

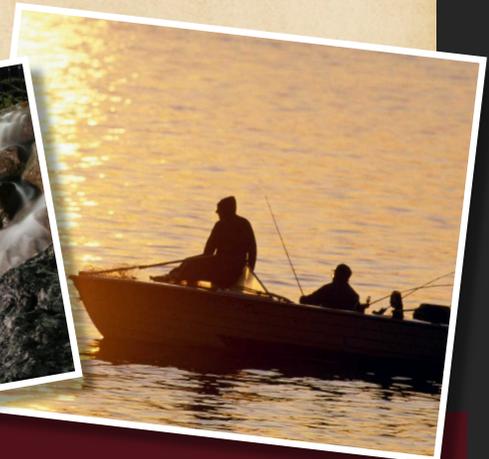
2017

Comprehensive Annual
**FINANCIAL
REPORT**

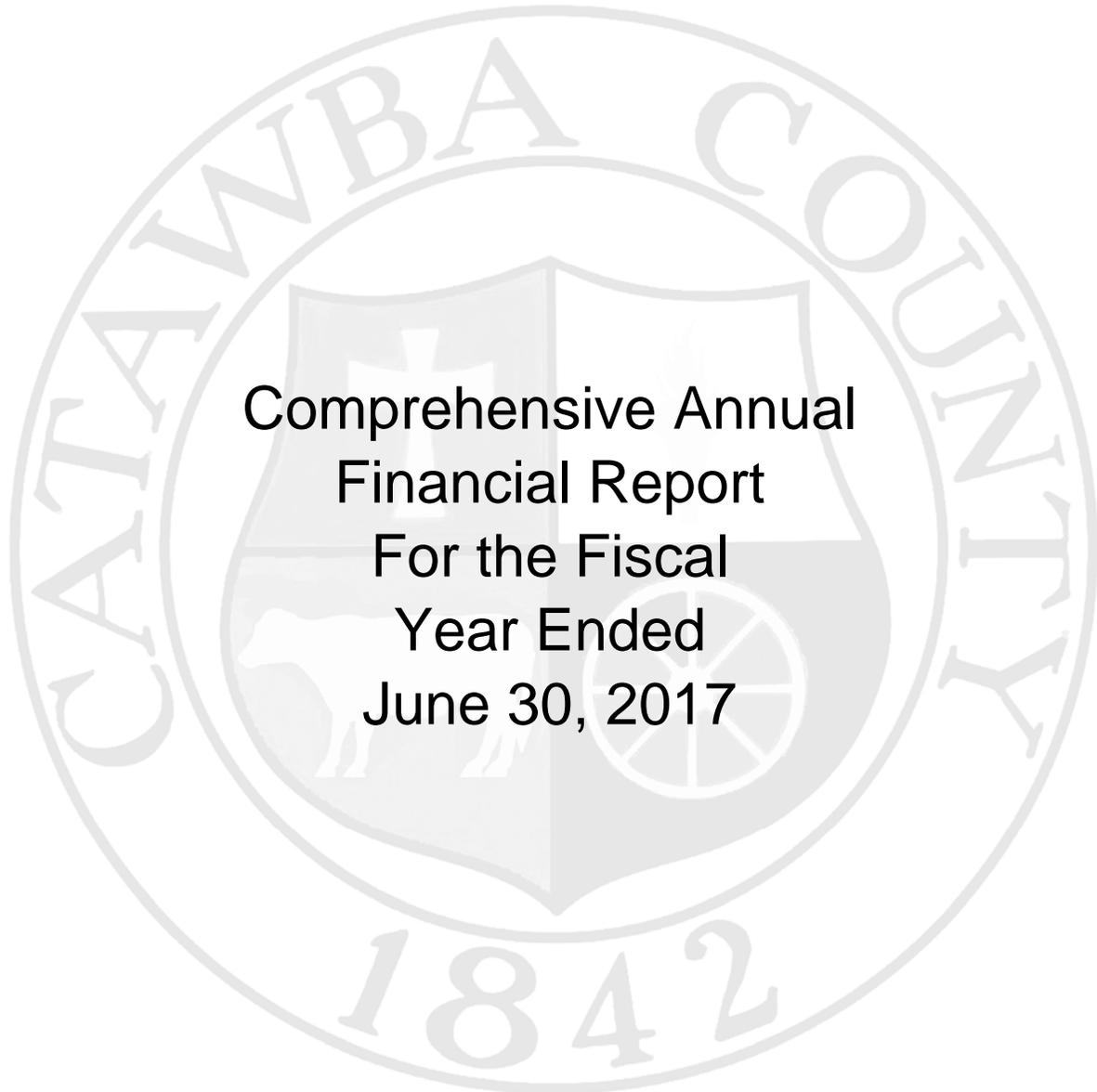
Catawba County, North Carolina



Fiscal Year Ended
June 30, 2017



Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017

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Prepared by Catawba County Finance Department
Published November 22, 2017

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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*



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

November 22, 2017

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, 2017.

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, 2017.”

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, 2017 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, 2017 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

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 center of the Greater Hickory metropolitan statistical area (MSA), 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 Greater Hickory MSA consists of Alexander, Burke, Caldwell and Catawba counties. 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.

The County has eight cities and towns within its boundaries, and is home to a population of 156,473 residents, which positions it as the 18th largest county in North Carolina and one of the 27 urban counties with population of 100,000 or more. Catawba County was one of the first of North Carolina's 100 counties to adopt the County-Manager Form of government. 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 daily operations, and appointment of department heads.

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.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when considered in the context of the overarching economic environment in which the County operates.

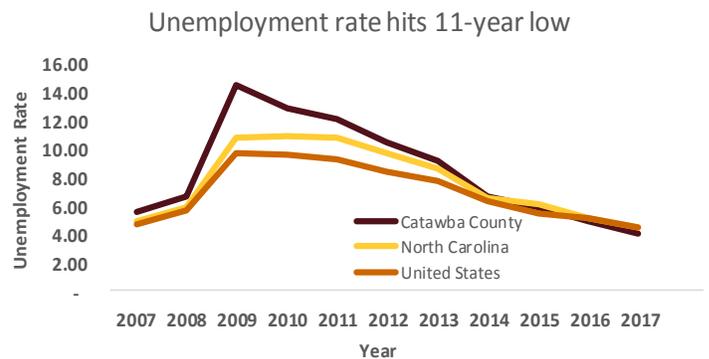
LOCAL ECONOMY

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 continue to rise, showing an increase of 1,883 jobs (or 1.16%) from June 2016 to June 2017. Another bright spot for the economy is that job openings continue to be available, with 6,753 job openings advertised online through NCWorks in July 2017, according to the NC Department of Commerce. Job availability is concentrated largely in the transportation, healthcare, retail

sales, customer service, and manufacturing sectors.



Catawba County's unemployment rate, 4.0% for the period of this audit in June 2017, has continued to decline. Recently released unemployment figures for August 2017 show a slight increase in Catawba County, that is still below the State of North Carolina and the US, both at 4.5%. This unemployment rate is among the lowest in North Carolina, with only 8 of 100 counties having a lower rate, and is now 0.5% below the State and national unemployment rates.

Strong Retail Sales & Tourism Performance Indicate Sustained Recovery

Catawba County remains a retail magnet for the region, capturing 61.7% of the \$3.75 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 2016-17, on top of a healthy 8% increase the year before. This is the eighth year in a row that revenues have increased. **Statewide, the County ranks 18th in population but 11th 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 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 \$265 million generated in 2016 (a 4.6% 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
- Western Piedmont Symphony

A Focus on Job Growth and Investment

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, , and Advanced Manufacturing, the latter which leverages the County's skilled workforce and high concentration of manufacturing support systems. In 2016-17, \$468.4 million in industry investments and 834 new jobs were announced in the County, according to the Economic Development Partnership of NC's Community Investment Reports. A sampling of the companies committing to deepening investments or adding jobs in Catawba County include:



Apple, Inc. plans to increase its investment in Catawba County by investing another \$1 billion in its data center site in Maiden. To date, Apple has added over \$1 billion in real and personal property and alternative energy systems to the County's tax base, making it the

County's largest taxpayer.

Corning Incorporated **CORNING** committed to expanding its optical cable production plant in Hickory, investing \$30 million and creating 105 new jobs over the next five years.



DAE Systems (Dynamic Air Engineering, Inc.) agreed to complete and lease the Claremont Spec Building through Agracel Inc. for the relocation of their full operations including headquarters, research and development, and product manufacturing from California, investing a minimum of \$7,255,000 and creating a minimum of 53 new jobs over 5 years.

Automotive parts manufacturer **GKN Driveline** announced plans to expand its Maiden manufacturing facility for the second time in two years. The company plans to create at least 143 new jobs by the end of 2019 and invest more than \$110 million in this location.



Minelli Group S.p.A., an international leader in developing and producing specialty wood products, from intricate gun stocks to designer eyeglass frames, chose to locate their first US manufacturing operation in Hickory, investing more than \$2M in new equipment and creating 12 new jobs.

Peoples Bank  **PeoplesBank** announced

plans to expand and renovate its headquarters in Newton, investing at least \$3.5 million and creating 25 new jobs and retaining 75 jobs.

Prysmian Group **Prysmian Group**, a global cable producer serving the energy and telecom industries, continued to restore previously discontinued operations at its manufacturing facility in Claremont. The \$20 million investment is expected to create 50 new jobs over three years.



established its headquarters in Newton, renovating an outdated office building into a state-of-the-art facility to support tech sales, marketing, support, and engineering jobs. The company planned to invest \$520,000 and create 21 jobs over 3 years with an additional 54 jobs likely within 5 years.

US Conec, a leader in  the design and supply of components for fiber optic interconnects, expanded its manufacturing and engineering operations in Hickory, creating 26 new production and 16 new engineering and HQ-support jobs, investing \$20M over the next five years.

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.

Engineering Development. Drendel served as CEO of CommScope from 1976 to 2011 and was named chairman of the company in 2011.

Deliberately Driving Workforce Development

While Catawba County's economy is built upon a large industrial base (with over 27% 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. From 2006 through 2016, the following sectors have experienced double-digit employment growth, collectively comprising 33% of the total economy and exceeding the manufacturing sector's employment by over 5,000 jobs:

- Professional, Scientific, Technical Services;
- Transportation & Warehousing
- Information
- Administrative, Support, & Waste Mgmt and Remediation Services;
- Wholesale Trade; and
- Healthcare and Social Assistance



Transportation Insight, a multi-modal lead logistics provider and 2016 U.S. Environmental Protection Agency SmartWay® Excellence Awardee, received the 2016 N. C. Main Street Award of Merit for Best Historic Rehabilitation. The Enterprise Logistics Solutions provider was recognized for renovating the 1930s era Lyerly Full-Fashioned Mill site to become its corporate campus.

CommScope Inc. Chairman Frank Drendel won the 2017 Bresnan Ethics in Business Award from The Cable Center. Drendel has won many awards from the industry and outside, including an Emmy Award for Outstanding Achievement in

The growth in these sectors represents a 16.7% increase from 2006 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.**



**County Driven Economic Development
Park 1764**

Park 1764 is a 170-acre Class A Business Park being developed jointly by Catawba County and the City of Hickory. The Park is being developed incrementally over time in an effort to create job opportunities in advanced light manufacturing facilities, technical operations, and corporate headquarters. The City of Hickory and Catawba County have each committed \$547,385 towards installation of a sewer line, the development of a signature entrance along Startown Road, relocation of the entrance southward onto the property, and installation of landscape berms and fencing.

The City has applied for a grant to help fund the project and the County has authorized its funding to be used toward the required match. The vision is to have amenities such as community walking/cycling trails, community gardens, silos, and open green space to accentuate the site's character, and to appeal to

business prospects in a corporate, up-scale environment where light manufacturing, engineering, and innovation co-exist and augment the greater community.

2nd Claremont Spec Building

In 2014, Catawba County, the City of Claremont, the EDC's Committee of 100 and Matthews Construction combined efforts to construct and market a spec building aimed at attracting value-added industry to Catawba County by addressing the deficit of move-in ready industrial space. The first spec building was sold in the fall of 2016 to Agracell, Inc. for lease to DAE Systems resulting in \$7.255 million in investment and 53 new jobs. Based on the success of the program, the Board of Commissioners approved a second spec building in cooperation with the City of Claremont with an annual carrying cost of \$45,000 for three years at the March 27, 2017 meeting.

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. While technically owned by Catawba County, CVMC is completely self-supporting. 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 2016)
- Women's Choice Award – one of America's Best Hospitals for Orthopedics (each year from 2013 to 2016)
- Women's Choice Award - one of America's Best Hospitals in Obstetrics (2013 to 2016)
- Women's Choice Award - one of America's Best Hospitals for Bariatric Surgery (2016)
- Women's Choice Award - one of American's Best Hospitals in Cancer Care (2014 and 2016)
- First hospital in the State to receive four Magnet designations from American NursCredentialing Center (2014)
- A 2016 Premier QUEST award winner for high-value healthcare
- Comprehensive Center for Metabolic & Bariatric Surgery from the American College of Surgeons (2016)
- The Joint Commission Top Performer Quality Measures in Heart Attack, Pneumonia, Surgical Care, Stroke and Perinatal Care

Frye Regional Medical Center, a Duke LifePoint Hospital, is a 355-bed acute care hospital and comprehensive healthcare system that has been serving the health and medical needs of the Catawba Valley region since 1911. The Heart Center at Frye is home to the most extensive array of cardiology services in the region, and the only regional facility offering 24/7 interventional cardiology and open heart surgery and is an American Heart Association Mission Lifeline STEMI Receiving Facility.

In addition to the Heart Center, Frye's main hospital campus includes an accredited, full-



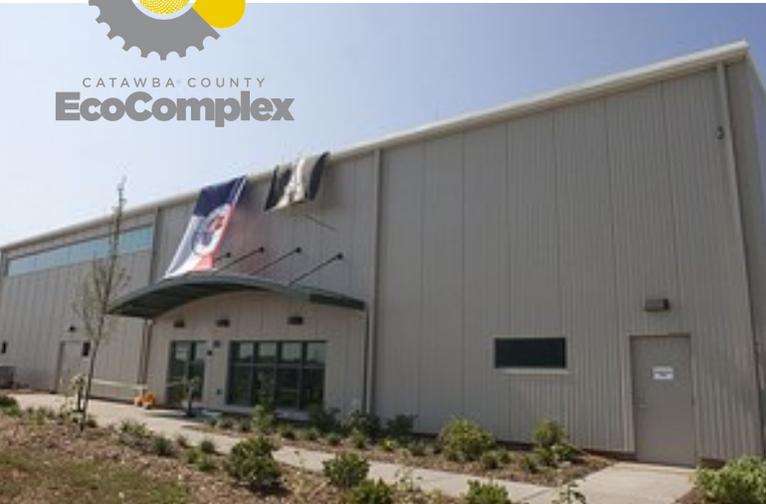
service cancer center, a nationally accredited bariatric surgery program, emergency services, advanced orthopedics, neurosciences, inpatient and outpatient rehabilitation, a pain management center and a luxury women's birthing center and pediatric unit.

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 appetite for 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. 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.

Catawba County has a robust recycling and waste reduction program. Residents recycled 32,338 tons of material in FY16/17 which equates to an average of 415 pounds recycled per capita. Without the County's recycling and waste reduction focused 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.



Education

Catawba County has 44 public schools across three school systems with approximately 24,000 combined students. The largest system, Catawba County Schools, is also the County's largest employer. Over the past 10 years, the number of enrolled students in Catawba County's public schools has decreased 5.3 percent from 25,245 in 2007 to 23,893 in 2017. During this same period, the average 4-year graduation rate for the three systems combined increased from 80.4 percent to 90.5 percent, exceeding the statewide rate of 86.5 percent. Individually, Newton-Conover City Schools had the highest graduation rate in the State for the second consecutive year at over 95 percent, Catawba County Schools' rate was 91.5 percent, and Hickory Public Schools' was 85 percent—the highest in the history of the school system for the fourth year in a row. All three public districts were above the State average in achieving measurable objectives.



Catawba Valley Community College (CVCC), which offers over 60 programs of study with one- and two-year degree programs, a two-year college transfer program, and continuing education classes is located in the County. CVCC was recognized as 1 of only 4 of the 58 community colleges in the State to achieve Excellence Level on 4 or more of the 8 performance measures for student success.

LONG TERM FINANCIAL PLANNING

Catawba County's economy continues to grow as reflected in strong retail sales activity,

increasing building permit activity, business investment, and the County's low unemployment rate, the County is taking deliberate steps to accelerate and reinforce this economic growth.



Over the course of the past year, the Board of Commissioners led a strategic planning process aimed at enhancing and promoting the County's quality of life in order to attract working-age families and to grow the economy. In the coming years, the County will continue to focus on anticipating future service pressures and delivering responsive services to the community. In looking towards the future, the strategic plan invests in services and infrastructure related to many of the 10 major focus areas as well as general service needs. Some of the highlights of these investments include:



Education: \$1.3 million dedicated for each of the next two years to K-64, 3 percent per pupil current expense increase for the three public school systems, and a 4.4 percent increase in funding to CVCC. Additionally, the budget funds \$5.34 million in schools' annual capital needs and plans for up to \$34.7 million in projects in the last two years of a four-year construction funding cycle approved in Fiscal Year 2015/16.



Water & Sewer Infrastructure: \$8.45 million in water and sewer projects in the next fiscal year with an additional

\$17.1 million planned over the next four years.



Economic Development: The budget reserves \$152,007 of projected increased property tax from tax base growth toward a future economic development set-aside fund and funds a second spec building in cooperation with the City of Claremont.



Parks: The 5-year capital improvement plan includes plans to develop Mountain Creek Park through a combination of County funds, donations, grants, and debt financing and to make improvements to existing parks.



Public Safety: The County has reserved bed rental revenue since its last jail expansion in 2007 and dedicated 1.5 cents property tax since Fiscal Year 2015/16 toward the cost of future jail expansion. A 320-bed expansion is scheduled to begin in the coming year with anticipated total costs of \$23.1 million, \$14.4 million of which will be debt financed with the rest coming from reserved revenue.

Solid Waste: The County plans for the next landfill cell expected to begin accepting waste in 2022 and estimated to cost over \$10 million.

The County is able to make these investments within available revenues, maintaining the property tax rate of \$0.575 for every \$100 of valuation until the next revaluation cycle in 2019, thanks to a strong tradition of fiscal stewardship and conservative budgeting. Comprehensive long-range plans have been developed for critical service areas such as school construction, jail expansion, water and sewer infrastructure, parks, libraries, and solid waste.



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, 2016, the 35th 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 and will be submitting a Popular Annual Financial Report (PAFR) to GFOA for Fiscal Year 2016-2017. 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 nine years and hopes to continue with the Fiscal Year 2016-2017 entry.

Finally, the County has also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2016-2017 Adopted Budget effective July 1, 2016. This is the 28th 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

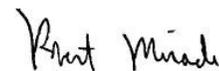
Each County department's strong commitment to the goals, vision, and mission of Catawba County is reflected in the services provided to the citizens of Catawba County. We appreciate the cooperation of all County departments in carrying out the financial activities encompassed in this report. The preparation 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.

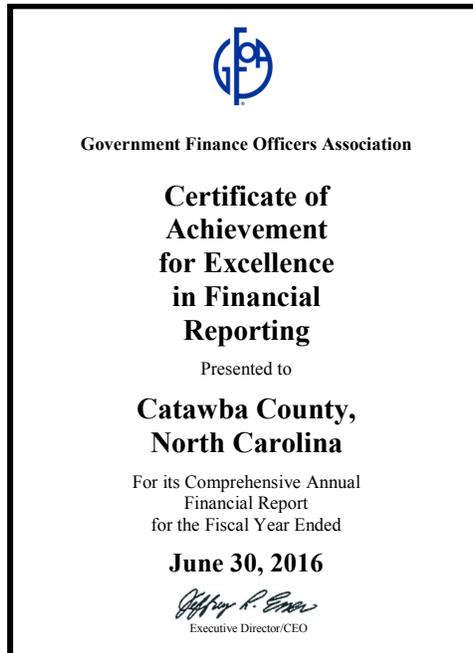
Respectfully submitted,



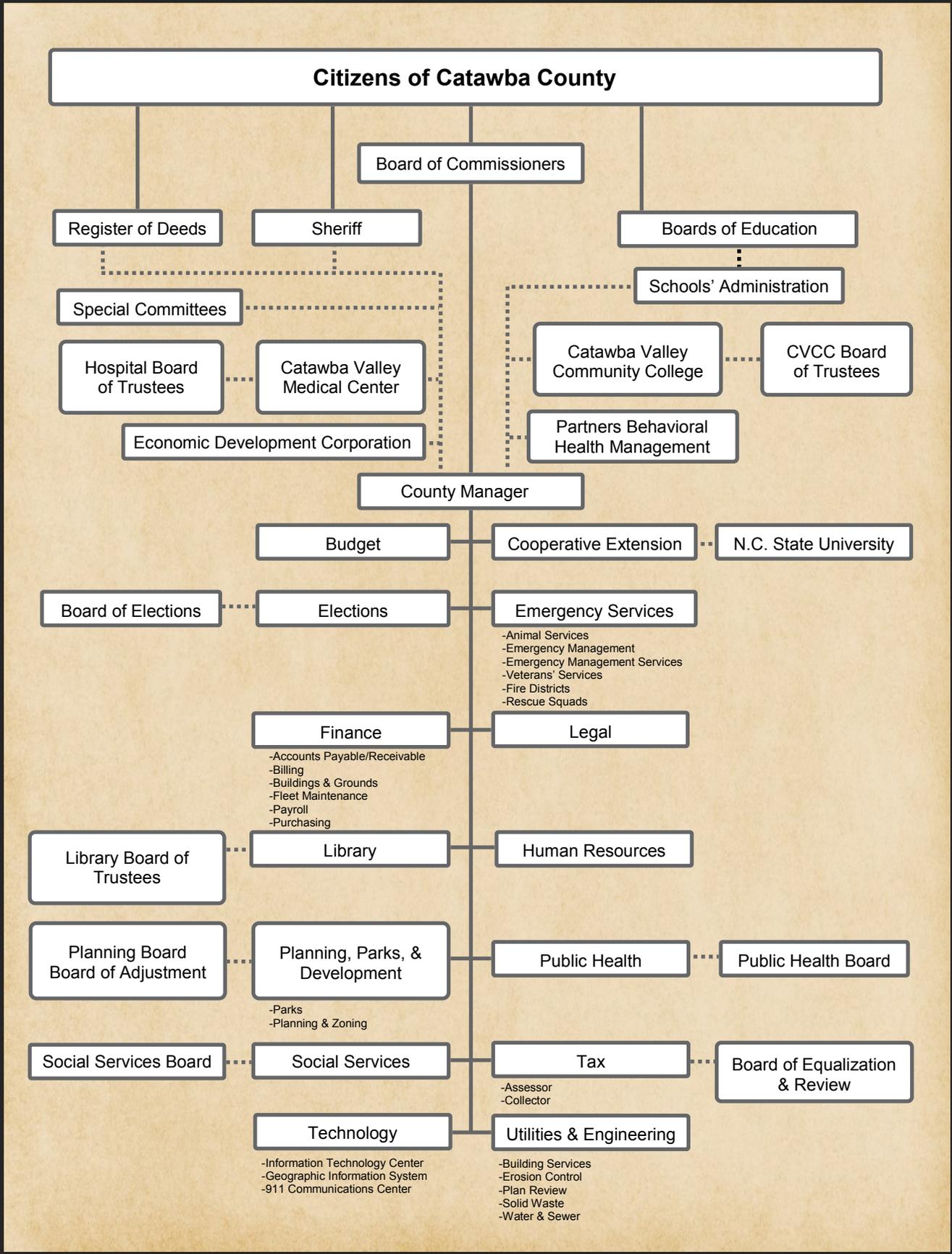
Mick Berry
County Manager



Robert Miracle
Chief Financial Officer



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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Catawba Valley Medical Center, which represents 98.1%, 97.7%, and 93.6%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of the Catawba County ABC Board, which represents 1.9%, 2.3%, and 6.4%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us and, our opinion, insofar as it relates to the amounts included for the Catawba Valley Medical Center and Catawba County ABC Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 reports 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, 2017, 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 Schedule of the Change in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County's Contributions, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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, economical, 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.

Supplementary and 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 reports 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 22, 2017 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 solely 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 effectiveness of Catawba County's 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 22, 2017



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Catawba County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Catawba County for the fiscal year ended June 30, 2017. 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

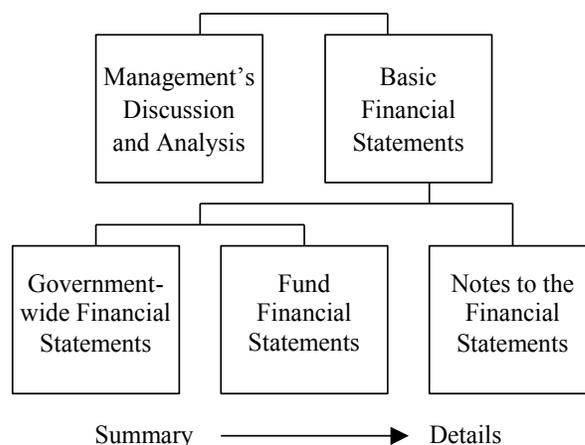
- ▶ The assets and deferred outflows of resources of Catawba County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$208,619,924 (*net position*). Of this figure, approximately \$149 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net position increased by \$7,796,423, resulting from an increase of \$5,224,819 in governmental activities and \$2,571,604 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 \$154,857,426, an increase of \$22,135,550 in comparison with the prior year. Approximately 44 percent of this total amount, or \$68,903,754, 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 \$38,512,665, or 22 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total long-term debt increased by \$21,752,385 during the current fiscal year. Outstanding debt principal is \$170,255,375 and equates to \$1,091 per capita at the end of the fiscal year.
- ▶ For the thirteenth 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 eighth 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 26-29 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 six 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 79 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 \$208,619,924 as of June 30, 2017. The County's net position increased by \$7,796,423 for the fiscal year ended June 30, 2017. Additional information can be found in the notes to the financial statements.

Government-Wide Financial Analysis
Catawba County's Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2017	2016	2017	2016	2017	2016	Dollar Change	Percent Change
Current and other assets	\$167,906,610	\$146,018,273	\$ 57,918,321	\$ 58,919,551	\$225,824,931	\$204,937,824	\$20,887,107	10.19%
Capital assets	122,258,095	113,584,561	67,731,181	65,452,782	189,989,276	179,037,343	10,951,933	6.12%
Total assets	290,164,705	259,602,834	125,649,502	124,372,333	415,814,207	383,975,167	31,839,040	8.29%
Deferred outflow s of resources	17,390,922	5,873,675	448,033	132,195	17,838,955	6,005,870	11,833,085	197.03%
Long-term liabilities	193,525,373	153,877,775	22,048,854	22,627,923	215,574,227	176,505,698	39,068,529	22.13%
Other liabilities	8,132,631	8,033,680	344,116	710,299	8,476,747	8,743,979	(267,232)	-3.06%
Total liabilities	201,658,004	161,911,455	22,392,970	23,338,222	224,050,974	185,249,677	38,801,297	20.95%
Deferred inflow s of resources	962,261	2,114,283	20,003	53,348	982,264	2,167,631	(1,185,367)	-54.68%
Net position:								
Net investment in capital assets	92,137,818	82,024,110	57,243,979	53,727,147	149,381,797	135,751,257	13,630,540	10.04%
Restricted	32,847,390	37,336,072	-	-	32,847,390	37,336,072	(4,488,682)	-12.02%
Unrestricted	(20,049,846)	(17,909,411)	46,440,583	47,385,811	26,390,737	29,476,400	(3,085,663)	-10.47%
Total net position	\$104,935,362	\$101,450,771	\$103,684,562	\$101,112,958	\$208,619,924	\$202,563,729	\$ 6,056,195	2.99%

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 \$10,951,933 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, 16%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is unrestricted, which is 13% 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 for governmental activities.

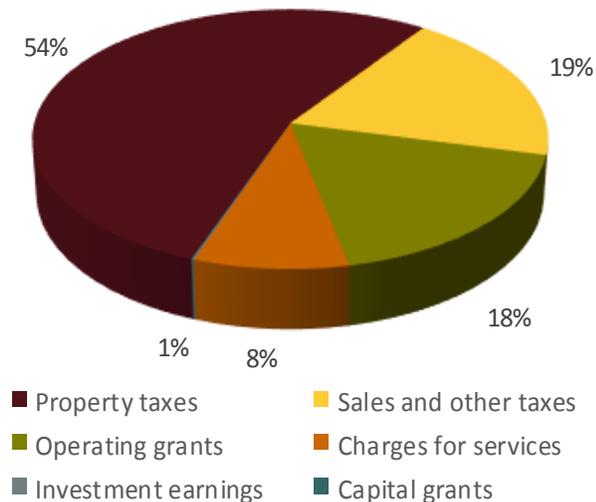
In order to provide a complete picture of the changes in net position of the County, information is provided separately for the net positions of governmental and business-type activities.

Governmental Activities - Governmental activities increased the County's net position by \$5,224,819. Several particular aspects of the County's financial operations positively influenced the unrestricted governmental net position.

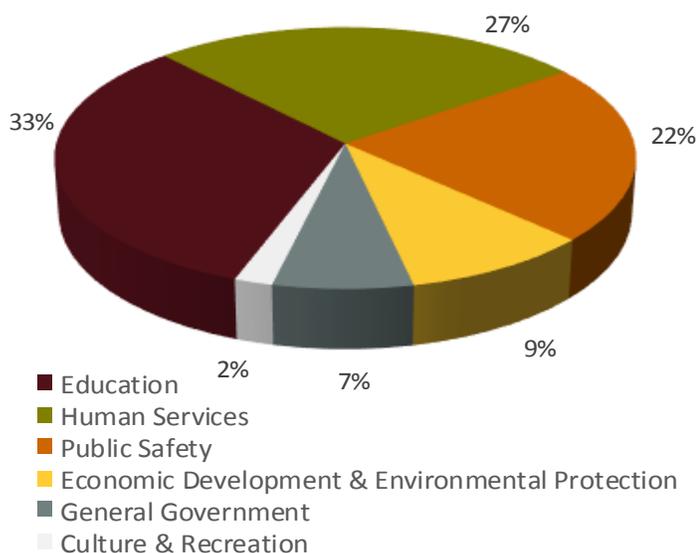
- ▶ Continued diligence in the collection of property taxes by maintaining a collection percentage of over 98%.
- ▶ Increased sales tax revenue of approximately \$1.7 million due to economic growth in the County.

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



Business-type Activities - Business-type activities increased Catawba County's net position by \$2,571,604. Key elements of this change are as follows:

- ▶ Article 46 sales tax revenues totaling

\$821,860 million for various water and sewer projects in the County.

- ▶ Transfer of property tax for water and sewer debt service in the amount \$1,600,000.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2017, the governmental funds of the County reported a combined fund balance of \$154,857,426, a 16.7 percent increase from the previous year. The primary reason for this change is the net increase in fund balance in the School Construction 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 \$62,692,431 while total fund balance was \$79,842,692. The governing

Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 16,359,340	\$ 20,321,702	\$ 6,615,230	\$ 6,421,312	\$ 22,974,570	\$ 26,743,014
Operating grants and contributions	33,826,622	33,083,275	742,079	743,064	34,568,701	33,826,339
Capital grants and contributions	114,292	250,000	-	223,191	114,292	473,191
General revenues:						
Property taxes	102,512,789	98,691,384	-	-	102,512,789	98,691,384
Sales and other taxes	36,380,816	34,493,971	1,162,076	1,198,019	37,542,892	35,691,990
Investment earnings, unrestricted	209,348	1,470,473	52,518	715,609	261,866	2,186,082
Gain on capital assets	-	-	48,748	54,235	48,748	54,235
Total revenues	189,403,207	188,310,805	8,620,651	9,355,430	198,023,858	197,666,235
Expenses						
General government	12,702,261	11,860,452	-	-	12,702,261	11,860,452
Public safety	39,368,324	34,879,104	-	-	39,368,324	34,879,104
Environmental protection	679,490	585,457	-	-	679,490	585,457
Economic and physical development	16,638,619	14,883,762	-	-	16,638,619	14,883,762
Human services	48,949,754	46,621,822	-	-	48,949,754	46,621,822
Cultural and recreation	3,518,210	3,595,626	-	-	3,518,210	3,595,626
Education	57,013,840	50,223,611	-	-	57,013,840	50,223,611
Interest on long-term debt	3,707,890	3,477,042	-	-	3,707,890	3,477,042
Solid waste management	-	-	5,575,002	5,346,204	5,575,002	5,346,204
Water and sewer	-	-	2,074,045	2,279,892	2,074,045	2,279,892
Total expenses	182,578,388	166,126,876	7,649,047	7,626,096	190,227,435	173,752,972
Increase (decrease) in net position before transfers	6,824,819	22,183,929	971,604	1,729,334	7,796,423	23,913,263
Transfers	(1,600,000)	(1,617,050)	1,600,000	1,617,050	-	-
Increase (decrease) in net position after transfers	5,224,819	20,566,879	2,571,604	3,346,384	7,796,423	23,913,263
Net position - beginning of year, previously reported	101,450,771	80,883,892	101,112,958	97,766,574	202,563,729	178,650,466
Restatement	(1,740,228)	-	-	-	(1,740,228)	-
Net position- beginning, restated	99,710,543	80,883,892	101,112,958	97,766,574	200,823,501	178,650,466
Net position - end of year	\$ 104,935,362	\$ 101,450,771	\$ 103,684,562	\$ 101,112,958	\$ 208,619,924	\$ 202,563,729

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 35.04% of total general fund expenditures, while the total fund balance represents 44.63% of that same amount.

The overall fund balance increased by \$1,478,863 due, in part, to the increase in

property and sales taxes.

Additional information is provided in the notes to the financial statements and 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 (\$7.3 million) to \$24.3 million. Expenditures were

\$11.3 million as major construction continued on the Justice Center expansion project.

The School Construction Fund is a major governmental fund. The fund accounts for the financing and construction of major public school and community college capital projects. The net change in fund balance of \$27,575,135 is the result of financing \$36,728,000 for new capital expansions and additional capital expenditures.

Non-Major Funds - Fund balances for non-major funds increased by \$407,243 to \$16.3 million overall. The primary increase is from sales tax revenue for school capital projects.

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 \$103.7 million with \$46.4 million of this amount being unrestricted. The increase in net position in these funds was \$2.6 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 \$2,254,889 or 1.3%. This increase was due mainly to anticipation of additional federal and state grants available for

County services.

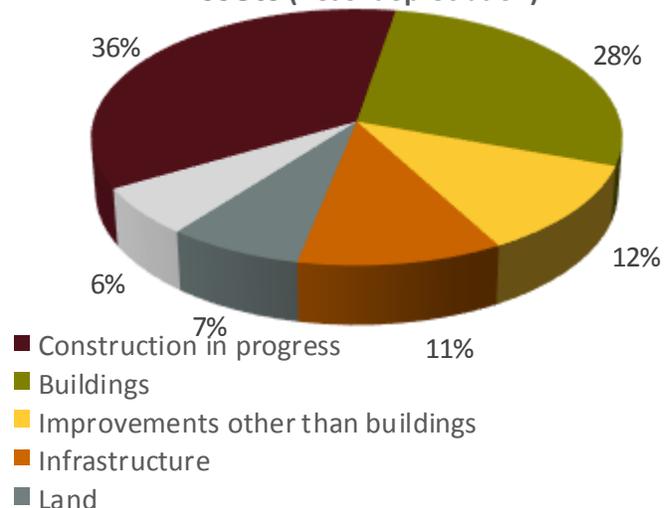
Actual revenues were greater than final budgeted amounts by \$3,461,255. This was due mainly to increases in collections of property and sales taxes.

Net amendments to budgeted appropriations were \$3,085,493 or 1.7%. The majority of amendments were for public safety mainly for change in expectations for receipts of federal and state grants. Amendments were made to debt service to reflect the results of additional financing. Actual expenditures were less than final budgeted amounts by \$12,917,153. These cost savings resulted mainly from unspent appropriations of a) \$6.4 million in non-personnel services and supplies in various departments and, b) \$1.3 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, 2017, totals \$189,989,276 (net of accumulated depreciation). These assets include land, buildings, other improvements, infrastructure, machinery and equipment, and vehicles. Major capital asset transactions during the year include the following:

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



Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 5,796,392	\$ 5,696,392	\$ 8,194,041	\$ 7,717,284	\$ 13,990,433	\$ 13,413,676
Construction in progress	48,837,438	39,217,293	19,524,086	18,278,000	68,361,524	57,495,293
Buildings	49,362,115	51,225,361	3,543,036	3,623,145	52,905,151	54,848,506
Improvements other than buildings	9,466,134	9,690,252	12,473,649	12,638,380	21,939,783	22,328,632
Plant and distribution systems/water lines	-	-	21,215,008	21,510,864	21,215,008	21,510,864
Machinery, equipment and vehicles	8,796,016	7,755,263	2,781,361	1,685,109	11,577,377	9,440,372
Total	122,258,095	113,584,561	67,731,181	65,452,782	189,989,276	179,037,343

- ▶ Purchase of new public safety vehicles
- ▶ Addition of equipment for NC 911 Center
- ▶ Park expansions and improvements
- ▶ Increase in construction in progress in governmental funds for the Justice Center expansion and Multi-jurisdictional data park
- ▶ Increase in the solid waste fund for the addition of landfill equipment

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, 2017, Catawba County had outstanding debt of \$170,255,375. The overall change in long-term debt was a net increase of \$21,752,385. The County issued new debt for school capital projects and debt refunding in the amount of \$50,530,000. The County made debt service payments of approximately \$28 million.

As mentioned in the financial highlights section of this document, Catawba County maintained for the 8th consecutive year, its Aa1 bond rating from Moody's Investors Service and for the 13th 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.

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Certificates of Participation	\$ 8,245,000	\$ 9,390,000	\$ -	\$ -	\$ 8,245,000	\$ 9,390,000
Installment Purchases	72,741,291	37,299,345	5,522,224	6,158,434	78,263,515	43,457,779
Qualified Zone Academy Bonds	250,000	300,000	-	-	250,000	300,000
Qualified School Const. Bonds	27,808,553	27,808,553	-	-	27,808,553	27,808,553
Build America Bonds	-	5,504,583	-	-	-	5,504,583
Limited Obligation Bonds	43,231,314	47,964,295	3,883,686	4,400,705	47,115,000	52,365,000
Federal Revolving Loan	-	-	975,000	1,050,000	975,000	1,050,000
NC Department of Commerce	2,100,388	2,600,000	-	-	2,100,388	2,600,000
Premium on long-term debt	5,350,723	5,865,748	147,196	161,327	5,497,919	6,027,075
Compensated absences	4,437,377	4,460,202	140,984	137,476	4,578,361	4,597,678
Net pension liability (LGERS)	17,319,678	3,572,430	476,950	98,001	17,796,628	3,670,431
Total pension liability (LEOSSA)	3,344,006	3,245,785	-	-	3,344,006	3,245,785
Net OPEB obligation	8,697,043	7,706,623	271,273	240,439	8,968,316	7,947,062
Total	\$ 193,525,373	\$ 155,717,564	\$ 11,417,313	\$ 12,246,382	\$ 204,942,686	\$ 167,963,946

North Carolina general statutes limit the amount of debt that a unit of local government can issue. The County's total debt outstanding of \$170,255,375 is 13% of the legal debt margin of \$1,143,440,039.

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

FISCAL YEAR 2016-17 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 13% of its statutory limit. The property tax rate of \$0.575/\$100 was below the State average of \$0.66.5/\$100 and the 24th lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 61.7% of the \$3.8 billion in retail sales from the four-county Metropolitan Statistical Area in 2016 despite having only 42.6% of the population. Taxable retail sales increased over 9% from the prior year.
- ▶ The County's unemployment has seen improvement as the rate declined from 4.9% in June 2016 to 4.0% in June 2017. The County announced that 1,883 new jobs were added to the current workforce.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Governmental Activities - The local economy continues to show improvement. The property tax rate remains at \$.575/100 in next year's budget. Revenue projections for the General Fund include a 3.0% percent increase in property tax revenue and a 11.1% percent increase in sales tax revenue. The County is also budgeting an increase of 2.9 percent in operating expenses due to service expansions for a total approved budget of \$259,240,614 for fiscal year 2017-2018.

Education continues to represent the largest portion of the local budget, with 44 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 budget commits \$1.3 million toward the K-64 initiative, a joint partnership of the three public school systems, community college, and business community to prepare students of all ages with the skills needed to compete in the global economy.

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—25.4 cents of every property tax and sales tax dollar—is spent on public safety.

As a commitment to public safety, in fiscal year 2017-2018 the County budgets additional funds for the operation of the communication center in the new Justice Center. The budget increases revenue to be set aside for a future expansion of the County Detention Center.

The County continues to review staffing needs annually, rightsizing in some areas while investing in others. The fiscal year 2017-2018 budget adds or increases 4 positions in various departments. The budget includes a 3.0% performance based adjustment for employees who exhibit satisfactory performance as reflected in the annual evaluation. High performers are able to receive an additional 1% for exceptional service. 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.

The County includes funds for a 401-K match up to 1% of salary for participating employees.

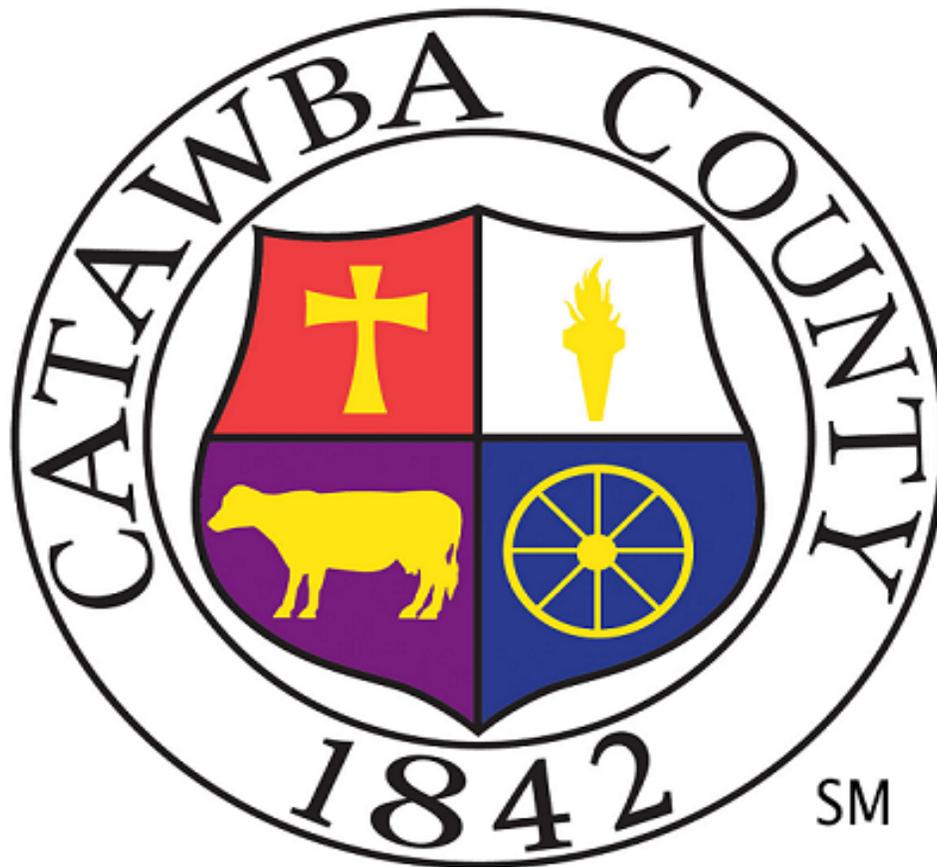
Business – type Activities - The \$16,554,673 budget includes \$8,209,343 for solid waste and \$2,495,330 for water and sewer operations. Also included in this amount is \$1,700,000 for solid waste and \$4,150,000 for

water and sewer capital projects. Additional water and sewer capital projects are funded by funds released from closed unneeded projects.

As the County grows, there is a greater demand for clean drinking water and sewage disposal. To address these needs, the budget commits \$712,423 of the property tax and \$803,907 of the 1/4 cent sales tax to fund strategic water and sewer needs.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, 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

Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and investments	\$ 109,627,505	\$ 55,723,595	\$ 165,351,100
Taxes receivable - net	1,325,632	-	1,325,632
Due from other governments	15,523,050	805,945	16,328,995
Notes receivable	1,140,298	220,165	1,360,463
Other receivables	2,519,428	812,435	3,331,863
Interest receivable	364,972	158,973	523,945
Inventories	315,603	-	315,603
Prepaid items	650,755	197,208	847,963
Restricted cash and investments	35,188,734	-	35,188,734
Net pension asset - RODSPF	315,346	-	315,346
Other assets	-	-	-
Capital assets:			
Land and construction in progress	54,633,830	27,718,127	82,351,957
Other capital assets, net of depreciation	67,624,265	40,013,054	107,637,319
Total capital assets	<u>122,258,095</u>	<u>67,731,181</u>	<u>189,989,276</u>
Net investment in joint venture	935,287	-	935,287
Total assets	<u>290,164,705</u>	<u>125,649,502</u>	<u>415,814,207</u>
Deferred outflows of resources	<u>17,390,922</u>	<u>448,033</u>	<u>17,838,955</u>
Liabilities			
Accounts payable and accrued liabilities	8,132,631	344,116	8,476,747
Long-term liabilities:			
Net pension liability - LGERS	17,319,678	476,950	17,796,628
Total pension liability - LEOSSA	3,344,006	-	3,344,006
Due within one year	16,750,871	1,569,164	18,320,035
Due in more than one year	156,110,818	20,002,740	176,113,558
Total long-term liabilities	<u>193,525,373</u>	<u>22,048,854</u>	<u>215,574,227</u>
Total liabilities	<u>201,658,004</u>	<u>22,392,970</u>	<u>224,050,974</u>
Deferred inflows of resources	<u>962,261</u>	<u>20,003</u>	<u>982,264</u>
Net Position			
Net investment in capital assets	92,137,818	57,243,979	149,381,797
Restricted			
Stabilization by State statute	25,041,659	-	25,041,659
Register of Deeds	17,170	-	17,170
Register of Deeds pension plan	401,558	-	401,558
Public safety	607,282	-	607,282
Fire Protection	1,521,675	-	1,521,675
Library Endowment	192,424	-	192,424
Social services scholarships	53,725	-	53,725
Parks preservation	5,312	-	5,312
Community development	15,821	-	15,821
Hospital capital projects	4,586,527	-	4,586,527
General capital reserve	404,237	-	404,237
Working Capital	-	-	-
Other	-	-	-
Unrestricted (deficit)	<u>(20,049,846)</u>	<u>46,440,583</u>	<u>26,390,737</u>
Total net position	<u>\$ 104,935,362</u>	<u>\$ 103,684,562</u>	<u>\$ 208,619,924</u>

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

Statement of Net Position
June 30, 2017

	Component Units	
	Catawba	
	Catawba Valley Medical Center	County ABC Board
Assets		
Cash and investments	\$ 93,040,851	\$ 2,000,602
Taxes receivable - net	-	-
Due from other governments	2,735,153	-
Notes receivable	-	-
Other receivables	41,486,584	-
Interest receivable	210,565	-
Inventories	6,223,151	1,925,524
Prepaid items	-	-
Restricted cash and investments	4,972,283	-
Net pension asset	-	-
Other assets	13,485,711	-
Capital assets:		
Land and construction in progress	6,988,687	741,643
Other capital assets, net of depreciation	111,268,146	846,896
Total capital assets	<u>118,256,833</u>	<u>1,588,539</u>
Net investment in joint venture	-	-
Total assets	<u>280,411,131</u>	<u>5,514,665</u>
Deferred outflows of resources	<u>21,304,627</u>	<u>352,853</u>
Liabilities		
Accounts payable and accrued liabilities	36,865,574	1,437,126
Long-term liabilities:		
Net pension liability - LGERS	-	-
Total pension liability - LEOSSA	-	-
Due within one year	9,647,865	-
Due in more than one year	79,162,549	399,491
Total long-term liabilities	<u>88,810,414</u>	<u>399,491</u>
Total liabilities	<u>125,675,988</u>	<u>1,836,617</u>
Deferred inflows of resources	<u>1,535,000</u>	<u>10,872</u>
Net Position		
Net investment in capital assets	73,791,694	1,588,539
Restricted		
Stabilization by State statute	-	-
Register of Deeds	-	-
Register of Deeds pension plan	-	-
Public safety	-	-
Fire Protection	-	-
Library Endowment	-	-
Social services scholarships	-	-
Parks preservation	-	-
Community development	-	-
Hospital capital projects	4,599,503	-
General capital reserve	-	-
Working Capital	-	567,628
Other	372,780	-
Unrestricted (deficit)	<u>95,740,793</u>	<u>1,863,862</u>
Total net position	<u>\$ 174,504,770</u>	<u>\$ 4,020,029</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, 2017**

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	\$ 12,702,261	\$ 1,645,516	\$ 2,697,838	\$ -
Public safety	39,368,324	9,062,382	687,052	-
Environmental protection	679,490	33,368	103,986	-
Economic and physical development	16,638,619	2,783,017	495,668	-
Human services	48,949,754	2,777,252	29,582,771	114,292
Culture and recreation	3,518,210	57,805	259,307	-
Education	57,013,840	-	-	-
Interest on long-term debt	3,707,890	-	-	-
Total governmental activities	<u>182,578,388</u>	<u>16,359,340</u>	<u>33,826,622</u>	<u>114,292</u>
Business-type activities				
Solid waste management	5,575,002	6,217,432	27,854	-
Water and sewer	<u>2,074,045</u>	<u>397,798</u>	<u>714,225</u>	-
Total business-type activities	<u>7,649,047</u>	<u>6,615,230</u>	<u>742,079</u>	-
Total primary government	<u>\$ 190,227,435</u>	<u>\$ 22,974,570</u>	<u>\$ 34,568,701</u>	<u>\$ 114,292</u>
Component units				
Catawba Valley Medical Center	\$ 275,016,054	\$ 277,003,231	\$ 805,065	\$ 566,853
Catawba County ABC Board	18,857,642	19,261,011	-	-
Total Component Units	<u>\$ 293,873,696</u>	<u>\$ 296,264,242</u>	<u>\$ 805,065</u>	<u>\$ 566,853</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, 2017**

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	\$ (8,358,907)	\$ -	\$ (8,358,907)		
Public safety	(29,618,890)	-	(29,618,890)		
Environmental protection	(542,136)	-	(542,136)		
Economic and physical development	(13,359,934)	-	(13,359,934)		
Human services	(16,475,439)	-	(16,475,439)		
Culture and recreation	(3,201,098)	-	(3,201,098)		
Education	(57,013,840)	-	(57,013,840)		
Interest on long-term debt	(3,707,890)	-	(3,707,890)		
Total governmental activities	<u>(132,278,134)</u>	<u>-</u>	<u>(132,278,134)</u>		
Business-type activities					
Solid waste management	-	670,284	670,284		
Water and sewer	-	(962,022)	(962,022)		
Total business-type activities	<u>-</u>	<u>(291,738)</u>	<u>(291,738)</u>		
Total primary government	<u>(132,278,134)</u>	<u>(291,738)</u>	<u>(132,569,872)</u>		
Component units					
Catawba Valley Medical Center				\$ 3,359,095	\$ -
Catawba County ABC Board				-	403,369
Total Component Units				<u>\$ 3,359,095</u>	<u>\$ 403,369</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes	102,512,789	-	102,512,789	-	-
Local option sales taxes	34,612,225	821,860	35,434,085	-	-
Other taxes	1,768,591	340,216	2,108,807	-	-
Investment earnings, unrestricted	209,348	52,518	261,866	2,107,536	906
Gain on sale of capital assets	-	48,748	48,748	-	-
Total general revenues	<u>139,102,953</u>	<u>1,263,342</u>	<u>140,366,295</u>	<u>2,107,536</u>	<u>906</u>
Transfers	(1,600,000)	1,600,000	-	-	-
Total general revenues and transfers	<u>137,502,953</u>	<u>2,863,342</u>	<u>140,366,295</u>	<u>2,107,536</u>	<u>906</u>
Change in net position	5,224,819	2,571,604	7,796,423	5,466,631	404,275
Net position, beginning, previously reported	101,450,771	101,112,958	202,563,729	169,038,139	3,615,754
Restatement	(1,740,228)	-	(1,740,228)	-	-
Net position, beginning, restated	<u>99,710,543</u>	<u>101,112,958</u>	<u>200,823,501</u>	<u>169,038,139</u>	<u>3,615,754</u>
Net position, ending	<u>\$ 104,935,362</u>	<u>\$ 103,684,562</u>	<u>\$ 208,619,924</u>	<u>\$ 174,504,770</u>	<u>\$ 4,020,029</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2017

	Major Funds			Non Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	
Assets					
Cash and investments	\$ 57,269,273	\$ 24,404,425	\$ 12,717,980	\$ 15,235,827	\$ 109,627,505
Taxes receivable - net	1,228,456	-	-	97,176	1,325,632
Due from other governments	13,596,256	425,521	67,921	1,433,352	15,523,050
Notes receivable	1,140,298	-	-	-	1,140,298
Other receivables	2,513,716	5,712	-	-	2,519,428
Interest receivable	193,611	73,460	54,112	43,789	364,972
Inventories	315,603	-	-	-	315,603
Prepaid items	650,755	-	-	-	650,755
Restricted cash and investments	12,716,269	452,704	22,019,761	-	35,188,734
Total assets	<u>89,624,237</u>	<u>25,361,822</u>	<u>34,859,774</u>	<u>16,810,144</u>	<u>166,655,977</u>
Liabilities					
Accounts payable and accrued liabilities	6,218,485	1,099,631	453,546	360,969	8,132,631
Total liabilities	<u>6,218,485</u>	<u>1,099,631</u>	<u>453,546</u>	<u>360,969</u>	<u>8,132,631</u>
Deferred Inflows of Resources	<u>3,563,060</u>	-	-	<u>102,860</u>	<u>3,665,920</u>
Fund Balances					
Nonspendable					
Inventories	315,603	-	-	-	315,603
Prepaid	650,755	-	-	-	650,755
Notes receivable	1,140,298	-	-	-	1,140,298
Restricted					
Stabilization by State Statute	15,043,605	7,672,141	122,033	2,203,880	25,041,659
Register of Deeds	17,170	-	-	-	17,170
Public Safety	-	-	-	607,282	607,282
Fire Protection	-	-	-	1,521,675	1,521,675
Debt service	11,878,801	-	-	-	11,878,801
Library Endowment	-	-	-	192,424	192,424
Scholarship	-	-	-	53,725	53,725
Parks Preservation	-	-	-	5,312	5,312
Community Development	-	-	-	15,821	15,821
General Capital	-	452,704	-	-	452,704
School Capital and Construction	-	-	22,019,761	-	22,019,761
Hospital Capital	-	-	-	4,586,527	4,586,527
General Capital Reserve	404,237	-	-	-	404,237
Committed					
Tax Reappraisal	173,005	-	-	-	173,005
General Capital	-	16,137,346	-	-	16,137,346
School Capital	-	-	-	7,159,669	7,159,669
School Construction	-	-	12,264,434	-	12,264,434
Assigned					
Public Health	684,018	-	-	-	684,018
Social Services	4,133,196	-	-	-	4,133,196
County Manager	168,882	-	-	-	168,882
Human Resources	396,894	-	-	-	396,894
Library	127,497	-	-	-	127,497
Subsequent year's expenditures	6,196,066	-	-	-	6,196,066
Unassigned	38,512,665	-	-	-	38,512,665
Total fund balances	<u>79,842,692</u>	<u>24,262,191</u>	<u>34,406,228</u>	<u>16,346,315</u>	<u>154,857,426</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 89,624,237</u>	<u>\$ 25,361,822</u>	<u>\$ 34,859,774</u>	<u>\$ 16,810,144</u>	<u>\$ 166,655,977</u>

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2017**

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)	\$ 154,857,426
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	122,258,095
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	935,287
Charges related to refunding bond issues	2,406,891
Net pension asset RODSPF	315,346
Net pension liability LGERS	(17,319,678)
Total pension liability LEOSSA	(3,344,006)
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the statement of net position - LGERS	14,883,454
Benefit payments and pension administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	100,576
Pension related deferrals	(814,222)
Liabilities for earned revenues considered deferred inflows of resources in fund statements	3,517,882
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>(172,861,689)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 104,935,362</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, 2017**

	Major Funds			Non Major Funds	
	General	General	School	Other	Total
	Fund	Capital Projects Fund	Construction Fund	Governmental Funds	Governmental Funds
Revenues					
Ad valorem taxes	\$ 94,924,089	\$ -	-	\$ 7,719,026	\$ 102,643,115
Other taxes	30,444,987	-	-	4,950,819	35,395,806
Unrestricted intergovernmental revenues	1,915,010	-	-	-	1,915,010
Restricted intergovernmental revenues	36,823,896	14,292	-	872,060	37,710,248
Permits and fees	3,266,330	-	-	4,000	3,270,330
Sales and services	7,955,557	-	-	-	7,955,557
Investment earnings	92,388	46,582	53,805	16,573	209,348
Miscellaneous	3,050,655	492,406	-	1,225	3,544,286
Total revenues	178,472,912	553,280	53,805	13,563,703	192,643,700
Expenditures					
Current					
General government	12,813,629	-	-	-	12,813,629
Public safety	30,700,030	-	-	9,304,056	40,004,086
Environmental protection	661,156	-	-	-	661,156
Economic and physical development	15,434,562	-	-	58,864	15,493,426
Human services	47,706,576	-	-	-	47,706,576
Culture and recreation	3,394,899	-	-	12,478	3,407,377
Education	41,012,204	-	-	-	41,012,204
Capital outlay	-	11,342,313	11,497,349	4,504,287	27,343,949
Debt service					
Principal	13,430,361	-	-	-	13,430,361
Interest	3,763,682	-	-	-	3,763,682
Bond issuance costs	115,551	-	-	-	115,551
Total expenditures	169,032,650	11,342,313	11,497,349	13,879,685	205,751,997
Excess of revenues over (under) expenditures	9,440,262	(10,789,033)	(11,443,544)	(315,982)	(13,108,297)
Other Financing Sources (Uses)					
Transfers from other funds	1,909,655	3,463,342	3,656,083	1,273,225	10,302,305
Transfers to other funds	(9,986,901)	-	(1,365,404)	(550,000)	(11,902,305)
Refunding installment purchase issued	13,802,000	-	36,728,000	-	50,530,000
Payment to refunded bond escrow agent	(13,686,153)	-	-	-	(13,686,153)
Total other financing sources (uses)	(7,961,399)	3,463,342	39,018,679	723,225	35,243,847
Net change in fund balance	1,478,863	(7,325,691)	27,575,135	407,243	22,135,550
Fund Balances - Beginning of Year	78,363,829	31,587,882	6,831,093	15,939,072	132,721,876
Fund Balances - End of Year	\$ 79,842,692	\$ 24,262,191	\$ 34,406,228	\$ 16,346,315	\$ 154,857,426

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, 2017

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)	\$ 22,135,550
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.	8,673,534
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.	(173,286)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,711,310
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	100,576
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(247,378)
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.	(22,994,745)
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>(5,980,742)</u>
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ 5,224,819</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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 90,859,429	\$ 90,859,429	\$ 94,924,089	\$ 4,064,660
Other taxes	26,737,614	26,785,614	30,444,987	3,659,373
Unrestricted intergovernmental revenues	1,914,250	1,914,250	1,915,010	760
Restricted intergovernmental revenues	40,111,319	41,945,000	36,823,896	(5,121,104)
Permits and fees	3,001,544	3,048,885	3,266,330	217,445
Sales and services	7,323,038	7,429,328	7,955,557	526,229
Investment earnings	400,600	400,600	90,769	(309,831)
Miscellaneous	2,407,355	2,626,932	3,050,655	423,723
Total revenues	<u>172,755,149</u>	<u>175,010,038</u>	<u>178,471,293</u>	<u>3,461,255</u>
Expenditures				
Current				
General government	12,959,974	13,812,131	12,415,636	1,396,495
Public safety	31,517,763	32,658,633	30,700,030	1,958,603
Environmental protection	619,598	696,271	661,156	35,115
Economic and physical development	16,650,345	16,723,619	15,434,562	1,289,057
Human services	56,525,750	55,868,696	47,706,576	8,162,120
Culture and recreation	3,346,198	3,470,266	3,394,899	75,367
Education	41,012,204	41,012,204	41,012,204	-
Debt service				
Principal	10,978,432	13,430,382	13,430,361	21
Sinking fund payments	1,853,905	1,853,905	1,853,902	3
Interest	4,856,050	3,763,755	3,763,682	73
Bond issuance costs	-	115,850	115,551	299
Total expenditures	<u>180,320,219</u>	<u>183,405,712</u>	<u>170,488,559</u>	<u>12,917,153</u>
Excess of revenues over (under) expenditures	<u>(7,565,070)</u>	<u>(8,395,674)</u>	<u>7,982,734</u>	<u>16,378,408</u>
Other Financing Sources (Uses)				
Transfers from other funds	608,217	1,967,872	1,967,872	-
Transfers to other funds	(9,961,005)	(10,383,973)	(10,383,973)	-
Refunding installment purchase issued	-	13,830,850	13,802,000	(28,850)
Payment to refunded escrow agent	-	(13,715,000)	(13,686,153)	28,847
Fund balance appropriated	16,917,858	16,695,925	-	(16,695,925)
Total other financing sources (uses)	<u>7,565,070</u>	<u>8,395,674</u>	<u>(8,300,254)</u>	<u>(16,695,928)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(317,520)</u>	<u>\$ (317,520)</u>
Fund Balances - Beginning of Year			<u>77,723,492</u>	
Fund Balances - End of Year			<u>\$ 77,405,972</u>	

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

Investment earnings	1,322
Expenditures	(397,993)
Transfer from other funds	397,072
Fund Balance, Beginning	177,036

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment earnings	297
Transfers to other funds	(58,217)
Fund Balance, Beginning	<u>463,301</u>
Fund Balance, Ending - Budget and Actual	77,988,790
Budget and actual reconciliation	<u>1,853,902</u>
Fund Balance, Ending (Exhibit 4)	<u>\$ 79,842,692</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual to the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Net change in fund balances - budget and actual	
General Fund	\$ (317,520)
Tax Reappraisal Fund	401
General Capital Reserve Fund	<u>(57,920)</u>
	<u>\$ (375,039)</u>

Payments to sinking funds for future debt service are shown in the budget and actual statements but do not reduce outstanding debt and are excluded from the governmental funds statement of revenues, expenditures, and changes in fund balance

1,853,902

Net change in fund balances - general fund (Exhibit 4)	<u>\$ 1,478,863</u>
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The accompanying notes are an integral part of the financial statements.

Statement of Net Position
 Proprietary Funds
 June 30, 2017

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Assets			
Current assets			
Cash and investments	20,556,895	35,166,700	\$ 55,723,595
Due from other governments	316,349	489,596	805,945
Notes receivable	-	220,165	220,165
Accounts receivables (net of allowance)	780,710	31,725	812,435
Interest receivables	59,335	99,638	158,973
Prepaid items	1,395	195,813	197,208
Total current assets	21,714,684	36,203,637	57,918,321
Noncurrent assets			
Capital assets			
Land and construction in progress	10,351,422	17,366,705	27,718,127
Other capital assets, net of depreciation	18,750,938	21,262,116	40,013,054
Total capital assets	29,102,360	38,628,821	67,731,181
Total noncurrent assets	29,102,360	38,628,821	67,731,181
Total assets	50,817,044	74,832,458	125,649,502
Deferred outflows of resources	385,861	62,172	448,033
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	281,007	63,109	344,116
Accrued landfill closure and postclosure care costs	250,000	-	250,000
Installment loan payable	-	1,238,472	1,238,472
Compensated absences	69,958	10,734	80,692
Total current liabilities	600,965	1,312,315	1,913,280
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	10,381,541	-	10,381,541
Net pension liability	452,035	24,915	476,950
Installment loan payable	-	9,142,438	9,142,438
Premium on long-term debt	-	147,196	147,196
Compensated absences	45,934	14,358	60,292
Other post employment benefits	262,977	8,296	271,273
Total noncurrent liabilities	11,142,487	9,337,203	20,479,690
Total liabilities	11,743,452	10,649,518	22,392,970
Deferred inflows of resources	18,958	1,045	20,003
Net Position			
Net investment in capital assets	29,102,360	28,141,619	57,243,979
Unrestricted	10,338,135	36,102,448	46,440,583
Total net position	\$ 39,440,495	\$ 64,244,067	\$ 103,684,562

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, 2017

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 5,443,423	\$ -	\$ 5,443,423
Methane recovery	684,044	-	684,044
Other operating revenues	78,332	-	78,332
Total operating revenues	<u>6,205,799</u>	<u>-</u>	<u>6,205,799</u>
Operating Expenses			
Administration	601,557	98,100	699,657
Recycling	168,742	-	168,742
Solid waste management improvements	128,816	-	128,816
Solid waste code enforcement	95,776	-	95,776
Sanitary landfill	2,833,371	-	2,833,371
Convenience centers	630	-	630
Blackburn landfill methane recovery	707,491	-	707,491
Water and sewer	-	1,390,871	1,390,871
Landfill closure and postclosure care costs	250,000	-	250,000
Depreciation	788,619	301,698	1,090,317
Total operating expenses	<u>5,575,002</u>	<u>1,790,669</u>	<u>7,365,671</u>
Operating income (loss)	<u>630,797</u>	<u>(1,790,669)</u>	<u>(1,159,872)</u>
Nonoperating Revenues (Expenses)			
Solid waste disposal tax	70,309	-	70,309
Scrap tire disposal tax	208,633	-	208,633
White goods disposal tax	61,274	-	61,274
Scrap tire grant	24,854	-	24,854
Electronics management distribution	11,621	-	11,621
Hickory community relations	3,000	-	3,000
Gain on sale of capital asset	48,747	-	48,747
Miscellaneous	10	83,701	83,711
Investment earnings	16,714	35,804	52,518
Engineering fees	-	314,100	314,100
Sales Taxes - Article 46 - one quarter of one percent	-	821,860	821,860
Interest on long term debt	-	(283,376)	(283,376)
Municipal revenue sharing	-	714,225	714,225
Donated asset	-	(53,600)	(53,600)
Total nonoperating revenues (expenses)	<u>445,162</u>	<u>1,632,714</u>	<u>2,077,876</u>
Income (loss) before contributions and transfers	<u>1,075,959</u>	<u>(157,955)</u>	<u>918,004</u>
Capital contributions	53,600	-	53,600
Transfer from General Fund	-	1,600,000	1,600,000
Change in net position	1,129,559	1,442,045	2,571,604
Net Position - Beginning of Year	<u>38,310,936</u>	<u>62,802,022</u>	<u>101,112,958</u>
Net Position - End of Year	<u>\$ 39,440,495</u>	<u>\$ 64,244,067</u>	<u>\$ 103,684,562</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, 2017

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 5,837,946	24,824	\$ 5,862,770
Cash paid for goods and services	(2,913,613)	(1,591,220)	(4,504,833)
Cash paid to employees	(1,731,369)	(95,156)	(1,826,525)
Other operating revenues	78,332	-	78,332
Net cash provided (used) by operating activities	<u>1,271,296</u>	<u>(1,661,552)</u>	<u>(390,256)</u>
Cash Flows from Noncapital Financing Activities			
Solid waste disposal tax	70,309	-	70,309
Scrap tire disposal tax	208,633	-	208,633
White goods disposal tax	61,274	-	61,274
Scrap tire grant	24,854	-	24,854
Community relations and distribution charges	14,632	-	14,632
Other taxes	-	821,860	821,860
Domestic haulers	-	397,801	397,801
Municipal revenue sharing	-	714,225	714,225
Transfer from general fund	-	1,600,000	1,600,000
Total cash provided by noncapital financing activities	<u>379,702</u>	<u>3,533,886</u>	<u>3,913,588</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on installment notes payable	-	(1,228,229)	(1,228,229)
Interest paid on installment notes payable	-	(293,579)	(293,579)
Acquisition and construction of capital assets	(3,194,532)	(120,584)	(3,315,116)
Construction of contributed asset	-	(53,600)	(53,600)
Proceeds from sale of assets	48,747	-	48,747
Net cash provided (used) by capital and related financing activities	<u>(3,145,785)</u>	<u>(1,695,992)</u>	<u>(4,841,777)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>(5,475)</u>	<u>(5,372)</u>	<u>(10,847)</u>
Net increase (decrease) in cash and cash equivalents	(1,500,262)	170,970	(1,329,292)
Cash and cash equivalents - beginning of year	<u>22,057,157</u>	<u>34,995,730</u>	<u>57,052,887</u>
Cash and cash equivalents - end of year	<u>\$ 20,556,895</u>	<u>35,166,700</u>	<u>\$ 55,723,595</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, 2017

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)	\$ 630,797	(1,790,669)	(1,159,872)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	788,619	301,698	1,090,317
Increase (decrease) in landfill closure and postclosure care costs	250,000	-	250,000
Changes in assets and liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in refundable sales tax	(71,450)	(32,248)	(103,698)
(Increase) decrease in other receivables	(218,071)	(14,327)	(232,398)
(Increase) decrease in notes receivables	-	71,398	71,398
Increase (decrease) in accounts payable and other liabilities	(177,169)	(200,349)	(377,518)
Increase (decrease) in compensated absences	2,196	1,312	3,508
Increase (decrease) in OPEB obligation	29,733	1,101	30,834
(Increase) decrease in deferred outflows of resources for pensions	(304,388)	(15,378)	(319,766)
Increase (decrease) in pension liability	360,641	18,308	378,949
Increase (decrease) in deferred inflows of resources for pensions	(30,793)	(2,552)	(33,345)
Increase (decrease) in accrued salaries and other benefits	11,181	154	11,335
Total adjustments	640,499	129,117	769,616
Net cash provided (used) by operating activities	\$ 1,271,296	(1,661,552)	(390,256)
Noncash investing, capital and financing activities:			
Donated capital asset	53,600	(53,600)	-
(Premium)/deferred charge from debt refunding	-	(10,204)	(10,204)
	\$ 53,600	\$ (63,804)	\$ (10,204)

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, 2017**

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ <u>290,468</u>
Liabilities	
Miscellaneous liabilities	\$ <u>290,468</u>

The accompanying notes are an integral part of the financial statements

Notes to Financial Statements - Contents
June 30, 2017

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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).

The Catawba County Public Facilities Corporation (the *Corporation*) exists to plan, finance, construct, acquire, lease, sell and convey real property, improve real property, facilities, equipment and other property for the use of Catawba County. The Corporation's transactions are reported within the General and Capital Project Funds. The Corporation does not issue separate financial statements.

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 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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Catawba County Public Facilities Financing Corporation	Blended	The corporation is governed by a three to five-member board appointed by the Board of Commissioners. The Board can remove any member of the Corporation with or without cause.	None Issued
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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.

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 Reappraisal 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

School Construction Fund – *The School Construction Fund* accounts for the financing and construction of major public school and community college 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 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 Sheriff Evidence Escrow Fund, which accounts for monies held as evidence, 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.

Non-major Funds - The County maintains twenty-five legally budgeted funds. The Emergency Telephone System Fund, Narcotics Seized Funds and Property Fund, State Unauthorized Substance Abuse 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 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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 resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, 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.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may 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.

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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

1. 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 NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. 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, Sheriff Evidence 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, Sheriff Evidence and Sheriff Civil agency funds are maintained in noninterest bearing demand deposit accounts as reflected on Schedule G-1.

3. Restricted Assets

The debt service reserve in the General Fund includes funds in sinking and other funds to accumulate resources for future debt maturities. The amount restricted for Social Services includes funds donated for specific social services programs. Money in the Tax Reappraisal 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 debt proceeds are classified as restricted assets within the General Capital Projects and School Construction Funds because their use is completely restricted to the purpose for which the funds were borrowed.

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Catawba County Restricted Cash

Governmental Activities		
General Fund	Debt service reserve	\$ 11,878,801
General Fund	Social services	250,133
General Fund	Tax reappraisal	183,098
General Fund	Capital reserve funds	404,237
General Capital Projects Fund	Unexpended debt proceeds	452,704
School Construction Fund	Unexpended debt proceeds	<u>22,019,761</u>
Total Governmental Activities		<u>\$ 35,188,734</u>

4. 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, 2016.

5. 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.

6. 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. The cost of prepaid items is recorded as expenditures/expense when consumed rather than when purchased.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

Computer equipment	5 years
Computer software	5 years

8. 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, taxes receivable, human resource receivables and other pension related deferrals. Detailed information regarding deferred outflows/inflows of resources can be found under Note 2 in the notes to the financial statements.

9. 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.

10. 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, 2017, 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.

11. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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 for sinking funds and by revenue source for other 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 revenue source for community grant expenditures.

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

School Capital and Construction – portion of fund balance that is restricted by revenue source and debt financing that can only be used for specified school and community college capital projects.

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

General Capital Reserve - 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 sinking fund debt payments to date of \$11,878,801, unspent debt proceeds of \$22,472,465, and the Register of Deeds pension plan of \$401,558.

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

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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

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. The Board of Commissioners have developed a goal for the County to maintain an Unassigned General Fund fund balance of 16 percent, the equivalent of two months of operating expenses. These funds will be used to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and for use in the case of unanticipated emergencies.

12. 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 (liability), 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.

F. Reconciliation of Government-Wide and Fund Financial Statements

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*

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

– *total governmental funds and net position– governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(49,922,064) consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 189,104,217
Less accumulated depreciation	<u>(66,846,122)</u>
Net capital assets	<u>122,258,095</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	935,287
Charges related to advance refunding issued - included on government-wide statement of net position but are not current financial resources	2,406,891
Net pension asset RODSPF	315,346
Contributions to the pension plan LGERS in the current year	14,883,454
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	100,576
Deferred inflows of resources reported in the fund statements but not the government-wide	3,517,882
Pension related deferrals	(814,222)
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	(8,245,000)
Installment purchase	(72,741,291)
Qualified zone academy bonds	(250,000)
Qualified school construction bonds	(27,808,553)
Limited obligation bonds	(43,231,314)
NC Department of Commerce	(2,100,388)
Premium on long-term debt	(5,350,723)
Compensated absences	(4,437,377)
Net pension liability LGERS	(17,319,678)
Net pension obligation LEOSSA	(3,344,006)
Net other post employment benefits	<u>(8,697,043)</u>
	<u>(193,525,373)</u>
Total adjustment	<u>\$ (49,922,064)</u>

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

that total adjustment of \$(16,910,731) 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	\$ 13,506,453
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	(4,207,639)
Proceeds from issuance of long term debt is not recorded in statement of activities	(50,530,000)
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	
Certificates of participation	1,145,000
Installment purchases	15,088,054
Qualified zone academy bonds	50,000
Build America bonds	5,504,583
Limited obligation bonds	4,732,981
NC Department of Commerce	499,612
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	3,711,310
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	100,576
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	(4,915,577)
Amortization of deferred interest	(247,378)
Net (increase) decrease in compensated absences	22,825
Net (increase) decrease in other post employment benefits	(990,420)
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	(173,286)
Difference of interest revenue between fund statements and government-wide	
Amortization of premium on debt issuance	515,025
Net increase (decrease) in receivables and deferred revenue	<u>(97,570)</u>
Total adjustment	<u>\$ (16,910,731)</u>

NOTE 2 – DETAIL NOTES ON ALL FUNDS

A. Assets

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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, 2017, the County's deposits had a carrying amount of \$37,571,827 and a bank balance of \$42,413,927. Of the bank balance, \$1,058,086 was covered by federal depository insurance and \$281,441 in non-interest bearing deposits and \$41,074,400 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2017, Catawba County had \$9,531 cash on hand.

2. Investments

As of June 30, 2017 the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Book Value	Less than 6		
			months	6-12 months	1-5 years
U.S. Government Agencies*	Fair Value-Level 2	\$ 140,088,325	\$ 1,248,377	\$ 3,368,612	\$ 135,471,336
Commercial Paper	Fair Value-Level 2	7,918,780	5,939,852	1,978,928	-
Municipal Bond	Fair Value-Level 2	457,704			457,704
NC Capital Trust Management Trust					
Government Portfolio	Amortized Cost	5,591,338	5,591,338	-	-
NC Capital Trust Management Trust					
Term Portfolio**	Fair Value-Level 1	9,191,989	9,191,989	-	-
Debt Escrow-restricted	Fair Value-Level 1	808	808	-	-
Total:		<u>\$ 163,248,944</u>	<u>\$ 21,972,364</u>	<u>\$ 5,347,540</u>	<u>\$ 135,929,040</u>

*\$81,336,991 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.

** Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level One debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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, 2017, 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 Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2017. The County's debt service funds for payment of principal and interest are invested in the NC Capital Management Trust. 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. Agencies 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 municipal bonds is rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. 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 91% of the County's investments are in United States government-sponsored enterprises and commercial paper. Investments in Federal Farm Credit are 12%, Federal Home Loan Bank are 10%, Federal Home Loan Mortgage Corporation are 29%, Federal National Mortgage Agency are 35% and commercial paper are 5% 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.

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2014	1,306,002	368,946	1,674,948
2015	1,357,200	261,261	1,618,461
2016	1,383,796	141,839	1,525,635
2017	<u>1,407,206</u>	<u>-</u>	<u>1,407,206</u>
Total	<u>\$ 5,454,204</u>	<u>\$ 772,046</u>	<u>\$ 6,226,250</u>

4. Receivables

Receivables at the government-wide level at June 30, 2017 were as follows:

	<u>Governmental activities</u>				<u>Total Governmental Activities</u>
	<u>General</u>	<u>General Capital Projects Fund</u>	<u>School Construction Fund</u>	<u>Non-major Funds</u>	
Receivables					
Accounts	\$ 2,973,489	\$ 5,712	\$ -	\$ -	\$ 2,979,201
Taxes	6,169,957	-	-	358,751	6,528,708
Due from other governments	13,596,256	425,521	67,921	1,433,352	15,523,050
Notes	1,140,298	-	-	-	1,140,298
Other	57,877	-	-	-	57,877
Interest	<u>193,611</u>	<u>73,460</u>	<u>54,112</u>	<u>43,789</u>	<u>364,972</u>
Gross Receivables	24,131,488	504,693	122,033	1,835,892	26,594,106
Allowance for uncollectibles	<u>(5,459,151)</u>	<u>-</u>	<u>-</u>	<u>(261,575)</u>	<u>(5,720,726)</u>
Net total receivables	<u>\$ 18,672,337</u>	<u>\$ 504,693</u>	<u>\$ 122,033</u>	<u>\$ 1,574,317</u>	<u>\$ 20,873,380</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 828,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,179</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	\$ 780,710	\$ 1,320,585	\$ 2,101,295
Notes	-	220,165	220,165
Due from other governments	316,349	489,596	805,945
Interest	<u>59,335</u>	<u>99,638</u>	<u>158,973</u>
Gross Receivables	1,156,394	2,129,984	3,286,378
Allowance for uncollectibles	<u>-</u>	<u>(1,288,860)</u>	<u>(1,288,860)</u>
Net total receivables	<u>\$ 1,156,394</u>	<u>\$ 841,124</u>	<u>\$ 1,997,518</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 274,655</u>	<u>\$ 274,655</u>

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Local option sales tax	\$ 8,594,756	\$ 205,464
White goods disposal tax	-	15,014
Scrap tire tax	-	55,462
Solid waste disposal tax	-	16,824
Various federal and state grants	6,002,283	277,204
Refundable sales tax	926,011	235,977
	<u>\$ 15,523,050</u>	<u>\$ 805,945</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2017 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	\$ 100,000	\$ -	\$ 5,796,392
Construction in progress	39,217,293	9,620,145	-	48,837,438
Total capital assets, not being depreciated	<u>44,913,685</u>	<u>9,720,145</u>	<u>-</u>	<u>54,633,830</u>
Capital assets, being depreciated				
Buildings	95,737,000	27,663	-	95,764,663
Other improvements	14,677,882	70,170	-	14,748,052
Equipment and vehicles	22,314,834	3,688,475	(2,045,637)	23,957,672
Total capital assets, being depreciated	<u>132,729,716</u>	<u>3,786,308</u>	<u>(2,045,637)</u>	<u>134,470,387</u>
Less accumulated depreciation for				
Buildings	(44,511,639)	(1,890,909)	-	(46,402,548)
Other improvements	(4,987,630)	(294,288)	-	(5,281,918)
Equipment and vehicles	(14,559,571)	(2,022,442)	1,420,357	(15,161,656)
Total accumulated depreciation	<u>(64,058,840)</u>	<u>(4,207,639)</u>	<u>1,420,357</u>	<u>(66,846,122)</u>
Total capital assets, being depreciated, net	<u>68,670,876</u>	<u>(421,331)</u>	<u>(625,280)</u>	<u>67,624,265</u>
Governmental activities capital assets, net	<u>\$ 113,584,561</u>	<u>\$ 9,298,814</u>	<u>\$ (625,280)</u>	<u>\$ 122,258,095</u>

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

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CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Governmental activities	
General government	\$ 184,807
Public safety	2,297,902
Environmental protection	15,640
Economic & physical development	339,310
Human services	1,243,148
Culture and recreation	<u>126,832</u>
Total depreciation expense	<u>\$ 4,207,639</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 6,821,902	\$ 476,757	\$ -	\$ 7,298,659
Construction in progress	<u>1,922,597</u>	<u>1,130,166</u>	-	<u>3,052,763</u>
Total capital assets, not being depreciated	<u>8,744,499</u>	<u>1,606,923</u>	-	<u>10,351,422</u>
Capital assets, being depreciated				
Buildings	3,996,631	-	-	3,996,631
Other improvements	24,783,920	141,400	-	24,925,320
Equipment and vehicles	<u>9,245,072</u>	<u>1,499,809</u>	<u>(331,825)</u>	<u>10,413,056</u>
Total capital assets, being depreciated	<u>38,025,623</u>	<u>1,641,209</u>	<u>(331,825)</u>	<u>39,335,007</u>
Less accumulated depreciation for				
Buildings	(373,486)	(80,109)	-	(453,595)
Other improvements	(12,193,826)	(304,953)	-	(12,498,779)
Equipment and vehicles	<u>(7,559,963)</u>	<u>(403,557)</u>	<u>331,825</u>	<u>(7,631,695)</u>
Total accumulated depreciation	<u>(20,127,275)</u>	<u>(788,619)</u>	<u>331,825</u>	<u>(20,584,069)</u>
Total capital assets, being depreciated, net	<u>17,898,348</u>	<u>852,590</u>	-	<u>18,750,938</u>
Solid Waste Management capital assets, net	<u>\$ 26,642,847</u>	<u>\$ 2,459,513</u>	<u>\$ -</u>	<u>\$ 29,102,360</u>

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CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 895,382	\$ -	\$ -	\$ 895,382
Construction in progress	16,355,403	115,920	-	16,471,323
Total capital assets, not being depreciated	17,250,785	115,920	-	17,366,705
Capital assets, being depreciated				
Plant and distribution systems/water lines	24,183,564	4,664	-	24,188,228
Other improvements	58,885	-	-	58,885
Total capital assets, being depreciated	24,242,449	4,664	-	24,247,113
Less accumulated depreciation for				
Plant and distribution systems/water lines	(2,672,700)	(300,520)	-	(2,973,220)
Other improvements	(10,599)	(1,178)	-	(11,777)
Total accumulated depreciation	(2,683,299)	(301,698)	-	(2,984,997)
Total capital assets, being depreciated, net	21,559,150	(297,034)	-	21,262,116
Water & Sewer capital assets, net	\$ 38,809,935	\$ (181,114)	\$ -	\$ 38,628,821

Construction Commitments

The County has active construction and other capital projects as of June 30, 2017. The government's commitments with contractors and vendors are composed of numerous projects within the following funds:

	Project Authorization	Expended to June 30, 2017	Committed	Required Future Financing
Governmental activities				
General Capital Projects	\$ 81,283,691	\$ 59,591,432	21,692,259	None
Schools Capital Projects	18,996,012	15,051,436	3,944,576	None
School Construction	94,365,600	40,040,584	54,325,016	None
Total governmental activities	\$ 194,645,303	\$ 114,683,452	\$ 79,961,851	
Business-type activities				
Solid Waste Management Fund	\$ 8,533,525	\$ 3,275,216	5,258,309	None
Water and Sewer Fund	42,482,087	30,762,895	11,719,192	None
Total business-type activities	\$ 51,015,612	\$ 34,038,111	\$ 16,977,501	

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities				
General	\$ 1,620,541	\$ 3,672,047	\$ 925,897	\$ 6,218,485
General Capital Projects	1,099,631	-	-	1,099,631
School Construction	453,546	-	-	453,546
Non-major Funds	<u>356,154</u>	<u>4,815</u>	-	<u>360,969</u>
Total governmental activities	<u>\$ 3,529,872</u>	<u>\$ 3,676,862</u>	<u>\$ 925,897</u>	<u>\$ 8,132,631</u>
Business-type Activities				
Solid Waste Management	\$ 209,986	\$ 70,872	149	281,007
Water and Sewer	<u>29,754</u>	<u>4,511</u>	<u>28,844</u>	<u>63,109</u>
Total business-type activities	<u>\$ 239,740</u>	<u>\$ 75,383</u>	<u>\$ 28,993</u>	<u>\$ 344,116</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.

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 Law Enforcement Officers (LEO) 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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, 2017, was 8.00% of compensation for law enforcement officers and 7.25% 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 \$3,798,830 for the year ended June 30, 2017.

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, 2017, the County reported a liability of \$17,796,628 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2016, the County's proportion was .839%, which was an increase of .021% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$4,754,013. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 325,407	\$ 8,961	\$ 334,368
Change of assumptions	1,186,243	32,667	1,218,910
Net difference between projected and actual earnings on pension plan investments	9,575,601	263,693	9,839,294
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	-
County contributions subsequent to the measurement date	<u>3,697,021</u>	<u>101,809</u>	<u>3,798,830</u>
Total deferred outflows of resources	<u><u>\$ 14,784,272</u></u>	<u><u>\$ 407,130</u></u>	<u><u>\$ 15,191,402</u></u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 606,901	\$ 16,713	\$ 623,614
Change of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	119,488	3,290	122,778
County contributions subsequent to the measurement date	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u><u>\$ 726,389</u></u>	<u><u>\$ 20,003</u></u>	<u><u>\$ 746,392</u></u>

\$3,798,830 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 1,589,126
2019	1,590,757
2020	4,653,230
2021	2,813,067
2022	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.00%. All rates of return and inflation are annualized.

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 liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability 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)	\$ 42,239,700	\$ 17,796,628	\$ (2,640,043)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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. A separate report was not issued for the plan.

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>138</u>
	<u>147</u>

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 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 criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 – 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Mortality rates are based on the RP-2014 Mortality tables projected forward generationally from the valuation date using MP-2015.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$98,949 as benefits came due for the reporting period.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

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

Contributions

At June 30, 2017, the County reported a total pension liability of \$3,344,006. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumption. For the year ended June 30, 2017, the County recognized pension expense of \$272,626.

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experiences	\$ -	\$ -
Changes of assumptions	-	74,864
County benefit payments and plan administrative expenses made subsequent to the measurement date	<u>100,576</u>	<u>-</u>
Total	<u>\$ 100,576</u>	<u>\$ 74,864</u>

\$100,576 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 13,416
2019	13,416
2020	13,416
2021	13,416
2022	13,416
Thereafter	7,784

\$100,576 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percent-point higher (4.86 percent) that the current rate:

	<u>1% Decrease (2.86%)</u>	<u>Discount Rate (3.86%)</u>	<u>1% Increase (4.86%)</u>
Total pension liability	\$ 3,658,451	\$ 3,344,006	\$ 3,057,215

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Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	<u>2017</u>
Total Pension Liability as of December 31, 2015	\$ 3,245,785
Service Cost	171,342
Interest on the total pension liability	114,108
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions and other inputs	(88,280)
Benefit payments	(98,949)
Other changes	-
Total Pension Liability as of December 31, 2016	<u>\$ 3,344,006</u>

The plan currently uses mortality tables that vary by age, 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2017 were \$414,538 which consisted of \$344,877 from the County and \$69,661 from the law enforcement officers. No amounts were forfeited.

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.

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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 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 \$14,289 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$315,346 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was 1.69%, which was an increase of .029% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$16,569. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Register of Deeds	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 337	\$ 4,082
Changes of assumptions	84,016	-
Net difference between projected and actual earnings on pension plan investments	540	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	8,888
County contributions subsequent to the measurement date	14,289	-
Total	<u>\$ 99,182</u>	<u>\$ 12,970</u>

\$14,289 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, 2018. 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:	
2018	\$ 28,312
2019	33,166
2020	13,977
2021	(3,532)
2022	-
Thereafter	-

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Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. 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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	<u>1% Decrease (2.75%)</u>	<u>Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
County’s proportionate share of the net pension liability (asset)	\$ (254,273)	\$ (315,346)	\$ (366,659)

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements
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**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 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 June 30, 2016, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	42	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>890</u>	<u>139</u>
Total	<u><u>932</u></u>	<u><u>141</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 2.63% of annual covered payroll. For the current year, the County contributed \$200,998 or .44% 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	\$ 1,208,046
Interest on net OPEB obligation	317,882
Adjustment to annual required contribution	<u>(303,676)</u>
Annual OPEB cost	\$ 1,222,252
Contributions made	<u>(200,998)</u>
Increase (decrease) in net OPEB obligation	\$ 1,021,254
Net OPEB obligation beginning of year	<u>7,947,062</u>
Net OPEB obligation end of year	<u><u>\$ 8,968,316</u></u>

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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 1,183,801	21.3%	\$ 7,051,932
6/30/2016	\$ 1,183,801	24.4%	\$ 7,947,062
6/30/2017	\$ 1,222,252	16.4%	\$ 8,968,316

Funded Status and Funding Progress. As of June 30, 2016, 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 \$12,223,132. The covered payroll (annual payroll of active employees covered by the plan) was \$45,889,404, and the ratio of the UAAL to the covered payroll was 26.6 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 June 30, 2016 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 7.75 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 a closed basis. The remaining amortization period at June 30, 2016, 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 (Death Benefit Plan), 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. 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.

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For the Fiscal Year Ended June 30, 2017

g. Catawba Valley Medical Center Pension Plan

Please see the separately issued financial report for Catawba Valley Medical Center for a complete description of the Medical Center’s pension plan.

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 \$10,631,541 reported as landfill closure and postclosure care liability as of June 30, 2017 represents a cumulative amount reported to date based on the use of 85% of the total estimated capacity of the municipal solid waste operating cell and 66.2% 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 \$13,613,738 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. The County expects to close the current municipal solid waste operating cell at the Blackburn Resource Recovery facility in 2020 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.

4. Deferred Outflows and Inflows of Resources

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Charge on refunding of debt	\$ 2,447,795	\$ -
Pensions - difference between expected and actual experience		
LGERS	334,368	623,614
Register of Deeds	337	4,082
Pensions - difference between projected and actual investment earnings	9,839,834	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	-	131,666
Pensions - change in assumptions	1,302,926	74,864
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	3,813,119	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	100,576	
Prepaid taxes not yet earned (General)	-	142,354
Prepaid taxes not yet earned (Special Revenue)	-	5,684
Taxes receivable, net (General)	-	1,228,456
Taxes receivable, net (Special Revenue)	-	97,176
Ambulance receivable, net (General)	-	1,562,935
Human resource receivable, net (General)	-	629,315
Total	<u>\$17,838,955</u>	<u>\$ 4,500,146</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

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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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). 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>2017</u>	<u>2016</u>	<u>2015</u>
Unpaid claims, beginning	\$ 998,936	\$ 493,034	\$ 397,445
Incurred claims	8,467,117	8,385,061	5,829,434
Claim payments	<u>(8,963,092)</u>	<u>(7,879,159)</u>	<u>(5,733,845)</u>
Unpaid claims, ending	<u>\$ 502,961</u>	<u>\$ 998,936</u>	<u>\$ 493,034</u>

6. Contingent Liabilities

At June 30, 2017, 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

Governmental Activities

a. Certificates of Participation

On December 12, 2012, the County issued \$10,965,000 Certificates of Participation, Series 2012 with U.S. Bank to advance refund \$9,750,000 of Certificates of Participation, Series 2005. The financing contract required principal payments beginning June 2013 with an interest rate of 2.08%.

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

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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 balance of the defeased Series 2005 debt is \$0 as of June 30, 2017.

The future minimum payments as of June 30, 2017, including \$746,928 of interest are as follows:

	Governmental Activities	
	Principal	Interest
2018	1,130,000	171,496
2019	1,100,000	147,992
2020	1,075,000	125,112
2021	1,045,000	102,752
2022	1,015,000	81,016
2023-2025	<u>2,880,000</u>	<u>118,560</u>
Total principal payments	<u>\$ 8,245,000</u>	
Total interest payments		<u>\$ 746,928</u>

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 with Branch Banking & Trust (BB&T) 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, 2017, including \$131,928 of interest are:

	Governmental Activities	
	Principal	Interest
2018	613,333	54,970
2019	613,333	40,311
2020	613,334	25,653
2021	<u>613,334</u>	<u>10,994</u>
Total principal payments	<u>\$ 2,453,334</u>	
Total interest payments		<u>\$ 131,928</u>

2. 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.

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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 with Bank of America and requires thirty semi-annual principal payments of \$558,333 and interest payments at an interest rate of 3.72%.

On September 1, 2016, the County refunded this obligation with TD Bank. The balance of this 2009 debt is \$0 as of June 30, 2017.

3. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement on April 30, 2013 with SunTrust Institutional 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 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, 2017, including \$2,673,440 of interest are:

	Governmental Activities	
	Principal	Interest
2018	2,066,666	445,573
2019	2,066,666	405,067
2020	2,066,666	364,560
2021	2,066,666	324,053
2022	2,066,666	283,547
2023-2027	10,333,336	810,133
2028	2,066,667	40,507
Total principal payments	<u>\$ 22,733,333</u>	
Total interest payments		<u>\$ 2,673,440</u>

4. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into an installment financing agreement in August, 2015 with First Citizens Bank & Trust for the purpose of providing funds of \$570,000 for the upgrade of computer servers for the County.

The transaction requires sixteen quarterly payments by the County of \$36,717 including principal and interest at 1.43%. For Catawba County, the future minimum payments as of June 30, 2017, including \$5,831 of interest are:

	Governmental Activities	
	Principal	Interest
2018	142,991	3,878
2019	145,047	1,822
2020	36,586	131
Total principal payments	<u>\$ 324,624</u>	
Total interest payments		<u>\$ 5,831</u>

5. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a \$50,530,000 installment financing agreement in September 2016 with TD Bank at an interest rate of 1.76% for 15 years. The purpose of this financing was to refund the 2009 debt with Bank of America and the 2010 Build America Bonds with Branch,

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Banking and Trust (BB&T) with additional funds to pay for construction and renovation of public school and community college facilities.

The financing included \$8,440,000 to current refund the Series 2009 Bank of America loan. As a result, the loan is considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The refunding was undertaken to reduce total debt payments by \$8,933,333 over the next 4 years and resulted in an economic gain of \$581,956. The Bank of America loan was paid in full on November 15, 2016.

The financing included \$5,275,000 to current refund the Series 2010 Build America Bonds. As a result, the bonds are considered defeased and the liability has been removed from the governmental activities column of the statement of net position. The refunding was undertaken to reduce total debt payments by \$5,504,583 over the next 5 years and resulted in an economic gain of \$252,271. The Build America Bonds were paid in full on September 27, 2016.

The financing included \$36,815,000 to pay a portion of construction and renovation costs 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. 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 Community College Board of Trustees.

For Catawba County, the future minimum payments as of June 30, 2017, including \$5,489,440 of interest are:

	Governmental Activities	
	Principal	Interest
2018	4,265,000	831,248
2019	4,235,000	756,184
2020	4,205,000	681,648
2021	4,175,000	607,640
2022	4,145,000	534,160
2023-2027	16,390,000	1,646,832
2028-2031	9,815,000	431,728
Total principal payments	<u>\$ 47,230,000</u>	
Total interest payments		<u>\$ 5,489,440</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 with New Mexico Bank through Heartland Financial USA 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, 2017 are:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

	Governmental Activities	
	Principal	Interest
2018	50,000	-
2019	50,000	-
2020	50,000	-
2021	50,000	-
2022	50,000	-
Total principal payments	<u>\$ 250,000</u>	
Total interest payments		<u>\$ -</u>

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 with Branch Banking & Trust (BB&T) 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 6.6%, or \$73,666.79, 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 interest payments at June 30, 2017 are \$9,141,135.

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 with BB&T 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 6.6%, or \$23,821.56, 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 interest payments at June 30, 2017 are \$3,129,840.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

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 with BB&T 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 6.6%, or \$3,209.73, as part of the Budget Control Act of 2011. The sequestration reduction rate was applicable until the end of the federal fiscal year.

On September 1, 2016, the County refunded this obligation with TD Bank. The balance of this obligation at June 30, 2017 was \$0.

f. Limited Obligation Bonds

1. 2011 Limited Obligation Bonds

On November 22, 2011, the County issued \$48,115,000 of current and advance refunding bonds with U.S. Bank to provide resources to refinance existing financial obligations of the County and pay related financing costs.

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, 2017, including \$6,171,925 of interest at a rate that varies from 2% - 5% are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	2,937,012	718,368	427,988	104,682
2022	2,937,012	586,202	427,988	85,423
2023-2027	9,487,466	1,148,010	1,382,534	167,290
2028	1,269,941	25,399	185,059	3,701
Total principal payments	<u>\$ 26,651,314</u>		<u>\$ 3,883,686</u>	
Total interest payments		<u>\$ 5,386,930</u>		<u>\$ 784,995</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 with U.S. Bank 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

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, 2017, including \$5,893,638 of interest are:

	Governmental Activities	
	Principal	Interest
2018	1,185,000	754,794
2019	1,185,000	713,244
2020	1,185,000	671,694
2021	1,185,000	620,294
2022	1,185,000	567,894
2023-2027	5,925,000	1,974,968
2028-2031	4,730,000	590,750
Total principal payments	<u>\$ 16,580,000</u>	
Total interest payments		<u>\$ 5,893,638</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, 2017, including \$106,060 of interest are as follows:

	Governmental Activities	
	Principal	Interest
2018	509,604	42,008
2019	519,796	31,816
2020	530,192	21,420
2021	540,796	10,816
Total principal payments	<u>\$ 2,100,388</u>	
Total interest payments		<u>\$ 106,060</u>

Business-Type Activities

h. 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 with U.S. Bank 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, 2017, including \$459,194 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

	Business-type Activities	
	Principal	Interest
2018	647,725	99,952
2019	659,449	88,229
2020	671,385	76,292
2021	683,537	64,140
2022	695,909	51,768
2023-2025	<u>2,164,219</u>	<u>78,813</u>
Total principal payments	<u>\$ 5,522,224</u>	
Total interest payments		<u>\$ 459,194</u>

i. Federal Revolving Loan

On November 10, 2010, the County entered into federal revolving loan agreement with the State of North Carolina, Department of Environment and Natural Resources 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, 2017, including interest are:

	Business-type Activities	
	Principal	Interest
2018	75,000	-
2019	75,000	-
2020	75,000	-
2021	75,000	-
2022	75,000	-
2023-2027	375,000	-
2028-2030	<u>225,000</u>	<u>-</u>
Total principal payments	<u>\$ 975,000</u>	
Total interest payments		<u>\$ -</u>

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Bonds and Notes Outstanding at June 30, 2017 consist of the following:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate
Governmental Activities				
Certificates of Participation				
2012 Certificates of Participation	Refunding debt for schools and community college, County facility	<u>10,965,000</u>	<u>8,245,000</u>	2.08%
Installment Purchases				
2006 installment purchase	Public school construction/renovation	9,200,000	2,453,334	2.39%
2013 installment purchase	Public school and community college construction/renovation, County animal shelter	31,000,000	22,733,333	1.96%
2015 installment purchase	Computer servers	570,000	324,624	1.43%
2016 installment purchase	Public school and community college construction/renovation, refunding	<u>50,530,000</u>	<u>47,230,000</u>	1.76%
Total installment purchases		<u>91,300,000</u>	<u>72,741,291</u>	
Qualified Zone Academy Bonds	Public school construction/renovation	<u>700,000</u>	<u>250,000</u>	0.00%
Qualified School Construction Bonds				
2010 QSCB	Public school and community college construction/renovation	21,508,553	21,508,553	5% with 100% IRS subsidy
2011 QSCB	Public school construction/renovation	<u>6,300,000</u>	<u>6,300,000</u>	5.52% with 100% IRS subsidy
Total qualified school construction bonds		<u>27,808,553</u>	<u>27,808,553</u>	
Limited Obligation Bonds				
2011 LOB	Refunding debt for public schools, community college	41,995,366	26,651,314	2.00-5.00%
2014 LOB	Refunding debt for public schools, community college, new debt Justice Center	<u>21,935,000</u>	<u>16,580,000</u>	2.00-5.00%
Total limited obligation bonds		<u>63,930,366</u>	<u>43,231,314</u>	

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

NC Department of Commerce

2013 Installment loan	Industrial site development	<u>2,600,000</u>	<u>2,100,388</u>	2.00%
Total Governmental Activities		<u>197,303,919</u>	<u>154,376,546</u>	

Business-type activities

Installment Purchases

2013 installment purchase	Sewer line and pump station project	<u>8,000,000</u>	<u>5,522,224</u>	1.81%
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Limited Obligation Bonds

2011 LOB	Refunding debt for sanitary sewer	<u>6,119,634</u>	<u>3,883,686</u>	2.00-5.00%
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Federal Revolving Loan

2010 loan	Water improvements	<u>3,000,000</u>	<u>975,000</u>	0.00%
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Total Business-type activities		<u>17,119,634</u>	<u>10,380,910</u>	
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j. Debt Related to Capital Activities

Of the total Government Activities debt listed, unexpended debt proceeds, premiums on debt, and deferred charges on refundings, only \$30,120,277 relates to assets the County holds title. Unexpended debt proceeds are \$452,704 for governmental activities and \$0 for business-type activities.

Net investment in capital assets for June 30, 2017 was calculated as follows:

	Governmental activities	Business-type activities
Capital assets	<u>\$ 122,258,095</u>	<u>\$ 67,731,181</u>
Long term debt outstanding	(154,376,547)	(10,380,910)
School debt for which County does not hold asset title	125,092,959	-
Premium on long term debt, net of school related debt	(1,928,657)	(147,196)
Deferred outflows, net of school related debt	639,264	40,904
Unexpended proceeds	452,704	-
Total related debt	<u>(30,120,277)</u>	<u>(10,487,202)</u>
Net investment in capital assets	<u>\$ 92,137,818</u>	<u>\$ 57,243,979</u>

k. Legal Debt Margin

At June 30, 2017, Catawba County had a legal debt margin of \$1,143,440,039.

I. 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 Men's Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

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, 2017 were \$700,000.

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 with U.S. Bank at an interest rate of 12% for the purpose of funding a construction project that will renovate and retrofit the current facilities while providing a utilities substructure that will allow for possible future expansion. The Medical Center refunded the 2009 bonds on August 1, 2016 and the balance outstanding at June 30, 2017 was \$0.

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. The Medical Center refunded the Series 2010 bonds on August 1, 2016 and the balance outstanding at June 30, 2017 was \$0.

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 Branch Banking & Trust 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.

The Series 2011 Bonds refunding of the Series 1999 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$62,800. This difference, reported in the combined balance sheets as a deferred outflow, is being charged as interest expense through October 1, 2017, using the straight line method. The Medical Center completed the refunding to reduce its total debt service payments over the next five years by approximately \$1,100,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$493,000.

Total 2011 Hospital Refunding Bonds outstanding at June 30, 2017 were \$675,000.

4. On August 1, 2016, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba Memorial Hospital Project) Series 2016A (the "Series 2016A Bonds") through Branch, Banking and Trust (BB&T) totaling \$25,000,000 for the purpose of refunding the Series 2009 Bonds. Additionally, the County issued County

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

of Catawba, North Carolina Hospital Refunding Revenue Bonds (Catawba Valley Medical Center) Series 2016B (the "Series 2016B Bonds") through BB&T totaling \$18,340,000 for the purpose of refunding the Series 2010 Bonds.

Total 2016A Hospital Refunding Bonds outstanding at June 30, 2017 were \$25,000,000. Total 2016B Hospital Refunding Bonds outstanding at June 30, 2017 were \$17,088,253.

m. 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, 2017, assets under capital leases had a cost of \$4,850,924 and accumulated amortization of \$3,118,411. At June 30, 2016, assets under capital leases had a cost of \$5,020,808 and accumulated amortization of \$1,827,448. During 2017 and 2016, amortization expense related to the capital lease was approximately \$1,291,000 and \$941,000 respectively, and is included in depreciation expense on the combined statement of revenues, expenses, and changes in net assets.

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, 2017 was \$1,732,513.

n. 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, 2017:

	Balance			Current	
	June 30, 2016	Increases	Decreases	Balance June 30, 2017	Portion of Balance
Governmental activities					
Certificates of participation	\$ 9,390,000	\$ -	\$ (1,145,000)	\$ 8,245,000	\$ 1,130,000
Installment purchase	37,299,345	50,530,000	(15,088,054)	72,741,291	7,087,990
Qualified Zone Academy Bonds	300,000	-	(50,000)	250,000	50,000
Qualified School Const. Bond	27,808,553	-	-	27,808,553	-
Build America Bonds	5,504,583	-	(5,504,583)	-	-
Limited obligation bonds	47,964,295	-	(4,732,981)	43,231,314	4,724,253
NC Department of Commerce	2,600,000	-	(499,612)	2,100,388	509,604
Premium on long-term debt	5,865,748	-	(515,025)	5,350,723	-
Compensated absences	4,460,202	3,226,199	(3,249,024)	4,437,377	3,249,024
Net pension liability (LRS)	3,572,430	13,747,248	-	17,319,678	-
Net pension obligation (LEOSA)	3,245,785	98,221	-	3,344,006	-
Net OPEB obligation	7,706,623	1,191,418	(200,998)	8,697,043	-
Total governmental activities	<u>\$ 155,717,564</u>	<u>\$ 68,793,086</u>	<u>\$ (30,985,277)</u>	<u>\$ 193,525,373</u>	<u>\$ 16,750,871</u>

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CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

	Balance			Balance	Current
	June 30, 2016	Increases	Decreases	June 30, 2017	Portion
					of Balance
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 10,381,541	\$ 250,000	\$ -	\$ 10,631,541	\$ 250,000
Compensated absences	113,696	72,154	(69,958)	115,892	69,958
Net pension liability (LGERS)	91,394	360,641	-	452,035	-
Net OPEB obligation	<u>233,244</u>	<u>29,733</u>	<u>-</u>	<u>262,977</u>	<u>-</u>
Total Solid Waste Management	<u>\$ 10,819,875</u>	<u>\$ 712,528</u>	<u>\$ (69,958)</u>	<u>\$ 11,462,445</u>	<u>\$ 319,958</u>
Water & Sewer					
Installment purchase	\$ 6,158,434	\$ -	\$ (636,210)	\$ 5,522,224	\$ 647,725
Limited obligation bonds	4,400,705	-	(517,019)	3,883,686	515,747
Federal Revolving Loan	1,050,000	-	(75,000)	975,000	75,000
Premium on long-term debt	161,327	-	(14,131)	147,196	-
Compensated absences	23,780	12,046	(10,734)	25,092	10,734
Net pension liability (LGERS)	6,607	18,308	-	24,915	-
Net OPEB obligation	<u>7,195</u>	<u>1,101</u>	<u>-</u>	<u>8,296</u>	<u>-</u>
Total Water & Sewer	<u>\$ 11,808,048</u>	<u>\$ 31,455</u>	<u>\$ (1,253,094)</u>	<u>\$ 10,586,409</u>	<u>\$ 1,249,206</u>
Total business-type activities	<u>\$ 22,627,923</u>	<u>\$ 743,983</u>	<u>\$ (1,323,052)</u>	<u>\$ 22,048,854</u>	<u>\$ 1,569,164</u>

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 \$3,249,024 for governmental activities and \$80,692 for business-type activities. Net pension and other post-employment benefits are typically liquidated in the general fund.

o. 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, 2017, according to information furnished by the Economic Development Commission, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$2.3 million.

p. 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.

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2017, consist of the following:

General Fund

From the General fund to the Emergency Telephone System fund to supplement other funding sources	968
From the General fund to the State Substance Abuse Fund to supplement other funding sources	31,508
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	3,463,342
From the General fund to the School Construction fund for future debt service	3,656,083
From the General fund to the School Capital Projects fund for various school capital improvement projects	1,235,000
From the General fund to the Water & Sewer fund for the payment of debt service and other expenses	<u>1,600,000</u>
Subtotal General Fund	<u><u>9,986,901</u></u>

Other Governmental Funds

From the Hospital Capital Reserve fund to the General Fund to support the school nurse initiative	500,000
From the School Capital Projects fund to the General Fund to supplement funds for debt service	50,000
From the School Construction fund to the School Capital Projects fund to supplement funds for various school renovations	5,749
From the School Construction fund to the General Fund to supplement funds for debt service	<u>1,359,655</u>
Subtotal Other Governmental Funds	<u>1,915,404</u>
Total transfers to other funds	<u><u>\$ 11,902,305</u></u>

D. Fund Balance

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

CATAWBA COUNTY, NORTH CAROLINA

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2017**

Total fund balance - General Fund	\$79,842,692
Less:	
Inventories	315,603
Prepaid	650,755
Notes receivable	1,140,298
Stabilization by State Statute	<u>15,043,605</u>
Fund Balance Available	<u><u>62,692,431</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	\$ 932,272	\$ 7,167,448	\$ 726,739	\$ 1,434,228

NOTE 3 – 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 4 – JOINT VENTURES

The County, in conjunction with the State of North Carolina and the Catawba County, Hickory Public, and Newton-Conover City 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 installment purchase obligations to provide financing for new and restructured facilities. Installment purchase obligations of \$22,085,666 are outstanding at June 30, 2017. The County made debt service payments of \$2,300,932 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 \$4,021,404 and \$7,694,491 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2017. 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, 2017. Complete financial statements for the Community College may be obtained from the Community College’s administrative offices at 2550 Highway 70 SE, Hickory NC, 28602.

The County, in conjunction with three other counties, participates in the Lake Norman Marine Commission (the “Commission”), that was created by the North Carolina General Assembly in 1969. Board members are appointed by the four counties (Catawba, Iredell, Lincoln, and Mecklenburg) that fall within the jurisdiction of the Commission. At any given time and on a rotating basis, one of the Counties has two Board appointees and the other three have one Board appointee. Cash contributions in equal amounts from the participating counties comprise the majority of the Commission’s revenues. Catawba County contributed \$27,000 to the Lake Norman Marine Commission for

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017

operating expenses during the fiscal year ended June 30, 2017. 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 \$935,287 at June 30, 2017. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

NOTE 5 – 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 \$42,168 to the Council during the fiscal year ended June 30, 2017.

NOTE 6 – 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 7 – 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 8 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on net position of benefit payments and administrative expense paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased \$1,740,228.



Required Supplemental Financial Data

This section contains additional information required by generally accepted accounting principles.

Schedule of Funding Progress for the Health Care Benefit (OPEB) – Pay As You Go.

Schedule of Employer Contributions for the Health Care Benefit (OPEB) – Pay As You Go.

Notes to the Required Schedules for the Health Care Benefit (OPEB) – 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

Schedule of Changes in Total Pension Liability– Law Enforcement Officer's Special Separation Allowance

Schedule of Pension Liability as a Percentage of Covered-Employee Payroll – Law Enforcement Officer's Special Separation Allowance

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.

Please note: The Schedule of Funding Progress for Catawba Valley Medical Center can be found in the separately issued financial statements for the Medical Center, available from the Medical Center Finance office (see note 1.A. to the County statements for contact information.)

CATAWBA COUNTY, NORTH CAROLINA

Schedule 10

**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%
6/30/2016	0	12,223,132	12,223,132	0.00%	45,889,404	26.60%

**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>
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
2016	1,172,860	24.61
2017	1,208,046	16.64

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	6/30/2016
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Pay - Closed
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	7.75 - 5.00%
Year of Ultimate Trend Rate	2022
*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 Four Fiscal Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.83854%	0.81784%	0.82375%	0.84060%
County's proportionate share of the net pension liability (asset)	\$ 17,796,628	\$ 3,670,431	\$ (4,858,036)	\$ 10,132,458
County's covered-employee payroll	\$ 48,079,853	\$ 47,791,623	\$ 46,741,190	\$ 46,158,989
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(37.01%)	(7.68%)	(10.39%)	21.95%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
This schedule is intended to show information for ten years, and additional years' information will be displayed as it becomes available

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,798,830	\$ 3,272,052	\$ 3,386,383	\$ 3,317,023
Contributions in relation to the contractually required contribution	<u>3,798,830</u>	<u>3,272,052</u>	<u>3,386,383</u>	<u>3,317,023</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 50,968,956	\$ 48,079,853	\$ 47,791,623	\$ 46,741,190
Contributions as a percentage of covered-employee payroll	7.45%	6.81%	7.09%	7.10%

*This schedule is intended to show information for ten years, and additional years' information will be displayed as it becomes available

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	1.68672%	1.65814%	1.61440%	1.59029%
County's proportionate share of the net pension liability (asset) \$	(315,346)	(384,257)	(365,928)	(339,686)
County's covered-employee payroll \$	89,954	86,722	83,768	75,798
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(350.56%)	(443.09%)	(436.84%)	(448.15%)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

*This schedule is intended to show information for ten years, and additional years' information will be displayed as it becomes available

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,289	\$ 13,779	\$ 13,268	\$ 13,181
Contributions in relation to the contractually required contribution	<u>14,289</u>	<u>13,779</u>	<u>13,268</u>	<u>13,181</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 95,104	\$ 88,954	\$ 86,722	\$ 83,768
Contributions as a percentage of covered-employee payroll	15.02%	15.49%	15.30%	15.74%

*This schedule is intended to show information for ten years, and additional years' information will be displayed as it becomes available

**Schedule of Changes in Total Pension Liability and Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officer's Special Separation Allowance
For the Year Ended June 30, 2017**

	<u>2017</u>
Total pension liability - beginning	\$ 3,245,785
Service cost at end of year	171,342
Interest on the total pension liability	114,108
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(88,280)
Benefit payments	(98,949)
Other changes	-
Net changes	<u>98,221</u>
Total pension liability - ending	<u>\$ 3,344,006</u>
Covered payroll	6,548,828
Total pension liability as percentage of covered payroll	51.06%

Notes to the Required Schedules:

¹ The amounts presented for each fiscal year were determined as of the prior December 31.

² Catawba County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 nor does the plan provide pay related benefits.

³ December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

This schedule will display additional years' information as it becomes available.

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 Appraisal 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, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016**

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
REVENUES				
Ad Valorem Taxes				
Taxes	\$ 90,451,019	\$ 93,997,675		
Penalties and interest	348,000	730,799		
Tax leased vehicles and equipment	60,410	195,615		
Total ad valorem taxes	<u>90,859,429</u>	<u>94,924,089</u>	4,064,660	<u>92,265,077</u>
Other Taxes				
Local Option Sales Taxes				
Article 39 - one percent	12,289,001	14,159,597		
Article 40 - one half of one percent	6,759,737	7,403,704		
Article 42 - one half of one percent	2,880,195	3,300,546		
Article 44 - one half of one percent	-	4,569		
Article 46 - one quarter of one percent	4,262,731	4,792,990		
Subtotal local option sales taxes	<u>26,191,664</u>	<u>29,661,406</u>	3,469,742	<u>27,916,853</u>
Other Taxes and Licenses				
Real estate excise stamps	540,000	708,733		
ABC 5 cents per bottle	53,750	59,688		
Privilege licenses	200	15,160		
Subtotal other taxes and licenses	<u>593,950</u>	<u>783,581</u>	189,631	<u>610,875</u>
Total other taxes	<u>26,785,614</u>	<u>30,444,987</u>	3,659,373	<u>28,527,728</u>
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	375,000	381,779		
Video Programming fees	628,000	609,716		
Catawba County ABC profit distribution	911,250	923,515		
Total unrestricted intergovernmental revenues	<u>1,914,250</u>	<u>1,915,010</u>	760	<u>1,914,853</u>
Restricted Intergovernmental Revenues				
State grants	6,962,197	6,752,335		
Federal grants	15,613,732	13,799,926		
State and federal grants shared	12,597,262	10,539,930		
Local/Other	6,771,809	5,731,705		
Total restricted intergovernmental revenues	<u>41,945,000</u>	<u>36,823,896</u>	(5,121,104)	<u>36,061,985</u>
Permits and Fees				
Building permits	1,806,106	1,820,533		
Register of deeds	704,200	808,974		
Environmental health fees	265,000	292,273		
Other permits and fees	273,579	344,550		
Total permits and fees	<u>3,048,885</u>	<u>3,266,330</u>	217,445	<u>2,725,409</u>
Sales and Services				
Human resources services	1,024,220	1,240,061		
Services to municipalities	485,271	484,619		
Ambulance services	5,464,052	5,775,603		
Other sales and services	455,785	455,274		

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Total sales and services	7,429,328	7,955,557	526,229	9,289,078
Investment Earnings	400,600	90,769	(309,831)	773,376
Miscellaneous				
Rental fees	30,394	30,454		
Donations and local grants	365,775	303,617		
Insurance premiums	1,793,438	1,960,343		
Other	437,325	756,241		
Total miscellaneous	2,626,932	3,050,655	423,723	6,772,841
Total revenues	175,010,038	178,471,293	3,461,255	178,330,347
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	111,253	111,253		
Other operating	94,150	87,800		
	205,403	199,053	6,350	177,165
Administration				
County Manager				
Salaries & employee benefits	1,036,335	983,773		
Other operating	148,492	119,087		
Capital Outlay	-	14,257		
Non-operating	61,382	-		
	1,246,209	1,117,117	129,092	979,919
Legal Services				
Salaries & employee benefits	367,238	360,865		
Other operating	34,598	25,241		
	401,836	386,106	15,730	346,609
Budget				
Salaries & employee benefits	285,435	284,234		
Other operating	13,850	6,060		
	299,285	290,294	8,991	264,507
Total Administration	1,947,330	1,793,517	153,813	1,591,035
Tax Administration				
Tax Assessor				
Salaries & employee benefits	785,839	770,271		
Other operating	157,265	148,386		
Non-operating tax refunds	3,900	40		
	947,004	918,697	28,307	882,984
Tax Collector				
Salaries & employee benefits	497,629	488,275		
Other operating	431,649	417,135		
	929,278	905,410	23,868	816,223
Total Tax Administration	1,876,282	1,824,107	52,175	1,699,207

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Board of Elections				
Salaries & employee benefits	402,928	391,701		
Other operating	150,198	134,596		
	<u>553,126</u>	<u>526,297</u>	26,829	588,210
Human Resources				
Human Resources				
Salaries & employee benefits	641,625	644,910		
Other operating	191,700	182,000		
Non-operating	377,113	-		
	<u>1,210,438</u>	<u>826,910</u>	383,528	759,907
Wellness				
Other operating	270,131	269,559		
	<u>270,131</u>	<u>269,559</u>	572	258,260
Recruitment				
Salaries & employee benefits	76,055	75,995		
Other operating	18,600	15,138		
	<u>94,655</u>	<u>91,133</u>	3,522	79,523
Risk Management				
Salaries & employee benefits	155,501	154,920		
Other operating	16,832	14,069		
	<u>172,333</u>	<u>168,989</u>	3,344	157,459
Total Human Resources	<u>1,747,557</u>	<u>1,356,591</u>	390,966	1,255,149
Register of Deeds				
Salaries & employee benefits	617,497	585,636		
Other operating	316,135	249,422		
	<u>933,632</u>	<u>835,058</u>	98,574	824,248
Finance				
Administration and Accounting				
Salaries & employee benefits	910,308	890,080		
Other operating	200,435	177,900		
	<u>1,110,743</u>	<u>1,067,980</u>	42,763	892,176
Purchasing				
Salaries & employee benefits	265,584	263,352		
Other operating	35,939	32,777		
Capital outlay	5,500	5,500		
	<u>307,023</u>	<u>301,629</u>	5,394	285,515
Total Finance	<u>1,417,766</u>	<u>1,369,609</u>	48,157	1,177,691
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	11,500	10,241		
	<u>11,500</u>	<u>10,241</u>	1,259	12,524

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
Other Government Costs				
Salaries & employee benefits	97,195	50,565		
Other operating	625,033	462,393		
	<u>722,228</u>	<u>512,958</u>	<u>209,270</u>	<u>258,330</u>
Self Insurance				
Premiums	3,391,588	2,826,605		
Liability	490,173	577,840		
Workers Compensation	515,546	583,760		
Total Self Insurance	<u>4,397,307</u>	<u>3,988,205</u>	<u>409,102</u>	<u>4,691,383</u>
Total Other General Government Programs	<u>5,131,035</u>	<u>4,511,404</u>	<u>619,631</u>	<u>4,962,237</u>
Total General Government	<u>13,812,131</u>	<u>12,415,636</u>	<u>1,396,495</u>	<u>12,274,942</u>
Public Safety				
Sheriff and Law Enforcement				
Administration and Law Enforcement				
Salaries & employee benefits	4,608,929	4,586,015		
Other operating	1,082,310	948,159		
Capital outlay	607,127	571,287		
	<u>6,298,366</u>	<u>6,105,461</u>	<u>192,905</u>	<u>5,922,575</u>
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	184,602	181,976		
Other operating	3,000	3,000		
	<u>187,602</u>	<u>184,976</u>	<u>2,626</u>	<u>173,946</u>
School Resource Officers				
Salaries & employee benefits	722,995	713,522		
Other operating	39,600	39,330		
	<u>762,595</u>	<u>752,852</u>	<u>9,743</u>	<u>702,138</u>
Records				
Salaries & employee benefits	307,728	298,159		
Other operating	20,925	21,088		
	<u>328,653</u>	<u>319,247</u>	<u>9,406</u>	<u>304,855</u>
Narcotics				
Salaries & employee benefits	632,273	622,274		
Other operating	118,639	119,157		
Capital outlay	23,680	23,680		
	<u>774,592</u>	<u>765,111</u>	<u>9,481</u>	<u>582,206</u>
Detectives				
Salaries & employee benefits	938,638	940,266		
Other operating	90,208	81,911		
	<u>1,028,846</u>	<u>1,022,177</u>	<u>6,669</u>	<u>959,288</u>
Lake Norman Water Patrol				
Salaries & employee benefits	390,881	376,639		
Other operating	31,614	30,679		
Capital outlay	31,285	15,379		
	<u>453,780</u>	<u>422,697</u>	<u>31,083</u>	<u>396,198</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
Court Security				
Salaries & employee benefits	701,486	677,233		
Other operating	10,680	9,551		
	<u>712,166</u>	<u>686,784</u>	<u>25,382</u>	<u>579,276</u>
Newton Detention Center				
Salaries & employee benefits	3,845,635	3,809,903		
Other operating	1,055,420	1,019,533		
Capital outlay	39,651	39,651		
	<u>4,940,706</u>	<u>4,869,087</u>	<u>71,619</u>	<u>4,497,880</u>
Prisoner Food Services				
Other operating	524,300	486,403	37,897	404,610
District Confinement Facility				
Other operating	1,210,000	1,209,300		
	<u>1,210,000</u>	<u>1,209,300</u>	<u>700</u>	<u>1,198,410</u>
Total Sheriff and Law Enforcement	<u>17,221,606</u>	<u>16,824,095</u>	<u>397,511</u>	<u>15,721,382</u>
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	304,527	300,901		
Other operating	1,119,938	155,957		
	<u>1,424,465</u>	<u>456,858</u>	<u>967,607</u>	<u>381,962</u>
Veterans Services				
Salaries & employee benefits	96,054	94,160		
Other operating	8,450	7,551		
	<u>104,504</u>	<u>101,711</u>	<u>2,793</u>	<u>92,718</u>
Fire Marshal				
Salaries & employee benefits	265,771	260,081		
Other operating	34,790	23,648		
Capital outlay	51,291	48,693		
	<u>351,852</u>	<u>332,422</u>	<u>19,430</u>	<u>266,413</u>
Emergency Medical Services				
Salaries & employee benefits	7,566,743	7,375,792		
Other operating	1,507,976	1,350,442		
Capital outlay	1,412,342	1,396,299		
	<u>10,487,061</u>	<u>10,122,533</u>	<u>364,528</u>	<u>8,343,676</u>
Animal Control				
Salaries & employee benefits	246,547	221,757		
Other operating	41,510	26,018		
Capital outlay	90,020	85,051		
	<u>378,077</u>	<u>332,826</u>	<u>45,251</u>	<u>240,715</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Animal Shelter				
Salaries & employee benefits	232,793	222,044		
Other operating	339,401	336,301		
	<u>572,194</u>	<u>558,345</u>	<u>13,849</u>	<u>480,711</u>
 Total Emergency Services	 <u>13,318,153</u>	 <u>11,904,695</u>	 <u>1,413,458</u>	 <u>9,806,195</u>
Communication Center				
Salaries & employee benefits	1,657,753	1,557,771		
Other operating	272,435	225,952		
	<u>1,930,188</u>	<u>1,783,723</u>	<u>146,465</u>	<u>1,636,057</u>
Other Public Safety				
Other operating	188,686	187,517	1,169	182,796
	<u>32,658,633</u>	<u>30,700,030</u>	<u>1,958,603</u>	<u>27,346,430</u>
 Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	55,151	47,231		
Other operating	344,444	323,370		
	<u>399,595</u>	<u>370,601</u>	<u>28,994</u>	<u>319,274</u>
Soil & Water Conservation				
Salaries & employee benefits	143,092	143,602		
Other operating	85,383	78,752		
	<u>228,475</u>	<u>222,354</u>	<u>6,121</u>	<u>195,617</u>
Forest Ranger				
Other operating	68,201	68,201	-	58,518
	<u>696,271</u>	<u>661,156</u>	<u>35,115</u>	<u>573,409</u>
 Economic and Physical Development Technology				
Information Technology Center				
Salaries & employee benefits	2,079,063	1,973,058		
Other operating	1,686,168	1,380,041		
	<u>3,765,231</u>	<u>3,353,099</u>	<u>412,132</u>	<u>3,177,553</u>
Geospatial Information Services				
Salaries & employee benefits	345,088	334,220		
Other operating	69,735	43,378		
	<u>414,823</u>	<u>377,598</u>	<u>37,225</u>	<u>372,409</u>
	<u>4,180,054</u>	<u>3,730,697</u>	<u>449,357</u>	<u>3,549,962</u>
 Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	431,783	430,299		
Other operating	79,762	71,364		
	<u>511,545</u>	<u>501,663</u>	<u>9,882</u>	<u>466,603</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Final Budget</u>	<u>Actuals</u>	<u>Over/Under</u>	
County Parks				
Salaries & employee benefits	365,802	368,245		
Other operating	81,285	66,821		
	<u>447,087</u>	<u>435,066</u>	<u>12,021</u>	<u>400,822</u>
Other Economic and Physical Development				
Other operating	5,770,125	5,511,597	258,528	5,510,693
	<u>6,728,757</u>	<u>6,448,326</u>	<u>280,431</u>	<u>6,378,118</u>
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	151,178	149,458		
Other operating	34,165	32,561		
	<u>185,343</u>	<u>182,019</u>	<u>3,324</u>	<u>229,832</u>
Building Inspection				
Salaries & employee benefits	1,125,743	1,069,669		
Other operating	307,565	296,258		
Capital outlay	115,963	83,206		
	<u>1,549,271</u>	<u>1,449,133</u>	<u>100,138</u>	<u>1,303,048</u>
Permit Center				
Salaries & employee benefits	339,636	315,782		
Other operating	33,404	35,336		
	<u>373,040</u>	<u>351,118</u>	<u>21,922</u>	<u>306,237</u>
Plan Review				
Salaries & employee benefits	310,301	338,215		
Other operating	22,102	17,771		
	<u>332,403</u>	<u>355,986</u>	<u>(23,583)</u>	<u>249,996</u>
Local Code Compliance				
Salaries & employee benefits	146,087	138,327		
Other operating	17,798	13,828		
	<u>163,885</u>	<u>152,155</u>	<u>11,730</u>	<u>144,912</u>
	<u>2,603,942</u>	<u>2,490,411</u>	<u>113,531</u>	<u>2,234,025</u>
Facilities Division				
Construction Manager				
Salaries & employee benefits	104,176	104,002		
Other operating	1,400	648		
	<u>105,576</u>	<u>104,650</u>	<u>926</u>	<u>93,623</u>
Garage				
Salaries & employee benefits	247,270	249,391		
Other operating	297,136	276,681		
Capital outlay	31,585	31,585		
	<u>575,991</u>	<u>557,657</u>	<u>18,334</u>	<u>510,713</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
General maintenance				
Salaries & employee benefits	649,293	633,039		
Other operating	75,225	63,205		
Capital outlay	77,215	72,593		
	<u>801,733</u>	<u>768,837</u>	<u>32,896</u>	<u>766,471</u>
General Buildings				
Other operating	512,784	418,335		
	<u>512,784</u>	<u>418,335</u>	<u>94,449</u>	<u>443,609</u>
Justice Buildings				
Other operating	899,046	678,326		
	<u>899,046</u>	<u>678,326</u>	<u>220,720</u>	<u>629,996</u>
Library Buildings				
Other operating	95,550	85,765		
	<u>95,550</u>	<u>85,765</u>	<u>9,785</u>	<u>102,578</u>
Leased Buildings				
Other operating	39,137	25,649		
	<u>39,137</u>	<u>25,649</u>	<u>13,488</u>	<u>43,613</u>
Social Services Buildings				
Other operating	75,113	52,032		
	<u>75,113</u>	<u>52,032</u>	<u>23,081</u>	<u>71,219</u>
Public Health Buildings				
Other operating	40,576	23,545		
	<u>40,576</u>	<u>23,545</u>	<u>17,031</u>	<u>60,277</u>
Family Services Center				
Other operating	13,381	7,822		
Capital Outlay	34,479	34,476		
	<u>47,860</u>	<u>42,298</u>	<u>5,562</u>	<u>9,609</u>
Street Signs				
Other operating	17,500	8,034		
	<u>17,500</u>	<u>8,034</u>	<u>9,466</u>	<u>16,571</u>
Total Facilities Division	<u>3,210,866</u>	<u>2,765,128</u>	<u>445,738</u>	<u>2,748,279</u>
Total Economic & Physical Development	<u>16,723,619</u>	<u>15,434,562</u>	<u>1,289,057</u>	<u>14,910,384</u>
Human Services				
Medical Examiner				
Other operating	239,850	148,750		
	<u>239,850</u>	<u>148,750</u>	<u>91,100</u>	<u>182,050</u>
Mental Health Services				
General Administration				
Partners Behavioral Health Management	640,000	639,746		
	<u>640,000</u>	<u>639,746</u>	<u>254</u>	<u>623,156</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Social Services Department				
Administration				
Salaries & employee benefits	977,362	1,206,777		
Other operating	983,023	902,973		
Non-operating	4,912,449	-		
Capital outlay	40,000	-		
	<u>6,912,834</u>	<u>2,109,750</u>	<u>4,803,084</u>	<u>1,997,134</u>
CQI Quality Team				
Salaries & employee benefits	770,535	738,198		
Other operating	3,500	1,115		
	<u>774,035</u>	<u>739,313</u>	<u>34,722</u>	<u>311,161</u>
Child Protective Services Investigations				
Salaries & employee benefits	2,495,668	2,452,890		
Other operating	352,060	349,111		
Social Services assistance	1,987	854		
	<u>2,849,715</u>	<u>2,802,855</u>	<u>46,860</u>	<u>2,300,902</u>
Department of Human Resources Teams				
Salaries & employee benefits	230,318	229,643		
Other operating	7,766	9,016		
Social Services assistance	1,400	370		
	<u>239,484</u>	<u>239,029</u>	<u>455</u>	<u>223,310</u>
Children's Day Care				
Salaries & employee benefits	357,239	351,427		
Other operating	3,777	3,268		
	<u>361,016</u>	<u>354,695</u>	<u>6,321</u>	<u>325,236</u>
Intensive Family Preservation				
Salaries & employee benefits	77,482	58,745		
Other operating	5,977	3,894		
Social Services assistance	200	-		
	<u>83,659</u>	<u>62,639</u>	<u>21,020</u>	<u>76,394</u>
Early Childhood Development				
Salaries & employee benefits	78,557	75,487		
Other operating	12,281	10,664		
	<u>90,838</u>	<u>86,151</u>	<u>4,687</u>	<u>74,216</u>
Prevention Management				
Salaries & employee benefits	130,930	121,109		
Other operating	2,000	537		
	<u>132,930</u>	<u>121,646</u>	<u>11,284</u>	<u>118,190</u>
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	36,662	35,921		
Other operating	800	119		
Social Services assistance	15,000	15,000		
	<u>52,462</u>	<u>51,040</u>	<u>1,422</u>	<u>49,024</u>
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,369,724	3,267,240		
Other operating	35,055	35,055		
Social Services assistance	57,000	10,100		
	<u>3,461,779</u>	<u>3,312,395</u>	<u>149,384</u>	<u>3,259,968</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Duke Endowment Family Children Project				
Salaries & employee benefits	619,592	601,900		
Other operating	141,476	67,265		
Social Services assistance	12,400	1,930		
	<u>773,468</u>	<u>671,095</u>	<u>102,373</u>	<u>573,248</u>
QIC/AIG Grant				
Salaries & employee benefits	45,987	24,315		
Other operating	101,643	3,026		
Social Services assistance	-	1,729		
	<u>147,630</u>	<u>29,070</u>	<u>118,560</u>	<u>-</u>
Teen Up				
Salaries & employee benefits	169,844	185,817		
Other operating	10,516	8,264		
Social Services assistance	37,605	34,786		
	<u>217,965</u>	<u>228,867</u>	<u>(10,902)</u>	<u>218,906</u>
Community Services Block Grant				
Salaries & employee benefits	327,044	324,120		
Other operating	22,162	15,452		
Social Services assistance	10,000	7,113		
	<u>359,206</u>	<u>346,685</u>	<u>12,521</u>	<u>291,508</u>
Therapeutic Foster Care				
Salaries & employee benefits	53,629	53,626		
Other operating	3,827	3,825		
Social Services assistance	13	13		
	<u>57,469</u>	<u>57,464</u>	<u>5</u>	<u>274,545</u>
Adoptions				
Salaries & employee benefits	1,237,349	1,211,780		
Other operating	22,656	23,343		
Social Services assistance	48,500	36,308		
	<u>1,308,505</u>	<u>1,271,431</u>	<u>37,074</u>	<u>1,042,176</u>
Post Adoption State Region				
Salaries & employee benefits	200,459	175,218		
Other operating	10,338	8,442		
Social Services assistance	24,050	21,502		
	<u>234,847</u>	<u>205,162</u>	<u>29,685</u>	<u>217,967</u>
Child Advocacy				
Salaries & employee benefits	374,654	392,363		
Other operating	41,773	10,870		
Social Services assistance	750	-		
	<u>417,177</u>	<u>403,233</u>	<u>13,944</u>	<u>343,312</u>
FamilyNet Administration				
Salaries & employee benefits	406,483	342,237		
Other operating	152,571	125,329		
Social Services assistance	3,500	327		
	<u>562,554</u>	<u>467,893</u>	<u>94,661</u>	<u>478,366</u>
FamilyNet In-home Services				
Salaries & employee benefits	1,058,196	968,494		
Other operating	21,797	11,428		
	<u>1,079,993</u>	<u>979,922</u>	<u>100,071</u>	<u>251,192</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
FamilyNet Adolescent Services				
Salaries & employee benefits	87,097	87,057		
Other operating	285	323		
	<u>87,382</u>	<u>87,380</u>	<u>2</u>	<u>431,245</u>
FamilyNet Family Services				
Salaries & employee benefits	29,930	29,920		
Other operating	405	386		
	<u>30,335</u>	<u>30,306</u>	<u>29</u>	<u>147,812</u>
FamilyNet Children Services				
Salaries & employee benefits	52,361	52,356		
Other operating	834	831		
	<u>53,195</u>	<u>53,187</u>	<u>8</u>	<u>249,594</u>
FamilyNet ECST				
Salaries & employee benefits	388,713	362,588		
Other operating	21,722	29,271		
	<u>410,435</u>	<u>391,859</u>	<u>18,576</u>	<u>393,510</u>
FamilyNet Child Protective Services				
Salaries & employee benefits	13,626	13,623		
Other operating	11,108	11,108		
	<u>24,734</u>	<u>24,731</u>	<u>3</u>	<u>79,686</u>
Work First				
Salaries & employee benefits	371,547	344,488		
Other operating	748,019	398,378		
Social Services assistance	664,667	465,217		
	<u>1,784,233</u>	<u>1,208,083</u>	<u>576,150</u>	<u>1,272,556</u>
Office Juvenile Justice Girls Program				
Other operating	34,400	32,641		
	<u>34,400</u>	<u>32,641</u>	<u>1,759</u>	<u>19,193</u>
Administration Group Homes				
Salaries & employee benefits	1,140,725	1,108,238		
Other operating	52,988	41,357		
	<u>1,193,713</u>	<u>1,149,595</u>	<u>44,118</u>	<u>953,587</u>
Girls Program				
Other operating	30,400	27,106		
	<u>30,400</u>	<u>27,106</u>	<u>3,294</u>	<u>21,757</u>
Boys Program				
Other operating	40,400	36,086		
	<u>40,400</u>	<u>36,086</u>	<u>4,314</u>	<u>31,854</u>
Office Juvenile Justice Boys Program				
Other operating	60,100	49,475		
	<u>60,100</u>	<u>49,475</u>	<u>10,625</u>	<u>41,956</u>
Adult Services				
Other operating	374,622	369,943		
Social Services assistance	322,516	296,770		
	<u>697,138</u>	<u>666,713</u>	<u>30,425</u>	<u>622,396</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
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With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Adult Social Work				
Salaries & employee benefits	1,646,328	1,594,151		
Other operating	69,296	53,339		
Social Services assistance	13,500	24,509		
	<u>1,729,124</u>	<u>1,671,999</u>	<u>57,125</u>	<u>1,571,204</u>
Medicaid Administration				
Salaries & employee benefits	1,104,397	1,069,089		
Other operating	6,804	5,654		
	<u>1,111,201</u>	<u>1,074,743</u>	<u>36,458</u>	<u>1,081,812</u>
Transportation				
Salaries & employee benefits	552,551	552,774		
Other operating	43,186	41,593		
Capital outlay	123,000	119,408		
	<u>718,737</u>	<u>713,775</u>	<u>4,962</u>	<u>576,243</u>
Nutrition				
Salaries & employee benefits	188,069	186,016		
Other operating	339,767	302,476		
Social Services assistance	483,781	497,406		
	<u>1,011,617</u>	<u>985,898</u>	<u>25,719</u>	<u>1,001,658</u>
Public Assistance Administration				
Salaries & employee benefits	1,616,839	1,540,734		
Other operating	23,189	25,141		
	<u>1,640,028</u>	<u>1,565,875</u>	<u>74,153</u>	<u>1,594,661</u>
Food Stamps				
Salaries & employee benefits	1,954,160	1,975,024		
Other operating	64,689	95,404		
	<u>2,018,849</u>	<u>2,070,428</u>	<u>(51,579)</u>	<u>1,884,565</u>
Child Support				
Salaries & employee benefits	1,310,564	1,278,760		
Other operating	102,081	201,971		
	<u>1,412,645</u>	<u>1,480,731</u>	<u>(68,086)</u>	<u>1,176,968</u>
General Assistance				
Other operating	200,600	171,575		
Social Services assistance	135,000	86,747		
	<u>335,600</u>	<u>258,322</u>	<u>77,278</u>	<u>276,063</u>
Public Assistance Payments				
Social Services assistance	1,505,061	1,118,072		
	<u>1,505,061</u>	<u>1,118,072</u>	<u>386,989</u>	<u>975,680</u>
Children's Purchase Services				
Social Services assistance	10,693,034	9,649,027		
	<u>10,693,034</u>	<u>9,649,027</u>	<u>1,044,007</u>	<u>9,590,787</u>
Total Social Services	<u>46,739,927</u>	<u>38,886,367</u>	<u>7,853,560</u>	<u>36,421,542</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Public Health Department				
Health Administration				
Salaries & employee benefits	726,533	725,183		
Other operating	204,838	210,835		
Capital Outlay	88,874	22,000		
	<u>1,020,245</u>	<u>958,018</u>	<u>62,227</u>	<u>824,328</u>
Home Health				
Salaries & employee benefits	-	-		
Other operating	-	-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,774,014</u>
Environmental Health				
Salaries & employee benefits	876,184	880,453		
Other operating	113,150	110,085		
	<u>989,334</u>	<u>990,538</u>	<u>(1,204)</u>	<u>883,017</u>
Maternal Health				
Other operating	165,350	165,712		
	<u>165,350</u>	<u>165,712</u>	<u>(362)</u>	<u>195,184</u>
Pregnancy Care Management				
Salaries & employee benefits	350,415	350,180		
Other operating	13,220	9,781		
	<u>363,635</u>	<u>359,961</u>	<u>3,674</u>	<u>331,647</u>
Laboratory				
Salaries & employee benefits	82,130	82,041		
Other operating	37,713	18,115		
	<u>119,843</u>	<u>100,156</u>	<u>19,687</u>	<u>104,865</u>
Child Health - Human Resource Teams				
Salaries & employee benefits	4,902	-		
	<u>4,902</u>	<u>-</u>	<u>4,902</u>	<u>499,063</u>
Child Health - Smart Start				
Salaries & employee benefits	157,353	154,665		
Other operating	14,292	14,750		
	<u>171,645</u>	<u>169,415</u>	<u>2,230</u>	<u>156,161</u>
Care Coordination for Children				
Salaries & employee benefits	358,827	357,855		
Other operating	13,450	12,611		
	<u>372,277</u>	<u>370,466</u>	<u>1,811</u>	<u>345,233</u>
School Nurse Fund Initiative				
Salaries & employee benefits	1,598,123	1,601,246		
Other operating	91,077	85,033		
	<u>1,689,200</u>	<u>1,686,279</u>	<u>2,921</u>	<u>1,027,201</u>
Dental Health				
Other operating	10,650	10,377		
	<u>10,650</u>	<u>10,377</u>	<u>273</u>	<u>118,884</u>
Bioterrorism Grant				
Salaries & employee benefits	59,853	59,609		
Other operating	7,975	7,942		
	<u>67,828</u>	<u>67,551</u>	<u>277</u>	<u>68,452</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Healthy People/Carolinas				
Salaries & employee benefits	83,441	64,501		
Other operating	66,559	39,982		
	<u>150,000</u>	<u>104,483</u>	<u>45,517</u>	<u>15,679</u>
Clinical Services				
Salaries & employee benefits	1,577,312	1,554,195		
Other operating	548,939	501,227		
	<u>2,126,251</u>	<u>2,055,422</u>	<u>70,829</u>	<u>1,870,609</u>
Women Infants Children Program				
Salaries & employee benefits	947,709	943,697		
Other operating	50,050	49,638		
	<u>997,759</u>	<u>993,335</u>	<u>4,424</u>	<u>873,548</u>
Total Public Health	<u>8,248,919</u>	<u>8,031,713</u>	<u>217,206</u>	<u>9,087,885</u>
Total Human Services	<u>55,868,696</u>	<u>47,706,576</u>	<u>8,162,120</u>	<u>46,314,633</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	1,090,369	1,096,377		
Other operating	419,048	399,748		
Capital outlay	31,921	31,415		
Non-operating	4,967	-		
	<u>1,546,305</u>	<u>1,527,540</u>	<u>18,765</u>	<u>1,748,093</u>
Sherrills Ford Branch				
Salaries & employee benefits	221,696	236,486		
Other operating	75,213	69,455		
	<u>296,909</u>	<u>305,941</u>	<u>(9,032)</u>	<u>281,120</u>
Maiden Branch				
Salaries & employee benefits	87,863	86,376		
Other operating	38,348	29,754		
	<u>126,211</u>	<u>116,130</u>	<u>10,081</u>	<u>130,718</u>
St. Stephens Branch				
Salaries & employee benefits	253,367	248,983		
Other operating	93,115	90,456		
	<u>346,482</u>	<u>339,439</u>	<u>7,043</u>	<u>334,652</u>
Southwest Branch Library				
Salaries & employee benefits	165,536	162,047		
Other operating	110,432	104,889		
	<u>275,968</u>	<u>266,936</u>	<u>9,032</u>	<u>252,574</u>
Conover Branch Library				
Salaries & employee benefits	122,714	110,850		
Other operating	24,335	18,868		
	<u>147,049</u>	<u>129,718</u>	<u>17,331</u>	<u>139,718</u>

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Claremont Branch Library				
Salaries & employee benefits	44,698	44,549		
Other operating	18,000	13,824		
	<u>62,698</u>	<u>58,373</u>	<u>4,325</u>	<u>60,022</u>
Total County Library	<u>2,801,622</u>	<u>2,744,077</u>	<u>57,545</u>	<u>2,946,897</u>
Arts-Administration				
Other operating	615,330	615,330	-	550,000
Other Cultural				
Other operating	53,314	35,492	17,822	16,687
Total Culture and Recreation	<u>3,470,266</u>	<u>3,394,899</u>	<u>75,367</u>	<u>3,513,584</u>
Education				
Current expense				
Catawba County Schools	25,590,180	25,590,180		
Hickory Public Schools	6,603,520	6,603,520		
Newton-Conover City Schools	4,797,100	4,797,100		
Catawba Valley Community College	4,021,404	4,021,404		
Total Education	<u>41,012,204</u>	<u>41,012,204</u>	<u>-</u>	<u>40,239,272</u>
Debt Service				
Principal retirement	13,430,382	13,430,361		
Sinking fund payments	1,853,905	1,853,902		
Interest and other charges	3,763,755	3,763,682		
Bond issuance costs	115,850	115,551		
Total Debt Service	<u>19,163,892</u>	<u>19,163,496</u>	<u>396</u>	<u>16,181,252</u>
Total expenditures	<u>183,405,712</u>	<u>170,488,559</u>	<u>12,917,153</u>	<u>161,353,906</u>
Revenues over (under) expenditures	<u>(8,395,674)</u>	<u>7,982,734</u>	<u>16,378,408</u>	<u>16,976,441</u>
Other financing sources (uses)				
Transfers from				
General Capital Reserve	58,217	58,217	-	-
Hospital Capital Reserve	500,000	500,000	-	500,000
School Capital Fund	50,000	50,000	-	50,000
School Construction Fund	1,359,655	1,359,655	-	-
Transfers to				
Reappraisal Fund	(397,072)	(397,072)	-	(374,329)
Emergency Telephone System	(968)	(968)	-	(7,053)
State Substance Abuse Fund	(31,508)	(31,508)	-	-
General Capital Projects Fund	(3,463,342)	(3,463,342)	-	(3,121,277)
School Capital Fund	(1,235,000)	(1,235,000)	-	(1,474,988)
School Construction Fund	(3,656,083)	(3,656,083)	-	(3,094,153)
Water and Sewer Fund	(1,600,000)	(1,600,000)	-	(1,575,000)
Solid Waste Management Fund	-	-	-	(42,050)

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Refunding installment purchase issued	13,830,850	13,802,000	(28,850)	-
Payment to refunded escrow agent	(13,715,000)	(13,686,153)	28,847	-
Fund Balance appropriated/contingency	16,695,925	-	(16,695,925)	-
Total other financing sources (uses)	<u>8,395,674</u>	<u>(8,300,254)</u>	<u>(16,695,928)</u>	<u>(9,138,850)</u>
Net change in fund balance	<u>-</u>	<u>(317,520)</u>	<u>(317,520)</u>	<u>7,837,591</u>
Fund Balances - Beginning of Year		<u>77,723,492</u>		
Fund Balances - End of Year		<u>\$ 77,405,972</u>		

Tax Reappraisal Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Investment earnings	\$ -	\$ 1,322	\$ 1,322	\$ 4,377
Total revenues	<u>-</u>	<u>1,322</u>	<u>1,322</u>	<u>4,377</u>
Expenditures				
Current				
General government				
Salaries & employee benefits	383,739	374,039	9,700	
Other operating	<u>31,890</u>	<u>23,954</u>	<u>7,936</u>	
Total expenditures	<u>415,629</u>	<u>397,993</u>	<u>17,636</u>	<u>371,339</u>
Excess of revenues over (under) expenditures	<u>(415,629)</u>	<u>(396,671)</u>	<u>18,958</u>	<u>(366,962)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	397,072	397,072	-	374,329
Fund balance appropriated	<u>18,557</u>	<u>-</u>	<u>(18,557)</u>	<u>-</u>
Total other financing sources (uses)	<u>415,629</u>	<u>397,072</u>	<u>(18,557)</u>	<u>374,329</u>
Net change in fund balance	<u>\$ -</u>	<u>401</u>	<u>\$ 401</u>	<u>7,367</u>
Fund Balances - Beginning of Year		<u>177,036</u>		<u>169,669</u>
Fund Balances - End of Year		<u>\$ 177,437</u>		<u>\$ 177,036</u>

General Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 297	\$ 297	\$ 5,741
Total revenues	-	297	297	5,741
Excess of revenues over (under) expenditures	-	297	297	5,741
Other Financing Sources (Uses)				
Transfers	(58,217)	(58,217)	-	-
Fund Balance appropriated	58,217	-	(58,217)	-
Total other financing sources (uses)	-	(58,217)	(58,217)	-
Net change in fund balance	\$ -	(57,920)	\$ (57,920)	5,741
Fund Balances - Beginning of Year		463,301		457,560
Fund Balances - End of Year		\$ 405,381		\$ 463,301

Combining Statements for Nonmajor Funds

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2017

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 3,372,879	\$ 11,862,948	\$ 15,235,827
Taxes receivable - net	97,176	-	97,176
Due from other governments	202,436	1,230,916	1,433,352
Interest receivable	10,176	33,613	43,789
Total assets	<u>3,682,667</u>	<u>13,127,477</u>	<u>16,810,144</u>
Liabilities			
Accounts payable and accrued liabilities	244,217	116,752	360,969
Total liabilities	<u>244,217</u>	<u>116,752</u>	<u>360,969</u>
Deferred Inflows of Resources			
Taxes receivable	97,176	-	97,176
Prepaid taxes	5,684	-	5,684
Total deferred inflows of resources	<u>102,860</u>	<u>-</u>	<u>102,860</u>
Fund Balances			
Restricted			
Stabilization by State Statute	939,351	1,264,529	2,203,880
Public Safety	607,282	-	607,282
Fire Protection	1,521,675	-	1,521,675
Library Endowment	192,424	-	192,424
Scholarship	53,725	-	53,725
Parks Preservation	5,312	-	5,312
Community Development	15,821	-	15,821
Hospital Capital	-	4,586,527	4,586,527
Committed			
School Capital	-	7,159,669	7,159,669
Unassigned	-	-	-
Total fund balances	<u>3,335,590</u>	<u>13,010,725</u>	<u>16,346,315</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,682,667</u>	<u>\$ 13,127,477</u>	<u>\$ 16,810,144</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Fiscal Year Ended June 30, 2017

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 7,719,026	\$ -	\$ 7,719,026
Other taxes	-	4,950,819	4,950,819
Restricted intergovernmental revenues	872,060	-	872,060
Permits and fees	4,000	-	4,000
Investment earnings	7,770	8,803	16,573
Miscellaneous	1,225	-	1,225
Total revenues	<u>8,604,081</u>	<u>4,959,622</u>	<u>13,563,703</u>
Expenditures			
Current			
General government	-	-	-
Public safety	9,304,056	-	9,304,056
Economic and physical development	58,864	-	58,864
Human services	-	-	-
Culture and recreation	12,478	-	12,478
Capital outlay	-	4,504,287	4,504,287
Total expenditures	<u>9,375,398</u>	<u>4,504,287</u>	<u>13,879,685</u>
Excess of revenues over (under) expenditures	(771,317)	455,335	(315,982)
Other Financing Sources (Uses)			
Transfers from other funds	32,476	1,240,749	1,273,225
Transfers to other funds	-	(550,000)	(550,000)
Total other financing sources (uses)	<u>32,476</u>	<u>690,749</u>	<u>723,225</u>
Net change in fund balance	(738,841)	1,146,084	407,243
Fund Balances - Beginning of Year	<u>4,074,431</u>	<u>11,864,641</u>	<u>15,939,072</u>
Fund Balances - End of Year	<u>\$ 3,335,590</u>	<u>\$ 13,010,725</u>	<u>\$ 16,346,315</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.

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.

State Unauthorized Substance Abuse Fund –

To account for the revenue received by the Sheriff's Department from the controlled substance tax and the expenditure of those funds to deter and investigate drug crimes

Rescue Squads Fund -

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

Library Endowment Fund –

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

Gretchen Peed Scholarship Fund –

To account for donations that are stipulated for scholarships.

Parks/Historic Preservation Trust Fund –

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

Community Development Fund –

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

Fire District Funds -

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

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**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2017**

	Emergency Telephone System Fund	Narcotics Seized Funds And Property Fund	State Unauthorized Substance Abuse Fund	Rescue Squads Fund	Library Endowment Fund
Assets					
Cash and investments	\$ 1,207,577	\$ 23,639	\$ 63,355	\$ 283,172	\$ 192,424
Taxes receivable - net	-	-	-	-	-
Due from other governments	137,424	-	14	-	-
Interest receivable	3,765	65	170	1,291	546
Total assets	<u>1,348,766</u>	<u>23,704</u>	<u>63,539</u>	<u>284,463</u>	<u>192,970</u>
Liabilities					
Accounts payable and accrued liabilities	243,722	-	-	-	-
Total liabilities	<u>243,722</u>	<u>-</u>	<u>-</u>	<u>-</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	867,928	65	184	1,291	546
Public Safety	237,116	23,639	63,355	283,172	-
Fire Protection	-	-	-	-	-
Library Endowment	-	-	-	-	192,424
Scholarship	-	-	-	-	-
Parks Preservation	-	-	-	-	-
Community Development	-	-	-	-	-
Total fund balances	<u>1,105,044</u>	<u>23,704</u>	<u>63,539</u>	<u>284,463</u>	<u>192,970</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,348,766</u>	<u>\$ 23,704</u>	<u>\$ 63,539</u>	<u>\$ 284,463</u>	<u>\$ 192,970</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

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**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2017**

	<u>Gretchen Peed Scholarship Fund</u>	<u>Parks/ Historic Preservation Fund</u>	<u>Community Development Fund</u>	<u>Fire District Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets					
Cash and investments	\$ 53,725	\$ 5,312	\$ 15,821	\$ 1,527,854	\$ 3,372,879
Taxes receivable - net	-	-	-	97,176	97,176
Due from other governments	-	-	-	64,998	202,436
Interest receivable	151	10	82	4,096	10,176
Total assets	<u>53,876</u>	<u>5,322</u>	<u>15,903</u>	<u>1,694,124</u>	<u>3,682,667</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	495	244,217
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>495</u>	<u>244,217</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	97,176	97,176
Prepaid taxes	-	-	-	5,684	5,684
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,860</u>	<u>102,860</u>
Fund Balances					
Restricted					
Stabilization by State Statute	151	10	82	69,094	939,351
Public Safety	-	-	-	-	607,282
Fire Protection	-	-	-	1,521,675	1,521,675
Library Endowment	-	-	-	-	192,424
Scholarship	53,725	-	-	-	53,725
Parks Preservation	-	5,312	-	-	5,312
Community Development	-	-	15,821	-	15,821
Total fund balances	<u>53,876</u>	<u>5,322</u>	<u>15,903</u>	<u>1,590,769</u>	<u>3,335,590</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,876</u>	<u>\$ 5,322</u>	<u>\$ 15,903</u>	<u>\$ 1,694,124</u>	<u>\$ 3,682,667</u>

CATAWBA COUNTY, NORTH CAROLINA

**Fire District Funds
Subcombining Balance Sheet
June 30, 2017**

	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	\$ 48,753	\$ 58,133	\$ 76,852	\$ 456,770	\$ 40,928
Taxes receivable - net	5,614	2,513	12,211	1,483	6,613
Due from other governments	6,334	2,534	13,722	950	3,754
Interest receivable	139	155	175	1,286	113
Total assets	<u>60,840</u>	<u>63,335</u>	<u>102,960</u>	<u>460,489</u>	<u>51,408</u>
Liabilities					
Accounts payable and accrued liabilities	495	-	-	-	-
Total liabilities	<u>495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	5,614	2,513	12,211	1,483	6,613
Prepaid taxes	35	732	124	1	155
Total deferred inflows of resources	<u>5,649</u>	<u>3,245</u>	<u>12,335</u>	<u>1,484</u>	<u>6,768</u>
Fund Balances					
Restricted					
Stabilization by State Statute	6,473	2,689	13,897	2,236	3,867
Fire Protection	48,223	57,401	76,728	456,769	40,773
Total fund balances	<u>54,696</u>	<u>60,090</u>	<u>90,625</u>	<u>459,005</u>	<u>44,640</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,840</u>	<u>\$ 63,335</u>	<u>\$ 102,960</u>	<u>\$ 460,489</u>	<u>\$ 51,408</u>

CATAWBA COUNTY, NORTH CAROLINA

**Fire District Funds
Subcombining Balance Sheet
June 30, 2017**

	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	\$ 162,764	\$ 124,629	\$ 130,868	\$ 75,814	\$ 188,791
Taxes receivable - net	24,019	10,188	8,018	4,146	5,143
Due from other governments	14,459	5,732	2,953	2,908	1,619
Interest receivable	387	333	371	195	519
Total assets	<u>201,629</u>	<u>140,882</u>	<u>142,210</u>	<u>83,063</u>	<u>196,072</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Taxes receivable	24,019	10,188	8,018	4,146	5,143
Prepaid taxes	615	1,065	1,078	6	1,049
Total deferred inflows of resources	<u>24,634</u>	<u>11,253</u>	<u>9,096</u>	<u>4,152</u>	<u>6,192</u>
Fund Balances					
Restricted					
Stabilization by State Statute	14,846	6,065	3,324	3,103	2,138
Fire Protection	162,149	123,564	129,790	75,808	187,742
Total fund balances	<u>176,995</u>	<u>129,629</u>	<u>133,114</u>	<u>78,911</u>	<u>189,880</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 201,629</u>	<u>\$ 140,882</u>	<u>\$ 142,210</u>	<u>\$ 83,063</u>	<u>\$ 196,072</u>

CATAWBA COUNTY, NORTH CAROLINA

**Fire District Funds
Subcombining Balance Sheet
June 30, 2017**

	<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>
Assets					
Cash and investments	\$ 20,201	\$ 58,333	\$ 64,272	\$ 20,746	\$ 1,527,854
Taxes receivable - net	341	7,536	2,023	7,328	97,176
Due from other governments	99	5,203	1,117	3,614	64,998
Interest receivable	57	143	177	46	4,096
Total assets	<u>20,698</u>	<u>71,215</u>	<u>67,589</u>	<u>31,734</u>	<u>1,694,124</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	495
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>495</u>
Deferred Inflows of Resources					
Taxes receivable	341	7,536	2,023	7,328	97,176
Prepaid taxes	29	444	320	31	5,684
Total deferred inflows of resources	<u>370</u>	<u>7,980</u>	<u>2,343</u>	<u>7,359</u>	<u>102,860</u>
Fund Balances					
Restricted					
Stabilization by State Statute	156	5,346	1,294	3,660	69,094
Fire Protection	20,172	57,889	63,952	20,715	1,521,675
Total fund balances	<u>20,328</u>	<u>63,235</u>	<u>65,246</u>	<u>24,375</u>	<u>1,590,769</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,698</u>	<u>\$ 71,215</u>	<u>\$ 67,589</u>	<u>\$ 31,734</u>	<u>\$ 1,694,124</u>



**Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017**

	<u>Emergency Telephone System Fund</u>	<u>Narcotics Seized Funds and Property Fund</u>	<u>State Unauthorized Substance Abuse Fund</u>	<u>Rescue Squads Fund</u>	<u>Library Endowment Fund</u>
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,067,200	\$ -
Restricted intergovernmental revenues	718,026	21,081	56,131	-	2,523
Licenses and permits	-	-	-	-	-
Investment earnings	2,936	61	53	508	160
Miscellaneous	-	-	-	-	-
Total revenues	<u>720,962</u>	<u>21,142</u>	<u>56,184</u>	<u>1,067,708</u>	<u>2,683</u>
Expenditures					
Current					
Public safety	1,684,950	9,668	24,153	1,095,825	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	-	-	12,478
Total expenditures	<u>1,684,950</u>	<u>9,668</u>	<u>24,153</u>	<u>1,095,825</u>	<u>12,478</u>
Excess of revenue over (under) expenditures	<u>(963,988)</u>	<u>11,474</u>	<u>32,031</u>	<u>(28,117)</u>	<u>(9,795)</u>
Other Financing Sources (Uses)					
Transfers from other funds	968	-	31,508	-	-
Total other financing sources (uses)	<u>968</u>	<u>-</u>	<u>31,508</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(963,020)	11,474	63,539	(28,117)	(9,795)
Fund Balances - Beginning of Year	<u>2,068,064</u>	<u>12,230</u>	<u>-</u>	<u>312,580</u>	<u>202,765</u>
Fund Balances - End of Year	<u>\$ 1,105,044</u>	<u>\$ 23,704</u>	<u>\$ 63,539</u>	<u>\$ 284,463</u>	<u>\$ 192,970</u>

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	<u>Gretchen Peed Scholarship Fund</u>	<u>Parks/ Historic Preservation Fund</u>	<u>Community Development Fund</u>	<u>Fire District Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 6,651,826	\$ 7,719,026
Restricted intergovernmental revenues	-	-	74,299	-	872,060
Licenses and permits	-	4,000	-	-	4,000
Investment earnings	48	(4)	468	3,540	7,770
Miscellaneous	1,000	225	-	-	1,225
Total revenues	<u>1,048</u>	<u>4,221</u>	<u>74,767</u>	<u>6,655,366</u>	<u>8,604,081</u>
Expenditures					
Current					
Public safety	-	-	-	6,489,460	9,304,056
Economic and physical development	-	-	58,864	-	58,864
Culture and recreation	-	-	-	-	12,478
Total expenditures	<u>-</u>	<u>-</u>	<u>58,864</u>	<u>6,489,460</u>	<u>9,375,398</u>
Excess of revenue over (under) expenditure	<u>1,048</u>	<u>4,221</u>	<u>15,903</u>	<u>165,906</u>	<u>(771,317)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	32,476
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,476</u>
Net change in fund balance	1,048	4,221	15,903	165,906	(738,841)
Fund Balances - Beginning of Year	<u>52,828</u>	<u>1,101</u>	<u>-</u>	<u>1,424,863</u>	<u>4,074,431</u>
Fund Balances - End of Year	<u>\$ 53,876</u>	<u>\$ 5,322</u>	<u>\$ 15,903</u>	<u>\$ 1,590,769</u>	<u>\$ 3,335,590</u>

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, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016**

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	493,940	494,800	860	352,838
North Carolina 911 funds - secondary PSAP	128,955	128,955	-	62,965
North Carolina 911 funds - backup 911 Center	263,608	-	(263,608)	-
North Carolina 911 grant - G2017-1A	297,000	94,271	(202,729)	-
Investment earnings	<u>8,000</u>	<u>2,936</u>	<u>(5,064)</u>	<u>25,933</u>
Total revenues	<u>1,191,503</u>	<u>720,962</u>	<u>(470,541)</u>	<u>441,736</u>
Expenditures				
Current				
Public Safety				
Implemental functions	267,235	271,656	(4,421)	256,216
Telephone and furniture	101,550	276,443	(174,893)	168,263
Software	97,150	164,849	(67,699)	63,994
Hardware	21,000	686,696	(665,696)	32,354
Training	9,330	5,155	4,175	5,828
Capital outlay	1,701,025	-	1,701,025	-
Secondary PSAP	128,955	128,955	-	62,965
Backup 911 center	606,322	-	606,322	-
Grant G2017-1A expenditures	<u>297,000</u>	<u>151,196</u>	<u>145,804</u>	<u>-</u>
Total expenditures	<u>3,229,567</u>	<u>1,684,950</u>	<u>1,544,617</u>	<u>589,620</u>
Excess of revenues over (under) expenditures	<u>(2,038,064)</u>	<u>(963,988)</u>	<u>1,074,076</u>	<u>(147,884)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	968	968	-	7,053
Fund balance appropriated	<u>2,037,096</u>	<u>-</u>	<u>(2,037,096)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,038,064</u>	<u>968</u>	<u>(2,037,096)</u>	<u>7,053</u>
Net change in fund balance	<u>\$ -</u>	<u>(963,020)</u>	<u>\$ (963,020)</u>	<u>(140,831)</u>
Fund Balances - Beginning of Year		<u>2,068,064</u>		<u>2,208,895</u>
Fund Balances - End of Year		<u>\$ 1,105,044</u>		<u>\$ 2,068,064</u>

The County transferred \$968 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, 2017**

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	\$ (963,020)
Secondary PSAP Pass Through Funding	
NC 911 Funds	128,955
Pass through to Secondary PSAPs	(128,955)
Grant Revenue	(94,271)
Grant Expense	151,196
Ineligible 911 expenses reported in Emergency Telephone System Fund in prior year recovered in current year through transfer from General Fund	<u>(968)</u>
	<u>(907,063)</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>2,069,032</u>
Ending Balance, PSAP Revenue- Expenditure Report	<u>\$ 1,161,969</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, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</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	\$ -	\$ 21,081	\$ 21,081	\$ 6,721
Investment earnings	-	61	61	318
Total revenues	<u>-</u>	<u>21,142</u>	<u>21,142</u>	<u>7,039</u>
Expenditures				
Current				
Public Safety				
Salaries & employee benefits	-	-	-	-
Other operating	9,668	9,668	-	76,000
Capital outlay	-	-	-	-
Total expenditures	<u>9,668</u>	<u>9,668</u>	<u>-</u>	<u>76,000</u>
Excess of revenues over (under) expenditures	<u>(9,668)</u>	<u>11,474</u>	<u>21,142</u>	<u>(68,961)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>9,668</u>	<u>-</u>	<u>(9,668)</u>	<u>-</u>
Total other financing sources (uses)	<u>9,668</u>	<u>-</u>	<u>(9,668)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>11,474</u>	<u>\$ 11,474</u>	<u>(68,961)</u>
Fund Balances - Beginning of Year		<u>12,230</u>		<u>81,191</u>
Fund Balances - End of Year		<u>\$ 23,704</u>		<u>\$ 12,230</u>

**State Unauthorized Substance Abuse Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016**

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Restricted intergovernmental revenues				
Drug reimbursement	\$ -	\$ 56,131	\$ 56,131	\$ -
Investment earnings	-	53	53	-
Total revenues	<u>-</u>	<u>56,184</u>	<u>56,184</u>	<u>-</u>
Expenditures				
Current				
Public Safety				
Other operating	31,508	24,153	7,355	-
Total expenditures	<u>31,508</u>	<u>24,153</u>	<u>7,355</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(31,508)</u>	<u>32,031</u>	<u>63,539</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	31,508	31,508	-	-
Total other financing sources (uses)	<u>31,508</u>	<u>31,508</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>63,539</u>	<u>\$ 63,539</u>	<u>-</u>
Fund Balances - Beginning of Year		<u>-</u>		<u>-</u>
Fund Balances - End of Year		<u>\$ 63,539</u>		<u>\$ -</u>

Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 1,067,200	\$ 1,067,200	\$ -	\$ 1,050,525
Investment earnings	-	508	508	4,426
Total revenues	<u>1,067,200</u>	<u>1,067,708</u>	<u>508</u>	<u>1,054,951</u>
Expenditures	-			
Public Safety				
Other operating	<u>1,137,200</u>	<u>1,095,825</u>	<u>41,375</u>	<u>1,017,597</u>
Total expenditures	<u>1,137,200</u>	<u>1,095,825</u>	<u>41,375</u>	<u>1,017,597</u>
Excess of revenues over (under) expenditures	<u>(70,000)</u>	<u>(28,117)</u>	<u>41,883</u>	<u>37,354</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>70,000</u>	-	<u>(70,000)</u>	-
Total other financing sources (uses)	<u>70,000</u>	-	<u>(70,000)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(28,117)</u>	<u>\$ (28,117)</u>	<u>37,354</u>
Fund Balances - Beginning of Year		<u>312,580</u>		<u>275,226</u>
Fund Balances - End of Year		<u>\$ 284,463</u>		<u>\$ 312,580</u>

Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Community Foundation	\$ -	\$ 2,523	\$ 2,523	\$ 8,925
Investment earnings	-	160	160	2,488
Total revenues	<u>-</u>	<u>2,683</u>	<u>2,683</u>	<u>11,413</u>
	-			
Expenditures				
Culture and recreation				
Other operating	<u>20,000</u>	<u>12,478</u>	<u>7,522</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>12,478</u>	<u>7,522</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(20,000)</u>	<u>(9,795)</u>	<u>10,205</u>	<u>11,413</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>20,000</u>	-	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	-	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(9,795)</u>	<u>\$ (9,795)</u>	<u>11,413</u>
Fund Balances - Beginning of Year		<u>202,765</u>		<u>191,352</u>
Fund Balances - End of Year		<u>\$ 192,970</u>		<u>\$ 202,765</u>

Gretchen Peed Scholarship Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 48	\$ 48	\$ 651
Miscellaneous	-			
Donations	1,500	1,000	(500)	1,000
Total revenues	<u>1,500</u>	<u>1,048</u>	<u>(452)</u>	<u>1,651</u>
Expenditures				
Human services				
Scholarship awards	1,500	-	1,500	1,250
Total expenditures	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>1,250</u>
Excess of revenues over (under) expenditures	-	1,048	1,048	401
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	\$ -	1,048	\$ 1,048	401
Fund Balances - Beginning of Year		<u>52,828</u>		<u>52,427</u>
Fund Balances - End of Year		<u>\$ 53,876</u>		<u>\$ 52,828</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, 2017
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	<u>2017</u>			Actual Prior Year
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Licenses and permits				
Developer fee	\$ -	\$ 4,000	\$ 4,000	\$ -
Investment earnings	-	(4)	(4)	(31)
Miscellaneous				
Donations	-	225	225	-
Total revenues	<u>-</u>	<u>4,221</u>	<u>4,221</u>	<u>(31)</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>4,221</u>	<u>4,221</u>	<u>(31)</u>
Other Financing Sources (Uses)				
Transfers to				
General Capital Projects Fund	-	-	-	(49,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,221</u>	<u>\$ 4,221</u>	<u>(49,031)</u>
Fund Balances - Beginning of Year		<u>1,101</u>		<u>50,132</u>
Fund Balances - End of Year		<u>\$ 5,322</u>		<u>\$ 1,101</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, 2017

NC Housing Trust Fund (NCHFA) 2015 Urgent Repair Program (URP1504)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 50,000	\$ 25,701	\$ 24,299	\$ 50,000	\$ -
Investment earnings	-	58	90	148	148
Total revenues	<u>50,000</u>	<u>25,759</u>	<u>24,389</u>	<u>50,148</u>	<u>148</u>
Expenditures					
Economic and physical development					
Administration	7,500	-	6,170	6,170	1,330
Rehabilitation	42,500	25,759	18,219	43,978	(1,478)
Total expenditures	<u>50,000</u>	<u>25,759</u>	<u>24,389</u>	<u>50,148</u>	<u>(148)</u>
Excess of revenues over (under) expenditures	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances - Beginning of Year				-	
Fund Balances - End of Year			<u>\$ -</u>		

NC Housing Trust Fund (NCHFA) 2016 Urgent Repair Program (URP1602)	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ (50,000)
Investment earnings	-	-	378	378	378
Total revenues	<u>100,000</u>	<u>-</u>	<u>50,378</u>	<u>50,378</u>	<u>(50,000)</u>
Expenditures					
Economic and physical development					
Administration	12,000	-	-	-	12,000
Rehabilitation	88,000	-	34,475	34,475	53,525
Total expenditures	<u>100,000</u>	<u>-</u>	<u>34,475</u>	<u>34,475</u>	<u>65,525</u>
Excess of revenues over (under) expenditures	-	-	15,903	15,903	15,903
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>15,903</u>	<u>\$ 15,903</u>	<u>\$ 15,903</u>
Fund Balances - Beginning of Year				-	
Fund Balances - End of Year			<u>\$ 15,903</u>		



Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	<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	\$ 552,808	\$ 216,033	\$ 1,052,667	\$ 97,096	\$ 308,683
Investment earnings	247	130	447	391	159
Total revenues	<u>553,055</u>	<u>216,163</u>	<u>1,053,114</u>	<u>97,487</u>	<u>308,842</u>
Expenditures					
Current					
Public safety	<u>538,990</u>	<u>205,625</u>	<u>1,026,603</u>	-	<u>298,738</u>
Total expenditures	<u>538,990</u>	<u>205,625</u>	<u>1,026,603</u>	-	<u>298,738</u>
Excess of revenue over (under) expenditures	<u>14,065</u>	<u>10,538</u>	<u>26,511</u>	<u>97,487</u>	<u>10,104</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	14,065	10,538	26,511	97,487	10,104
Fund Balances - Beginning of Year	<u>40,631</u>	<u>49,552</u>	<u>64,114</u>	<u>361,518</u>	<u>34,536</u>
Fund Balances - End of Year	<u>\$ 54,696</u>	<u>\$ 60,090</u>	<u>\$ 90,625</u>	<u>\$ 459,005</u>	<u>\$ 44,640</u>

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	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	\$ 2,214,713	\$ 537,320	\$ 224,728	\$ 269,600	\$ 193,888
Investment earnings	964	290	233	168	16
Total revenues	<u>2,215,677</u>	<u>537,610</u>	<u>224,961</u>	<u>269,768</u>	<u>193,904</u>
Expenditures					
Current					
Public safety	<u>2,141,097</u>	<u>510,587</u>	<u>223,400</u>	<u>254,163</u>	<u>342,582</u>
Total expenditures	<u>2,141,097</u>	<u>510,587</u>	<u>223,400</u>	<u>254,163</u>	<u>342,582</u>
Excess of revenue over (under) expenditures:	<u>74,580</u>	<u>27,023</u>	<u>1,561</u>	<u>15,605</u>	<u>(148,678)</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	74,580	27,023	1,561	15,605	(148,678)
Fund Balances - Beginning of Year	<u>102,415</u>	<u>102,606</u>	<u>131,553</u>	<u>63,306</u>	<u>338,558</u>
Fund Balances - End of Year	<u>\$ 176,995</u>	<u>\$ 129,629</u>	<u>\$ 133,114</u>	<u>\$ 78,911</u>	<u>\$ 189,880</u>

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	<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	\$ 27,156	\$ 469,029	\$ 97,773	\$ 390,332	\$ 6,651,826
Investment earnings	29	212	90	164	3,540
Total revenues	<u>27,185</u>	<u>469,241</u>	<u>97,863</u>	<u>390,496</u>	<u>6,655,366</u>
Expenditures					
Current					
Public safety	<u>26,428</u>	<u>443,968</u>	<u>92,243</u>	<u>385,036</u>	<u>6,489,460</u>
Total expenditures	<u>26,428</u>	<u>443,968</u>	<u>92,243</u>	<u>385,036</u>	<u>6,489,460</u>
Excess of revenue over (under) expenditure	<u>757</u>	<u>25,273</u>	<u>5,620</u>	<u>5,460</u>	<u>165,906</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	757	25,273	5,620	5,460	165,906
Fund Balances - Beginning of Year	<u>19,571</u>	<u>37,962</u>	<u>59,626</u>	<u>18,915</u>	<u>1,424,863</u>
Fund Balances - End of Year	<u>\$ 20,328</u>	<u>\$ 63,235</u>	<u>\$ 65,246</u>	<u>\$ 24,375</u>	<u>\$ 1,590,769</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, 2017
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 538,990	\$ 552,808	\$ 13,818	\$ 439,707
Investment earnings	-	247	247	579
Total revenues	<u>538,990</u>	<u>553,055</u>	<u>14,065</u>	<u>440,286</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>538,990</u>	<u>538,990</u>	-	<u>455,621</u>
Total expenditures	<u>538,990</u>	<u>538,990</u>	-	<u>455,621</u>
Excess of revenues over (under) expenditures	-	<u>14,065</u>	<u>14,065</u>	<u>(15,335)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>14,065</u>	<u>\$ 14,065</u>	<u>(15,335)</u>
Fund Balances - Beginning of Year		<u>40,631</u>		<u>55,966</u>
Fund Balances - End of Year		<u>\$ 54,696</u>		<u>\$ 40,631</u>

Propst Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 205,625	\$ 216,033	\$ 10,408	\$ 210,023
Investment earnings	-	130	130	659
Total revenues	<u>205,625</u>	<u>216,163</u>	<u>10,538</u>	<u>210,682</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>205,625</u>	<u>205,625</u>	-	<u>204,256</u>
Total expenditures	<u>205,625</u>	<u>205,625</u>	-	<u>204,256</u>
Excess of revenues over (under) expenditures	-	<u>10,538</u>	<u>10,538</u>	<u>6,426</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	10,538	<u>\$ 10,538</u>	6,426
Fund Balances - Beginning of Year		<u>49,552</u>		<u>43,126</u>
Fund Balances - End of Year		<u>\$ 60,090</u>		<u>\$ 49,552</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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 1,004,538	\$ 1,052,667	\$ 48,129	\$ 785,359
Investment earnings	-	447	447	790
Total revenues	<u>1,004,538</u>	<u>1,053,114</u>	<u>48,576</u>	<u>786,149</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>1,026,603</u>	<u>1,026,603</u>	-	<u>794,576</u>
Total expenditures	<u>1,026,603</u>	<u>1,026,603</u>	-	<u>794,576</u>
Excess of revenues over (under) expenditures	<u>(22,065)</u>	<u>26,511</u>	<u>48,576</u>	<u>(8,427)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>22,065</u>	-	<u>(22,065)</u>	-
Total other financing sources (uses)	<u>22,065</u>	-	<u>(22,065)</u>	-
Net change in fund balance	<u>\$ -</u>	26,511	<u>\$ 26,511</u>	(8,427)
Fund Balances - Beginning of Year		<u>64,114</u>		<u>72,541</u>
Fund Balances - End of Year		<u>\$ 90,625</u>		<u>\$ 64,114</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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 91,416	\$ 97,096	\$ 5,680	\$ 94,936
Investment earnings	-	391	391	4,305
Total revenues	<u>91,416</u>	<u>97,487</u>	<u>6,071</u>	<u>99,241</u>
Expenditures				
Public safety				
Transmitted to fire department	91,416	-	91,416	-
Total expenditures	<u>91,416</u>	<u>-</u>	<u>91,416</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>97,487</u>	<u>97,487</u>	<u>99,241</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>97,487</u>	<u>\$ 97,487</u>	<u>99,241</u>
Fund Balances - Beginning of Year		<u>361,518</u>		<u>262,277</u>
Fund Balances - End of Year		<u>\$ 459,005</u>		<u>\$ 361,518</u>

Oxford Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 298,738	\$ 308,683	\$ 9,945	\$ 304,839
Investment earnings	-	159	159	404
Total revenues	<u>298,738</u>	<u>308,842</u>	<u>10,104</u>	<u>305,243</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>298,738</u>	<u>298,738</u>	-	<u>294,549</u>
Total expenditures	<u>298,738</u>	<u>298,738</u>	-	<u>294,549</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>10,104</u>	<u>10,104</u>	<u>10,694</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>10,104</u>	<u>\$ 10,104</u>	<u>10,694</u>
Fund Balances - Beginning of Year		<u>34,536</u>		<u>23,842</u>
Fund Balances - End of Year		<u>\$ 44,640</u>		<u>\$ 34,536</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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 2,141,097	\$ 2,214,713	\$ 73,616	\$ 1,604,098
Investment earnings	-	964	964	1,595
Total revenues	<u>2,141,097</u>	<u>2,215,677</u>	<u>74,580</u>	<u>1,605,693</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>2,141,097</u>	<u>2,141,097</u>	-	<u>1,631,012</u>
Total expenditures	<u>2,141,097</u>	<u>2,141,097</u>	-	<u>1,631,012</u>
Excess of revenues over (under) expenditures	-	<u>74,580</u>	<u>74,580</u>	<u>(25,319)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>74,580</u>	<u>\$ 74,580</u>	<u>(25,319)</u>
Fund Balances - Beginning of Year		<u>102,415</u>		<u>127,734</u>
Fund Balances - End of Year		<u>\$ 176,995</u>		<u>\$ 102,415</u>

Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 510,587	\$ 537,320	\$ 26,733	\$ 521,307
Investment earnings	-	290	290	1,305
Total revenues	<u>510,587</u>	<u>537,610</u>	<u>27,023</u>	<u>522,612</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>510,587</u>	<u>510,587</u>	-	<u>501,434</u>
Total expenditures	<u>510,587</u>	<u>510,587</u>	-	<u>501,434</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>27,023</u>	<u>27,023</u>	<u>21,178</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>27,023</u>	<u>\$ 27,023</u>	<u>21,178</u>
Fund Balances - Beginning of Year		<u>102,606</u>		<u>81,428</u>
Fund Balances - End of Year		<u>\$ 129,629</u>		<u>\$ 102,606</u>

Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 217,710	\$ 224,728	\$ 7,018	\$ 212,898
Investment earnings	-	233	233	1,609
Total revenues	<u>217,710</u>	<u>224,961</u>	<u>7,251</u>	<u>214,507</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>223,400</u>	<u>223,400</u>	-	<u>200,917</u>
Total expenditures	<u>223,400</u>	<u>223,400</u>	-	<u>200,917</u>
Excess of revenues over (under) expenditures	<u>(5,690)</u>	<u>1,561</u>	<u>7,251</u>	<u>13,590</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>5,690</u>	-	<u>(5,690)</u>	-
Total other financing sources (uses)	<u>5,690</u>	-	<u>(5,690)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>1,561</u>	<u>\$ 1,561</u>	<u>13,590</u>
Fund Balances - Beginning of Year		<u>131,553</u>		<u>117,963</u>
Fund Balances - End of Year		<u>\$ 133,114</u>		<u>\$ 131,553</u>

Claremont Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 254,163	\$ 269,600	\$ 15,437	\$ 258,922
Investment earnings	-	168	168	791
Total revenues	<u>254,163</u>	<u>269,768</u>	<u>15,605</u>	<u>259,713</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>254,163</u>	<u>254,163</u>	-	<u>247,100</u>
Total expenditures	<u>254,163</u>	<u>254,163</u>	-	<u>247,100</u>
Excess of revenues over (under) expenditures	-	<u>15,605</u>	<u>15,605</u>	<u>12,613</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>15,605</u>	<u>\$ 15,605</u>	<u>12,613</u>
Fund Balances - Beginning of Year		<u>63,306</u>		<u>50,693</u>
Fund Balances - End of Year		<u>\$ 78,911</u>		<u>\$ 63,306</u>

Catawba Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 182,582	\$ 193,888	\$ 11,306	\$ 158,998
Investment earnings	-	16	16	4,201
Total revenues	<u>182,582</u>	<u>193,904</u>	<u>11,322</u>	<u>163,199</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>342,582</u>	<u>342,582</u>	-	<u>152,150</u>
Total expenditures	<u>342,582</u>	<u>342,582</u>	-	<u>152,150</u>
Excess of revenues over (under) expenditures	<u>(160,000)</u>	<u>(148,678)</u>	<u>11,322</u>	<u>11,049</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>160,000</u>	-	<u>(160,000)</u>	-
Total other financing sources (uses)	<u>160,000</u>	-	<u>(160,000)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(148,678)</u>	<u>\$ (148,678)</u>	<u>11,049</u>
Fund Balances - Beginning of Year		<u>338,558</u>		<u>327,509</u>
Fund Balances - End of Year		<u>\$ 189,880</u>		<u>\$ 338,558</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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 26,428	\$ 27,156	\$ 728	\$ 26,820
Investment earnings	-	29	29	244
Total revenues	<u>26,428</u>	<u>27,185</u>	<u>757</u>	<u>27,064</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>26,428</u>	<u>26,428</u>	-	<u>26,001</u>
Total expenditures	<u>26,428</u>	<u>26,428</u>	-	<u>26,001</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>757</u>	<u>757</u>	<u>1,063</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>757</u>	<u>\$ 757</u>	<u>1,063</u>
Fund Balances - Beginning of Year		<u>19,571</u>		<u>18,508</u>
Fund Balances - End of Year		<u>\$ 20,328</u>		<u>\$ 19,571</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, 2017
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	<u>Year</u>
Revenues				
Ad valorem taxes	\$ 443,968	\$ 469,029	\$ 25,061	\$ 452,693
Investment earnings	-	212	212	511
Total revenues	<u>443,968</u>	<u>469,241</u>	<u>25,273</u>	<u>453,204</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>443,968</u>	<u>443,968</u>	-	<u>460,520</u>
Total expenditures	<u>443,968</u>	<u>443,968</u>	-	<u>460,520</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>25,273</u>	<u>25,273</u>	<u>(7,316)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>25,273</u>	<u>\$ 25,273</u>	<u>(7,316)</u>
Fund Balances - Beginning of Year		<u>37,962</u>		<u>45,278</u>
Fund Balances - End of Year		<u>\$ 63,235</u>		<u>\$ 37,962</u>

Cooksville Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Ad valorem taxes	\$ 92,243	\$ 97,773	\$ 5,530	\$ 95,672
Investment earnings	-	90	90	744
Total revenues	<u>92,243</u>	<u>97,863</u>	<u>5,620</u>	<u>96,416</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>92,243</u>	<u>92,243</u>	<u>-</u>	<u>90,612</u>
Total expenditures	<u>92,243</u>	<u>92,243</u>	<u>-</u>	<u>90,612</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>5,620</u>	<u>5,620</u>	<u>5,804</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>5,620</u>	<u>\$ 5,620</u>	<u>5,804</u>
Fund Balances - Beginning of Year		<u>59,626</u>		<u>53,822</u>
Fund Balances - End of Year		<u>\$ 65,246</u>		<u>\$ 59,626</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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 376,336	\$ 390,332	\$ 13,996	\$ 382,418
Investment earnings	-	164	164	332
Total revenues	<u>376,336</u>	<u>390,496</u>	<u>14,160</u>	<u>382,750</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>385,036</u>	<u>385,036</u>	-	<u>389,177</u>
Total expenditures	<u>385,036</u>	<u>385,036</u>	-	<u>389,177</u>
Excess of revenues over (under) expenditures	<u>(8,700)</u>	<u>5,460</u>	<u>14,160</u>	<u>(6,427)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>8,700</u>	-	<u>(8,700)</u>	-
Total other financing sources (uses)	<u>8,700</u>	-	<u>(8,700)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>5,460</u>	<u>\$ 5,460</u>	<u>(6,427)</u>
Fund Balances - Beginning of Year		<u>18,915</u>		<u>25,342</u>
Fund Balances - End of Year		<u>\$ 24,375</u>		<u>\$ 18,915</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.

Hospital Construction Fund -

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

Hospital Capital Reserve Fund -

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

Major Funds

General Capital Projects Fund -

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

School Construction Fund -

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

Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2017

	School Capital Fund	Hospital Construction Fund	Total Nonmajor Capital Projects Fund
Assets			
Cash and investments	\$ 7,276,421	\$ 4,586,527	\$ 11,862,948
Due from other governments	1,230,916	-	1,230,916
Interest receivables	20,638	12,975	33,613
Total assets	<u>8,527,975</u>	<u>4,599,502</u>	<u>13,127,477</u>
Liabilities			
Accounts payable and accrued liabilities	<u>116,752</u>	-	<u>116,752</u>
Total liabilities	<u>116,752</u>	-	<u>116,752</u>
Fund Balance			
Restricted			
Stabilization by State Statute	1,251,554	12,975	1,264,529
Hospital Capital	-	4,586,527	4,586,527
Committed			
School Capital	<u>7,159,669</u>	-	<u>7,159,669</u>
Total fund balances	<u>8,411,223</u>	<u>4,599,502</u>	<u>13,010,725</u>
Total liabilities and fund balances	<u>\$ 8,527,975</u>	<u>\$ 4,599,502</u>	<u>\$ 13,127,477</u>

**Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017**

	<u>School Capital Fund</u>	<u>Hospital Construction Fund</u>	<u>Total Nonmajor Capital Projects Fund</u>
Revenues			
Other taxes	\$ 4,950,819	\$ -	\$ 4,950,819
Investment earnings	5,248	3,555	8,803
Total revenues	<u>4,956,067</u>	<u>3,555</u>	<u>4,959,622</u>
Expenditures			
Capital outlay	<u>4,504,287</u>	-	<u>4,504,287</u>
Total expenditures	<u>4,504,287</u>	-	<u>4,504,287</u>
Excess of revenues over (under) expenditures	<u>451,780</u>	<u>3,555</u>	<u>455,335</u>
Other Financing Sources (Uses)			
Transfers from other funds	1,240,749	-	1,240,749
Transfers to other funds	<u>(50,000)</u>	<u>(500,000)</u>	<u>(550,000)</u>
Total other financing sources (uses)	<u>1,190,749</u>	<u>(500,000)</u>	<u>690,749</u>
Net change in fund balance	1,642,529	(496,445)	1,146,084
Fund Balances - Beginning of Year	<u>6,768,694</u>	<u>5,095,947</u>	<u>11,864,641</u>
Fund Balances - End of Year	<u>\$ 8,411,223</u>	<u>\$ 4,599,502</u>	<u>\$ 13,010,725</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, 2017

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other taxes					
Sales Taxes-Article 40 and 42	\$ 13,684,661	\$ 13,326,628	\$ 4,950,819	\$ 18,277,447	\$ 4,592,786
Restricted intergovernmental revenues					
Public School Building Lottery Fund	120,825	120,825	-	120,825	-
Investment earnings	1,046,665	3,773,390	5,248	3,778,638	2,731,973
Total revenues	<u>14,852,151</u>	<u>17,220,843</u>	<u>4,956,067</u>	<u>22,176,910</u>	<u>7,324,759</u>
Expenditures					
Capital outlay					
Catawba County Schools					
Activity Buses	676,214	670,196	-	670,196	6,018
Bandys High School Renovations	235,000	232,363	-	232,363	2,637
Bunker Hill High School Renovations	580,000	380,129	79,218	459,347	120,653
Camera Security/Electrical Doors	585,000	582,516	2,484	585,000	-
Capital Projects Manager	33,092	-	33,092	33,092	-
Challenger High School Renovation	75,000	26,573	-	26,573	48,427
Fire Alarm Upgrades	474,000	242,854	94,830	337,684	136,316
Gymnasium Bleachers	141,000	109,295	-	109,295	31,705
HVAC Controls System Upgrade	2,600,990	937,611	740,287	1,677,898	923,092
Jacobs Fork Middle School Hydronic Piping	25,000	21,687	3,313	25,000	-
Maiden Middle School Renovations	367,027	67,027	573	67,600	299,427
Mountain View Elementary	126,705	-	96,290	96,290	30,415
Parking Lot Paving	676,000	647,410	28,590	676,000	-
Per Capita Allocation	864,084	-	864,084	864,084	-
Plumbing Replacement Systemwide	334,000	161,973	90,402	252,375	81,625
Propst Crossroads School Land	500,000	-	-	-	500,000
Roof Guttering	312,000	107,469	23,444	130,913	181,087
Roofing Projects	1,307,000	743,114	208,543	951,657	355,343
St. Stephens High School HVAC Piping	286,240	167,549	87,584	255,133	31,107
St. Stephens High School Renovations	132,000	-	102,596	102,596	29,404
Traffic Patterns Improvements	300,000	-	28,657	28,657	271,343
Total Catawba County Schools	<u>10,630,352</u>	<u>5,097,766</u>	<u>2,483,987</u>	<u>7,581,753</u>	<u>3,048,599</u>
Catawba Valley Community College					
American with Disabilities Act Renovations	525,000	205,741	139,824	345,565	179,435
Equipment Allowance	300,000	-	300,000	300,000	-
General Renovations	2,404,706	2,354,706	50,000	2,404,706	-
Maintenance Van	20,000	-	20,000	20,000	-
Total Catawba Valley Community College	<u>3,249,706</u>	<u>2,560,447</u>	<u>509,824</u>	<u>3,070,271</u>	<u>179,435</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, 2017

Project	Actual				
	Authorization	Prior Years	Current Year	Total to Date	Over/Under
Hickory Public Schools					
Activity Buses	85,000	-	85,000	85,000	-
Hickory High School Chiller	112,000	-	105,106	105,106	6,894
Hickory High School Renovation	230,000	58,088	165,000	223,088	6,912
HVAC Controls Upgrades	155,000	114,921	30,527	145,448	9,552
Longview Elementary Renovations	254,298	254,128	170	254,298	-
Maintenance Vehicles	80,000	-	80,000	80,000	-
Paving/Sealing Parking Lots Systemwide	405,000	-	128,890	128,890	276,110
Per Capita Allocation	172,976	-	172,976	172,976	-
Rekeying Locks	141,000	133,373	476	133,849	7,151
Security Upgrades	275,000	259,745	15,255	275,000	-
Southwest Elementary HVAC	540,000	186,525	318,626	505,151	34,849
Southwest Elementary Mechanical Upgrades	215,000	196,264	15,971	212,235	2,765
Technology Upgrades	35,000	-	-	-	35,000
Total Hickory Public Schools	2,700,274	1,203,044	1,117,997	2,321,041	379,233
Newton-Conover City Schools					
Asbestos Removal	111,032	103,125	1,500	104,625	6,407
Capital Projects Manager	55,396	-	49,795	49,795	5,601
Central Office Renovations	50,000	-	153	153	49,847
Fire Alarm Upgrades	60,000	42,953	6,066	49,019	10,981
General Renovations	75,000	-	-	-	75,000
HVAC Upgrades Systemwide	500,000	244,298	77,194	321,492	178,508
Maintenance Vehicles	30,000	-	30,000	30,000	-
Per Capita Allocation	161,980	-	161,980	161,980	-
Roofing Projects	832,272	820,322	985	821,307	10,965
Security Upgrades Systemwide	240,000	201,958	38,042	240,000	-
Thornton Elementary Renovations	300,000	273,236	26,764	300,000	-
Total Newton-Conover City Schools	2,415,680	1,685,892	392,479	2,078,371	337,309
Total expenditures	18,996,012	10,547,149	4,504,287	15,051,436	3,944,576
Excess of revenues over (under) expenditures	(4,143,861)	6,673,694	451,780	7,125,474	11,269,335
Other Financing Sources (Uses)					
Transfers from					
General Fund	1,235,000	-	1,235,000	1,235,000	-
School Construction Fund	100,749	95,000	5,749	100,749	-
Transfers to					
General Fund	(50,000)	-	(50,000)	(50,000)	-
Fund Balance Appropriated	2,858,112	-	-	-	(2,858,112)
Total other financing sources (uses)	4,143,861	95,000	1,190,749	1,285,749	(2,858,112)
Net change in fund balance	\$ -	\$ 6,768,694	1,642,529	\$ 8,411,223	\$ 8,411,223
Fund Balances - Beginning of Year			6,768,694		
Fund Balances - End of Year			\$ 8,411,223		

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, 2017

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 24,433	\$ -	\$ 24,433	\$ 24,433
Expenditures					
Capital outlay	-	-	-	-	-
Excess of revenues over (under) expenditures	-	24,433	-	24,433	24,433
Other Financing Sources (Uses)					
Transfer to Hospital Capital Reserve Fund	(24,433)	-	(24,433)	(24,433)	-
Fund Balance Appropriated	24,433	-	-	-	24,433
Total other financing sources (uses)	-	-	(24,433)	(24,433)	24,433
Net change in fund balance	\$ -	\$ 24,433	\$ (24,433)	\$ -	\$ -
Fund Balances - Beginning of Year			24,433		
Fund Balances - End of Year			-		
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			3,555		
Transfers In			24,433		
Transfers Out			(500,000)		
Fund Balance - Beginning (Hospital Capital Reserve Fund)			5,071,514		
Fund Balance - Ending (Consolidated Hospital Construction Fund)			\$ 4,599,502		

Hospital Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2016

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ 25,567	\$ 3,555	\$ (22,012)	\$ 62,684
Total revenues	<u>25,567</u>	<u>3,555</u>	<u>(22,012)</u>	<u>62,684</u>
Excess of revenues over (under) expenditures	<u>25,567</u>	<u>3,555</u>	<u>(22,012)</u>	<u>62,684</u>
Other Financing Sources (Uses)				
Transfer to General Fund	(500,000)	(500,000)	-	(500,000)
Transfer from Hospital Construction Fund	24,433	24,433	-	-
Fund Balance Appropriated	<u>450,000</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,567)</u>	<u>(475,567)</u>	<u>(450,000)</u>	<u>(500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(472,012)</u>	<u>\$ (472,012)</u>	<u>(437,316)</u>
Fund Balances - Beginning of Year		<u>5,071,514</u>		<u>5,508,830</u>
Fund Balances - End of Year		<u>\$ 4,599,502</u>		<u>\$ 5,071,514</u>

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, 2017

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	\$ 14,863,956	\$ 14,920,215	\$ -	\$ 14,920,215	\$ 56,259
Restricted intergovernmental revenues					
Municipalities Grants	89,170	89,189	14,292	103,481	14,311
NC Department of Natural Resources Clean Water Management Trust - CWMTF 2008-006	2,060,272	2,060,272	-	2,060,272	-
NC 911 Funds	62,620	-	-	-	(62,620)
Investment earnings	293,412	7,108,972	46,582	7,155,554	6,862,142
Miscellaneous					
Animal Shelter	-	7,766	-	7,766	7,766
Duke Energy	1,219,588	1,219,588	-	1,219,588	-
Library Donations	-	12,768	-	12,768	12,768
Miscellaneous	333,428	386,767	18,830	405,597	72,169
Park Donations	462,000	362,000	100,000	462,000	-
Rental - Jail Beds	4,092,153	4,100,715	373,576	4,474,291	382,138
Rental - Lifeskills	69,928	123,760	-	123,760	53,832
Total revenues	<u>23,546,527</u>	<u>30,392,012</u>	<u>553,280</u>	<u>30,945,292</u>	<u>7,398,765</u>
Expenditures					
Capital outlay					
Animal Shelter - New	4,200,000	4,160,043	-	4,160,043	39,957
Animal Shelter (former) Renovation	350,000	5,400	15,527	20,927	329,073
Carolina Thread Trail	87,000	59,610	8,705	68,315	18,685
Economic Development	1,112,578	120,456	-	120,456	992,122
Emergency Services Hazmat Truck	300,000	261,774	-	261,774	38,226
Employment Security Commission Building	168,800	58,871	-	58,871	109,929
Future EMS Base	177,520	-	-	-	177,520
Future Unspecified Projects	427,665	-	-	-	427,665
General Renovations	1,338,819	1,169,130	114,036	1,283,166	55,653
Jail Expansion	8,769,245	411	596,550	596,961	8,172,284
Jail Expansion - Female Beds	50,000	48,098	-	48,098	1,902
Jail Holding Area	100,000	-	-	-	100,000
Justice Center Expansion/Public Safety	44,227,806	29,305,085	7,148,857	36,453,942	7,773,864
Library Technology	124,245	-	29,874	29,874	94,371
Lifeskills Building Maintenance	69,928	-	-	-	69,928
Mountain Creek Park	4,004,860	3,368,580	59,385	3,427,965	576,895
Multi-jurisdictional Data Park	2,600,000	368,436	1,778,861	2,147,297	452,703
Neonatal Ambulance	380,000	-	4,711	4,711	375,289
Oblique Photography	313,303	244,790	68,303	313,093	210

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, 2017

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Park 1764 - Hickory	399,081	32,646	10,051	42,697	356,384
Park Improvements	313,726	11,530	70,170	81,700	232,026
Park Improvements - Riverbend	100,000	-	100,000	100,000	-
Permitting/Inspections System	820,000	766,617	8,446	775,063	44,937
Public Safety	266,000	187,996	46,136	234,132	31,868
Radio Transmit Base Station	150,000	-	-	-	150,000
Rescue Squad - Newton-Conover	120,000	-	-	-	120,000
Roofing Projects	636,727	453,582	45,971	499,553	137,174
Server & Desktop Applications	2,523,000	1,893,967	562,254	2,456,221	66,779
Sherrills Ford Library	3,041,555	3,039,800	-	3,039,800	1,755
Simulcast Radio System	653,650	-	333,844	333,844	319,806
Technology Infrastructure Upgrades	2,350,726	1,981,303	340,632	2,321,935	28,791
Viper 800mhz System	496,146	401,364	-	401,364	94,782
Voting Equipment	611,311	309,630	-	309,630	301,681
Total expenditures	<u>81,283,691</u>	<u>48,249,119</u>	<u>11,342,313</u>	<u>59,591,432</u>	<u>21,692,259</u>
Excess of revenues over (under) expenditures	<u>(57,737,164)</u>	<u>(17,857,107)</u>	<u>(10,789,033)</u>	<u>(28,646,140)</u>	<u>29,091,024</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	20,487,202	17,023,860	3,463,342	20,487,202	-
General Capital Reserve Fund	225,156	225,156	-	225,156	-
Emergency Telephone Fund Transfer	3,060,919	3,060,919	-	3,060,919	-
Park Preservation Fund	49,000	49,000	-	49,000	-
Department of Commerce loan issued (Grant 12-L-2401)	2,600,000	2,600,000	-	2,600,000	-
Installment purchase issued	4,200,000	4,200,000	-	4,200,000	-
Limited obligation bonds issued	23,612,500	20,125,000	-	20,125,000	(3,487,500)
Premium on debt issued	-	2,161,054	-	2,161,054	2,161,054
Fund balance appropriated	<u>3,502,387</u>	-	-	-	<u>(3,502,387)</u>
Total other financing sources (uses)	<u>57,737,164</u>	<u>49,444,989</u>	<u>3,463,342</u>	<u>52,908,331</u>	<u>(4,828,833)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 31,587,882</u>	<u>(7,325,691)</u>	<u>\$ 24,262,191</u>	<u>\$ 24,262,191</u>
Fund Balances - Beginning of Year			<u>31,587,882</u>		
Fund Balances - End of Year			<u>\$ 24,262,191</u>		

School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2017

	<u>Project Authorization</u>	<u>Actual</u>			<u>Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues					
Investment earnings	-	70,347	53,805	124,152	124,152
Total revenues	-	70,347	53,805	124,152	124,152
Expenditures					
Catawba County Schools					
Banoak Elementary	14,500,000	-	-	-	14,500,000
Claremont Elementary Cafeteria	1,800,000	-	-	-	1,800,000
Fred T Foard Fieldhouse	1,538,000	656,660	881,268	1,537,928	72
Total Catawba County Schools	17,838,000	656,660	881,268	1,537,928	16,300,072
Catawba Valley Community College					
East Campus Renovation	4,201,859	1,627,871	2,169,034	3,796,905	404,954
Vocational Building	25,100,000	1,445,265	5,015,633	6,460,898	18,639,102
Total Catawba Valley Community College	29,301,859	3,073,136	7,184,667	10,257,803	19,044,056
Hickory Public Schools					
Longview Elementary	11,846,488	11,816,488	30,000	11,846,488	-
Oakwood Elementary Renovation	1,858,181	-	768,030	768,030	1,090,151
Technology Improvements	700,000	-	629,927	629,927	70,073
Total Hickory Public Schools	14,404,669	11,816,488	1,427,957	13,244,445	1,160,224
Newton-Conover City Schools					
Conover School Renovations	3,105,600	-	177,543	177,543	2,928,057
Newton-Conover High School Bleachers	2,394,400	1,488,670	905,730	2,394,400	-
North Newton Elementary Roofing	1,000,000	-	852,636	852,636	147,364
South Newton Elementary	11,590,580	11,508,281	67,548	11,575,829	14,751
Total Newton-Conover City Schools	18,090,580	12,996,951	2,003,457	15,000,408	3,090,172
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	13,880,492	-	-	-	13,880,492
Total Other	14,730,492	-	-	-	14,730,492
Total expenditures	94,365,600	28,543,235	11,497,349	40,040,584	54,325,016
Excess of revenues over (under) expenditures	(94,365,600)	(28,472,888)	(11,443,544)	(39,916,432)	54,449,168
Other Financing Sources (Uses)					
Transfers from					
General Fund	15,462,414	11,806,331	3,656,083	15,462,414	-
School Capital Fund	177,400	177,400	-	177,400	-
Transfers to					
General Fund	(1,359,655)	-	(1,359,655)	(1,359,655)	-
School Capital Fund	(100,749)	(95,000)	(5,749)	(100,749)	-
Installment Purchase Obligations Issued	77,438,250	22,615,250	36,728,000	59,343,250	(18,095,000)

School Construction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
 From Inception and for the Year Ended June 30, 2017

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Qualified School Construction Bonds 2010	800,000	800,000	-	800,000	-
Fund Balance Appropriated	1,947,940	-	-	-	(1,947,940)
Total other financing sources (uses)	94,365,600	35,303,981	39,018,679	74,322,660	(20,042,940)
Net change in fund balance	\$ -	\$ 6,831,093	27,575,135	\$ 34,406,228	\$ 34,406,228
Fund Balances - Beginning of Year			6,831,093		
Fund Balances - End of Year			\$ 34,406,228		



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

Schedule E-1

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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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016**

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 4,828,300	\$ 5,443,423		
Methane recovery	1,018,298	684,044		
Other operating	67,100	78,332		
Total operating revenues	<u>5,913,698</u>	<u>6,205,799</u>	<u>292,101</u>	<u>6,270,393</u>
Nonoperating revenues				
Solid waste disposal tax	62,000	70,309		
Scrap tire disposal tax	180,000	208,633		
White goods disposal tax	45,000	61,274		
Scrap tire grant	5,000	24,854		
Electronics management distribution	9,000	11,621		
Hickory community relations	3,000	3,000		
Proceeds from sale of equipment	-	48,747		
Miscellaneous	-	10		
Investment earnings	-	9,457		
Total nonoperating revenues	<u>304,000</u>	<u>437,905</u>	<u>133,905</u>	<u>630,196</u>
Total revenues	<u>6,217,698</u>	<u>6,643,704</u>	<u>426,006</u>	<u>6,900,589</u>
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	310,729	302,018		
Other operating	312,950	299,539		
	<u>623,679</u>	<u>601,557</u>	<u>22,122</u>	<u>542,579</u>
Recycling				
Salaries & employee benefits	72,435	72,019		
Other operating	100,550	96,723		
	<u>172,985</u>	<u>168,742</u>	<u>4,243</u>	<u>126,659</u>
Solid Waste Management Improvements				
Other operating	411,723	128,816		
	<u>411,723</u>	<u>128,816</u>	<u>282,907</u>	<u>122,194</u>
Solid Waste Code Enforcement				
Salaries & employee benefits	92,271	84,034		
Other operating	35,964	11,742		
	<u>128,235</u>	<u>95,776</u>	<u>32,459</u>	<u>92,669</u>
Sanitary Landfill				
Salaries & employee benefits	1,207,243	1,138,117		
Maintenance and repair	361,716	342,487		
Solid waste disposal tax remittance	304,800	345,358		
Landfill closure and postclosure care costs	49,034	20,702		
Other operating	1,313,979	929,318		
	<u>3,236,772</u>	<u>2,775,982</u>	<u>460,790</u>	<u>2,895,135</u>

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, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016**

	<u>2017</u>			<u>Actual Prior Year</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over/Under</u>	
Convenience Centers				
Maintenance and repair	1,000	604		
Other operating	<u>1,100</u>	<u>26</u>		
	<u>2,100</u>	<u>630</u>	<u>1,470</u>	<u>1,378</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	141,522	146,362		
Maintenance and repair	113,125	492,123		
Other operating	<u>800,963</u>	<u>69,006</u>		
	<u>1,055,610</u>	<u>707,491</u>	<u>348,119</u>	<u>600,265</u>
Total operating expenditures	<u>5,631,104</u>	<u>4,478,994</u>	<u>1,152,110</u>	<u>4,380,879</u>
Capital outlay	<u>2,315,282</u>	<u>1,982,326</u>	<u>332,956</u>	<u>1,106,652</u>
Total expenditures	<u>7,946,386</u>	<u>6,461,320</u>	<u>1,485,066</u>	<u>5,487,531</u>
Excess of revenues over (under) expenditures	<u>(1,728,688)</u>	<u>182,384</u>	<u>1,911,072</u>	<u>1,413,058</u>
Other Financing Sources (Uses)				
Transfer to Solid Waste Capital Fund	(1,800,000)	(1,800,000)		
Fund balance appropriated	<u>3,528,688</u>	<u>-</u>	<u>(3,528,688)</u>	
Total other financing sources (uses)	<u>1,728,688</u>	<u>(1,800,000)</u>	<u>(3,528,688)</u>	<u>(2,458,098)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,617,616)</u>	<u>\$ (1,617,616)</u>	<u>\$ (1,045,040)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ (1,617,616)</u>		
Reconciling items				
Capital outlay		1,982,326		
Depreciation		(788,619)		
(Increase) decrease in deferred outflows of resources - pensions		304,388		
(Increase) decrease in net pension liability		(360,641)		
(Increase) decrease in deferred inflows of resources - pensions		30,793		
(Increase) decrease in accrued landfill closure and postclosure care costs		(250,000)		
(Increase) decrease in compensated absences		(2,196)		
(Increase) decrease in other post employment benefits		(29,733)		
Capital contribution		53,600		
Revenues from capital projects		7,257		
Transfers from capital projects		<u>1,800,000</u>		
Total reconciling items		<u>2,747,175</u>		
Change in net position (Exhibit 7) (full accrual)		<u>\$ 1,129,559</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, 2017**

	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	-	118,451	7,257	125,708	125,708
Total revenues	1,933,377	2,036,828	7,257	2,044,085	110,708
Expenditures					
Capital outlay					
Bethany Church Road Landfill	350,000	-	-	-	350,000
Crop Processing Facility	980,790	979,331	-	979,331	1,459
EcoComplex Facility	500,000	324,031	-	324,031	175,969
Heat Exchange Facility	35,000	11,470	-	11,470	23,530
Landfill Collection Improvements	140,000	-	32,553	32,553	107,447
Methane Gas Skid & Flare	1,790,148	716,713	1,021,808	1,738,521	51,627
Scales House Renovation	460,000	-	16,445	16,445	443,555
Subtitle D Cell Construction	4,177,587	-	141,400	141,400	4,036,187
Wood Gasification Facility	100,000	31,465	-	31,465	68,535
Total expenditures	8,533,525	2,063,010	1,212,206	3,275,216	5,258,309
Excess of revenues over (under) expenditures	(6,600,148)	(26,182)	(1,204,949)	(1,231,131)	5,369,017
Other Financing Sources (Uses)					
Transfer from Solid Waste Operating	6,600,148	4,800,148	1,800,000	6,600,148	-
Total other financing sources (uses)	6,600,148	4,800,148	1,800,000	6,600,148	-
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 4,773,966	\$ 595,051	\$ 5,369,017	\$ 5,369,017

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-3

**Water and Sewer Fund
 Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2016**

	2017			Actual Prior Year
	Budget	Actual	Over/Under	
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	713,472	805,122		
Municipality revenue	608,000	714,225		
Domestic Haulers	69,000	83,701		
Capital fees	44,000	314,100		
Investment earnings	-	16,181		
Total nonoperating revenues	<u>1,434,472</u>	<u>1,933,329</u>	<u>498,857</u>	<u>1,021,636</u>
Total revenues	<u>1,434,472</u>	<u>1,933,329</u>	<u>498,857</u>	<u>1,021,636</u>
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	96,015	95,310		
Other operating	1,291,558	446,934		
Contingency	551,934	-		
Principal	1,228,230	1,228,229		
Interest	293,460	283,376		
Total expenditures	<u>3,461,197</u>	<u>2,053,849</u>	<u>1,407,348</u>	<u>2,368,457</u>
Excess of revenues over (under) expenditures	<u>(2,026,725)</u>	<u>(120,520)</u>	<u>1,906,205</u>	<u>(1,346,821)</u>
Other Financing Sources (Uses)				
Transfer from General fund	1,600,000	1,600,000		
Fund balance appropriated	426,725	-		
Total other financing sources (uses)	<u>2,026,725</u>	<u>1,600,000</u>	<u>(426,725)</u>	<u>1,575,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,479,480</u>	<u>\$ 1,479,480</u>	<u>\$ 228,179</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ 1,479,480</u>		
Reconciling items				
Depreciation		(301,698)		
(Increase) decrease in deferred outflows of resources - pensions		15,379		
(Increase) decrease in net pension liability		(18,308)		
(Increase) decrease in deferred inflows of resources - pensions		2,552		
(Increase) decrease in compensated absences		(1,312)		
(Increase) decrease in other post employment benefits		(1,101)		
Loan principal		1,228,229		
Donated asset to solid waste management fund		(53,600)		
Project expenditures not capitalized		(943,937)		
Revenues from capital projects		36,361		
Total reconciling items		<u>(37,435)</u>		
Change in net position (full accrual)		<u>\$ 1,442,045</u>		

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-4

Page 1 of 2

**Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2017**

	Project <u>Authorization</u>	Actual			<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	\$ 3,349,437	\$ 3,592,716	\$ 16,738	\$ 3,609,454	\$ 260,017
Restricted intergovernmental revenues					
American Recovery and Reinvestment Act	1,500,000	1,500,000	-	1,500,000	-
Investment earnings	-	2,207,994	19,623	2,227,617	2,227,617
Total revenues	<u>4,849,437</u>	<u>7,300,710</u>	<u>36,361</u>	<u>7,337,071</u>	<u>2,487,634</u>
Expenditures					
Capital outlay					
Balls Creek Water Phase II	2,641,905	155,016	39,717	194,733	2,447,172
Blackburn/Plateau Water	3,780,600	3,102,288	4,663	3,106,951	673,649
Bunker Hill Bridge Water	350,000	322,397	-	322,397	27,603
Bunker Hill Sewer	1,134,992	519,451	-	519,451	615,541
Community Road Water	300,000	-	-	-	300,000
County Complex Water and Sewer	116,000	56,657	-	56,657	59,343
Davis Road Water	1,007,234	230,678	611,105	841,783	165,451
EcoComplex and Resource Recovery	1,669,367	980,424	53,600	1,034,024	635,343
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
Hwy 16 Sewer	910,000	-	-	-	910,000
Hwy 16 Sleeves	530,000	-	-	-	530,000
Hwy 150 Sewer Service	8,000,000	7,911,743	72,898	7,984,641	15,359
Hwy 150 Sewer Service Phase I and II	935,329	343,280	675	343,955	591,374
McLin/Lyle Creek Sewer Outfall	2,576,393	-	-	-	2,576,393
Mountain View Elementary Water	30,000	28,800	-	28,800	1,200
Park 1764 - Hickory	700,000	-	-	-	700,000
Sludge Composting Project	3,705,918	2,612,724	293,115	2,905,839	800,079
Southeastern Catawba County Sewer Study	75,000	-	-	-	75,000
Southeastern Catawba County Wastewater	6,810,573	6,673,466	42,346	6,715,812	94,761
Southeastern Catawba County Water Supply Loop	6,653,776	6,643,283	-	6,643,283	10,493
Total expenditures	<u>42,482,087</u>	<u>29,644,776</u>	<u>1,118,119</u>	<u>30,762,895</u>	<u>11,719,192</u>
Excess of revenues over (under) expenditures	<u>(37,632,650)</u>	<u>(22,344,066)</u>	<u>(1,081,758)</u>	<u>(23,425,824)</u>	<u>14,206,826</u>

**Water and Sewer Capital Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2017**

	<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	4,968,206	4,968,206	-	4,968,206	-
Water and Sewer Construction Fund - Governmental	17,289,180	30,304,449	-	30,304,449	13,015,269
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>5,875,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,875,264)</u>
Total other financing sources (uses)	<u>37,632,650</u>	<u>44,772,655</u>	<u>-</u>	<u>44,772,655</u>	<u>7,140,005</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 22,428,589</u>	<u>\$ (1,081,758)</u>	<u>\$ 21,346,831</u>	<u>\$ 21,346,831</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.

Sheriff Evidence Escrow Fund – accounts for monies held as evidence.

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.

CATAWBA COUNTY, NORTH CAROLINA

Schedule F-1

**All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Fiscal Year Ended June 30, 2017**

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>
Social Services Fund				
Assets				
Cash and investments	\$ 45,146	\$ 454,148	\$ 435,413	\$ 63,881
Liabilities				
Miscellaneous liabilities	\$ 45,146	\$ 454,148	\$ 435,413	\$ 63,881
Sheriff Commissary Fund				
Assets				
Cash and investments	\$ 31,210	\$ 343,919	\$ 347,086	\$ 28,043
Liabilities				
Miscellaneous liabilities	\$ 31,210	\$ 343,919	\$ 347,086	\$ 28,043
Sheriff Civil Fund				
Assets				
Cash and investments	\$ 2,900	\$ 58,840	\$ 60,197	\$ 1,543
Liabilities				
Miscellaneous liabilities	\$ 2,900	\$ 58,840	\$ 60,197	\$ 1,543
Sheriff Evidence Escrow Fund				
Assets				
Cash and investments	\$ -	\$ 223,161	\$ 35,187	\$ 187,974
Liabilities				
Miscellaneous liabilities	\$ -	\$ 223,161	\$ 35,187	\$ 187,974
Deed of Trust Fee Fund				
Assets				
Cash and investments	\$ 9,752	\$ 105,003	\$ 105,728	\$ 9,027
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 9,752	\$ 105,003	\$ 105,728	\$ 9,027
Fines and Forfeitures				
Assets				
Cash and investments	\$ -	\$ 442,341	\$ 442,341	\$ -
Liabilities				
Intergovernmental payable - Local Boards of Education	\$ -	\$ 442,341	\$ 442,341	\$ -
Total - All Agency Funds				
Assets				
Cash and investments	\$ 89,008	\$ 1,627,412	\$ 1,425,952	\$ 290,468
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 9,752	\$ 105,003	\$ 105,728	\$ 9,027
Intergovernmental payable - Local Boards of Education	\$ -	\$ 442,341	\$ 442,341	\$ -
Miscellaneous liabilities	\$ 79,256	\$ 1,080,068	\$ 877,883	\$ 281,441
Total liabilities	\$ 89,008	\$ 1,627,412	\$ 1,425,952	\$ 290,468

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

General Long-Term Debt Requirements and Maturity Schedule

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

Page 1 of 2

**Schedule of Cash and Investment Balances
June 30, 2017**

	Amounts Represented on Statements	Cost Value	Fair Value
Cash			
On hand	\$ 9,531	\$ 9,531	\$ 9,531
(interest bearing)	2,137,981	2,137,981	2,137,981
(noninterest bearing)	281,441	281,441	281,441
Certificates of deposit	250,133	250,133	250,133
Money Market, unrestricted	1,003,414	1,003,414	1,003,414
Money Market, restricted for capital	33,898,858	33,898,858	33,898,858
Total cash	<u>\$ 37,581,358</u>	<u>\$ 37,581,358</u>	<u>\$ 37,581,358</u>
Other Investments			
North Carolina Capital			
Management Trust, Government Portfolio	5,591,338	5,591,338	5,591,338
North Carolina Capital			
Management Trust, Term Portfolio	9,191,989	9,191,989	9,191,989
Debt Escrow, restricted for capital	808	808	808
Commercial Paper	7,918,780	7,918,780	7,918,780
Federal Farm Credit	18,891,990	18,985,450	18,891,990
Federal Home Loan Bank	17,138,557	17,374,438	17,138,557
Federal Home Loan Mortgage Corporation	47,402,947	47,969,198	47,402,947
Federal National Mortgage Association	56,654,831	57,232,139	56,654,831
Municipal Bond	457,704	463,549	457,704
Total other investments	<u>\$ 163,248,944</u>	<u>\$ 164,727,689</u>	<u>\$ 163,248,944</u>
Total cash and investments	<u><u>\$ 200,830,302</u></u>	<u><u>\$ 202,309,047</u></u>	<u><u>\$ 200,830,302</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

Page 2 of 2

**Schedule of Cash and Investment Balances
June 30, 2017**

Distribution by funds

General Fund	\$ 57,269,273	
Restricted cash	12,716,269	\$ 69,985,542
Special Revenue Funds		
Emergency Telephone System Fund	\$ 1,207,577	
Narcotics Seized Funds and Property Fund	23,639	
State Unauthorized Substance Abuse Fund	63,355	
Rescue Squads Fund	283,172	
Library Endowment Fund	192,424	
Gretchen Peed Scholarship Fund	53,725	
Parks Preservation Trust Fund	5,312	
Community Development Fund	15,821	
Fire District Funds	<u>1,527,854</u>	3,372,879
Capital Projects Funds		
Schools Capital Projects Fund	\$ 7,276,421	
Hospital Construction Fund	4,586,527	
School Construction Fund	12,717,980	
Restricted Cash	22,019,761	
General Capital Projects Fund	24,404,425	
Restricted Cash	<u>452,704</u>	71,457,818
Enterprise Fund		
Water & Sewer Fund	\$ 35,166,700	
Solid Waste Management Fund	20,556,895	55,723,595
Fiduciary Funds		
Social Services Fund	\$ 63,881	
Sheriff Commissary Fund	28,043	
Sheriff Civil Fund	1,543	
Sheriff Evidence Escrow Fund	187,974	
Deed of Trust Fee Fund	9,027	
Fines and Forfeitures	<u>-</u>	<u>290,468</u>
Total		\$ <u>200,830,302</u>

Analysis of Current Tax Levy
For the Year Ended June 30, 2017

	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	\$ 16,421,192,678	0.575	\$ 94,421,858	\$ 86,320,053	\$ 8,101,805
Penalties	-		75,182	75,182	-
Total	16,421,192,678		94,497,040	86,395,235	8,101,805
Discoveries:					
Current year taxes	42,351,459	0.575	243,521	243,521	-
Prior year taxes	-		176,211	176,211	-
Penalties	-		17,054	17,054	-
Total	42,351,459		436,786	436,786	-
Abatements:	(42,351,458)		(293,830)	(293,787)	(43)
Total property valuation	<u>\$ 16,421,192,679</u>				
Net levy			94,639,996	86,538,234	8,101,762
Uncollected taxes at June 30, 2017			1,569,937	1,569,464	473
Current year's taxes collected			<u>\$ 93,070,059</u>	<u>\$ 84,968,770</u>	<u>\$ 8,101,289</u>
Current levy collection percentage			<u>98.34%</u>	<u>98.19%</u>	<u>99.99%</u>

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 11,682,762,282
Personal Property	3,910,899,616
Public Service Companies ⁽²⁾	827,530,781
Total Assessed Valuation	\$ 16,421,192,679
Tax Rate per \$100	0.575
Levy (includes discoveries, releases and abatements) ⁽³⁾	<u>\$ 94,421,858</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	\$ 6,643,706
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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, 2017

<u>General Fund</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions and Adjustments</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016	\$ -	\$ 94,639,996	\$ 93,070,059	\$ 1,569,937
2015	1,685,742	-	952,963	732,779
2014	920,287	-	375,106	545,181
2013	877,194	-	263,483	613,711
2012	808,785	-	183,374	625,411
2011	635,748	-	123,253	512,495
2010	532,114	-	84,078	448,036
2009	458,264	-	57,002	401,262
2008	431,723	-	33,548	398,175
2007	343,167	-	20,197	322,970
Prior	259,954	-	259,954	-
	<u>\$ 6,952,978</u>	<u>\$ 94,639,996</u>	<u>\$ 95,423,017</u>	<u>\$ 6,169,957</u>
Less allowance for uncollectible taxes	<u>5,593,316</u>			<u>4,941,501</u>
Taxes receivable -- net	<u>\$ 1,359,662</u>			<u>\$ 1,228,456</u>

Reconcilement with revenues:

Ad valorem taxes	
General Fund	\$ 94,924,089
Rescue Squad Fund	<u>1,067,200</u>
Total ad valorem taxes	\$ 95,991,289
Reconciling items:	
Penalties and interest collected	(730,799)
Tax on leased vehicle collected	(195,615)
Prior year release/adjustments	98,188
Taxes written off	<u>259,954</u>
Total reconciling items	<u>(568,272)</u>
Total collections	<u>\$ 95,423,017</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
June 30, 2017

Schedule J-1

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2018	13,501,848	4,834,273	18,336,121	1,238,472	261,284	1,499,756
2019	13,445,367	4,485,346	17,930,713	1,248,924	228,956	1,477,880
2020	12,711,883	4,149,515	16,861,398	1,176,280	198,132	1,374,412
2021	12,612,808	3,818,105	16,430,913	1,186,525	168,822	1,355,347
2022	11,398,679	3,476,006	14,874,685	1,198,897	137,191	1,336,088
2023-2027	72,824,353	10,853,540	83,677,893	3,921,753	246,103	4,167,856
2028-2031	17,881,608	1,088,384	18,969,992	410,059	3,701	413,760
	<u>\$ 154,376,546</u>	<u>\$ 32,705,169</u>	<u>\$ 187,081,715</u>	<u>\$ 10,380,910</u>	<u>\$ 1,244,189</u>	<u>\$ 11,625,099</u>

⁽¹⁾ 13% 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.	176-185
<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.	190-193
<i>Demographic and Economic Information</i> These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	194-196
<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.	197-198

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

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

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:					
Net investment in capital assets	\$ 92,137,818	\$ 82,024,110	\$ 75,032,918	\$ 73,669,285	\$ 72,733,148
Restricted	32,847,390	37,336,072	55,052,023	61,304,988	50,910,338
Unrestricted	<u>(20,049,846)</u>	<u>(17,909,411)</u>	<u>(49,201,049)</u>	<u>(70,537,217)</u>	<u>(56,964,579)</u>
Total governmental activities net position	<u>104,935,362</u>	<u>101,450,771</u>	<u>80,883,892</u>	<u>64,437,056</u>	<u>66,678,907</u>
Business-type activities:					
Net investment in capital assets	57,243,979	53,727,147	51,643,356	49,571,504	51,632,394
Restricted	-	-	-	-	-
Unrestricted	<u>46,440,583</u>	<u>47,385,811</u>	<u>46,123,218</u>	<u>45,362,525</u>	<u>39,533,644</u>
Total business-type activities net position	<u>103,684,562</u>	<u>101,112,958</u>	<u>97,766,574</u>	<u>94,934,029</u>	<u>91,166,038</u>
Primary government:					
Net investment in capital assets	149,381,797	135,751,257	126,676,274	123,240,789	124,365,542
Restricted	32,847,390	37,336,072	55,052,023	61,304,988	50,910,338
Unrestricted	<u>26,390,737</u>	<u>29,476,400</u>	<u>(3,077,831)</u>	<u>(25,174,692)</u>	<u>(17,430,935)</u>
Total primary government net position	<u>\$ 208,619,924</u>	<u>\$ 202,563,729</u>	<u>\$ 178,650,466</u>	<u>\$ 159,371,085</u>	<u>\$ 157,844,945</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				
	2012	2011	2010	2009	2008
Governmental activities:					
Net investment in capital assets	\$ 71,902,720	\$ 71,693,769	\$ 68,272,595	\$ 67,484,313	\$ 81,948,941
Restricted	32,831,276	47,011,143	1,377,237	1,089,189	810,599
Unrestricted	<u>(39,024,726)</u>	<u>(53,622,693)</u>	<u>(1,870,336)</u>	<u>(5,481,946)</u>	<u>35,727,062</u>
Total governmental activities net position	<u>65,709,270</u>	<u>65,082,219</u>	<u>67,779,496</u>	<u>63,091,556</u>	<u>118,486,602</u>
Business-type activities:					
Net investment in capital assets	47,665,657	46,958,987	46,177,552	43,612,368	22,121,146
Restricted	-	-	-	-	-
Unrestricted	<u>41,998,988</u>	<u>40,391,776</u>	<u>35,808,986</u>	<u>33,954,727</u>	<u>8,696,235</u>
Total business-type activities net position	<u>89,664,645</u>	<u>87,350,763</u>	<u>81,986,538</u>	<u>77,567,095</u>	<u>30,817,381</u>
Primary government:					
Net investment in capital assets	119,568,377	118,652,756	114,450,147	111,096,681	104,070,087
Restricted	32,831,276	47,011,143	1,377,237	1,089,189	810,599
Unrestricted	<u>2,974,262</u>	<u>(13,230,917)</u>	<u>33,938,650</u>	<u>28,472,781</u>	<u>44,423,297</u>
Total primary government net position	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</u>	<u>\$ 149,303,983</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				
	2017	2016	2015	2014	2013
Expenses					
Governmental activities:					
General government	\$ 12,702,261	\$ 11,860,452	\$ 9,933,029	\$ 10,807,772	\$ 9,760,225
Public safety	39,368,324	34,879,104	32,921,751	32,732,323	31,236,944
Environmental protection	679,490	585,457	546,444	492,269	508,073
Economic and physical development	16,638,619	14,883,762	13,950,985	13,538,407	12,780,487
Human services	48,949,754	46,621,822	47,218,856	47,935,422	48,863,130
Culture and recreation	3,518,210	3,595,626	3,127,165	2,847,558	2,776,547
Education	57,013,840	50,223,611	49,298,062	61,843,087	57,519,210
Interest on long-term debt	3,707,890	3,477,042	3,815,195	3,774,279	3,602,099
Total governmental activities expenses	<u>182,578,388</u>	<u>166,126,876</u>	<u>160,811,487</u>	<u>173,971,117</u>	<u>167,046,715</u>
Business-type activities:					
Solid waste management	5,575,002	5,346,204	4,899,445	5,166,963	5,927,016
Water and sewer	2,074,045	2,279,892	2,291,702	1,612,849	2,102,576
Total business-type activities expenses	<u>7,649,047</u>	<u>7,626,096</u>	<u>7,191,147</u>	<u>6,779,812</u>	<u>8,029,592</u>
Total primary government expenses	<u>190,227,435</u>	<u>173,752,972</u>	<u>168,002,634</u>	<u>180,750,929</u>	<u>175,076,307</u>
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	1,645,516	1,664,523	1,870,508	1,752,070	1,869,484
Public safety	9,062,382	8,617,461	8,747,839	8,068,851	9,178,100
Environmental protection	33,368	35,269	24,651	5,100	4,675
Economic and physical development	2,783,017	2,552,503	2,489,106	2,204,984	2,329,590
Human services	2,777,252	7,390,409	5,279,686	6,762,666	7,247,968
Culture and recreation	57,805	61,537	66,579	57,436	62,192
Education	-	-	-	494,298	499,006
Operating grants and contributions	33,826,622	33,083,275	37,229,196	29,136,207	28,576,342
Capital grants and contributions	114,292	250,000	125,000	2,292,224	1,859,891
Total governmental activities program revenues	<u>50,300,254</u>	<u>53,654,977</u>	<u>55,832,565</u>	<u>50,773,836</u>	<u>51,627,248</u>
Business-type activities:					
Fees, fines, and charges for services	6,615,230	6,421,312	6,054,569	5,671,631	5,880,833
Operating grants and contributions	742,079	743,064	606,766	868,759	650,178
Capital grants and contributions	-	223,191	486,732	126,942	731,970
Total business-type activities program revenues	<u>7,357,309</u>	<u>7,387,567</u>	<u>7,148,067</u>	<u>6,667,332</u>	<u>7,262,981</u>
Total primary government program revenues	<u>57,657,563</u>	<u>61,042,544</u>	<u>62,980,632</u>	<u>57,441,168</u>	<u>58,890,229</u>
Net (Expenses) Revenues					
Governmental activities	(132,278,134)	(112,471,899)	(104,978,922)	(123,197,281)	(115,419,467)
Business-type activities	(291,738)	(238,529)	(43,080)	(112,480)	(766,611)
Total primary government net expense	<u>(132,569,872)</u>	<u>(112,710,428)</u>	<u>(105,022,002)</u>	<u>(123,309,761)</u>	<u>(116,186,078)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	102,512,789	98,691,384	94,200,605	93,649,723	89,347,893
Local option sales taxes	34,612,225	32,903,055	29,962,757	28,027,368	26,644,767
Other taxes	1,768,591	1,590,916	1,652,213	1,494,645	1,548,870
Investment earnings, unrestricted	209,348	1,470,473	975,564	1,155,474	(183,818)
Gain (loss) on sales of capital assets	-	-	-	-	9,169
Transfers	(1,600,000)	(1,617,050)	(800,000)	(1,601,565)	(775,000)
Total governmental activities	<u>137,502,953</u>	<u>133,038,778</u>	<u>125,991,139</u>	<u>122,725,645</u>	<u>116,591,881</u>
Business-type activities:					
Taxes					
Local option sales taxes	821,860	870,975	1,451,312	1,359,558	1,293,304
Other taxes	340,216	327,044	312,429	297,543	294,409
Investment earnings	52,518	715,609	477,221	621,805	(94,770)
Gain on sales of capital assets	48,748	54,235	2,220	-	-
Transfers	1,600,000	1,617,050	800,000	1,601,565	775,000
Total business-type activities	<u>2,863,342</u>	<u>3,584,913</u>	<u>3,043,182</u>	<u>3,880,471</u>	<u>2,268,004</u>
Total primary government	<u>140,366,295</u>	<u>136,623,691</u>	<u>129,034,321</u>	<u>126,606,116</u>	<u>118,859,885</u>
Change in Net Position					
Governmental activities	5,224,819	20,566,879	21,012,217	(471,636)	1,172,414
Business-type activities	2,571,604	3,346,384	3,000,102	3,767,991	1,501,393
Total primary government	<u>\$ 7,796,423</u>	<u>\$ 23,913,263</u>	<u>\$ 24,012,319</u>	<u>\$ 3,296,355</u>	<u>\$ 2,673,807</u>

Data Source
Audited Financial Statements

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Expenses					
Governmental activities:					
General government	\$ 9,737,258	\$ 9,795,648	\$ 10,533,518	\$ 10,172,611	\$ 11,203,800
Public safety	31,399,814	30,599,650	29,076,572	28,263,640	26,316,167
Environmental protection	459,609	508,248	495,248	539,138	546,680
Economic and physical development	11,657,411	9,713,902	10,627,991	10,743,831	10,827,271
Human services	50,113,468	51,350,294	51,688,459	56,066,282	74,150,353
Culture and recreation	2,724,942	2,733,249	2,830,504	2,830,192	2,760,614
Education	57,134,411	65,072,007	53,825,312	78,130,574	50,388,730
Interest on long-term debt	4,487,690	4,998,419	5,411,021	5,163,100	4,584,583
Total governmental activities expenses	<u>167,714,603</u>	<u>174,771,417</u>	<u>164,488,625</u>	<u>191,909,368</u>	<u>180,778,198</u>
Business-type activities:					
Solid waste management	5,797,602	5,869,812	5,800,628	5,570,927	8,172,432
Water and sewer	2,462,706	1,365,042	1,270,443	1,118,908	-
Total business-type activities expenses	<u>8,260,308</u>	<u>7,234,854</u>	<u>7,071,071</u>	<u>6,689,835</u>	<u>8,172,432</u>
Total primary government expenses	<u>175,974,911</u>	<u>182,006,271</u>	<u>171,559,696</u>	<u>198,599,203</u>	<u>188,950,630</u>
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	2,018,381	2,915,961	2,631,983	2,683,400	4,340,110
Public safety	9,436,724	10,169,062	8,188,847	8,613,711	6,950,872
Environmental protection	5,100	5,525	4,675	5,125	4,825
Economic and physical development	2,287,770	1,788,439	2,858,217	2,013,945	4,618,557
Human services	6,368,320	7,286,797	7,876,144	7,962,471	9,819,859
Culture and recreation	61,080	61,607	74,256	77,989	62,332
Education	509,420	796,001	892,179	994,015	1,081,098
Operating grants and contributions	31,816,198	32,659,457	32,298,988	31,213,021	46,999,422
Capital grants and contributions	1,746,730	5,380,157	3,217,167	4,164,591	4,857,657
Total governmental activities program revenues	<u>54,249,723</u>	<u>61,063,006</u>	<u>58,042,456</u>	<u>57,728,268</u>	<u>78,734,732</u>
Business-type activities:					
Fees, fines, and charges for services	5,912,649	5,742,856	5,816,059	7,440,625	6,626,224
Operating grants and contributions	447,717	501,033	546,052	144,989	41,279
Capital grants and contributions	1,366,637	1,957,808	209,796	44,081	148,518
Total business-type activities program revenues	<u>7,727,003</u>	<u>8,201,697</u>	<u>6,571,907</u>	<u>7,629,695</u>	<u>6,816,021</u>
Total primary government program revenues	<u>61,976,726</u>	<u>69,264,703</u>	<u>64,614,363</u>	<u>65,357,963</u>	<u>85,550,753</u>
Net (Expenses) Revenues					
Governmental activities	(113,464,880)	(113,708,411)	(106,446,169)	(134,181,100)	(102,043,466)
Business-type activities	(533,305)	966,843	(499,164)	939,861	(1,356,411)
Total primary government net expense	<u>(113,998,185)</u>	<u>(112,741,568)</u>	<u>(106,945,333)</u>	<u>(133,241,239)</u>	<u>(103,399,877)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	85,663,390	85,440,972	84,763,108	84,738,225	82,048,071
Local option sales taxes	26,394,707	26,504,695	26,692,186	32,272,780	35,299,813
Other taxes	1,517,464	1,491,355	1,263,135	1,605,323	2,119,554
Investment earnings, unrestricted	1,291,370	1,136,085	2,115,680	4,023,446	5,786,693
Gain (loss) on sales of capital assets	-	-	-	-	-
Transfers	(775,000)	(3,561,973)	(3,700,000)	(43,853,720)	(2,750)
Total governmental activities	<u>114,091,931</u>	<u>111,011,134</u>	<u>111,134,109</u>	<u>78,786,054</u>	<u>125,251,381</u>
Business-type activities:					
Taxes					
Local option sales taxes	-	-	-	-	-
Other taxes	1,585,139	302,161	290,643	255,732	228,024
Investment earnings	487,048	533,248	927,964	1,700,401	861,349
Gain on sales of capital assets	-	-	-	-	-
Transfers	775,000	3,561,973	3,700,000	43,853,720	2,750
Total business-type activities	<u>2,847,187</u>	<u>4,397,382</u>	<u>4,918,607</u>	<u>45,809,853</u>	<u>1,092,123</u>
Total primary government	<u>116,939,118</u>	<u>115,408,516</u>	<u>116,052,716</u>	<u>124,595,907</u>	<u>126,343,504</u>
Change in Net Position					
Governmental activities	627,051	(2,697,277)	4,687,940	(55,395,046)	23,207,915
Business-type activities	2,313,882	5,364,225	4,419,443	46,749,714	(264,288)
Total primary government	<u>\$ 2,940,933</u>	<u>\$ 2,666,948</u>	<u>\$ 9,107,383</u>	<u>\$ (8,645,332)</u>	<u>\$ 22,943,627</u>

Data Source
Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Nonspendable					
Inventories	\$ 315,603	\$ 326,899	\$ 319,059	\$ 327,147	\$ 305,186
Prepaid	650,755	791,762	115,502	164,242	26,922
Notes receivable	1,140,298	1,487,417	1,597,343	-	-
Restricted					
Stabilization by State Statute	15,043,605	15,930,246	15,465,797	14,650,010	12,972,979
Register of Deeds	17,170	5,883	78,807	1,410	66,229
Debt service	11,878,801	10,014,375	8,273,296	1,839,350	-
General Capital Reserve	404,237	462,531	456,389	452,670	448,015
Committed					
Tax Reappraisal	173,005	172,990	165,832	192,437	166,678
Assigned					
Public Health	684,018	376,026	241,739	289,199	428,814
Social Services	4,133,196	5,189,684	5,101,867	4,304,485	4,505,344
County Manager	168,882	165,824	94,899	122,118	182,660
Human Resources	396,894	498,613	582,027	614,061	624,570
Library	127,497	103,073	224,601	400,697	334,917
Cooperative Extension	-	-	-	-	-
Subsequent year's expenditures	6,196,066	8,740,222	6,144,343	6,471,106	6,356,815
Unassigned	<u>38,512,665</u>	<u>34,098,284</u>	<u>21,646,494</u>	<u>20,734,380</u>	<u>24,199,035</u>
Total general fund	<u>79,842,692</u>	<u>78,363,829</u>	<u>60,507,995</u>	<u>50,563,312</u>	<u>50,618,164</u>
All other governmental funds					
Restricted					
Stabilization by State Statute	9,998,054	13,762,920	21,233,131	28,760,070	3,847,266
Public Safety	607,282	494,667	2,489,115	2,582,688	2,658,023
Fire Protection	1,521,675	1,370,246	1,258,983	1,145,873	893,577
Debt service	-	-	-	4,645,650	-
Library Endowment	192,424	192,428	187,371	239,217	236,757
Scholarship	53,725	52,740	52,294	46,048	44,288
Parks Preservation	5,312	1,099	50,004	49,596	75,197
Community Development	15,821	-	12,105	17,469	-
General Capital	452,704	2,231,565	10,604,245	17,957,394	-
School Capital and Construction	22,019,761	-	224,942	4,726,766	22,834,431
Hospital Capital	4,586,527	5,063,041	5,494,731	5,449,956	5,393,919
Committed					
General Capital	16,137,346	18,875,251	12,203,246	4,543,427	32,219,263
School Capital	7,159,669	5,499,929	5,900,499	6,465,739	6,172,623
School Construction	12,264,434	6,790,440	6,596,208	-	927,914
Hospital Construction	-	24,433	24,370	24,171	23,693
Assigned	-	-	-	-	-
Unassigned	-	(712)	-	(2,380,149)	-
Total fund balances	<u>75,014,734</u>	<u>54,358,047</u>	<u>66,331,244</u>	<u>74,273,915</u>	<u>75,326,951</u>
Total governmental funds	<u>\$ 154,857,426</u>	<u>\$ 132,721,876</u>	<u>\$ 126,839,239</u>	<u>\$ 124,837,227</u>	<u>\$ 125,945,115</u>

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

Seven years are presented in the format after the implementation of GASB 45. The previous three years are presented on the following page.

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year	
	2012	2011
General Fund		
Nonspendable		
Inventories	\$ 338,109	\$ 395,153
Prepaid	54,469	86,781
Notes receivable	-	-
Restricted		
Stabilization by State Statute	12,221,688	11,581,246
Register of Deeds	50,346	39,764
Debt service	-	-
General Capital Reserve	448,620	444,128
Committed		
Tax Revaluation	153,881	145,757
Assigned		
Public Health	197,421	169,805
Social Services	4,640,932	4,594,451
County Manager	217,313	158,767
Human Resources	579,873	559,216
Library	298,313	350,508
Cooperative Extension	154,516	136,811
Subsequent year's expenditures	6,542,811	5,244,348
Unassigned	<u>25,202,712</u>	<u>29,177,889</u>
Total general fund	<u>51,101,004</u>	<u>53,084,624</u>
All other governmental funds		
Restricted		
Stabilization by State Statute	4,652,337	4,854,187
Public Safety	2,743,542	2,743,445
Fire Protection	859,873	852,061
Debt service	-	-
Library Endowment	237,077	234,704
Scholarship	44,099	43,207
Parks Preservation	161,597	142,407
Community Development	-	-
General Capital	-	-
School Capital and Construction	4,316,249	19,278,537
Hospital Capital	5,401,200	5,347,139
Committed		
General Capital	23,913,332	21,417,686
School Capital	9,594,076	8,985,425
School Construction	1,815,442	213,091
Hospital Construction	23,725	23,486
Assigned	-	-
Unassigned	<u>(4,355)</u>	<u>(4,178)</u>
Total fund balances	<u>53,758,194</u>	<u>64,131,197</u>
Total governmental funds	<u>\$ 104,859,198</u>	<u>\$ 117,215,821</u>

CATAWBA COUNTY, NORTH CAROLINA

Table 3a

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

	<u>Fiscal Year</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund			
Reserved	\$ 12,081,863	\$ 13,796,892	\$ 19,523,687
Unreserved	<u>39,583,672</u>	<u>36,617,111</u>	<u>35,804,493</u>
Total general fund	<u>51,665,535</u>	<u>50,414,003</u>	<u>55,328,180</u>
All other governmental funds			
Reserved	177,161	171,237	270,802
Unreserved, reported in:			
Special revenue funds	10,994,696	9,403,227	9,707,586
Capital projects funds	<u>36,158,392</u>	<u>46,160,443</u>	<u>78,048,289</u>
Total all other governmental funds	<u>47,330,249</u>	<u>55,734,907</u>	<u>88,026,677</u>
Total governmental funds	<u>\$ 98,995,784</u>	<u>\$ 106,148,910</u>	<u>\$ 143,354,857</u>

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

Table 4
Page 1 of 2

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues					
Ad valorem taxes	\$ 102,643,115	\$ 98,864,292	\$ 94,982,137	\$ 94,593,965	\$ 89,246,050
Other taxes	35,395,806	33,513,929	30,577,418	28,514,821	27,201,571
Unrestricted intergovernmental revenues	1,915,010	1,914,853	1,950,128	1,902,192	1,887,066
Restricted intergovernmental revenues	37,710,248	36,702,096	37,914,903	36,065,434	36,172,540
Licenses and permits	3,270,330	2,725,409	2,398,171	2,130,735	2,346,916
Sales and services	7,955,557	9,289,078	10,275,072	11,363,376	11,518,226
Investment earnings	209,348	1,451,782	975,566	1,155,473	(183,818)
Miscellaneous	3,544,286	7,502,488	6,790,563	3,539,937	3,469,424
Total revenues	192,643,700	191,963,927	185,863,958	179,265,933	171,657,975
Expenditures					
Current:					
General government	12,813,629	12,646,281	10,889,713	11,329,249	10,339,386
Public safety	40,004,086	34,477,572	33,618,405	31,930,143	30,928,591
Environmental protection	661,156	573,409	545,637	461,359	477,163
Economic and physical development	15,493,426	15,010,630	13,813,474	13,573,781	12,850,717
Human services	47,706,576	46,315,883	47,773,150	47,114,736	48,069,751
Culture and recreation	3,407,377	3,513,584	3,109,069	2,769,125	2,694,713
Education	41,012,204	40,239,272	40,394,875	40,004,060	39,695,975
Capital Outlay	27,343,949	26,081,492	18,273,102	33,342,151	21,113,769
Debt service:					
Principal	13,430,361	10,582,661	12,331,427	13,932,346	13,586,635
Interest	3,763,682	3,744,689	4,042,723	3,794,348	3,600,703
Payment to refunded bond escrow agent	-	-	-	1,014,000	1,128,232
Bond issuance costs	115,551	-	-	23,583	135,592
Total expenditures	205,751,997	193,185,473	184,791,575	199,288,881	184,621,227
Other Financing Sources (uses)					
Transfers from other funds	10,302,305	8,376,971	5,187,183	2,942,065	2,247,667
Transfers to other funds	(11,902,305)	(9,994,021)	(5,987,183)	(4,543,630)	(3,022,667)
Installment purchase obligations issued	-	570,000	-	20,125,000	33,600,000
Premium on installment obligations issued	-	-	-	2,161,054	-
Qualified Zone Academy Bonds issued	-	-	-	-	-
Qualified School Construction Bonds issued	-	-	-	-	-
Build America bonds issued	-	-	-	-	-
Refunding installment purchase issued	50,530,000	-	-	-	-
Refunding bonds issued	-	-	-	1,810,000	10,965,000
Payment to refunded bond escrow agent	(13,686,153)	-	-	(1,849,125)	(9,750,000)
Premium on refunding bonds	-	-	-	39,911	-
Certificates of participation issued	-	-	-	-	-
Premium on certificates of participation	-	-	-	-	-
Sales of capital assets	-	-	-	-	9,169
Total other financing sources (uses)	35,243,847	(1,047,050)	(800,000)	20,685,275	34,049,169
Net change in fund balances	\$ 22,135,550	\$ (2,268,596)	\$ 272,383	\$ 662,327	\$ 21,085,917
Debt service as a percentage of noncapital expenditures	9.0%	8.1%	9.4%	10.0%	10.2%

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

CATAWBA COUNTY, NORTH CAROLINA

Table 4
Page 2 of 2

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Revenues					
Ad valorem taxes	\$ 86,401,682	\$ 85,290,748	\$ 84,697,609	\$ 84,125,547	\$ 81,625,223
Other taxes	26,867,917	26,934,772	27,121,865	32,794,322	36,391,110
Unrestricted intergovernmental revenues	1,839,255	1,906,277	1,878,455	2,127,081	1,970,909
Restricted intergovernmental revenues	37,487,597	41,544,195	41,218,717	41,946,212	56,482,993
Licenses and permits	2,012,367	1,795,495	2,547,643	2,271,147	4,101,574
Sales and services	12,117,015	13,631,424	13,041,964	12,936,583	15,071,656
Investment earnings	963,774	949,483	1,929,311	3,837,081	5,600,327
Miscellaneous	3,675,026	4,713,228	3,716,912	3,624,321	4,309,242
Total revenues	171,364,633	176,765,622	176,152,476	183,662,294	205,553,034
Expenditures					
Current:					
General government	10,134,171	10,115,078	11,601,149	11,556,920	9,944,571
Public safety	30,749,802	30,260,313	29,360,816	28,513,201	26,916,838
Environmental protection	451,864	503,130	469,014	512,882	520,587
Economic and physical development	11,307,365	9,926,951	10,619,754	10,727,052	10,682,552
Human services	49,245,926	50,540,941	50,879,470	55,118,250	73,690,327
Culture and recreation	2,677,465	2,661,530	2,758,668	2,758,206	2,719,466
Education	39,257,916	39,598,951	38,606,716	39,948,749	38,014,454
Capital Outlay	20,810,153	29,796,072	16,572,802	39,869,050	19,683,740
Debt service:					
Principal	41,605,430	13,177,827	13,421,793	12,067,834	10,724,874
Interest	5,023,779	4,902,829	5,315,420	5,067,500	4,488,983
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance costs	448,255	-	-	-	-
Total expenditures	211,712,126	191,483,622	179,605,602	206,139,644	197,386,392
Other Financing Sources (uses)					
Transfers from other funds	1,450,431	2,694,737	4,395,302	12,262,330	9,515,201
Transfers to other funds	(2,225,431)	(6,256,710)	(8,095,302)	(48,646,927)	(9,517,951)
Installment purchase obligations issued	650,000	-	-	21,656,000	28,607,000
Premium on installment obligations issued	-	-	-	-	-
Qualified Zone Academy Bonds issued	-	-	-	-	700,000
Qualified School Construction Bonds issued	-	27,808,553	-	-	-
Build America bonds issued	-	8,691,447	-	-	-
Refunding installment purchase issued	-	-	-	-	-
Refunding bonds issued	41,995,366	-	-	-	-
Payment to refunded bond escrow agent	(17,777,592)	-	-	-	-
Premium on refunding bonds	3,873,747	-	-	-	-
Certificates of participation issued	-	-	-	-	-
Premium on certificates of participation	-	-	-	-	-
Sales of capital assets	24,349	-	-	-	-
Total other financing sources (uses)	27,990,870	32,938,027	(3,700,000)	(14,728,597)	29,304,250
Net change in fund balances	\$ (12,356,623)	\$ 18,220,027	\$ (7,153,126)	\$ (37,205,947)	\$ 37,470,892
Debt service as a percentage of noncapital expenditures	22.4%	9.7%	10.6%	8.4%	8.1%

(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
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	16,249,070,995
2016 ⁽²⁾	11,564,008,687	3,742,083,773	788,247,696	16,094,340,156	0.575	16,261,837,078
2017	11,682,762,282	3,910,899,616	827,530,781	16,421,192,679	0.575	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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Catawba County										
Property Tax	0.5750	0.5750	0.5300	0.5300	0.5300	0.5300	0.5350	0.5350	0.5350	0.5350
Fire Districts:										
Bandys	0.0820	0.0820	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600	0.0600
Catawba	0.1000	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Cooksville	0.0620	0.0620	0.0617	0.0617	0.0617	0.0517	0.0517	0.0517	0.0517	0.0517
Denver	-	-	-	-	-	-	-	-	-	0.0389
Fairbrook	-	-	-	-	-	-	-	-	-	-
Hickory Rural	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0325	0.0325
Long View	0.0730	0.0730	0.0650	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546
Maiden	0.0800	0.0750	0.0700	0.0600	0.0600	0.0600	0.0600	0.0500	0.0500	0.0500
Mountain View	0.0750	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0493	0.0493	0.0493
Newton	0.0900	0.0900	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Oxford	0.0650	0.0650	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558
Propst	0.0620	0.0620	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615
Sherrills Ford	0.1100	0.0810	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500
St. Stephens	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500	0.0500
Viewmont	-	-	-	-	-	-	-	-	-	-
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	0.4900	0.4900	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600
City of Conover	0.4700	0.4700	0.4300	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
City of Hickory	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Town of Long View	0.5200	0.4200	0.4200	0.4200	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.4000	0.4000	0.4000	0.4000
City of Newton	0.5400	0.5400	0.5100	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4600
Total Maximum Rate - Fire District	0.6950	0.6650	0.6200	0.6000	0.6000	0.6000	0.6050	0.6050	0.6050	0.6050
Total Maximum Rate - Municipalities	1.1415	1.1415	1.0500	1.0500	1.0500	1.0500	1.0550	1.0550	1.0550	1.0550

⁽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, 2016 and December 31, 2007**

Taxpayer	Type of Business	December 31, 2016			December 31, 2007		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Apple, Inc.	Computer Server	\$ 1,065,093,569	1	6.49	\$ -	-	-
Duke Energy Corporation	Electric utility	638,507,529	2	3.89	441,291,099	1	3.01
GKN Driveline Newton, LLC	Gears	189,679,315	3	1.16	110,782,928	3	0.76
CommScope, Inc.	Cable mfg.	104,023,800	4	0.63	130,945,400	2	0.89
Corning Cable Systems	Cable mfg.	89,141,091	5	0.54	80,921,214	5	0.55
Target Corporation	Warehouse/Retail	78,649,878	6	0.48	-	-	-
Draka Comteq Americas, Inc.	Cable mfg.	58,756,382	7	0.36	55,223,301	7	0.38
Frye Regional/American Medical	Medical care	57,333,254	8	0.35	84,300,036	4	0.58
HSM Solutions - (formerly Hickory Springs Mfg. Co.)	Furniture supplies	54,519,506	9	0.33	63,440,134	6	0.43
Valley Hills Mall, LLC	Retail	38,721,974	10	0.24	50,132,882	8	0.34
Shuford Mills/Shurtape Technologies	Textiles & Tape	-	-	-	44,173,247	9	0.30
Central Telephone Company	Telephone	-	-	-	42,740,159	10	0.29
		<u>\$ 2,374,426,298</u>		<u>14.47</u>	<u>\$ 1,103,950,400</u>		<u>7.53</u>
Total Assessed Valuation		<u>\$ 16,421,192,679</u>			<u>\$ 14,655,429,923</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
2008	2007	78,217,306	75,692,582	96.77	2,201,754	77,894,336	99.59
2009	2008	80,966,452	77,974,463	96.30	2,593,814	80,568,277	99.51
2010	2009	80,666,180	77,707,260	96.33	2,557,658	80,264,918	99.50
2011	2010	80,907,294	77,904,536	96.29	2,554,722	80,459,258	99.45
2012	2011	82,231,844	78,892,929	95.94	2,826,420	81,719,349	99.38
2013	2012	84,947,787	81,441,422	95.87	2,880,954	84,322,376	99.26
2014	2013	88,513,192	85,800,420	96.94	2,099,061	87,899,481	99.31
2015	2014	88,178,346	86,413,676	98.00	1,219,489	87,633,165	99.38
2016	2015	92,542,456	90,856,714	98.18	952,963	91,809,677	99.21
2017	2016	94,639,996	93,070,059	98.34	-	93,070,059	98.34

⁽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							
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Limited Obligation Bonds	North Carolina Department of Commerce
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	27,808,553	8,401,732		
2012	7,715,000	18,090,000	19,475,148	500,000	27,808,553	7,822,302	39,787,135	
2013	3,325,000	16,465,000	48,618,040	450,000	27,808,553	7,242,872	37,770,939	2,600,000
2014	799,341	12,208,902	44,692,131	400,000	27,808,553	6,663,443	63,119,732	2,600,000
2015	-	11,885,455	40,764,047	350,000	27,808,553	6,084,013	57,768,142	2,600,000
2016	-	10,582,008	37,299,345	300,000	27,808,553	5,504,583	52,638,035	2,600,000
2017	-	9,293,560	72,741,291	250,000	27,808,553	-	47,533,477	2,100,388

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

Table 9
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**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Year	Business Type			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Installment Purchases	Limited Obligation Bonds	Revolving Loan			
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	142,142,195	2.75	893
2012	-	5,797,865	1,350,000	128,346,003	2.49	828
2013	8,000,000	5,504,061	1,275,000	159,059,465	2.95	1,023
2014	7,397,122	5,401,752	1,200,000	172,290,976	3.15	1,109
2015	6,783,333	5,097,634	1,125,000	160,266,177	2.80	1,028
2016	6,158,434	4,562,032	1,050,000	148,502,990	2.36	953
2017	5,522,224	4,030,882	975,000	170,255,375	N/A	1,091

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed value (after exemption)	16,421,192,679	16,094,340,156	16,637,423,792	16,700,602,238	16,027,884,358
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,313,695,414	1,287,547,212	1,330,993,903	1,336,048,179	1,282,230,749
Less: Total net debt applicable to limit	170,255,375	148,502,990	152,703,618	158,887,591	154,634,710
Legal debt margin	<u>1,143,440,039</u>	<u>1,139,044,222</u>	<u>1,178,290,285</u>	<u>1,177,160,588</u>	<u>1,127,596,039</u>
Total net debt applicable to the limit as a percentage of debt limit	13%	12%	11%	12%	12%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value (after exemptions)	\$ 16,421,192,679
Debt limit (8% of assessed value)	1,313,695,414
Debt applicable to limit:	
Authorized and unissued debt	-
Certificates of participation	9,293,560
Installment purchase	78,263,515
Qualified Zone Academy Bonds	250,000
Qualified School Construction Bonds	27,808,553
Build America Bonds	-
Limited Obligation Bonds	51,564,359
North Carolina Department of Commerce	2,100,388
Federal Revolving Loan	975,000
Less: Statutory deductions	
Unissued debt	-
Total net debt applicable to limit	<u>170,255,375</u>
Legal debt margin	<u>\$ 1,143,440,039</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed value (after exemption)	15,515,442,124	15,122,858,692	15,013,754,766	15,068,712,596	14,655,429,923
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	<u>1,241,235,370</u>	<u>1,209,828,695</u>	<u>1,201,100,381</u>	<u>1,205,497,008</u>	<u>1,172,434,394</u>
Less: Total net debt applicable to limit	<u>125,775,150</u>	<u>142,142,197</u>	<u>117,002,355</u>	<u>130,663,312</u>	<u>121,303,793</u>
Legal debt margin	<u>1,115,460,220</u>	<u>1,067,686,498</u>	<u>1,084,098,026</u>	<u>1,074,833,696</u>	<u>1,051,130,601</u>
 Total net debt applicable to the limit as a percentage of debt limit	 10%	 12%	 10%	 11%	 10%

**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⁾
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	5,725,579,344	36,742	40.7	23,889	6.00
2016	156,182	6,243,298,000	40,265	40.8	23,679	4.90
2017	156,106	N/A	N/A	41.1	23,509	4.00

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

CATAWBA COUNTY, NORTH CAROLINA

Table 12

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

Employer	2017			2008		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾	Employees ⁽¹⁾	Rank	Percentage of Total County Employment ⁽²⁾
Catawba County School Systems	1,960	1	2.65%	2,100	1	2.99%
Catawba Valley Medical Center	1,949	2	2.63%	1,288	4	1.83%
CommScope, Inc.	1,609	3	2.18%	2,050	2	2.92%
Duke LifePoint/Frye Regional Medical	1,560	4	2.11%	1,720	3	2.45%
HSM Solutions (Hickory Springs)	1,480	5	2.00%	1,100	6	1.57%
Corning Cable Systems ⁽³⁾	1,200	6	1.62%	1,000	9	1.42%
Catawba County Government	1,097	7	1.48%	1,193	5	1.70%
GKN Driveline	1,097	8	1.48%	-	-	-
Pierre Foods	827	9	1.12%	-	-	-
Sherrill Furniture Company	785	10	1.06%	1,012	8	1.44%
CV Industries, Inc.	-	-	-	1,035	7	1.47%
Hdm Furniture Industries	-	-	-	929	10	1.32%
	<u>13,564</u>		<u>18.33%</u>	<u>13,427</u>		<u>19.11%</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 13

Full-time Equivalent Employees as of June 30										
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function										
Governmental activities:										
General government	82	81	83	84	85	86	90	92	92	89
Public safety	358	355	347	345	340	337	340	341	334	321
Environmental protection	4	4	4	5	4	3	9	11	11	11
Economic and physical developmer	84	78	76	76	75	75	90	98	100	93
Human services	505	541	548	551	577	573	572	561	578	614
Culture and recreation	36	35	35	35	32	32	33	37	37	37
Total governmental activities	1,069	1,093	1,093	1,096	1,113	1,106	1,135	1,140	1,151	1,164
Business-type activities:										
Water sewer	1	1	1	1	1	1	1	1	1	-
Solid waste management	27	26	26	27	27	28	28	28	28	28
Total business-type activities	28	27	27	28	28	29	29	29	29	28
Total primary government	1,097	1,120	1,120	1,124	1,141	1,136	1,164	1,169	1,180	1,193

Source: Catawba County Human Resources Department

CATAWBA COUNTY, NORTH CAROLINA

Table 14

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

Function	Fiscal Year									
	2017	2016	2015	2014 ⁽¹⁾	2013	2012	2011	2010	2009	2008
Governmental activities:										
General government										
Number of registered voters	101,790	101,330	98,344	101,442	100,431	99,286	99,844	101,558	101,142	99,117
Number of marriage licenses issued	1,081	1,074	1,017	1,009	1,023	1,076	991	926	1,062	1,181
Number of tax bills issued	104,928	104,396	103,835	99,196	232,881	232,817	263,073	297,925	272,581	272,255
Public safety										
Number of 911 dispatch/calls	92,049	93,089	89,426	84,974	85,938	87,108	82,876	83,000	83,367	115,000
Sheriff Department offenses reported	6,054	6,169	4,866	4,823	5,436	6,195	5,737	6,256	5,479	5,312
Environmental protection										
Cooperative extension agent contacts	46,997	41,348	22,733	28,860	64,719	75,102	46,960	45,945	71,001	66,324
Economic and physical development										
Number of commercial permits issued	605	631	603	598	730	750	496	504	534	721
Number of residential permits issued	1,398	1,182	1,098	993	892	876	991	1,057	1,056	1,497
Human services										
Households that received assistance with energy bill:	3,344	3,550	3,501	2,994	4,045	3,333	2,785	2,764	3,042	2,004
Medicaid clients receiving transportation assistance	27,235	27,590	23,810	26,279	23,669	23,177	19,893	19,136	17,689	15,551
Child support services cases currently open	6,562	6,682	6,849	6,847	6,848	6,873	6,498	7,600	7,500	7,337
Public health clients served	9,037	10,958	13,887	18,698	22,087	23,063	24,068	28,826	21,534	21,634
Restaurant inspections	1,353	1,347	1,344	1,333	1,351	1,357	1,429	1,419	1,226	1,443
Culture and recreation										
Total circulation for library system	525,988	555,132	572,569	588,517	604,829	738,923	740,462	775,544	744,652	681,796
Number of patrons visiting parks	166,319	170,295	104,330	109,550	114,721	112,257	101,280	134,463	121,370	75,797
Education										
Public school student enrollment K-12	23,509	23,679	23,889	24,204	24,241	24,250	24,245	24,338	24,688	25,305
Business-type activities:										
Solid waste management										
Tons buried - MSW	139,638	133,843	123,325	120,579	117,787	117,330	123,149	122,938	165,811	151,007
Tons buried - C&D	33,041	32,819	27,638	28,670	26,786	27,980	23,203	22,570	32,911	38,745
Tons recycled	21,761	19,737	21,135	24,228	27,601	28,765	31,347	28,125	29,416	28,932

⁽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 vehic

Sources: Catawba County Departments, NC Department of Public Instruction

CATAWBA COUNTY, NORTH CAROLINA

Table 15

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

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
General government										
Buildings	6	6	6	6	5	5	5	5	5	5
Vehicles	4	5	6	8	7	8	9	8	8	9
Public safety										
Buildings	12	11	10	10	10	10	10	9	8	8
Vehicles	230	221	218	216	211	207	182	168	156	166
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	58	48	43	42	50	49	50	57	57	60
Human services										
Buildings	37	38	38	38	38	38	39	39	39	39
Vehicles	40	41	41	38	37	35	35	32	27	47
Culture and recreation										
Buildings	5	5	6	5	5	5	5	5	5	5
Vehicles	1	1	1	1	1	1	1	2	2	2
Business-type activities:										
Solid waste management										
Buildings	10	10	10	10	6	6	6	6	6	7
Vehicles	24	23	24	25	25	27	27	26	26	25
Water and sewer										
Buildings	0	0	0	0	0	0	0	0	0	N/A
Vehicles	0	0	0	0	0	0	0	0	0	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.

