,408
	(48,646,927)	(9,517,951)	(11,547,146)	(9,764,495)	(12,301,946)	(14,239,408)
	21,656,000	28,607,000	1,450,000	9,200,000	-	9,900,000
	-	700,000	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	16,035,000	-
	-	-	-	-	(16,321,853)	-
	-	-	-	-	429,179	-
	-	-	-	-	55,255,000	-
	-	-	-	-	2,868,950	-
	-	-	249,219	392,000	1,750	24,500
	<u>(14,728,597)</u>	<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>(37,205,947)</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>
	8.4%	8.1%	8.5%	7.9%	7.7%	7.0%

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Utility Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate <sup>(1)</sup></b>	<b>Estimated Real Market Value</b>
2004 <sup>(2)</sup>	9,513,468,457	2,640,843,044	517,072,839	12,671,384,340	0.480	12,715,889,955
2005	9,722,396,729	2,680,617,427	539,742,782	12,942,756,938	0.480	13,033,994,902
2006	9,919,033,408	2,558,398,877	545,842,516	13,023,274,801	0.490	13,499,818,390
2007	10,174,785,855	2,614,088,394	570,452,150	13,359,326,399	0.490	14,124,895,749
2008 <sup>(2)</sup>	11,444,764,023	2,606,879,334	603,786,566	14,655,429,923	0.535	14,963,681,767
2009	11,778,146,940	2,560,844,568	794,924,639	15,133,916,147	0.535	15,452,232,129
2010	11,874,836,448	2,547,986,916	590,931,402	15,013,754,766	0.535	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 <sup>(2)</sup>	12,154,011,798	2,754,476,587	606,953,739	15,515,442,124	0.530	15,436,714,878
2013	12,240,949,134	3,127,347,289	659,587,935	16,027,884,358	0.530	N/A

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

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

Source: Catawba County Property Appraiser

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Catawba County</b>										
Property Tax	0.5300	0.5300	0.5350	0.5350	0.5350	0.5350	0.4900	0.4900	0.4800	0.4800
<b>Fire Districts:</b>										
Bandys	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	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	0.0700	0.0500	0.0500	0.0350
Cooksville	0.0617	0.0517	0.0517	0.0517	0.0517	0.0517	0.0550	0.0550	0.0550	0.0550
Denver	-	-	-	-	-	0.0389	0.0500	0.0500	0.0450	0.0293
Fairbrook	-	-	-	-	-	-	0.0325	0.0325	0.0257	0.0257
Hickory Rural	0.0700	0.0700	0.0700	0.0700	0.0325	0.0325	-	-	-	-
Long View	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546	0.0568	0.0568	0.0568	0.0568
Maiden	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0312	0.0312	0.0312
Mountain View	0.0600	0.0600	0.0600	0.0493	0.0493	0.0493	0.0525	0.0425	0.0425	0.0425
Newton	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0513	0.0513
Oxford	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0600	0.0600	0.0600	0.0600
Propst	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0650	0.0650	0.0650	0.0650
Sherrills Ford	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400
St. Stephens	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Viewmont	-	-	-	-	-	-	0.0325	0.0325	0.0248	0.0248
<b>Municipalities:</b>										
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4500	0.4500	0.4500
City of Conover	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800	0.3600
City of Hickory	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
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	0.3800	0.3900	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800	0.3800
City of Newton	0.4800	0.4800	0.4800	0.4800	0.4800	0.4600	0.4600	0.4400	0.4400	0.4400
Total Maximum Rate - Fire District	0.6000	0.6000	0.6050	0.6050	0.6050	0.6050	0.5600	0.5600	0.5500	0.5500
Total Maximum Rate - Municipalities	1.0500	1.0500	1.0550	1.0550	1.0550	1.0550	1.0100	1.0100	1.0000	1.0000

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

Source: Catawba County Tax Collector

**CATAWBA COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2012 and December 31, 2003**

Taxpayer	Type of Business	December 31, 2012			December 31, 2003		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Apple, Inc.	Computer Server	\$ 627,330,611	1	3.91	\$ -	-	-
Duke Energy Corporation	Electric utility	506,438,391	2	3.16	351,926,672	1	2.78
Target Corporation	Warehouse/Retail	111,232,424	3	0.69	-	-	-
GKN Driveline Newton, LLC	Gears	108,991,404	4	0.68	58,217,630	5	0.46
CommScope, Inc.	Cable mfg.	106,209,879	5	0.66	149,736,462	3	1.18
Draka Comteq Americas, Inc.	Cable mfg.	75,099,121	6	0.47	-	-	-
Amireit (Frye) Inc/American Medical	Medical care	74,213,592	7	0.46	56,146,587	7	0.44
Corning Cable Systems	Cable mfg.	68,286,524	8	0.43	169,437,499	2	1.34
Hickory Springs Mfg. Co.	Furniture supplies	55,172,963	9	0.34	55,345,585	8	0.44
Valley Hills Mall, LLC	Retail	45,891,969	10	0.29	48,239,860	10	0.38
Alcatel N. A., Inc.	Cable mfg.	-	-	-	115,250,655	4	0.91
Shuford Mills/Shurtape Technologies	Textiles & Tape	-	-	-	53,329,984	9	0.42
Central Telephone Company	Telephone	-	-	-	56,223,806	6	0.49
		<u>\$ 1,778,866,878</u>		<u>11.09</u>	<u>\$ 1,113,854,740</u>		<u>8.84</u>
Total Assessed Valuation		<u>\$ 16,027,884,358</u>			<u>\$ 12,671,384,340</u>		

Source: Catawba County Tax Collector

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

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2003	60,740,470	58,923,696	97.01	1,543,407	60,467,103	99.55
2005	2004	61,566,332	59,726,141	97.01	1,574,959	61,301,100	99.57
2006	2005	63,409,234	61,416,711	96.86	1,714,139	63,130,850	99.56
2007	2006	65,195,396	63,106,163	96.80	1,773,166	64,879,329	99.52
2008	2007	78,217,306	75,692,582	96.77	2,098,605	77,791,187	99.46
2009	2008	80,966,452	77,974,463	96.30	2,408,401	80,382,864	99.28
2010	2009	80,666,180	77,707,260	96.33	2,239,179	79,946,439	99.11
2011	2010	80,907,294	77,904,536	96.29	2,059,803	79,964,339	98.83
2012	2011	82,231,844	78,892,929	95.94	1,774,822	80,667,751	98.10
2013	2012	84,947,787	81,441,422	95.87	-	81,441,422	95.87

<sup>(1)</sup> Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

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

<b>Governmental Activities</b>								
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Capitalized Leases</b>	<b>Certificates of Participation</b>	<b>Installment Purchases</b>	<b>Qualified Zone Academy Bonds</b>	<b>Qualified School Construction Bonds</b>	<b>Build America Bonds</b>	<b>Limited Obligation Bonds</b>
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
2013	3,325,000	-	16,465,000	48,618,040	450,000	23,383,798	7,242,872	37,770,939

N/A = Not available

Sources:

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

<sup>2</sup> Population based on estimates issued by the Bureau of the Census

North Carolina Department of Commerce	Business Type			Total Primary Government	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(2)</sup>
	Installment Purchases	Limited Obligation Bonds	Federal Revolving Loan			
	-			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	2.44	811
2,600,000	8,000,000	5,504,061	1,275,000	154,634,710	N/A	994

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessed Value</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita <sup>(1)</sup></b>
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
2013	3,325,000	16,027,884,358	0.02	21

Sources:

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



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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assessed value (after exemption)	16,027,884,358	15,515,442,124	15,122,858,692	15,013,754,766
Debt limit rate	8%	8%	8%	8%
Debt limit	1,282,230,749	1,241,235,370	1,209,828,695	1,201,100,381
Less: Total net debt applicable to limit	154,634,710	125,775,150	142,142,197	117,002,355
Legal debt margin	<u>1,127,596,039</u>	<u>1,115,460,220</u>	<u>1,067,686,498</u>	<u>1,084,098,026</u>
Total net debt applicable to the limit as a percentage of debt limit	12%	10%	12%	10%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value (after exemptions)	\$ 16,027,884,358
Debt limit (8% of assessed value)	1,282,230,749
Debt applicable to limit:	
Outstanding general obligation debt	3,325,000
Authorized and unissued debt	-
Certificates of participation	16,465,000
Installment purchase	56,618,040
Qualified Zone Academy Bonds	450,000
Qualified School Construction Bonds	23,383,798
Build America Bonds	7,242,872
Limited Obligation Bonds	43,275,000
North Carolina Department of Commerce Federal Revolving Loan	2,600,000
Federal Revolving Loan	1,275,000
Less: Statutory deductions	
Unissued debt	-
Total net debt applicable to limit	<u>154,634,710</u>
Legal debt margin	<u>\$ 1,127,596,039</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
15,068,712,596	14,655,429,923	13,359,326,399	\$ 13,023,274,801	\$ 12,942,756,938	\$ 12,671,384,340
8%	8%	8%	8%	8%	8%
1,205,497,008	1,172,434,394	1,068,746,112	1,041,861,984	1,035,420,555	1,013,710,747
130,663,312	121,303,793	102,721,667	111,610,000	112,385,000	69,575,814
<u>1,074,833,696</u>	<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>
11%	10%	10%	11%	11%	7%

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

<b>Fiscal Year</b>	<b>Population Estimate <sup>(1)</sup></b>	<b>Personal Income</b>	<b>Per Capita Income <sup>(2)</sup></b>	<b>Median Age <sup>(3)</sup></b>	<b>School Enrollment <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
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	5,137,333,000	33,320	39.9	24,250	11.30
2013	155,494	N/A	N/A	40.3	24,241	10.80

N/A = Not available

Sources:

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

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

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

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

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

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

Employer	2013			2004		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment <sup>(2)</sup>
Catawba County School Systems	1,990	1	3.06%	2,045	1	2.82%
Catawba Valley Medical Center	1,698	2	2.61%	1,392	5	1.92%
Frye Regional Medical Center	1,400	3	2.15%	1,950	2	2.69%
CommScope, Inc.	1,330	4	2.04%	1,900	3	2.62%
Catawba County Government	1,141	5	1.75%	1,250	7	1.72%
HSM Solutions (Hickory Springs)	1,069	6	1.64%	1,500	4	2.07%
Corning Cable Systems <sup>(3)</sup>	1,000	7	1.54%	-	-	-
Ethan Allen, Inc.	751	8	1.15%	-	-	-
G&A Outsourcing (Convergys)	750	9	1.15%	-	-	-
Pierre Foods	721	10	1.11%	-	-	-
CV Industries, Inc.	-	-	-	1,300	6	1.79%
Sherrill Furniture Company	-	-	-	1,080	8	1.49%
Shurtape Technologies, Inc.	-	-	-	857	9	1.18%
Thomasville Furniture Industries	-	-	-	749	10	1.03%
	<u>11,850</u>		<u>18.20%</u>	<u>14,023</u>		<u>19.33%</u>

## Sources:

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

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

	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2013</u>	<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>
<b>Function</b>										
Governmental activities:										
General government	85	86	90	92	92	89	90	87	86	85
Public safety	340	337	340	341	334	321	307	248	245	240
Environmental protection	4	3	9	11	11	11	11	11	9	10
Economic and physical development	75	75	90	98	100	93	91	94	89	87
Human services	577	573	572	561	578	614	583	583	655	641
Culture and recreation	<u>32</u>	<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>
Total governmental activities	<u>1,113</u>	<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>
Business-type activities:										
Water sewer	1	1	1	1	1	-	-	-	-	-
Solid waste management	<u>27</u>	<u>28</u>	<u>29</u>	<u>28</u>						
Total business-type activities	<u>28</u>	<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>
Total primary government	<u>1,141</u>	<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>

Sources: Catawba County Human Resources Department

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

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
General government										
Number of registered voters	100,431	99,286	99,844	101,558	101,142	99,117	95,855	95,470	93,633	95,480
Number of marriage licenses issued	1,023	1,076	991	926	1,062	1,181	1,073	1,040	1,135	1,071
Number of tax bills issued	232,881	232,817	263,073	297,925	272,581	272,255	266,786	266,221	265,177	262,797
Public safety										
Number of 911 dispatch/calls	85,938	87,108	82,876	83,000	83,367	115,000	108,658	106,093	86,941	106,262
Sheriff Department offenses reported	5,436	6,195	5,737	6,256	5,479	5,312	5,477	5,163	5,284	5,846
Environmental protection										
Cooperative extension agent contacts	64,719	75,102	46,960	45,945	71,001	66,324	67,385	37,194	33,163	24,819
Economic and physical development										
Number of commercial permits issued	730	750	496	504	534	721	622	663	760	733
Number of residential permits issued	892	876	991	1,057	1,056	1,497	1,692	1,799	1,681	1,762
Human services										
Households that received assistance with energy bills	4,045	3,333	2,785	2,764	3,042	2,004	1,429	1,261	1,111	944
Medicaid clients receiving transportation assistance	23,669	23,177	19,893	19,136	17,689	15,551	17,200	16,305	14,124	13,690
Child support services cases currently open	6,848	6,873	6,498	7,600	7,500	7,337	7,360	7,696	6,795	7,580
Public health clients served	22,087	23,063	24,068	28,826	21,534	21,634	24,965	17,183	26,123	22,113
Restaurant inspections	1,351	1,357	1,429	1,419	1,226	1,443	1,463	1,432	1,406	1,398
Culture and recreation										
Total circulation for library system	604,829	738,923	740,462	775,544	744,652	681,796	666,069	657,271	681,001	667,246
Number of patrons visiting parks	114,721	112,257	101,280	134,463	121,370	75,797	67,029	43,022	50,337	45,293
Education										
Public school student enrollment K-12	24,241	24,250	24,245	24,338	24,688	25,305	24,766	24,455	24,243	23,942
Business-type activities:										
Solid waste management										
Tons buried - MSW	117,787	117,330	123,149	122,938	165,811	151,007	165,384	167,988	168,140	164,590
Tons buried - C&D	26,786	27,980	23,203	22,570	32,911	38,745	49,733	40,246	30,294	31,920
Tons recycled	27,601	28,765	31,347	28,125	29,416	28,932	29,836	29,477	25,820	28,634

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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
General government										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	7	8	9	8	8	9	8	8	7	7
Public safety										
Buildings	10	10	10	9	8	8	8	8	8	7
Vehicles	211	207	182	168	156	166	153	148	143	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	50	49	50	57	57	60	47	51	59 <sup>(1)</sup>	37
Human services										
Buildings	38	38	39	39	39	39	40	40	40	40
Vehicles	37	35	35	32	27	47	46	39	40 <sup>(2)</sup>	62
Culture and recreation										
Buildings	5	5	5	5	5	5	5	5	5	5
Vehicles	1	1	1	2	2	2	2	2	2	2
Business-type activities:										
Solid waste management										
Buildings	6	6	6	6	6	7	7	7	4	4
Vehicles	25	27	27	26	26	25	26	25	26	25
Water and sewer										
Buildings	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Vehicles	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A

N/A = Not available

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

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

Sources: Catawba County Departments

## 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 resources held by a government in a purely custodial capacity 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.

**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 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

## Catawba County, North Carolina

### Glossary

compliance with finance-related legal and contractual provisions, and statistical data.

**Deferred Inflow of Resources.** An acquisition of net position by the government that is applicable to a future reporting period.

**Deferred Outflow of Resources.** A consumption of net position by the government that is applicable to a future reporting 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.** Under the current financial resources measurement focus, decrease in net financial resources not properly classified as *other financing uses*.

**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.** Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

**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.

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

## Catawba County, North Carolina

### Glossary

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

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

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

**Inflow of Resources.** An acquisition of net position by the government that is applicable to the reporting period.

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

**Major Fund.** A governmental or enterprise fund reported as a separate column in the basic fund financial statements. The General fund is always a major fund. Otherwise, major funds are funds whose revenues/expenditures, assets or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all government or enterprise funds for the same item. Any other governmental or enterprise fund may be reported as a major fund if the government's officials believe that the fund is particularly important to financial statement users.

**Management's Discussion and Analysis.** A component of required supplementary information used to introduce the basic

financial statements and to provide an analytical overview of the government's financial activities.

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

**Net Investment in Capital Assets.** A component of net position that consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets.

**Net Position.** The residual of all other financial statement elements presented in a statement of financial position.

**Outflow of Resources.** A consumption of net position by the government that is applicable to the reporting period.

**Proprietary Funds.** Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows.

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

**Unearned Revenue.** A liability for resources obtained prior to revenue recognition.