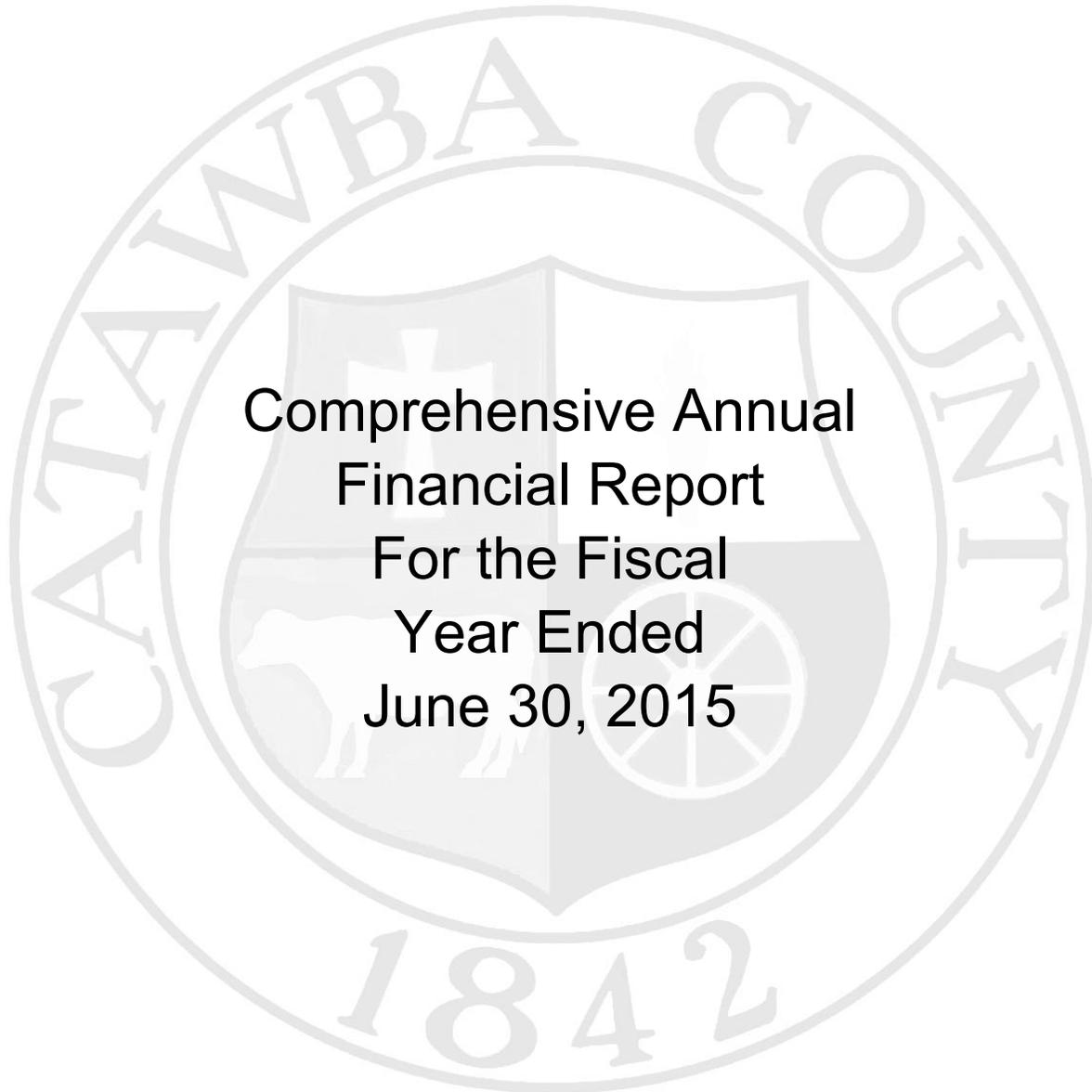


Catawba County, North Carolina

2015 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015



Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015

J. Thomas Lundy, County Manager
Jeanne C. Jarrett, Interim Finance Director

Prepared by Catawba County Finance Department
Published November 19, 2015

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BOARD OF COMMISSIONERS



Catawba County Board of Commissioners
Dan A. Hunsucker, C. Randall Isenhower - Chair,
Sherry E. Butler, Katherine W. "Kitty" Barnes, Barbara G. Beatty - Vice Chair



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

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

November 19, 2015

State law requires that all local governments have their financial records audited by a certified public accountant using generally accepted auditing standards as soon as possible after the close of each fiscal year. Local governments are also required to 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 ending June 30, 2015.

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 information presented herein. To provide a reasonable basis for making these representations, County management has established a comprehensive internal controls framework that is designed to both protect the organization's assets from loss, theft, or misuse and to compile sufficient reliable information for 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 internal controls framework 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, 2015.”

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 ending June 30, 2015 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 ending June 30, 2015 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 federally- 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 on not only 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 grant 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

The center of the Greater Hickory metropolitan statistical area, Catawba County is conveniently located within a 1-hour drive to Charlotte, Asheville, and Winston-Salem, and affords easy access to both Interstate 40 and Highway 321. The County's mid-Atlantic location is halfway between New York and Miami and includes a land of scenic beauty and diverse cultures with a large industrial workforce. Named for the Catawba Indians who resided in



the area prior to European settlement in 1747, Catawba County (established in 1842) encompasses a 414-square mile area and is located in a peaceful valley just east of North Carolina's Blue Ridge Mountains.

The County has eight cities and towns within its boundaries, and is home to a population of 155,832 residents, which positions it as the 17th largest county in North Carolina and one of the 27 urban counties with population of 100,000 or more. In 1937, Catawba County was the third of North Carolina's 100 counties to adopt the County-Manager form of government (after being the first to get the legislative authority). It is governed by five commissioners (Randy Isenhower-Chair, Barbara Beatty-Vice Chair, Kitty Barnes, Sherry Butler, and Dan Hunsucker) who are elected by countywide vote in partisan elections and serve four-year staggered terms.

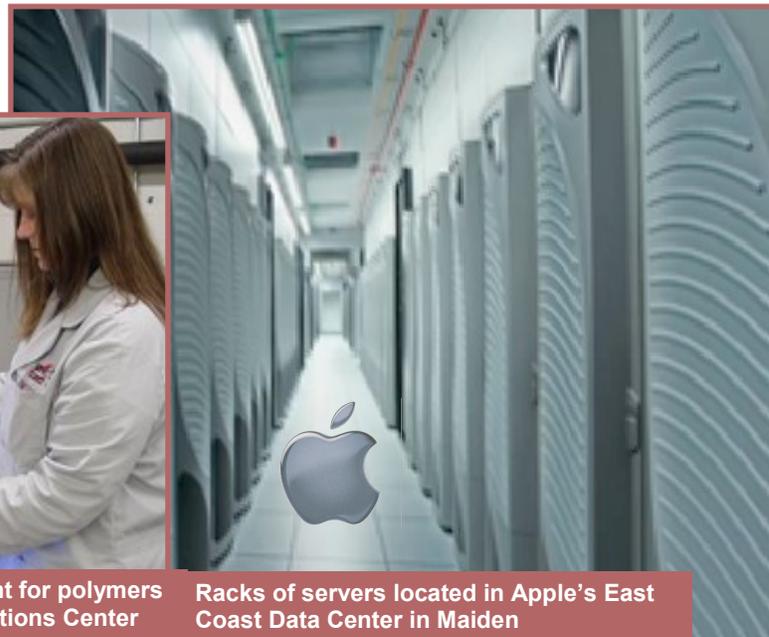
The County Manager is appointed to serve as Chief Executive Officer and is responsible for the enforcement of laws and ordinances, preparation and administration of the annual budget, delivery of services, implementing policies, managing



Trauma simulation at Catawba Valley Simulated Hospital, the largest of its kind east of the Mississippi



Weather testing equipment for polymers at the Manufacturing Solutions Center



Racks of servers located in Apple's East Coast Data Center in Maiden

daily operations, and appointment of department heads and employees. The County is fortunate to have stability in its management structure, with the County Manager (J. Thomas Lundy) affording the County more than 43 years of continuous service.

Catawba County provides 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 outside 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, Catawba County Economic Development Corporation, and Hickory Metro Convention and Visitors Bureau. The Catawba Valley Medical Center and Catawba County Alcohol and Beverage Control Board are separate entities, but their financial information appears in the County's financials, as well.

FACTORS AFFECTING FINANCIAL CONDITION

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

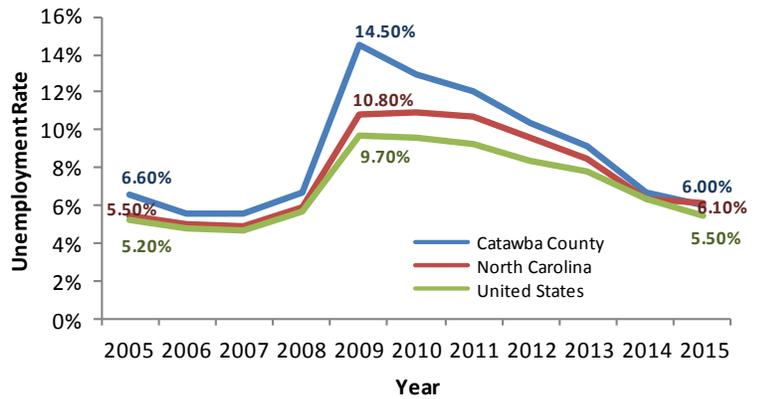
LOCAL ECONOMY

Catawba County is part of the Hickory Metropolitan Statistical Area (MSA), which includes Alexander, Burke, Caldwell, and Catawba counties. **Recent economic indicators show consistent improvement in Catawba County's economy, with positive gains in employment, unemployment, and retail sales.**

Employment Rebounds, with Unemployment among the Lowest in North Carolina

Employment figures in the Hickory MSA are on the rise, showing increases of 1,248 jobs (or .92%) from June 2014 to June 2015. A more recent snapshot shows this growth is accelerating, with 1,842 jobs (or 1.19%) added

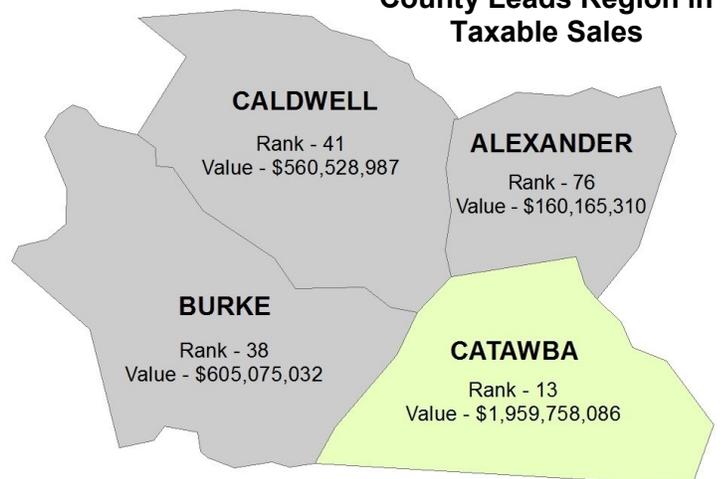
Unemployment rate hits 11-year low.



since last September. Another bright spot for the economy is that job openings are also on the rise, with 361 more openings posted online between July and September 2015 than the same period last year, according to the NC Department of Commerce Labor Market Overview. Job availability is concentrated largely in the transportation, healthcare, retail sales, customer service, and manufacturing sectors.

Catawba County's unemployment rate, 6.0% for the period of this audit in June 2015, has dropped below pre-recession levels. Recently released unemployment figures for September 2015 show this improvement continuing, dropping to 5.3% in Catawba County as compared to 5.4% for the State of North Carolina and 4.9% nationally. This unemployment rate is among the lowest 1/3rd in North Carolina, now 0.1% below the State and within 0.5% of national unemployment rates.

County Leads Region in Taxable Sales



Strong Retail Sales & Tourism Performance Indicate Sustained Recovery

Catawba County remains a retail magnet for the region, capturing 59.7% of the \$3.3 billion in retail sales from the four-county MSA, while accounting for only 42.6% of the population. Taxable sales in the County increased by 9% in 2014/15, on top of a healthy 4% increase the year before. This is the sixth year in a row that revenues have increased. **Statewide, the County ranks 17th in population but 13th highest in taxable sales.** These figures cement Catawba County's position as a regional retail magnet, with furniture, automotive, restaurants, and shopping options that draw visitors from surrounding communities and generate taxable sales within the County.

The State's recent extension of sales tax to certain services including tickets for entertainment events has positively impacted the County's taxable sales activity. **Catawba County ranks 16th in the State for tourism revenue,** with \$241 million generated in 2014 (a 4.3% increase over the previous year's activity). This economic sector is buttressed by the presence of a wide range of cultural amenities that appeal to all audiences:

- Catawba Science Center
- Green Room Community Theatre
- Hickory Choral Society
- Hickory Community Theatre
- Hickory Crawdads Baseball Team
- Hickory Metro Convention Center
- Hickory Motor Speedway
- Hickory Museum of Art
- Newton-Conover Auditorium
- Oktoberfest in Downtown Hickory
- Western Piedmont Symphony

A Focus on Job Growth and Investment

Recently, Catawba County has taken a proactive, aggressive approach in charting its economic future through targeted expansion. In the past few years, job gains have been made as a result of significant expansion projects –

funded both privately and in partnership with the public sector - occurring in a wide range of industries from traditional manufacturing to high-tech. **This mix of public-private partnership and private investment underscores the County's balanced economic health and resiliency.**

To further bolster these efforts, the County continues to actively recruit and attract targeted national and international companies with a focus on higher-wage industries like Information, Emerging & Alternative Energy, and Advanced Manufacturing, the latter which leverages the County's skilled workforce and high concentration of manufacturing support systems. In 2014, \$261.5 million in industry investments and 864 new jobs were announced in the County, according to the NC Department of Commerce. A sampling of the companies committing to deepening investments or adding jobs in Catawba County include:

 **Apple, Inc.** increased its investment in Catawba County by over \$100 million. To date, Apple has added \$1 billion in real and personal property and alternative energy systems to the County's tax base, making it the County's largest taxpayer.

Axjo America, a company that makes industrial-sized spools for cables and wire,  committed to invest \$11.1 million in the consolidation of two existing facilities and to create 14 new jobs at a new manufacturing facility in Conover.

Bassett Bassett Upholstery, a Newton-based furniture manufacturer in operation since 1965, has increased its employee base by 27% since 2010, from 410 to 520 in 2015.

Blue Bloodhound, LLC, a logistics-based technology company specializing in mobile web applications that support the transportation sector, recently committed to 



locate in Hickory. By 2018, the company will create 191 new jobs with an annual salary of \$46,368 (almost 22% higher than the County's average salary of \$38,075).

CommScope HQ, one of the County's largest  employers with a focus on connectivity products for data centers, and fiber optic cable production, announced a \$3 billion acquisition of TE Connectivity in 2015.

 **Cornerstone United**, which specializes in manufacturing warranties and protections, invested over \$2 million to renovate the historic Piedmont Wagon building in Hickory for its new headquarters, adding 35 new jobs.

GKN Driveline, the world's leading supplier of automotive driveline components and systems, broke ground on an expansion that will bring \$122 million in new investment and 228 jobs to its Newton facility. 

 **Prysmian Cables and Systems**, a world leader in manufacture of high-technology cable and systems for energy and telecommunications, announced plans to re-establish its Fiber Optical Pre-form operation by renovating 10,000 sq. ft. of manufacturing space, resulting in 24 new full-time jobs.

Republic Services, a waste service company providing residential, commercial, and industrial waste management and recycling throughout the County, expanded its Conover Recycling Facility, investing over \$10 million. Post-expansion, the highly-advanced facility has the capacity to process more than 25 tons of mixed recyclables per hour, or 400 tons each day. 

Roll-Tech Molding Products, offering a broad range of wheels and casters for use in material handling, institutional 

equipment, and furniture, expanded its Hickory facility, adding 11,733 sq. ft. and creating 4 additional jobs. This expansion allows for an increase in productive capacity at the current plant.

 **Strata Solar** has invested over \$15 million in a new solar farm in Newton, bringing its total number of solar farms in Catawba County to three, with a total investment of \$45 million. Each solar farm is projected to produce enough electricity to power 750 homes using renewable green energy, the equivalent of 2,250 homes powered by all three sites.

Sutter Street Manufacturing, a local division of Williams-Sonoma established in 2007, added new equipment valued at over \$1.6 million to their Claremont facility. Sutter Street, which started out with 35 employees and produced 200 pieces of furniture per week, now has 1,000 employees and produces 9,000 pieces of furniture per week. Pottery Barn and Williams-Sonoma distribute these US-made products with pride. 

Timmerman Manufacturing, a wholesale manufacturer of specialty wrought-iron parts and accessories, added a second facility in Conover to house a new powder coating operation, investing nearly \$750,000 in new equipment and announcing 5 new jobs. 

Transportation Insight, a Hickory logistics company, invested \$8 million to restore a downtown hosiery mill for its headquarters, adding 50 new jobs. 
Evaluate. Innovate. Dominate.

In addition to these jobs and infrastructure investments, the impact and influence of businesses with a Catawba County presence continues to bring positive attention to the community and reinforces the relevance and reliability of the area's economic base.



WestRock, a leading global packaging company, holds 2,400

world-wide patents, is responsible for producing more than 50% of all pizza boxes in North America, produces more than 6 billion beverage cartons and 200 million hand soap pumps. WestRock's Conover facility produces containers for well-known brands like Little Debbie, Lean Cuisine, Cheez-It, and Lance.

Continental Structural Plastics, manufacturer of strong, lightweight advanced composite materials with a location in Newton, recently announced



Continental Structural Plastics

that its TCA Ultra Lite (a Class A body panel) material is now in production on the 2016 Chevrolet Corvette, resulting in a 20-pound weight savings on the Stingray Coupe model.

Fiserv, a global provider of financial services technology solutions with over 400 Hickory-based employees, has recently secured recognition as one of FORTUNE Magazine's World's Most Admired Companies (2015), Forbes' list of America's Best Employers (2015), and the Top 10 on the FinTech 100, an annual listing of top financial technology companies by Bank Technology News and IDC Financial Insights (2014)

Corning, Incorporated, CORNING headquartered in Hickory,

was recently named the top vendor of distributed antenna systems by ABI Research in their latest competitive assessment report for the in-building wireless market. This ranking considered 2 factors: the company's innovation, which includes advanced features such as small cell support and total cost of ownership, and implementation, which looks at market penetration across regions and industries.

Deliberately Driving Workforce Development

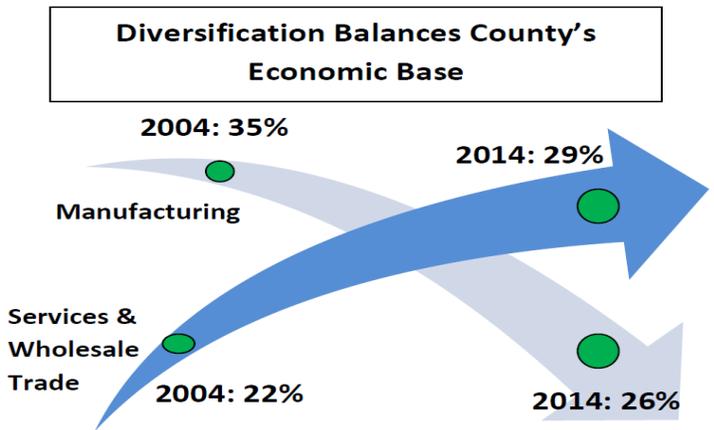
While Catawba County's economy is built upon a large industrial base (with over 26% of its workforce in manufacturing), growth in five key sectors has resulted in a more balanced economic composition today than what existed a

decade ago. Since 2004, the following sectors have experienced double-digit employment growth, collectively comprising 29% of the total economy and exceeding the manufacturing sector's employment by 1,875 jobs:

- Professional, Scientific, Technical Services;
- Administrative, Support, & Waste Mgmt and Remediation Services;
- Real Estate and Rental and Leasing;
- Wholesale Trade; and
- Healthcare and Social Assistance

The growth in these sectors represents a 24% increase from 2004 employment levels.

Further, the County has been a leader in the manufacture and development of fiber optics and telecommunications equipment for more than a decade, producing approximately 50% of the world's supply of fiber optic cable and still providing significant employment opportunities for County residents.



In the context of Catawba County's efforts at economic diversification, manufacturing still represents a mainstay industry for the community, although to a lesser extent than in years past. **Steady growth in fiber optic and telecommunications investment and employment and continued reinvestment by newer industry sectors, combined with the effects of a "re-shoring" trend that has brought furniture manufacturing jobs back to Catawba County, has brought a more balanced and sustainable economy to the County.**

Building upon the core strengths of the local economy, Catawba County has made significant



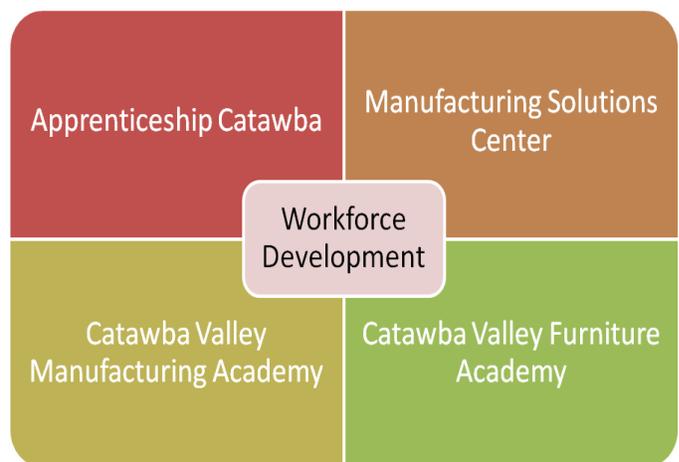
Equipment such as the Moisture Management Testing unit at the Manufacturing Solutions Center helps entrepreneurs achieve results and take products to market.

strides in preparing its workforce with the skills to meet current and future labor needs of local employers. **With employment continuing to rise, cross-sector partnerships between local governments, the business community, public educational institutions, and industry-specific resources have institutionalized a full-spectrum approach to aligning local talent with available jobs.** Programs have been designed to target high-school students as well as college-aged students and adult learners to ensure the County's workforce is poised to help local businesses thrive. Several key initiatives that have emerged from these partnerships are highlighted below:

The Manufacturing Solutions Center (MSC) is a branch of CVCC focused on helping manufacturers increase sales, and improve product quality and production efficiency. To assist manufacturers in increasing sales, MSC develops marketing materials, identifies new or expanded export opportunities, and positions companies to market products at trade shows. To improve product quality, the MSC has an accredited ISO/IEC 17025 testing laboratory that performs microbiological, thermal, and mechanical testing for textiles. The Center aids entrepreneurs in transforming concepts into finished marketable products by offering floor space, equipment and technology access, and expert advice at its 10,000 square foot manufacturing incubator. MSC connects the dots for entrepreneurs by bringing all of the

resources needed to successfully launch a product together under one umbrella. This combination of expertise and equipment has enabled the development of innovative products such as wearable technology that measures and regulates blood circulation, delivers active ingredients to the skin through fabric, and integrates QR codes into the material so it can be scanned and tracked through the production process. Future product possibilities are staggering, with the potential for everything from caffeine-infused driving gloves to sleeves that deliver heart medicine in the prescribed amount on the horizon. MSC has established itself as a regional expert in prototype development using 3D printing.

At America's 2014 Competitiveness Forum, **MSC was recognized by the US Department of Commerce as one of the top economic job creation programs.** MSC has worked with such nationally known companies as Keen, Merrell, 3M, Nike, Hanes Brand, LL Bean, Lands End, Target, Polartec, Boeing, and Ralph Lauren. Since 2012, MSC's direct economic impact has totaled \$43.7 million, assisting in the creation of 346 jobs and the retention of 268 jobs. Over the last 2 years, the MSC has helped over 1,000 entrepreneurs and worked with companies in all 50 states and 32 countries to conduct product testing or prototyping, or to find domestically-produced production inputs.



Apprenticeship Catawba is a training pipeline for high school students. Based on the German apprenticeship model and accredited by the North Carolina Department of Commerce, this 4-

year program ensures students are career-ready at graduation by providing 8,000 hours of paid on-the-job training that counts towards an Associates' Degree in Mechatronics Engineering Technology or Computer Integrated Machining Technology from Catawba Valley Community College (CVCC). Additionally, students earn Journeyman Certificates upon graduation qualifying them for skilled trades such as Mechanical Maintenance Technician, Electrical Maintenance Technician, Mechatronics Technician, Tool & Die Maker, Computer Numerically Controlled Machinist, and numerous others. Not only do students leave the program with degrees, but they do so without incurring any college debt and employed full-time by the sponsoring company, earning at least \$34,000 per year. Last year 21 students from the County's three public school systems participated, along with seven area companies: GKN, ZF, Continental, Sarstedt, Tenowo, Aptar, and Technibilt.

The **ACT Career Readiness Certificate** allows job seekers to show prospective employers that



**NATIONAL
CAREER READINESS
CERTIFICATE®**

they possess basic skills required for various positions

in today's workplace. **This certification – currently offered by Catawba Valley Community College - is recognized by over forty employers in the local area, and that number is growing. By 2016, every high school within Catawba County will also offer the certification.** Western Piedmont Council of Governments has worked to have Catawba County certified as a Work Ready Community, which positions the County to quantify the skill levels of its workforce, identify gaps, and develop plans to address those gaps. Based on this information, educators, local businesses, and governments build career pathways aligned to the needs of business and industry. The County has achieved 93% of ACT's National Career Readiness Certificate goals and anticipates full certification as a county in 2016.

The **Catawba Valley Furniture Academy**, housed within CVCC, is an industry-driven training program designed in partnership with 5 major

Furniture Academy classes equip workers with critical skills to meet the industry's future workforce needs.



local furniture manufacturers to prepare students for high-demand skilled positions in the local area. Depending on specialization, graduates of the Academy have the potential to secure jobs earning up to \$62,400, which is 53% above the County's average wage. The program varies from 9 to 18 months in length, depending on focus area (Pattern Making, Manual Cutting, Inside Upholstery, Sewing, etc.). Since January 2014, 54 people have completed the program, earned furniture manufacturing certificates and secured jobs at participating companies – Century Furniture, LEE Industries, Lexington Home Brands, Sherrill Furniture, and Vanguard Furniture. In acknowledgement of this program's success, the Furniture Academy earned a 2015 Governor's Award for Excellence.

The Furniture Academy has been such a success that CVCC is moving the program to a larger location with the help of a \$200,000 commitment from local furniture companies and \$675,000 from the County. The expanded location will serve up to 66 students per session, as opposed to the current 25. On average, there have been 100 people on the waiting list at any given time, demonstrating the strong employment demand generated by the furniture industry.

The Catawba Valley Manufacturing Academy,

modeled after the Furniture Academy, is an industry-driven training course designed with input and expertise from 29 local manufacturers to



prepare students for high-demand manufacturing positions (such as machinists and maintenance technicians) with the region's largest employers. **Graduates will be fast-tracked for open positions with sponsoring companies,**

earning Career Readiness Certificates. The inaugural session began in October 2015.

NC Data Center Corridor

Building on Catawba County's existing asset base related to fiber optic cable production and emerging technology, the County – in partnership with neighboring local governments



and the Economic Development Corporation – has had success in attracting data centers to the community. (This

strategy leverages the presence of other major data centers in surrounding communities – both Facebook and Google have data centers in the Piedmont region.)

Most significantly, in 2009 the County enticed Apple, Inc. to commit to construct a data center facility on a 183-acre site within the County. This site, located in the town of Maiden, is Apple's only east coast operations facility and its data center headquarters that houses its iCloud suite of services (storage, word processing, presentation software, *Find My iPhone*, etc.). With an investment of \$1 billion, 150 new jobs and 250 additional contract workers to operate the facility, this was the largest economic development project in the history of the County and the State. Apple is currently building another 114,300 sq. ft. data center in Maiden.

Apple, Inc., now the County's largest taxpayer, has expanded its presence into the solar industry with a 170-acre site adjacent to the data center, a 200-acre site nearby in Conover, and a 105-acre site currently under construction in Claremont. Solar energy from the first site is used to power the data center, making it the largest end-user solar farm in the country.

In 2012, Bed Bath & Beyond, Inc. built a \$36.8 million data center in the County, located in a 48,000 square foot facility in the Claremont Industrial Park. The company committed to creating a minimum of 7 jobs by the end of 2018, and they are half-way to that goal.

Catawba County, the Cities of Conover and Hickory, and the Towns of Maiden and Catawba partnered to build the NC Data Campus, a 70-acre multi-jurisdictional business park. The partnership secured a \$2.6 million Community Development Block Grant from the NC Department of Commerce to build up to three shovel-ready sites marketed primarily for data center recruitment. Catawba County's share of the project stands at 57%. These efforts will also further enhance the region's efforts to create a cluster of data centers known as the NC Data Center Corridor, leveraging the presence of existing nearby regional data centers to solidify the region's reputation as one that embraces innovation and high-tech industry.

Innovate Catawba

In early 2013, in order to speed economic recovery and to enhance the community's



capacity across all sectors, a group of community leaders came together to develop a vision for the future of Catawba County and a plan of action for making it happen. In this way, Innovate Catawba came into existence, and the community vision of transforming the County into "a growing place with more jobs" was cast.

Catawba County was a founding member of this initiative, and has been at the table providing leadership ever since, supporting efforts across the initiative's six work groups to create quality jobs, improve workforce readiness by aligning educational resources, intentionally develop more and better leaders, and enhance the community's sense of place by improving aesthetics and amenities. As part of the Building for Jobs effort, the County partnered with the City of Claremont to build a speculative building to be marketed to potential businesses.

Park 1764

Park 1764 is a 170-acre Class A Business Park being developed in partnership between Catawba County and the City of Hickory. Development of the Park will occur incrementally. The County recently committed \$700,000 (½ the cost) to provide water and



sewer to the site. The Park will target the creation of job opportunities in advanced light manufacturing facilities, technical operations, and corporate headquarters. The vision for the site integrates amenities such as walking / cycling trails, gardens, and conservation easements, appealing to business prospects in a corporate, up-scale environment.

Strong Medical & Healthcare Presence

Well positioned to meet the future medical and health care needs of its citizens, the County is home to a prospering medical and healthcare community and two large medical centers.

Catawba Valley Medical Center (CVMC) is the largest not-for-profit community hospital in the region and the County's second largest employer. Owned by Catawba County, CVMC is completely self-supporting. **The medical center recently completed a \$58 million expansion and renovation of its surgical suite, adding three new operating rooms and updating technology in existing rooms.** The expansion also included the construction of a five-story Women's and Oncology Pavilion. In 2014, CVMC became the first in the region to offer the new CardioMEMS implant device, part of a communications system for heart failure patients designed to wirelessly transmit critical patient information about heart status to clinicians on a regular basis.

Based on the quality and consistency of medical care provided by the facility, CVMC has recently received multiple awards, including:

- Women's Choice Award - Best 100 Hospitals for Patient Experience (each year from 2012 through 2015)
- Women's Choice Award – one of America's Best Hospitals for Orthopedics (each year from 2013 to 2015)
- Women's Choice Award - one of America's Best Hospitals in Obstetrics (2015)
- Women's Choice Award - one of America's Best Stroke Centers (2015)
- Women's Choice Award - one of American's Best Hospitals in Cancer Care (2014)
- First hospital in the State to receive four Magnet designations from American Nurses Credentialing Center (2014)
- Achieved Accredited Chest Pain Center status by the Society of Cardiovascular Patient Care (2015)
- Quest Award for High-Value Healthcare from Premier, recognizing reduction in harm, mortality, re-admissions and costs, while improving patient experience and delivering evidence-based care (2013 and 2014)

- Designated as Breast Imaging Center of Excellence by American College of Radiology (2014)

Frye Regional Medical Center, the County's third largest employer and seventh largest taxpayer, is a private hospital that has served the community for over 100 years. **The Heart Center at Frye is home to the most extensive array of cardiology services in the region**, and was the only regional facility offering 24/7 full-service cardiology and on-site heart surgery until 2014. Subsequent to the end of the fiscal year, Frye Regional Medical Center was acquired by Duke LifePoint. This acquisition is not expected to significantly impact the facility's operations within Catawba County.

Like CVMC, this hospital has also received numerous awards for the quality of its services.

- Women's Choice Award for Excellence in Obstetrics (2014 and 2015)
- Women's Choice Award for Excellence in Heart Care (2015)



- Women's Choice Award for Excellence in Breast Centers (2015)
- Women's Choice Award for Excellence in Orthopedics (2013)
- American Heart Association/American Stroke Association's recipient of *Get With the Guidelines-Stroke Gold Plus Quality Achievement*

Award (2015)

- Heart Failure Gold-Plus Quality Achievement Award from the American Heart Association (2014)
- Received top grade in Leapfrog Group's Fall 2014 Safety Score for continued safe high-quality healthcare services
- Earned Lung Cancer Screening Designation from American College of Radiology (2014)
- Ranked #1 in North Carolina and in top 5% of US hospitals for cardiac surgery and patient safety by Health Grades, a leading independent healthcare ratings organization

A Leader in Environmental Stewardship

The County has a long history of demonstrated environmental stewardship, with several key initiatives that have become hallmarks



of this value and the County's culture of innovation. The Catawba County EcoComplex and Resource Recovery Facility, winner of the 2015 Harvard Ash Center Bright Ideas in Government Award and a 2013 Energy Leadership Award from the Charlotte Business Journal, is designed to protect the County's environment and promote economic development by attracting jobs in the green energy, agricultural and environmental sectors. One component of the EcoComplex is the Biodiesel Research, Development and Production Facility (developed in 2011 in partnership by the County and Appalachian State University). In 2014, the County leased the biodiesel facility to Blue Ridge Biofuels in a move that will generate consistent revenue for the County while increasing the company's biodiesel production capacity from 500,000 gallons a year to 3 million gallons a year starting in 2017. **Investing over \$1 million in personal property and creating 5 to 10 jobs, Blue Ridge Biofuels will also supply Catawba County with biodiesel at a reduced cost to fuel County equipment.** The company is the first biodiesel producer in the Charlotte area to make fuel from used cooking oil. Blue Ridge



Biofuels will continue the partnership with Appalachian State to conduct research at the facility to test which feed stocks are most efficient for biodiesel production and best suited for the local climate.

Another element of the EcoComplex is the County's landfill gas-to-energy project. Approved in 1998, **the County's methane capture initiative was among the first public landfill gas-to-energy projects in the nation.** Methane gas from the Blackburn Landfill is directed into one of three 20-cylinder engines specially designed to burn methane as a fuel source to produce electric power. The Gas-to-Energy Facility produces enough energy to power approximately 1,400 homes annually. The County sells this energy to Duke Power, generating revenue from a landfill by-product that in many communities goes to waste. This innovation assists the County in maintaining low landfill tipping fees for the public.

CATAWBA COUNTY RANKED #1 AGAIN FOR TOTAL PUBLIC RECYCLING IN 2014



In 2010, the County initiated efforts to reduce its carbon footprint. Since that time, direct and indirect emissions have dropped by 3.53% as a result of energy-efficient lighting change-outs and a series of energy audits that identified priority investments with strong return-on-investment. Catawba County ranked #1 in the State in 2014 for total public recycling per capita, recycling an average of 507.55 pounds per person with an 88.3 percent

participation rate in the residential curbside recycling program. This is a significant achievement, and represents the 8th year in a row the County has ranked either #1 or #2 in the state. **Without these recycling efforts, projections indicate a new landfill cell (estimated to cost just under \$7.5 million) would be needed at least 2 years earlier than the current estimate of June 2021.** The county began offering county-wide curbside recycling to its citizens in 1990, the first county in the State to do so.

LONG TERM FINANCIAL PLANNING

The County rigorously adheres to debt management and investment policies designed to protect the County's sound financial position and credit quality. In addition, the County began preparing an eight-year Service and Capital Improvement Plan in 2007 (updated annually) to anticipate and plan for future capital expenditures. Every four years, in conjunction with county-wide revaluation, the Board of Commissioners sets a tax rate to address service and capital pressures, planning to hold the rate constant until the next revaluation.

As of July 1, 2015, \$119 million in capital needs had been identified over the next eight years, which includes approximately \$56 million in school and community college construction and a \$17 million jail expansion. Additionally the County faces service expansion pressures important to maintaining the quality of life to which the community has grown accustomed. Addressing these pressures is critical to ensuring the County does not fall behind in providing basic services like maintaining an 8-minute average EMS response time, improving case management and clearance rates of criminal cases, reinstating a 6-day per week operating schedule for all County Parks, and increasing investment in education. The County has also planned for operating costs for the new Justice Public Safety Center and debt/operating costs for the jail expansion.

Jail Expansion Needed

It is the County's responsibility to house all inmates as required by state law. The County experienced a surge in inmate population beginning in mid-2012 (although indexed crime



rates have fallen, based on the types of crimes committed and Burke County's decision to close a facility shared with the County). The Catawba County Detention Center was designed with this in mind, with the capacity to readily expand the existing design by 256 beds in anticipation of future expansion needs. Since the last jail expansion, Catawba County has rented a limited number of beds to the federal government, banking the proceeds to help fund the expansion and reduce total costs to taxpayers. Through June 30, 2015, \$2.67 million in bed rental revenue has been reserved for future jail expansion. The County's foresight in setting these funds aside will result in \$1.23 million in savings to citizens through interest cost avoidance because the County will have to borrow less. (It is worth noting that in Catawba County, jail diversion efforts have prolonged the capacity of the existing facility by avoiding 25,876 bed days valued at \$2.15M annually.)

The recently adopted Fiscal Year 2015/16 budget dedicated an annual 1.5 cents on the tax rate plus the bed rental revenue toward the jail



expansion, planned for Fiscal Year 2017/18.

Quarter Cent Sales Tax Helps Address Needs

As the county continues to grow, planning for infrastructure is essential to encourage orderly economic development, prevent urban sprawl, and accommodate growth with adequate facilities. In 2007, county voters overwhelmingly approved adoption of a ¼-cent sales tax by referendum, which is currently providing approximately \$4.75 million a year in revenue to augment property tax revenues in keeping up with growth in demand for County services. Most of these funds are being used to expand the County's Justice Center, a \$42 million construction project currently underway. The new center will house new courtrooms (a county responsibility), a new 911 Communication Center, the Emergency Operations Center and the Emergency Services department. Construction is scheduled to be complete in early 2017.

The remaining ¼-cent sales tax revenues are being used primarily for economic development, education, and water and sewer needs in the county. The Board of Commissioners continues to set aside funds (1 cent on the property tax rate — \$1.575 million — and \$700,354 in sales tax revenues in Fiscal Year 2015/16) to be used for strategic water and sewer projects throughout the county. The combined funds will address approximately \$38 million in water and sewer needs identified over the next eight years.

Supporting Education

Catawba County is committed to education and recognizes the linkage between student attainment and a quality workforce. To pay for large school and community college projects, the Catawba County Board of Commissioners adopts a four-year funding cycle in conjunction with countywide property revaluation. Fiscal Year 2014/15 marked the end of the funding cycle adopted in June 2011 and a new one began July 1, 2015. Through a combination of revenue including sales tax, and state lottery funds, the equivalent of 10.7 cents on the property tax rate (or \$16.87 million) is consistently dedicated to school and

community college debt service. The dedicated funding allows the County to finance \$56 million in new construction needs over the next four years for all three school systems and CVCC. Some major projects include a new Banoak Elementary School, technology and school renovations for Hickory Public Schools, roofing/renovations and bleacher replacement for Newton-Conover City Schools, and additional funding for the CVCC Workforce Solutions Complex.

In acknowledgement of the linkage between student attainment and workforce development, Catawba County commits almost 49 cents of every property and sales tax dollar towards education. This funding commitment has supported such initiatives as increasing local teacher supplements to attract and retain the best and brightest teachers and funding critical technology updates for all three school systems to foster a positive student learning environment. These efforts appear to be paying off, as evidenced by the latest year-end achievement results. All three public

districts were above the State average in achieving measurable objectives. Newton-Conover City Schools had the highest graduation rate in the State at 97.1% compared to the statewide average of 85.6%. Catawba County Schools' rate was 89.8%, and Hickory Public Schools' was 83.9% - the highest in the history of the school system for the second year in a row.

This year, the County, CVMC, Frye Regional Medical Center, the City of Hickory, and the Catawba County EDC Committee of 100 entered into a new partnership with Lenoir-Rhyne University to develop the LRU Health Sciences Center. **The Center will offer advanced training for medical and healthcare professionals, including a new 24-month Physician Assistant Program beginning in January 2016.** The center will open with 40 students over a 24-month physician assistant program with plans to double the enrollment the following year. These efforts aim to keep the County economically viable and improve the quality of its educational opportunities.



AWARDS AND ACKNOWLEDGEMENTS

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Catawba County for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2014, the 33rd year in a row that the County has secured this recognition. The Certificate of Achievement is a prestigious national annual award that recognizes 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 must publish an easy to understand CAFR that is well-organized and conforms to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. This report continues to conform to the Certificate of Achievement program requirements and will be submitted to GFOA for consideration thereof.

In addition, the County has prepared a Popular Annual Financial Report (PAFR) to GFOA for Fiscal Year 2014-2015. The PAFR is designed to provide citizens with easily understandable information about a government's finances and economic conditions in a more condensed fashion. PAFRs are supplements to – not replacements for – CAFRs, and are reviewed by a GFOA-appointed task force. The County has received an award for its PAFR for the past seven years and hopes to continue with the Fiscal Year 2014-2015 entry.

Finally, the County has also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2014-2015 Adopted Budget effective July 1, 2014. This is the 26th consecutive year the County has received this award. In order to qualify for the

Distinguished Budget Presentation Award, the County's budget document was determined 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 of Catawba County is reflected in the services provided to the citizens. We appreciate the cooperation of all 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 Finance Department staff and independent auditors, Martin Starnes and Associates, CPAs. Each has our sincere appreciation for the contributions made in preparation of this report.

In closing, we thank the Catawba County Board of Commissioners for its leadership and support in positioning Catawba County as a fiscally sound, well-governed community.

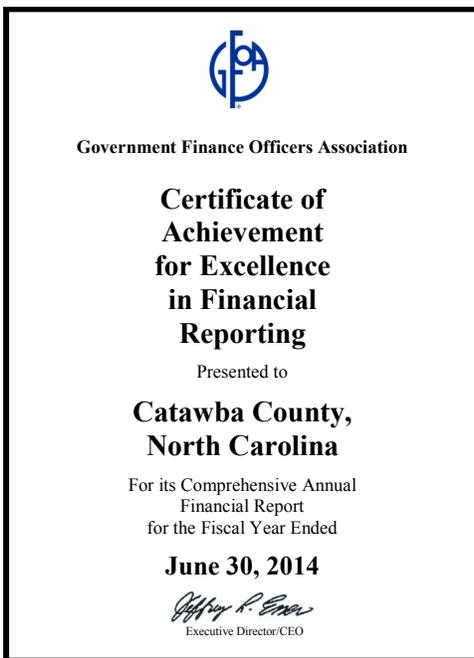
Respectfully submitted,



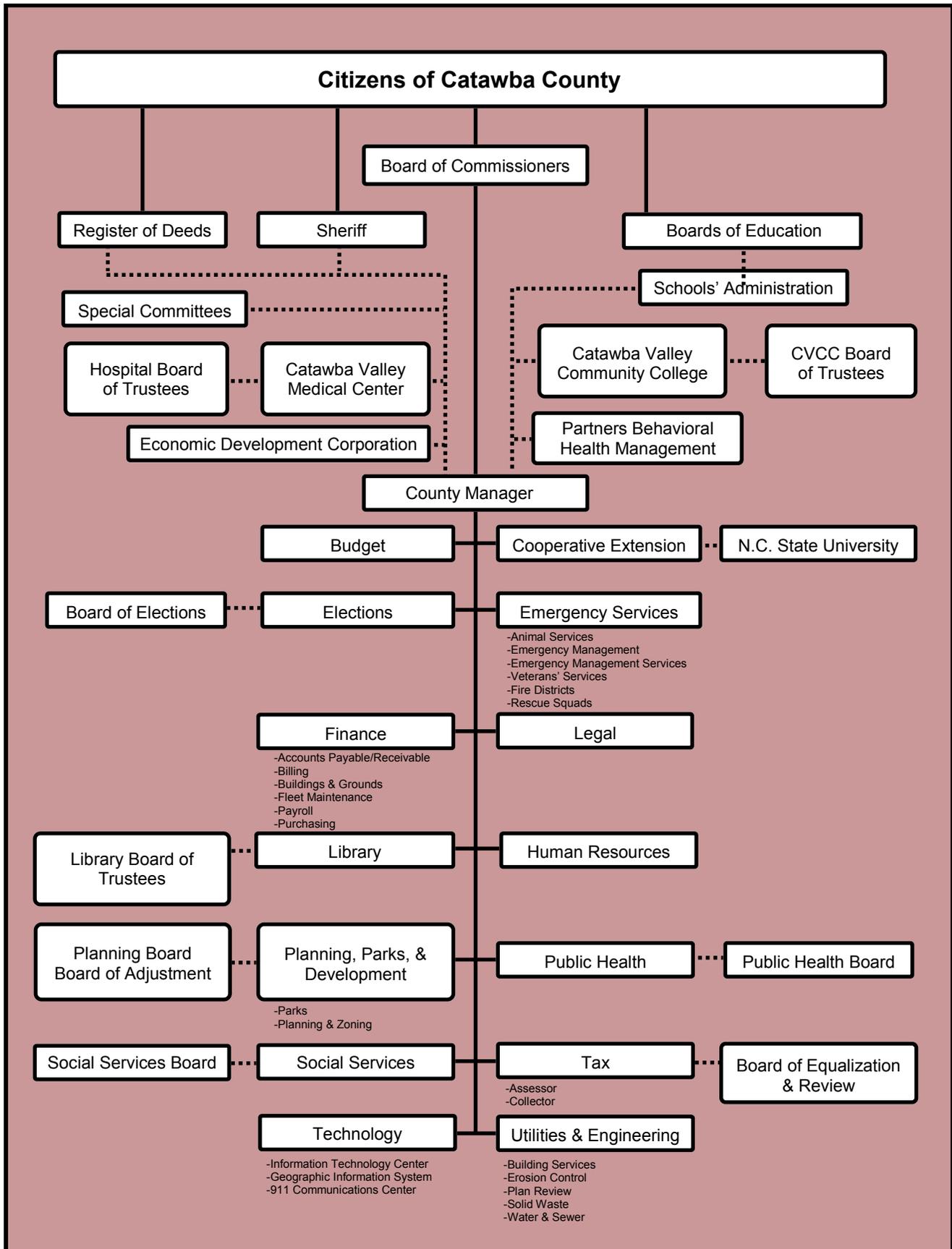
J. Thomas Lundy
County Manager



Jeanne C. Jarrett
Interim Finance Director



ORGANIZATIONAL STRUCTURE



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, 2015, 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. 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 from 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 Catawba County, North Carolina, as of June 30, 2015, 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, the other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employee's Retirement System Proportionate Share of Net Pension Liability (Asset) and Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County 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 any 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,

other 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, supplemental ad valorem tax schedules, and other 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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, supplemental ad valorem tax schedules, and other 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 19, 2015 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 19, 2015



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, 2015. 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

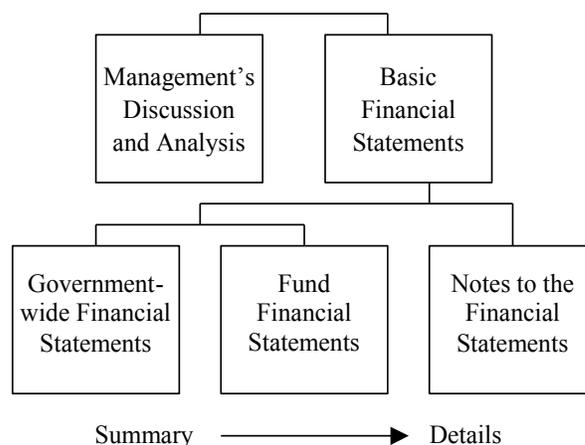
- ▶ The assets and deferred outflows of resources of Catawba County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$178,650,466 (*net position*). Of this figure, approximately \$127 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net position increased by \$24,012,319, resulting from an increase of \$21,012,217 in governmental activities and \$3,000,102 in business-type activities. This net increase is primarily due to management's focus on prudent spending while maximizing revenue collection.
- ▶ As of the close of the current fiscal year, Catawba County's governmental funds reported combined ending fund balances of \$126,839,239, an increase of \$272,383 in comparison with the prior year. Approximately 54 percent of this total amount, or \$67,913,114, 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 \$21,646,494, or 13 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total long-term debt decreased by \$(13,878,701) during the current fiscal year. Outstanding debt principal is \$152,133,618 and equates to \$976 per capita at the end of the fiscal year.
- ▶ For the eleventh 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 fifth 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 20-24 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 25-29 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 five fiduciary funds, all of which are agency funds.

The fiduciary funds financial statements can be found on page 30 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 31 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 75 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 \$178,650,466 as of June 30, 2015. The County's net position increased by \$19,279,381 for the fiscal year ended June 30, 2015. Of this amount, \$24,012,319 is an increase in net position after transfers. The

Government-Wide Financial Analysis
Catawba County's Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2015	2014	2015	2014	2015	2014	Dollar Change	Percent Change
Current and other assets	\$152,357,349	\$145,963,231	\$ 57,829,553	\$ 57,609,457	\$210,186,902	\$203,572,688	\$ 6,614,214	3.25%
Capital assets	100,441,500	93,360,352	64,149,144	62,696,214	164,590,644	156,056,566	8,534,078	5.47%
Total assets	252,798,849	239,323,583	121,978,697	120,305,671	374,777,546	359,629,254	15,148,292	4.21%
Deferred outflow s of resources	6,221,402	3,228,486	132,012	52,685	6,353,414	3,281,171	3,072,243	93.63%
Long-term liabilities	151,567,961	163,494,768	23,630,302	24,504,641	175,198,263	187,999,409	(12,801,146)	-6.81%
Other liabilities	14,797,157	14,001,835	420,032	919,686	15,217,189	14,921,521	295,668	1.98%
Total liabilities	166,365,118	177,496,603	24,050,334	25,424,327	190,415,452	202,920,930	(12,505,478)	-6.16%
Deferred inflow s of resources	11,771,241	618,410	293,801	-	12,065,042	618,410	11,446,632	1850.98%
Net position:								
Net investment in capital assets	75,032,918	73,669,285	51,643,356	49,571,504	126,676,274	123,240,789	3,435,485	2.79%
Restricted	55,052,023	61,304,988	-	-	55,052,023	61,304,988	(6,252,965)	-10.20%
Unrestricted	(49,201,049)	(70,537,217)	46,123,218	45,362,525	(3,077,831)	(25,174,692)	22,096,861	-87.77%
Total net position	\$ 80,883,892	\$ 64,437,056	\$ 97,766,574	\$ 94,934,029	\$178,650,466	\$159,371,085	\$19,279,381	12.10%

difference, or (\$4,732,938) is a restatement of the net position at the beginning of the year. Catawba County implemented GASB Statement 68 this year. With the new reporting change, the County allocated its proportionate share of the Local Government Employee's Retirement System's net pension asset, deferred inflows and outflows of resources, and pension expense. A restatement of (\$6,462,567) to record the effects of the new reporting guidance decreased beginning net position. Decisions regarding the allocations are made by the administrators of the pension plan, not by the management of the County. A change in accounting for revolving loans increased net position by \$1,729,629. Additional information can be found in the notes to the financial statements.

The largest portion of net position, 71%, 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 \$8,534,078 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, 31%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is unrestricted, which is (2%) of the total net position. Because the County funds school capital needs through long-term borrowing but does not carry the resulting assets on our financial statements, we report a deficit in unrestricted net position.

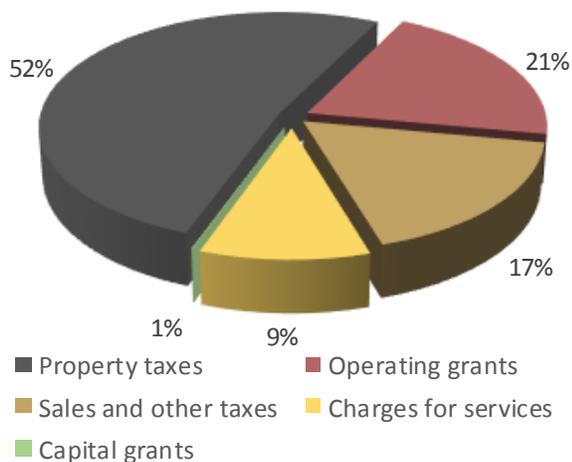
In order to provide a complete picture of the changes in net position of the County, information is provided separately for the net positions of governmental and business-type activities.

Governmental Activities - Governmental activities increased the County's net position by \$21,012,217. Several particular aspects of the County's financial operations positively influenced the unrestricted governmental net position.

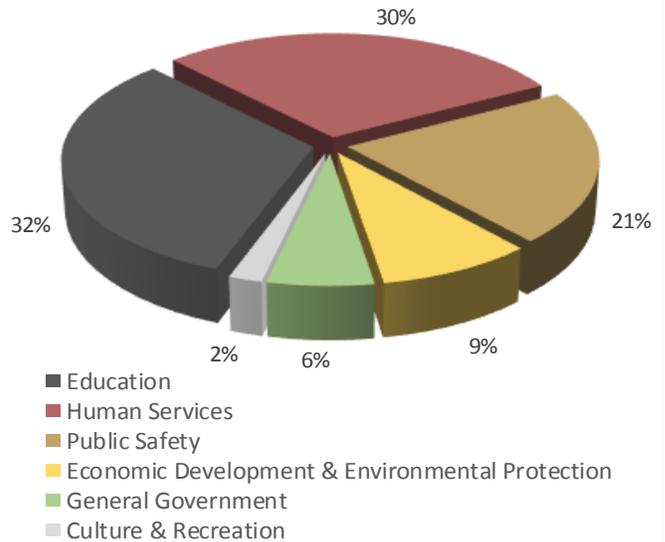
- ▶ The County, through a mutual agreement with the local school system, retained the proceeds of \$3.4 million from the sale of school property, a non-County asset.
- ▶ Long-term liabilities decreased by (\$11.9 million). The key factor in this decrease was annual debt service payments.
- ▶ Increased sales tax revenue of approximately \$1.9 million due to economic growth in the County.

The following graphs represent the major sources of revenues and the major functions of expenditures for governmental activities. Interest on long-term debt has been allocated to functional categories.

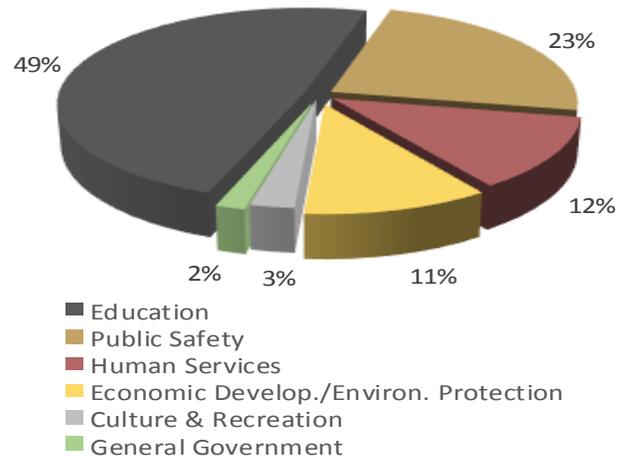
Revenues by Source - Governmental Activities



Expenditures by Function - Governmental Activities



Where do the Local Sales and Property Tax Dollars Go?



Business-type Activities - Business-type activities increased Catawba County's net position by \$3,000,102. Key elements of this change are as follows:

- ▶ Article 46 Sales tax revenues totaling \$1.4 million for various water and sewer projects in the County.
- ▶ Transfer of 1/2 cent property tax for water and sewer capital projects in the amount \$.8 million.

Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 18,478,369	\$ 19,345,405	\$ 6,054,569	\$ 5,671,631	\$ 24,532,938	\$ 25,017,036
Operating grants and contributions	37,229,196	29,136,207	606,766	868,759	37,835,962	30,004,966
Capital grants and contributions	125,000	2,292,224	486,732	126,942	611,732	2,419,166
General revenues:						
Property taxes	94,200,605	93,649,723	-	-	94,200,605	93,649,723
Sales and other taxes	31,614,970	29,522,013	1,763,741	1,657,101	33,378,711	31,179,114
Investment earnings, unrestricted	975,564	1,155,474	477,221	621,805	1,452,785	1,777,279
Gain on capital assets	-	-	2,220	-	2,220	-
Total revenues	182,623,704	175,101,046	9,391,249	8,946,238	192,014,953	184,047,284
Expenses						
General government	9,933,029	10,807,772	-	-	9,933,029	10,807,772
Public safety	32,921,751	32,732,323	-	-	32,921,751	32,732,323
Environmental protection	546,444	492,269	-	-	546,444	492,269
Economic and physical development	13,950,985	13,538,407	-	-	13,950,985	13,538,407
Human services	47,218,856	47,935,422	-	-	47,218,856	47,935,422
Cultural and recreation	3,127,165	2,847,558	-	-	3,127,165	2,847,558
Education	49,298,062	61,843,087	-	-	49,298,062	61,843,087
Interest on long-term debt	3,815,195	3,774,279	-	-	3,815,195	3,774,279
Solid waste management	-	-	4,899,445	5,166,963	4,899,445	5,166,963
Water and sewer	-	-	2,291,702	1,612,849	2,291,702	1,612,849
Total expenses	160,811,487	173,971,117	7,191,147	6,779,812	168,002,634	180,750,929
Increase (decrease) in net position before transfers	21,812,217	1,129,929	2,200,102	2,166,426	24,012,319	3,296,355
Transfers	(800,000)	(1,601,565)	800,000	1,601,565	-	-
Increase (decrease) in net position after transfers	21,012,217	(471,636)	3,000,102	3,767,991	24,012,319	3,296,355
Net position - beginning of year, previously reported	64,437,056	66,678,907	94,934,029	91,166,038	159,371,085	157,844,945
Restatement	(4,565,381)	(1,770,215)	(167,557)	-	(4,732,938)	(1,770,215)
Net position- beginning, restated	59,871,675	64,908,692	94,766,472	91,166,038	154,638,147	156,074,730
Net position - end of year	\$ 80,883,892	\$ 64,437,056	\$ 97,766,574	\$ 94,934,029	\$ 178,650,466	\$ 159,371,085

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources

available for spending at the end of the fiscal year. Information is presented separately in the governmental funds balance sheets and statement of revenues, expenditures and changes in fund balance for the General Fund, the General Capital Fund, and the School Construction Fund, all of which are considered major funds. Data from other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules elsewhere in the report.

At June 30, 2015, the governmental funds of the

County reported a combined fund balance of \$126,839,239, a 1.6 percent increase from the previous year. The primary reason for this increase is the increase in fund balance in the General Fund.

Additional information may be found in the notes to the financial statements.

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 \$43,010,294 while total fund balance was \$60,507,995. The governing body of Catawba County has determined that the county should maintain an available fund balance of at least 16% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has available fund balance of 26.12% of total general fund expenditures, while the total fund balance represents 36.75% of that same amount.

The overall fund balance increased by \$8,215,054 due, in part, to the increase in sales taxes collected and the one time sale of school property with the proceeds retained by the County by agreement with the local school system.

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 decreased by (\$6.7 million) to \$42.6 million. Expenditures were \$9.4 million as construction continued on the Justice Center expansion project.

Non-Major Funds - Fund balances for non-major funds decreased by (\$1.2 million) to \$23.7 million overall. The primary decreases are from expenditures for school capital projects. Several school construction projects are in the final stages of completion.

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 \$97.8 million with \$46.1 million of this amount being unrestricted. The increase in net position in these funds was \$3 million. Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories:

- ▶ Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available.
- ▶ Amendments made to recognize new funding amounts from external sources, such as Federal and State grants.
- ▶ Increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues by \$708,375 or .43%. This increase was due mainly to anticipation of additional federal and state grants available for County services.

Actual revenues were greater than final budgeted amounts by \$8,164,495. This was due mainly to increases in collections of property and sales taxes and sale of school property.

Net amendments to budgeted appropriations were \$203,508 or .1%. The majority of amendments were for public safety and human services, mainly for change in expectations for receipts of federal and state grants. Actual expenditures were less than final budgeted amounts by \$12,836,940. These cost savings resulted mainly from unspent appropriations of a) \$5.3 million in non-personnel services and

Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 6,077,887	\$ 5,696,392	\$ 7,513,455	\$ 7,894,924	\$ 13,591,342	\$ 13,591,316
Buildings	53,065,521	51,851,730	3,703,254	3,776,232	56,768,775	55,627,962
Improvements other than buildings	9,583,689	9,866,576	20,281,949	20,810,070	29,865,638	30,676,646
Machinery, equipment and vehicles	7,303,764	7,056,193	1,132,655	1,438,499	8,436,419	8,494,692
Construction in progress	24,410,639	18,889,461	31,517,831	28,776,489	55,928,470	47,665,950
Total	100,441,500	93,360,352	64,149,144	62,696,214	164,590,644	156,056,566

supplies in human services departments, b) \$3.9 million in salaries and benefits due to temporary vacancies in various departments..

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, 2015, totals \$164,590,644 (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:

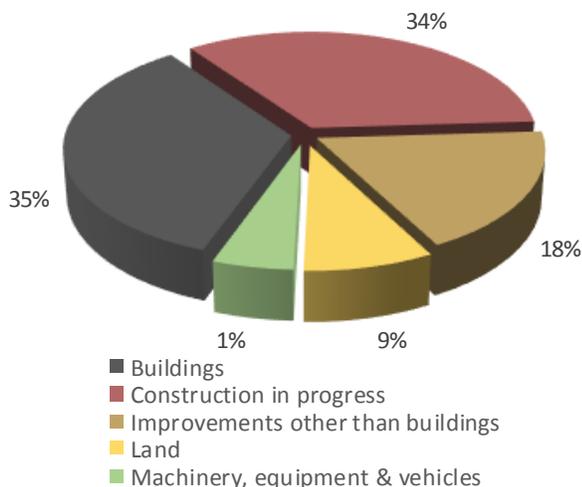
- ▶ Addition of new public safety vehicles including ambulances of approximately \$1.4 million.

- ▶ Retirement of public safety vehicles of approximately \$728,000.
- ▶ Increase in construction in progress in governmental funds of approximately \$7.2 million primarily for the Justice Center expansion.
- ▶ Increase in construction in progress in the water and sewer enterprise fund of approximately \$2.2 million 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, 2015, Catawba County had outstanding debt of \$152,133,618. The overall change in long-term debt was a net decrease of (\$13,878,701) from debt service payments.

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



As mentioned in the financial highlights section of this document, Catawba County maintained for the 6th consecutive year, its Aa1 bond rating from Moody's Investors Service and for the 11th 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 outstanding

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ -	\$ 760,000	\$ -	\$ -	\$ -	\$ 760,000
Certificates of Participation	10,550,000	10,730,000	-	-	10,550,000	10,730,000
Installment Purchases	40,764,047	44,692,130	6,783,333	7,397,122	47,547,380	52,089,252
Qualified Zone Academy Bonds	350,000	400,000	-	-	350,000	400,000
Qualified School Const. Bonds	19,675,994	21,529,896	-	-	19,675,994	21,529,896
Build America Bonds	6,084,013	6,663,443	-	-	6,084,013	6,663,443
Limited Obligation Bonds	52,722,824	57,702,836	4,922,176	5,212,164	57,645,000	62,915,000
Federal Revolving Loan	-	-	1,125,000	1,200,000	1,125,000	1,200,000
Department of Commerce	2,600,000	2,600,000	-	-	2,600,000	2,600,000
Premium on long-term debt	6,380,773	6,935,140	175,458	189,588	6,556,231	7,124,728
Total	\$ 139,127,651	\$ 152,013,445	\$ 13,005,967	\$ 13,998,874	\$ 152,133,618	\$ 166,012,319

is \$152,133,618 compared to the legal debt limit of \$1,178,290,285 or 11% of the legal debt limit.

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

FISCAL YEAR 2014-15 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 11% of its statutory limit. The property tax rate of \$0.53/\$100 was below the State average of \$0.64/\$100 and the 25th lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 60% of the \$3.05 billion in retail sales from the four-county Metropolitan Statistical Area in 2014 despite having only 42.6% of the population. Taxable retail sales increased over 8% from the prior year.
- ▶ Sales tax revenue increased by 6.15% compared to 5.5% in the prior year.
- ▶ The county's unemployment has seen improvement as the rate declined from 7.10% in June 2014 to 6.00% In June 2015.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Governmental Activities - While the local economy continues to show modest improvement, a recent property revaluation projected a 5.88 percent decrease in County-wide real property values. The property tax rate changes from \$.53/100 to \$.575/100 in next year's budget. Revenue projections include a 5.0% increase in property tax revenue and an 8.2% percent increase in sales tax revenue. The County is also budgeting an increase of 9.6 percent in operating expenses due to service expansions for a total approved budget of \$235,495,973 for fiscal year 2015-2016.

Education continues to represent the largest portion of the local budget, with 45.8 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—25.1 cents of every property tax and sales tax dollar—is spent on public safety.

As a commitment to public safety, in fiscal year 2015-2016 the County budgets funds for an additional paramedic crew in the Mountain

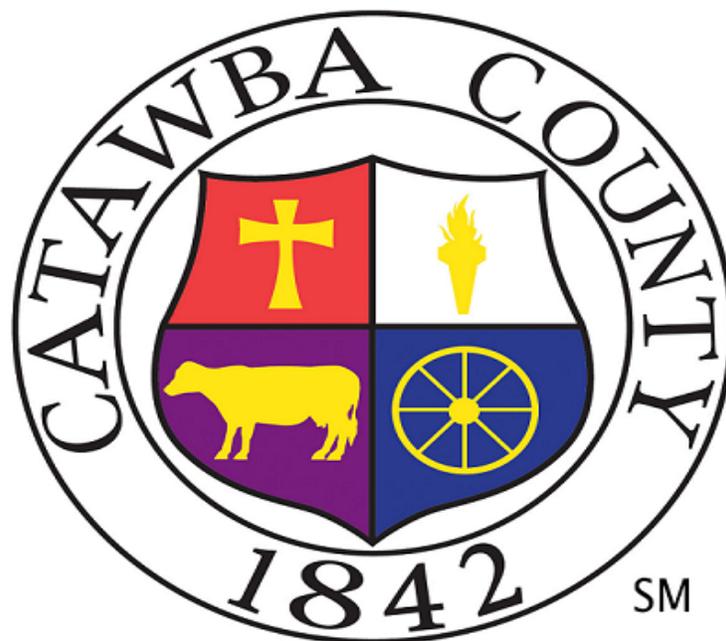
View area in order to maintain an 8-minute County-wide response time. To improve case management and clearance rates of criminal cases, the budget provides for an additional Criminal Investigator position. The County continues to review staffing needs annually, rightsizing in some areas while investing in others. The fiscal year 2015-2016 budget eliminates or reduces hours for 29 positions and adds or increases 12 positions in public safety, parks, cooperative extension and technology. The budget includes a 3% performance based adjustment 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 \$12,393,880 budget includes \$7,227,020 for solid waste and \$2,516,860 for water and sewer operations. Also

included in this amount is \$1,550,000 for solid waste and \$1,100,000 for water and sewer capital projects. As the County grows, there is a greater demand for clean drinking water and sewage disposal. To address these needs, the budget commits \$1.575 million of the property tax and \$700,354 of the 1/4 cent sales tax to fund strategic water and sewer needs. The budget funds a future project with the City of Hickory to provide water and sewer to Park 1764, a region Class A Business Park.

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 at www.catawbacountync.gov.



Basic Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

**Exhibit 1
Page 1 of 2**

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

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

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

Statement of Net Position
June 30, 2015

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

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

CATAWBA COUNTY, NORTH CAROLINA

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

**Exhibit 2
Page 2 of 2**

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

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

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

Balance Sheet
Governmental Funds
June 30, 2015

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

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

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

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

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

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

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

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

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

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

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

Net change in <i>fund balances</i> - total governmental funds (Exhibit 4)	\$ 272,383
Governmental funds report capital outlays as expenditures. However, in the Statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays exceeded depreciation in the current period.	7,081,148
Governmental funds do not report the changes in the net investment in joint ventures. However in the Statement of Activities the current year increase (decrease) in this investment is recorded.	(275,012)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,316,397
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(723,429)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	12,885,794
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(1,545,064)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 21,012,217</u>

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

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

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

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

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

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

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

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

Statement of Net Position
 Proprietary Funds
 June 30, 2015

Business-Type Activities - Enterprise Funds

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

The accompanying notes are an integral part of the financial statements

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

Business-Type Activities - Enterprise Funds

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

The accompanying notes are an integral part of the financial statements



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

Business-Type Activities - Enterprise Funds

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

The accompanying notes are an integral part of the financial statements

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

Business-Type Activities - Enterprise Funds

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

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 9

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

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ <u>80,257</u>
Liabilities	
Miscellaneous liabilities	\$ <u>80,257</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, 2015

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 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, 2015

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.

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

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

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

The County reports the following fiduciary fund types:

Agency Funds - *Agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency funds: Social Services Fund, which accounts for moneys deposited with the Social Services department for the benefit of certain individuals; the Sheriff Commissary Fund, which accounts for monies deposited with the Sheriff department for inmates; the Sheriff Civil Fund, which accounts for the civil settlements issued by the Courts; 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; and the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Catawba County Board of Education, Hickory City Board of Education and Newton-Conover City Board of Education.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

Non-major Funds - The County maintains twenty-six 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 Construction Fund and the Hospital Construction Fund are reported as capital projects funds. The Hospital Capital Reserve Fund is consolidated in the Hospital Construction Fund in accordance with GASB Statement No. 54.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available.

Expenditures are recorded when the related liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated balances, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 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 and the Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds are consolidated with the enterprise operating funds for reporting purposes. 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 are 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 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

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, Sheriff Commissary and Sheriff Civil agency funds. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Social Services, Sheriff Commissary and Sheriff Civil agency funds are maintained in noninterest bearing demand deposit accounts as reflected on Schedule G-1.

Restricted Assets

The debt service reserve in the General Fund are funds in sinking and other funds to accumulate resources for future debt maturities. 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 Capital Reserve Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22. The unexpended installment purchase proceeds are classified as restricted assets within the General Capital Projects 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.

Catawba County Restricted Cash		
Governmental Activities		
General Fund	Debt service reserve	\$ 8,273,296
General Fund	Tax revaluation	183,720
General Fund	Capital reserve funds	456,389
General Capital Projects Fund	Unexpended debt proceeds	10,604,245
School Construction Fund	Unexpended debt proceeds	<u>224,942</u>
Total Governmental Activities		<u>\$ 19,742,592</u>
Business-Type Activities		
Water and Sewer Fund	Unexpended debt proceeds	\$ <u>451,421</u>
Total Business-Type Activities		<u>\$ 451,421</u>
Total Restricted Cash		<u>\$ 20,194,013</u>

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, 2014.

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

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 acquisition and construction costs. Agreements between the County and the Boards of Education give the Boards full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the properties back to the Boards of Education, once all restrictions of the financing agreements have been met. The properties are reflected as capital assets in the financial statements of the Catawba County Board of Education, 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 several items that meet this criterion—a charge on refunding, pension related deferrals, and contributions made to the pension plan in the current fiscal year. 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, ambulance, business license and human resource receivables and other pension related deferrals. Detailed information regarding deferred outflows/inflows of resources can be found under Note 3 in the notes to the financial statements.

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, 2015, 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, 2015

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.

Notes Receivable - portion of fund balance that is not an available resource because it represents the long-term portion of notes receivable, 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.

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.

Debt Service - portion of fund balance that is restricted by revenue source for debt service 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.

Community Development - portion of fund balance that is restricted by grant revenue for community improvement projects.

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

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, 2015

General Capital Reserve - portion of fund balance that is restricted by revenue source for specified capital projects.

General Capital - portion of fund balance that is restricted by revenue source for specified capital projects.

Restricted net position on Exhibit 1 differs from restricted fund balance on Exhibit 3 due to unexpended debt proceeds of \$10,829,187.

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

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

School Construction - portion of fund balance that can only be used for specified school construction 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 administrative 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 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, 2015**

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.

G. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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 \$(45,955,347) consists of several elements as follows:

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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)	\$ 161,867,428
Less accumulated depreciation	<u>(61,425,928)</u>
Net capital assets	<u>100,441,500</u>
Equity in joint ventures for regional jail agency recorded on government-wide statement of net position but not on fund statements because it is not a current financial source of funds	1,344,729
Charges related to advance refunding issued - included on government-wide statement of net position but are not current financial resources	2,901,647
Net pension asset	5,104,530
Contributions to the pension plan in the current year	3,316,397
Deferred inflows of resources reported in the fund statements but not the government-wide	4,162,587
Pension related deferrals	(11,658,776)
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:	
Certificates of participation	(10,550,000)
Installment purchase	(40,764,047)
Qualified zone academy bonds	(350,000)
Qualified school construction bonds	(19,675,994)
Build America bonds	(6,084,013)
Limited obligation bonds	(52,722,824)
Department of Commerce	(2,600,000)
Premium on long-term debt	(6,380,773)
Compensated absences	(4,335,872)
Net pension obligation	(1,264,671)
Net other post employment benefits	<u>(6,839,767)</u>
	<u>(151,567,961)</u>
Total adjustment	<u>\$ (45,955,347)</u>

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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 \$20,739,834 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	\$ 10,534,962
Fair value of donated assets that is not recorded in the fund statement but is recorded in the government-wide statements	381,495
Cost of disposed assets not recorded in fund statements	(26,845)
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	(3,808,464)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affects only the statement of net position in the government-wide statements	
General obligation bonds	760,000
Certificates of participation	180,000
Installment purchases	3,928,083
Qualified zone academy bonds	50,000
Qualified construction construction bonds sinking fund	1,853,902
Build America bonds	579,430
Limited obligation bonds	4,980,012
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,316,397
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	
Pension expense	(259,238)
Amortization of deferred interest	(326,839)
Net (increase) decrease in compensated absences	93,005
Net (increase) decrease in pension obligation	(148,710)
Net (increase) decrease in other post employment benefits	(903,282)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Increase (decrease) in value of joint venture	(275,012)
Amortization of premium on debt issuance	554,367
Net (increase) decrease in receivables and deferred revenue	(723,429)
Total adjustment	<u>\$ 20,739,834</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits and Investments

1. 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, 2015, the County’s deposits had a carrying amount of \$14,943,960 and a bank balance of \$19,966,078. Of the bank balance, \$1,075,900 was covered by federal depository insurance, \$891,979 was covered by collateral held under the dedicated method and \$78,997 in non-interest bearing deposits and \$17,919,202 in interest bearing deposits was covered by collateral under the Pooling Method.

At June 30, 2015, Catawba County had \$8,606 cash on hand.

2. Investments

As of June 30, 2015 the County had the following investments and maturities.

Investment Type	Fair Value	Less than 6		
		months	6-12 months	1-5 years
U.S. Government-sponsored enterprises *	\$ 126,489,813	\$ -	\$ 1,340,511	\$ 125,149,302
Certificates of deposit	255,133	-	255,133	-
Commercial Paper	6,974,140	1,993,502	4,980,638	-
NC Capital Trust Management Trust				
Cash Portfolio-unrestricted	15,592,424	N/A	N/A	N/A
NC Capital Trust Management Trust				
Term Portfolio-restricted	7,052,013	N/A	N/A	N/A
Debt Escrow-restricted	8,153,825	N/A	N/A	N/A
Total:	<u>\$ 164,517,348</u>	<u>\$ 1,993,502</u>	<u>\$ 6,576,282</u>	<u>\$ 125,149,302</u>

*\$84,996,988 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

Interest Rate Risk

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

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

Credit Risk

The County 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, 2015, 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, 2015. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the United States government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. 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 is 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, 2015. 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 77% of the County's investments are in United States government-sponsored enterprises and commercial paper. Investments in Federal Farm Credit are 8%, Federal Home Loan Bank are 18%, Federal Home Loan Mortgage Corporation are 24%, Federal National Mortgage Agency are 27% and commercial paper are 4% 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.

3. 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2012	1,271,592	359,225	1,630,817
2013	1,293,335	248,967	1,542,302
2014	1,306,002	133,865	1,439,867
2015	1,357,200	-	1,357,200
Total	<u>\$ 5,228,129</u>	<u>\$ 742,057</u>	<u>\$ 5,970,186</u>

4. Receivables

Receivables at the government-wide level at June 30, 2015 were as follows:

	<u>Governmental activities</u>			<u>Total Governmental Activities</u>
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>Non-major Funds</u>	
	Receivables			
Accounts	\$ 2,990,648	\$ 5,712	\$ -	\$ 2,996,360
Taxes	7,261,193	-	393,122	7,654,315
Due from other governments	13,903,697	308,643	1,388,778	15,601,118
Notes	1,597,343	-	-	1,597,343
Other	75,542	-	-	75,542
Interest	144,306	88,774	58,348	291,428
Gross Receivables	25,972,729	403,129	1,840,248	28,216,106
Allowance for uncollectibles	(6,022,059)	-	(285,539)	(6,307,598)
Net total receivables	<u>\$ 19,950,670</u>	<u>\$ 403,129</u>	<u>\$ 1,554,709</u>	<u>\$ 21,908,508</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 1,250,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,250,224</u>

	<u>Business-type activities</u>		
	<u>Solid Waste Management Fund</u>	<u>Water and Sewer Fund</u>	<u>Total Business-type Activities</u>
	Receivables		
Accounts	\$ 487,684	\$ 1,298,356	\$ 1,786,040
Notes	-	296,030	296,030
Due from other governments	135,411	614,681	750,092
Interest	55,843	89,424	145,267
Gross Receivables	678,938	2,298,491	2,977,429
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	<u>\$ 678,938</u>	<u>\$ 1,009,631</u>	<u>\$ 1,688,569</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 255,090</u>	<u>\$ 255,090</u>

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 7,916,118	\$ 385,047
White goods disposal tax	-	11,099
Scrap tire tax	-	52,709
Solid waste disposal tax	-	15,276
Various federal and state grants	6,996,159	196,457
Refundable sales tax	688,841	89,504
	<u>\$ 15,601,118</u>	<u>\$ 750,092</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,696,392	\$ 381,495	\$ -	\$ 6,077,887
Construction in progress	18,889,461	7,898,640	(2,377,462)	24,410,639
Total capital assets, not being depreciated	<u>24,585,853</u>	<u>8,280,135</u>	<u>(2,377,462)</u>	<u>30,488,526</u>
Capital assets, being depreciated				
Buildings	92,585,284	3,103,037	-	95,688,321
Other improvements	14,291,159	-	-	14,291,159
Equipment and vehicles	20,440,690	1,910,747	(952,015)	21,399,422
Total capital assets, being depreciated	<u>127,317,133</u>	<u>5,013,784</u>	<u>(952,015)</u>	<u>131,378,902</u>
Less accumulated depreciation for				
Buildings	(40,733,554)	(1,889,246)	-	(42,622,800)
Other improvements	(4,424,583)	(282,887)	-	(4,707,470)
Equipment and vehicles	(13,384,497)	(1,636,331)	925,170	(14,095,658)
Total accumulated depreciation	<u>(58,542,634)</u>	<u>(3,808,464)</u>	<u>925,170</u>	<u>(61,425,928)</u>
Total capital assets, being depreciated, net	<u>68,774,499</u>	<u>1,205,320</u>	<u>(26,845)</u>	<u>69,952,974</u>
Governmental activities capital assets, net	<u>\$ 93,360,352</u>	<u>\$ 9,485,455</u>	<u>\$ (2,404,307)</u>	<u>\$ 100,441,500</u>

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

Governmental activities	
General government	\$ 164,381
Public safety	1,987,770
Environmental protection	30,624
Economic & physical development	278,011
Human services	1,229,592
Culture and recreation	118,086
Total depreciation expense	<u>\$ 3,808,464</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 6,618,072	\$ -	\$ -	\$ 6,618,072
Construction in progress	1,371,173	90,721	-	1,461,894
Total capital assets, not being depreciated	<u>7,989,245</u>	<u>90,721</u>	<u>-</u>	<u>8,079,966</u>
Capital assets, being depreciated				
Buildings	3,989,631	7,000	-	3,996,631
Other improvements	24,672,548	-	-	24,672,548
Equipment and vehicles	9,130,715	147,821	(23,009)	9,255,527
Total capital assets, being depreciated	<u>37,792,894</u>	<u>154,821</u>	<u>(23,009)</u>	<u>37,924,706</u>
Less accumulated depreciation for				
Buildings	(213,399)	(79,978)	-	(293,377)
Other improvements	(11,588,374)	(302,726)	-	(11,891,100)
Equipment and vehicles	(7,692,216)	(453,665)	23,009	(8,122,872)
Total accumulated depreciation	<u>(19,493,989)</u>	<u>(836,369)</u>	<u>23,009</u>	<u>(20,307,349)</u>
Total capital assets, being depreciated, net	<u>18,298,905</u>	<u>(681,548)</u>	<u>-</u>	<u>17,617,357</u>
Solid Waste Management capital assets, net	<u>\$ 26,288,150</u>	<u>\$ (590,827)</u>	<u>\$ -</u>	<u>\$ 25,697,323</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 1,276,852	\$ 26	\$ (381,495)	\$ 895,383
Construction in progress	27,405,316	2,650,621	-	30,055,937
Total capital assets, not being depreciated	<u>28,682,168</u>	<u>2,650,647</u>	<u>(381,495)</u>	<u>30,951,320</u>
Capital assets, being depreciated				
Plant and distribution systems/water lines	9,894,448	-	-	9,894,448
Other improvements	58,885	-	-	58,885
Total capital assets, being depreciated	<u>9,953,333</u>	<u>-</u>	<u>-</u>	<u>9,953,333</u>
Less accumulated depreciation for				
Plant and distribution systems/water lines	(2,219,193)	(224,217)	-	(2,443,410)
Other improvements	(8,244)	(1,178)	-	(9,422)
Total accumulated depreciation	<u>(2,227,437)</u>	<u>(225,395)</u>	<u>-</u>	<u>(2,452,832)</u>
Total capital assets, being depreciated, net	<u>7,725,896</u>	<u>(225,395)</u>	<u>-</u>	<u>7,500,501</u>
Water & Sewer capital assets, net	<u>\$ 36,408,064</u>	<u>\$ 2,425,252</u>	<u>\$ (381,495)</u>	<u>\$ 38,451,821</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Construction Commitments

The County has active construction and other capital projects as of June 30, 2015. The government's commitments with contractors and vendors are composed of numerous projects within the following funds:

	<u>Project Authorization</u>	<u>Expended to June 30, 2015</u>	<u>Committed</u>	<u>Required Future Financing</u>
Governmental activities				
General Capital Projects	\$ 73,175,703	\$ 34,063,231	39,112,472	None
Schools Capital Projects	17,256,304	13,360,415	3,895,889	None
School Construction	<u>80,938,819</u>	<u>53,291,687</u>	<u>27,647,132</u>	None
Total governmental activities	<u>\$ 171,370,826</u>	<u>\$ 100,715,333</u>	<u>\$ 70,655,493</u>	
Business-type activities				
Solid Waste Management Fund	\$ 4,233,377	\$ 1,361,751	2,871,626	None
Water and Sewer Fund	<u>44,331,735</u>	<u>30,926,063</u>	<u>13,405,672</u>	None
Total business-type activities	<u>\$ 48,565,112</u>	<u>\$ 32,287,814</u>	<u>\$ 16,277,298</u>	

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities				
General	\$ 2,219,148	\$ 2,593,239	\$ 423,091	\$ 5,235,478
General Capital Projects	1,125,843	-	-	1,125,843
Non-major Funds	<u>281,180</u>	<u>3,423</u>	-	<u>284,603</u>
Total governmental activities	<u>\$ 3,626,171</u>	<u>\$ 2,596,662</u>	<u>\$ 423,091</u>	<u>\$ 6,645,924</u>
Business-type Activities				
Solid Waste Management	\$ 225,797	\$ 52,136	73	278,006
Water and Sewer	<u>117,705</u>	<u>5,193</u>	<u>19,128</u>	<u>142,026</u>
Total business-type activities	<u>\$ 343,502</u>	<u>\$ 57,329</u>	<u>\$ 19,201</u>	<u>\$ 420,032</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at www.osc.nc.gov.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$3,386,383 for the year ended June 30, 2015.

Refunds of Contributions. County employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$4,858,036 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .824%, which was a decrease of .017% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$276,953. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 530,825
Net difference between projected and actual earnings on pension plan investments	-	11,309,396
Changes in proportion and differences between County contributions and proportionate share of contributions	-	110,204
County contributions subsequent to the measurement date	<u>3,386,383</u>	<u>-</u>
Total	<u>\$ 3,386,383</u>	<u>\$ 11,950,425</u>

\$3,386,383 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (2,988,008)
2017	(2,988,008)
2018	(2,988,008)
2019	(2,986,401)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County’s proportionate share of the net pension liability (asset)	\$ 16,490,271	\$ (4,858,036)	\$ (22,832,618)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. 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,

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

2014, 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>143</u>
	<u>149</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. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The separation allowance has no assets accumulated in a trust funds that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

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 is considered immaterial amounts. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. 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, 2013 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 remaining amortization period at December 31, 2013 was 17 years.

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

Annual required contribution	\$ 251,778
Interest on net pension obligation	55,798
Adjustment to annual required contribution	<u>(94,271)</u>
Annual pension cost	\$ 213,305
Contributions made	<u>64,595</u>
Increase (decrease) in net pension obligation	\$ 148,710
Net pension obligation beginning of year	<u>1,115,961</u>
Net pension obligation end of year	<u><u>\$ 1,264,671</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

3 Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	177,873	24.98	994,540
6/30/2014	184,346	34.13	1,115,961
6/30/2015	213,305	30.28	1,264,671

Funded Status and Funding Progress

As of December 31, 2014, 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 \$1,922,020. The covered payroll (annual payroll of active employees covered by the plan) was \$6,096,759, and the ratio of the UAAL to the covered payroll was 31.53%.

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.

c. 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. Article 5 of 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, 2015 were \$372,781 which consisted of \$306,871 from the County and \$65,910 from the law enforcement officers.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Catawba County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers 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 Registers 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$13,268 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$365,928 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was 1.61%, which was an increase of .024% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(10,908). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,358	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,970
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,541
County contributions subsequent to the measurement date	13,268	-
Total	<u>\$ 16,626</u>	<u>\$ 5,511</u>

\$13,268 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (576)
2017	(576)
2018	(509)
2019	(492)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
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Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate. The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	<u>1% Decrease (4.75%)</u>	<u>Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (328,579)	\$ (365,928)	\$ (398,014)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**e. 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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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, 2014, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	47	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>940</u>	<u>143</u>
Total	<u><u>987</u></u>	<u><u>146</u></u>

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

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

The current ARC rate is 2.45% of annual covered payroll. For the current year, the County contributed \$252,245 or .53% of annual covered payroll. The County has a limited self-insurance plan covering health care coverage, and has a stop loss policy with private insurers.

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

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

Annual required contribution	\$ 1,172,860
Interest on net pension obligation	244,815
Adjustment to annual required contribution	<u>(233,874)</u>
Annual pension cost	\$ 1,183,801
Contributions made	<u>(252,245)</u>
Increase (decrease) in net pension obligation	\$ 931,556
Net pension obligation beginning of year	<u>6,120,376</u>
Net pension obligation end of year	<u><u>\$ 7,051,932</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
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Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 948,783	26.3%	\$ 5,432,440
6/30/2014	\$ 948,783	27.5%	\$ 6,120,376
6/30/2015	\$ 1,183,801	21.3%	\$ 7,051,932

Funded Status and Funding Progress. As of December 31, 2014, 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 \$11,184,877. The covered payroll (annual payroll of active employees covered by the plan) was \$47,684,437, and the ratio of the UAAL to the covered payroll was 23.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 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 7.50 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 open basis. The remaining amortization period at December 31, 2014, was 30 years.

f. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2015, the County made contributions to the State for death benefits of \$0. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
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contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

<u>No. Years Contributing</u>	<u>Years Relief</u>	<u>FY Contributions Resume</u>
10 - 20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. Catawba County will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

3. 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 \$10,281,541 reported as landfill closure and postclosure care liability as of June 30, 2015 represents a cumulative amount reported to date based on the use of 78.2% of the total estimated capacity of the municipal solid waste operating cell and 56.4% 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 \$9,813,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. The County expects to close the current municipal solid waste operating cell at the Blackburn Resource Recovery facility in 2021 and the construction and demolition operating cell in 2023. 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.

(continued on next page)

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**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 2,950,405	\$ -
Pensions - difference between expected and actual experience		
LGERS	-	530,825
Register of Deeds	3,358	-
Pensions - difference between projected and actual investment earnings	-	11,311,366
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		113,744
Contributions to pension plan in 2014/2015 fiscal year	3,399,651	
Prepaid taxes not yet earned (General)	-	106,998
Prepaid taxes not yet earned (Special Revenue)	-	2,109
Taxes receivable, net (General)	-	1,521,284
Taxes receivable, net (Special Revenue)	-	107,583
Ambulance receivable, net (General)	-	1,629,436
Business license receivable, net (General)	-	6,485
Human resource receivable, net (General)	-	897,799
Total	<u>\$ 6,353,414</u>	<u>\$ 16,227,629</u>

5. 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. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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).

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

Liabilities for claims are reported in the County's General Fund.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning	\$ 397,445	\$ 506,660	\$ 601,365
Incurred claims	5,829,434	5,272,718	5,052,358
Claim payments	<u>(5,733,845)</u>	<u>(5,381,933)</u>	<u>(5,147,063)</u>
Unpaid claims, ending	<u>\$ 493,034</u>	<u>\$ 397,445</u>	<u>\$ 506,660</u>

6. Contingent Liabilities

At June 30, 2015, 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.

7. Long-Term Obligations

a. 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, 2015, total lease expenditures reached \$169,252.

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

<u>Year Ending</u>	<u>Amount</u>
2016	\$ 169,252
2017	168,712
2018	144,058
2019	<u>95,586</u>
	<u>\$ 577,608</u>

Governmental Activities

b. 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 refinanced 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, 2015, including \$285,844 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

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	Governmental Activities	
	Principal	Interest
2016	613,333	84,287
2017	613,333	69,629
2018	613,333	54,970
2019	613,333	40,311
2020	613,334	25,653
2021	613,334	10,994
Total principal payments	<u>\$ 3,680,000</u>	
Total interest payments		<u>\$ 285,844</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, 2015, including \$2,102 of interest are:

	Governmental Activities	
	Principal	Interest
2016	133,625	1,961
2017	33,755	141
Total principal payments	<u>\$ 167,380</u>	
Total interest payments		<u>\$ 2,102</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, 2015, including \$1,775,835 of interest are:

	Governmental Activities	
	Principal	Interest
2016	1,116,667	363,475
2017	1,116,667	321,935
2018	1,116,667	280,395
2019	1,116,667	238,855
2020	1,116,667	197,315
2021-2024	4,466,665	373,860
Total principal payments	<u>\$ 10,050,000</u>	
Total interest payments		<u>\$ 1,775,835</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

4. 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%.

For Catawba County, the future minimum payments as of June 30, 2015, including \$3,686,107 of interest are:

	Governmental Activities	
	Principal	Interest
2016	2,066,666	526,587
2017	2,066,666	486,080
2018	2,066,666	445,573
2019	2,066,666	405,067
2020	2,066,666	364,560
2021-2025	10,333,337	1,215,200
2026-2028	6,200,000	243,040
Total principal payments	<u>\$ 26,866,667</u>	
Total interest payments		<u>\$ 3,686,107</u>

c. 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, 2015 are:

	Governmental Activities	
	Principal	Interest
2016	50,000	-
2017	50,000	-
2018	50,000	-
2019	50,000	-
2020	50,000	-
2021-2022	100,000	-
Total principal payments	<u>\$ 350,000</u>	
Total interest payments		<u>\$ -</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

d. Qualified School Construction Bonds

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on September 27, 2010 for the purpose of providing funds up to \$21,508,553 for the construction of a new middle school, renovations to a middle school, renovations to a high school, and renovations of a community college. The County’s obligation under the contract will be designated as “Qualified School Construction Bonds (QSCBs)” pursuant to the federal QSCB program. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County entered into a lease with the Boards of Education and Board of Trustees that transfers the rights and responsibilities for the maintenance and insurance of the property to the Boards of Education and Board of Trustees. The lease calls for nominal lease payments and a bargain purchase option. The lease term is the same as that of the installment purchase agreement. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Boards of Education and Board of Trustees. The financing contract requires semi-annual sinking fund payments of \$716,951 beginning March 2011 with an interest rate of 5% and a maturity date of September 27, 2025 when principal is due in full. Under the original QSCB agreement, the County’s obligation is eligible up to a 100% credit against the interest paid. The federal interest subsidy was reduced during the year by 7.3%, or \$77,968.51, as part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year.

The future minimum payments as of June 30, 2015, including \$11,291,990 of interest, are as follows:

	Governmental Activities	
	<u>Principal/Sinking Fund</u>	<u>Interest</u>
2016	1,433,902	1,075,428
2017	1,433,902	1,075,428
2018	1,433,902	1,075,428
2019	1,433,902	1,075,428
2020	1,433,902	1,075,428
2021-2025	7,169,510	5,377,137
2026	716,974	537,713
Total principal payments	<u>\$ 15,055,994</u>	
Total interest payments		<u>\$ 11,291,990</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 when principal is due in full. Under the original QSCB agreement, the County’s obligation is eligible up to a 100% credit against the interest paid. The federal interest subsidy was reduced during the year by 7.3%, or \$25,212.60, as part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year.

The future minimum payments as of June 30, 2015, including \$3,825,440 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

	Governmental Activities	
	<u>Principal/Sinking Fund</u>	<u>Interest</u>
2016	420,000	347,760
2017	420,000	347,760
2018	420,000	347,760
2019	420,000	347,760
2020	420,000	347,760
2021-2025	2,100,000	1,738,880
2026	420,000	347,760
Total principal payments	<u>\$ 4,620,000</u>	
Total interest payments		<u>\$ 3,825,440</u>

e. 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 original BAB agreement, the County's obligation is eligible up to a 35% credit against the interest paid. The federal interest subsidy was reduced during the year by 7.3%, or \$8,103.81, as part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year.

The future minimum payments as of June 30, 2015, including \$1,639,642 of interest are:

	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2016	579,430	291,019
2017	579,430	262,627
2018	579,430	234,235
2019	579,430	205,842
2020	579,430	177,450
2021-2025	2,897,149	461,371
2026	289,714	7,098
Total principal payments	<u>\$ 6,084,013</u>	
Total interest payments		<u>\$ 1,639,642</u>

f. Certificates of Participation

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. The financing contract requires principal payments beginning June 2013 with an interest rate of 2.08%.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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, 2015, including \$1,161,680 of interest are as follows:

	Governmental Activities	
	Principal	Interest
2016	1,160,000	219,440
2017	1,145,000	195,312
2018	1,130,000	171,496
2019	1,100,000	147,992
2020	1,075,000	125,112
2021-2025	<u>4,940,000</u>	<u>302,328</u>
Total principal payments	<u>\$ 10,550,000</u>	
Total interest payments		<u>\$ 1,161,680</u>

g. 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, 2015, including \$210,060 of interest are as follows:

	Governmental Activities	
	Principal	Interest
2016	-	52,000
2017	499,612	52,000
2018	509,604	42,008
2019	519,796	31,816
2020	530,192	21,420
2021	<u>540,796</u>	<u>10,816</u>
Total principal payments	<u>\$ 2,600,000</u>	
Total interest payments		<u>\$ 210,060</u>

h. Limited Obligation Bonds

1. 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:

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

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 is 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, 2015, including \$9,184,525 of interest are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	3,530,525	965,723	514,475	140,727
2020	2,950,105	836,110	429,895	121,840
2021-2025	12,865,249	2,231,933	1,874,751	325,242
2026-2028	3,766,182	246,046	548,818	35,854
Total principal payments	<u>\$ 33,777,824</u>		<u>\$ 4,922,176</u>	
Total interest payments		<u>\$ 8,016,363</u>		<u>\$ 1,168,162</u>

2. 2014 Limited Obligation Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on March 4, 2014 to issue \$21,935,000 in Limited Obligation Bonds Series 2014A to refinance existing financial obligations of the County, and to provide funds for a Justice Center expansion.

Of this amount, \$1,810,000 was used to advance refund \$1,805,000 of Series 2004 Certificates of Participation. As a result, the refunded obligation is considered defeased and the liability removed from the government column of the statement of net position. The reacquisition price exceeded the net carrying value of the old debt by \$5,000. 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 paid in full in fiscal year 2015.

The remaining \$20,125,000 of this issuance was used to finance the expansion of the County's Justice Center. The agreement requires seventeen annual principal payments that vary from \$1,180,000 to \$1,185,000 and interest payments at a rate that varies from 2% - 5%.

For Catawba County, the future minimum payments as of June 30, 2015, including \$7,497,925 of interest are:

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CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

	Governmental Activities	
	Principal	Interest
2016	1,180,000	813,944
2017	1,185,000	790,344
2018	1,185,000	754,794
2019	1,185,000	713,244
2020	1,185,000	671,694
2021-2025	5,925,000	2,550,918
2026-2030	5,920,000	1,143,987
2031	1,180,000	59,000
Total principal payments	<u>\$ 18,945,000</u>	
Total interest payments		<u>\$ 7,497,925</u>

Business-Type Activities

i. 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, 2015, including interest are:

	Business-type Activities	
	Principal	Interest
2016	75,000	-
2017	75,000	-
2018	75,000	-
2019	75,000	-
2020	75,000	-
2021-2025	375,000	-
2026-2030	375,000	-
Total principal payments	<u>\$ 1,125,000</u>	
Total interest payments		<u>\$ -</u>

j. 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, 2015, including \$693,441 of interest are:

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

	Business-type Activities	
	Principal	Interest
2016	624,899	122,778
2017	636,210	111,468
2018	647,725	99,952
2019	659,449	88,229
2020	671,385	76,292
2021-2025	<u>3,543,665</u>	<u>194,722</u>
Total principal payments	<u>\$ 6,783,333</u>	
Total interest payments		<u>\$ 693,441</u>

k. Debt Related to Capital Activities

Of the total Government Activities debt listed, unexpended debt proceeds, premiums on debt, and deferred charges on refundings, only \$25,408,581 relates to assets the County holds title. Unexpended debt proceeds are \$10,604,245 for governmental activities and \$451,421 for business-type activities.

l. Legal Debt Margin

At June 30, 2015, Catawba County had a legal debt margin of \$1,178,290,285.

m. Revenue Bonds

North Carolina Recreational Facilities

On December 22, 1999, the County issued County of Catawba, North Carolina Recreational Facilities Lease Revenue Bonds (YMCA of Catawba Valley Project), Series 1999 totaling \$4,300,000 pursuant to an Indenture of Trust dated as of December 1, 1999 (the "Indenture") between the County of Catawba, North Carolina (the "County") and First Citizens Bank and Trust Company, as trustee (the "Trustee"), and authorized by a bond order of the County adopted effective as of December 8, 1999. The proceeds received by the County from the sale of the Bonds were used by the County to acquire, pursuant to the Ground Lease dated as of December 1, 1999 (the "Ground Lease") between the Young Mens Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and the County as Lessee, a long-term leasehold estate in (i) certain existing recreational facilities owned by the Corporation, and (ii), certain real property on which the Corporation constructed new recreational facilities owned by the Corporation ((i) and (ii) collectively, the "Property"), which Property the County simultaneously leased back to the Corporation pursuant to the Lease Agreement dated as of December 1, 1999 (the "Lease Agreement") between the County and the Corporation. The Corporation used the funds it received from the lease of the property to the County under the Ground Lease and from other sources for the purpose of refinancing certain existing indebtedness and financing the costs of acquiring, constructing, improving, and equipping certain new recreational facilities, which are located within the County.

The Bonds are limited obligations of the County. The Bonds and interest thereon and any redemption or purchase premiums with respect thereto do not now and shall never constitute an indebtedness or an obligation of the County, the State of North Carolina (the "State") or any political subdivision thereof, within the meaning of any constitutional limitation or statutory provision and does give rise to a charge against the general credit or taxing powers of any of them, but is payable solely from the revenues and income derived from the Lease Agreement, which revenues and income have been pledged and assigned to the Trustee to secure payment thereof, and from moneys available to be drawn by the Trustee under the Credit Facility. No owner of the Bonds shall have the right to compel the exercise of the taxing power of the County, the State or any political subdivision thereof to pay any principal installment or purchase price of, or redemption or purchase premium, if any, or interest on the Bonds.

Total NC Recreational Facilities Lease Revenue Bonds outstanding at June 30, 2015 were \$1.1 million.

Catawba Valley Medical Center

1. 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 at an interest rate of 12% for the purpose of funding a construction project that will renovate and

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

retrofit the current facilities while providing a utilities substructure that will allow for possible future expansion. Payments of principal begin October 1, 2018 and continue through October 1, 2039. The bonds are secured by an irrevocable letter of credit with an initial term ending August 2016. 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, 2015 were \$25,000,000.

2. 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, 2015 were \$19,330,000.

3. 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, 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 2011 Hospital Refunding Bonds outstanding at June 30, 2015 were \$4,565,000.

n. Catawba Valley Medical Center Capital Lease Obligation

Catawba Valley Medical Center (the "Medical Center") leases certain medical equipment that requires monthly payments with title passing to the Medical Center at the end of the lease term. The assets held under this capital leasing arrangement and accumulated amortization are included in equipment within the total capital assets and accumulated depreciation reported by the Medical Center. At June 30, 2015, assets under capital leases had a cost of \$1,620,663 and accumulated amortization of \$281,793. During 2015, amortization expense related to the capital lease was approximately \$605,000.

The leases do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any County property or upon its income, receipts, or revenue.

The present value of minimum lease payments at June 30, 2015 was \$3,842,871.

o. 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, 2015:

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

	Balance			Balance	Current
	June 30, 2014	Increases	Decreases	June 30, 2015	Portion
					of Balance
Governmental activities					
General obligation debt	\$ 760,000	\$ -	\$ (760,000)	\$ -	\$ -
Certificates of participation	10,730,000	-	(180,000)	10,550,000	1,160,000
Installment purchase	44,692,130	-	(3,928,083)	40,764,047	3,930,291
Qualified Zone Academy Bonds	400,000	-	(50,000)	350,000	50,000
Qualified School Const. Bond	21,529,896	-	(1,853,902)	19,675,994	1,853,902
Build America Bonds	6,663,443	-	(579,430)	6,084,013	579,430
Limited obligation bonds	57,702,836	-	(4,980,012)	52,722,824	4,758,529
Department of Commerce	2,600,000	-	-	2,600,000	-
Premium on long-term debt	6,935,140	-	(554,367)	6,380,773	-
Net pension liability (LGERS)	9,883,199	-	(9,883,199)	-	-
Compensated absences	4,428,877	3,060,855	(3,153,860)	4,335,872	3,153,860
Net pension obligation	1,115,961	213,305	(64,595)	1,264,671	-
Net OPEB obligation	5,936,485	1,155,527	(252,245)	6,839,767	-
Total governmental activities	<u>\$ 173,377,967</u>	<u>\$ 4,429,687</u>	<u>\$ (26,239,693)</u>	<u>\$ 151,567,961</u>	<u>\$ 15,486,012</u>
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 10,181,541	\$ 100,000	\$ -	\$ 10,281,541	\$ 100,000
Compensated absences	118,114	65,369	(75,726)	107,757	75,726
Net pension liability (LGERS)	246,219	-	(246,219)	-	-
Net OPEB obligation	178,790	27,227	-	206,017	-
Total Solid Waste Management	<u>\$ 10,724,664</u>	<u>\$ 192,596</u>	<u>\$ (321,945)</u>	<u>\$ 10,595,315</u>	<u>\$ 175,726</u>
Water & Sewer					
Installment purchase	\$ 7,397,122	\$ -	\$ (613,789)	\$ 6,783,333	\$ 624,899
Limited obligation bonds	5,212,164	-	(289,988)	4,922,176	521,471
Federal Revolving Loan	1,200,000	-	(75,000)	1,125,000	75,000
Premium on long-term debt	189,588	-	(14,130)	175,458	-
Compensated absences	22,221	10,071	(9,420)	22,872	9,420
Net pension liability (LGERS)	3,040	-	(3,040)	-	-
Net OPEB obligation	5,101	1,047	-	6,148	-
Total Water & Sewer	<u>\$ 14,029,236</u>	<u>\$ 11,118</u>	<u>\$ (1,005,367)</u>	<u>\$ 13,034,987</u>	<u>\$ 1,230,790</u>
Total business-type activities	<u>\$ 24,753,900</u>	<u>\$ 203,714</u>	<u>\$ (1,327,312)</u>	<u>\$ 23,630,302</u>	<u>\$ 1,406,516</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

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 \$3,153,860 for governmental activities and \$85,146 for business-type activities. Net pension and other post-employment benefits are typically liquidated in the general fund.

p. Conduit Debt Obligations

Catawba County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, according to information furnished by the Economic Development Commission, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$4.1 million.

q. 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, 2015, consist of the following:

General Fund

From the General fund to the Emergency Telephone System fund to supplement other funding sources	1,350
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	1,225,000
From the General fund to School Construction fund for future debt service	3,185,358
From the General fund to Water & Sewer Construction fund for the construction of waterlines to supply adequate water to various County locations	<u>800,000</u>
Subtotal General Fund	<u>5,211,708</u>

Other Governmental Funds

From the Emergency Telephone fund to General Capital Projects fund to supplement funds for new equipment at Communication center	197,904
From the School Capital Projects fund to the General Fund to supplement funds for debt service and community college operations	530,000
From the School Construction fund to the School Capital Projects fund to supplement funds for various school renovations	35,000
From the Citizens' Alert System fund to the General fund to supplement funds for emergency services	<u>12,571</u>
Subtotal Other Governmental Funds	<u>775,475</u>
Total transfers to other funds	<u>\$5,987,183</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

D. Fund Balance

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

Total fund balance - General Fund	\$60,507,995
Less:	
Inventories	319,059
Prepaid	115,502
Stabilization by State Statute	15,465,797
Notes receivable	<u>1,597,343</u>
Fund Balance Available	<u><u>44,607,637</u></u>

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

	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Non-Major Funds</u>	<u>Enterprise Funds</u>
Encumbrances	\$ 1,167,474	\$ 19,374,375	\$ 8,500	\$ 2,912,745

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. Installment purchase obligations of \$7,470,812 are outstanding at June 30, 2015. The County made debt service payments of \$31,225 during the fiscal year on general obligation bonds and debt service payments of \$1,258,791 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 \$4,318,000 and \$1,425,715 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. 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, 2015. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 2550 Highway 70 SE, Hickory NC, 28602.

The County, in conjunction with three other counties, participates in the Lake Norman Marine Commission (the

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

“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, 2015. 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 \$1,344,729 at June 30, 2015. 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 \$42,208 to the Council during the fiscal year ended June 30, 2015.

NOTE 7 – BENEFIT PAYMENTS ISSUED BY THE STATE

Certain amounts were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. This additional aid to County recipients does not appear in the basic financial statements, because it does not represent revenues and expenditures of the County.

NOTE 8 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 9 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In August 2015, Catawba County entered into a \$570,000 financing agreement for the purpose of computer equipment upgrades. The term of this financing agreement is 48 months at an interest rate of 1.43%.

NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June, 2015. The implementation of the statement required the County to record beginning net pension liability and the

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015**

effects on net position of contributions made by the County during the measurement period (fiscal year ending June 20, 2014). As a result, net position for the governmental and business-type activities decreased by \$(6,295,010 and \$167,557), respectively.

The General fund balance was restated in the current year by \$1,729,629 due to notes receivable being classified as deferred inflows of resources in the prior year.



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.

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) - Local Governmental Employee's Retirement System

Schedule of the County's Contributions - Local Governmental Employee's Retirement System

Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Registers of Deeds' Supplemental Pension Fund

Schedule of the County's Contributions – Registers of Deeds' Supplemental Pension Fund

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.)

**Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
12/31/2009	\$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%
12/31/2013	0	1,648,950	1,648,950	0.00%	5,856,739	28.15%
12/31/2014	0	1,922,020	1,922,020	0.00%	6,096,759	31.53%

**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>
2010	\$141,973	57.58
2011	188,321	31.72
2012	173,828	26.16
2013	188,405	23.58
2014	215,647	29.18
2015	251,778	25.66

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	12/31/2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar - Closed
Remaining Amortization Period	16 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

Schedule 12

**Other Post Employment Benefits (OPEB) - Pay As You Go
Required Supplementary Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
12/31/2005	\$0	\$18,572,261	\$18,572,261	0.00%	\$38,665,996	48.00%
12/31/2007	0	9,826,953	9,826,953	0.00%	45,934,924	21.40%
12/31/2009	0	9,569,644	9,569,644	0.00%	46,608,375	20.50%
12/31/2011	0	9,245,855	9,245,855	0.00%	45,475,885	20.30%
12/31/2014	0	11,184,877	11,184,877	0.00%	47,684,437	23.50%

**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>
2010	\$1,013,872	21.06
2011	962,206	24.10
2012	962,206	25.62
2013	940,323	26.49
2014	940,323	27.74
2015	1,172,860	21.51

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	12/31/2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay - Open
Remaining Amortization Period	30 years
Amortization Factor	26.1695
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Investment Rate of Return*	4.00%
Medical Trend Assumptions	
Pre-Medicare Trend Rate	7.50 - 5.00%
Year of Ultimate Trend Rate	2020
*Includes Inflation at	3.00%

**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Governmental Employee's Retirement System
Last Two Fiscal Years***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.82375%	0.84060%
County's proportionate share of the net pension liability (asset)	\$ (4,858,036)	\$ 10,132,458
County's covered-employee payroll	\$ 46,741,190	\$ 46,158,989
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(10.39%)	21.95%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

CATAWBA COUNTY, NORTH CAROLINA

Schedule 15

**Schedule of County Contributions
Local Governmental Employee's Retirement System
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,386,383	\$ 3,317,023
Contributions in relation to the contractually required contribution	<u>3,386,383</u>	<u>3,317,023</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 47,791,623	\$ 46,741,190
Contributions as a percentage of covered-employee payroll	7.09%	7.10%

**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Registers of Deeds' Supplemental Pension Fund
Last Two Fiscal Years***

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	1.61440%	1.59029%
County's proportionate share of the net pension liability (asset) \$	(365,928)	\$ (339,686)
County's covered-employee payroll \$	83,768	\$ 75,798
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(436.84%)	(448.15%)
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Schedule of County Contributions
Registers of Deeds' Supplemental Pension Fund
Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,268	\$ 13,181
Contributions in relation to the contractually required contribution	<u>13,268</u>	<u>13,181</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 86,722	\$ 83,768
Contributions as a percentage of covered-employee payroll	15.30%	15.74%



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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
REVENUES				
Ad Valorem Taxes				
Taxes	\$ 84,264,572	\$ 87,744,244		
Penalties and interest	286,000	699,600		
Tax leased vehicles and equipment	60,410	111,117		
Total ad valorem taxes	<u>84,610,982</u>	<u>88,554,961</u>	<u>3,943,979</u>	<u>88,556,119</u>
Other Taxes				
Local Option Sales Taxes				
Article 39 - one percent	11,055,319	12,486,080		
Article 40 - one half of one percent	6,063,972	6,854,441		
Article 42 - one half of one percent	2,585,494	2,924,318		
Article 46 - one quarter of one percent	2,765,735	2,940,839		
Subtotal local option sales taxes	<u>22,470,520</u>	<u>25,205,678</u>	<u>2,735,158</u>	<u>21,240,265</u>
Other Taxes and Licenses				
Real estate excise stamps	400,000	543,177		
ABC 5 cents per bottle	55,000	50,534		
Privilege licenses	22,500	20,950		
Subtotal other taxes and licenses	<u>477,500</u>	<u>614,661</u>	<u>137,161</u>	<u>487,453</u>
Total other taxes	<u>22,948,020</u>	<u>25,820,339</u>	<u>2,872,319</u>	<u>21,727,718</u>
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	325,000	401,014		
Video Programming fees	628,000	636,539		
Catawba County ABC profit distribution	856,785	912,575		
Total unrestricted intergovernmental revenues	<u>1,809,785</u>	<u>1,950,128</u>	<u>140,343</u>	<u>1,902,192</u>
Restricted Intergovernmental Revenues				
State grants	6,648,186	6,989,741		
Federal grants	13,698,910	13,109,403		
State and federal grants shared	11,360,711	11,228,991		
Other	6,813,559	5,291,704		
Total restricted intergovernmental revenues	<u>38,521,366</u>	<u>36,619,839</u>	<u>(1,901,527)</u>	<u>34,168,849</u>
Permits and Fees				
Building permits	1,189,100	1,341,160		
Register of deeds	555,500	515,277		
Environmental health fees	276,000	261,067		
Other permits and fees	198,342	280,667		
Total permits and fees	<u>2,218,942</u>	<u>2,398,171</u>	<u>179,229</u>	<u>2,130,735</u>
Sales and Services				
Human resources services	4,996,229	3,745,413		
Services to municipalities	431,370	452,922		
Ambulance services	5,196,055	5,610,577		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Other sales and services	474,610	466,160		
Total sales and services	11,098,264	10,275,072	(823,192)	11,363,376
Investment Earnings	400,600	457,840	57,240	540,922
Miscellaneous				
Rental fees	109,599	108,999		
Donations and local grants	378,777	282,876		
Insurance premiums	1,537,000	1,626,111		
Other	499,866	4,203,360		
Total miscellaneous	2,525,242	6,221,346	3,696,104	2,886,785
 Total revenues	164,133,201	172,297,696	8,164,495	163,276,696
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	53,880	54,851		
Other operating	108,550	102,009		
	162,430	156,860	5,570	123,464
Administration				
County Manager				
Salaries & employee benefits	939,418	921,325		
Other operating	47,050	41,553		
Non-operating	37,118	-		
	1,023,586	962,878	60,708	953,476
Legal Services				
Salaries & employee benefits	322,775	321,931		
Other operating	39,186	20,770		
	361,961	342,701	19,260	335,113
Budget				
Salaries & employee benefits	242,226	236,482		
Other operating	18,195	11,855		
	260,421	248,337	12,084	242,917
 Total Administration	1,645,968	1,553,916	92,052	1,531,506
Tax Administration				
Tax Assessor				
Salaries & employee benefits	768,677	734,178		
Other operating	234,679	205,960		
Non-operating tax refunds	3,000	894		
	1,006,356	941,032	65,324	968,861

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Tax Collector				
Salaries & employee benefits	454,405	439,630		
Other operating	432,199	369,316		
	<u>886,604</u>	<u>808,946</u>	<u>77,658</u>	<u>709,963</u>
Total Tax Administration	<u>1,892,960</u>	<u>1,749,978</u>	<u>142,982</u>	<u>1,678,824</u>
Board of Elections				
Salaries & employee benefits	341,362	325,507		
Other operating	159,300	151,105		
	<u>500,662</u>	<u>476,612</u>	<u>24,050</u>	<u>616,989</u>
Human Resources				
Human Resources				
Salaries & employee benefits	566,287	562,769		
Other operating	173,179	160,687		
Non-operating	384,827	-		
	<u>1,124,293</u>	<u>723,456</u>	<u>400,837</u>	<u>675,039</u>
Wellness				
Other operating	260,900	260,802		
	<u>260,900</u>	<u>260,802</u>	<u>98</u>	<u>220,211</u>
Recruitment				
Salaries & employee benefits	67,373	66,809		
Other operating	21,800	11,545		
Non-operating	149,235	-		
	<u>238,408</u>	<u>78,354</u>	<u>160,054</u>	<u>76,469</u>
Risk Management				
Salaries & employee benefits	141,539	138,798		
Other operating	23,350	11,975		
	<u>164,889</u>	<u>150,773</u>	<u>14,116</u>	<u>148,561</u>
Total Human Resources	<u>1,788,490</u>	<u>1,213,385</u>	<u>575,105</u>	<u>1,120,280</u>
Register of Deeds				
Salaries & employee benefits	533,436	521,099		
Other operating	374,751	252,464		
	<u>908,187</u>	<u>773,563</u>	<u>134,624</u>	<u>772,970</u>
Finance				
Administration				
Salaries & employee benefits	379,481	380,802		
Other operating	170,615	162,734		
	<u>550,096</u>	<u>543,536</u>	<u>6,560</u>	<u>510,153</u>
Accounting				

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Salaries & employee benefits	454,736	450,683		
Other operating	21,000	18,560		
	<u>475,736</u>	<u>469,243</u>	6,493	<u>842,582</u>
Purchasing				
Salaries & employee benefits	246,120	237,011		
Other operating	36,715	30,499		
	<u>282,835</u>	<u>267,510</u>	15,325	<u>259,863</u>
Total Finance	<u>1,308,667</u>	<u>1,280,289</u>	28,378	<u>1,612,598</u>
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	15,500	7,453		
	<u>15,500</u>	<u>7,453</u>	8,047	<u>4,428</u>
Other Government Costs				
Salaries & employee benefits	57,270	34,749		
Other operating	256,270	249,638		
	<u>313,540</u>	<u>284,387</u>	29,153	<u>268,721</u>
Self Insurance				
Premiums	2,092,500	2,045,276		
Liability	825,000	656,534		
Workers Compensation	424,000	291,052		
Total Self Insurance	<u>3,341,500</u>	<u>2,992,862</u>	348,638	<u>3,230,270</u>
Total Other General Government Programs	<u>3,670,540</u>	<u>3,284,702</u>	385,838	<u>3,503,419</u>
Total General Government	<u>11,877,904</u>	<u>10,489,305</u>	1,388,599	<u>10,960,050</u>
Public Safety				
Sheriff and Law Enforcement				
Administration and Law Enforcement				
Salaries & employee benefits	4,050,567	3,999,878		
Other operating	1,152,951	1,032,132		
Capital outlay	589,121	562,283		
	<u>5,792,639</u>	<u>5,594,293</u>	198,346	<u>5,672,411</u>
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	167,240	164,982		
Other operating	3,000	3,000		
	<u>170,240</u>	<u>167,982</u>	2,258	<u>164,292</u>
School Resource Officers				
Salaries & employee benefits	648,038	642,554		
Other operating	38,750	38,746		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	686,788	681,300	5,488	661,854
Records				
Salaries & employee benefits	266,435	270,184		
Other operating	25,470	23,345		
	291,905	293,529	(1,624)	330,857
Mental Health Transport	-	-	-	121
Narcotics				
Salaries & employee benefits	509,902	477,691		
Other operating	68,440	64,486		
	578,342	542,177	36,165	504,571
Detectives				
Salaries & employee benefits	878,327	861,098		
Other operating	82,053	73,482		
	960,380	934,580	25,800	912,865
Lake Norman Water Patrol				
Salaries & employee benefits	363,778	353,304		
Other operating	24,350	20,177		
	388,128	373,481	14,647	314,933
Court Security				
Salaries & employee benefits	557,167	539,349		
Other operating	7,000	6,999		
	564,167	546,348	17,819	554,523
Newton Detention Center				
Salaries & employee benefits	3,440,867	3,379,638		
Other operating	958,921	896,758		
Capital outlay	56,365	16,224		
	4,456,153	4,292,620	163,533	4,216,872
Prisoner Food Services				
Other operating	445,400	430,987	14,413	390,548
District Confinement Facility				
Other operating	1,193,286	1,192,486		
	1,193,286	1,192,486	800	1,137,429
Total Sheriff and Law Enforcement	15,527,428	15,049,783	477,645	14,861,276
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	269,579	255,944		
Other operating	236,060	150,178		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	505,639	406,122	99,517	400,835
Veterans Services				
Salaries & employee benefits	82,974	82,193		
Other operating	7,950	7,798		
	<u>90,924</u>	<u>89,991</u>	<u>933</u>	<u>85,734</u>
Fire Marshal				
Salaries & employee benefits	237,922	233,436		
Other operating	40,650	28,826		
Capital outlay	38,978	38,523		
	<u>317,550</u>	<u>300,785</u>	<u>16,765</u>	<u>263,989</u>
Emergency Medical Services				
Salaries & employee benefits	6,566,955	6,466,044		
Other operating	1,536,218	1,336,849		
Capital outlay	681,016	659,854		
	<u>8,784,189</u>	<u>8,462,747</u>	<u>321,442</u>	<u>7,551,973</u>
Animal Control				
Salaries & employee benefits	179,466	170,354		
Other operating	42,743	28,131		
Capital outlay	49,500	-		
	<u>271,709</u>	<u>198,485</u>	<u>73,224</u>	<u>201,439</u>
Animal Shelter				
Salaries & employee benefits	180,967	171,124		
Other operating	269,490	265,621		
	<u>450,457</u>	<u>436,745</u>	<u>13,712</u>	<u>420,068</u>
Total Emergency Services	<u>10,420,468</u>	<u>9,894,875</u>	<u>525,593</u>	<u>8,924,038</u>
Communication Center				
Salaries & employee benefits	1,489,037	1,404,596		
Other operating	238,537	211,178		
	<u>1,727,574</u>	<u>1,615,774</u>	<u>111,800</u>	<u>1,652,851</u>
Other Public Safety				
Other operating	177,342	173,261	4,081	171,460
Total Public Safety	<u>27,852,812</u>	<u>26,733,693</u>	<u>1,119,119</u>	<u>25,609,625</u>
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	25,749	28,991		
Other operating	310,817	273,711		
Capital outlay	29,816	29,816		
	<u>366,382</u>	<u>332,518</u>	<u>33,864</u>	<u>242,458</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Soil & Water Conservation				
Salaries & employee benefits	128,491	127,028		
Other operating	158,595	24,492		
	<u>287,086</u>	<u>151,520</u>	<u>135,566</u>	<u>145,195</u>
Forest Ranger				
Other operating	66,085	61,599	4,486	73,706
	<u>66,085</u>	<u>61,599</u>	<u>4,486</u>	<u>73,706</u>
Total Environmental Protection	<u>719,553</u>	<u>545,637</u>	<u>173,916</u>	<u>461,359</u>
Economic and Physical Development				
Technology				
Information Technology Center				
Salaries & employee benefits	1,720,328	1,606,564		
Other operating	1,604,444	1,525,220		
	<u>3,324,772</u>	<u>3,131,784</u>	<u>192,988</u>	<u>3,075,750</u>
Geospatial Information Services				
Salaries & employee benefits	299,360	303,625		
Other operating	90,316	68,241		
	<u>389,676</u>	<u>371,866</u>	<u>17,810</u>	<u>358,833</u>
Total Technology	<u>3,714,448</u>	<u>3,503,650</u>	<u>210,798</u>	<u>3,434,583</u>
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	395,510	381,700		
Other operating	67,810	57,995		
	<u>463,320</u>	<u>439,695</u>	<u>23,625</u>	<u>471,964</u>
County Parks				
Salaries & employee benefits	250,334	250,763		
Other operating	64,419	45,137		
	<u>314,753</u>	<u>295,900</u>	<u>18,853</u>	<u>302,715</u>
Other Economic and Physical Development				
Other operating	5,029,010	4,915,564	113,446	4,549,841
	<u>5,029,010</u>	<u>4,915,564</u>	<u>113,446</u>	<u>4,549,841</u>
Total Economic Development and Planning	<u>5,807,083</u>	<u>5,651,159</u>	<u>155,924</u>	<u>5,324,520</u>
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	160,456	161,808		
Other operating	22,977	18,725		
	<u>183,433</u>	<u>180,533</u>	<u>2,900</u>	<u>175,288</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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Building Inspection				
Salaries & employee benefits	818,781	741,462		
Other operating	326,131	311,130		
Capital outlay	25,535	25,349		
	<u>1,170,447</u>	<u>1,077,941</u>	<u>92,506</u>	<u>1,029,516</u>
Permit Center				
Salaries & employee benefits	235,299	245,247		
Other operating	31,328	25,397		
	<u>266,627</u>	<u>270,644</u>	<u>(4,017)</u>	<u>253,797</u>
Plan Review				
Salaries & employee benefits	290,165	289,120		
Other operating	18,396	11,791		
	<u>308,561</u>	<u>300,911</u>	<u>7,650</u>	<u>281,465</u>
Storm water and Erosion Control				
Salaries & employee benefits	127,445	126,160		
Other operating	24,220	15,332		
	<u>151,665</u>	<u>141,492</u>	<u>10,173</u>	<u>128,732</u>
Total Utilities & Engineering	<u>2,080,733</u>	<u>1,971,521</u>	<u>109,212</u>	<u>1,868,798</u>
Facilities Division				
Construction Manager				
Salaries & employee benefits	76,278	77,343		
Other operating	3,000	1,067		
	<u>79,278</u>	<u>78,410</u>	<u>868</u>	<u>73,754</u>
Garage				
Salaries & employee benefits	232,672	222,202		
Other operating	383,800	276,499		
	<u>616,472</u>	<u>498,701</u>	<u>117,771</u>	<u>473,975</u>
General maintenance				
Salaries & employee benefits	563,676	550,827		
Other operating	203,012	141,258		
Capital outlay	34,000	-		
	<u>800,688</u>	<u>692,085</u>	<u>108,603</u>	<u>922,870</u>
General Buildings				
Other operating	580,223	398,476		
	<u>580,223</u>	<u>398,476</u>	<u>181,747</u>	<u>426,183</u>
Justice Buildings				
Other operating	797,171	619,022		
	<u>797,171</u>	<u>619,022</u>	<u>178,149</u>	<u>685,281</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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Library Buildings				
Other operating	118,160	80,771		
	<u>118,160</u>	<u>80,771</u>	<u>37,389</u>	<u>64,617</u>
Leased Buildings				
Other operating	50,380	39,506		
	<u>50,380</u>	<u>39,506</u>	<u>10,874</u>	<u>29,174</u>
Social Services Buildings				
Other operating	73,408	67,942		
	<u>73,408</u>	<u>67,942</u>	<u>5,466</u>	<u>63,520</u>
Public Health Buildings				
Other operating	40,205	24,680		
	<u>40,205</u>	<u>24,680</u>	<u>15,525</u>	<u>38,131</u>
Family Services Center				
Other operating	31,450	8,342		
	<u>31,450</u>	<u>8,342</u>	<u>23,108</u>	<u>15,770</u>
Street Signs				
Other operating	17,500	16,471		
	<u>17,500</u>	<u>16,471</u>	<u>1,029</u>	<u>14,178</u>
Total Facilities Division	<u>3,204,935</u>	<u>2,524,406</u>	<u>680,529</u>	<u>2,807,453</u>
Total Economic & Physical Development	<u>14,807,199</u>	<u>13,650,736</u>	<u>1,156,463</u>	<u>13,435,354</u>
Human Services				
Medical Examiner				
Other operating	120,000	106,150		
	<u>120,000</u>	<u>106,150</u>	<u>13,850</u>	<u>88,500</u>
Mental Health Services				
General Administration				
Catawba Valley Behavioral Healthcare	459,000	459,000		
Partners Behavioral Health Management	111,785	111,784		
	<u>570,785</u>	<u>570,784</u>	<u>1</u>	<u>642,321</u>
Social Services Department				
Administration				
Salaries & employee benefits	1,278,998	1,004,776		
Other operating	889,613	877,479		
Non-operating	2,794,030	-		
Capital outlay	42,500	26,907		
	<u>5,005,141</u>	<u>1,909,162</u>	<u>3,095,979</u>	<u>1,882,952</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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Children and Family Services				
Salaries & employee benefits	1,916,030	1,635,679		
Other operating	409,600	357,344		
Social Services assistance	1,000	761		
	<u>2,326,630</u>	<u>1,993,784</u>	<u>332,846</u>	<u>1,964,317</u>
Department of Human Resources Teams				
Salaries & employee benefits	272,029	269,810		
Other operating	7,466	6,212		
Social Services assistance	1,400	762		
	<u>280,895</u>	<u>276,784</u>	<u>4,111</u>	<u>270,596</u>
Children's Day Care				
Salaries & employee benefits	359,619	314,127		
Other operating	3,777	2,785		
	<u>363,396</u>	<u>316,912</u>	<u>46,484</u>	<u>313,502</u>
Intensive Family Preservation				
Salaries & employee benefits	68,600	64,770		
Other operating	5,977	5,192		
Social Services assistance	500	-		
	<u>75,077</u>	<u>69,962</u>	<u>5,115</u>	<u>71,850</u>
Early Childhood Development				
Salaries & employee benefits	56,168	53,890		
Other operating	10,357	8,447		
	<u>66,525</u>	<u>62,337</u>	<u>4,188</u>	<u>61,586</u>
Prevention Management				
Salaries & employee benefits	115,391	86,618		
Other operating	2,000	190		
	<u>117,391</u>	<u>86,808</u>	<u>30,583</u>	<u>111,634</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	54,373	32,684		
Other operating	800	228		
Social Services assistance	15,000	15,000		
	<u>70,173</u>	<u>47,912</u>	<u>22,261</u>	<u>57,389</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,774,229	3,578,144		
Other operating	55,655	53,680		
Social Services assistance	67,000	6,274		
	<u>3,896,884</u>	<u>3,638,098</u>	<u>258,786</u>	<u>3,396,635</u>
Duke Endowment Family Children Project				
Salaries & employee benefits	752,029	535,848		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Other operating	58,350	42,676		
Social Services assistance	9,000	4,544		
	<u>819,379</u>	<u>583,068</u>	<u>236,311</u>	<u>689,898</u>
Teen Up				
Salaries & employee benefits	165,160	165,114		
Other operating	12,568	7,585		
Social Services assistance	39,837	34,654		
	<u>217,565</u>	<u>207,353</u>	<u>10,212</u>	<u>214,310</u>
Community Services Block Grant				
Salaries & employee benefits	218,188	214,823		
Other operating	9,000	13,673		
Social Services assistance	79,964	46,834		
	<u>307,152</u>	<u>275,330</u>	<u>31,822</u>	<u>206,405</u>
Therapeutic Foster Care				
Salaries & employee benefits	263,343	259,268		
Other operating	22,777	6,724		
Social Services assistance	1,000	379		
	<u>287,120</u>	<u>266,371</u>	<u>20,749</u>	<u>260,641</u>
Adoptions				
Salaries & employee benefits	929,260	906,086		
Other operating	27,056	27,389		
Social Services assistance	3,500	2,855		
	<u>959,816</u>	<u>936,330</u>	<u>23,486</u>	<u>870,744</u>
Post Adoption State Region				
Salaries & employee benefits	156,947	164,525		
Other operating	11,015	15,758		
Social Services assistance	18,384	9,897		
	<u>186,346</u>	<u>190,180</u>	<u>(3,834)</u>	<u>-</u>
Child Advocacy				
Salaries & employee benefits	322,349	317,197		
Other operating	63,181	33,835		
Social Services assistance	1,100	95		
	<u>386,630</u>	<u>351,127</u>	<u>35,503</u>	<u>330,599</u>
FamilyNet Administration				
Salaries & employee benefits	727,828	466,827		
Other operating	190,221	127,069		
Social Services assistance	5,000	710		
	<u>923,049</u>	<u>594,606</u>	<u>328,443</u>	<u>733,586</u>
FamilyNet Community Support	-	-	-	7,036

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
FamilyNet Act				
Salaries & employee benefits	469,679	5,593		
Other operating	9,250	540		
Social Services assistance	1,000	-		
	<u>479,929</u>	<u>6,133</u>	<u>473,796</u>	<u>456,465</u>
FamilyNet In-home Services				
Salaries & employee benefits	492,775	448,585		
Other operating	14,777	6,437		
	<u>507,552</u>	<u>455,022</u>	<u>52,530</u>	<u>473,366</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	522,330	456,053		
Other operating	3,000	9,060		
	<u>525,330</u>	<u>465,113</u>	<u>60,217</u>	<u>497,172</u>
FamilyNet Family Services				
Salaries & employee benefits	143,995	143,128		
Other operating	1,500	764		
	<u>145,495</u>	<u>143,892</u>	<u>1,603</u>	<u>138,359</u>
FamilyNet Children Services				
Salaries & employee benefits	256,190	252,070		
Other operating	4,194	5,018		
	<u>260,384</u>	<u>257,088</u>	<u>3,296</u>	<u>250,493</u>
FamilyNet ECST				
Salaries & employee benefits	330,057	329,855		
Other operating	20,536	21,989		
	<u>350,593</u>	<u>351,844</u>	<u>(1,251)</u>	<u>339,671</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	67,519	65,392		
Other operating	12,858	11,190		
	<u>80,377</u>	<u>76,582</u>	<u>3,795</u>	<u>75,320</u>
Work First				
Salaries & employee benefits	360,097	321,955		
Other operating	864,073	495,168		
Social Services assistance	936,300	543,518		
	<u>2,160,470</u>	<u>1,360,641</u>	<u>799,829</u>	<u>1,280,482</u>
Office Juvenile Justice Girls Program				
Other operating	48,755	13,695		
	<u>48,755</u>	<u>13,695</u>	<u>35,060</u>	<u>47,614</u>
Administration Group Homes				
Salaries & employee benefits	1,130,550	729,306		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Other operating	42,988	41,216		
	<u>1,173,538</u>	<u>770,522</u>	403,016	<u>1,053,536</u>
Girls Program				
Other operating	48,755	19,565		
Capital outlay	25,000	-		
	<u>73,755</u>	<u>19,565</u>	54,190	<u>77,556</u>
Boys Program				
Other operating	48,755	22,590		
	<u>48,755</u>	<u>22,590</u>	26,165	<u>49,386</u>
Office Juvenile Justice Boys Program				
Other operating	58,155	42,459		
	<u>58,155</u>	<u>42,459</u>	15,696	<u>59,564</u>
Adult Services				
Other operating	382,070	376,587		
Social Services assistance	309,286	279,196		
	<u>691,356</u>	<u>655,783</u>	35,573	<u>675,014</u>
Adult Social Work				
Salaries & employee benefits	1,531,058	1,476,484		
Other operating	68,622	57,328		
Social Services assistance	12,500	14,932		
	<u>1,612,180</u>	<u>1,548,744</u>	63,436	<u>1,545,739</u>
Medicaid Administration				
Salaries & employee benefits	1,052,576	1,046,420		
Other operating	6,554	5,600		
	<u>1,059,130</u>	<u>1,052,020</u>	7,110	<u>996,972</u>
Transportation				
Salaries & employee benefits	497,659	451,768		
Other operating	36,262	42,684		
Capital outlay	48,250	47,477		
	<u>582,171</u>	<u>541,929</u>	40,242	<u>560,739</u>
Nutrition				
Salaries & employee benefits	154,555	149,206		
Other operating	342,181	347,873		
Social Services assistance	473,176	463,677		
	<u>969,912</u>	<u>960,756</u>	9,156	<u>827,930</u>
Public Assistance Administration				
Salaries & employee benefits	1,622,637	1,622,068		
Other operating	111,726	110,571		
	<u>1,734,363</u>	<u>1,732,639</u>	1,724	<u>1,476,694</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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Food Stamps				
Salaries & employee benefits	1,693,498	1,660,006		
Other operating	84,439	149,628		
	<u>1,777,937</u>	<u>1,809,634</u>	<u>(31,697)</u>	<u>1,515,066</u>
Child Support				
Salaries & employee benefits	1,316,641	1,170,005		
Other operating	28,331	29,863		
	<u>1,344,972</u>	<u>1,199,868</u>	<u>145,104</u>	<u>1,185,313</u>
General Assistance				
Other operating	155,600	140,042		
Social Services assistance	125,000	87,323		
	<u>280,600</u>	<u>227,365</u>	<u>53,235</u>	<u>195,171</u>
Public Assistance Payments				
Social Services assistance	1,385,458	1,026,839		
	<u>1,385,458</u>	<u>1,026,839</u>	<u>358,619</u>	<u>1,114,419</u>
Children's Purchase Services				
Social Services assistance	10,080,993	10,272,140		
	<u>10,080,993</u>	<u>10,272,140</u>	<u>(191,147)</u>	<u>9,482,175</u>
Total Social Services	<u>43,721,329</u>	<u>36,818,987</u>	<u>6,902,342</u>	<u>35,817,896</u>
Public Health Department				
Health Administration				
Salaries & employee benefits	622,335	618,799		
Other operating	196,553	178,452		
	<u>818,888</u>	<u>797,251</u>	<u>21,637</u>	<u>789,355</u>
Home Health				
Salaries & employee benefits	1,775,511	1,677,765		
Other operating	1,290,548	1,068,467		
	<u>3,066,059</u>	<u>2,746,232</u>	<u>319,827</u>	<u>2,989,389</u>
Environmental Health				
Salaries & employee benefits	719,741	717,584		
Other operating	129,938	112,458		
	<u>849,679</u>	<u>830,042</u>	<u>19,637</u>	<u>804,240</u>
Maternal Health				
Salaries & employee benefits	8,074	8,246		
Other operating	157,161	147,106		
	<u>165,235</u>	<u>155,352</u>	<u>9,883</u>	<u>172,514</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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Pregnancy Care Management				
Salaries & employee benefits	337,937	313,278		
Other operating	13,450	13,482		
	<u>351,387</u>	<u>326,760</u>	<u>24,627</u>	<u>342,308</u>
Laboratory				
Salaries & employee benefits	73,132	72,924		
Other operating	38,390	27,597		
	<u>111,522</u>	<u>100,521</u>	<u>11,001</u>	<u>107,700</u>
Child Health				
Salaries & employee benefits	3,540	-		
	<u>3,540</u>	<u>-</u>	<u>3,540</u>	<u>528,656</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	460,003	449,767		
Other operating	61,502	38,626		
	<u>521,505</u>	<u>488,393</u>	<u>33,112</u>	<u>517,189</u>
Child Health - Smart Start				
Salaries & employee benefits	136,159	136,319		
Other operating	13,232	13,331		
	<u>149,391</u>	<u>149,650</u>	<u>(259)</u>	<u>151,267</u>
Care Coordination for Children				
Salaries & employee benefits	368,016	345,241		
Other operating	15,300	13,416		
	<u>383,316</u>	<u>358,657</u>	<u>24,659</u>	<u>369,855</u>
School Nurse Fund Initiative				
Salaries & employee benefits	984,785	917,480		
Other operating	62,481	58,410		
	<u>1,047,266</u>	<u>975,890</u>	<u>71,376</u>	<u>980,917</u>
Dental Health				
Salaries & employee benefits	288,772	319,606		
Other operating	183,254	158,768		
Public Health assistance	43,000	-		
	<u>515,026</u>	<u>478,374</u>	<u>36,652</u>	<u>454,331</u>
Bioterrorism Grant				
Salaries & employee benefits	53,842	52,748		
Other operating	11,805	11,264		
	<u>65,647</u>	<u>64,012</u>	<u>1,635</u>	<u>49,569</u>
Clinical Services				
Salaries & employee benefits	1,535,822	1,542,770		
Other operating	469,778	411,101		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Capital outlay	10,400	8,900		
	<u>2,016,000</u>	<u>1,962,771</u>	<u>53,229</u>	<u>1,469,872</u>
Women Infants Children Program				
Salaries & employee benefits	816,162	789,139		
Other operating	56,872	54,185		
	<u>873,034</u>	<u>843,324</u>	<u>29,710</u>	<u>838,857</u>
Total Public Health	<u>10,937,495</u>	<u>10,277,229</u>	<u>660,266</u>	<u>10,566,019</u>
Total Human Services	<u>55,349,609</u>	<u>47,773,150</u>	<u>7,576,459</u>	<u>47,114,736</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	953,559	913,762		
Other operating	635,898	513,375		
Non-operating	130,851	-		
	<u>1,720,308</u>	<u>1,427,137</u>	<u>293,171</u>	<u>1,219,980</u>
Sherrills Ford Branch				
Salaries & employee benefits	162,904	169,971		
Other operating	72,945	67,521		
	<u>235,849</u>	<u>237,492</u>	<u>(1,643)</u>	<u>146,655</u>
Maiden Branch				
Salaries & employee benefits	76,908	76,111		
Other operating	50,394	29,124		
	<u>127,302</u>	<u>105,235</u>	<u>22,067</u>	<u>104,687</u>
St. Stephens Branch				
Salaries & employee benefits	231,876	208,837		
Other operating	98,660	93,623		
	<u>330,536</u>	<u>302,460</u>	<u>28,076</u>	<u>322,596</u>
Southwest Branch Library				
Salaries & employee benefits	145,144	141,109		
Other operating	127,962	121,462		
	<u>273,106</u>	<u>262,571</u>	<u>10,535</u>	<u>260,567</u>
Conover Branch Library				
Salaries & employee benefits	108,349	108,012		
Other operating	24,400	20,607		
	<u>132,749</u>	<u>128,619</u>	<u>4,130</u>	<u>122,835</u>
Claremont Branch Library				
Salaries & employee benefits	39,631	39,147		
Other operating	24,572	19,658		

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	64,203	58,805	5,398	50,305
Total County Library	2,884,053	2,522,319	361,734	2,227,625
Arts-Administration				
Other operating	547,150	547,150	-	541,500
Other Cultural				
Other operating	39,900	39,600	300	-
Total Culture and Recreation	3,471,103	3,109,069	362,034	2,769,125
Education				
Current expense				
Catawba County Schools	25,029,275	25,029,275		
Hickory Public Schools	6,321,850	6,321,850		
Newton-Conover City Schools	4,675,750	4,675,750		
Catawba Valley Community College	4,318,000	4,318,000		
Total Education	40,344,875	40,344,875	-	39,509,762
Debt Service				
Principal retirement	13,301,455	12,331,427		
Interest and other charges	4,133,045	4,042,723		
Total Debt Service	17,434,500	16,374,150	1,060,350	18,764,275
Total expenditures	171,857,555	159,020,615	12,836,940	158,624,286
Revenues over (under) expenditures	(7,724,354)	13,277,081	21,001,435	4,652,410
Other financing sources (uses)				
Transfers from				
Citizens Alert System Fund	19,268	12,571	(6,697)	-
School Capital Fund	530,000	530,000	-	50,000
Transfers to				
Emergency Telephone System	(1,350)	(1,350)	-	(18,766)
Citizens Alert System Fund	-	-	-	(6,582)
Reappraisal Fund	(369,763)	(369,763)	-	(390,541)
General Capital Projects Fund	(1,225,000)	(1,225,000)	-	(1,727,777)
School Construction Fund	(3,185,358)	(3,185,358)	-	(1,043,303)
Water and Sewer Construction Fund	(800,000)	(800,000)	-	(1,600,000)
Solid Waste Management Fund	-	-	-	(1,565)
Refunding limited obligation bonds issued	-	-	-	1,810,000
Payment to refunded bond escrow agent	-	-	-	(1,849,125)
Premium on limited obligation bonds	-	-	-	39,911
Fund Balance appropriated/contingency	12,756,557	-	(12,756,557)	-
Total other financing sources (uses)	7,724,354	(5,038,900)	(12,763,254)	(4,737,748)
Net change in fund balance	-	8,238,181	8,238,181	(85,338)

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
Fund Balances - Beginning of Year as previously reported		49,912,956		
Restatement (Note 10)		<u>1,729,629</u>		
Fund Balances - Beginning of Year as restated		<u>51,642,585</u>		
Fund Balances - End of Year		<u>\$ 59,880,766</u>		

Reappraisal Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 3,653	\$ 3,653	\$ 4,206
Total revenues	<u>-</u>	<u>3,653</u>	<u>3,653</u>	<u>4,206</u>
Expenditures				
Current				
General government				
Salaries & employee benefits	338,895	340,113	(1,218)	315,691
Other operating	79,861	60,295	19,566	53,508
Total expenditures	<u>418,756</u>	<u>400,408</u>	<u>18,348</u>	<u>369,199</u>
Excess of revenues over (under) expenditures	<u>(418,756)</u>	<u>(396,755)</u>	<u>22,001</u>	<u>(364,993)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	369,763	369,763	-	390,541
Fund balance appropriated	48,993	-	(48,993)	-
Total other financing sources (uses)	<u>418,756</u>	<u>369,763</u>	<u>(48,993)</u>	<u>390,541</u>
Net change in fund balance	<u>\$ -</u>	(26,992)	<u>\$ (26,992)</u>	25,548
Fund Balances - Beginning of Year		<u>196,661</u>		<u>171,113</u>
Fund Balances - End of Year		<u>\$ 169,669</u>		<u>\$ 196,661</u>

General Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 3,865	\$ 3,865	\$ 4,938
Total revenues	<u>-</u>	<u>3,865</u>	<u>3,865</u>	<u>4,938</u>
Expenditures				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>3,865</u>	<u>3,865</u>	<u>4,938</u>
Other Financing Sources (Uses)				
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>3,865</u>	<u>\$ 3,865</u>	<u>4,938</u>
Fund Balances - Beginning of Year		<u>453,695</u>		<u>448,757</u>
Fund Balances - End of Year		<u>\$ 457,560</u>		<u>\$ 453,695</u>

Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA

Schedule B-1

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015**

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 4,092,424	\$ 18,268,468	\$ 22,360,892
Taxes receivable - net	107,583	-	107,583
Due from other governments	108,263	1,280,515	1,388,778
Interest receivable	10,781	47,567	58,348
Restricted cash and investments	-	224,942	224,942
Total assets	4,319,051	19,821,492	24,140,543
Liabilities			
Accounts payable and accrued liabilities	31,943	252,660	284,603
Total liabilities	31,943	252,660	284,603
Deferred Inflows of Resources			
Taxes receivable	107,583	-	107,583
Prepaid taxes	2,109	-	2,109
Total deferred inflows of resources	109,692	-	109,692
Restricted			
Stabilization by State Statute	127,544	1,328,082	1,455,626
School Construction	-	224,942	224,942
Public Safety	2,489,115	-	2,489,115
Fire Protection	1,258,983	-	1,258,983
Library Endowment	187,371	-	187,371
Scholarship	52,294	-	52,294
Parks Preservation	50,004	-	50,004
Community Development	12,105	-	12,105
Hospital Capital	-	5,494,731	5,494,731
Committed			
School Capital	-	5,900,499	5,900,499
School Construction	-	6,596,208	6,596,208
Hospital Construction	-	24,370	24,370
Unassigned	-	-	-
Total fund balances	4,177,416	19,568,832	23,746,248
Total liabilities, deferred inflows of resources and fund balances	\$ 4,319,051	\$ 19,821,492	\$ 24,140,543

CATAWBA COUNTY, NORTH CAROLINA

Schedule B-2

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

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 6,427,176	\$ -	\$ 6,427,176
Other taxes	-	4,386,477	4,386,477
Restricted intergovernmental revenues	667,631	627,433	1,295,064
Investment earnings	37,000	163,616	200,616
Miscellaneous	5,845	-	5,845
Total revenues	<u>7,137,652</u>	<u>5,177,526</u>	<u>12,315,178</u>
Expenditures			
Current			
Public safety	6,884,712	-	6,884,712
Economic and physical development	162,738	-	162,738
Culture and recreation	50,000	-	50,000
Capital outlay	-	8,903,187	8,903,187
Total expenditures	<u>7,097,450</u>	<u>8,903,187</u>	<u>16,000,637</u>
Excess of revenues over (under) expenditures	40,202	(3,725,661)	(3,685,459)
Other Financing Sources (Uses)			
Transfers from other funds	1,350	3,220,358	3,221,708
Transfers to other funds	(210,475)	(565,000)	(775,475)
Total other financing sources (uses)	<u>(209,125)</u>	<u>2,655,358</u>	<u>2,446,233</u>
Net change in fund balance	(168,923)	(1,070,303)	(1,239,226)
Fund Balances - Beginning of Year	<u>4,346,339</u>	<u>20,639,135</u>	<u>24,985,474</u>
Fund Balances - End of Year	<u>\$ 4,177,416</u>	<u>\$ 19,568,832</u>	<u>\$ 23,746,248</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.

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2015

	<u>Emergency Telephone System Fund</u>	<u>Citizens' Alert System Fund</u>	<u>Narcotics Seized Funds And Property Fund</u>	<u>Rescue Squads Fund</u>	<u>Library Endowment Fund</u>
Assets					
Cash and investments	\$ 2,169,580	\$ -	\$ 80,299	\$ 274,187	\$ 187,371
Taxes receivable - net	-	-	-	-	-
Due from other governments	60,174	-	686	-	3,500
Interest receivable	5,590	-	206	1,041	481
Total assets	<u>2,235,344</u>	<u>-</u>	<u>81,191</u>	<u>275,228</u>	<u>191,352</u>
Liabilities and Fund Balances					
Accounts payable and accrued liabilities	26,449	-	-	2	-
Total liabilities	<u>26,449</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	-	-
Prepaid taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted					
Stabilization by State Statute	74,264	-	892	1,041	3,981
Public Safety	2,134,631	-	80,299	274,185	-
Fire Protection	-	-	-	-	-
Library Endowment	-	-	-	-	187,371
Scholarship	-	-	-	-	-
Parks Preservation	-	-	-	-	-
Community Development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,208,895</u>	<u>-</u>	<u>81,191</u>	<u>275,226</u>	<u>191,352</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,235,344</u>	<u>\$ -</u>	<u>\$ 81,191</u>	<u>\$ 275,228</u>	<u>\$ 191,352</u>

CATAWBA COUNTY, NORTH CAROLINA

**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015**

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Assets					
Cash and investments	\$ 52,294	\$ 50,004	\$ 17,363	\$ 1,261,326	\$ 4,092,424
Taxes receivable - net	-	-	-	107,583	107,583
Due from other governments	-	-	-	43,903	108,263
Interest receivable	133	128	59	3,143	10,781
Total assets	<u>52,427</u>	<u>50,132</u>	<u>17,422</u>	<u>1,415,955</u>	<u>4,319,051</u>
Liabilities and Fund Balances					
Accounts payable and accrued liabilities	-	-	5,258	234	31,943
Total liabilities	<u>-</u>	<u>-</u>	<u>5,258</u>	<u>234</u>	<u>31,943</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	107,583	107,583
Prepaid taxes	-	-	-	2,109	2,109
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,692</u>	<u>109,692</u>
Fund Balances					
Restricted					
Stabilization by State Statute	133	128	59	47,046	127,544
Public Safety	-	-	-	-	2,489,115
Fire Protection	-	-	-	1,258,983	1,258,983
Library Endowment	-	-	-	-	187,371
Scholarship	52,294	-	-	-	52,294
Parks Preservation	-	50,004	-	-	50,004
Community Development	-	-	12,105	-	12,105
Unassigned	-	-	-	-	-
Total fund balances	<u>52,427</u>	<u>50,132</u>	<u>12,164</u>	<u>1,306,029</u>	<u>4,177,416</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,427</u>	<u>\$ 50,132</u>	<u>\$ 17,422</u>	<u>\$ 1,415,955</u>	<u>\$ 4,319,051</u>

Fire District Funds
 Subcombining Balance Sheet
 June 30, 2015

	Mountain View Fire District Fund	Propst Fire District Fund	St. Stephens Fire District Fund	Conover Rural Fire District Fund	Oxford Fire District Fund
Assets					
Cash and investments	\$ 51,163	\$ 40,600	\$ 64,182	\$ 261,719	\$ 20,744
Taxes receivable - net	6,974	4,230	15,709	2,012	6,563
Due from other governments	4,689	2,442	8,198	618	2,992
Interest receivable	114	92	163	667	108
Total assets	<u>62,940</u>	<u>47,364</u>	<u>88,252</u>	<u>265,016</u>	<u>30,407</u>
Liabilities and Fund Balances					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	6,974	4,230	15,709	2,012	6,563
Prepaid taxes	-	8	2	727	2
Total deferred inflows of resources	<u>6,974</u>	<u>4,238</u>	<u>15,711</u>	<u>2,739</u>	<u>6,565</u>
Fund Balances					
Restricted					
Stabilization by State Statute	4,803	2,534	8,361	1,285	3,100
Fire Protection	51,163	40,592	64,180	260,992	20,742
Total fund balances	<u>55,966</u>	<u>43,126</u>	<u>72,541</u>	<u>262,277</u>	<u>23,842</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,940</u>	<u>\$ 47,364</u>	<u>\$ 88,252</u>	<u>\$ 265,016</u>	<u>\$ 30,407</u>

Fire District Funds
 Subcombining Balance Sheet
 June 30, 2015

	Sherrills Ford Fire District Fund	Bandys Fire District Fund	Maiden Fire District Fund	Claremont Fire District Fund	Catawba Fire District Fund
Assets					
Cash and investments	\$ 119,628	\$ 77,146	\$ 115,592	\$ 49,049	\$ 325,677
Taxes receivable - net	23,697	12,906	7,177	4,923	5,398
Due from other governments	7,861	4,433	2,075	2,208	1,090
Interest receivable	<u>263</u>	<u>171</u>	<u>296</u>	<u>118</u>	<u>827</u>
Total assets	<u>151,449</u>	<u>94,656</u>	<u>125,140</u>	<u>56,298</u>	<u>332,992</u>
Liabilities and Fund Balances					
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	23,697	12,906	7,177	4,923	5,398
Prepaid taxes	<u>18</u>	<u>322</u>	<u>-</u>	<u>682</u>	<u>85</u>
Total deferred inflows of resources	<u>23,715</u>	<u>13,228</u>	<u>7,177</u>	<u>5,605</u>	<u>5,483</u>
Fund Balances					
Restricted					
Stabilization by State Statute	8,124	4,604	2,371	2,326	1,917
Fire Protection	<u>119,610</u>	<u>76,824</u>	<u>115,592</u>	<u>48,367</u>	<u>325,592</u>
Total fund balances	<u>127,734</u>	<u>81,428</u>	<u>117,963</u>	<u>50,693</u>	<u>327,509</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 151,449</u>	<u>\$ 94,656</u>	<u>\$ 125,140</u>	<u>\$ 56,298</u>	<u>\$ 332,992</u>

Fire District Funds
 Subcombining Balance Sheet
 June 30, 2015

	Long View Fire District Fund	Newton Rural Fire District Fund	Cooksville Fire District Fund	Hickory Rural Fire District Fund	Total Fire District Funds
Assets					
Cash and investments	\$ 18,480	\$ 40,659	\$ 53,198	\$ 23,489	\$ 1,261,326
Taxes receivable - net	446	7,552	3,344	6,652	107,583
Due from other governments	215	4,590	693	1,799	43,903
Interest receivable	47	92	131	54	3,143
Total assets	<u>19,188</u>	<u>52,893</u>	<u>57,366</u>	<u>31,994</u>	<u>1,415,955</u>
Liabilities and Fund Balances					
Accounts payable and accrued liabilities	234	-	-	-	234
Total liabilities	<u>234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234</u>
Deferred Inflows of Resources					
Taxes receivable	446	7,552	3,344	6,652	107,583
Prepaid taxes	-	63	200	-	2,109
Total deferred inflows of resources	<u>446</u>	<u>7,615</u>	<u>3,544</u>	<u>6,652</u>	<u>109,692</u>
Fund Balances					
Restricted					
Stabilization by State Statute	262	4,682	824	1,853	47,046
Fire Protection	18,246	40,596	52,998	23,489	1,258,983
Total fund balances	<u>18,508</u>	<u>45,278</u>	<u>53,822</u>	<u>25,342</u>	<u>1,306,029</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,188</u>	<u>\$ 52,893</u>	<u>\$ 57,366</u>	<u>\$ 31,994</u>	<u>\$ 1,415,955</u>



**Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015**

	Emergency Telephone System Fund	Citizens' Alert System Fund	Narcotics Seized Funds and Property Fund	Rescue Squads Fund	Library Endowment Fund
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,067,200	\$ -
Restricted intergovernmental revenues	507,363	-	4,526	-	-
Investment earnings	18,473	-	661	3,084	1,593
Miscellaneous	-	-	-	-	-
Total revenues	525,836	-	5,187	1,070,284	1,593
Expenditures					
Current					
Public safety	633,830	-	18,800	979,866	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	-	-	50,000
Total expenditures	633,830	-	18,800	979,866	50,000
Excess of revenue over (under) expenditures	(107,994)	-	(13,613)	90,418	(48,407)
Other Financing Sources (Uses)					
Transfers from other funds	1,350	-	-	-	-
Transfers to other funds	(197,904)	(12,571)	-	-	-
Total other financing sources (uses)	(196,554)	(12,571)	-	-	-
Net change in fund balance	(304,548)	(12,571)	(13,613)	90,418	(48,407)
Fund Balances - Beginning of Year	2,513,443	12,571	94,804	184,808	239,759
Fund Balances - End of Year	\$ 2,208,895	\$ -	\$ 81,191	\$ 275,226	\$ 191,352

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 5,359,976	\$ 6,427,176
Restricted intergovernmental revenues	-	-	155,742	-	667,631
Investment earnings	430	423	340	11,996	37,000
Miscellaneous	5,845	-	-	-	5,845
Total revenues	6,275	423	156,082	5,371,972	7,137,652
Expenditures					
Current					
Public safety	-	-	-	5,252,216	6,884,712
Economic and physical development	-	-	162,738	-	162,738
Culture and recreation	-	-	-	-	50,000
Total expenditures	-	-	162,738	5,252,216	7,097,450
Excess of revenue over (under) expenditures	6,275	423	(6,656)	119,756	40,202
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	1,350
Transfers to other funds	-	-	-	-	(210,475)
Total other financing sources (uses)	-	-	-	-	(209,125)
Net change in fund balance	6,275	423	(6,656)	119,756	(168,923)
Fund Balances - Beginning of Year	46,152	49,709	18,820	1,186,273	4,346,339
Fund Balances - End of Year	\$ 52,427	\$ 50,132	\$ 12,164	\$ 1,306,029	\$ 4,177,416

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-4

**Emergency Telephone System Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	436,843	436,843	-	513,604
North Carolina 911 funds - secondary PSAP	70,520	70,520	-	-
Investment earnings	-	18,473	18,473	26,996
Total revenues	<u>507,363</u>	<u>525,836</u>	<u>18,473</u>	<u>540,600</u>
Expenditures				
Current				
Public Safety				
Implemental functions	256,874	254,171	2,703	
Telephone and furniture	98,800	57,509	41,291	
Software maintenance	150,000	63,400	86,600	
Hardware expenditures	23,000	22,386	614	
Training	7,795	2,392	5,403	
Capital outlay	163,452	163,452	-	
Secondary PSAP	70,520	70,520	-	-
Total expenditures	<u>770,441</u>	<u>633,830</u>	<u>136,611</u>	<u>383,346</u>
Excess of revenues over (under) expenditures	<u>(263,078)</u>	<u>(107,994)</u>	<u>155,084</u>	<u>157,254</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	1,350	1,350	-	18,766
Transfers to				
General Capital Projects Fund	(197,904)	(197,904)	-	-
Fund balance appropriated	459,632	-	(459,632)	-
Total other financing sources (uses)	<u>263,078</u>	<u>(196,554)</u>	<u>(459,632)</u>	<u>18,766</u>
Net change in fund balance	<u>\$ -</u>	<u>(304,548)</u>	<u>\$ (304,548)</u>	176,020
Fund Balances - Beginning of Year		<u>2,513,443</u>		<u>2,337,423</u>
Fund Balances - End of Year		<u>\$ 2,208,895</u>		<u>\$ 2,513,443</u>

The County transferred \$1,350 from the General Fund to cover ineligible 911 expenses from the prior fiscal year.

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-4A

**Emergency Telephone System Unspent Fund Balance
PSAP Reconciliation
June 30, 2015**

Amounts reported on the Emergency Telephone System Fund- Budget to Actual (Schedule C-4) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (304,548)
Interest revenue adjustment from FY2014 on PSAP report	319
Secondary PSAP Pass Through Funding	
NC 911 Funds	70,520
Pass through to Secondary PSAPs	(70,520)
Ineligible 911 expenses reported in Emergency Telephone System Fund in prior year recovered in current year through transfer from General Fund	<u>(1,350)</u>
	<u>(305,579)</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>2,514,474</u>
Ending Balance, PSAP Revenue- Expenditure Report	<u>\$ 2,208,895</u>

Citizens' Alert System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues - federal	\$ -	\$ -	\$ -	\$ 20,000
Investment earnings	-	-	-	206
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,206</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	-	-	-	20,273
Other operating	-	-	-	37,500
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,773</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,567)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	6,582
Fund balance appropriated	19,268	-	(19,268)	-
Transfers to				
General Fund	<u>(19,268)</u>	<u>(12,571)</u>	<u>6,697</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(12,571)</u>	<u>(12,571)</u>	<u>6,582</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,571)</u>	<u>\$ (12,571)</u>	<u>(30,985)</u>
Fund Balances - Beginning of Year		<u>12,571</u>		<u>43,556</u>
Fund Balances - End of Year		<u>\$ -</u>		<u>\$ 12,571</u>

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, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ 15,000	\$ 4,526	\$ (10,474)	\$ 1,824
Investment earnings	-	661	661	990
Sale of properties	1,000	-	(1,000)	-
Miscellaneous	-	-	-	-
Total revenues	<u>16,000</u>	<u>5,187</u>	<u>(10,813)</u>	<u>2,814</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	-	-	-	-
Other operating	23,800	9,800	14,000	(3,750)
Capital outlay	9,000	9,000	-	-
Drug prevention contingency	11,000	-	11,000	19,536
Total expenditures	<u>43,800</u>	<u>18,800</u>	<u>25,000</u>	<u>15,786</u>
Excess of revenues over (under) expenditures	<u>(27,800)</u>	<u>(13,613)</u>	<u>14,187</u>	<u>(12,972)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	27,800	-	(27,800)	-
Transfers to				
General Fund	-	-	-	-
Total other financing sources (uses)	<u>27,800</u>	<u>-</u>	<u>(27,800)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,613)</u>	<u>\$ (13,613)</u>	<u>(12,972)</u>
Fund Balances - Beginning of Year		<u>94,804</u>		<u>107,776</u>
Fund Balances - End of Year		<u>\$ 81,191</u>		<u>\$ 94,804</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-7

**Rescue Squads Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 1,067,200	\$ 1,067,200	\$ -	\$ 1,067,200
Investment earnings	-	3,084	3,084	3,852
Total revenues	<u>1,067,200</u>	<u>1,070,284</u>	<u>3,084</u>	<u>1,071,052</u>
Expenditures				
Public Safety				
Other operating	<u>1,067,200</u>	<u>979,866</u>	<u>87,334</u>	<u>1,171,436</u>
Total expenditures	<u>1,067,200</u>	<u>979,866</u>	<u>87,334</u>	<u>1,171,436</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>90,418</u>	<u>90,418</u>	<u>(100,384)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>90,418</u>	<u>\$ 90,418</u>	<u>(100,384)</u>
Fund Balances - Beginning of Year		<u>184,808</u>		<u>285,192</u>
Fund Balances - End of Year		<u>\$ 275,226</u>		<u>\$ 184,808</u>

Library Endowment Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 1,593	\$ 1,593	\$ 2,610
Total revenues	-	1,593	1,593	2,610
Expenditures				
Culture and recreation				
Other operating	50,000	50,000	-	-
Total expenditures	50,000	50,000	-	-
Excess of revenues over (under) expenditures	(50,000)	(48,407)	1,593	2,610
Other Financing Sources (Uses)				
Fund balance appropriated	50,000	-	(50,000)	-
Total other financing sources (uses)	50,000	-	(50,000)	-
Net change in fund balance	\$ -	(48,407)	\$ (48,407)	2,610
Fund Balances - Beginning of Year		239,759		237,149
Fund Balances - End of Year		\$ 191,352		\$ 239,759

Gretchen Peed Scholarship Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 430	\$ 430	\$ 501
Miscellaneous Donations	1,500	5,845	4,345	1,290
Total revenues	<u>1,500</u>	<u>6,275</u>	<u>4,775</u>	<u>1,791</u>
Expenditures				
Human services Scholarship awards	1,500	-	1,500	-
Total expenditures	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>6,275</u>	<u>6,275</u>	<u>1,791</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>6,275</u>	<u>\$ 6,275</u>	<u>1,791</u>
Fund Balances - Beginning of Year		<u>46,152</u>		<u>44,361</u>
Fund Balances - End of Year		<u>\$ 52,427</u>		<u>\$ 46,152</u>

Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Licenses and permits				
Developer fee	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	423	423	530
Miscellaneous				
Donations	-	-	-	-
Cookbook sales	-	-	-	-
Total revenues	<u>-</u>	<u>423</u>	<u>423</u>	<u>530</u>
Expenditures				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>423</u>	<u>423</u>	<u>530</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Transfers to				
General Capital Projects Fund	-	-	-	(26,130)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,130)</u>
Net change in fund balance	<u>\$ -</u>	<u>423</u>	<u>\$ 423</u>	<u>(25,600)</u>
Fund Balances - Beginning of Year		<u>49,709</u>		<u>75,309</u>
Fund Balances - End of Year		<u>\$ 50,132</u>		<u>\$ 49,709</u>

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, 2015

NC Housing Trust Fund (NCHFA) 2013 Urgent Repair Program (URP1305)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000	\$ -
Investment earnings	-	125	81	206	206
Total revenues	<u>75,000</u>	<u>37,625</u>	<u>37,581</u>	<u>75,206</u>	<u>206</u>
Expenditures					
Economic and physical development					
Administration	9,600	1,530	7,775	9,305	295
Rehabilitation	<u>65,400</u>	<u>17,275</u>	<u>48,626</u>	<u>65,901</u>	<u>(501)</u>
Total expenditures	<u>75,000</u>	<u>18,805</u>	<u>56,401</u>	<u>75,206</u>	<u>(206)</u>
Excess of revenues over (under) expenditures	-	18,820	(18,820)	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,820</u>	<u>(18,820)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning of Year			18,820		
Fund Balances - End of Year			<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	
Revenues					
Restricted intergovernmental revenues	\$ 225,000	\$ 119,622	\$ 80,742	\$ 200,364	\$ (24,636)
Total revenues	<u>225,000</u>	<u>119,622</u>	<u>80,742</u>	<u>200,364</u>	<u>(24,636)</u>
Expenditures					
Economic and physical development					
Administration	22,500	11,233	9,137	20,370	2,130
Rehabilitation	<u>202,500</u>	<u>108,389</u>	<u>74,314</u>	<u>182,703</u>	<u>19,797</u>
Total expenditures	<u>225,000</u>	<u>119,622</u>	<u>83,451</u>	<u>203,073</u>	<u>21,927</u>
Excess of revenues over (under) expenditures	-	-	(2,709)	(2,709)	(2,709)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,709)</u>	<u>\$ (2,709)</u>	<u>\$ (2,709)</u>
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			<u>\$ (2,709)</u>		

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, 2015

NC Housing Trust Fund (NCHFA) 2014 Urgent Repair Program (URP1403)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	259	259	259
Total revenues	<u>75,000</u>	<u>-</u>	<u>37,759</u>	<u>37,759</u>	<u>(37,241)</u>
Expenditures					
Economic and physical development					
Administration	12,800	-	-	-	12,800
Rehabilitation	<u>62,200</u>	<u>-</u>	<u>22,886</u>	<u>22,886</u>	<u>39,314</u>
Total expenditures	<u>75,000</u>	<u>-</u>	<u>22,886</u>	<u>22,886</u>	<u>52,114</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>14,873</u>	<u>14,873</u>	<u>14,873</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>14,873</u>	<u>\$ 14,873</u>	<u>\$ 14,873</u>
Fund Balances - Beginning of Year			<u>-</u>		
Fund Balances - End of Year			<u>\$ 14,873</u>		
Grand Total					
Fund Balances - Beginning of Year			<u>18,820</u>		
Fund Balances - End of Year			<u>\$ 12,164</u>		

Fire District Funds

Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	<u>Mountain View Fire District Fund</u>	<u>Propst Fire District Fund</u>	<u>St. Stephens Fire District Fund</u>	<u>Conover Rural Fire District Fund</u>	<u>Oxford Fire District Fund</u>
Revenues					
Ad valorem taxes	\$ 448,045	\$ 217,495	\$ 800,768	\$ 76,970	\$ 276,545
Investment earnings	502	352	766	2,160	489
Total revenues	<u>448,547</u>	<u>217,847</u>	<u>801,534</u>	<u>79,130</u>	<u>277,034</u>
Expenditures					
Current					
Public safety	<u>440,554</u>	<u>205,101</u>	<u>818,232</u>	-	<u>300,250</u>
Total expenditures	<u>440,554</u>	<u>205,101</u>	<u>818,232</u>	-	<u>300,250</u>
Excess of revenue over (under) expenditures	<u>7,993</u>	<u>12,746</u>	<u>(16,698)</u>	<u>79,130</u>	<u>(23,216)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,993	12,746	(16,698)	79,130	(23,216)
Fund Balances - Beginning of Year	<u>47,973</u>	<u>30,380</u>	<u>89,239</u>	<u>183,147</u>	<u>47,058</u>
Fund Balances - End of Year	<u>\$ 55,966</u>	<u>\$ 43,126</u>	<u>\$ 72,541</u>	<u>\$ 262,277</u>	<u>\$ 23,842</u>

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Sherrills Ford Fire District Fund	Bandys Fire District Fund	Maiden Fire District Fund	Claremont Fire District Fund	Catawba Fire District Fund
Revenues					
Ad valorem taxes	\$ 1,615,057	\$ 464,380	\$ 203,102	\$ 240,806	\$ 139,815
Investment earnings	1,345	736	1,051	478	2,773
Total revenues	<u>1,616,402</u>	<u>465,116</u>	<u>204,153</u>	<u>241,284</u>	<u>142,588</u>
Expenditures					
Current					
Public safety	<u>1,591,616</u>	<u>468,477</u>	<u>197,016</u>	<u>231,251</u>	<u>134,617</u>
Total expenditures	<u>1,591,616</u>	<u>468,477</u>	<u>197,016</u>	<u>231,251</u>	<u>134,617</u>
Excess of revenue over (under) expenditures	<u>24,786</u>	<u>(3,361)</u>	<u>7,137</u>	<u>10,033</u>	<u>7,971</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	24,786	(3,361)	7,137	10,033	7,971
Fund Balances - Beginning of Year	<u>102,948</u>	<u>84,789</u>	<u>110,826</u>	<u>40,660</u>	<u>319,538</u>
Fund Balances - End of Year	<u>\$ 127,734</u>	<u>\$ 81,428</u>	<u>\$ 117,963</u>	<u>\$ 50,693</u>	<u>\$ 327,509</u>

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	<u>Long View Fire District Fund</u>	<u>Newton Rural Fire District Fund</u>	<u>Cooksville Fire District Fund</u>	<u>Hickory Rural Fire District Fund</u>	<u>Total Fire District Funds</u>
Revenues					
Ad valorem taxes	\$ 26,624	\$ 443,635	\$ 96,943	\$ 309,791	\$ 5,359,976
Investment earnings	170	429	465	280	11,996
Total revenues	<u>26,794</u>	<u>444,064</u>	<u>97,408</u>	<u>310,071</u>	<u>5,371,972</u>
Expenditures					
Current					
Public safety	<u>26,211</u>	<u>438,068</u>	<u>91,772</u>	<u>309,051</u>	<u>5,252,216</u>
Total expenditures	<u>26,211</u>	<u>438,068</u>	<u>91,772</u>	<u>309,051</u>	<u>5,252,216</u>
Excess of revenue over (under) expenditures	<u>583</u>	<u>5,996</u>	<u>5,636</u>	<u>1,020</u>	<u>119,756</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	583	5,996	5,636	1,020	119,756
Fund Balances - Beginning of Year	<u>17,925</u>	<u>39,282</u>	<u>48,186</u>	<u>24,322</u>	<u>1,186,273</u>
Fund Balances - End of Year	<u>\$ 18,508</u>	<u>\$ 45,278</u>	<u>\$ 53,822</u>	<u>\$ 25,342</u>	<u>\$ 1,306,029</u>

Mountain View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 427,499	\$ 448,045	\$ 20,546	\$ 456,543
Investment earnings	-	502	502	494
Total revenues	<u>427,499</u>	<u>448,547</u>	<u>21,048</u>	<u>457,037</u>
Expenditures				
Public safety				
Transmitted to fire department	440,554	440,554	-	427,110
Total expenditures	<u>440,554</u>	<u>440,554</u>	<u>-</u>	<u>427,110</u>
Excess of revenues over (under) expenditures	(13,055)	7,993	21,048	29,927
Other Financing Sources (Uses)				
Fund balance appropriated	13,055	-	(13,055)	-
Total other financing sources (uses)	<u>13,055</u>	<u>-</u>	<u>(13,055)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	7,993	<u>\$ 7,993</u>	29,927
Fund Balances - Beginning of Year		<u>47,973</u>		<u>18,046</u>
Fund Balances - End of Year		<u>\$ 55,966</u>		<u>\$ 47,973</u>

Propst Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 197,168	\$ 217,495	\$ 20,327	\$ 221,941
Investment earnings	-	352	352	294
Total revenues	<u>197,168</u>	<u>217,847</u>	<u>20,679</u>	<u>222,235</u>
Expenditures				
Public safety				
Transmitted to fire department	205,101	205,101	-	205,791
Total expenditures	<u>205,101</u>	<u>205,101</u>	<u>-</u>	<u>205,791</u>
Excess of revenues over (under) expenditures	(7,933)	12,746	20,679	16,444
Other Financing Sources (Uses)				
Fund balance appropriated	7,933	-	(7,933)	-
Total other financing sources (uses)	<u>7,933</u>	<u>-</u>	<u>(7,933)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	12,746	<u>\$ 12,746</u>	16,444
Fund Balances - Beginning of Year		<u>30,380</u>		<u>13,936</u>
Fund Balances - End of Year		<u>\$ 43,126</u>		<u>\$ 30,380</u>

St. Stephens Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 779,158	\$ 800,768	\$ 21,610	\$ 647,671
Investment earnings	-	766	766	963
Total revenues	<u>779,158</u>	<u>801,534</u>	<u>22,376</u>	<u>648,634</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>818,232</u>	<u>818,232</u>	-	<u>602,866</u>
Total expenditures	<u>818,232</u>	<u>818,232</u>	-	<u>602,866</u>
Excess of revenues over (under) expenditures	(39,074)	(16,698)	22,376	45,768
Other Financing Sources (Uses)				
Fund balance appropriated	<u>39,074</u>	-	(39,074)	-
Total other financing sources (uses)	<u>39,074</u>	-	(39,074)	-
Net change in fund balance	<u>\$ -</u>	(16,698)	<u>\$ (16,698)</u>	45,768
Fund Balances - Beginning of Year		<u>89,239</u>		<u>43,471</u>
Fund Balances - End of Year		<u>\$ 72,541</u>		<u>\$ 89,239</u>

Conover Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 74,989	\$ 76,970	\$ 1,981	\$ 79,776
Investment earnings	-	2,160	2,160	1,916
Total revenues	<u>74,989</u>	<u>79,130</u>	<u>4,141</u>	<u>81,692</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>74,989</u>	-	<u>74,989</u>	-
Total expenditures	<u>74,989</u>	-	<u>74,989</u>	-
Excess of revenues over (under) expenditures	-	79,130	79,130	81,692
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	79,130	<u>\$ 79,130</u>	81,692
Fund Balances - Beginning of Year		<u>183,147</u>		<u>101,455</u>
Fund Balances - End of Year		<u>\$ 262,277</u>		<u>\$ 183,147</u>

Oxford Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 265,250	\$ 276,545	\$ 11,295	\$ 283,462
Investment earnings	-	489	489	486
Total revenues	<u>265,250</u>	<u>277,034</u>	<u>11,784</u>	<u>283,948</u>
Expenditures				
Public safety				
Transmitted to fire department	300,250	300,250	-	258,087
Total expenditures	<u>300,250</u>	<u>300,250</u>	<u>-</u>	<u>258,087</u>
Excess of revenues over (under) expenditures	(35,000)	(23,216)	11,784	25,861
Other Financing Sources (Uses)				
Fund balance appropriated	35,000	-	(35,000)	-
Total other financing sources (uses)	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(23,216)	<u>\$ (23,216)</u>	25,861
Fund Balances - Beginning of Year		<u>47,058</u>		<u>21,197</u>
Fund Balances - End of Year		<u>\$ 23,842</u>		<u>\$ 47,058</u>

Sherrills Ford Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 1,562,316	\$ 1,615,057	\$ 52,741	\$ 1,428,389
Investment earnings	-	1,345	1,345	1,310
Total revenues	<u>1,562,316</u>	<u>1,616,402</u>	<u>54,086</u>	<u>1,429,699</u>
Expenditures				
Public safety				
Transmitted to fire department	1,591,616	1,591,616	-	1,378,409
Total expenditures	<u>1,591,616</u>	<u>1,591,616</u>	<u>-</u>	<u>1,378,409</u>
Excess of revenues over (under) expenditures	(29,300)	24,786	54,086	51,290
Other Financing Sources (Uses)				
Fund balance appropriated	29,300	-	(29,300)	-
Total other financing sources (uses)	<u>29,300</u>	<u>-</u>	<u>(29,300)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	24,786	<u>\$ 24,786</u>	51,290
Fund Balances - Beginning of Year		<u>102,948</u>		<u>51,658</u>
Fund Balances - End of Year		<u>\$ 127,734</u>		<u>\$ 102,948</u>

Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 438,477	\$ 464,380	\$ 25,903	\$ 471,593
Investment earnings	-	736	736	907
Total revenues	<u>438,477</u>	<u>465,116</u>	<u>26,639</u>	<u>472,500</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>468,477</u>	<u>468,477</u>	-	<u>439,150</u>
Total expenditures	<u>468,477</u>	<u>468,477</u>	-	<u>439,150</u>
Excess of revenues over (under) expenditures	(30,000)	(3,361)	26,639	33,350
Other Financing Sources (Uses)				
Fund balance appropriated	<u>30,000</u>	-	<u>(30,000)</u>	-
Total other financing sources (uses)	<u>30,000</u>	-	<u>(30,000)</u>	-
Net change in fund balance	<u>\$ -</u>	(3,361)	<u>\$ (3,361)</u>	33,350
Fund Balances - Beginning of Year		<u>84,789</u>		<u>51,439</u>
Fund Balances - End of Year		<u>\$ 81,428</u>		<u>\$ 84,789</u>

Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 197,016	\$ 203,102	\$ 6,086	\$ 181,235
Investment earnings	-	1,051	1,051	1,187
Total revenues	<u>197,016</u>	<u>204,153</u>	<u>7,137</u>	<u>182,422</u>
Expenditures				
Public safety				
Transmitted to fire department	197,016	197,016	-	166,391
Total expenditures	<u>197,016</u>	<u>197,016</u>	<u>-</u>	<u>166,391</u>
Excess of revenues over (under) expenditures	-	7,137	7,137	16,031
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	7,137	<u>\$ 7,137</u>	16,031
Fund Balances - Beginning of Year		<u>110,826</u>		<u>94,795</u>
Fund Balances - End of Year		<u>\$ 117,963</u>		<u>\$ 110,826</u>

Claremont Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 231,251	\$ 240,806	\$ 9,555	\$ 243,238
Investment earnings	-	478	478	449
Total revenues	<u>231,251</u>	<u>241,284</u>	<u>10,033</u>	<u>243,687</u>
Expenditures				
Public safety				
Transmitted to fire department	231,251	231,251	-	228,236
Total expenditures	<u>231,251</u>	<u>231,251</u>	<u>-</u>	<u>228,236</u>
Excess of revenues over (under) expenditures	-	10,033	10,033	15,451
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	10,033	<u>\$ 10,033</u>	15,451
Fund Balances - Beginning of Year		<u>40,660</u>		<u>25,209</u>
Fund Balances - End of Year		<u>\$ 50,693</u>		<u>\$ 40,660</u>

Catawba Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 130,117	\$ 139,815	\$ 9,698	\$ 140,456
Investment earnings	-	2,773	2,773	3,400
Total revenues	<u>130,117</u>	<u>142,588</u>	<u>12,471</u>	<u>143,856</u>
Expenditures				
Public safety				
Transmitted to fire department	134,617	134,617	-	212,367
Total expenditures	<u>134,617</u>	<u>134,617</u>	<u>-</u>	<u>212,367</u>
Excess of revenues over (under) expenditures	(4,500)	7,971	12,471	(68,511)
Other Financing Sources (Uses)				
Fund balance appropriated	4,500	-	(4,500)	-
Total other financing sources (uses)	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	7,971	<u>\$ 7,971</u>	(68,511)
Fund Balances - Beginning of Year		<u>319,538</u>		<u>388,049</u>
Fund Balances - End of Year		<u>\$ 327,509</u>		<u>\$ 319,538</u>

Long View Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 26,211	\$ 26,624	\$ 413	\$ 23,373
Investment earnings	-	170	170	196
Total revenues	<u>26,211</u>	<u>26,794</u>	<u>583</u>	<u>23,569</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>26,211</u>	<u>26,211</u>	-	<u>21,705</u>
Total expenditures	<u>26,211</u>	<u>26,211</u>	-	<u>21,705</u>
Excess of revenues over (under) expenditures	-	583	583	1,864
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	583	<u>\$ 583</u>	1,864
Fund Balances - Beginning of Year		<u>17,925</u>		<u>16,061</u>
Fund Balances - End of Year		<u>\$ 18,508</u>		<u>\$ 17,925</u>

Newton Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 427,006	\$ 443,635	\$ 16,629	\$ 374,517
Investment earnings	-	429	429	412
Total revenues	<u>427,006</u>	<u>444,064</u>	<u>17,058</u>	<u>374,929</u>
Expenditures				
Public safety				
Transmitted to fire department	438,068	438,068	-	351,704
Total expenditures	<u>438,068</u>	<u>438,068</u>	<u>-</u>	<u>351,704</u>
Excess of revenues over (under) expenditures	(11,062)	5,996	17,058	23,225
Other Financing Sources (Uses)				
Fund balance appropriated	11,062	-	(11,062)	-
Total other financing sources (uses)	<u>11,062</u>	<u>-</u>	<u>(11,062)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	5,996	<u>\$ 5,996</u>	23,225
Fund Balances - Beginning of Year		<u>39,282</u>		<u>16,057</u>
Fund Balances - End of Year		<u>\$ 45,278</u>		<u>\$ 39,282</u>

Cooksville Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 91,772	\$ 96,943	\$ 5,171	\$ 99,355
Investment earnings	-	465	465	516
Total revenues	<u>91,772</u>	<u>97,408</u>	<u>5,636</u>	<u>99,871</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>91,772</u>	<u>91,772</u>	-	<u>91,354</u>
Total expenditures	<u>91,772</u>	<u>91,772</u>	-	<u>91,354</u>
Excess of revenues over (under) expenditures	-	5,636	5,636	8,517
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>5,636</u>	<u>\$ 5,636</u>	<u>8,517</u>
Fund Balances - Beginning of Year		<u>48,186</u>		<u>39,669</u>
Fund Balances - End of Year		<u>\$ 53,822</u>		<u>\$ 48,186</u>

Hickory Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 301,680	\$ 309,791	\$ 8,111	\$ 319,097
Investment earnings	-	280	280	301
Total revenues	<u>301,680</u>	<u>310,071</u>	<u>8,391</u>	<u>319,398</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>309,051</u>	<u>309,051</u>	-	<u>309,007</u>
Total expenditures	<u>309,051</u>	<u>309,051</u>	-	<u>309,007</u>
Excess of revenues over (under) expenditures	(7,371)	1,020	8,391	10,391
Other Financing Sources (Uses)				
Fund balance appropriated	<u>7,371</u>	-	<u>(7,371)</u>	-
Total other financing sources (uses)	<u>7,371</u>	-	<u>(7,371)</u>	-
Net change in fund balance	<u>\$ -</u>	1,020	<u>\$ 1,020</u>	10,391
Fund Balances - Beginning of Year		<u>24,322</u>		<u>13,931</u>
Fund Balances - End of Year		<u>\$ 25,342</u>		<u>\$ 24,322</u>

Capital Projects Funds

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

Non Major Funds

School Capital Projects Fund -

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

School Construction Fund -

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

Hospital Construction Fund -

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

Hospital Capital Reserve Fund -

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

Major Funds

General Capital Projects Fund -

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule D-1

**Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2015**

	<u>School Capital Fund</u>	<u>School Construction Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Assets				
Cash and investments	\$ 6,074,285	\$ 6,675,082	\$ 5,519,101	\$ 18,268,468
Due from other governments	1,161,520	118,995	-	1,280,515
Interest receivables	16,362	17,043	14,162	47,567
Restricted cash and investments	-	<u>224,942</u>	-	<u>224,942</u>
Total assets	<u>7,252,167</u>	<u>7,036,062</u>	<u>5,533,263</u>	<u>19,821,492</u>
Liabilities				
Accounts payable and accrued liabilities	<u>173,786</u>	<u>78,874</u>	-	<u>252,660</u>
Total liabilities	<u>173,786</u>	<u>78,874</u>	-	<u>252,660</u>
Fund Balance				
Restricted				
Stabilization by State Statute	1,177,882	136,038	14,162	1,328,082
School Construction	-	224,942	-	224,942
Hospital Capital	-	-	5,494,731	5,494,731
General Capital				
Committed				
School Capital	5,900,499		-	5,900,499
School Construction	-	6,596,208	-	6,596,208
Hospital Construction	-	-	24,370	24,370
Unassigned	-	-	-	-
Total fund balances	<u>7,078,381</u>	<u>6,957,188</u>	<u>5,533,263</u>	<u>19,568,832</u>
Total liabilities and fund balances	<u>\$ 7,252,167</u>	<u>\$ 7,036,062</u>	<u>\$ 5,533,263</u>	<u>\$ 19,821,492</u>

Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	<u>School Capital Fund</u>	<u>School Construction Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Revenues				
Other taxes	\$ 4,386,477	\$ -	\$ -	\$ 4,386,477
Restricted intergovernmental revenues	627,433	-	-	627,433
Investment earnings	52,895	64,050	46,671	163,616
Total revenues	<u>5,066,805</u>	<u>64,050</u>	<u>46,671</u>	<u>5,177,526</u>
Expenditures				
Capital outlay	5,196,143	3,707,044	-	8,903,187
Total expenditures	<u>5,196,143</u>	<u>3,707,044</u>	<u>-</u>	<u>8,903,187</u>
Excess of revenues over (under) expenditures	<u>(129,338)</u>	<u>(3,642,994)</u>	<u>46,671</u>	<u>(3,725,661)</u>
Other Financing Sources (Uses)				
Transfers from other funds	35,000	3,185,358	-	3,220,358
Transfers to other funds	(530,000)	(35,000)	-	(565,000)
Total other financing sources (uses)	<u>(495,000)</u>	<u>3,150,358</u>	<u>-</u>	<u>2,655,358</u>
Net change in fund balance	(624,338)	(492,636)	46,671	(1,070,303)
Fund Balances - Beginning of Year	<u>7,702,719</u>	<u>7,449,824</u>	<u>5,486,592</u>	<u>20,639,135</u>
Fund Balances - End of Year	<u>\$ 7,078,381</u>	<u>\$ 6,957,188</u>	<u>\$ 5,533,263</u>	<u>\$ 19,568,832</u>

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, 2015

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other taxes					
Sales Taxes-Article 40 and 42	\$ 13,215,253	\$ 12,210,035	\$ 4,386,477	\$ 16,596,512	\$ 3,381,259
Restricted intergovernmental revenues					
Public School Building Lottery Fund	748,258	-	627,433	627,433	(120,825)
Investment earnings	1,046,665	3,645,004	52,895	3,697,899	2,651,234
Miscellaneous					
Partnership for Children	30,000	61,952	-	61,952	31,952
Total revenues	<u>15,040,176</u>	<u>15,916,991</u>	<u>5,066,805</u>	<u>20,983,796</u>	<u>5,943,620</u>
Expenditures					
Capital outlay					
Catawba County Schools					
Activity Buses	589,214	502,214	83,785	585,999	3,215
Bandys High School Renovations	235,000	-	26,280	26,280	208,720
Bunker Hill High School Renovations	405,000	-	120,568	120,568	284,432
Camera Security/Electrical Doors	485,000	98,191	237,240	335,431	149,569
Capital Projects Manager	33,092	-	33,092	33,092	-
Claremont Elementary Roofing	85,000	-	76,392	76,392	8,608
Fire Alarm Upgrades	244,000	72,201	127,048	199,249	44,751
Gymnasium Floors	120,000	103,163	-	103,163	16,837
HVAC Controls System Upgrade	669,990	451,589	146,881	598,470	71,520
Jacobs Fork Middle School Hydronic Piping	25,000	20,935	752	21,687	3,313
Maiden Elementary Cooling Tower	149,996	-	149,996	149,996	-
Maiden Elementary Security Fencing	40,000	-	5,977	5,977	34,023
Maiden Middle School Renovations	60,000	42,112	16,866	58,978	1,022
Maiden Middle School Tennis Courts	70,000	-	66,120	66,120	3,880
Maintenance Vehicles	156,608	90,000	66,608	156,608	-
Mill Creek Boiler Burner Replacement	25,000	-	17,973	17,973	7,027
Oxford Elementary Gymnasium Floor	85,000	-	76,190	76,190	8,810
Parking Lot Paving	676,000	-	232,165	232,165	443,835
Per Capita Allocation	882,388	-	882,388	882,388	-
Propst Crossroads School Land	500,000	-	-	-	500,000
River Bend Middle School Water Supply	85,000	108	84,892	85,000	-
Roof Guttering	120,000	-	70,217	70,217	49,783
Roofing Projects	2,087,432	1,519,369	517,327	2,036,696	50,736
Sewer Development	89,000	-	-	-	89,000
St. Stephens High School HVAC Piping	350,220	157,405	4,169	161,574	188,646
Sweetwater Early Childhood Center	159,000	61,952	97,048	159,000	-
Webb Murray Elementary Computers	107,384	84,366	-	84,366	23,018
Webb Murray Elementary Renovation Planning	20,000	17,718	2,282	20,000	-
Total Catawba County Schools	<u>8,554,324</u>	<u>3,221,323</u>	<u>3,142,256</u>	<u>6,363,579</u>	<u>2,190,745</u>
Catawba Valley Community College					
American with Disabilities Act Renovations	245,000	16,314	189,427	205,741	39,259
Fire Alarm Upgrade	155,000	146,995	8,005	155,000	-
General Renovations	2,304,706	2,254,706	50,000	2,304,706	-
Safety System	225,000	79,508	145,492	225,000	-
Truck	20,000	-	20,000	20,000	-
Total Catawba Valley Community College	<u>2,949,706</u>	<u>2,497,523</u>	<u>412,924</u>	<u>2,910,447</u>	<u>39,259</u>

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, 2015

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
Activity Buses	83,247	-	83,247	83,247	-
Hickory Career Magnet School Renovation	235,000	-	129,227	129,227	105,773
HVAC Controls Upgrades	155,000	32,938		32,938	122,062
Longview Elementary Renovations	194,298	-	31,555	31,555	162,743
Oakwood Elementary Gymnasium	91,672	29,685	61,987	91,672	-
Per Capita Allocation	172,872	-	172,872	172,872	-
Rekeying Locks	141,000	74,879	58,494	133,373	7,627
Security Upgrades	275,000	155,257	78,723	233,980	41,020
Southwest Elementary HVAC	270,000	-	16,700	16,700	253,300
Southwest Elementary Mechanical Upgrades	215,000	195,964	300	196,264	18,736
Technology Upgrades	35,000	-	-	-	35,000
Total Hickory Public Schools	1,868,089	488,723	633,105	1,121,828	746,261
Newton-Conover City Schools					
Asbestos Removal	111,032	96,125	3,950	100,075	10,957
Capital Projects Manager	55,730	-	50,997	50,997	4,733
Fire Alarm Upgrades	60,000	34,805	2,843	37,648	22,352
NC Middle School to Elementary	993,561	982,469	11,092	993,561	-
North Newton Elementary Gas Packs	100,000	-	100,000	100,000	-
Per Capita Allocation	164,840	-	164,840	164,840	-
Roofing Projects	832,272	776,692	7,000	783,692	48,580
Security Upgrades	140,000	46,389	52,904	99,293	40,707
Shuford Elementary Roofing	750,000	-	29,695	29,695	720,305
South Newton Elementary Furnishings	300,000	-	299,946	299,946	54
Summit System	18,750	-	-	-	18,750
Technology Van	58,000	20,223	37,777	58,000	-
Thornton Elementary Renovations	300,000	-	246,814	246,814	53,186
Total Newton-Conover City Schools	3,884,185	1,956,703	1,007,858	2,964,561	919,624
Total expenditures	17,256,304	8,164,272	5,196,143	13,360,415	3,895,889
Excess of revenues over (under) expenditures	(2,216,128)	7,752,719	(129,338)	7,623,381	9,839,509
Other Financing Sources (Uses)					
Transfers from					
School Construction Fund	35,000	-	35,000	35,000	-
Transfers to					
General Fund	(580,000)	(50,000)	(530,000)	(580,000)	-
Fund Balance Appropriated	2,761,128	-	-	-	(2,761,128)
Total other financing sources (uses)	2,216,128	(50,000)	(495,000)	(545,000)	(2,761,128)
Net change in fund balance	\$ -	\$ 7,702,719	(624,338)	\$ 7,078,381	\$ 7,078,381
Fund Balances - Beginning of Year			7,702,719		
Fund Balances - End of Year			\$ 7,078,381		

CATAWBA COUNTY, NORTH CAROLINA

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**School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2015**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	-	1,838,197	64,050	1,902,247	1,902,247
Total revenues	-	1,838,197	64,050	1,902,247	1,902,247
Expenditures					
Catawba County Schools					
Webb Murray Elementary Renovation	5,776,800	5,766,292	285	5,766,577	10,223
Total Catawba County Schools	5,776,800	5,766,292	285	5,766,577	10,223
Catawba Valley Community College					
East Campus Renovation	4,261,859	2,261,859	236,387	2,498,246	1,763,613
Vocational Building	16,700,000	185,088	776,404	961,492	15,738,508
Total Catawba Valley Community College	20,961,859	2,446,947	1,012,791	3,459,738	17,502,121
Hickory Public Schools					
Longview Elementary	11,969,669	10,711,933	915,338	11,627,271	342,398
Total Hickory Public Schools	11,969,669	10,711,933	915,338	11,627,271	342,398
Newton-Conover City Schools					
Newton-Conover Middle School	19,915,000	19,743,247	153,078	19,896,325	18,675
Newton-Conover Middle School to Elementary	1,085,000	1,081,400	2,790	1,084,190	810
South Newton Elementary	11,590,580	9,834,824	1,622,762	11,457,586	132,994
Total Newton-Conover City Schools	32,590,580	30,659,471	1,778,630	32,438,101	152,479
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	8,789,911	-	-	-	8,789,911
Total Other	9,639,911	-	-	-	9,639,911
Total expenditures	80,938,819	49,584,643	3,707,044	53,291,687	27,647,132
Excess of revenues over (under) expenditures	(80,938,819)	(47,746,446)	(3,642,994)	(51,389,440)	29,549,379
Other Financing Sources (Uses)					
Transfers from					
General Fund	8,712,178	5,526,820	3,185,358	8,712,178	-
School Capital Fund	177,400	177,400	-	177,400	-
Transfers to					
School Capital Fund	(35,000)	-	(35,000)	(35,000)	-
Installment Purchase Obligations Issued 2015	2,000,000	-	-	-	(2,000,000)
Installment Purchase Obligations Issued 2014	15,700,000	-	-	-	(15,700,000)
Installment Purchase Obligations Issued 2013	24,615,250	21,615,250	-	21,615,250	(3,000,000)
Build America Bonds 2010	5,791,447	5,791,447	-	5,791,447	-
Qualified School Construction Bonds 2011	5,776,800	5,776,800	-	5,776,800	-
Qualified School Construction Bonds 2010	16,308,553	16,308,553	-	16,308,553	-
Fund Balance Appropriated	1,892,191	-	-	-	(1,892,191)
Total other financing sources (uses)	80,938,819	55,196,270	3,150,358	58,346,628	(22,592,191)

**School Construction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
 From Inception and for the Year Ended June 30, 2015**

	Project <u>Authorization</u>	Actual			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Net change in fund balance	\$ -	\$ 7,449,824	(492,636)	\$ 6,957,188	\$ 6,957,188
Fund Balances - Beginning of Year		-	7,449,824		
Fund Balances - End of Year			\$ 6,957,188		

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, 2015

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 24,296	\$ 137	\$ 24,433	\$ 24,433
Expenditures					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	24,296	137	24,433	24,433
Net change in fund balance	\$ -	\$ 24,296	137	\$ 24,433	\$ 24,433
Fund Balances - Beginning of Year			24,296		
Fund Balances - End of Year			24,433		
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			46,534		
Fund Balance - Beginning (Hospital Capital Reserve Fund)			5,462,296		
Fund Balance - Ending (Consolidated Hospital Construction Fund)			\$ 5,533,263		

Hospital Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 46,534	\$ 46,534	\$ 59,456
Total revenues	-	46,534	46,534	59,456
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	46,534	46,534	59,456
Other Financing Sources (Uses)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	46,534	\$ 46,534	59,456
Fund Balances - Beginning of Year		5,462,296		5,402,840
Fund Balances - End of Year		\$ 5,508,830		\$ 5,462,296

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, 2015

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	\$ 14,656,483	\$ 14,291,121	\$ 370,602	\$ 14,661,723	\$ 5,240
Restricted intergovernmental revenues					
Municipalities Grants	89,170	89,189	-	89,189	19
NC Department of Natural Resources Clean Water Management Trust - CWMTF 2008-006	2,060,272	2,060,272	-	2,060,272	-
Investment earnings	293,412	6,433,717	309,592	6,743,309	6,449,897
Miscellaneous					
Animal Shelter	-	7,766	-	7,766	7,766
Duke Energy	1,119,588	1,119,588	-	1,119,588	-
Library Donations	-	12,768	-	12,768	12,768
Miscellaneous	298,138	452,651	141	452,792	154,654
Park Donations	153,175	87,150	125,000	212,150	58,975
Rental - Jail Beds	2,667,153	3,183,837	438,231	3,622,068	954,915
Rental - Lifeskills	69,928	123,760	-	123,760	53,832
Total revenues	<u>21,407,319</u>	<u>27,861,819</u>	<u>1,243,566</u>	<u>29,105,385</u>	<u>7,698,066</u>
Expenditures					
Capital outlay					
Animal Shelter - New	4,200,000	4,018,504	139,564	4,158,068	41,932
Animal Shelter (former) Renovation	350,000	-	5,400	5,400	344,600
Bandys EMS Addition	321,520	-	-	-	321,520
Bunker Hill Covered Bridge	194,305	-	-	-	194,305
Carolina Thread Trail	87,000	-	11,000	11,000	76,000
Economic Development	1,206,397	-	103,189	103,189	1,103,208
Emergency Services Hazmat Truck	300,000	-	261,774	261,774	38,226
Employment Security Commission Building	168,800	40,071	18,800	58,871	109,929
Future EMS Base	236,000	-	-	-	236,000
Future Unspecified Projects	452,665	-	-	-	452,665
General Renovations	1,278,819	1,051,707	44,208	1,095,915	182,904
Jail Door Repair	50,000	-	30,038	30,038	19,962
Jail Expansion	2,131,745	-	-	-	2,131,745
Jail Expansion - Federal Beds	550,000	-	-	-	550,000
Jail Expansion - Female Beds	50,000	-	48,098	48,098	1,902
Justice Center Expansion/Public Safety	44,227,806	8,184,688	7,233,294	15,417,982	28,809,824
Justice Center HVAC Controls	440,000	84,214	355,786	440,000	-
Lifeskills Building Maintenance	69,928	-	-	-	69,928
Mountain Creek Park	3,629,860	3,361,835	1,200	3,363,035	266,825
Multi-jurisdictional Data Park	2,600,000	294,442	(96,596)	197,846	2,402,154
Oblique Photography	245,000	148,796	47,997	196,793	48,207
Park Improvements	10,774	-	-	-	10,774
Permitting/Inspections System	820,000	724,406	33,819	758,225	61,775
Public Safety	200,000	-	62,081	62,081	137,919
Rescue Squad - Newton-Conover	120,000	-	-	-	120,000
Roofing Projects	526,727	248,913	204,996	453,909	72,818
Server & Desktop Applications	1,940,000	1,576,000	161,554	1,737,554	202,446
Sherrills Ford Library	3,165,800	2,428,035	590,649	3,018,684	147,116

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, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Technology Infrastructure Upgrades	2,368,100	2,142,623	100,782	2,243,405	124,695
UPS Server Cooling	127,000	-	-	-	127,000
Viper 800mhz System	496,146	389,082	12,282	401,364	94,782
Voting Equipment	611,311	-	-	-	611,311
Total expenditures	73,175,703	24,693,316	9,369,915	34,063,231	39,112,472
Excess of revenues over (under) expenditures	(51,768,384)	3,168,503	(8,126,349)	(4,957,846)	46,810,538
Other Financing Sources (Uses)					
Transfers from					
General Fund	14,392,583	13,167,583	1,225,000	14,392,583	-
General Capital Reserve Fund	225,156	225,156	-	225,156	-
Emergency Telephone Fund Transfer	3,060,919	2,863,015	197,904	3,060,919	-
Park Preservation Fund	128,130	128,130	-	128,130	-
Department of Commerce loan issued (Grant 12-L-2401)	2,600,000	2,600,000	-	2,600,000	-
Installment purchase issued	8,337,500	4,850,000	-	4,850,000	(3,487,500)
Limited obligation bonds issued	20,125,000	20,125,000	-	20,125,000	-
Premium on debt issued	-	2,161,054	-	2,161,054	2,161,054
Fund balance appropriated	2,899,096	-	-	-	(2,899,096)
Total other financing sources (uses)	51,768,384	46,119,938	1,422,904	47,542,842	(4,225,542)
Net change in fund balance	\$ -	\$ 49,288,441	(6,703,445)	\$ 42,584,996	\$ 42,584,996
Fund Balances - Beginning of Year			<u>49,288,441</u>		
Fund Balances - End of Year			<u>\$ 42,584,996</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

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**Solid Waste Management Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 4,549,681	\$ 4,771,416		
Methane recovery	1,041,298	972,568		
Other operating	70,000	74,381		
Total operating revenues	<u>5,660,979</u>	<u>5,818,365</u>	<u>157,386</u>	<u>5,569,812</u>
Nonoperating revenues				
Investment earnings	-	152,900		
Tire disposal tax	150,000	196,395		
Solid waste disposal tax	57,000	66,569		
White goods disposal tax	42,000	49,465		
Scrap tire grant	34,000	5,816		
Electronics management distribution	9,000	12,038		
Hickory community relations	-	3,000		
Proceeds from sale of equipment	-	2,220		
Miscellaneous	-	112,093		
Total nonoperating revenues	<u>292,000</u>	<u>600,496</u>	<u>308,496</u>	<u>600,266</u>
Total revenues	<u>5,952,979</u>	<u>6,418,861</u>	<u>465,882</u>	<u>6,170,078</u>
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	246,446	245,021		
Other operating	282,755	276,951		
	<u>529,201</u>	<u>521,972</u>	<u>7,229</u>	<u>517,298</u>
Recycling				
Other operating	100,550	73,596		
	<u>100,550</u>	<u>73,596</u>	<u>26,954</u>	<u>55,407</u>
Solid Waste Management Improvements				
Other operating	382,832	93,299		
	<u>382,832</u>	<u>93,299</u>	<u>289,533</u>	<u>185,168</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	78,903	77,781		
Other operating	38,306	12,090		
	<u>117,209</u>	<u>89,871</u>	<u>27,338</u>	<u>74,398</u>
Biodiesel and Freon Recovery				
Other operating	10,313	8,420		
	<u>10,313</u>	<u>8,420</u>	<u>1,893</u>	<u>35,540</u>
Sanitary Landfill				
Salaries & employee benefits	1,111,878	1,053,344		

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-1

Page 2 of 2

**Solid Waste Management Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014**

	2015			Actual Prior Year
	Budget	Actual	Over/Under	
Other operating	<u>2,087,497</u>	<u>1,547,608</u>		
	<u>3,199,375</u>	<u>2,600,952</u>	<u>598,423</u>	<u>2,629,026</u>
Convenience Centers				
Other operating	<u>2,200</u>	<u>1,187</u>		
	<u>2,200</u>	<u>1,187</u>	<u>1,013</u>	<u>1,100</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	125,407	129,106		
Other operating	<u>617,291</u>	<u>503,228</u>		
	<u>742,698</u>	<u>632,334</u>	<u>110,364</u>	<u>742,278</u>
Total operating expenditures	<u>5,084,378</u>	<u>4,021,631</u>	<u>1,062,747</u>	<u>4,240,215</u>
Capital outlay	<u>706,143</u>	<u>156,845</u>	<u>549,298</u>	<u>301,774</u>
Total expenditures	<u>5,790,521</u>	<u>4,178,476</u>	<u>1,612,045</u>	<u>4,541,989</u>
Excess of revenues over (under) expenditures	<u>162,458</u>	<u>2,240,385</u>	<u>2,077,927</u>	<u>1,628,089</u>
Other Financing Sources (Uses)				
Transfer to Solid Waste Capital Fund	(750,000)	(750,000)		
Fund balance appropriated	<u>587,542</u>	<u>-</u>	<u>(587,542)</u>	
Total other financing sources (uses)	<u>(162,458)</u>	<u>(750,000)</u>	<u>(587,542)</u>	<u>(1,548,435)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,490,385</u>	<u>\$ 1,490,385</u>	<u>\$ 79,654</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ 1,490,385</u>		
Reconciling items				
Capital outlay		156,845		
Depreciation		(836,369)		
Contributions made to the pension plan in the current fiscal year		82,143		
(Increase) decrease in accrued landfill closure and postclosure care		(100,000)		
(Increase) decrease in compensated absences		10,357		
(Increase) decrease in net OPEB obligation		(27,227)		
Pension expense		(6,718)		
Capital contribution		17,501		
Revenues from capital projects		25,790		
Transfers from capital projects		<u>750,000</u>		
Total reconciling items		<u>72,322</u>		
Change in net position (Exhibit 7) (full accrual)		<u>\$ 1,562,707</u>		

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-2

**Solid Waste Management Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2015**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
North Carolina Biofuels Grant	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Landfill user fees	1,918,377	1,918,377	-	1,918,377	-
Investment earnings	-	30,820	25,790	56,610	56,610
Total revenues	<u>1,933,377</u>	<u>1,949,197</u>	<u>25,790</u>	<u>1,974,987</u>	<u>41,610</u>
Expenditures					
Capital outlay					
Crop Processing Facility	980,790	979,331	-	979,331	1,459
EcoComplex Facility	500,000	278,289	45,742	324,031	175,969
Heat Exchange Facility	75,000	11,470	-	11,470	63,530
Methane Gas Skid & Flare	800,000	-	25,454	25,454	774,546
Subtitle D Cell Construction	1,777,587	-	-	-	1,777,587
Wood Gasification Facility	100,000	21,465	-	21,465	78,535
Total expenditures	<u>4,233,377</u>	<u>1,290,555</u>	<u>71,196</u>	<u>1,361,751</u>	<u>2,871,626</u>
Excess of revenues over (under) expenditures	<u>(2,300,000)</u>	<u>658,642</u>	<u>(45,406)</u>	<u>613,236</u>	<u>2,913,236</u>
Other Financing Sources (Uses)					
Transfer from Solid Waste Operating	<u>2,300,000</u>	<u>1,550,000</u>	<u>750,000</u>	<u>2,300,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,300,000</u>	<u>1,550,000</u>	<u>750,000</u>	<u>2,300,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,208,642</u>	<u>\$ 704,594</u>	<u>\$ 2,913,236</u>	<u>\$ 2,913,236</u>

Water and Sewer Fund
Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2014

	<u>2015</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating revenues				
Sales Taxes - Article 46 - one quarter of one percent	-	10,695		
Municipality revenue	515,000	597,950		
Domestic Haulers	58,000	75,573		
Capital fees	44,000	36,500		
Investment earnings	-	110,967		
Total nonoperating revenues	<u>617,000</u>	<u>831,685</u>	<u>214,685</u>	<u>2,359,884</u>
Total revenues	<u>617,000</u>	<u>831,685</u>	<u>214,685</u>	<u>2,359,884</u>
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	100,798	100,463		
Other operating	1,841,610	725,033		
Principal	978,780	978,778		
Interest	348,270	338,096		
Total expenditures	<u>3,269,458</u>	<u>2,142,370</u>	<u>1,127,088</u>	<u>1,836,512</u>
Excess of revenues over (under) expenditures	<u>(2,652,458)</u>	<u>(1,310,685)</u>	<u>1,341,773</u>	<u>523,372</u>
Other Financing Sources (Uses)				
Fund balance appropriated	2,652,458	-		
Total other financing sources (uses)	<u>2,652,458</u>	<u>-</u>	<u>(2,652,458)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,310,685)</u>	<u>\$ (1,310,685)</u>	<u>\$ 523,372</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ (1,310,685)</u>		
Reconciling items				
Depreciation		(225,395)		
Contributions made to the pension plan in the current fiscal year		1,111		
Loan principal		978,778		
Revenues from capital projects		2,897,412		
(Increase) decrease in compensated absences		(651)		
(Increase) decrease in net OPEB obligation		(1,047)		
Pension expense		(92)		
Donated asset to primary government		(381,495)		
Project expenditures not capitalized		(520,541)		
Total reconciling items		<u>2,748,080</u>		
Change in net position (full accrual)		<u>\$ 1,437,395</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, 2015**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	\$ 2,634,083	\$ 1,281,124	\$ 1,440,617	\$ 2,721,741	\$ 87,658
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	1,500,000	1,500,000	-	1,500,000	-
Community Development Block Grants (CDBG)					
Old Shelby Road (12-C-2512)	750,000	45,255	469,231	514,486	(235,514)
State Clean Water Grant (E-SRG-T-02-0139)	1,633,742	1,633,742	-	1,633,742	-
Investment earnings	-	1,755,978	187,564	1,943,542	1,943,542
Miscellaneous					
Southeastern County Water Project	12,141	-	-	-	(12,141)
Total revenues	6,529,966	6,216,099	2,097,412	8,313,511	1,783,545
Expenditures					
Capital outlay					
Balls Creek Water Phase I	645,886	-	-	-	645,886
Balls Creek Water Phase II	1,996,019	9,000	121,219	130,219	1,865,800
Blackburn Elementary Water	580,000	-	-	-	580,000
Blackburn/Plateau Water	3,780,600	3,102,288	-	3,102,288	678,312
Bunker Hill Bridge Water	350,000	22,200	345	22,545	327,455
Community Development Block Grants (CDBG)					
Old Shelby Road (12-C-2512)	813,000	62,748	469,918	532,666	280,334
Community Road Water	300,000	-	-	-	300,000
County Complex Water and Sewer	116,000	56,657	-	56,657	59,343
State Clean Water Grants					
Bunker Hill Sewer (E-SRG-T-02-0139)	2,768,734	2,153,193	-	2,153,193	615,541
Davis Road Water	825,862	-	43,665	43,665	782,197
EcoComplex and Resource Recovery	1,669,367	962,923	17,501	980,424	688,943
EcoComplex Utilities	75,000	-	-	-	75,000
EPA Stormwater Phase II	250,000	64,569	-	64,569	185,431
Farmfield Acres Water	230,000	-	-	-	230,000
Heatherbrook Subdivision Water	289,000	206,020	-	206,020	82,980
Hwy 16 North Water	370,000	-	-	-	370,000
Hwy 150 Water Service	34,951	-	-	-	34,951
Hwy 150 Sewer Service	8,000,000	7,478,159	370,059	7,848,218	151,782
Hwy 150 Sewer Service Phase I and II	935,329	21,156	229,335	250,491	684,838
Landsdown Sewer	657,000	-	-	-	657,000
Landsdown Water	293,000	-	-	-	293,000
Leeland Terrace Subdivision Water	213,226	87,726	-	87,726	125,500
McLin/Lyle Creek Sewer Outfall	2,576,393	-	-	-	2,576,393
Mountain View Elementary Water	30,000	28,800	-	28,800	1,200
Ramseur Road Water	97,500	89,243	-	89,243	8,257
Southeastern Catawba County Water Improvements	12,141	-	-	-	12,141
Sludge Composting Project	2,905,918	1,917,300	309,801	2,227,101	678,817
Southeastern Catawba County Wastewater	6,810,573	6,579,915	18,952	6,598,867	211,706
Southeastern Catawba County Water Supply Loop	6,706,236	4,912,979	1,590,392	6,503,371	202,865
Total expenditures	44,331,735	27,754,876	3,171,187	30,926,063	13,405,672
Excess of revenues over (under) expenditures	(37,801,769)	(21,538,777)	(1,073,775)	(22,612,552)	15,189,217

Water and Sewer Capital Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2015

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Other Financing Sources (Uses)					
Transfers from (to)					
General Fund	5,351,195	4,551,195	800,000	5,351,195	-
Water and Sewer Construction Fund - Governmental	17,277,039	30,304,449	-	30,304,449	13,027,410
Revolving Loan Obligations Issued	1,500,000	1,500,000	-	1,500,000	-
Installment Purchase Obligations Issued	8,000,000	8,000,000	-	8,000,000	-
Fund balance appropriated	<u>5,673,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,673,535)</u>
Total other financing sources (uses)	<u>37,801,769</u>	<u>44,355,644</u>	<u>800,000</u>	<u>45,155,644</u>	<u>7,353,875</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 22,816,867</u>	<u>\$ (273,775)</u>	<u>\$ 22,543,092</u>	<u>\$ 22,543,092</u>



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.

Sheriff Civil Fund – accounts for monies deposited with the Sheriff department for inmates.

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.

Fines and Forfeitures Fund - accounts for various legal fines and forfeitures that the County is required to remit to the Catawba County Board of Education, Hickory City Board of Education and Newton-Conover City Board of Education.

All Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 For Fiscal Year Ended June 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Social Services Fund				
Assets				
Cash and investments	\$ 36,622	\$ 490,968	\$ 483,505	\$ 44,085
Liabilities				
Miscellaneous liabilities	\$ 36,622	\$ 490,968	\$ 483,505	\$ 44,085
Sheriff Commissary Fund				
Assets				
Cash and investments	\$ 30,172	\$ 297,807	\$ 301,057	\$ 26,922
Liabilities				
Miscellaneous liabilities	\$ 30,172	\$ 297,807	\$ 301,057	\$ 26,922
Sheriff Civil Fund				
Assets				
Cash and investments	\$ 1	\$ 232,125	\$ 232,126	\$ -
Liabilities				
Miscellaneous liabilities	\$ 1	\$ 232,125	\$ 232,126	\$ -
Deed of Trust Fee Fund				
Assets				
Cash and investments	\$ 7,781	\$ 96,385	\$ 94,916	\$ 9,250
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 7,781	\$ 96,385	\$ 94,916	\$ 9,250
Fines and Forfeitures				
Assets				
Cash and investments	\$ -	\$ 483,616	\$ 483,616	\$ -
Liabilities				
Intergovernmental payable - Local Boards of Education	\$ -	\$ 483,616	\$ 483,616	\$ -
Total - All Agency Funds				
Assets				
Cash and investments	\$ 74,576	\$ 1,600,901	\$ 1,595,220	\$ 80,257
Liabilities				
Miscellaneous liabilities	\$ 74,576	\$ 1,600,901	\$ 1,595,220	\$ 80,257

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
For Fiscal Year Ended June 30, 2015**

	Amounts Represented on Statements	Cost Value	Fair Value
Cash			
On hand	\$ 8,606	\$ 8,606	\$ 8,606
In demand deposits (interest bearing)	1,171,411	1,171,411	1,171,411
(noninterest bearing)	71,007	71,007	71,007
Money Market, unrestricted	2,546,356	2,546,356	2,546,356
Money Market, restricted for capital	8,546,503	8,546,503	8,546,503
Finistar	2,608,683	2,608,683	2,608,683
Total cash	\$ 14,952,566	\$ 14,952,566	\$ 14,952,566
Other Investments			
North Carolina Capital Management Trust, Cash Portfolio	15,592,424	15,592,424	15,592,424
North Carolina Capital Management Trust, Term Portfolio	7,052,013	7,052,013	7,052,013
Debt Escrow, restricted for capital	8,153,825	8,153,825	8,153,825
Commercial Paper	6,974,140	6,974,140	6,974,140
Federal Farm Credit	12,992,610	12,999,500	12,992,610
Federal Home Loan Bank	29,688,806	29,865,793	29,688,806
Federal Home Loan Mortgage Corporation	39,219,932	39,585,150	39,219,932
Federal National Mortgage Association Certificates of deposit	44,588,465 255,133	44,608,625 255,133	44,588,465 255,133
Total other investments	\$ 164,517,348	\$ 165,086,603	\$ 164,517,348
Total cash and investments	\$ 179,469,914	\$ 180,039,169	\$ 179,469,914

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

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**Schedule of Cash and Investment Balances
June 30, 2015**

Distribution by funds

General Fund	\$ 48,758,072	
Restricted cash	8,913,405	\$ 57,671,477
Special Revenue Funds		
Emergency Telephone System Fund	\$ 2,169,580	
Narcotics Seized Funds and Property Fund	80,299	
Rescue Squads Fund	274,187	
Library Endowment Fund	187,371	
Gretchen Peed Scholarship Fund	52,294	
Parks Preservation Trust Fund	50,004	
Community Development Fund	17,363	
Fire District Funds	<u>1,261,326</u>	4,092,424
Capital Projects Funds		
Schools Capital Projects Fund	\$ 6,074,285	
Hospital Construction Fund	5,519,101	
School Construction Fund	6,675,082	
Restricted Cash	224,942	
General Capital Projects Fund	32,703,465	
Restricted Cash	<u>10,604,245</u>	61,801,120
Enterprise Fund		
Water & Sewer Fund	\$ 34,134,013	
Restricted Cash	451,421	
Solid Waste Management Fund	21,239,202	55,824,636
Fiduciary Funds		
Social Services Fund	\$ 44,085	
Sheriff Commissary Fund	26,922	
Sheriff Civil Fund	-	
Deed of Trust Fee Fund	9,250	
Fines and Forfeitures	<u>-</u>	<u>80,257</u>
Total		<u>\$ 179,469,914</u>

Analysis of Current Tax Levy
For the Year Ended June 30, 2015

	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	\$ 16,682,740,677	0.530	\$ 88,418,526	\$ 81,718,394	\$ 6,700,132
Penalties	-		143,750	143,750	-
Total	16,682,740,677		88,562,275	81,862,144	6,700,132
Discoveries:					
Current year taxes	62,344,868	0.530	330,428	330,428	-
Penalties	-		27,656	27,656	-
Total	62,344,868		358,084	358,084	-
Abatements:	(107,661,753)		(742,013)	(741,901)	(112)
Total property valuation	<u>\$ 16,637,423,792</u>				
Net levy			88,178,346	81,478,326	6,700,020
Uncollected taxes at June 30, 2015			1,764,670	1,763,641	1,029
Current year's taxes collected			<u>\$ 86,413,676</u>	<u>\$ 79,714,685</u>	<u>\$ 6,698,991</u>
Current levy collection percentage			<u>98.00%</u>	<u>97.84%</u>	<u>99.98%</u>

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 12,267,687,100
Personal Property	3,622,784,098
Public Service Companies ⁽²⁾	746,952,594
Total Assessed Valuation	\$ 16,637,423,792
Tax Rate per \$100	0.530
Levy (includes discoveries, releases and abatements) ⁽³⁾	<u>\$ 88,178,346</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	\$ 5,338,354
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⁽¹⁾ Percentage of appraised value has been established by statute.

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

⁽³⁾ The levy includes interest and penalties.

Schedule of Taxes Receivable
June 30, 2015

<u>General Fund</u>	<u>Uncollected Balance June 30, 2014</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2015</u>
2014	\$ -	\$ 88,178,346	\$ 86,413,676	\$ 1,764,670
2013	2,712,772	-	1,479,914	1,232,858
2012	1,604,311	-	578,394	1,025,917
2011	1,027,673	-	257,582	770,091
2010	746,134	-	132,598	613,536
2009	581,803	-	73,304	508,499
2008	507,465	-	41,320	466,145
2007	383,659	-	19,563	364,096
2006	285,529	-	14,617	270,912
2005	253,152	-	8,683	244,469
Prior	243,658	-	243,658	-
	<u>\$ 8,346,156</u>	<u>\$ 88,178,346</u>	<u>\$ 89,263,309</u>	<u>\$ 7,261,193</u>
Less allowance for uncollectible taxes	<u>6,071,257</u>			<u>5,739,909</u>
Taxes receivable -- net	<u>\$ 2,274,899</u>			<u>\$ 1,521,284</u>

Reconciliation with revenues:

<u>Ad valorem taxes</u>	
General Fund	\$ 88,554,961
Rescue Squad Fund	<u>1,067,200</u>
Total ad valorem taxes	\$ 89,622,161
<u>Reconciling items:</u>	
Penalties and interest collected	(699,600)
Tax on leased vehicle collected	(111,117)
Prior year release/adjustments	208,207
Taxes written off	<u>243,658</u>
Total reconciling items	<u>(358,852)</u>
Total collections	<u>\$ 89,263,309</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule J-1

**Schedule of General Bonded Indebtedness and Debt Service Requirement
For the Fiscal Year Ended June 30, 2015**

<u>Date of Issue</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest</u>	<u>Notes and Bonds Outstanding June 30, 2014</u>	<u>Notes and Bonds Issued 2014-2015</u>	<u>Notes and Bonds Retired 2014-2015</u>	<u>Interest Paid 2014-2015</u>	<u>Notes and Bonds Outstanding June 30, 2015</u>	<u>Falling Due Within Next Fiscal Year</u>	
									<u>Principal</u>	<u>Interest</u>
6/1/2005	Refunding Series 2005									
	Schools	2006-15	3.00-3.75	729,904	-	729,904	27,371	-	-	-
	Community College	2006-15	3.00-3.75	30,096	-	30,096	1,129	-	-	-
				<u>\$ 760,000</u>	<u>\$ -</u>	<u>\$ 760,000</u>	<u>\$ 28,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
For the Fiscal Year Ended June 30, 2015

Schedule K-1

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2016	12,332,152	5,156,471	17,488,623	1,221,370	323,958	1,545,328
2017	12,691,346	4,850,119	17,541,465	1,228,229	293,455	1,521,684
2018	12,643,855	4,513,777	17,157,632	1,238,473	261,284	1,499,757
2019	12,615,319	4,172,038	16,787,357	1,248,924	228,956	1,477,880
2020	12,020,296	3,842,502	15,862,798	1,176,281	198,132	1,374,413
2021-2025	51,951,037	14,273,437	66,224,474	5,793,416	519,964	6,313,380
2026-2030	17,312,873	2,525,644	19,838,517	923,816	35,854	959,670
2031	1,180,000	59,000	1,239,000	-	-	-
	<u>\$ 132,746,878</u>	<u>\$ 39,392,988</u>	<u>\$ 172,139,866</u>	<u>\$ 12,830,509</u>	<u>\$ 1,861,603</u>	<u>\$ 14,692,112</u>

(1) 11 % 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.	178-185
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	186-189
<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.	190-195
<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.	196-197
<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.	198-200

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.

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental activities:					
Net investment in capital assets	75,032,918	73,669,285	72,733,148	71,902,720	71,693,769
Restricted	55,052,023	61,304,988	50,910,338	32,831,276	47,011,143
Unrestricted	<u>(49,201,049)</u>	<u>(70,537,217)</u>	<u>(56,964,579)</u>	<u>(39,024,726)</u>	<u>(53,622,693)</u>
Total governmental activities net position	<u>80,883,892</u>	<u>64,437,056</u>	<u>66,678,907</u>	<u>65,709,270</u>	<u>65,082,219</u>
Business-type activities:					
Net investment in capital assets	51,643,356	49,571,504	51,632,394	47,665,657	46,958,987
Restricted	-	-	-	-	-
Unrestricted	<u>46,123,218</u>	<u>45,362,525</u>	<u>39,533,644</u>	<u>41,998,988</u>	<u>40,391,776</u>
Total business-type activities net position	<u>97,766,574</u>	<u>94,934,029</u>	<u>91,166,038</u>	<u>89,664,645</u>	<u>87,350,763</u>
Primary government:					
Net investment in capital assets	126,676,274	123,240,789	124,365,542	119,568,377	118,652,756
Restricted	55,052,023	61,304,988	50,910,338	32,831,276	47,011,143
Unrestricted	<u>(3,077,831)</u>	<u>(25,174,692)</u>	<u>(17,430,935)</u>	<u>2,974,262</u>	<u>(13,230,917)</u>
Total primary government net position	<u>\$ 178,650,466</u>	<u>\$ 159,371,085</u>	<u>\$ 157,844,945</u>	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</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 ending June 30, 2013.

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

	Fiscal Year				
	2010	2009	2008	2007	2006
Governmental activities:					
Net investment in capital assets	\$ 68,272,595	\$ 67,484,313	\$ 81,948,941	\$ 78,197,249	\$ 76,988,789
Restricted	1,377,237	1,089,189	810,599	745,357	655,333
Unrestricted	(1,870,336)	(5,481,946)	35,727,062	16,336,081	10,274,088
Total governmental activities net position	<u>67,779,496</u>	<u>63,091,556</u>	<u>118,486,602</u>	<u>95,278,687</u>	<u>87,918,210</u>
Business-type activities:					
Net investment in capital assets	46,177,552	43,612,368	22,121,146	18,670,633	17,159,517
Restricted	-	-	-	-	-
Unrestricted	<u>35,808,986</u>	<u>33,954,727</u>	<u>8,696,235</u>	<u>12,411,036</u>	<u>10,784,695</u>
Total business-type activities net position	<u>81,986,538</u>	<u>77,567,095</u>	<u>30,817,381</u>	<u>31,081,669</u>	<u>27,944,212</u>
Primary government:					
Net investment in capital assets	114,450,147	111,096,681	104,070,087	96,867,882	94,148,306
Restricted	1,377,237	1,089,189	810,599	745,357	655,333
Unrestricted	<u>33,938,650</u>	<u>28,472,781</u>	<u>44,423,297</u>	<u>28,747,117</u>	<u>21,058,783</u>
Total primary government net position	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>	<u>\$ 149,303,983</u>	<u>\$ 126,360,356</u>	<u>\$ 115,862,422</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 ending June 30, 2013.

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	\$ 9,933,029	\$ 10,807,772	\$ 9,760,225	\$ 9,737,258	\$ 9,795,648
Public safety	32,921,751	32,732,323	31,236,944	31,399,814	30,599,650
Environmental protection	546,444	492,269	508,073	459,609	508,248
Economic and physical development	13,950,985	13,538,407	12,780,487	11,657,411	9,713,902
Human services	47,218,856	47,935,422	48,863,130	50,113,468	51,350,294
Culture and recreation	3,127,165	2,847,558	2,776,547	2,724,942	2,733,249
Education	49,298,062	61,843,087	57,519,210	57,134,411	65,072,007
Interest on long-term debt	3,815,195	3,774,279	3,602,099	4,487,690	4,998,419
Total governmental activities expenses	<u>160,811,487</u>	<u>173,971,117</u>	<u>167,046,715</u>	<u>167,714,603</u>	<u>174,771,417</u>
Business-type activities:					
Solid waste management	4,899,445	5,166,963	5,927,016	5,797,602	5,869,812
Water and sewer	2,291,702	1,612,849	2,102,576	2,462,706	1,365,042
Total business-type activities expenses	<u>7,191,147</u>	<u>6,779,812</u>	<u>8,029,592</u>	<u>8,260,308</u>	<u>7,234,854</u>
Total primary government expenses	<u>168,002,634</u>	<u>180,750,929</u>	<u>175,076,307</u>	<u>175,974,911</u>	<u>182,006,271</u>
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	1,870,508	1,752,070	1,869,484	2,018,381	2,915,961
Public safety	8,747,839	8,068,851	9,178,100	9,436,724	10,169,062
Environmental protection	24,651	5,100	4,675	5,100	5,525
Economic and physical development	2,489,106	2,204,984	2,329,590	2,287,770	1,788,439
Human services	5,279,686	6,762,666	7,247,968	6,368,320	7,286,797
Culture and recreation	66,579	57,436	62,192	61,080	61,607
Education	-	494,298	499,006	509,420	796,001
Operating grants and contributions	37,229,196	29,136,207	28,576,342	31,816,198	32,659,457
Capital grants and contributions	125,000	2,292,224	1,859,891	1,746,730	5,380,157
Total governmental activities program revenues	<u>55,832,565</u>	<u>50,773,836</u>	<u>51,627,248</u>	<u>54,249,723</u>	<u>61,063,006</u>
Business-type activities:					
Fees, fines, and charges for services					
Operating grants and contributions	606,766	868,759	650,178	447,717	501,033
Capital grants and contributions	486,732	126,942	731,970	1,366,637	1,957,808
Total business-type activities program revenues	<u>7,148,067</u>	<u>6,667,332</u>	<u>7,262,981</u>	<u>7,727,003</u>	<u>8,201,697</u>
Total primary government program revenues	<u>62,980,632</u>	<u>57,441,168</u>	<u>58,890,229</u>	<u>61,976,726</u>	<u>69,264,703</u>
Net (Expenses) Revenues					
Governmental activities	(104,978,922)	(123,197,281)	(115,419,467)	(113,464,880)	(113,708,411)
Business-type activities	(43,080)	(112,480)	(766,611)	(533,305)	966,843
Total primary government net expense	<u>(105,022,002)</u>	<u>(123,309,761)</u>	<u>(116,186,078)</u>	<u>(113,998,185)</u>	<u>(112,741,568)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	94,200,605	93,649,723	89,347,893	85,663,390	85,440,972
Local option sales taxes	29,962,757	28,027,368	26,644,767	26,394,707	26,504,695
Other taxes	1,652,213	1,494,645	1,548,870	1,517,464	1,491,355
Investment earnings, unrestricted	975,564	1,155,474	(183,818)	1,291,370	1,136,085
Gain (loss) on sales of capital assets	-	-	9,169	-	-
Transfers	(800,000)	(1,601,565)	(775,000)	(775,000)	(3,561,973)
Total governmental activities	<u>125,991,139</u>	<u>122,725,645</u>	<u>116,591,881</u>	<u>114,091,931</u>	<u>111,011,134</u>
Business-type activities:					
Taxes					
Local option sales taxes	1,451,312	1,359,558	1,293,304	-	-
Other taxes	312,429	297,543	294,409	1,585,139	302,161
Investment earnings	477,221	621,805	(94,709)	487,048	533,248
Gain on sales of capital assets	2,220	-	-	-	-
Transfers	800,000	1,601,565	775,000	775,000	3,561,973
Total business-type activities	<u>3,043,182</u>	<u>3,880,471</u>	<u>2,268,004</u>	<u>2,847,187</u>	<u>4,397,382</u>
Total primary government	<u>129,034,321</u>	<u>126,606,116</u>	<u>118,859,885</u>	<u>116,939,118</u>	<u>115,408,516</u>
Change in Net Position					
Governmental activities	21,012,217	(471,636)	1,172,414	627,051	(2,697,277)
Business-type activities	3,000,102	3,767,991	1,501,393	2,313,882	5,364,225
Total primary government	<u>\$ 24,012,319</u>	<u>\$ 3,296,355</u>	<u>\$ 2,673,807</u>	<u>\$ 2,940,933</u>	<u>\$ 2,666,948</u>

Data Source
Audited Financial Statements

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2010	2009	2008	2007	2006
Expenses					
Governmental activities:					
General government	\$ 10,533,518	\$ 10,172,611	\$ 11,203,800	\$ 9,001,933	\$ 9,593,037
Public safety	29,076,572	28,263,640	26,316,167	22,897,052	20,926,787
Environmental protection	495,248	539,138	546,680	504,416	481,844
Economic and physical development	10,627,991	10,743,831	10,827,271	12,054,976	9,383,320
Human services	51,688,459	56,066,282	74,150,353	66,083,707	67,310,514
Culture and recreation	2,830,504	2,830,192	2,760,614	2,771,008	2,687,546
Education	53,825,312	78,130,574	50,388,730	52,216,062	65,203,410
Interest on long-term debt	5,411,021	5,163,100	4,584,583	4,909,742	4,956,696
Total governmental activities expenses	<u>164,488,625</u>	<u>191,909,368</u>	<u>180,778,198</u>	<u>170,438,896</u>	<u>180,543,154</u>
Business-type activities:					
Solid waste management	5,800,628	5,570,927	8,172,432	5,260,776	5,035,563
Water and sewer	1,270,443	1,118,908	-	-	-
Total business-type activities expenses	<u>7,071,071</u>	<u>6,689,835</u>	<u>8,172,432</u>	<u>5,260,776</u>	<u>5,035,563</u>
Total primary government expenses	<u>171,559,696</u>	<u>198,599,203</u>	<u>188,950,630</u>	<u>175,699,672</u>	<u>185,578,717</u>
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	2,631,983	2,683,400	4,340,110	4,380,295	5,136,475
Public safety	8,188,847	8,613,711	6,950,872	5,017,287	4,807,088
Environmental protection	4,675	5,125	4,825	4,575	4,575
Economic and physical development	2,858,217	2,013,945	4,618,557	3,247,499	2,497,490
Human services	7,876,144	7,962,471	9,819,859	9,779,244	11,996,379
Culture and recreation	74,256	77,989	62,332	63,723	53,911
Education	892,179	994,015	1,081,098	1,126,095	1,110,419
Operating grants and contributions	32,298,988	31,213,021	46,999,422	43,735,432	41,299,324
Capital grants and contributions	3,217,167	4,164,591	4,857,657	101,953	496,774
Total governmental activities program revenues	<u>58,042,456</u>	<u>57,728,268</u>	<u>78,734,732</u>	<u>67,456,103</u>	<u>67,402,435</u>
Business-type activities:					
Fees, fines, and charges for services	5,816,059	7,440,625	6,626,224	6,677,959	6,046,872
Operating grants and contributions	546,052	144,989	41,279	102,816	129,482
Capital grants and contributions	209,796	44,081	148,518	526,398	-
Total business-type activities program revenues	<u>6,571,907</u>	<u>7,629,695</u>	<u>6,816,021</u>	<u>7,307,173</u>	<u>6,176,354</u>
Total primary government program revenues	<u>64,614,363</u>	<u>65,357,963</u>	<u>85,550,753</u>	<u>74,763,276</u>	<u>73,578,789</u>
Net (Expenses) Revenues					
Governmental activities	(106,446,169)	(134,181,100)	(102,043,466)	(102,982,793)	(113,140,719)
Business-type activities	(499,164)	939,861	(1,356,411)	2,046,397	1,140,791
Total primary government net expense	<u>(106,945,333)</u>	<u>(133,241,239)</u>	<u>(103,399,877)</u>	<u>(100,936,396)</u>	<u>(111,999,928)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	84,763,108	84,738,225	82,048,071	68,378,012	65,459,626
Local option sales taxes	26,692,186	32,272,780	35,299,813	33,760,033	29,984,796
Other taxes	1,263,135	1,605,323	2,119,554	2,135,782	2,015,798
Investment earnings, unrestricted	2,115,680	4,023,446	5,786,693	6,069,443	4,099,093
Gain (loss) on sales of capital assets	-	-	-	-	-
Transfers	(3,700,000)	(43,853,720)	(2,750)	-	(1,271)
Total governmental activities	<u>111,134,109</u>	<u>78,786,054</u>	<u>125,251,381</u>	<u>110,343,270</u>	<u>101,558,042</u>
Business-type activities:					
Taxes					
Local option sales taxes	-	-	-	-	-
Other taxes	290,643	255,732	228,024	221,825	178,691
Investment earnings	927,964	1,700,401	861,349	869,235	437,053
Gain on sales of capital assets	-	-	-	-	-
Transfers	3,700,000	43,853,720	2,750	-	1,271
Total business-type activities	<u>4,918,607</u>	<u>45,809,853</u>	<u>1,092,123</u>	<u>1,091,060</u>	<u>617,015</u>
Total primary government	<u>116,052,716</u>	<u>124,595,907</u>	<u>126,343,504</u>	<u>111,434,330</u>	<u>102,175,057</u>
Change in Net Position					
Governmental activities	4,687,940	(55,395,046)	23,207,915	7,360,477	(11,582,677)
Business-type activities	4,419,443	46,749,714	(264,288)	3,137,457	1,757,806
Total primary government	<u>\$ 9,107,383</u>	<u>\$ (8,645,332)</u>	<u>\$ 22,943,627</u>	<u>\$ 10,497,934</u>	<u>\$ (9,824,871)</u>

Data Source
Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

Table 3

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

	Fiscal Year				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund					
Nonspendable					
Inventories	\$ 319,059	\$ 327,147	\$ 305,186	\$ 338,109	\$ 395,153
Prepaid	115,502	164,242	26,922	54,469	86,781
Notes receivable	1,597,343	-	-	-	-
Restricted					
Stabilization by State Statute	15,465,797	14,650,010	12,972,979	12,221,688	11,581,246
Register of Deeds	78,807	1,410	66,229	50,346	39,764
Debt service	8,273,296	1,839,350	-	-	-
General Capital Reserve	456,389	452,670	448,015	448,620	444,128
Committed					
Tax Revaluation	165,832	192,437	166,678	153,881	145,757
Assigned					
Public Health	241,739	289,199	428,814	197,421	169,805
Social Services	5,101,867	4,304,485	4,505,344	4,640,932	4,594,451
County Manager	94,899	122,118	182,660	217,313	158,767
Human Resources	582,027	614,061	624,570	579,873	559,216
Library	224,601	400,697	334,917	298,313	350,508
Cooperative Extension	-	-	-	154,516	136,811
Subsequent year's expenditures	6,144,343	6,471,106	6,356,815	6,542,811	5,244,348
Unassigned	<u>21,646,494</u>	<u>20,734,380</u>	<u>24,199,035</u>	<u>25,202,712</u>	<u>29,177,889</u>
Total general fund	<u>60,507,995</u>	<u>50,563,312</u>	<u>50,618,164</u>	<u>51,101,004</u>	<u>53,084,624</u>
All other governmental funds					
Restricted					
Stabilization by State Statute	21,233,131	28,760,070	3,847,266	4,652,337	4,854,187
Debt service	-	4,645,650	-	-	-
School Capital and Construction	224,942	4,726,766	22,834,431	4,316,249	19,278,537
Public Safety	2,489,115	2,582,688	2,658,023	2,743,542	2,743,445
Fire Protection	1,258,983	1,145,873	893,577	859,873	852,061
Library Endowment	187,371	239,217	236,757	237,077	234,704
Scholarship	52,294	46,048	44,288	44,099	43,207
Parks Preservation	50,004	49,596	75,197	161,597	142,407
Community Development	12,105	17,469	-	-	-
Hospital Capital	5,494,731	5,449,956	5,393,919	5,401,200	5,347,139
General Capital	10,604,245	17,957,394	-	-	-
Committed					
General Capital	12,203,246	4,543,427	32,219,263	23,913,332	21,417,686
School Construction	6,596,208	-	927,914	1,815,442	213,091
School Capital	5,900,499	6,465,739	6,172,623	9,594,076	8,985,425
Hospital Construction	24,370	24,171	23,693	23,725	23,486
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>(2,380,149)</u>	<u>-</u>	<u>(4,355)</u>	<u>(4,178)</u>
Total fund balances	<u>66,331,244</u>	<u>74,273,915</u>	<u>75,326,951</u>	<u>53,758,194</u>	<u>64,131,197</u>
Total governmental funds	<u>\$ 126,839,239</u>	<u>\$ 124,837,227</u>	<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.

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

The previous five years are presented on the following page.

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

	Fiscal Year				
	2010	2009	2008	2007	2006
General Fund					
Reserved	\$ 12,081,863	\$ 13,796,892	\$ 19,523,687	\$ 16,236,389	\$ 15,895,612
Unreserved	39,583,672	36,617,111	35,804,493	27,788,364	23,688,338
Total general fund	<u>51,665,535</u>	<u>50,414,003</u>	<u>55,328,180</u>	<u>44,024,753</u>	<u>39,583,950</u>
All other governmental funds					
Reserved	177,161	171,237	270,802	283,481	359,947
Unreserved, reported in:					
Special revenue funds	10,994,696	9,403,227	9,707,586	12,061,802	15,021,904
Capital projects funds	36,158,392	46,160,443	78,048,289	49,513,929	60,905,823
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>	<u>76,287,674</u>
Total governmental funds	<u>\$ 98,995,784</u>	<u>\$ 106,148,910</u>	<u>\$ 143,354,857</u>	<u>\$ 105,883,965</u>	<u>\$ 115,871,624</u>

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues					
Ad valorem taxes	\$ 94,982,137	\$ 94,593,965	\$ 89,246,050	\$ 86,401,682	\$ 85,290,748
Other taxes	30,577,418	28,514,821	27,201,571	26,867,917	26,934,772
Unrestricted intergovernmental revenues	1,950,128	1,902,192	1,887,066	1,839,255	1,906,277
Restricted intergovernmental revenues	37,914,903	36,065,434	36,172,540	37,487,597	41,544,195
Licenses and permits	2,398,171	2,130,735	2,346,916	2,012,367	1,795,495
Sales and services	10,275,072	11,363,376	11,518,226	12,117,015	13,631,424
Investment earnings	975,566	1,155,473	(183,818)	963,774	949,483
Miscellaneous	6,790,563	3,539,937	3,469,424	3,675,026	4,713,228
Total revenues	185,863,958	179,265,933	171,657,975	171,364,633	176,765,622
Expenditures					
Current:					
General government	10,889,713	11,329,249	10,339,386	10,134,171	10,115,078
Public safety	33,618,405	31,930,143	30,928,591	30,749,802	30,260,313
Environmental protection	545,637	461,359	477,163	451,864	503,130
Economic and physical development	13,813,474	13,573,781	12,850,717	11,307,365	9,926,951
Human services	47,773,150	47,114,736	48,069,751	49,245,926	50,540,941
Culture and recreation	3,109,069	2,769,125	2,694,713	2,677,465	2,661,530
Education	40,394,875	40,004,060	39,695,975	39,257,916	39,598,951
Capital Outlay	18,273,102	33,342,151	21,113,769	20,810,153	29,796,072
Debt service:					
Principal	12,331,427	13,932,346	13,586,635	41,605,430	13,177,827
Interest	4,042,723	3,794,348	3,600,703	5,023,779	4,902,829
Payment to refunded bond escrow agent	-	1,014,000	1,128,232	-	-
Bond issuance costs	-	23,583	135,592	448,255	-
Total expenditures	184,791,575	199,288,881	184,621,227	211,712,126	191,483,622
Other Financing Sources (uses)					
Transfers from other funds	5,187,183	2,942,065	2,247,667	1,450,431	2,694,737
Transfers to other funds	(5,987,183)	(4,543,630)	(3,022,667)	(2,225,431)	(6,256,710)
Installment purchase obligations issued	-	20,125,000	33,600,000	650,000	-
Premium on installment obligations issued	-	2,161,054	-	-	-
Qualified Zone Academy Bonds issued	-	-	-	-	-
Qualified School Construction Bonds issued	-	-	-	-	27,808,553
Build America bonds issued	-	-	-	-	8,691,447
Refunding bonds issued	-	1,810,000	10,965,000	41,995,366	-
Payment to refunded bond escrow agent	-	(1,849,125)	(9,750,000)	(17,777,592)	-
Premium on refunding bonds	-	39,911	-	3,873,747	-
Sales of capital assets	-	-	9,169	24,349	-
Total other financing sources (uses)	(800,000)	20,685,275	34,049,169	27,990,870	32,938,027
Net change in fund balances	\$ 272,383	\$ 662,327	\$ 21,085,917	\$ (12,356,623)	\$ 18,220,027
Debt service as a percentage of noncapital expenditures					
	9.4%	10.0%	10.2%	22.4%	9.7%

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

CATAWBA COUNTY, NORTH CAROLINA

Table 4
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Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2010	2009	2008	2007	2006
Revenues					
Ad valorem taxes	\$ 84,697,609	\$ 84,125,547	\$ 81,625,223	\$ 68,270,907	\$ 66,233,752
Other taxes	27,121,865	32,794,322	36,391,110	35,415,288	31,654,028
Unrestricted intergovernmental revenues	1,878,455	2,127,081	1,970,909	1,235,023	1,248,170
Restricted intergovernmental revenues	41,218,717	41,946,212	56,482,993	46,532,532	44,764,103
Licenses and permits	2,547,643	2,271,147	4,101,574	3,773,033	3,214,736
Sales and services	13,041,964	12,936,583	15,071,656	12,849,786	16,591,727
Investment earnings	1,929,311	3,837,081	5,600,327	5,883,078	3,912,728
Miscellaneous	3,716,912	3,624,321	4,309,242	3,998,845	3,725,976
Total revenues	<u>176,152,476</u>	<u>183,662,294</u>	<u>205,553,034</u>	<u>177,958,492</u>	<u>171,345,220</u>
Expenditures					
Current:					
General government	11,601,149	11,556,920	9,944,571	9,613,213	9,978,986
Public safety	29,360,816	28,513,201	26,916,838	23,021,049	21,209,400
Environmental protection	469,014	512,882	520,587	475,667	452,180
Economic and physical development	10,619,754	10,727,052	10,682,552	10,889,872	8,651,385
Human services	50,879,470	55,118,250	73,690,327	65,236,455	66,508,454
Culture and recreation	2,758,668	2,758,206	2,719,466	2,695,423	2,610,001
Education	38,606,716	39,948,749	38,014,454	34,222,295	32,544,711
Capital Outlay	16,572,802	39,869,050	19,683,740	28,338,920	42,549,957
Debt service:					
Principal	13,421,793	12,067,834	10,724,874	10,338,333	9,975,000
Interest	5,315,420	5,067,500	4,488,983	4,814,143	4,861,096
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>179,605,602</u>	<u>206,139,644</u>	<u>197,386,392</u>	<u>189,645,370</u>	<u>199,341,170</u>
Other Financing Sources (uses)					
Transfers from other funds	4,395,302	12,262,330	9,515,201	11,547,146	9,763,224
Transfers to other funds	(8,095,302)	(48,646,927)	(9,517,951)	(11,547,146)	(9,764,495)
Installment purchase obligations issued	-	21,656,000	28,607,000	1,450,000	9,200,000
Premium on installment obligations issued	-	-	-	-	-
Qualified Zone Academy Bonds issued	-	-	700,000	-	-
Qualified School Construction Bonds issued	-	-	-	-	-
Build America bonds issued	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Sales of capital assets	-	-	-	249,219	392,000
Total other financing sources (uses)	<u>(3,700,000)</u>	<u>(14,728,597)</u>	<u>29,304,250</u>	<u>1,699,219</u>	<u>9,590,729</u>
Net change in fund balances	<u>\$ (7,153,126)</u>	<u>\$ (37,205,947)</u>	<u>\$ 37,470,892</u>	<u>\$ (9,987,659)</u>	<u>\$ (18,405,221)</u>
Debt service as a percentage of noncapital expenditures	10.6%	8.4%	8.1%	8.5%	7.9%

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

CATAWBA COUNTY, NORTH CAROLINA

Table 5

**Assessed Valuation and Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽¹⁾	Estimated Real Market Value
2006	9,919,033,408	2,558,398,877	545,842,516	13,023,274,801	0.490	13,499,818,390
2007	10,174,785,855	2,614,088,394	570,452,150	13,359,326,399	0.490	14,124,895,749
2008 ⁽²⁾	11,444,764,023	2,606,879,334	603,786,566	14,655,429,923	0.535	14,963,681,767
2009	11,778,146,940	2,560,844,568	794,924,639	15,133,916,147	0.535	15,452,232,129
2010	11,874,836,448	2,547,986,916	590,931,402	15,013,754,766	0.535	15,343,643,092
2011	12,057,640,336	2,454,965,234	610,253,122	15,122,858,692	0.535	15,122,858,692
2012 ⁽²⁾	12,154,011,798	2,754,476,587	606,953,739	15,515,442,124	0.530	15,436,714,878
2013	12,240,949,134	3,127,347,289	659,587,935	16,027,884,358	0.530	15,946,556,918
2014	12,224,185,313	3,790,836,072	685,580,853	16,700,602,238	0.530	16,192,168,158
2015	12,267,687,100	3,622,784,098	746,952,594	16,637,423,792	0.530	N/A

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

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

Source: Catawba County Property Appraiser

CATAWBA COUNTY, NORTH CAROLINA

Table 6

**Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
Last Ten Fiscal Years**

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Catawba County										
Property Tax	0.5300	0.5300	0.5300	0.5300	0.5350	0.5350	0.5350	0.5350	0.4900	0.4900
Fire Districts:										
Bandys	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500
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	0.0700	0.0700	0.0500
Cooksville	0.0617	0.0617	0.0617	0.0517	0.0517	0.0517	0.0517	0.0517	0.0550	0.0550
Denver	-	-	-	-	-	-	-	0.0389	0.0500	0.0500
Fairbrook	-	-	-	-	-	-	-	-	0.0325	0.0325
Hickory Rural	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0325	0.0325	-	-
Long View	0.0650	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546	0.0568	0.0568
Maiden	0.0700	0.0600	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500	0.0500	0.0312
Mountain View	0.0600	0.0600	0.0600	0.0600	0.0600	0.0493	0.0493	0.0493	0.0525	0.0425
Newton	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Oxford	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0600	0.0600
Propst	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0650	0.0650
Sherrills Ford	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500
St. Stephens	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500
Viewmont	-	-	-	-	-	-	-	-	0.0325	0.0325
Municipalities:										
Town of Brookford	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200
Town of Catawba	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4500
City of Conover	0.4300	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3800
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	0.4200	0.4200	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.3800	0.3800	0.3800	0.3900	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
City of Newton	0.5100	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4600	0.4600	0.4400
Total Maximum Rate - Fire District	0.6200	0.6000	0.6000	0.6000	0.6050	0.6050	0.6050	0.6050	0.5600	0.5600
Total Maximum Rate - Municipalities	1.0500	1.0500	1.0500	1.0500	1.0550	1.0550	1.0550	1.0550	1.0100	1.0100

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

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA

Table 7

**Principal Property Taxpayers
December 31, 2014 and December 31, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>December 31, 2014</u>			<u>December 31, 2005</u>		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Apple, Inc.	Computer Server	\$ 1,017,098,444	1	6.11	\$ -	-	-
Duke Energy Corporation	Electric utility	600,483,790	2	3.61	389,801,314	1	2.99
GKN Driveline Newton, LLC	Gears	117,363,767	3	0.71	77,023,721	4	0.59
CommScope, Inc.	Cable mfg.	100,691,349	4	0.61	134,708,853	2	1.03
Target Corporation	Warehouse/Retail	100,265,493	5	0.60	-	-	-
Draka Comteq Americas, Inc.	Cable mfg.	81,052,735	6	0.49	60,372,459	6	0.46
Frye Regional/American Medical	Medical care	71,047,363	7	0.43	60,949,639	5	0.47
HSM Solutions - (formerly Hickory Springs Mfg. Co.)	Furniture supplies	57,035,228	8	0.34	58,469,014	7	0.45
Corning Cable Systems	Cable mfg.	53,670,136	9	0.32	89,099,468	3	0.68
Valley Hills Mall, LLC	Retail	45,853,985	10	0.28	48,208,516	10	0.37
Shuford Mills/Shurtape Technologies	Textiles & Tape	-	-	-	48,822,799	9	0.37
Central Telephone Company	Telephone	-	-	-	49,415,557	8	0.38
		<u>\$ 2,244,562,290</u>		<u>13.50</u>	<u>\$ 1,016,871,340</u>		<u>7.79</u>
Total Assessed Valuation		<u>\$ 16,637,423,792</u>			<u>\$ 13,023,274,801</u>		

Source: Catawba County Tax Collector

Property Tax Levies and Collections
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	63,409,234	61,416,711	96.86	1,748,054	63,164,765	99.61
2007	2006	65,195,396	63,106,163	96.80	1,818,321	64,924,484	99.58
2008	2007	78,217,306	75,692,582	96.77	2,160,628	77,853,210	99.53
2009	2008	80,966,452	77,974,463	96.30	2,525,844	80,500,307	99.42
2010	2009	80,666,180	77,707,260	96.33	2,450,421	80,157,681	99.37
2011	2010	80,907,294	77,904,536	96.29	2,389,222	80,293,758	99.24
2012	2011	82,231,844	78,892,929	95.94	2,568,824	81,461,753	99.06
2013	2012	84,947,787	81,441,422	95.87	2,480,448	83,921,870	98.79
2014	2013	88,513,192	85,800,420	96.94	1,479,914	87,280,334	98.61
2015	2014	88,178,346	86,413,676	98.00	-	86,413,676	98.00

⁽¹⁾ Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities							North Carolina Department of Commerce
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Limited Obligation Bonds	
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	2,600,000
2014	799,341	12,208,902	47,940,429	400,000	21,529,896	6,663,443	59,871,434	2,600,000
2015	-	11,885,455	40,764,047	350,000	19,675,994	6,084,013	57,768,142	2,600,000

N/A = Not available

Sources:

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

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

CATAWBA COUNTY, NORTH CAROLINA

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Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Business Type			Total Primary Government	of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Installment Purchases	Limited Obligation Bonds	Revolving Loan			
2006				111,610,000	2.61	747
2007				102,721,667	2.22	668
2008				121,303,793	2.51	780
2009	6,771,353			130,663,312	2.61	832
2010	6,532,188			117,002,355	2.37	736
2011	6,282,897		1,350,000	141,425,244	2.73	889
2012	-	5,797,865	1,350,000	125,775,150	2.44	811
2013	8,000,000	5,504,061	1,275,000	154,634,710	2.86	994
2014	7,397,122	5,401,752	1,200,000	166,012,319	3.03	1,068
2015	6,783,333	5,097,634	1,125,000	152,133,618	N/A	976

N/A = Not available

Sources:

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

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

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita ⁽¹⁾
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
2014	799,341	16,700,602,238	0.00	5
2015	-	16,637,423,792	0.00	-

Sources:

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



CATAWBA COUNTY, NORTH CAROLINA

**Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed value (after exemption)	16,637,423,792	16,700,602,238	16,027,884,358	15,515,442,124	15,122,858,692
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,330,993,903	1,336,048,179	1,282,230,749	1,241,235,370	1,209,828,695
Less: Total net debt applicable to limit	152,703,618	158,887,591	154,634,710	125,775,150	142,142,197
Legal debt margin	<u>1,178,290,285</u>	<u>1,177,160,588</u>	<u>1,127,596,039</u>	<u>1,115,460,220</u>	<u>1,067,686,498</u>
Total net debt applicable to the limit as a percentage of debt limit	11%	12%	12%	10%	12%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value (after exemptions)	\$ 16,637,423,792
Debt limit (8% of assessed value)	1,330,993,903
Debt applicable to limit:	
Outstanding general obligation debt	-
Authorized and unissued debt	-
Certificates of participation	11,885,455
Installment purchase	48,117,380
Qualified Zone Academy Bonds	350,000
Qualified School Construction Bonds	19,675,994
Build America Bonds	6,084,013
Limited Obligation Bonds	62,865,776
North Carolina Department of Commerce	2,600,000
Federal Revolving Loan	1,125,000
Less: Statutory deductions	
Unissued debt	-
Total net debt applicable to limit	<u>152,703,618</u>
Legal debt margin	<u>\$ 1,178,290,285</u>

**Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed value (after exemption)	15,013,754,766	15,068,712,596	14,655,429,923	13,359,326,399	13,023,274,801
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	<u>1,201,100,381</u>	<u>1,205,497,008</u>	<u>1,172,434,394</u>	<u>1,068,746,112</u>	<u>1,041,861,984</u>
Less: Total net debt applicable to limit	<u>117,002,355</u>	<u>130,663,312</u>	<u>121,303,793</u>	<u>102,721,667</u>	<u>111,610,000</u>
Legal debt margin	<u>1,084,098,026</u>	<u>1,074,833,696</u>	<u>1,051,130,601</u>	<u>966,024,445</u>	<u>930,251,984</u>
 Total net debt applicable to the limit as a percentage of debt limit	 10%	 11%	 10%	 10%	 11%

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population Estimate ⁽¹⁾	Personal Income	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
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	5,357,979,000	34,716	40.3	24,241	10.80
2014	155,411	5,478,237,750	35,250	40.5	24,204	7.10
2015	155,832	N/A	N/A	40.7	23,889	6.00

N/A = Not available

Sources:

- ¹ Based upon estimates issued by the U.S. Census Bureau
- ² Bureau of Economic Analysis
- ³ Office of State Planning
- ⁴ North Carolina Department of Public Instruction
- ⁵ Department of Commerce - Employment Security Commission

**Principal Employers
Current Year and Nine Years Ago**

Employer	2015			2006		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Catawba County School Systems	1,965	1	2.64%	1,800	2	2.31%
Catawba Valley Medical Center	1,759	2	2.37%	1,261	4	1.62%
CommScope, Inc.	1,468	3	1.98%	740	10	0.95%
Frye Regional Medical Center	1,400	4	1.88%	1,900	1	2.44%
Catawba County Government	1,120	5	1.51%	1,089	6	1.40%
HSM Solutions (Hickory Springs)	1,100	6	1.48%	1,329	3	1.70%
Corning Cable Systems ⁽³⁾	1,000	7	1.35%	-	-	-
Heritage Home Group LLC	861	8	1.16%	-	-	-
Pierre Foods	861	9	1.16%	856	8	1.10%
Sherrill Furniture Company	775	10	1.04%	1,078	7	1.38%
McCreary Modern	-	-	0.00%	742	9	0.95%
CV Industries, Inc.	-	-	-	1,100	5	1.41%
	<u>12,309</u>		<u>16.47%</u>	<u>11,895</u>		<u>15.26%</u>

Sources:

¹ Survey of Employers

² Labor estimates provided by the Employment Security Commission of North Carolina

³ Catawba County Chamber of Commerce

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

Table 14

Full-time Equivalent Employees as of June 30										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function										
Governmental activities:										
General government	83	84	85	86	90	92	92	89	90	87
Public safety	347	345	340	337	340	341	334	321	307	248
Environmental protection	4	5	4	3	9	11	11	11	11	11
Economic and physical development	76	76	75	75	90	98	100	93	91	94
Human services	548	551	577	573	572	561	578	614	583	583
Culture and recreation	35	35	32	32	33	37	37	37	37	38
Total governmental activities	1,093	1,096	1,113	1,106	1,135	1,140	1,151	1,164	1,119	1,061
Business-type activities:										
Water sewer	1	1	1	1	1	1	1	-	-	-
Solid waste management	26	27	27	28	28	28	28	28	28	28
Total business-type activities	27	28	28	29	29	29	29	28	28	28
Total primary government	1,120	1,124	1,141	1,136	1,164	1,169	1,180	1,193	1,147	1,089

Source: Catawba County Human Resources Department

CATAWBA COUNTY, NORTH CAROLINA

Table 15

**Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2015	2014 ⁽¹⁾	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government										
Number of registered voters	98,344	101,442	100,431	99,286	99,844	101,558	101,142	99,117	95,855	95,470
Number of marriage licenses issued	1,017	1,009	1,023	1,076	991	926	1,062	1,181	1,073	1,040
Number of tax bills issued	103,835	99,196	232,881	232,817	263,073	297,925	272,581	272,255	266,786	266,221
Public safety										
Number of 911 dispatch/calls	89,426	84,974	85,938	87,108	82,876	83,000	83,367	115,000	108,658	106,093
Sheriff Department offenses reported	4,866	4,823	5,436	6,195	5,737	6,256	5,479	5,312	5,477	5,163
Environmental protection										
Cooperative extension agent contacts	22,733	28,860	64,719	75,102	46,960	45,945	71,001	66,324	67,385	37,194
Economic and physical development										
Number of commercial permits issued	603	598	730	750	496	504	534	721	622	663
Number of residential permits issued	1,098	993	892	876	991	1,057	1,056	1,497	1,692	1,799
Human services										
Households that received assistance with energy bills	3,501	2,994	4,045	3,333	2,785	2,764	3,042	2,004	1,429	1,261
Medicaid clients receiving transportation assistance	23,810	26,279	23,669	23,177	19,893	19,136	17,689	15,551	17,200	16,305
Child support services cases currently open	6,849	6,847	6,848	6,873	6,498	7,600	7,500	7,337	7,360	7,696
Public health clients served	13,887	18,698	22,087	23,063	24,068	28,826	21,534	21,634	24,965	17,183
Restaurant inspections	1,344	1,333	1,351	1,357	1,429	1,419	1,226	1,443	1,463	1,432
Culture and recreation										
Total circulation for library system	572,569	588,517	604,829	738,923	740,462	775,544	744,652	681,796	666,069	657,271
Number of patrons visiting parks	104,330	109,550	114,721	112,257	101,280	134,463	121,370	75,797	67,029	43,022
Education										
Public school student enrollment K-12	23,889	24,204	24,241	24,250	24,245	24,338	24,688	25,305	24,766	24,455
Business-type activities:										
Solid waste management										
Tons buried - MSW	123,325	120,579	117,787	117,330	123,149	122,938	165,811	151,007	165,384	167,988
Tons buried - C&D	27,638	28,670	26,786	27,980	23,203	22,570	32,911	38,745	49,733	40,246
Tons recycled	21,135	24,228	27,601	28,765	31,347	28,125	29,416	28,932	29,836	29,477

⁽¹⁾ The State of North Carolina implemented a combined motor vehicle registration renewal and property tax collection system whereby the State now issues the bills for motor vehicle
Sources: Catawba County Departments, NC Department of Public Instruction

CATAWBA COUNTY, NORTH CAROLINA

Table 16

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government										
Buildings	6	6	5	5	5	5	5	5	5	5
Vehicles	6	8	7	8	9	8	8	9	8	8
Public safety										
Buildings	10	10	10	10	10	9	8	8	8	8
Vehicles	218	216	211	207	182	168	156	166	153	148
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	43	42	50	49	50	57	57	60	47	51
Human services										
Buildings	38	38	38	38	39	39	39	39	40	40
Vehicles	41	38	37	35	35	32	27	47	46	39
Culture and recreation										
Buildings	6	5	5	5	5	5	5	5	5	5
Vehicles	1	1	1	1	1	2	2	2	2	2
Business-type activities:										
Solid waste management										
Buildings	10	10	6	6	6	6	6	7	7	7
Vehicles	24	25	25	27	27	26	26	25	26	25
Water and sewer										
Buildings	0	0	0	0	0	0	0	N/A	N/A	N/A
Vehicles	0	0	0	0	0	0	0	N/A	N/A	N/A

N/A = Not available

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.