



catawba county
north carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CATAWBA COUNTY, NORTH CAROLINA
FISCAL YEAR ENDED JUNE 30, 2018

2018



MAKING.



LIVING.



BETTER.

About the Cover

In early 2018, Catawba County began rolling out a new community brand platform: *Making. Living. Better.* Prior to then, Catawba County government had not focused on community branding or marketing as part of its communications efforts—so why branding, and why now?

The Catawba County Board of Commissioners designated branding and marketing as one of the eight critical action areas in its strategic plan, which is aimed at increasing population and economic growth throughout the county.

The County recognized that significant efforts to promote our community have been in motion for many years—from the Hickory Metro Convention Center & Visitors Bureau's longtime destination marketing strategies to the City of Hickory's successful *Life. Well Crafted.* campaign. However, in order to be a good partner in these efforts, the County need to play a more active role.

To get started, the County worked with a national community branding firm to develop the County's first brand platform. The process involved several months of research that included County tours, interviews, focus groups, surveys of Catawba County, Charlotte and Asheville residents, and discussions with statewide influencers in the areas of economic development, tourism, and education.

The goal of the research was to identify the assets that make Catawba County both appealing and unique. Some of the assets identified through the research include the County's convenient and accessible geographic location, high quality of life, respected manufacturing legacy, beautiful outdoors, kind and welcoming people, reputation as makers and doers, and collaborative spirit.

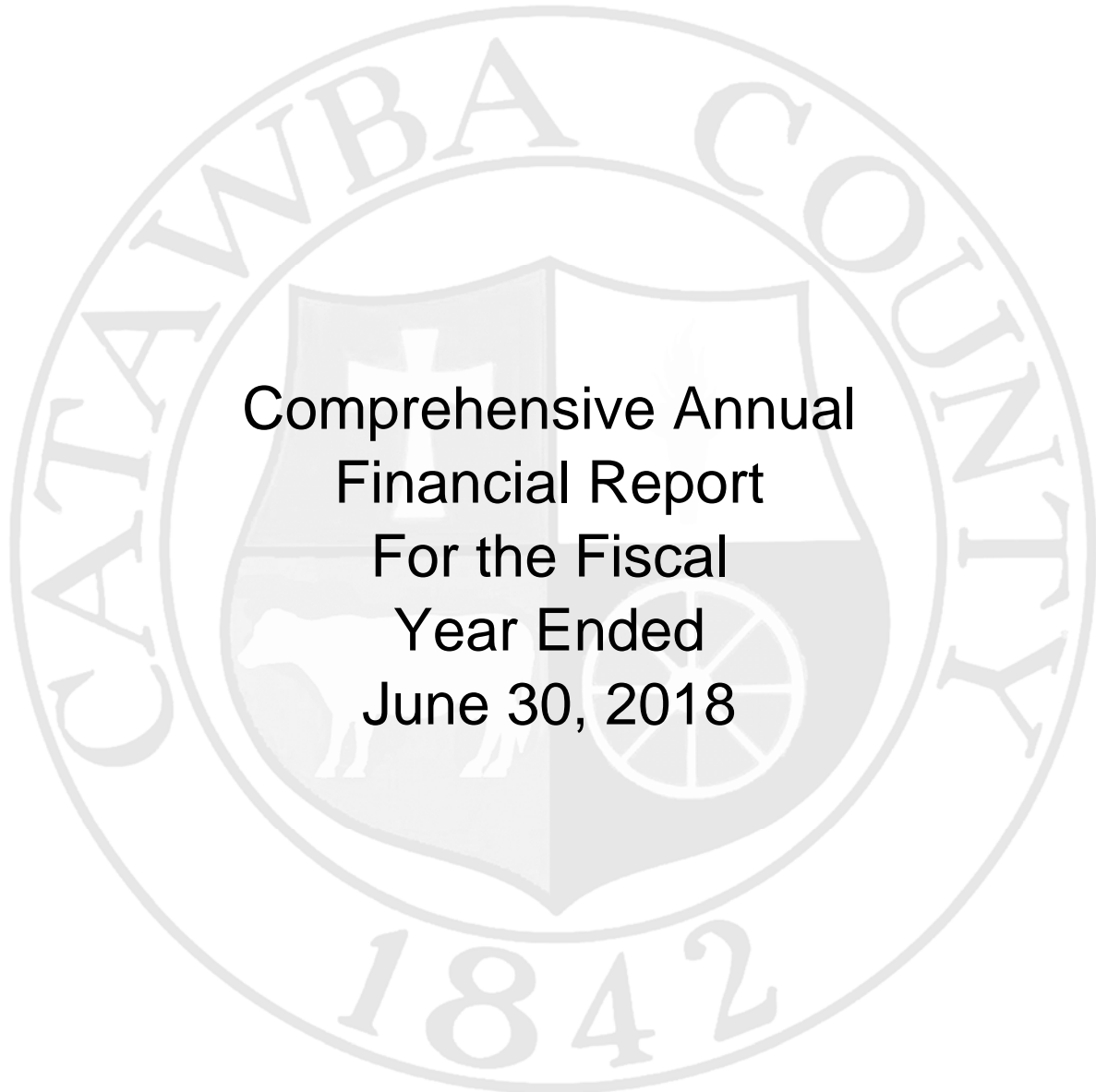
The research served as the foundation for a creative process that culminated in the development of a tagline and logo to help define the County's identify and story: *Making. Living. Better.*

- *Making* refers to the community's legacy as makers and doers: we make things happen.
- *Living* refers to quality of life: we enjoy our location, our amenities, and our people.
- *Better* refers to the community's 'can do' spirit; we work together to make a difference.

That story is enhanced by a graphic logo that visually represents many of these same themes:

- The *outer circle* resembles a gear, which symbolized Catawba County's legacy as makers and doers.
- The *inner circle* resembles a second gear, because two gears working together drive things forward. This represents Catawba County's collaborative spirit.
- The *nature scene*, with the foothills and the river, creates a sense of place for the County and symbolized its good quality of life.
- The *foothill* is an outline of Bakers Mountain, the highest and most visible peak in the County, and the *water* represents the Catawba River—two natural assets that speak to the County's remarkable outdoors.

Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018

Mick Berry, County Manager
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Prepared by Catawba County Finance Department
Published November 19, 2018



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BOARD OF COMMISSIONERS



C. Randall Isenhower
Chair



Barbara G. Beatty
Vice Chair



Kitty W. Barnes



Sherry E. Butler



Dan A. Hunsucker



catawba county finance

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

November 19, 2018

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, 2018.

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.

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, 2018 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, 2018 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.

catawbacountync.gov

Catawba County Government Center

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MAKING. LIVING. BETTER.

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 157,424 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.

UPGRADE

In 2018, the County was upgraded to 'AA+' for its General Obligation Debt by Standard and Poor's (S&P). This highlights and confirms the financial, economic transition the County has been under over the last few years. Some of S&P's comments were "Very strong management, strong budgetary performance and very low overall net debt."

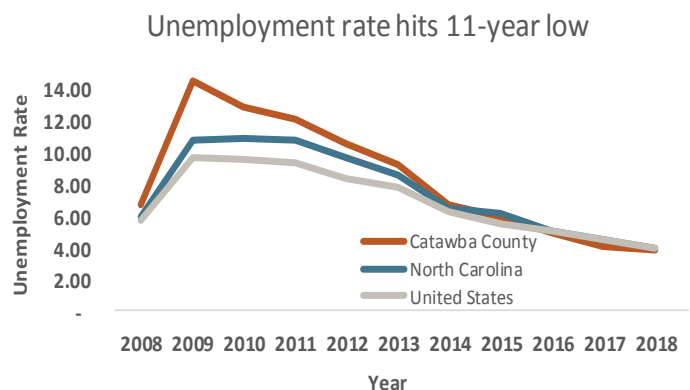
LOCAL ECONOMY

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

Employment Rebounds, with Unemployment among the Lowest in North Carolina

Employment figures in the Hickory MSA continue to rise, showing an increase of 2,564 jobs (or 1.54%) from June 2017 to June 2018. Another bright spot for the economy is that job openings continue to be available, with 6,852 job openings advertised online through NCWorks in July 2018, 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, 3.8% for the period of this audit in June 2018, has continued to decline. Recently released unemployment figures for August 2018 show a continued decrease in Catawba County, that remains below the State of North Carolina and the US, both at 3.9%. This unemployment rate is among the lowest in North Carolina, with only 8 of 100 counties having a lower rate, and is now 0.1% 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 61.3% of the \$3.86 billion in retail sales from the four-county MSA, while accounting for only 43% of the population. Taxable sales in the County increased by 9% in 2017-18, on top of a healthy 9% 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 \$277 million generated in 2017 (a 4.7% increase over the previous year's activity). This economic sector is buttressed by the presence of a wide range of cultural amenities that appeal to all audiences:

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

A Focus on Job Growth and Investment

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 2017-18, \$344.6 million in industry investments and 220 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:



In 2017, **Apple, Inc.** announced its plans to invest another \$1 billion in its complex of buildings located in the Town of Maiden which house iCloud servers. This increase in investment expanded Apple's current facility from 182 acres to 419 acres and includes an additional 300 acres for a solar farm to fuel the server buildings. This \$1 billion addition will bring Apple's total investment in Catawba County to \$4 billion. 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.

In July 2017 **Sutter Street Manufacturing,**



Sutter Street Mfg.
A Division of Williams-Sonoma

a division of Williams-Sonoma, announced it would invest \$19.2 million over three years to upgrade its facilities in Claremont. The expansion will add 72 new full-time jobs over the same period, bringing their total employment in Claremont to over 650.

Prysmian Group

Prysmian Group, a world leader in the energy and telecom cable systems

industry announced in October 2017 that it would invest another \$53.48 million and another 50 jobs. This marks the company's third expansion within three years.

Room & Board **Room&Board**
HOME FURNISHINGS

announced plans in May 2017 to construct a new 250,000 square foot warehouse and distribution center in Newton, investing \$12.87 million and creating at least 13 jobs by the end of 2020. The facility was completed and began operations in early 2018.

Bassett® In January 2018, **Bassett Furniture** announced

plans to manufacture a new line of outdoor furniture investing \$400,000 and creating 40 new jobs at their plant in Newton.

BRADINGTON YOUNG In June 2018, **Bradington Young**, a manufacturer of

high-end upholstered residential furniture, announced an expansion of its Catawba County facility in Hickory that would retain 125 existing jobs, create 17 new jobs and result in an investment of at least \$4 million over the next 4 years.

In January 2018, **CORNING Corning Optical Communications**, a worldwide provider of fiber optic communication solutions for voice, data and video networks, opened a new optical cable manufacturing facility in Newton that will create 210 jobs over the next two years and result in a \$67 million investment. In August 2018, Corning announced plans to build another new cable manufacturing facility in Hickory, becoming the first tenant in the Trivium Corporate Center, a Class A business park developed jointly by Catawba County and the City of Hickory. Corning intends to invest \$60 million in this location and create approximately 110 jobs 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.

Bassett Furniture Industries announced a gift to Catawba Valley Community College (CVCC) Foundation, Inc. to help build the new Bassett Learning Center at the Catawba Valley Furniture Academy. Construction of a 1,100 square-foot classroom will create a "smart" classroom/learning center increasing the number of students who enroll in and complete training at the academy. The center will not only be utilized by CVCC students, but will serve as a state-of-the-art facility for student recruitment, industry workshops, events and training.

Craftmaster Furniture received the Supplier of the Year award from the Decorating Den Interiors Design Group based out of Easton, Md. The award was presented at an annual conference held in Orlando, Fla., in May. The event is a four-day design seminar and is attended by more than 250 design members from around the country.

Deliberately Driving Workforce Development

While Catawba County's economy is built upon a large industrial base (with over 29% 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 2007 through 2017, the following sectors have experienced double-digit employment growth, collectively comprising 15% of the total economy:

- Professional, Scientific, Technical Services;
- Administrative, Support, & Waste Mgmt and Remediation Services; and
- Wholesale Trade

The growth in these sectors represents a 24.1% increase from 2007 employment levels.

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

In the context of Catawba County's efforts at economic diversification, manufacturing still represents a mainstay industry for the

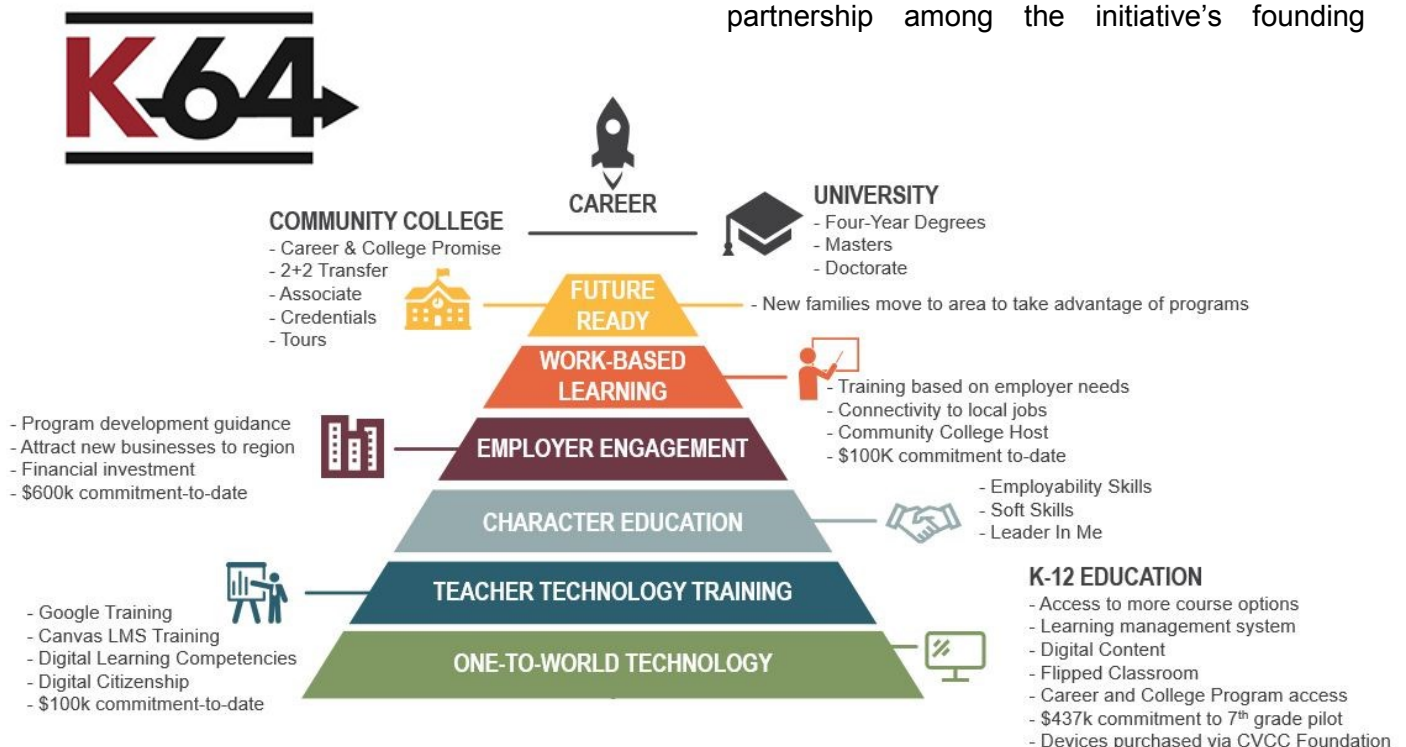


community, although to a lesser extent than in years past. **Steady growth in fiber optic and telecommunications investment and employment and continued reinvestment by newer industry sectors, combined with the effects of a “re-shoring” trend that has brought furniture manufacturing jobs back to Catawba County, has brought a more balanced and sustainable economy to the County.**

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

K-64

K-64 is a systemic approach to shaping future careers and meeting workforce demands by connecting students and employers throughout the educational curriculum. K-64 increases student and employer engagement in educational programs proven to prepare a qualified workforce by collaborating with employers to align courses of study with workforce needs, connecting students to real-world careers and related curriculum choices from early on, and empowering adults to enhance employability in a dynamic work environment. K-64 aims to increase student and employer participation in real-world educational pathways designed to meet workforce needs. As a result, more local jobs will be filled in targeted industries as a result of educational alignment. The long term goal of K-64 is to create a seamless, demand-driven, replicable education system that consistently cultivates a motivated, skilled and qualified workforce ready to fill local jobs and help drive the economy. On January 17, 2017, the Catawba County Board of Commissioners adopted a resolution to form K-64 and approve its bylaws. The Board also voted to approve seed funding to help kick-start the initiative. In March 2017, a Memorandum of Agreement was signed to formalize the K-64 partnership among the initiative’s founding



partners: Catawba County, Catawba County Chamber of Commerce, Catawba County Economic Development Corp., Catawba County Schools, Catawba Valley Community College, Hickory Public Schools, and Newton-Conover City Schools. In May 2017, the initiative's governing board was formed and work on building this innovative initiative began.

In September 2018, Lenoir-Rhyne University announced an innovative, new program to provide a minimum of 50 percent off tuition for any first-year undergraduate student with a 3.5 or higher high school GPA who is a Catawba County resident or to a transfer undergraduate student from Catawba County with more than 30 attempted hours from an accredited college and a 3.5 GPA. Called the Catawba County Promise, the program will reward local high school and transfer students who have a B+ average with a guaranteed—and significant—minimum level of financial aid.



Trivium Corporate Center (formerly Park 1764)

Trivium Corporate Center is a 270-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 Fiscal Year 2018/19 budget commits an additional \$2.7 million for a total of \$3.25 million towards development of the Park. 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.

Ground was broken on the park in May 2018 and improvements have begun, including extension of the sewer line into the park, a paved entryway, and landscaping. The first tenant in the park was named in August 2018

when Corning announced plans to build a new cable manufacturing facility intending to invest \$60 million in this location and create approximately 110 jobs over the next five years.



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. The building was completed to its shell state in December 2017 and was sold in August 2018 to Progressive Furniture. From the proceeds of the sale, Catawba County, the City of Claremont and the EDC's Committee of 100 were fully reimbursed for their contributions to cover the carrying costs of the building.



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)
- 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

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, 2.6 percent per pupil current expense increase for the three public school systems, and a 4.8 percent increase in funding to CVCC. Additionally, the budget funds \$5.94 million in schools' annual capital needs and plans for up to \$9.26 million in projects in the last year of a four-year construction funding cycle approved in Fiscal Year 2015/16.



Water & Sewer Infrastructure: \$1.3 million in water and sewer projects in the next fiscal year.



Economic Development: The budget includes \$2.7 million toward the County's share of a joint venture with the City of Hickory in Trivium Corporate Center and continues to fund a second spec building in cooperation with the City of Claremont.



Parks: The Board of Commissioners approved borrowing up to \$8 million to build phase 1 of Mountain Creek Park.



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 \$33 million, \$22 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 2021 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.

EDUCATION

Catawba County has 44 public schools across three school systems with approximately 23,000 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 6 percent from 24,688 in 2009 to 23,203 in 2018. For 2017, the average 4-year graduation rate for the three systems combined increased to over 90 percent, exceeding the statewide rate of 86.5 percent. Individually, Newton-Conover City Schools had one of the highest graduation rates in the State at 94 percent, Catawba County Schools' rate was over 91 percent, and Hickory Public Schools' was over 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.



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, 2017, the 36th 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 2017-2018. 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 ten years and hopes to continue with the Fiscal Year 2017-2018 entry.

Finally, the County has also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2017-2018 Adopted Budget effective July 1, 2017. This is the 29th 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

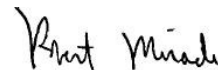
Each County department's strong commitment to the goals, vision, and mission of Catawba County is reflected in the services provided to the citizens of Catawba County. We appreciate the cooperation of all County departments in carrying out the financial activities encompassed in this report. The preparation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

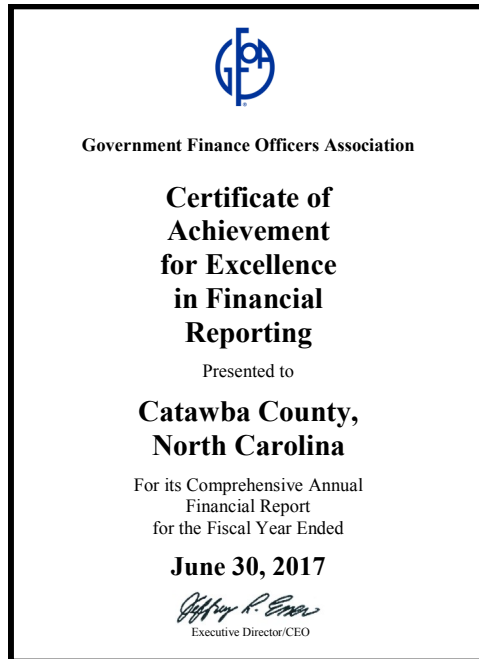
Respectfully submitted,



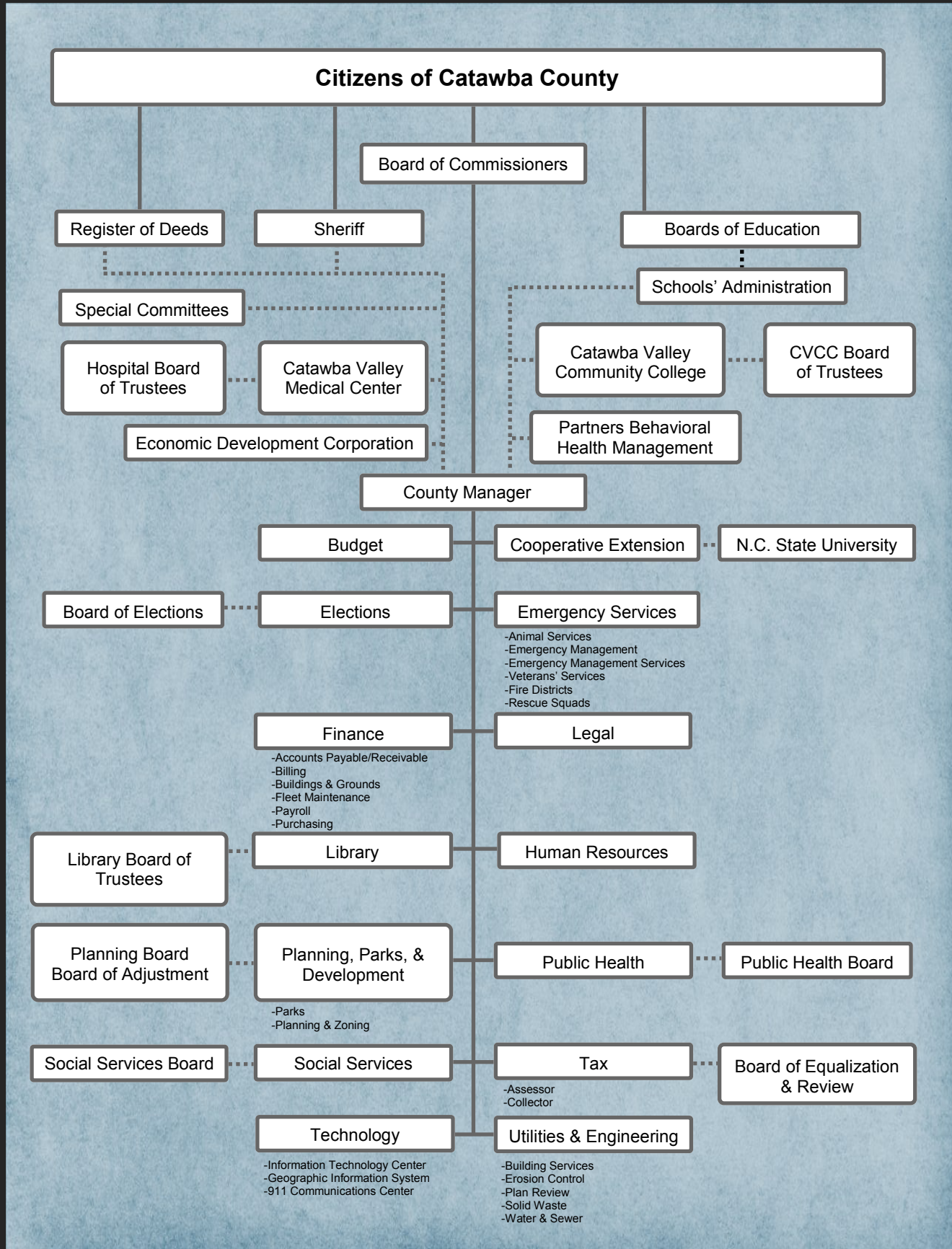
Mick Berry
County Manager



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, 2018, 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 97.9%, 97.4%, 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 2.1%, 2.6%, 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, 2018, 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.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the fiscal year ending June 30, 2018. Our opinion is not modified with respect to this matter.

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' Schedule of Changes in the Total OPEB Liability and Related Ratios, 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 19, 2018 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 19, 2018



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, 2018. 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

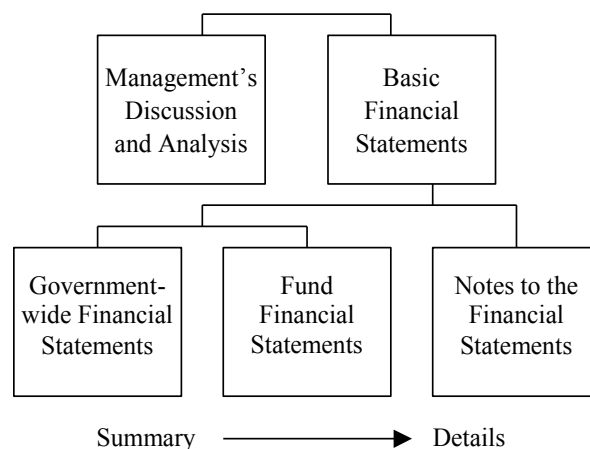
- ▶ The assets and deferred outflows of resources of Catawba County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$205,429,390 (*net position*). Of this figure, approximately \$164 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net position increased by \$2,804,229, resulting from a decrease of (\$1,425,884) in governmental activities and an increase of \$4,230,113 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 \$177,152,721 an increase of \$22,295,295 in comparison with the prior year. Approximately 52 percent of this total amount, or \$92,708,691 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 \$39,478,996, or 24 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total long-term debt increased by \$28,613,816 during the current fiscal year due to issuance of new debt for capital projects. Outstanding debt principal is \$198,869,191 and equates to \$1,263 per capita at the end of the fiscal year.

- ▶ In FY 2018, Standard and Poor's upgraded Catawba County's bond rating from AA to AA+. Moody's Investors Service maintained its Aa1 bond rating for the County for the ninth 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 26-31 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 32 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 33 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 and other post employment benefits to its employees.

Required supplementary information can be found beginning on page 83 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 \$205,429,390 as of June

Government-Wide Financial Analysis
Catawba County's Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percent Change
Current and other assets	\$ 192,587,983	\$ 167,906,610	\$ 59,263,495	\$ 57,918,321	\$ 251,851,478	\$ 225,824,931	\$ 26,026,547	11.53%
Capital assets	130,025,133	122,258,095	70,231,993	67,731,181	200,257,126	189,989,276	10,267,850	5.40%
Total assets	322,613,116	290,164,705	129,495,488	125,649,502	452,108,604	415,814,207	36,294,397	8.73%
Deferred outflow s of resources	12,994,868	17,390,922	328,905	448,033	13,323,773	17,838,955	(4,515,182)	-25.31%
Long-term liabilities	225,479,455	193,525,373	20,909,451	22,048,854	246,388,906	215,574,227	30,814,679	14.29%
Other liabilities	10,470,858	8,132,631	1,091,410	344,116	11,562,268	8,476,747	3,085,521	36.40%
Total liabilities	235,950,313	201,658,004	22,000,861	22,392,970	257,951,174	224,050,974	33,900,200	15.13%
Deferred inflow s of resources	2,013,073	962,261	38,740	20,003	2,051,813	982,264	1,069,549	108.89%
Net position:								
Net investment in capital assets	102,894,759	92,137,818	60,993,467	57,243,979	163,888,226	149,381,797	14,506,429	9.71%
Restricted	26,520,247	32,847,390	-	-	26,520,247	32,847,390	(6,327,143)	-19.26%
Unrestricted	(31,770,408)	(20,049,846)	46,791,325	46,440,583	15,020,917	26,390,737	(11,369,820)	-43.08%
Total net position	\$ 97,644,598	\$ 104,935,362	\$ 107,784,792	\$ 103,684,562	\$ 205,429,390	\$ 208,619,924	\$ (3,190,534)	-1.53%

30, 2018. The County's net position increased by \$2,804,229 for the fiscal year ended June 30, 2018. Additional information can be found in the notes to the financial statements.

The largest portion of net position, 80%, 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 \$10,267,850 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, 13%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is

unrestricted, which is 7% of the total net position. Because the County funds school capital needs through long-term borrowing but does not carry the resulting assets on the financial statements, we report a deficit in unrestricted net position for governmental activities.

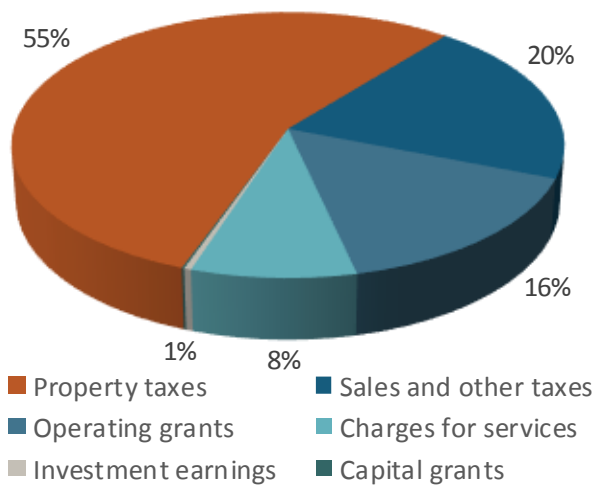
In order to provide a complete picture of the changes in net position of the County, information is provided separately for the net positions of governmental and business-type activities.

Governmental Activities - Governmental activities decreased the County's net position by (\$1,425,884). Several particular aspects of the County's financial operations influenced the unrestricted governmental net position.

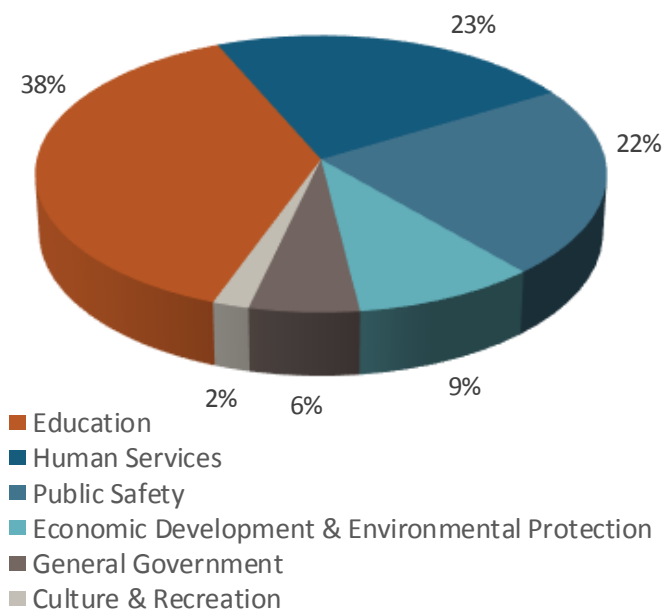
- ▶ Property, sales and other taxes are approximately 75% of all revenues and increased by \$3 million from the prior year.
- ▶ Capital outlay for public schools was approximately \$26 million, an increase of \$10 million. Capital outlay for schools are not included with the County's capital assets.

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 \$4,230,113. Key elements of this change are as follows:

- ▶ Solid waste operating revenues increased by approximately \$586,000,
- ▶ Transfer of property tax for water and sewer capital projects in the amount \$1,650,000.

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, 2018, the governmental funds of the County reported a combined fund balance of \$177,152,721, a 14 percent increase from the previous year. The primary reason for this change is the issuance of new bonds with major increases to the fund balances in the General Capital and School Construction Funds.

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, fund balance available for appropriation in the General Fund was \$66,130,407 while total fund balance was

Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 16,219,164	\$ 16,359,340	\$ 7,384,774	\$ 6,615,230	\$ 23,603,938	\$ 22,974,570
Operating grants and contributions	29,180,562	33,826,622	1,500,375	742,079	30,680,937	34,568,701
Capital grants and contributions	246,568	114,292	-	-	246,568	114,292
General revenues:						
Property taxes	104,070,254	102,512,789	-	-	104,070,254	102,512,789
Sales and other taxes	37,913,681	36,380,816	1,274,223	1,162,076	39,187,904	37,542,892
Investment earnings, unrestricted	702,975	209,348	292,600	52,518	995,575	261,866
Gain on sale of capital assets	-	-	54,598	48,748	54,598	48,748
Total revenues	<u>188,333,204</u>	<u>189,403,207</u>	<u>10,506,570</u>	<u>8,620,651</u>	<u>198,839,774</u>	<u>198,023,858</u>
Expenses						
General government	10,229,231	12,702,261	-	-	10,229,231	12,702,261
Public safety	40,842,983	39,368,324	-	-	40,842,983	39,368,324
Environmental protection	599,963	679,490	-	-	599,963	679,490
Economic and physical development	17,042,823	16,638,619	-	-	17,042,823	16,638,619
Human services	43,083,045	48,949,754	-	-	43,083,045	48,949,754
Cultural and recreation	3,545,635	3,518,210	-	-	3,545,635	3,518,210
Education	69,146,541	57,013,840	-	-	69,146,541	57,013,840
Interest on long-term debt	3,615,378	3,707,890	-	-	3,615,378	3,707,890
Solid waste management	-	-	5,640,840	5,575,002	5,640,840	5,575,002
Water and sewer	-	-	2,289,106	2,074,045	2,289,106	2,074,045
Total expenses	<u>188,105,599</u>	<u>182,578,388</u>	<u>7,929,946</u>	<u>7,649,047</u>	<u>196,035,545</u>	<u>190,227,435</u>
Increase (decrease) in net position before transfers	227,605	6,824,819	2,576,624	971,604	2,804,229	7,796,423
Transfers	(1,653,489)	(1,600,000)	1,653,489	1,600,000	-	-
Increase (decrease) in net position after transfers	(1,425,884)	5,224,819	4,230,113	2,571,604	2,804,229	7,796,423
Net position - beginning of year, previously reported	104,935,362	101,450,771	103,684,562	101,112,958	208,619,924	202,563,729
Restatement	(5,864,880)	(1,740,228)	(129,883)	-	(5,994,763)	(1,740,228)
Net position- beginning, restated	<u>99,070,482</u>	<u>99,710,543</u>	<u>103,554,679</u>	<u>101,112,958</u>	<u>202,625,161</u>	<u>200,823,501</u>
Net position - end of year	<u>\$ 97,644,598</u>	<u>\$ 104,935,362</u>	<u>\$ 107,784,792</u>	<u>\$ 103,684,562</u>	<u>\$ 205,429,390</u>	<u>\$ 208,619,924</u>

\$84,149,876. The governing body of Catawba County has determined that the county should maintain an available fund balance of at least 16% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has available fund balance of 38.25% of total general fund expenditures, while the total fund balance represents 48.67% of that same amount.

The overall fund balance increased by \$4,307,184 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 increased by \$24.4 million to \$48.7 million. The net change in fund balance of

\$24.4 is the result of financing of \$29.8 million for new capital expansions.

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 (\$4.5 million) is the result of financing \$13.7 million for new capital expansion projects and expenditures of \$19.8 million on school capital projects.

Non-Major Funds - Fund balances for non-major funds decreased by (\$1.9 million) to \$14.5 million overall. The primary reason for this change is from \$6 million in expenditures for school capital projects, an increase of \$1.4 million over the prior year.

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 \$107.8 million with \$46.8 million of this amount being unrestricted. The increase in net position in these funds was \$4.2 million. Other factors concerning the finances of these funds have been addressed in the discussion of the County's business-type activities.

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

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

Total amendments to the General Fund increased revenues by \$1.6 million or 1%. This increase was due mainly to anticipation of additional federal

and state grants available for County services.

Actual revenues were less than final budgeted amounts by (\$4.6 million). This was due mainly to reductions in grant programs for certain human services operations.

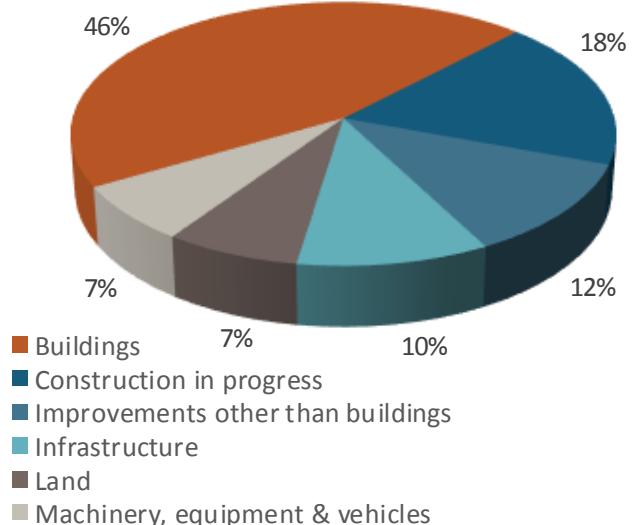
Net amendments to budgeted appropriations were (\$600K) or .3%. The majority of amendments were for change in expectations for federal and state grant programs in human services operations. Actual expenditures were less than final budgeted amounts by \$19 million. These cost savings resulted mainly from unspent appropriations of \$13 million from changes in federal and state grants for human services operation. Further savings are lapsed salaries and benefits from vacant positions 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, 2018, totals \$200,257,126 (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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 6,204,843	\$ 5,796,392	\$ 8,194,041	\$ 8,194,041	\$ 14,398,884	\$ 13,990,433
Construction in progress	15,950,202	48,837,438	20,828,543	19,524,086	36,778,745	68,361,524
Buildings	87,750,286	49,362,115	3,462,927	3,543,036	91,213,213	52,905,151
Improvements other than buildings	9,392,940	9,466,134	13,968,900	12,473,649	23,361,840	21,939,783
Plant and distribution systems/water lines	-	-	20,476,674	21,215,008	20,476,674	21,215,008
Machinery, equipment and vehicles	10,726,862	8,796,016	3,300,908	2,781,361	14,027,770	11,577,377
Total	<u>130,025,133</u>	<u>122,258,095</u>	<u>70,231,993</u>	<u>67,731,181</u>	<u>200,257,126</u>	<u>189,989,276</u>

- ▶ Purchase of new public safety vehicles including new ambulances
- ▶ Addition of equipment for NC 911 Center
- ▶ Increase in construction in progress in governmental funds for the Jail expansion and Multi-jurisdictional data park
- ▶ Increase in construction in progress in governmental funds for the Justice Center expansion and Multi-jurisdictional data park
- ▶ Increase in construction in progress in the solid waste fund for the construction of new landfill cells.

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, 2018, Catawba County had outstanding debt of \$198,869,191. The overall change in long-term debt was a net increase of \$28 million. The County issued new debt for county and school capital projects in the amount of \$39 million. The County made debt service payments of approximately \$15 million.

As mentioned in the financial highlights section of this document, Standard and Poor's increased the bond rating for Catawba County from AA to AA+. Moody's Investor Service maintained for the Aa1 bond rating for the ninth consecutive year. This stable bond rating is a

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Certificates of Participation	\$ 7,115,000	\$ 8,245,000	\$ -	\$ -	\$ 7,115,000	\$ 8,245,000
Installment Purchases	65,653,300	72,741,291	4,874,499	5,522,224	70,527,799	78,263,515
Qualified Zone Academy Bonds	200,000	250,000	-	-	200,000	250,000
Qualified School Const. Bonds	27,808,553	27,808,553	-	-	27,808,553	27,808,553
Limited Obligation Bonds	77,592,061	43,231,314	3,367,939	3,883,686	80,960,000	47,115,000
Federal Revolving Loan	-	-	900,000	975,000	900,000	975,000
NC Department of Commerce	1,590,784	2,100,388	-	-	1,590,784	2,100,388
Premium on long-term debt	9,633,990	5,350,723	133,065	147,196	9,767,055	5,497,919
Compensated absences	4,516,233	4,437,377	135,464	140,984	4,651,697	4,578,361
Net pension liability (LGERS)	12,032,027	17,319,678	336,571	476,950	12,368,598	17,796,628
Total pension liability (LEOSSA)	3,715,011	3,344,006	-	-	3,715,011	3,344,006
Total OPEB liability	15,622,496	15,597,999	430,372	429,697	16,052,868	16,027,696
Total	<u>\$ 225,479,455</u>	<u>\$ 200,426,329</u>	<u>\$ 10,177,910</u>	<u>\$ 11,575,737</u>	<u>\$ 235,657,365</u>	<u>\$ 212,002,066</u>

clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

North Carolina general statutes limit the amount of debt that a unit of local government can issue. The County's total debt outstanding of \$198,869,191 is 15% of the legal debt margin of \$1,137,105,877.

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

FISCAL YEAR 2017-18 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 15% of its statutory limit. The property tax rate of \$0.575/\$100 was below the State average of \$0.664/\$100 and the 24th lowest of all 100 counties in North Carolina.
- ▶ The County remains a retail magnet for the region, capturing 61.3% of the \$3.8 billion in retail sales from the four-county Metropolitan Statistical Area in 2017 despite having only 43% 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 4.0% in June 2017 to 3.8% in June 2018. The County announced that 2,564 new jobs were added to the current workforce from June 2017 to June 2018.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2019

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 2.3% percent increase in property tax revenue

and a 5.5% percent increase in sales tax revenue. The County is also budgeting an increase of 2.2 percent in operating expenses due to service expansions for a total approved budget of \$249,768,237 for fiscal year 2018-2019.

Education continues to represent the largest portion of the local budget, with 43 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—24.9 cents of every property tax and sales tax dollar—is spent on public safety.

As a commitment to public safety, in fiscal year 2018-2019 the County budgets additional funds for the operations of the new Justice Center.

The budget increases revenue to be set aside for a future economic development projects.

The County continues to review staffing needs annually, rightsizing in some areas while investing in others. The fiscal year 2018-2019 budget adds or increases 2.15 positions in three departments. The budget includes a 2.5% performance based adjustment for employees who exhibit satisfactory performance as reflected in the annual evaluation. High performers are able to receive an additional .5% 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.

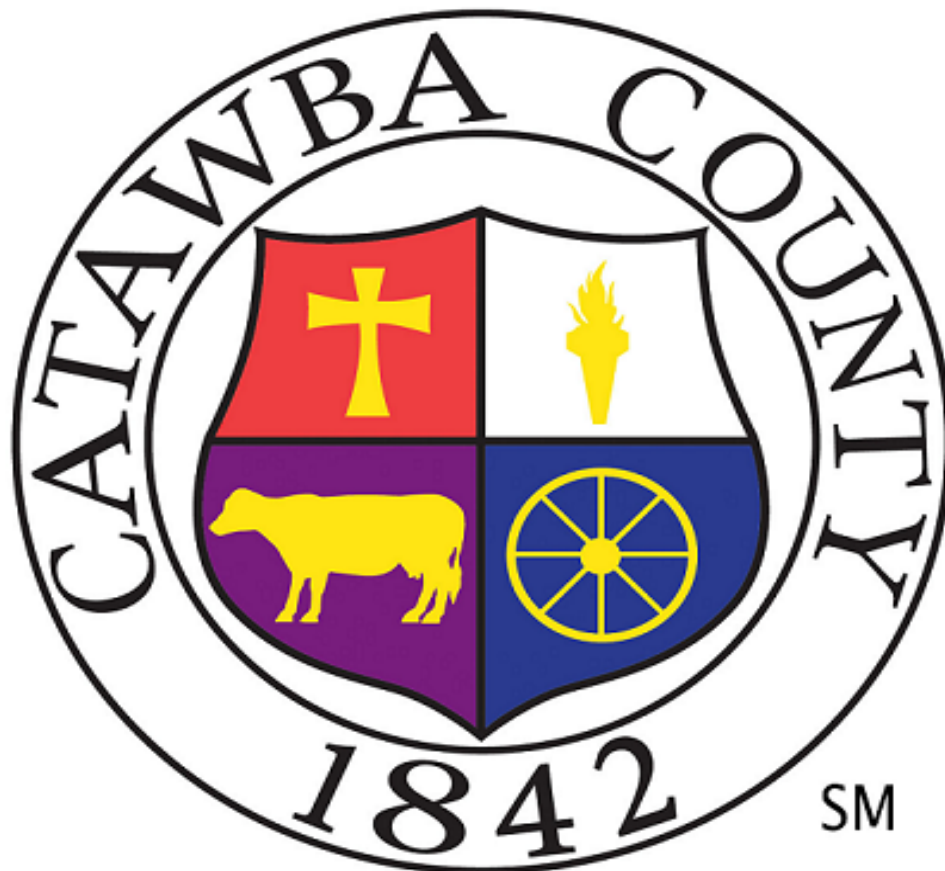
Business — type Activities - The 2019 budget includes \$8,665,176 for solid waste operations

and capital projects. The budget includes \$3,555,761 for water and sewer operations and capital projects.

As the County grows, there is a greater demand for clean drinking water and sewage disposal. To address these needs, the budget commits \$877,761 of the 1/4 cent sales tax to fund strategic water and sewer operational and capital needs. Additional funding for capital projects comes from reallocation of unspent funds from previously approved projects.

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

CATAWBA COUNTY, NORTH CAROLINA
Exhibit 1
Page 1 of 2
**Statement of Net Position
June 30, 2018**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash and investments	\$ 102,469,962	\$ 56,215,645	\$ 158,685,607
Taxes receivable - net	1,367,029	-	1,367,029
Due from other governments	15,829,653	864,943	16,694,596
Notes receivable	828,179	816,558	1,644,737
Other receivables	2,345,100	967,176	3,312,276
Interest receivable	397,461	200,690	598,151
Inventories	314,246	-	314,246
Prepaid items	600,017	198,483	798,500
Restricted cash and investments	67,376,170	-	67,376,170
Net pension asset - RODSPF	280,722	-	280,722
Other assets	-	-	-
Capital assets:			
Land and construction in progress	22,155,045	29,022,584	51,177,629
Other capital assets, net of depreciation	107,870,088	41,209,409	149,079,497
Total capital assets	130,025,133	70,231,993	200,257,126
Net investment in joint venture	779,444	-	779,444
Total assets	322,613,116	129,495,488	452,108,604
Deferred outflows of resources	12,994,868	328,905	13,323,773
Liabilities			
Accounts payable and accrued liabilities	10,470,858	1,091,410	11,562,268
Long-term liabilities:			
Net pension liability - LGERS	12,032,027	336,571	12,368,598
Total pension liability - LEOSA	3,715,011	-	3,715,011
Total OPEB liability	15,622,496	430,372	16,052,868
Due within one year	16,660,409	1,446,369	18,106,778
Due in more than one year	177,449,512	18,696,139	196,145,651
Total long-term liabilities	225,479,455	20,909,451	246,388,906
Total liabilities	235,950,313	22,000,861	257,951,174
Deferred inflows of resources	2,013,073	38,740	2,051,813
Net Position			
Net investment in capital assets	102,894,759	60,993,467	163,888,226
Restricted			
Stabilization by State statute	18,919,332	-	18,919,332
Register of Deeds	17,382	-	17,382
Register of Deeds pension plan	371,668	-	371,668
Public safety	934,306	-	934,306
Fire Protection	1,487,254	-	1,487,254
Library Endowment	193,303	-	193,303
Social services scholarships	54,953	-	54,953
Parks preservation	5,335	-	5,335
Community development	25,764	-	25,764
Hospital capital projects	4,104,986	-	4,104,986
General capital reserve	405,964	-	405,964
Working Capital	-	-	-
Other	-	-	-
Unrestricted (deficit)	(31,770,408)	46,791,325	15,020,917
Total net position	\$ 97,644,598	\$ 107,784,792	\$ 205,429,390

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 1
Page 2 of 2

Statement of Net Position
June 30, 2018

	Component Units	
	Catawba	
	Catawba Valley	County ABC
	Medical Center	Board
Assets		
Cash and investments	\$ 102,453,717	\$ 2,300,865
Taxes receivable - net	-	-
Due from other governments	2,725,824	-
Notes receivable	-	-
Other receivables	41,952,280	-
Interest receivable	166,588	-
Inventories	6,689,680	2,207,543
Prepaid items	-	-
Restricted cash and investments	4,199,300	-
Net pension asset	-	-
Other assets	12,571,366	-
Capital assets:		
Land and construction in progress	7,925,237	741,643
Other capital assets, net of depreciation	104,223,867	803,107
Total capital assets	<u>112,149,104</u>	<u>1,544,750</u>
Net investment in joint venture	-	-
Total assets	<u>282,907,859</u>	<u>6,053,158</u>
Deferred outflows of resources	<u>20,110,992</u>	<u>277,466</u>
Liabilities		
Accounts payable and accrued liabilities	37,758,901	1,325,533
Long-term liabilities:		
Net pension liability - LGERS	36,964,000	205,326
Total pension liability - LEOSSA	-	-
Total OPEB liability	-	36,934
Due within one year	9,074,589	-
Due in more than one year	37,604,640	-
Total long-term liabilities	<u>83,643,229</u>	<u>242,260</u>
Total liabilities	<u>121,402,130</u>	<u>1,567,793</u>
Deferred inflows of resources	<u>1,129,000</u>	<u>5,812</u>
Net Position		
Net investment in capital assets	71,424,841	1,544,750
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	4,119,282	-
General capital reserve	-	-
Working Capital	-	595,586
Other	80,018	-
Unrestricted (deficit)	<u>104,863,580</u>	<u>2,616,683</u>
Total net position	<u>\$ 180,487,721</u>	<u>\$ 4,757,019</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 2
Page 1 of 2

Statement of Activities
For the Year Ended June 30, 2018

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	\$ 10,229,231	\$ 2,048,789	\$ 2,758,895	\$ -
Public safety	40,842,983	9,082,972	1,549,761	-
Environmental protection	599,963	35,125	34,464	-
Economic and physical development	17,042,823	2,886,862	521,673	140,097
Human services	43,083,045	2,104,653	24,054,664	-
Culture and recreation	3,545,635	60,763	261,105	106,471
Education	69,146,541	-	-	-
Interest on long-term debt	3,615,378	-	-	-
Total governmental activities	<u>188,105,599</u>	<u>16,219,164</u>	<u>29,180,562</u>	<u>246,568</u>
Business-type activities				
Solid waste management	5,640,840	6,807,569	20,522	-
Water and sewer	<u>2,289,106</u>	<u>577,205</u>	<u>1,479,853</u>	-
Total business-type activities	<u>7,929,946</u>	<u>7,384,774</u>	<u>1,500,375</u>	-
Total primary government	<u>\$ 196,035,545</u>	<u>\$ 23,603,938</u>	<u>\$ 30,680,937</u>	<u>\$ 246,568</u>
Component units				
Catawba Valley Medical Center	\$ 286,834,894	\$ 288,975,664	\$ 816,998	\$ 328,411
Catawba County ABC Board	<u>19,450,074</u>	<u>20,122,539</u>	-	-
Total Component Units	<u>\$ 306,284,968</u>	<u>\$ 309,098,203</u>	<u>\$ 816,998</u>	<u>\$ 328,411</u>

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

CATAWBA COUNTY, NORTH CAROLINA

 Exhibit 2
 Page 2 of 2

**Statement of Activities
 For the Year Ended June 30, 2018**

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	\$ (5,421,547)	\$ -	\$ (5,421,547)		
Public safety	(30,210,250)	-	(30,210,250)		
Environmental protection	(530,374)	-	(530,374)		
Economic and physical development	(13,494,191)	-	(13,494,191)		
Human services	(16,923,728)	-	(16,923,728)		
Culture and recreation	(3,117,296)	-	(3,117,296)		
Education	(69,146,541)	-	(69,146,541)		
Interest on long-term debt	(3,615,378)	-	(3,615,378)		
Total governmental activities	<u>(142,459,305)</u>	<u>-</u>	<u>(142,459,305)</u>		
Business-type activities					
Solid waste management	-	1,187,251	1,187,251		
Water and sewer	-	(232,048)	(232,048)		
Total business-type activities	<u>-</u>	<u>955,203</u>	<u>955,203</u>		
Total primary government	<u>(142,459,305)</u>	<u>955,203</u>	<u>(141,504,102)</u>		
Component units					
Catawba Valley Medical Center				\$ 3,286,179	\$ -
Catawba County ABC Board				-	672,465
Total Component Units				<u>\$ 3,286,179</u>	<u>\$ 672,465</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes	104,070,254	-	104,070,254	-	-
Local option sales taxes	36,065,390	848,925	36,914,315	-	-
Other taxes	1,848,291	425,298	2,273,589	-	-
Investment earnings, unrestricted	702,975	292,600	995,575	2,696,772	1,074
Gain on sale of capital assets	-	54,598	54,598	-	-
Total general revenues	<u>142,686,910</u>	<u>1,621,421</u>	<u>144,308,331</u>	<u>2,696,772</u>	<u>1,074</u>
Transfers	<u>(1,653,489)</u>	<u>1,653,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>141,033,421</u>	<u>3,274,910</u>	<u>144,308,331</u>	<u>2,696,772</u>	<u>1,074</u>
Change in net position	(1,425,884)	4,230,113	2,804,229	5,982,951	673,539
Net position, beginning, previously reported	104,935,362	103,684,562	208,619,924	174,504,770	4,020,029
Restatement	<u>(5,864,880)</u>	<u>(129,883)</u>	<u>(5,994,763)</u>	<u>-</u>	<u>63,451</u>
Net position, beginning, restated	<u>99,070,482</u>	<u>103,554,679</u>	<u>202,625,161</u>	<u>174,504,770</u>	<u>4,083,480</u>
Net position, ending	<u>\$ 97,644,598</u>	<u>\$ 107,784,792</u>	<u>\$ 205,429,390</u>	<u>\$ 180,487,721</u>	<u>\$ 4,757,019</u>

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

CATAWBA COUNTY, NORTH CAROLINA
Exhibit 3
**Balance Sheet
Governmental Funds
June 30, 2018**

	Major Funds			Non Major Funds	
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 59,979,153	\$ 20,176,865	\$ 9,012,319	\$ 13,301,625	\$ 102,469,962
Taxes receivable - net	1,252,396	-		114,633	1,367,029
Due from other governments	14,085,050	200,372	36,070	1,508,161	15,829,653
Notes receivable	828,179	-		-	828,179
Other receivables	2,339,388	5,712		-	2,345,100
Interest receivable	253,333	66,492	32,112	45,524	397,461
Inventories	314,246	-		-	314,246
Prepaid items	600,017	-		-	600,017
Restricted cash and investments	14,739,404	30,058,365	22,578,401	-	67,376,170
Total assets	<u>94,391,166</u>	<u>50,507,806</u>	<u>31,658,902</u>	<u>14,969,943</u>	<u>191,527,817</u>
Liabilities					
Accounts payable and accrued liabilities	6,460,643	1,844,598	1,795,347	370,270	10,470,858
Total liabilities	<u>6,460,643</u>	<u>1,844,598</u>	<u>1,795,347</u>	<u>370,270</u>	<u>10,470,858</u>
Deferred Inflows of Resources	<u>3,780,647</u>	-	-	123,591	<u>3,904,238</u>
Fund Balances					
Nonspendable	1,742,442	-	-	-	1,742,442
Restricted	30,623,719	31,078,803	22,646,583	8,359,586	92,708,691
Committed	119,803	17,584,405	7,216,972	6,116,496	31,037,676
Assigned	12,184,916	-	-	-	12,184,916
Unassigned	39,478,996	-	-	-	39,478,996
Total fund balances	<u>84,149,876</u>	<u>48,663,208</u>	<u>29,863,555</u>	<u>14,476,082</u>	<u>177,152,721</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 94,391,166</u>	<u>\$ 50,507,806</u>	<u>\$ 31,658,902</u>	<u>\$ 14,969,943</u>	<u>\$ 191,527,817</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, 2018**

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)	\$ 177,152,721
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	130,025,133
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	779,444
Charges related to refunding bond issues	2,159,514
Net pension asset RODSPF	280,722
Net pension liability LGERS	(12,032,027)
Total pension liability LEOSSA	(3,715,011)
Total pension liability OPEB	(15,622,496)
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the statement of net position - LGERS	9,267,613
Benefit payments and pension administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	284,513
Contributions to OPEB in the current fiscal year	1,283,226
Pension related deferrals	(719,878)
OPEB related deferrals	(821,151)
Liabilities for earned revenues considered deferred inflows of resources in fund statements	3,432,196
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>(194,109,921)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 97,644,598</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, 2018

	Major Funds			Non Major Funds	
	General Fund	General Capital Projects Fund	School Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 96,118,691	\$ -	-	\$ 7,910,164	\$ 104,028,855
Other taxes	31,803,193	-	-	5,149,897	36,953,090
Unrestricted intergovernmental revenues	1,895,660	-	-	-	1,895,660
Restricted intergovernmental revenues	31,920,786	15,096	-	936,883	32,872,765
Permits and fees	3,545,784	-	-	-	3,545,784
Sales and services	7,789,214	-	-	-	7,789,214
Investment earnings	365,792	121,768	146,659	68,755	702,974
Miscellaneous	3,188,139	388,539	-	8,075	3,584,753
Total revenues	<u>176,627,259</u>	<u>525,403</u>	<u>146,659</u>	<u>14,073,774</u>	<u>191,373,095</u>
Expenditures					
Current					
General government	12,033,377	-	-	-	12,033,377
Public safety	31,284,583	-	-	9,252,520	40,537,103
Environmental protection	581,569	-	-	-	581,569
Economic and physical development	16,144,830	-	-	77,851	16,222,681
Human services	42,039,157	-	-	-	42,039,157
Culture and recreation	3,390,020	-	-	7,625	3,397,645
Education	43,331,107	-	-	-	43,331,107
Capital outlay	-	9,964,656	19,858,422	5,957,012	35,780,090
Debt service					
Principal	13,501,848	-	-	-	13,501,848
Interest	3,507,375	-	-	-	3,507,375
Bond issuance costs	375,651	-	-	-	375,651
Total expenditures	<u>166,189,517</u>	<u>9,964,656</u>	<u>19,858,422</u>	<u>15,295,008</u>	<u>211,307,603</u>
Excess of revenues over (under) expenditures	<u>10,437,742</u>	<u>(9,439,253)</u>	<u>(19,711,763)</u>	<u>(1,221,234)</u>	<u>(19,934,508)</u>
Other Financing Sources (Uses)					
Transfers from other funds	562,500	4,052,770	1,478,841	547,023	6,641,134
Transfers to other funds	(7,071,350)	(12,500)	(14,751)	(1,196,022)	(8,294,623)
Bonds issued	224,706	26,618,280	12,242,014	-	39,085,000
Premium on bonds issued	153,586	3,181,720	1,462,986	-	4,798,292
Total other financing sources (uses)	<u>(6,130,558)</u>	<u>33,840,270</u>	<u>15,169,090</u>	<u>(648,999)</u>	<u>42,229,803</u>
Net change in fund balance	4,307,184	24,401,017	(4,542,673)	(1,870,233)	22,295,295
Fund Balances - Beginning of Year	<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>
Fund Balances - End of Year	<u>\$ 84,149,876</u>	<u>\$ 48,663,208</u>	<u>\$ 29,863,555</u>	<u>\$ 14,476,082</u>	<u>\$ 177,152,721</u>

**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, 2018**

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)	\$ 22,295,295
Governmental funds report capital outlays as expenditures. However, in the Statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays exceeded depreciation in the current period.	7,786,039
Net capital assets disposed during the year	(19,001)
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.	(155,843)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,852,089
Benefit payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	61,520
Contributions and pension administrative costs for OPEB are deferred outflows of resources on the statement of net position	680,548
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(247,377)
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.	(29,866,419)
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.	(5,812,735)
Total changes in net position of governmental activities (Exhibit 2)	<u>\$ (1,425,884)</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 5

Page 1 of 2

General Fund**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 93,604,203	\$ 93,604,203	\$ 96,118,691	\$ 2,514,488
Other taxes	29,697,618	29,697,618	31,803,193	2,105,575
Unrestricted intergovernmental revenues	1,914,250	1,914,250	1,895,660	(18,590)
Restricted intergovernmental revenues	39,861,816	41,486,444	31,920,786	(9,565,658)
Permits and fees	3,378,348	3,390,348	3,545,784	155,436
Sales and services	7,645,568	7,682,224	7,789,214	106,990
Investment earnings	650,600	650,600	360,151	(290,449)
Miscellaneous	2,841,589	2,817,079	3,188,139	371,060
Total revenues	<u>179,593,992</u>	<u>181,242,766</u>	<u>176,621,618</u>	<u>(4,621,148)</u>
Expenditures				
Current				
General government	13,465,569	13,757,381	11,595,056	2,162,325
Public safety	32,089,798	32,995,331	31,284,583	1,710,748
Environmental protection	632,524	637,546	581,569	55,977
Economic and physical development	17,846,889	17,878,947	16,144,830	1,734,117
Human services	55,798,605	54,926,647	42,039,157	12,887,490
Culture and recreation	3,521,258	3,722,787	3,390,020	332,767
Education	43,418,191	43,418,191	43,331,107	87,084
Debt service				
Principal	14,251,861	13,501,861	13,501,848	13
Sinking fund payments	1,853,905	1,853,905	1,807,165	46,740
Interest	3,524,958	3,524,958	3,507,375	17,583
Bond issuance costs	832,819	410,000	375,651	34,349
Total expenditures	<u>187,236,377</u>	<u>186,627,554</u>	<u>167,558,361</u>	<u>19,069,193</u>
Excess of revenues over (under) expenditures	<u>(7,642,385)</u>	<u>(5,384,788)</u>	<u>9,063,257</u>	<u>14,448,045</u>
Other Financing Sources (Uses)				
Transfers from other funds	550,000	562,500	562,500	-
Transfers to other funds	(5,771,424)	(7,471,350)	(7,471,350)	-
Bonds issued	-	410,000	224,706	(185,294)
Premium on bonds issued	-	-	153,586	153,586
Fund balance appropriated	12,863,809	11,883,638	-	(11,883,638)
Total other financing sources (uses)	<u>7,642,385</u>	<u>5,384,788</u>	<u>(6,530,558)</u>	<u>(11,915,346)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,532,699</u>	<u>\$ 2,532,699</u>
Fund Balances - Beginning of Year			<u>79,259,874</u>	
Fund Balances - End of Year			<u>\$ 81,792,573</u>	

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 5

Page 2 of 2

General Fund**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018**

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

Investment earnings	3,644
Expenditures	(438,321)
Transfer from other funds	400,000
Fund Balance, Beginning	177,437

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

Investment earnings	1,997
Transfers to other funds	-
Fund Balance, Beginning	<u>405,381</u>
Fund Balance, Ending - Budget and Actual	82,342,711
Budget and actual reconciliation	<u>1,807,165</u>
Fund Balance, Ending (Exhibit 4)	<u>\$ 84,149,876</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	\$ 2,532,699
Tax Reappraisal Fund	(34,677)
General Capital Reserve Fund	<u>1,997</u>
	<u>\$ 2,500,019</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

1,807,165

Net change in fund balances - general fund
(Exhibit 4)

\$ 4,307,184

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

Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Assets			
Current assets			
Cash and investments	20,177,949	36,037,696	\$ 56,215,645
Due from other governments	339,440	525,503	864,943
Notes receivable	-	816,558	816,558
Accounts receivables (net of allowance)	935,522	31,654	967,176
Interest receivables	74,327	126,363	200,690
Prepaid items	2,875	195,608	198,483
Total current assets	<u>21,530,113</u>	<u>37,733,382</u>	<u>59,263,495</u>
Noncurrent assets			
Capital assets			
Land and construction in progress	10,499,851	18,522,733	29,022,584
Other capital assets, net of depreciation	20,686,805	20,522,604	41,209,409
Total capital assets	<u>31,186,656</u>	<u>39,045,337</u>	<u>70,231,993</u>
Total noncurrent assets	<u>31,186,656</u>	<u>39,045,337</u>	<u>70,231,993</u>
Total assets	<u>52,716,769</u>	<u>76,778,719</u>	<u>129,495,488</u>
Deferred outflows of resources			
Pension - LGERS	243,078	13,500	256,578
OPEB deferrals	34,172	1,178	35,350
Deferred charge on debt refunding	-	36,977	36,977
Total deferred outflows of resources	<u>277,250</u>	<u>51,655</u>	<u>328,905</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	291,245	800,165	1,091,410
Accrued landfill closure and postclosure care costs	100,000	-	100,000
Installment loan payable	-	1,248,924	1,248,924
Compensated absences	87,670	9,775	97,445
Total current liabilities	<u>478,915</u>	<u>2,058,864</u>	<u>2,537,779</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	10,631,541	-	10,631,541
Net pension liability	318,862	17,709	336,571
Total OPEB liability	416,026	14,346	430,372
Installment loan payable	-	7,893,514	7,893,514
Premium on long-term debt	-	133,065	133,065
Compensated absences	21,124	16,895	38,019
Total noncurrent liabilities	<u>11,387,553</u>	<u>8,075,529</u>	<u>19,463,082</u>
Total liabilities	<u>11,866,468</u>	<u>10,134,393</u>	<u>22,000,861</u>

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

CATAWBA COUNTY, NORTH CAROLINAExhibit 6
Page 2 of 2**Statement of Net Position
Proprietary Funds
June 30, 2018**

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Deferred inflows of resources			
Pension - LGERS	15,271	848	16,119
OPEB deferrals	<u>21,867</u>	<u>754</u>	<u>22,621</u>
Total deferred inflows of resources	<u>37,138</u>	<u>1,602</u>	<u>38,740</u>
Net Position			
Net investment in capital assets	31,186,656	29,806,811	60,993,467
Unrestricted	<u>9,903,757</u>	<u>36,887,568</u>	<u>46,791,325</u>
Total net position	<u>\$ 41,090,413</u>	<u>\$ 66,694,379</u>	<u>\$ 107,784,792</u>

The accompanying notes are an integral part of the financial statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 6,071,756	\$ -	\$ 6,071,756
Methane recovery	644,654	-	644,654
Other operating revenues	75,596	-	75,596
Total operating revenues	<u>6,792,006</u>	<u>-</u>	<u>6,792,006</u>
Operating Expenses			
Administration	600,410	98,829	699,239
Recycling	166,701	-	166,701
Solid waste management improvements	82,387	-	82,387
Solid waste code enforcement	70,236	-	70,236
Sanitary landfill	3,066,938	-	3,066,938
Convenience centers	1,598	-	1,598
Blackburn landfill methane recovery	613,959	-	613,959
Water and sewer	-	1,199,525	1,199,525
Landfill closure and postclosure care costs	100,000	-	100,000
Depreciation	938,611	739,512	1,678,123
Total operating expenses	<u>5,640,840</u>	<u>2,037,866</u>	<u>7,678,706</u>
Operating income (loss)	<u>1,151,166</u>	<u>(2,037,866)</u>	<u>(886,700)</u>
Nonoperating Revenues (Expenses)			
Solid waste disposal tax	70,232	-	70,232
Scrap tire disposal tax	254,893	-	254,893
White goods disposal tax	100,173	-	100,173
Scrap tire grant	20,522	-	20,522
Electronics management distribution	12,556	-	12,556
Duke Energy Water	-	314,640	314,640
Hickory community relations	3,000	-	3,000
Gain on sale of capital asset	54,598	-	54,598
Miscellaneous	7	81,190	81,197
Investment earnings	104,089	188,511	292,600
Engineering fees	-	181,375	181,375
Sales Taxes - Article 46 - one quarter of one percent	-	848,925	848,925
Interest on long term debt	-	(251,240)	(251,240)
Municipal revenue sharing	-	1,479,853	1,479,853
Total nonoperating revenues (expenses)	<u>620,070</u>	<u>2,843,254</u>	<u>3,463,324</u>
Income (loss) before contributions and transfers	<u>1,771,236</u>	<u>805,388</u>	<u>2,576,624</u>
Transfer from other funds	<u>3,489</u>	<u>1,650,000</u>	<u>1,653,489</u>
Change in net position	1,774,725	2,455,388	4,230,113
Net Position - Beginning of Year	39,440,495	64,244,067	103,684,562
Restatement (Note 10)	<u>(124,807)</u>	<u>(5,076)</u>	<u>(129,883)</u>
Net Position - Beginning of Year Restated	<u>39,315,688</u>	<u>64,238,991</u>	<u>103,554,679</u>
Net Position - End of Year	<u>\$ 41,090,413</u>	<u>\$ 66,694,379</u>	<u>\$ 107,784,792</u>



SM

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 8

Page 1 of 2

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

Business-Type Activities - Enterprise Funds

	Solid Waste Management Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 6,537,027	276	\$ 6,537,303
Cash paid for goods and services	(2,783,086)	(1,094,896)	(3,877,982)
Cash paid to employees	(1,794,141)	(96,209)	(1,890,350)
Other operating revenues	75,596	-	75,596
Net cash provided (used) by operating activities	<u>2,035,396</u>	<u>(1,190,829)</u>	<u>844,567</u>
Cash Flows from Noncapital Financing Activities			
Solid waste disposal tax	70,232	-	70,232
Scrap tire disposal tax	254,893	-	254,893
White goods disposal tax	100,173	-	100,173
Scrap tire grant	20,522	-	20,522
Community relations and distribution charges	15,561	-	15,561
Other taxes	-	848,925	848,925
Domestic haulers and capital fees	-	262,565	262,565
Municipal revenue sharing	-	1,479,853	1,479,853
Transfer from general fund	3,489	1,650,000	1,653,489
Total cash provided by noncapital financing activities	<u>464,870</u>	<u>4,241,343</u>	<u>4,706,213</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on installment notes payable	-	(1,238,472)	(1,238,472)
Interest paid on installment notes payable	-	(261,444)	(261,444)
Acquisition and construction of capital assets	(3,022,907)	(1,156,028)	(4,178,935)
Duke Energy Water	-	314,640	314,640
Proceeds from sale of assets	54,598	-	54,598
Net cash provided (used) by capital and related financing activities	<u>(2,968,309)</u>	<u>(2,341,304)</u>	<u>(5,309,613)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>89,097</u>	<u>161,786</u>	<u>250,883</u>
Net increase (decrease) in cash and cash equivalents	(378,946)	870,996	492,050
Cash and cash equivalents - beginning of year	<u>20,556,895</u>	<u>35,166,700</u>	<u>55,723,595</u>
Cash and cash equivalents - end of year	<u>\$ 20,177,949</u>	<u>36,037,696</u>	<u>\$ 56,215,645</u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 8
Page 2 of 2

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
	<hr/>	<hr/>	<hr/>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 1,151,166	(2,037,866)	(886,700)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	938,611	739,512	1,678,123
Increase (decrease) in landfill closure and postclosure care costs	100,000	-	100,000
Changes in assets and liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in refundable sales tax	(23,091)	(35,907)	(58,998)
(Increase) decrease in other receivables	(156,292)	276	(156,016)
(Increase) decrease in notes receivables	-	(596,393)	(596,393)
(Increase) decrease in deferred outflows of resources - pensions	142,784	7,768	150,552
(Increase) decrease in deferred outflows of resources - OPEB	(34,172)	(1,178)	(35,350)
Increase (decrease) in accounts payable and other liabilities	18,825	736,929	755,754
Increase (decrease) in compensated absences	(7,098)	1,578	(5,520)
Increase (decrease) in accrued salaries and other benefits	(8,587)	127	(8,460)
Increase (decrease) in pension liability	(133,172)	(7,206)	(140,378)
Increase (decrease) in OPEB liability	28,243	974	29,217
Increase (decrease) in deferred inflows of resources - pensions	(3,688)	(197)	(3,885)
Increase (decrease) in deferred inflows of resources - OPEB	21,867	754	22,621
Total adjustments	<hr/> 884,230	<hr/> 847,037	<hr/> 1,731,267
Net cash provided (used) by operating activities	<hr/> <u>\$ 2,035,396</u>	<hr/> <u>(1,190,829)</u>	<hr/> <u>844,567</u>
Noncash investing, capital and financing activities:			
(Premium)/deferred charge from debt refunding	-	(10,204)	(10,204)
	<hr/> <u>\$ -</u>	<hr/> <u>\$ (10,204)</u>	<hr/> <u>\$ (10,204)</u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 9

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018**

	<u>Agency Funds</u>
Assets	
Cash and investments	<u>\$ 309,635</u>
Liabilities	
Miscellaneous liabilities	<u><u>\$ 309,635</u></u>

The accompanying notes are an integral part of the financial statements

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June 30, 2018

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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, 2018

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, 2018

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 Capital Reserve Fund are reported as capital projects funds.

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 recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds, the Solid Waste Management Fund and the Water and Sewer Fund, are charges to customers for services.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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.

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 government money market fund, 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.

Catawba County Restricted Cash

Governmental Activities		
General Fund	Debt service reserve	\$ 13,698,640
General Fund	Unexpended debt proceeds	\$ 224,706
General Fund	Social services	245,133
General Fund	Tax reappraisal	164,961
General Fund	Capital reserve funds	405,964
General Capital Projects Fund	Unexpended debt proceeds	30,058,365
School Construction Fund	Unexpended debt proceeds	22,578,401
Total Governmental Activities		<u>\$ 67,376,170</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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, 2017.

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
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, OPEB and pension related deferrals, and contributions made to OPEB and pension plans 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 OPEB or 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, 2018, 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 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 (\$13,923,346), unspent debt proceeds of (\$52,636,766), and the Register of Deeds pension plan of \$371,668.

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.

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 Cost-Sharing Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (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 – total governmental funds* and *net position– governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(79,508,123) consists of several elements as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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)	\$ 199,695,425
Less accumulated depreciation	<u>(69,670,292)</u>
Net capital assets	<u>130,025,133</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	779,444
Charges related to advance refunding issued - included on government-wide statement of net position but are not current financial resources	2,159,514
Net pension asset RODSPF	280,722
Contributions to the pension plan LGERS in the current year	9,267,613
Benefit payments and administrative costs for LEOSSA	284,513
Contributions to OPEB in the current fiscal year	1,283,226
Deferred inflows of resources reported in the fund statements but not the government-wide	3,432,196
Pension related deferrals	(719,878)
OPEB related deferrals	(821,151)
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	(7,115,000)
Installment purchase	(65,653,300)
Qualified zone academy bonds	(200,000)
Qualified school construction bonds	(27,808,553)
Limited obligation bonds	(77,592,061)
NC Department of Commerce	(1,590,784)
Premium on long-term debt	(9,633,990)
Compensated absences	(4,516,233)
Net pension liability LGERS	(12,032,027)
Total pension liability LEOSSA	(3,715,011)
Total other post employment liability	<u>(15,622,496)</u>
	<u>(225,479,455)</u>
Total adjustment	<u>\$ (79,508,123)</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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(23,721,179) 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	\$ 12,481,775
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	(4,695,736)
Net capital assets disposed during the year	(19,001)
Proceeds from issuance of long term debt not recorded in statement of activities	(39,085,000)
Premium on issuance of long term debt not recorded in statement of activities	(4,798,292)
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	1,130,000
Installment purchases	7,087,991
Qualified zone academy bonds	50,000
Limited obligation bonds	4,724,253
NC Department of Commerce	509,604
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	3,852,089
Benefit payments and administrative costs for LEOSA are deferred outflows of resources on the statement of net position	61,520
Contributions and administration costs for OPEB are deferred outflows of resources on the statement of net position	680,548
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	(4,369,150)
OPEB expense	(1,279,044)
Amortization of deferred interest	(247,378)
Net (increase) decrease in compensated absences	(78,856)
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	(155,843)
Amortization of premium on debt issuance	515,025
Net increase (decrease) in receivables and deferred revenue	<u>(85,684)</u>
Total adjustment	<u>\$ (23,721,179)</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Non-Compliance with North Carolina General Statutes

In accordance with G.S. [159-13](b)(3), a contingency appropriation shall not exceed five (5)% of the total of all other appropriations in the same fund. In the current year, there was a violation of the NC General Statute with regard to the contingency appropriation exceeding the aforementioned passage in the General Capital Reserve and Library Endowment Funds.

B. Corrective Action/Management Response

The current year budget estimated investment revenues with a corresponding contingency for expenses. The actual revenues received were less than budget and there were no contingent expenses. Management recognized that the initial appropriation was in excess of the allowable percentage. In future years, the budget will be more conservative in its estimates and will not include appropriations in excess of allowable percentages.

NOTE 3 – 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 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, 2018, the County's deposits had a carrying amount of \$26,668,606 and a bank balance of \$29,730,418. Of the bank balance, \$1,243,878 was covered by federal depository insurance and \$300,428 in non-interest bearing deposits and \$28,186,112 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2018, Catawba County had \$9,881 cash on hand.

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

2. Investments

As of June 30, 2018 the County had the following investments and maturities.

Investment Type	Valuation	Book Value	Less than 6		
	Measurement Method		months	6-12 months	1-5 years
U.S. Government Agencies*	Fair Value-Level 2	\$ 138,758,220	\$ 15,966,720	\$ 17,162,299	\$ 105,629,201
NC Capital Trust Management Trust					
Government Portfolio	Amortized Cost	2,857,514	2,857,514	-	-
NC Capital Trust Management Trust					
Term Portfolio**	Fair Value-Level 1	12,345,662	12,345,662	-	-
US Bank Money Market - Debt					
Escrow-restricted	Fair Value-Level 1	43,731,529	43,731,529	-	-
Total:		<u>\$ 197,692,925</u>	<u>\$ 74,901,425</u>	<u>\$ 17,162,299</u>	<u>\$ 105,629,201</u>

*\$70,580,008 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.

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). The County's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2018. The County's debt service funds for payment of principal and interest are invested in US Bank money market. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 70% of the County's investments are in United States government-sponsored enterprises. Investments in Federal Farm Credit are 11%, Federal Home Loan Bank are 10%, Federal Home Loan Mortgage Corporation are 24%, and Federal National Mortgage Agency are 25% 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2015	1,357,200	383,409	1,740,609
2016	1,383,796	266,381	1,650,177
2017	1,407,206	144,239	1,551,445
2018	1,418,459	-	1,418,459
Total	<u>\$ 5,566,661</u>	<u>\$ 794,029</u>	<u>\$ 6,360,690</u>

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

4. Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	Governmental activities				Total Governmental Activities
	General	General Capital Projects Fund	School Construction Fund	Non-major Funds	
Receivables					
Accounts	\$ 2,813,631	\$ 5,712	\$ -	\$ -	\$ 2,819,343
Taxes	5,630,877	-	-	350,639	5,981,516
Due from other governments	14,085,050	200,372	36,070	1,508,161	15,829,653
Notes	828,179	-	-	-	828,179
Other	39,897	-	-	-	39,897
Interest	253,333	66,492	32,112	45,524	397,461
Gross Receivables	23,650,967	272,576	68,182	1,904,324	25,896,049
Allowance for uncollectibles	(4,892,621)	-	-	(236,006)	(5,128,627)
Net total receivables	<u>\$ 18,758,346</u>	<u>\$ 272,576</u>	<u>\$ 68,182</u>	<u>\$ 1,668,318</u>	<u>\$ 20,767,422</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 516,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,060</u>

	Business-type activities		
	Solid Waste Management Fund	Water and Sewer Fund	Total Business-type Activities
Receivables			
Accounts	\$ 935,522	\$ 1,320,514	\$ 2,256,036
Notes	-	816,558	816,558
Due from other governments	339,440	525,503	864,943
Interest	74,327	126,363	200,690
Gross Receivables	1,349,289	2,788,938	4,138,227
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	<u>\$ 1,349,289</u>	<u>\$ 1,500,078</u>	<u>\$ 2,849,367</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 768,270</u>	<u>\$ 768,270</u>

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

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 9,244,248	\$ 217,060
White goods disposal tax	-	15,105
Scrap tire tax	-	56,223
Solid waste disposal tax	-	15,022
Various federal and state grants	5,886,664	296,734
Refundable sales tax	698,741	264,799
	<u>\$ 15,829,653</u>	<u>\$ 864,943</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 5,796,392	\$ 408,451	\$ -	\$ 6,204,843
Construction in progress	48,837,438	7,973,153	(40,860,389)	15,950,202
Total capital assets, not being depreciated	<u>54,633,830</u>	<u>8,381,604</u>	<u>(40,860,389)</u>	<u>22,155,045</u>
Capital assets, being depreciated				
Buildings	95,764,663	40,492,597	-	136,257,260
Other improvements	14,748,052	219,895	-	14,967,947
Equipment and vehicles	23,957,672	4,248,068	(1,890,567)	26,315,173
Total capital assets, being depreciated	<u>134,470,387</u>	<u>44,960,560</u>	<u>(1,890,567)</u>	<u>177,540,380</u>
Less accumulated depreciation for				
Buildings	(46,402,548)	(2,104,426)	-	(48,506,974)
Other improvements	(5,281,918)	(293,089)	-	(5,575,007)
Equipment and vehicles	(15,161,656)	(2,298,221)	1,871,566	(15,588,311)
Total accumulated depreciation	<u>(66,846,122)</u>	<u>(4,695,736)</u>	<u>1,871,566</u>	<u>(69,670,292)</u>
Total capital assets, being depreciated, net	<u>67,624,265</u>	<u>40,264,824</u>	<u>(19,001)</u>	<u>107,870,088</u>
Governmental activities capital assets, net	<u>\$ 122,258,095</u>	<u>\$ 48,646,428</u>	<u>\$ (40,879,390)</u>	<u>\$ 130,025,133</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Governmental activities	
General government	\$ 330,373
Public safety	2,793,448
Environmental protection	15,639
Economic & physical development	368,564
Human services	1,053,105
Culture and recreation	134,607
Total depreciation expense	<u>\$ 4,695,736</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 7,298,659	\$ -	\$ -	\$ 7,298,659
Construction in progress	3,052,763	148,429	-	3,201,192
Total capital assets, not being depreciated	<u>10,351,422</u>	<u>148,429</u>	<u>-</u>	<u>10,499,851</u>
Capital assets, being depreciated				
Buildings	3,996,631	-	-	3,996,631
Other improvements	24,925,320	1,812,389	-	26,737,709
Equipment and vehicles	10,413,056	1,062,089	(996,577)	10,478,568
Total capital assets, being depreciated	<u>39,335,007</u>	<u>2,874,478</u>	<u>(996,577)</u>	<u>41,212,908</u>
Less accumulated depreciation for				
Buildings	(453,595)	(80,109)	-	(533,704)
Other improvements	(12,498,779)	(315,960)	-	(12,814,739)
Equipment and vehicles	(7,631,695)	(542,542)	996,577	(7,177,660)
Total accumulated depreciation	<u>(20,584,069)</u>	<u>(938,611)</u>	<u>996,577</u>	<u>(20,526,103)</u>
Total capital assets, being depreciated, net	<u>18,750,938</u>	<u>1,935,867</u>	<u>-</u>	<u>20,686,805</u>
Solid Waste Management capital assets, net	<u>\$ 29,102,360</u>	<u>\$ 2,084,296</u>	<u>\$ -</u>	<u>\$ 31,186,656</u>

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 895,382	\$ -	\$ -	\$ 895,382
Construction in progress	16,471,323	1,156,028	-	17,627,351
Total capital assets, not being depreciated	<u>17,366,705</u>	<u>1,156,028</u>	<u>-</u>	<u>18,522,733</u>
Capital assets, being depreciated				
Plant and distribution systems/water lines	24,188,228	-	-	24,188,228
Other improvements	58,885	-	-	58,885
Total capital assets, being depreciated	<u>24,247,113</u>	<u>-</u>	<u>-</u>	<u>24,247,113</u>
Less accumulated depreciation for				
Plant and distribution systems/water lines	(2,973,220)	(738,334)	-	(3,711,554)
Other improvements	(11,777)	(1,178)	-	(12,955)
Total accumulated depreciation	<u>(2,984,997)</u>	<u>(739,512)</u>	<u>-</u>	<u>(3,724,509)</u>
Total capital assets, being depreciated, net	<u>21,262,116</u>	<u>(739,512)</u>	<u>-</u>	<u>20,522,604</u>
Water & Sewer capital assets, net	<u>\$ 38,628,821</u>	<u>\$ 416,516</u>	<u>\$ -</u>	<u>\$ 39,045,337</u>

Construction Commitments

The County has active construction and other capital projects as of June 30, 2018. The government's commitments with contractors and vendors are composed of numerous projects within the following funds:

	Project Authorization	Expended to June 30, 2018	Committed	Required Future Financing
Governmental activities				
General Capital Projects	\$ 115,963,558	\$ 69,556,088	46,407,470	None
Schools Capital Projects	17,641,706	14,864,902	2,776,804	None
School Construction	76,964,665	33,229,653	43,735,012	None
Total governmental activities	<u>\$ 210,569,929</u>	<u>\$ 117,650,643</u>	<u>\$ 92,919,286</u>	
Business-type activities				
Solid Waste Management Fund	\$ 10,457,955	\$ 5,236,034	5,221,921	None
Water and Sewer Fund	46,749,240	29,075,886	17,673,354	None
Total business-type activities	<u>\$ 57,207,195</u>	<u>\$ 34,311,920</u>	<u>\$ 22,895,275</u>	

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018 were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental activities				
General	\$ 1,791,723	\$ 3,743,791	\$ 925,129	\$ 6,460,643
General Capital Projects	1,844,598	-	-	1,844,598
School Construction	1,795,347	-	-	1,795,347
Non-major Funds	366,083	4,187	-	370,270
Total governmental activities	<u>\$ 5,797,751</u>	<u>\$ 3,747,978</u>	<u>\$ 925,129</u>	<u>\$ 10,470,858</u>
Business-type Activities				
Solid Waste Management	\$ 228,811	\$ 62,285	149	291,245
Water and Sewer	766,697	3,525	29,943	800,165
Total business-type activities	<u>\$ 995,508</u>	<u>\$ 65,810</u>	<u>\$ 30,092</u>	<u>\$ 1,091,410</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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% 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 \$3,946,861 for the year ended June 30, 2018.

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, 2018, the County reported a liability of \$12,368,598 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was .810%, which was an decrease of (.029%) from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$4,127,258. At June 30, 2018, 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, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 693,156	\$ 340,589
Change of assumptions	1,718,340	-
Net difference between projected and actual earnings on pension plan investments	2,921,391	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	235,634
County contributions subsequent to the measurement date	3,839,460	-
Total	<u>\$ 9,172,347</u>	<u>\$ 576,222</u>
Business-Type Activities		
Solid Waste Management		
Differences between expected and actual experience	\$ 18,369	\$ 9,026
Change of assumptions	45,538	-
Net difference between projected and actual earnings on pension plan investments	77,420	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	6,245
County contributions subsequent to the measurement date	101,750	-
Total	<u>\$ 243,078</u>	<u>\$ 15,271</u>
Business-Type Activities		
Water & Sewer		
Differences between expected and actual experience	\$ 1,020	\$ 501
Change of assumptions	2,529	-
Net difference between projected and actual earnings on pension plan investments	4,300	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	347
County contributions subsequent to the measurement date	5,651	-
Total	<u>\$ 13,500</u>	<u>\$ 848</u>
Governmental Activities - Total	<u>\$ 9,172,347</u>	<u>\$ 576,222</u>
Business-Type Activities - Total	<u>256,578</u>	<u>16,119</u>
Total deferred	<u>\$ 9,428,925</u>	<u>\$ 592,341</u>

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

\$3,946,861 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	571,255
2020		3,529,008
2021		1,752,488
2022		(963,029)
2023		-
Thereafter		-

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 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, 2016 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	6.0%	4.0%
Total	<u>100.0%</u>	

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 7.20%. 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 37,130,811	\$ 12,368,598	\$ (8,300,033)

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, 2016, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	7
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>146</u>
	<u>153</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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 – 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2017.

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 \$98,461 as benefits came due for the reporting period.

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

At June 30, 2018, the County reported a total pension liability of \$3,715,011. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumption. For the year ended June 30, 2018, the County recognized pension expense of \$311,616.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experiences	\$ -	\$ 77,887
Changes of assumptions	222,993	61,448
County benefit payments and plan administrative expenses made subsequent to the measurement date	61,520	-
Total	<u>\$ 284,513</u>	<u>\$ 139,335</u>

\$61,520 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Year ended June 30:

2019	\$	13,656
2020		13,656
2021		13,656
2022		13,656
2023		19,288
Thereafter		9,746

\$61,520 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 3.16 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 (2.16 percent) or 1-percent-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 4,073,857	\$ 3,715,011	\$ 3,387,530

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

	2018
Total Pension Liability as of December 31, 2016	\$ 3,344,006
Service Cost	170,110
Interest on the total pension liability	127,178
Changes of benefit terms	-
Differences between expected and actual experience	(92,418)
Changes of assumptions and other inputs	264,596
Benefit payments	(98,461)
Other changes	-
Total Pension Liability as of December 31, 2017	<u>\$ 3,715,011</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, 2016 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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, 2018 were \$420,860 which consisted of \$343,226 from the County and \$77,634 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.

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 \$12,629 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$280,722 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 1.64%, which was a decrease of .042% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$42,525. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Register of Deeds	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,819	\$ 905
Changes of assumptions	47,365	-
Net difference between projected and actual earnings on pension plan investments	23,864	-
Changes in proportion and differences between County contributions and proportionate share of contributions	6,590	3,416
County contributions subsequent to the measurement date	12,629	-
Total	<u>\$ 95,267</u>	<u>\$ 4,321</u>

\$12,629 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, 2019. 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:

2019	\$ 44,117
2020	25,384
2021	2,730
2022	6,086
2023	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2016 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, 2016 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, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (220,644)	\$ (280,722)	\$ (331,245)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 12,368,598	\$ (280,722)	\$ -	\$ 12,087,876
Proportion of the Net Pension Liability (Asset)	0.810%	1.640%	n/a	
Total Pension Liability	-	-	\$ 3,715,011	\$ 3,715,011
Pension Expense	\$ 4,127,258	\$ 42,525	\$ 311,616	\$ 4,481,399

At June 30, 2018, 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, 2018

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 712,546	\$ 4,819	\$ -	\$ 717,365
Changes of assumptions	1,766,407	47,365	222,993	2,036,765
Net difference between projected and actual earnings on pension plan investments	3,003,111	23,864	-	3,026,975
Changes in proportion and differences between County contributions and proportionate share of contributions	-	6,590	-	6,590
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	3,946,861	12,629	61,520	4,021,010
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ 350,116	\$ 905	\$ 77,887	\$ 428,908
Changes of assumptions	-	-	61,448	61,448
Changes in proportion and differences between County contributions and proportionate share of contributions	242,226	3,416	-	245,642

f. Other Postemployment Benefits (OPEB) – Catawba County Healthcare Benefits

Plan Description. According to County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB plan). The Board of Commissioners have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. 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. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive members entitled to but not yet receiving benefits	-
Active employees	<u>1,029</u>
Total	<u><u>1,073</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Total OPEB Liability

The County's total OPEB liability of \$16,052,868 was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.01%
Measurement Date	3.56%
Health Care Cost Trends	
Pre-Medicare	7.75% for 2016 decreasing to an ultimate rate of 5.00% by 2022

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

	Governmental Activities	Business-Type Activities		
		Solid Waste		
		Management	Water & Sewer	Total
Total OPEB Liability as of June 30, 2016	\$ 15,597,999	\$ 415,374	\$ 14,323	\$ 16,027,696
Changes for the year:				
Service Cost at the end of the year*	854,665	22,760	785	878,210
Interest on TOL and Cash Flows	454,022	12,091	417	466,530
Change in benefit terms				-
Difference between expected and actual experience	684,454	18,227	629	703,309
Changes of assumptions or other inputs	(932,568)	(24,834)	(856)	(958,259)
Benefit payments	(1,036,076)	(27,591)	(951)	(1,064,618)
Other	-	-	-	-
Net changes	\$ 24,497	\$ 652	\$ 22	\$ 25,172
Total OPEB Liability as of June 30, 2017	\$ 15,622,496	\$ 416,026	\$ 14,346	\$ 16,052,868

*The service cost includes interest for the year

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

in the June 30, 2016 valuation were based on the results of an actuarial experience study for the five-year period January 1, 2010 – December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capital costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1-percentage point higher (4.56%) than the current discount rate:

	1% Decrease (2.56%)	Discount (3.56%)	1% Increase (4.56%)
Total OPEB Liability \$	17,840,228	\$ 16,052,868	\$ 14,458,025

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability \$	13,931,599	\$ 16,052,868	\$ 18,596,397

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resource Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$ 1,314,280. At June 30, 2018, the County reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

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Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 602,679	\$ -
Changes of assumptions or other inputs	-	821,151
Benefit payments for the OPEB plan paid subsequent to measurement date	680,548	-
Total	<u>\$ 1,283,227</u>	<u>\$ 821,151</u>
Business-Type Activities		
Solid Waste Management		
Differences between expected and actual experience	\$ 16,049	\$ -
Changes of assumptions or other inputs	-	21,867
Benefit payments for the OPEB plan paid subsequent to measurement date	18,123	-
Total	<u>\$ 34,172</u>	<u>\$ 21,867</u>
Business-Type Activities		
Water & Sewer		
Differences between expected and actual experience	\$ 553	\$ -
Changes of assumptions or other inputs	-	754
Benefit payments for the OPEB plan paid subsequent to measurement date	625	-
Total	<u>\$ 1,178</u>	<u>\$ 754</u>
Governmental Activities - Total	\$ 1,283,227	\$ 821,151
Business-Type Activities - Total	<u>35,351</u>	<u>22,621</u>
Total deferred	<u>\$ 1,318,578</u>	<u>\$ 843,772</u>

\$699,296 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2018	\$ (30,460)
2019	(30,460)
2020	(30,460)
2021	(30,460)
2022	(30,460)
Thereafter	(72,190)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

g. 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.

h. 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. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 2,196,492	\$ -
(Pensions, OPEB) - difference between expected and actual experience		
LGERS	712,545	428,003
Register of Deeds	4,819	905
OPEB	619,281	-
(Pensions) - difference between projected and actual investment earnings	3,026,975	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	6,590	245,642
(Pensions, OPEB) - change in assumptions		-
Pension	2,036,765	61,448
OPEB	-	843,772
Contributions to pension plan subsequent to measurement date (LGERS, ROD, LEOSSA)	4,021,010	-
Benefit payments for the OPEB plan paid subsequent to measurement date	699,296	-
Prepaid taxes not yet earned (General)	-	463,084
Prepaid taxes not yet earned (Special Revenue)	-	8,958
Taxes receivable, net (General)	-	1,252,396
Taxes receivable, net (Special Revenue)	-	114,633
Ambulance receivable, net (General)	-	1,675,551
Human resource receivable, net (General)	-	389,616
Total	<u>\$13,323,773</u>	<u>\$ 5,484,007</u>

4. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 \$10,731,541 reported as landfill closure and postclosure care liability as of June 30, 2018 represents a cumulative amount reported to date based on the use of 88.1% of the total estimated capacity of the municipal solid waste operating cell and 69.8% 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 \$19,982,542 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. 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.

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 \$75,000 each occurrence, and purchases excess liability insurance with limits of \$7 million for any one occurrence for bodily injury, property damage, and personal injury, including law enforcement, public officials, and employment practices liability. The County also self-insures its workers' compensation risks up to \$500,000 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 \$175.

The County carries flood insurance as a part of its property insurance through Travelers Insurance Companies 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:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	2018	2017	2016
Unpaid claims, beginning	\$ 502,961	\$ 998,936	\$ 493,034
Incurred claims	7,337,195	8,467,117	8,385,061
Claim payments	(7,428,568)	(8,963,092)	(7,879,159)
Unpaid claims, ending	<u>\$ 411,588</u>	<u>\$ 502,961</u>	<u>\$ 998,936</u>

6. Contingent Liabilities

At June 30, 2018, 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%.

The future minimum payments as of June 30, 2018, including \$575,432 of interest are as follows:

	Governmental Activities	
	Principal	Interest
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	990,000	59,904
2024-2025	1,890,000	58,656
Total principal payments	<u>\$ 7,115,000</u>	
Total interest payments		<u>\$ 575,432</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, 2018, including \$76,958 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Governmental Activities	
	Principal	Interest
2019	613,333	40,311
2020	613,333	25,653
2021	613,334	10,994
Total principal payments	<u>\$ 1,840,000</u>	
Total interest payments		<u>\$ 76,958</u>

2. 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, 2018, including \$2,227,867 of interest are:

	Governmental Activities	
	Principal	Interest
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	2,066,666	243,040
2024-2028	10,333,337	607,600
Total principal payments	<u>\$ 20,666,667</u>	
Total interest payments		<u>\$ 2,227,867</u>

3. 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, 2018, including \$1,953 of interest are:

	Governmental Activities	
	Principal	Interest
2019	145,047	1,822
2020	36,586	131
Total principal payments	<u>\$ 181,633</u>	
Total interest payments		<u>\$ 1,953</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 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 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, 2018, including \$4,658,192 of interest are:

	Governmental Activities	
	Principal	Interest
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	4,110,000	461,208
2024-2028	14,735,000	1,358,368
2029-2031	7,360,000	258,984
Total principal payments	<u>\$ 42,965,000</u>	
Total interest payments		<u>\$ 4,658,192</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, 2018 are:

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Governmental Activities	
	Principal	Interest
2019	50,000	-
2020	50,000	-
2021	50,000	-
2022	50,000	-
Total principal payments	<u>\$ 200,000</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 6.7%, or \$72,591.36, 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, 2018 are \$8,065,707.

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 6.7%, or \$23,473.80, 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, 2018 are \$2,782,080.

e. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

provide resources to refinance existing financial obligations of the County and pay related financing costs.

The future minimum payments as of June 30, 2018, including \$4,903,475 of interest at a rate that varies from 2% - 5% are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	2,954,468	438,915	430,531	63,960
2024-2028	7,802,939	734,493	1,137,062	107,032
Total principal payments	<u>\$ 23,112,061</u>		<u>\$ 3,367,939</u>	
Total interest payments		<u>\$ 4,279,811</u>		<u>\$ 623,664</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.

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, 2018, including \$5,138,845 of interest are:

	Governmental Activities	
	Principal	Interest
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	1,185,000	513,494
2024-2028	5,925,000	1,697,975
2029-2031	3,545,000	354,250
Total principal payments	<u>\$ 15,395,000</u>	
Total interest payments		<u>\$ 5,138,845</u>

3. 2018 Limited Obligation Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County issued \$39,085,000 of Limited Obligation Bonds (Series 2018) in June 2018 at an interest rate of 3.125% – 5.00% for 20 years. The proceeds of this bond issue were used to finance an expansion to the County's jail facility, improvements to a County park, community college renovations and equipment, and various public school facility renovations.

For Catawba County, the future minimum payments as of June 30, 2018, including \$18,761,255 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Governmental Activities	
	Principal	Interest
2019	-	1,672,735
2020	1,965,000	1,759,238
2021	1,965,000	1,660,988
2022	1,965,000	1,562,737
2023	1,965,000	1,464,488
2024-2028	9,805,000	5,849,938
2029-2033	9,750,000	3,426,313
2034-2038	9,730,000	1,332,081
2039	1,940,000	32,737
Total principal payments	<u>\$ 39,085,000</u>	
Total interest payments		<u>\$ 18,761,255</u>

f. 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 future minimum payments as of June 30, 2018, including \$64,052 of interest at a rate of 2% are as follows:

	Governmental Activities	
	Principal	Interest
2019	519,796	31,816
2020	530,192	21,420
2021	540,796	10,816
Total principal payments	<u>\$ 1,590,784</u>	
Total interest payments		<u>\$ 64,052</u>

Business-Type Activities

g. 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, 2018, including \$359,242 of interest are:

	Business-type Activities	
	Principal	Interest
2019	659,449	88,229
2020	671,385	76,292
2021	683,537	64,140
2022	695,909	51,768
2023	708,505	39,172
2024-2025	1,455,714	39,641
Total principal payments	<u>\$ 4,874,499</u>	
Total interest payments		<u>\$ 359,242</u>

h. Federal Revolving Loan

On November 10, 2010, the County entered into federal revolving loan agreement with the State of North Carolina,

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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, 2018 are:

	Business-type Activities	
	Principal	Interest
2019	75,000	-
2020	75,000	-
2021	75,000	-
2022	75,000	-
2023	75,000	-
2024-2028	375,000	-
2029-2030	150,000	-
Total principal payments	<u>\$ 900,000</u>	
Total interest payments		<u>\$ -</u>

Bonds and Notes Outstanding at June 30, 2018 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>7,115,000</u>	2.08%
Installment Purchases				
2006 installment purchase	Public school construction/renovation	9,200,000	1,840,000	2.39%
2013 installment purchase	Public school and community college construction/renovation, County animal shelter	31,000,000	20,666,667	1.96%
2015 installment purchase	Computer servers	570,000	181,633	1.43%
2016 installment purchase	Public school and community college construction/renovation, refunding	<u>50,530,000</u>	<u>42,965,000</u>	1.76%
Total installment purchases		<u>91,300,000</u>	<u>65,653,300</u>	
Qualified Zone Academy Bonds				
	Public school construction/renovation	<u>700,000</u>	<u>200,000</u>	0.00%

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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	23,112,061	2.00-5.00%
2014 LOB	Refunding debt for public schools, community college, new debt Justice Center	21,935,000	15,395,000	2.00-5.00%
2018 LOB	Public school and community college construction/renovations, County park, jail expansion	<u>39,085,000</u>	<u>39,085,000</u>	3.125-5.00%
Total limited obligation bonds		<u>103,015,366</u>	<u>77,592,061</u>	
NC Department of Commerce				
2013 Installment loan	Industrial site development	<u>2,600,000</u>	<u>1,590,784</u>	2.00%
Total Governmental Activities		<u>236,388,919</u>	<u>179,959,698</u>	
Business-type activities				
Installment Purchases				
2013 installment purchase	Sewer line and pump station project	<u>8,000,000</u>	<u>4,874,499</u>	1.81%
Limited Obligation Bonds				
2011 LOB	Refunding debt for sanitary sewer	<u>6,119,634</u>	<u>3,367,939</u>	2.00-5.00%
Federal Revolving Loan				
2010 loan	Water improvements	<u>3,000,000</u>	<u>900,000</u>	0.00%
Total Business-type activities		<u>17,119,634</u>	<u>9,142,438</u>	

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

i. 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, 2018:

	Balance			Balance	Current
	June 30, 2017	Increases	Decreases	June 30, 2018	Portion of Balance
Governmental activities					
Certificates of participation	\$ 8,245,000	\$ -	\$ (1,130,000)	\$ 7,115,000	\$ 1,100,000
Installment purchase	72,741,291	-	(7,087,991)	65,653,300	7,060,046
Qualified Zone Academy Bonds	250,000	-	(50,000)	200,000	50,000
Qualified School Const. Bond	27,808,553	-	-	27,808,553	-
Limited obligation bonds	43,231,314	39,085,000	(4,724,253)	77,592,061	4,715,525
NC Department of Commerce	2,100,388	-	(509,604)	1,590,784	519,796
Premium on long-term debt	5,350,723	4,798,292	(515,025)	9,633,990	-
Compensated absences	4,437,377	3,293,898	(3,215,042)	4,516,233	3,215,042
Net pension liability (LGERS)	17,319,678	-	(5,287,651)	12,032,027	-
Total pension liability (LEOSSA)	3,344,006	371,005	-	3,715,011	-
Total OPEB liability	15,597,999	24,497	-	15,622,496	-
Total governmental activities	<u>\$ 200,426,329</u>	<u>\$ 47,572,692</u>	<u>\$ (22,519,566)</u>	<u>\$ 225,479,455</u>	<u>\$ 16,660,409</u>

	Balance			Balance	Current
	June 30, 2017	Increases	Decreases	June 30, 2018	Portion of Balance
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 10,631,541	\$ 100,000	\$ -	\$ 10,731,541	\$ 100,000
Compensated absences	115,892	80,572	(87,670)	108,794	87,670
Net pension liability (LGERS)	452,035	-	(133,173)	318,862	-
Total OPEB liability	415,374	652	-	416,026	-
Total Solid Waste Management	<u>\$ 11,614,842</u>	<u>\$ 181,224</u>	<u>\$ (220,843)</u>	<u>\$ 11,575,223</u>	<u>\$ 187,670</u>

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Water & Sewer

Installment purchase	\$ 5,522,224	\$ -	\$ (647,725)	\$ 4,874,499	\$ 659,449
Limited obligation bonds	3,883,686	-	(515,747)	3,367,939	514,475
Federal Revolving Loan	975,000	-	(75,000)	900,000	75,000
Premium on long-term debt	147,196	-	(14,131)	133,065	-
Compensated absences	25,092	11,353	(9,775)	26,670	9,775
Net pension liability (LGERS)	24,915	-	(7,206)	17,709	-
Total OPEB liability	<u>14,323</u>	<u>23</u>	<u>-</u>	<u>14,346</u>	<u>-</u>
Total Water & Sewer	<u>\$ 10,592,436</u>	<u>\$ 11,376</u>	<u>\$ (1,269,584)</u>	<u>\$ 9,334,228</u>	<u>\$ 1,258,699</u>
Total business-type activities	<u>\$ 22,207,278</u>	<u>\$ 192,600</u>	<u>\$ (1,490,427)</u>	<u>\$ 20,909,451</u>	<u>\$ 1,446,369</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 \$3,215,042 for governmental activities and \$97,445 for business-type activities. Net pension and other post-employment benefits are typically liquidated in the general fund.

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 \$27,130,374 relates to assets the County holds title. Unexpended debt proceeds are \$27,101,351 for governmental activities and \$0 for business-type activities.

Net investment in capital assets for June 30, 2018 was calculated as follows:

	Governmental activities	Business-type activities
Capital assets	\$ 130,025,133	\$ 70,231,993
Long term debt outstanding	(179,959,698)	(9,142,438)
School debt for which County does not hold asset title	126,936,453	-
Premium on long term debt, net of school related debt	(1,772,166)	(133,065)
Deferred outflows, net of school related debt	563,686	36,977
Unexpended proceeds - net of school related debt	27,101,351	-
Total related debt	<u>(27,130,374)</u>	<u>(9,238,526)</u>
Net investment in capital assets	<u>\$ 102,894,759</u>	<u>\$ 60,993,467</u>

k. Legal Debt Margin

At June 30, 2018, Catawba County had a legal debt margin of \$1,137,105,878.

l. Revenue Bonds

North Carolina Recreational Facilities

On December 22, 1999, the County issued County of Catawba, North Carolina (the "County") 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 and First Citizens Bank and Trust Company, as trustee (the "Trustee"). The proceeds received by the County from the sale of the Bonds were used by the County to acquire, pursuant to the Ground Lease (the "Ground Lease") between the Young Men's Christian Association of Catawba Valley, Inc. (the "Corporation") as Lessor and the County as Lessee, a long-term leasehold estate in certain existing recreational facilities owned by the Corporation. The Corporation used the funds it received from the lease of the property to the County and from other sources for the purpose of refinancing certain existing indebtedness and financing the costs of acquiring, constructing, improving, and equipping certain new

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 constitute an indebtedness or an obligation of the County, 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 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, 2018 were \$500,000.

Catawba Valley Medical Center

1. 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, 2018 was \$0.

2. 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 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, 2018 were \$24,573,336. Total 2016B Hospital Refunding Bonds outstanding at June 30, 2018 were \$15,393,004.

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, 2018, assets under capital leases had a cost of \$4,900,412 and accumulated amortization of \$3,422,958. At June 30, 2017 assets under capital leases had a cost of \$4,815,924 and accumulated amortization of \$2,579,909. During 2018 and 2017, amortization expense related to the capital lease was approximately \$843,000 and \$872,000 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, 2018 was \$757,923.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

n. 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, 2018, all issued bonds were paid in full.

o. Other Commitments

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

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018, consist of the following:

General Fund

From the General fund to the Emergency Telephone System fund to supplement other funding sources	993
From the General fund to the State Substance Abuse Fund to supplement other funding sources	23,654
From the General fund to the Library Endowment fund for designated donations	7,625
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	4,052,770
From the General fund to the School Capital Projects fund for various school capital improvement projects	500,000
From the General fund to the School Construction fund for future debt service	832,819
From the General fund to the Water & Sewer fund for the payment of debt service and other expenses	1,650,000
From the General fund to the Solid Waste Management fund for insurance settlements	3,489
Subtotal General Fund	<u>7,071,350</u>

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Other Governmental Funds

From the Hospital Capital Reserve fund to the General fund to support the school nurse initiative	500,000
From the General Capital fund to the General fund for economic development	12,500
From the School Capital Projects fund to the General fund to supplement funds for debt service	50,000
From the School Capital Projects fund to the School Construction fund for various school renovations	646,022
From the School Construction fund to the School Capital Projects fund to supplement funds for various school renovations	<u>14,751</u>
Subtotal Other Governmental Funds	<u>1,223,273</u>
Total transfers to other funds	<u>\$ 8,294,623</u>

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

D. Fund Balance

The County has classified its fund balances with the following hierarchy:

	Major Funds			Non Major Funds	
	General	General	School	Other	Total
	General	Capital Projects	Construction	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
FUND BALANCES					
Nonspendable:					
Inventories	\$ 314,246	\$ -	\$ -	\$ -	\$ 314,246
Prepaid	600,017	-	-	-	600,017
Notes receivable	828,179	-	-	-	828,179
Restricted:					
Stabilization by State Statute	16,277,027	1,020,438	68,182	1,553,685	18,919,332
Register of Deeds	17,382	-	-	-	17,382
Public Safety	-	-	-	934,306	934,306
Fire Protection	-	-	-	1,487,254	1,487,254
Debt Service	13,923,346	-	-	-	13,923,346
Library Endowment	-	-	-	193,303	193,303
Scholarship	-	-	-	54,953	54,953
Parks Preservation	-	-	-	5,335	5,335
Community Development	-	-	-	25,764	25,764
General Capital	-	30,058,365	-	-	30,058,365
School Capital and Construction	-	-	22,578,401	-	22,578,401
Hospital Capital	-	-	-	4,104,986	4,104,986
General Capital Reserve	405,964	-	-	-	405,964
Committed:					
Tax Reappraisal	119,803	-	-	-	119,803
General Capital	-	17,584,405	-	-	17,584,405
School Capital	-	-	-	6,116,496	6,116,496
School Construction	-	-	7,216,972	-	7,216,972
Assigned:					
Public Health	734,665	-	-	-	734,665
Social Services	3,758,037	-	-	-	3,758,037
County Manager	251,049	-	-	-	251,049
Human Resources	323,652	-	-	-	323,652
Library	307,791	-	-	-	307,791
Subsequent year's expenditures	6,809,722	-	-	-	6,809,722
Unassigned	39,478,996	-	-	-	39,478,996
Total fund balances	<u>\$ 84,149,876</u>	<u>\$ 48,663,208</u>	<u>\$ 29,863,555</u>	<u>\$ 14,476,082</u>	<u>\$ 177,152,721</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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

Total fund balance - General Fund	\$84,149,876
Less:	
Inventories	314,246
Prepaid	600,017
Notes receivable	828,179
Stabilization by State Statute	<u>16,277,027</u>
Fund Balance Available	<u><u>66,130,407</u></u>

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

	General Fund	General Capital Projects Fund	Non-Major Funds	Enterprise Funds
Encumbrances	\$ 1,664,423	\$ 747,862	\$ -	\$ 4,627,270

NOTE 4 – RELATED ORGANIZATION

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

NOTE 5 – JOINT VENTURES

The County, in conjunction with the State of North Carolina and the Catawba County, 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 debt obligations to provide financing for new and restructured facilities. Debt obligations of \$23,141,052 are outstanding at June 30, 2018. The County made debt service payments of \$2,189,179 on capital related financing 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 \$4,200,000 and \$16,134,473 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. 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, 2018. 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 partnership with the three public school systems, community college, business and other community entities has created a joint initiative called K-64 to focus on lifelong learning and career development for students from kindergarten through retirement. There are a total of twelve board members appointed by the Catawba County Board of Commissioners (Commissioners) consisting of members from the school systems and other community partners. The Commissioners have committed to provide a level of initial funding as specific goals are met and

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

certain programs are implemented. The County contributed \$1,212,916 to K-64 during the fiscal year ended June 30, 2018.

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 operating expenses during the fiscal year ended June 30, 2018. 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 \$779,444 at June 30, 2018. Complete financial statements for the Agency can be obtained from the Agency's administrative offices at 150 Government Drive, Morganton NC 28655.

NOTE 6 – JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$42,176 to the Council during the fiscal year ended June 30, 2018.

NOTE 7 – BENEFIT PAYMENTS ISSUED BY THE STATE

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

NOTE 8 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The County implemented Governmental Accounting Standards Board (GASB) No. Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018.

The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of benefit payments and administrative expense paid by the County related OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for the governmental activities decreased \$5,864,880 and \$129,883 for the business-type activities.



Required Supplemental Financial Data

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

Schedule of Changes in the Total OPEB Liability and Related Ratios

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.)

**Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2018***

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 878,210
Interest	466,530
Changes of benefit terms	-
Differences between expected and actual experience	703,309
Changes of assumptions	(958,259)
Benefit payments	<u>(1,064,618)</u>
Net change in total OPEB liability	25,172
Total OPEB liability - beginning	<u>16,027,696</u>
Total OPEB liability - ending	<u>\$ 16,052,868</u>
 Covered-employee payroll	 \$ 45,889,403
Total OPEB liability as a percentage of covered-employee payroll	34.98%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date. 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)
Local Governmental Employee's Retirement System
Last Five Fiscal Years*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.80961%	0.83854%	0.81784%	0.82375%	0.84060%
County's proportionate share of the net pension liability (asset)	\$ 12,368,598	\$ 17,796,628	\$ 3,670,431	\$ (4,858,036)	\$ 10,132,458
County's covered-employee payroll	\$ 50,968,956	\$ 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	(24.27%)	(37.01%)	(7.68%)	(10.39%)	21.95%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	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 Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,946,861	\$ 3,798,830	\$ 3,272,052	\$ 3,386,383	\$ 3,317,023
Contributions in relation to the contractually required contribution	<u>3,946,861</u>	<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>	<u>\$ -</u>
County's covered-employee payroll	\$ 49,946,304	\$ 50,968,956	\$ 48,079,853	\$ 47,791,623	\$ 46,741,190
Contributions as a percentage of covered employee payroll	7.90%	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 Five Fiscal Years*

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	1.64463%	1.68672%	1.65814%	1.61440%	1.59029%
County's proportionate share of the net pension liability (asset)	\$ (280,722)	\$ (315,346)	\$ (384,257)	\$ (365,928)	\$ (339,686)
County's covered-employee payroll	\$ 95,104	\$ 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	(295.17%)	(350.56%)	(443.09%)	(436.84%)	(448.15%)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	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 Five Fiscal Years***

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 12,629	\$ 14,289	\$ 13,779	\$ 13,268	\$ 13,181
Contributions in relation to the contractually required contribution	<u>12,629</u>	<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>	<u>\$ -</u>
County's covered-employee payroll	\$ 94,480	\$ 95,104	\$ 88,954	\$ 86,722	\$ 83,768
Contributions as a percentage of covered employee payroll	13.37%	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
Last two fiscal years**

	<u>2018</u>	<u>2017</u>
Total pension liability - beginning	\$ 3,344,006	\$ 3,245,785
Service cost at end of year	170,110	171,342
Interest on the total pension liability	127,178	114,108
Changes in benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(92,418)	-
Changes of assumptions or other inputs	264,596	(88,280)
Benefit payments	(98,461)	(98,949)
Other changes	-	-
Net changes	<u>371,005</u>	<u>98,221</u>
Total pension liability - ending	<u>\$ 3,715,011</u>	<u>\$ 3,344,006</u>
Covered payroll	6,979,639	6,548,828
Total pension liability as percentage of covered payroll	53.23%	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%.
December 31, 2017 Measurement Date: The Municipal Bond Index Rate decreased from 3.86% to 3.16%.

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



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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

Schedule A-1

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General Fund**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual****For the Fiscal Year Ended June 30, 2018****With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017**

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
REVENUES				
Ad Valorem Taxes				
Taxes	\$ 93,074,876	\$ 95,243,397		
Penalties and interest	429,327	663,646		
Tax leased vehicles and equipment	100,000	211,648		
Total ad valorem taxes	93,604,203	96,118,691	2,514,488	94,924,089
Other Taxes				
Local Option Sales Taxes				
Article 39 - one percent	13,813,142	14,648,416		
Article 40 - one half of one percent	7,352,546	7,891,477		
Article 42 - one half of one percent	3,211,243	3,433,265		
Article 44 - one half of one percent	-	18,416		
Article 46 - one quarter of one percent	4,662,137	4,923,919		
Subtotal local option sales taxes	29,039,068	30,915,493	1,876,425	29,661,406
Other Taxes and Licenses				
Real estate excise stamps	604,800	821,352		
ABC 5 cents per bottle	53,750	57,503		
Privilege licenses	-	8,845		
Subtotal other taxes and licenses	658,550	887,700	229,150	783,581
Total other taxes	29,697,618	31,803,193	2,105,575	30,444,987
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	370,000	367,192		
Video Programming fees	608,000	593,399		
Catawba County ABC profit distribution	936,250	935,069		
Total unrestricted intergovernmental revenues	1,914,250	1,895,660	(18,590)	1,915,010
Restricted Intergovernmental Revenues				
State grants	6,887,585	5,933,198		
Federal grants	15,837,165	14,530,359		
State and federal grants shared	12,555,569	6,418,561		
Local/Other	6,206,125	5,038,668		
Total restricted intergovernmental revenues	41,486,444	31,920,786	(9,565,658)	36,823,896
Permits and Fees				
Building permits	1,975,772	2,043,620		
Register of deeds	756,660	793,911		
Environmental health fees	280,000	290,981		
Other permits and fees	377,916	417,272		
Total permits and fees	3,390,348	3,545,784	155,436	3,266,330
Sales and Services				
Human resources services	919,526	990,273		

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Services to municipalities	624,364	608,980		
Ambulance services	5,693,944	5,766,428		
Other sales and services	444,390	423,533		
Total sales and services	7,682,224	7,789,214	106,990	7,955,557
Investment Earnings	650,600	360,151	(290,449)	90,769
Miscellaneous				
Rental fees	29,820	31,682		
Donations and local grants	333,471	326,559		
Insurance premiums	2,159,500	2,295,885		
Other	294,288	534,013		
Total miscellaneous	2,817,079	3,188,139	371,060	3,050,655
Total revenues	181,242,766	176,621,618	(4,621,148)	178,471,293
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	110,911	109,746		
Other operating	92,650	81,355		
	203,561	191,101	12,460	199,053
Administration				
County Manager				
Salaries & employee benefits	968,335	951,230		
Other operating	43,547	35,400		
Capital Outlay	3,000	3,000		
Non-operating	168,882	-		
	1,183,764	989,630	194,134	1,117,117
Legal Services				
Salaries & employee benefits	365,029	360,441		
Other operating	32,898	27,733		
	397,927	388,174	9,753	386,106
Budget				
Salaries & employee benefits	238,194	199,679		
Other operating	13,850	5,204		
	252,044	204,883	47,161	290,294
Total Administration	1,833,735	1,582,687	251,048	1,793,517
Tax Administration				
Tax Assessor				
Salaries & employee benefits	776,603	764,234		
Other operating	245,233	196,002		

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Non-operating tax refunds	95	60		
	<u>1,021,931</u>	<u>960,296</u>	<u>61,635</u>	<u>918,697</u>
Tax Collector				
Salaries & employee benefits	560,097	556,357		
Other operating	420,247	393,160		
	<u>980,344</u>	<u>949,517</u>	<u>30,827</u>	<u>905,410</u>
Total Tax Administration	<u>2,002,275</u>	<u>1,909,813</u>	<u>92,462</u>	<u>1,824,107</u>
Board of Elections				
Salaries & employee benefits	432,542	395,114		
Other operating	207,800	181,533		
	<u>640,342</u>	<u>576,647</u>	<u>63,695</u>	<u>526,297</u>
Human Resources				
Human Resources				
Salaries & employee benefits	655,138	632,711		
Other operating	178,300	176,069		
Non-operating	286,894	-		
	<u>1,120,332</u>	<u>808,780</u>	<u>311,552</u>	<u>826,910</u>
Wellness				
Other operating	304,000	299,954		
	<u>304,000</u>	<u>299,954</u>	<u>4,046</u>	<u>269,559</u>
Recruitment				
Salaries & employee benefits	77,128	76,996		
Other operating	12,250	10,544		
	<u>89,378</u>	<u>87,540</u>	<u>1,838</u>	<u>91,133</u>
Risk Management				
Salaries & employee benefits	156,739	156,865		
Other operating	17,132	11,944		
	<u>173,871</u>	<u>168,809</u>	<u>5,062</u>	<u>168,989</u>
Total Human Resources	<u>1,687,581</u>	<u>1,365,083</u>	<u>322,498</u>	<u>1,356,591</u>
Register of Deeds				
Salaries & employee benefits	639,316	620,317		
Other operating	315,583	191,390		
	<u>954,899</u>	<u>811,707</u>	<u>143,192</u>	<u>835,058</u>
Finance				
Administration and Accounting				
Salaries & employee benefits	925,807	885,571		
Other operating	204,295	177,356		
	<u>1,130,102</u>	<u>1,062,927</u>	<u>67,175</u>	<u>1,067,980</u>

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Purchasing				
Salaries & employee benefits	272,151	266,364		
Other operating	35,939	36,092		
	<u>308,090</u>	<u>302,456</u>	<u>5,634</u>	<u>301,629</u>
 Total Finance	 <u>1,438,192</u>	 <u>1,365,383</u>	 <u>72,809</u>	 <u>1,369,609</u>
 Other General Government Programs				
Government Agencies - Justice Center				
Other operating	10,500	8,855		
	<u>10,500</u>	<u>8,855</u>	<u>1,645</u>	<u>10,241</u>
 Other Government Costs				
Salaries & employee benefits	108,474	79,516		
Other operating	740,622	540,747		
	<u>849,096</u>	<u>620,263</u>	<u>228,833</u>	<u>512,958</u>
 Self Insurance				
Premiums	2,626,900	2,060,755		
Liability	881,300	779,471		
Workers Compensation	629,000	323,291		
Total Self Insurance	<u>4,137,200</u>	<u>3,163,517</u>	<u>973,683</u>	<u>3,988,205</u>
 Total Other General Government Programs	 <u>4,996,796</u>	 <u>3,792,635</u>	 <u>1,204,161</u>	 <u>4,511,404</u>
 Total General Government	 <u>13,757,381</u>	 <u>11,595,056</u>	 <u>2,162,325</u>	 <u>12,415,636</u>
 Public Safety				
Sheriff and Law Enforcement				
Administration and Law Enforcement				
Salaries & employee benefits	4,813,695	4,671,246		
Other operating	1,192,694	1,061,660		
Capital outlay	620,402	620,402		
	<u>6,626,791</u>	<u>6,353,308</u>	<u>273,483</u>	<u>6,105,461</u>
 Catawba Valley Community College -				
Resource Officers				
Salaries & employee benefits	190,260	186,196		
Other operating	3,000	3,000		
	<u>193,260</u>	<u>189,196</u>	<u>4,064</u>	<u>184,976</u>
 School Resource Officers				
Salaries & employee benefits	756,949	751,047		
Other operating	39,600	39,580		
	<u>796,549</u>	<u>790,627</u>	<u>5,922</u>	<u>752,852</u>
 Records				
Salaries & employee benefits	314,309	308,330		

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Other operating	19,545	19,588		
	333,854	327,918	5,936	319,247
Narcotics				
Salaries & employee benefits	656,758	651,935		
Other operating	107,711	105,159		
	764,469	757,094	7,375	765,111
Detectives				
Salaries & employee benefits	901,151	871,037		
Other operating	90,958	82,127		
	992,109	953,164	38,945	1,022,177
Lake Norman Water Patrol				
Salaries & employee benefits	389,201	384,511		
Other operating	31,479	32,538		
Capital outlay	23,394	23,394		
	444,074	440,443	3,631	422,697
Court Security				
Salaries & employee benefits	847,561	739,388		
Other operating	15,000	14,912		
	862,561	754,300	108,261	686,784
Newton Detention Center				
Salaries & employee benefits	3,862,020	3,713,705		
Other operating	1,133,889	1,026,013		
Capital outlay	56,355	55,950		
	5,052,264	4,795,668	256,596	4,869,087
Prisoner Food Services				
Other operating	466,531	457,896	8,635	486,403
District Confinement Facility				
Other operating	1,260,000	1,260,000		
	1,260,000	1,260,000	-	1,209,300
Total Sheriff and Law Enforcement	17,792,462	17,079,614	712,848	16,824,095
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	309,998	290,783		
Other operating	1,095,369	844,880		
	1,405,367	1,135,663	269,704	456,858
Veterans Services				
Salaries & employee benefits	107,204	106,538		
Other operating	9,200	7,807		
	116,404	114,345	2,059	101,711

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Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Fire Marshal				
Salaries & employee benefits	268,334	262,791		
Other operating	33,765	24,387		
	<u>302,099</u>	<u>287,178</u>	<u>14,921</u>	<u>332,422</u>
Emergency Medical Services				
Salaries & employee benefits	7,506,427	7,350,661		
Other operating	1,737,096	1,482,066		
Capital outlay	965,886	949,178		
	<u>10,209,409</u>	<u>9,781,905</u>	<u>427,504</u>	<u>10,122,533</u>
Animal Control				
Salaries & employee benefits	327,960	325,239		
Other operating	40,919	28,292		
Capital outlay	2,200	-		
	<u>371,079</u>	<u>353,531</u>	<u>17,548</u>	<u>332,826</u>
Animal Shelter				
Salaries & employee benefits	50,147	50,147		
Other operating	503,719	504,052		
	<u>553,866</u>	<u>554,199</u>	<u>(333)</u>	<u>558,345</u>
Total Emergency Services	<u>12,958,224</u>	<u>12,226,821</u>	<u>731,403</u>	<u>11,904,695</u>
Communication Center				
Salaries & employee benefits	1,759,231	1,583,370		
Other operating	280,453	189,817		
	<u>2,039,684</u>	<u>1,773,187</u>	<u>266,497</u>	<u>1,783,723</u>
Other Public Safety				
Other operating	204,961	204,961	-	187,517
Total Public Safety	<u>32,995,331</u>	<u>31,284,583</u>	<u>1,710,748</u>	<u>30,700,030</u>
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	66,729	60,457		
Other operating	341,006	305,549		
	<u>407,735</u>	<u>366,006</u>	<u>41,729</u>	<u>370,601</u>
Soil & Water Conservation				
Salaries & employee benefits	147,722	146,042		
Other operating	12,495	12,413		
	<u>160,217</u>	<u>158,455</u>	<u>1,762</u>	<u>222,354</u>
Forest Ranger				
Other operating	69,594	57,108	12,486	68,201
Total Environmental Protection	<u>637,546</u>	<u>581,569</u>	<u>55,977</u>	<u>661,156</u>

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2018

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

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Economic and Physical Development				
Technology				
Information Technology Center				
Salaries & employee benefits	2,063,700	1,955,178		
Other operating	1,756,223	1,304,941		
	<u>3,819,923</u>	<u>3,260,119</u>	<u>559,804</u>	<u>3,353,099</u>
Geospatial Information Services				
Salaries & employee benefits	354,578	327,819		
Other operating	69,983	46,297		
	<u>424,561</u>	<u>374,116</u>	<u>50,445</u>	<u>377,598</u>
Total Technology	<u>4,244,484</u>	<u>3,634,235</u>	<u>610,249</u>	<u>3,730,697</u>
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	441,015	436,561		
Other operating	93,600	84,474		
	<u>534,615</u>	<u>521,035</u>	<u>13,580</u>	<u>501,663</u>
County Parks				
Salaries & employee benefits	365,381	355,301		
Other operating	87,900	69,176		
	<u>453,281</u>	<u>424,477</u>	<u>28,804</u>	<u>435,066</u>
Other Economic and Physical Development				
Other operating	<u>6,446,630</u>	<u>5,843,600</u>	<u>603,030</u>	<u>5,511,597</u>
Total Economic Development and Planning	<u>7,434,526</u>	<u>6,789,112</u>	<u>645,414</u>	<u>6,448,326</u>
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	151,490	150,651		
Other operating	23,535	23,105		
	<u>175,025</u>	<u>173,756</u>	<u>1,269</u>	<u>182,019</u>
Building Inspection				
Salaries & employee benefits	1,308,344	1,218,792		
Other operating	306,437	297,024		
Capital outlay	93,026	85,658		
	<u>1,707,807</u>	<u>1,601,474</u>	<u>106,333</u>	<u>1,449,133</u>
Permit Center				
Salaries & employee benefits	341,233	336,551		
Other operating	47,120	34,756		
	<u>388,353</u>	<u>371,307</u>	<u>17,046</u>	<u>351,118</u>

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Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Plan Review				
Salaries & employee benefits	356,916	329,965		
Other operating	21,166	16,279		
	<u>378,082</u>	<u>346,244</u>	<u>31,838</u>	<u>355,986</u>
Local Code Compliance				
Salaries & employee benefits	61,596	61,026		
Other operating	14,438	10,753		
	<u>76,034</u>	<u>71,779</u>	<u>4,255</u>	<u>152,155</u>
Total Utilities & Engineering	<u>2,725,301</u>	<u>2,564,560</u>	<u>160,741</u>	<u>2,490,411</u>
Facilities Division				
Construction Manager				
Salaries & employee benefits	113,443	113,166		
Other operating	3,400	1,850		
	<u>116,843</u>	<u>115,016</u>	<u>1,827</u>	<u>104,650</u>
Garage				
Salaries & employee benefits	253,240	252,032		
Other operating	296,146	262,422		
	<u>549,386</u>	<u>514,454</u>	<u>34,932</u>	<u>557,657</u>
General maintenance				
Salaries & employee benefits	675,341	673,597		
Other operating	72,295	65,772		
Capital outlay	45,561	-		
	<u>793,197</u>	<u>739,369</u>	<u>53,828</u>	<u>768,837</u>
General Buildings				
Other operating	521,165	482,981		
	<u>521,165</u>	<u>482,981</u>	<u>38,184</u>	<u>418,335</u>
Justice Buildings				
Other operating	1,218,807	1,066,358		
	<u>1,218,807</u>	<u>1,066,358</u>	<u>152,449</u>	<u>678,326</u>
Library Buildings				
Other operating	97,905	84,053		
	<u>97,905</u>	<u>84,053</u>	<u>13,852</u>	<u>85,765</u>
Leased Buildings				
Other operating	32,300	31,429		
	<u>32,300</u>	<u>31,429</u>	<u>871</u>	<u>25,649</u>
Social Services Buildings				
Other operating	60,662	59,140		
	<u>60,662</u>	<u>59,140</u>	<u>1,522</u>	<u>52,032</u>

CATAWBA COUNTY, NORTH CAROLINA

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Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Public Health Buildings				
Other operating	52,185	40,580		
	52,185	40,580	11,605	23,545
Family Services Center				
Other operating	12,700	9,549		
	12,700	9,549	3,151	42,298
Street Signs				
Other operating	19,486	13,994		
	19,486	13,994	5,492	8,034
Total Facilities Division	3,474,636	3,156,923	317,713	2,765,128
Total Economic & Physical Development	17,878,947	16,144,830	1,734,117	15,434,562
Human Services				
Medical Examiner				
Other operating	239,850	164,650		
	239,850	164,650	75,200	148,750
Mental Health Services				
General Administration				
Partners Behavioral Health Management	640,000	643,753		
	640,000	643,753	(3,753)	639,746
Social Services Department				
Administration				
Salaries & employee benefits	1,351,758	1,244,388		
Other operating	899,890	858,866		
Non-operating	3,758,060	-		
	6,009,708	2,103,254	3,906,454	2,109,750
CQI Quality Team				
Salaries & employee benefits	719,400	673,680		
Other operating	3,500	903		
	722,900	674,583	48,317	739,313
Child Protective Services Investigations				
Salaries & employee benefits	2,939,824	2,928,131		
Other operating	387,110	396,901		
Social Services assistance	1,000	712		
	3,327,934	3,325,744	2,190	2,802,855
Department of Human Resources Teams				
Salaries & employee benefits	235,419	233,178		
Other operating	6,466	9,429		
Social Services assistance	1,000	171		

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2018

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

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
	242,885	242,778	107	239,029
Children's Day Care				
Salaries & employee benefits	362,947	356,414		
Other operating	3,777	2,769		
	366,724	359,183	7,541	354,695
Intensive Family Preservation				
Salaries & employee benefits	-	-		
Other operating	-	-		
Social Services assistance	-	-		
	-	-	-	62,639
Early Childhood Development				
Salaries & employee benefits	169,202	128,546		
Other operating	12,281	11,605		
	181,483	140,151	41,332	86,151
Prevention Management				
Salaries & employee benefits	248	212		
	248	212	36	121,646
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	36,354	35,915		
Other operating	800	-		
Social Services assistance	15,000	15,000		
	52,154	50,915	1,239	51,040
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,383,604	3,351,503		
Other operating	42,609	40,810		
Social Services assistance	30,100	13,812		
	3,456,313	3,406,125	50,188	3,312,395
Duke Endowment Family Children Project				
Salaries & employee benefits	534,424	484,636		
Other operating	65,676	42,877		
Social Services assistance	12,400	5,614		
	612,500	533,127	79,373	671,095
QIC/AIG Grant				
Salaries & employee benefits	81,777	60,313		
Other operating	6,519	11,821		
Social Services assistance	8,625	4,260		
	96,921	76,394	20,527	29,070
Teen Up				
Salaries & employee benefits	202,039	196,561		

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Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Other operating	3,400	6,062		
Social Services assistance	29,100	25,834		
	<u>234,539</u>	<u>228,457</u>	<u>6,082</u>	<u>228,867</u>
Community Services Block Grant				
Salaries & employee benefits	322,853	306,526		
Other operating	21,000	11,724		
Social Services assistance	68,235	55,316		
	<u>412,088</u>	<u>373,566</u>	<u>38,522</u>	<u>346,685</u>
Therapeutic Foster Care				
Salaries & employee benefits		-		
Other operating		-		
Social Services assistance	-	-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,464</u>
Adoptions				
Salaries & employee benefits	1,357,897	1,356,902		
Other operating	17,656	25,975		
Social Services assistance	53,500	49,415		
	<u>1,429,053</u>	<u>1,432,292</u>	<u>(3,239)</u>	<u>1,271,431</u>
Post Adoption State Region				
Salaries & employee benefits	224,946	215,513		
Other operating	10,038	4,704		
Social Services assistance	17,202	8,827		
	<u>252,186</u>	<u>229,044</u>	<u>23,142</u>	<u>205,162</u>
Child Advocacy				
Salaries & employee benefits	417,074	407,863		
Other operating	35,173	8,006		
Social Services assistance	500	-		
	<u>452,747</u>	<u>415,869</u>	<u>36,878</u>	<u>403,233</u>
FamilyNet Administration				
Salaries & employee benefits	329,506	269,947		
Other operating	142,071	134,161		
Social Services assistance	3,500	55		
	<u>475,077</u>	<u>404,163</u>	<u>70,914</u>	<u>467,893</u>
FamilyNet In-home Services				
Salaries & employee benefits	800,676	727,332		
Other operating	29,579	21,059		
	<u>830,255</u>	<u>748,391</u>	<u>81,864</u>	<u>979,922</u>
FamilyNet Adolescent Services				
Salaries & employee benefits	-	-		
Other operating	-	-		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,380</u>

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2018

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

	2018			Actual Prior Year
	Final Budget	Actuals	Over/Under	
FamilyNet Family Services				
Salaries & employee benefits	-	-		
Other operating	-	-		
	-	-	-	30,306
FamilyNet Children Services				
Salaries & employee benefits	-	-		
Other operating	-	-		
	-	-	-	53,187
FamilyNet ECST				
Salaries & employee benefits	314,681	269,728		
Other operating	31,722	59,035		
	346,403	328,763	17,640	391,859
FamilyNet Child Protective Services				
Salaries & employee benefits	-	-		
Other operating	-	-		
	-	-	-	24,731
Work First				
Salaries & employee benefits	343,099	340,713		
Other operating	678,803	347,884		
Social Services assistance	592,745	487,025		
	1,614,647	1,175,622	439,025	1,208,083
Office Juvenile Justice Girls Program				
Other operating	34,650	27,153		
	34,650	27,153	7,497	32,641
Administration Group Homes				
Salaries & employee benefits	1,082,863	994,916		
Other operating	46,988	41,745		
	1,129,851	1,036,661	93,190	1,149,595
Girls Program				
Other operating	34,650	24,490		
	34,650	24,490	10,160	27,106
Boys Program				
Other operating	37,150	32,760		
	37,150	32,760	4,390	36,086
Office Juvenile Justice Boys Program				
Other operating	45,550	37,212		
	45,550	37,212	8,338	49,475
Adult Services				

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2018

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

	2018			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Other operating	366,046	342,111		
Social Services assistance	304,268	185,268		
	670,314	527,379	142,935	666,713
Adult Social Work				
Salaries & employee benefits	1,668,119	1,598,267		
Other operating	69,296	49,959		
Social Services assistance	13,500	15,371		
	1,750,915	1,663,597	87,318	1,671,999
Medicaid Administration				
Salaries & employee benefits	1,227,243	1,222,296		
Other operating	6,554	5,680		
	1,233,797	1,227,976	5,821	1,074,743
Transportation				
Salaries & employee benefits	597,823	574,794		
Other operating	41,161	52,620		
Capital outlay	26,620	26,615		
	665,604	654,029	11,575	713,775
Nutrition				
Salaries & employee benefits	192,680	188,902		
Other operating	448,577	379,506		
Social Services assistance	483,781	484,102		
	1,125,038	1,052,510	72,528	985,898
Public Assistance Administration				
Salaries & employee benefits	1,676,159	1,636,614		
Other operating	20,939	22,603		
	1,697,098	1,659,217	37,881	1,565,875
Food Stamps				
Salaries & employee benefits	1,752,888	1,700,372		
Other operating	61,689	104,880		
	1,814,577	1,805,252	9,325	2,070,428
Child Support				
Salaries & employee benefits	1,341,880	1,319,076		
Other operating	235,431	261,934		
	1,577,311	1,581,010	(3,699)	1,480,731
General Assistance				
Other operating	201,000	116,758		
Social Services assistance	95,000	93,402		
	296,000	210,160	85,840	258,322
Public Assistance Payments				
Social Services assistance	1,450,061	1,059,921		

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	1,450,061	1,059,921	390,140	1,118,072
Children's Purchase Services				
Social Services assistance	10,895,529	4,087,933		
	10,895,529	4,087,933	6,807,596	9,649,027
Total Social Services	45,574,860	32,935,893	12,638,967	38,886,367
Public Health Department				
Health Administration				
Salaries & employee benefits	754,701	753,809		
Other operating	289,998	261,106		
Capital Outlay	90,796	71,595		
	1,135,495	1,086,510	48,985	958,018
Environmental Health				
Salaries & employee benefits	964,068	966,530		
Other operating	162,390	151,462		
	1,126,458	1,117,992	8,466	990,538
Maternal Health				
Salaries & employee benefits	-	-		
Other operating	141,772	136,430		
	141,772	136,430	5,342	165,712
Pregnancy Care Management				
Salaries & employee benefits	350,375	351,076		
Other operating	11,436	6,880		
	361,811	357,956	3,855	359,961
Laboratory				
Salaries & employee benefits	83,554	82,670		
Other operating	25,282	18,139		
	108,836	100,809	8,027	100,156
Child Health - Smart Start				
Salaries & employee benefits	156,830	156,555		
Other operating	13,669	11,982		
	170,499	168,537	1,962	169,415
Care Coordination for Children				
Salaries & employee benefits	351,869	351,469		
Other operating	15,660	13,959		
	367,529	365,428	2,101	370,466
School Nurse Fund Initiative				
Salaries & employee benefits	1,629,992	1,624,167		
Other operating	92,746	89,785		

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
	<u>1,722,738</u>	<u>1,713,952</u>	<u>8,786</u>	<u>1,686,279</u>
Dental Health				
Salaries & employee benefits	-	-		
Other operating	<u>10,710</u>	<u>8,845</u>		
	<u>10,710</u>	<u>8,845</u>	<u>1,865</u>	<u>10,377</u>
Bioterrorism Grant				
Salaries & employee benefits	<u>60,939</u>	<u>59,852</u>		
Other operating	<u>2,209</u>	<u>2,075</u>		
	<u>63,148</u>	<u>61,927</u>	<u>1,221</u>	<u>67,551</u>
Healthy People/Carolinas				
Salaries & employee benefits	<u>65,277</u>	<u>88,029</u>		
Other operating	<u>164,753</u>	<u>140,535</u>		
	<u>230,030</u>	<u>228,564</u>	<u>1,466</u>	<u>104,483</u>
Clinical Services				
Salaries & employee benefits	<u>1,526,673</u>	<u>1,490,998</u>		
Other operating	<u>532,439</u>	<u>499,336</u>		
	<u>2,059,112</u>	<u>1,990,334</u>	<u>68,778</u>	<u>2,055,422</u>
Women Infants Children Program				
Salaries & employee benefits	<u>915,872</u>	<u>910,929</u>		
Other operating	<u>57,927</u>	<u>46,648</u>		
	<u>973,799</u>	<u>957,577</u>	<u>16,222</u>	<u>993,335</u>
Total Public Health	<u>8,471,937</u>	<u>8,294,861</u>	<u>177,076</u>	<u>8,031,713</u>
Total Human Services	<u>54,926,647</u>	<u>42,039,157</u>	<u>12,887,490</u>	<u>47,706,576</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	<u>1,119,674</u>	<u>1,099,635</u>		
Other operating	<u>412,980</u>	<u>401,862</u>		
Non-operating	<u>112,497</u>	-		
	<u>1,645,151</u>	<u>1,501,497</u>	<u>143,654</u>	<u>1,527,540</u>
Pop Up Library				
Salaries & employee benefits	<u>18,583</u>			
Other operating	<u>17,648</u>	<u>9,888</u>		
Capital outlay	<u>128,353</u>	<u>124,615</u>		
	<u>164,584</u>	<u>134,503</u>	-	-
Sherrills Ford Branch				
Salaries & employee benefits	<u>252,817</u>	<u>245,529</u>		
Other operating	<u>75,144</u>	<u>64,921</u>		
	<u>327,961</u>	<u>310,450</u>	<u>17,511</u>	<u>305,941</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule A-1

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Maiden Branch				
Salaries & employee benefits	88,950	84,717		
Other operating	37,110	23,191		
	<u>126,060</u>	<u>107,908</u>	<u>18,152</u>	<u>116,130</u>
St. Stephens Branch				
Salaries & employee benefits	262,159	259,414		
Other operating	89,050	83,319		
	<u>351,209</u>	<u>342,733</u>	<u>8,476</u>	<u>339,439</u>
Southwest Branch Library				
Salaries & employee benefits	168,137	128,827		
Other operating	111,980	107,412		
	<u>280,117</u>	<u>236,239</u>	<u>43,878</u>	<u>266,936</u>
Conover Branch Library				
Salaries & employee benefits	125,458	82,063		
Other operating	25,180	18,661		
	<u>150,638</u>	<u>100,724</u>	<u>49,914</u>	<u>129,718</u>
Claremont Branch Library				
Salaries & employee benefits	45,253	44,510		
Other operating	18,450	13,092		
	<u>63,703</u>	<u>57,602</u>	<u>6,101</u>	<u>58,373</u>
Total County Library	<u>3,109,423</u>	<u>2,791,656</u>	<u>287,686</u>	<u>2,744,077</u>
Arts-Administration				
Other operating	<u>598,364</u>	<u>598,364</u>	<u>-</u>	<u>615,330</u>
Other Cultural				
Other operating	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>35,492</u>
Total Culture and Recreation	<u>3,722,787</u>	<u>3,390,020</u>	<u>332,767</u>	<u>3,394,899</u>
Education				
Current expense				
Catawba County Schools	26,353,722	26,353,722		
Hickory Public Schools	6,724,119	6,724,119		
Newton-Conover City Schools	4,840,350	4,840,350		
Catawba Valley Community College	4,200,000	4,200,000		
K64 Initiative	1,300,000	1,212,916		
Total Education	<u>43,418,191</u>	<u>43,331,107</u>	<u>87,084</u>	<u>41,012,204</u>
Debt Service				
Principal retirement	13,501,861	13,501,848		
Sinking fund payments	1,853,905	1,807,165		
Interest and other charges	3,524,958	3,507,375		

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Final Budget	Actuals	Over/Under	Year
Bond issuance costs	410,000	375,651		
Total Debt Service	19,290,724	19,192,039	98,685	19,163,496
 Total expenditures	 186,627,554	 167,558,361	 19,069,193	 170,488,559
 Revenues over (under) expenditures	 (5,384,788)	 9,063,257	 14,448,045	 7,982,734
Other financing sources (uses)				
Transfers from				
Hospital Capital Reserve	500,000	500,000	-	500,000
General Capital Projects Fund	12,500	12,500		
School Capital Fund	50,000	50,000	-	50,000
School Construction Fund	-	-	-	1,359,655
Transfers to				
Reappraisal Fund	(400,000)	(400,000)	-	(397,072)
Emergency Telephone System	(993)	(993)	-	(968)
State Substance Abuse Fund	(23,654)	(23,654)	-	(31,508)
Library Endowment Fund	(7,625)	(7,625)	-	-
General Capital Projects Fund	(4,052,770)	(4,052,770)	-	(3,463,342)
School Capital Fund	(500,000)	(500,000)	-	(1,235,000)
School Construction Fund	(832,819)	(832,819)	-	(3,656,083)
Water and Sewer Construction Fund	(1,650,000)	(1,650,000)	-	-
Water and Sewer Fund	-	-	-	(1,600,000)
Solid Waste Management Fund	(3,489)	(3,489)	-	-
Bonds issued	410,000	224,706	(185,294)	-
Premium on bonds issued	-	153,586	153,586	-
Fund Balance appropriated	11,883,638	-	(11,883,638)	-
 Total other financing sources (uses)	 5,384,788	 (6,530,558)	 (11,915,346)	 (8,300,254)
 Net change in fund balance	 \$ -	 2,532,699	 2,532,699	 (317,520)
Fund Balances - Beginning of Year		<u>79,259,874</u>		
Fund Balances - End of Year		<u>\$ 81,792,573</u>		

Tax Reappraisal Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2018

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

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	\$ -	\$ 3,644	\$ 3,644	\$ 1,322
Total revenues	-	3,644	3,644	1,322
Expenditures				
Current				
General government				
Salaries & employee benefits	384,564	383,631	933	
Other operating	79,030	54,690	24,340	
Total expenditures	463,594	438,321	25,273	397,993
Excess of revenues over (under) expenditures	(463,594)	(434,677)	28,917	(396,671)
Other Financing Sources (Uses)				
Transfers from				
General Fund	400,000	400,000	-	397,072
Fund balance appropriated	63,594	-	(63,594)	-
Total other financing sources (uses)	463,594	400,000	(63,594)	397,072
Net change in fund balance	\$ -	(34,677)	\$ (34,677)	401
Fund Balances - Beginning of Year		177,437		177,036
Fund Balances - End of Year		\$ 142,760		\$ 177,437

General Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	\$ 5,000	\$ 1,997	\$ (3,003)	\$ 297
Total revenues	<u>5,000</u>	<u>1,997</u>	<u>(3,003)</u>	<u>297</u>
Expenditures				
Contingency	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,997</u>	<u>1,997</u>	<u>297</u>
Other Financing Sources (Uses)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,217)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,217)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,997</u>	<u>\$ 1,997</u>	<u>(57,920)</u>
Fund Balances - Beginning of Year		<u>405,381</u>		<u>463,301</u>
Fund Balances - End of Year		<u>\$ 407,378</u>		<u>\$ 405,381</u>



Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA

Schedule B-1

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 2,737,606	\$ 10,564,019	\$ 13,301,625
Taxes receivable - net	114,633	-	114,633
Due from other governments	188,971	1,319,190	1,508,161
Interest receivable	9,741	35,783	45,524
Total assets	<u>3,050,951</u>	<u>11,918,992</u>	<u>14,969,943</u>
Liabilities			
Accounts payable and accrued liabilities	<u>27,733</u>	<u>342,537</u>	<u>370,270</u>
Total liabilities	<u>27,733</u>	<u>342,537</u>	<u>370,270</u>
Deferred Inflows of Resources			
Taxes receivable	114,633	-	114,633
Prepaid taxes	8,958	-	8,958
Total deferred inflows of resources	<u>123,591</u>	<u>-</u>	<u>123,591</u>
Fund Balances			
Restricted			
Stabilization by State Statute	198,712	1,354,973	1,553,685
Public Safety	934,306	-	934,306
Fire Protection	1,487,254	-	1,487,254
Library Endowment	193,303	-	193,303
Scholarship	54,953	-	54,953
Parks Preservation	5,335	-	5,335
Community Development	25,764	-	25,764
Hospital Capital	-	4,104,986	4,104,986
Committed			
School Capital	-	6,116,496	6,116,496
Unassigned	-	-	-
Total fund balances	<u>2,899,627</u>	<u>11,576,455</u>	<u>14,476,082</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,050,951</u>	<u>\$ 11,918,992</u>	<u>\$ 14,969,943</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 7,910,164	\$ -	\$ 7,910,164
Other taxes	-	5,149,897	5,149,897
Restricted intergovernmental revenues	936,883	-	936,883
Investment earnings	14,639	54,116	68,755
Miscellaneous	8,075	-	8,075
Total revenues	<u>8,869,761</u>	<u>5,204,013</u>	<u>14,073,774</u>
Expenditures			
Current			
Public safety	9,252,520	-	9,252,520
Economic and physical development	77,851	-	77,851
Culture and recreation	7,625	-	7,625
Capital outlay	-	5,957,012	5,957,012
Total expenditures	<u>9,337,996</u>	<u>5,957,012</u>	<u>15,295,008</u>
Excess of revenues over (under) expenditures	(468,235)	(752,999)	(1,221,234)
Other Financing Sources (Uses)			
Transfers from other funds	32,272	514,751	547,023
Transfers to other funds	-	(1,196,022)	(1,196,022)
Total other financing sources (uses)	<u>32,272</u>	<u>(681,271)</u>	<u>(648,999)</u>
Net change in fund balance	(435,963)	(1,434,270)	(1,870,233)
Fund Balances - Beginning of Year	<u>3,335,590</u>	<u>13,010,725</u>	<u>16,346,315</u>
Fund Balances - End of Year	<u>\$ 2,899,627</u>	<u>\$ 11,576,455</u>	<u>\$ 14,476,082</u>



SM

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, 2018**

	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	\$ 369,709	\$ 53,336	\$ 150,021	\$ 387,189	\$ 193,303
Taxes receivable - net	-	-	-	-	-
Due from other governments	122,062	-	14	-	-
Interest receivable	1,498	94	488	1,689	664
Total assets	<u>493,269</u>	<u>53,430</u>	<u>150,523</u>	<u>388,878</u>	<u>193,967</u>
Liabilities					
Accounts payable and accrued liabilities	25,949	-	-	-	-
Total liabilities	<u>25,949</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	123,560	94	502	1,689	664
Public Safety	343,760	53,336	150,021	387,189	-
Fire Protection	-	-	-	-	-
Library Endowment	-	-	-	-	193,303
Scholarship	-	-	-	-	-
Parks Preservation	-	-	-	-	-
Community Development	-	-	-	-	-
Total fund balances	<u>467,320</u>	<u>53,430</u>	<u>150,523</u>	<u>388,878</u>	<u>193,967</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 493,269</u>	<u>\$ 53,430</u>	<u>\$ 150,523</u>	<u>\$ 388,878</u>	<u>\$ 193,967</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

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**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2018**

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Assets					
Cash and investments	\$ 54,953	\$ 5,335	\$ 25,764	\$ 1,497,996	\$ 2,737,606
Taxes receivable - net	-	-	-	114,633	114,633
Due from other governments	-	-	-	66,895	188,971
Interest receivable	191	19	108	4,990	9,741
Total assets	<u>55,144</u>	<u>5,354</u>	<u>25,872</u>	<u>1,684,514</u>	<u>3,050,951</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	1,784	27,733
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784</u>	<u>27,733</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	114,633	114,633
Prepaid taxes	-	-	-	8,958	8,958
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,591</u>	<u>123,591</u>
Fund Balances					
Restricted					
Stabilization by State Statute	191	19	108	71,885	198,712
Public Safety	-	-	-	-	934,306
Fire Protection	-	-	-	1,487,254	1,487,254
Library Endowment	-	-	-	-	193,303
Scholarship	54,953	-	-	-	54,953
Parks Preservation	-	5,335	-	-	5,335
Community Development	-	-	25,764	-	25,764
Total fund balances	<u>55,144</u>	<u>5,354</u>	<u>25,872</u>	<u>1,559,139</u>	<u>2,899,627</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,144</u>	<u>\$ 5,354</u>	<u>\$ 25,872</u>	<u>\$ 1,684,514</u>	<u>\$ 3,050,951</u>

CATAWBA COUNTY, NORTH CAROLINA

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**Fire District Funds
Subcombining Balance Sheet
June 30, 2018**

	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	\$ 31,497	\$ 70,456	\$ 79,993	\$ 417,724	\$ 56,782
Taxes receivable - net	7,497	2,073	15,554	1,624	6,603
Due from other governments	6,475	2,608	14,752	925	3,950
Interest receivable	110	231	276	1,445	182
Total assets	<u>45,579</u>	<u>75,368</u>	<u>110,575</u>	<u>421,718</u>	<u>67,517</u>
Liabilities					
Accounts payable and accrued liabilities	1,693	-	-	-	-
Total liabilities	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	7,497	2,073	15,554	1,624	6,603
Prepaid taxes	193	34	172	1	114
Total deferred inflows of resources	<u>7,690</u>	<u>2,107</u>	<u>15,726</u>	<u>1,625</u>	<u>6,717</u>
Fund Balances					
Restricted					
Stabilization by State Statute	6,585	2,839	15,028	2,370	4,132
Fire Protection	29,611	70,422	79,821	417,723	56,668
Total fund balances	<u>36,196</u>	<u>73,261</u>	<u>94,849</u>	<u>420,093</u>	<u>60,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 45,579</u>	<u>\$ 75,368</u>	<u>\$ 110,575</u>	<u>\$ 421,718</u>	<u>\$ 67,517</u>

CATAWBA COUNTY, NORTH CAROLINA

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**Fire District Funds
Subcombining Balance Sheet
June 30, 2018**

	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	\$ 249,699	\$ 121,867	\$ 148,235	\$ 24,854	\$ 92,291
Taxes receivable - net	27,139	11,044	5,223	9,734	7,343
Due from other governments	13,348	6,117	2,867	3,195	1,486
Interest receivable	780	389	494	102	316
Total assets	<u>290,966</u>	<u>139,417</u>	<u>156,819</u>	<u>37,885</u>	<u>101,436</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	30	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	27,139	11,044	5,223	9,734	7,343
Prepaid taxes	98	900	934	53	22
Total deferred inflows of resources	<u>27,237</u>	<u>11,944</u>	<u>6,157</u>	<u>9,787</u>	<u>7,365</u>
Fund Balances					
Restricted					
Stabilization by State Statute	14,128	6,506	3,361	3,297	1,802
Fire Protection	249,601	120,967	147,301	24,771	92,269
Total fund balances	<u>263,729</u>	<u>127,473</u>	<u>150,662</u>	<u>28,068</u>	<u>94,071</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 290,966</u>	<u>\$ 139,417</u>	<u>\$ 156,819</u>	<u>\$ 37,885</u>	<u>\$ 101,436</u>

CATAWBA COUNTY, NORTH CAROLINA

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**Fire District Funds
Subcombining Balance Sheet
June 30, 2018**

	Long View Fire District Fund	Newton Rural Fire District Fund	Cooksville Fire District Fund	Hickory Rural Fire District Fund	Total Fire District Funds
Assets					
Cash and investments	\$ 20,785	\$ 78,194	\$ 70,409	\$ 35,210	\$ 1,497,996
Taxes receivable - net	156	7,900	2,159	10,584	114,633
Due from other governments	205	5,189	1,055	4,723	66,895
Interest receivable	72	254	239	100	4,990
Total assets	<u>21,218</u>	<u>91,537</u>	<u>73,862</u>	<u>50,617</u>	<u>1,684,514</u>
Liabilities					
Accounts payable and accrued liabilities	61	-	-	-	1,784
Total liabilities	<u>61</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,784</u>
Deferred Inflows of Resources					
Taxes receivable	156	7,900	2,159	10,584	114,633
Prepaid taxes	-	119	606	5,712	8,958
Total deferred inflows of resources	<u>156</u>	<u>8,019</u>	<u>2,765</u>	<u>16,296</u>	<u>123,591</u>
Fund Balances					
Restricted					
Stabilization by State Statute	277	5,443	1,294	4,823	71,885
Fire Protection	<u>20,724</u>	<u>78,075</u>	<u>69,803</u>	<u>29,498</u>	<u>1,487,254</u>
Total fund balances	<u>21,001</u>	<u>83,518</u>	<u>71,097</u>	<u>34,321</u>	<u>1,559,139</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,218</u>	<u>\$ 91,537</u>	<u>\$ 73,862</u>	<u>\$ 50,617</u>	<u>\$ 1,684,514</u>



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CATAWBA COUNTY, NORTH CAROLINA

Schedule C-3

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**Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018**

	Emergency Telephone System Fund	Narcotics Seized Funds and Property Fund	State Unauthorized Substance Abuse Fund	Rescue Squads Fund	Library Endowment Fund
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 994,609	\$ -
Restricted intergovernmental revenues	727,263	29,515	92,605	-	-
Investment earnings	570	101	725	957	997
Miscellaneous	-	7,075	-	-	-
Total revenues	<u>727,833</u>	<u>36,691</u>	<u>93,330</u>	<u>995,566</u>	<u>997</u>
Expenditures					
Current					
Public safety	1,366,550	6,965	30,000	891,151	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	-	-	7,625
Total expenditures	<u>1,366,550</u>	<u>6,965</u>	<u>30,000</u>	<u>891,151</u>	<u>7,625</u>
Excess of revenue over (under) expenditures	<u>(638,717)</u>	<u>29,726</u>	<u>63,330</u>	<u>104,415</u>	<u>(6,628)</u>
Other Financing Sources (Uses)					
Transfers from other funds	993	-	23,654	-	7,625
Total other financing sources (uses)	<u>993</u>	<u>-</u>	<u>23,654</u>	<u>-</u>	<u>7,625</u>
Net change in fund balance	(637,724)	29,726	86,984	104,415	997
Fund Balances - Beginning of Year	<u>1,105,044</u>	<u>23,704</u>	<u>63,539</u>	<u>284,463</u>	<u>192,970</u>
Fund Balances - End of Year	<u>\$ 467,320</u>	<u>\$ 53,430</u>	<u>\$ 150,523</u>	<u>\$ 388,878</u>	<u>\$ 193,967</u>

CATAWBA COUNTY, NORTH CAROLINA

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**Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018**

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 6,915,555	\$ 7,910,164
Restricted intergovernmental revenues	-	-	87,500	-	936,883
Investment earnings	268	32	320	10,669	14,639
Miscellaneous	1,000	-	-	-	8,075
Total revenues	<u>1,268</u>	<u>32</u>	<u>87,820</u>	<u>6,926,224</u>	<u>8,869,761</u>
Expenditures					
Current					
Public safety	-	-	-	6,957,854	9,252,520
Economic and physical development	-	-	77,851	-	77,851
Culture and recreation	-	-	-	-	7,625
Total expenditures	<u>-</u>	<u>-</u>	<u>77,851</u>	<u>6,957,854</u>	<u>9,337,996</u>
Excess of revenue over (under) expenditure	<u>1,268</u>	<u>32</u>	<u>9,969</u>	<u>(31,630)</u>	<u>(468,235)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	32,272
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,272</u>
Net change in fund balance	1,268	32	9,969	(31,630)	(435,963)
Fund Balances - Beginning of Year	<u>53,876</u>	<u>5,322</u>	<u>15,903</u>	<u>1,590,769</u>	<u>3,335,590</u>
Fund Balances - End of Year	<u>\$ 55,144</u>	<u>\$ 5,354</u>	<u>\$ 25,872</u>	<u>\$ 1,559,139</u>	<u>\$ 2,899,627</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, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	507,559	507,559	-	494,800
North Carolina 911 funds - secondary PSAP	73,916	73,916	-	128,955
North Carolina 911 grant - G2017-1A	30,000	145,788	115,788	94,271
Investment earnings	-	570	570	2,936
Total revenues	<u>611,475</u>	<u>727,833</u>	<u>116,358</u>	<u>720,962</u>
Expenditures				
Current				
Public Safety				
Implemental functions	275,134	267,853	7,281	271,656
Telephone and furniture	173,425	133,075	40,350	276,443
Software	127,000	111,776	15,224	164,849
Hardware	719,771	681,233	38,538	686,696
Training	10,320	8,973	1,347	5,155
Secondary PSAP	73,916	73,916	-	128,955
Grant G2017-1A expenditures	91,646	88,862	2,784	151,196
Miscellaneous	-	862	(862)	-
Total expenditures	<u>1,471,212</u>	<u>1,366,550</u>	<u>104,662</u>	<u>1,684,950</u>
Excess of revenues over (under) expenditures	<u>(859,737)</u>	<u>(638,717)</u>	<u>221,020</u>	<u>(963,988)</u>
Other Financing Sources (Uses)				
Transfers from				
General Fund	993	993	-	968
Fund balance appropriated	<u>858,744</u>	<u>-</u>	<u>(858,744)</u>	<u>-</u>
Total other financing sources (uses)	<u>859,737</u>	<u>993</u>	<u>(858,744)</u>	<u>968</u>
Net change in fund balance	<u>\$ -</u>	<u>(637,724)</u>	<u>\$ (637,724)</u>	<u>(963,020)</u>
Fund Balances - Beginning of Year		<u>1,105,044</u>		<u>2,068,064</u>
Fund Balances - End of Year		<u>\$ 467,320</u>		<u>\$ 1,105,044</u>

The County transferred \$993 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, 2018**

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	\$ (637,724)
Secondary PSAP Pass Through Funding	
NC 911 Funds	(73,916)
Pass through to Secondary PSAPs	73,916
Grant Revenue	(145,788)
Grant Expense	88,862
Refund to NC 911 Board for ineligible revenue	862
Ineligible 911 expenses reported in Emergency Telephone System Fund in prior year recovered in current year through transfer from General Fund	<u>(993)</u>
	<u>(694,781)</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>1,162,101</u>
Ending Balance, PSAP Revenue- Expenditure Report	<u>\$ 467,320</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, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	\$ -	\$ 29,515	\$ 29,515	\$ 21,081
Investment earnings	-	101	101	61
Sale of properties	-	7,075	7,075	-
Total revenues	-	36,691	36,691	21,142
Expenditures				
Current				
Public Safety				
Other operating	10,000	6,965	3,035	9,668
Total expenditures	10,000	6,965	3,035	9,668
Excess of revenues over (under) expenditures	(10,000)	29,726	39,726	11,474
Other Financing Sources (Uses)				
Fund balance appropriated	10,000	-	(10,000)	-
Total other financing sources (uses)	10,000	-	(10,000)	-
Net change in fund balance	\$ -	29,726	\$ 29,726	11,474
Fund Balances - Beginning of Year		23,704		12,230
Fund Balances - End of Year		\$ 53,430		\$ 23,704

State Unauthorized Substance Abuse Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Restricted intergovernmental revenues				
Drug reimbursement	\$ -	\$ 92,605	\$ 92,605	\$ 56,131
Investment earnings	-	725	725	53
Total revenues	-	93,330	93,330	56,184
Expenditures				
Current				
Public Safety				
Other operating	33,800	30,000	3,800	24,153
Total expenditures	33,800	30,000	3,800	24,153
Excess of revenues over (under) expenditures	(33,800)	63,330	97,130	32,031
Other Financing Sources (Uses)				
Transfers from				
General Fund	23,654	23,654	-	31,508
Fund balance appropriated	10,146	-	(10,146)	-
Total other financing sources (uses)	33,800	23,654	(10,146)	31,508
Net change in fund balance	\$ -	86,984	\$ 86,984	63,539
Fund Balances - Beginning of Year		63,539		-
Fund Balances - End of Year		\$ 150,523		\$ 63,539

Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 994,609	\$ 994,609	\$ -	\$ 1,067,200
Investment earnings	-	957	957	508
Total revenues	994,609	995,566	957	1,067,708
Expenditures	-			
Public Safety				
Other operating	994,609	891,151	103,458	1,095,825
Total expenditures	994,609	891,151	103,458	1,095,825
Excess of revenues over (under) expenditures	-	104,415	104,415	(28,117)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	104,415	\$ 104,415	(28,117)
Fund Balances - Beginning of Year		284,463		312,580
Fund Balances - End of Year		<u>\$ 388,878</u>		<u>\$ 284,463</u>

Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Community Foundation	\$ -	\$ -	\$ -	\$ 2,523
Investment earnings	2,000	997	(1,003)	160
Total revenues	2,000	997	(1,003)	2,683
	-			
Expenditures				
Culture and recreation				
Other operating	7,625	7,625	-	12,478
Contingency	2,000	-	2,000	-
Total expenditures	9,625	7,625	2,000	12,478
Excess of revenues over (under) expenditures	(7,625)	(6,628)	997	(9,795)
Other Financing Sources (Uses)				
Transfer from other funds	7,625	7,625	-	12,478
Total other financing sources (uses)	7,625	7,625	-	-
Net change in fund balance	\$ -	997	\$ 997	(9,795)
Fund Balances - Beginning of Year		192,970		202,765
Fund Balances - End of Year		\$ 193,967		\$ 192,970

Gretchen Peed Scholarship Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	\$ -	\$ 268	\$ 268	\$ 48
Miscellaneous	-			
Donations	1,500	1,000	(500)	1,000
Total revenues	1,500	1,268	(232)	1,048
Expenditures				
Human services				
Scholarship awards	1,500	-	1,500	-
Total expenditures	1,500	-	1,500	-
Excess of revenues over (under) expenditures	-	1,268	1,268	1,048
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	1,268	\$ 1,268	1,048
Fund Balances - Beginning of Year		53,876		52,828
Fund Balances - End of Year		\$ 55,144		\$ 53,876

Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Licenses and permits				
Developer fee	\$ -	\$ -	\$ -	\$ 4,000
Investment earnings	-	32	32	(4)
Miscellaneous				
Donations	-	-	-	225
Total revenues	-	32	32	4,221
Expenditures				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	32	32	4,221
Other Financing Sources (Uses)	-			
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	32	<u>\$ 32</u>	4,221
Fund Balances - Beginning of Year		<u>5,322</u>		<u>1,101</u>
Fund Balances - End of Year		<u>\$ 5,354</u>		<u>\$ 5,322</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, 2018

NC Housing Trust Fund (NCHFA) 2016 Urgent Repair Program (URP1602)	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	\$ 100,000	\$ 50,000	\$ 50,000	\$ 100,000	\$ -
Investment earnings	-	378	203	581	581
Total revenues	100,000	50,378	50,203	100,581	581
Expenditures					
Economic and physical development					
Administration	12,000	-	11,801	11,801	199
Rehabilitation	88,000	34,475	54,305	88,780	(780)
Total expenditures	100,000	34,475	66,106	100,581	(581)
Excess of revenues over (under) expenditures	-	15,903	(15,903)	-	-
Net change in fund balance	\$ -	\$ 15,903	(15,903)	\$ -	\$ -
Fund Balances - Beginning of Year			15,903		
Fund Balances - End of Year			\$ -		

NC Housing Trust Fund (NCHFA) 2017 Urgent Repair Program (URP1701)	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	117	117	117
Total revenues	75,000	-	37,617	37,617	(37,500)
Expenditures					
Economic and physical development					
Administration	9,000	-	-	-	9,000
Rehabilitation	66,000	-	11,745	11,745	54,255
Total expenditures	75,000	-	11,745	11,745	63,255
Excess of revenues over (under) expenditures	-	-	25,872	25,872	25,872
Net change in fund balance	\$ -	\$ -	25,872	\$ 25,872	\$ 25,872
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			\$ 25,872		



SM

Fire District Funds

Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	Mountain View Fire District Fund	Propst Fire District Fund	St. Stephens Fire District Fund	Conover Rural Fire District Fund	Oxford Fire District Fund
Revenues					
Ad valorem taxes	\$ 558,513	\$ 219,746	\$ 1,067,868	\$ 97,490	\$ 315,917
Investment earnings	430	472	1,089	1,671	464
Total revenues	<u>558,943</u>	<u>220,218</u>	<u>1,068,957</u>	<u>99,161</u>	<u>316,381</u>
Expenditures					
Current					
Public safety	<u>577,443</u>	<u>207,047</u>	<u>1,064,733</u>	<u>138,073</u>	<u>300,221</u>
Total expenditures	<u>577,443</u>	<u>207,047</u>	<u>1,064,733</u>	<u>138,073</u>	<u>300,221</u>
Excess of revenue over (under) expenditures	<u>(18,500)</u>	<u>13,171</u>	<u>4,224</u>	<u>(38,912)</u>	<u>16,160</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	(18,500)	13,171	4,224	(38,912)	16,160
Fund Balances - Beginning of Year	<u>54,696</u>	<u>60,090</u>	<u>90,625</u>	<u>459,005</u>	<u>44,640</u>
Fund Balances - End of Year	<u>\$ 36,196</u>	<u>\$ 73,261</u>	<u>\$ 94,849</u>	<u>\$ 420,093</u>	<u>\$ 60,800</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-12

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Fire District Funds
**Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018**

	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	\$ 2,261,046	\$ 549,339	\$ 237,992	\$ 292,698	\$ 192,644
Investment earnings	2,651	801	824	230	315
Total revenues	<u>2,263,697</u>	<u>550,140</u>	<u>238,816</u>	<u>292,928</u>	<u>192,959</u>
Expenditures					
Current					
Public safety	<u>2,176,963</u>	<u>552,296</u>	<u>221,268</u>	<u>343,771</u>	<u>288,768</u>
Total expenditures	<u>2,176,963</u>	<u>552,296</u>	<u>221,268</u>	<u>343,771</u>	<u>288,768</u>
Excess of revenue over (under) expenditures:	<u>86,734</u>	<u>(2,156)</u>	<u>17,548</u>	<u>(50,843)</u>	<u>(95,809)</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	86,734	(2,156)	17,548	(50,843)	(95,809)
Fund Balances - Beginning of Year	<u>176,995</u>	<u>129,629</u>	<u>133,114</u>	<u>78,911</u>	<u>189,880</u>
Fund Balances - End of Year	<u>\$ 263,729</u>	<u>\$ 127,473</u>	<u>\$ 150,662</u>	<u>\$ 28,068</u>	<u>\$ 94,071</u>

Fire District Funds

Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	Long View Fire District Fund	Newton Rural Fire District Fund	Cooksville Fire District Fund	Hickory Rural Fire District Fund	Total Fire District Funds
Revenues					
Ad valorem taxes	\$ 27,035	\$ 473,137	\$ 98,808	\$ 523,322	\$ 6,915,555
Investment earnings	127	688	405	502	10,669
Total revenues	<u>27,162</u>	<u>473,825</u>	<u>99,213</u>	<u>523,824</u>	<u>6,926,224</u>
Expenditures					
Current					
Public safety	<u>26,489</u>	<u>453,542</u>	<u>93,362</u>	<u>513,878</u>	<u>6,957,854</u>
Total expenditures	<u>26,489</u>	<u>453,542</u>	<u>93,362</u>	<u>513,878</u>	<u>6,957,854</u>
Excess of revenue over (under) expenditure	<u>673</u>	<u>20,283</u>	<u>5,851</u>	<u>9,946</u>	<u>(31,630)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	673	20,283	5,851	9,946	(31,630)
Fund Balances - Beginning of Year	<u>20,328</u>	<u>63,235</u>	<u>65,246</u>	<u>24,375</u>	<u>1,590,769</u>
Fund Balances - End of Year	<u>\$ 21,001</u>	<u>\$ 83,518</u>	<u>\$ 71,097</u>	<u>\$ 34,321</u>	<u>\$ 1,559,139</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, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 545,204	\$ 558,513	\$ 13,309	\$ 552,808
Investment earnings	-	430	430	247
Total revenues	<u>545,204</u>	<u>558,943</u>	<u>13,739</u>	<u>553,055</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>577,443</u>	<u>577,443</u>	-	<u>538,990</u>
Total expenditures	<u>577,443</u>	<u>577,443</u>	-	<u>538,990</u>
Excess of revenues over (under) expenditures	<u>(32,239)</u>	<u>(18,500)</u>	<u>13,739</u>	<u>14,065</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>32,239</u>	-	<u>(32,239)</u>	-
Total other financing sources (uses)	<u>32,239</u>	-	<u>(32,239)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(18,500)</u>	<u>\$ (18,500)</u>	<u>14,065</u>
Fund Balances - Beginning of Year		<u>54,696</u>		<u>40,631</u>
Fund Balances - End of Year		<u>\$ 36,196</u>		<u>\$ 54,696</u>

Propst Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 207,047	\$ 219,746	\$ 12,699	\$ 216,033
Investment earnings	-	472	472	130
Total revenues	<u>207,047</u>	<u>220,218</u>	<u>13,171</u>	<u>216,163</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>207,047</u>	<u>207,047</u>	<u>-</u>	<u>205,625</u>
Total expenditures	<u>207,047</u>	<u>207,047</u>	<u>-</u>	<u>205,625</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>13,171</u>	<u>13,171</u>	<u>10,538</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>13,171</u>	<u>\$ 13,171</u>	<u>10,538</u>
Fund Balances - Beginning of Year		<u>60,090</u>		<u>49,552</u>
Fund Balances - End of Year		<u>\$ 73,261</u>		<u>\$ 60,090</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, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 1,034,684	\$ 1,067,868	\$ 33,184	\$ 1,052,667
Investment earnings	-	1,089	1,089	447
Total revenues	1,034,684	1,068,957	34,273	1,053,114
Expenditures				
Public safety				
Transmitted to fire department	1,064,733	1,064,733	-	1,026,603
Total expenditures	1,064,733	1,064,733	-	1,026,603
Excess of revenues over (under) expenditures	(30,049)	4,224	34,273	26,511
Other Financing Sources (Uses)				
Fund balance appropriated	30,049	-	(30,049)	-
Total other financing sources (uses)	30,049	-	(30,049)	-
Net change in fund balance	\$ -	4,224	\$ 4,224	26,511
Fund Balances - Beginning of Year		90,625		64,114
Fund Balances - End of Year		\$ 94,849		\$ 90,625

Conover Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 93,974	\$ 97,490	\$ 3,516	\$ 97,096
Investment earnings	-	1,671	1,671	391
Total revenues	93,974	99,161	5,187	97,487
Expenditures				
Public safety				
Transmitted to fire department	232,047	138,073	93,974	-
Total expenditures	232,047	138,073	93,974	-
Excess of revenues over (under) expenditures	(138,073)	(38,912)	99,161	97,487
Other Financing Sources (Uses)				
Fund balance appropriated	138,073	-	(138,073)	-
Total other financing sources (uses)	138,073	-	(138,073)	-
Net change in fund balance	\$ -	(38,912)	\$ (38,912)	97,487
Fund Balances - Beginning of Year		459,005		361,518
Fund Balances - End of Year		\$ 420,093		\$ 459,005

Oxford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 300,221	\$ 315,917	\$ 15,696	\$ 308,683
Investment earnings	-	464	464	159
Total revenues	<u>300,221</u>	<u>316,381</u>	<u>16,160</u>	<u>308,842</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>300,221</u>	<u>300,221</u>	<u>-</u>	<u>298,738</u>
Total expenditures	<u>300,221</u>	<u>300,221</u>	<u>-</u>	<u>298,738</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>16,160</u>	<u>16,160</u>	<u>10,104</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>16,160</u>	<u>\$ 16,160</u>	<u>10,104</u>
Fund Balances - Beginning of Year		<u>44,640</u>		<u>34,536</u>
Fund Balances - End of Year		<u>\$ 60,800</u>		<u>\$ 44,640</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, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 2,176,963	\$ 2,261,046	\$ 84,083	\$ 2,214,713
Investment earnings	-	2,651	2,651	964
Total revenues	<u>2,176,963</u>	<u>2,263,697</u>	<u>86,734</u>	<u>2,215,677</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>2,176,963</u>	<u>2,176,963</u>	<u>-</u>	<u>2,141,097</u>
Total expenditures	<u>2,176,963</u>	<u>2,176,963</u>	<u>-</u>	<u>2,141,097</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>86,734</u>	<u>86,734</u>	<u>74,580</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>86,734</u>	<u>\$ 86,734</u>	<u>74,580</u>
Fund Balances - Beginning of Year		<u>176,995</u>		<u>102,415</u>
Fund Balances - End of Year		<u>\$ 263,729</u>		<u>\$ 176,995</u>

Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 517,396	\$ 549,339	\$ 31,943	\$ 537,320
Investment earnings	-	801	801	290
Total revenues	<u>517,396</u>	<u>550,140</u>	<u>32,744</u>	<u>537,610</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>552,296</u>	<u>552,296</u>	-	<u>510,587</u>
Total expenditures	<u>552,296</u>	<u>552,296</u>	-	<u>510,587</u>
Excess of revenues over (under) expenditures	<u>(34,900)</u>	<u>(2,156)</u>	<u>32,744</u>	<u>27,023</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>34,900</u>	-	<u>(34,900)</u>	-
Total other financing sources (uses)	<u>34,900</u>	-	<u>(34,900)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(2,156)</u>	<u>\$ (2,156)</u>	<u>27,023</u>
Fund Balances - Beginning of Year		<u>129,629</u>		<u>102,606</u>
Fund Balances - End of Year		<u>\$ 127,473</u>		<u>\$ 129,629</u>

Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 221,268	\$ 237,992	\$ 16,724	\$ 224,728
Investment earnings	-	824	824	233
Total revenues	<u>221,268</u>	<u>238,816</u>	<u>17,548</u>	<u>224,961</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>221,268</u>	<u>221,268</u>	<u>-</u>	<u>223,400</u>
Total expenditures	<u>221,268</u>	<u>221,268</u>	<u>-</u>	<u>223,400</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>17,548</u>	<u>17,548</u>	<u>1,561</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>17,548</u>	<u>\$ 17,548</u>	<u>1,561</u>
Fund Balances - Beginning of Year		<u>133,114</u>		<u>131,553</u>
Fund Balances - End of Year		<u>\$ 150,662</u>		<u>\$ 133,114</u>

Claremont Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 294,802	\$ 292,698	\$ (2,104)	\$ 269,600
Investment earnings	-	230	230	168
Total revenues	<u>294,802</u>	<u>292,928</u>	<u>(1,874)</u>	<u>269,768</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>349,070</u>	<u>343,771</u>	<u>5,299</u>	<u>254,163</u>
Total expenditures	<u>349,070</u>	<u>343,771</u>	<u>5,299</u>	<u>254,163</u>
Excess of revenues over (under) expenditures	<u>(54,268)</u>	<u>(50,843)</u>	<u>3,425</u>	<u>15,605</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>54,268</u>	-	<u>(54,268)</u>	-
Total other financing sources (uses)	<u>54,268</u>	-	<u>(54,268)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(50,843)</u>	<u>\$ (50,843)</u>	<u>15,605</u>
Fund Balances - Beginning of Year		<u>78,911</u>		<u>63,306</u>
Fund Balances - End of Year		<u>\$ 28,068</u>		<u>\$ 78,911</u>

Catawba Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 183,557	\$ 192,644	\$ 9,087	\$ 193,888
Investment earnings	-	315	315	16
Total revenues	183,557	192,959	9,402	193,904
Expenditures				
Public safety				
Transmitted to fire department	288,768	288,768	-	342,582
Total expenditures	288,768	288,768	-	342,582
Excess of revenues over (under) expenditures	(105,211)	(95,809)	9,402	(148,678)
Other Financing Sources (Uses)				
Fund balance appropriated	105,211	-	(105,211)	-
Total other financing sources (uses)	105,211	-	(105,211)	-
Net change in fund balance	\$ -	(95,809)	\$ (95,809)	(148,678)
Fund Balances - Beginning of Year		189,880		338,558
Fund Balances - End of Year		\$ 94,071		\$ 189,880

Long View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 26,489	\$ 27,035	\$ 546	\$ 27,156
Investment earnings	-	127	127	29
Total revenues	26,489	27,162	673	27,185
Expenditures				
Public safety				
Transmitted to fire department	26,489	26,489	-	26,428
Total expenditures	26,489	26,489	-	26,428
Excess of revenues over (under) expenditures	-	673	673	757
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	673	\$ 673	757
Fund Balances - Beginning of Year		20,328		19,571
Fund Balances - End of Year		\$ 21,001		\$ 20,328

Newton Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 453,542	\$ 473,137	\$ 19,595	\$ 469,029
Investment earnings	-	688	688	212
Total revenues	<u>453,542</u>	<u>473,825</u>	<u>20,283</u>	<u>469,241</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>453,542</u>	<u>453,542</u>	-	<u>443,968</u>
Total expenditures	<u>453,542</u>	<u>453,542</u>	-	<u>443,968</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>20,283</u>	<u>20,283</u>	<u>25,273</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>20,283</u>	<u>\$ 20,283</u>	<u>25,273</u>
Fund Balances - Beginning of Year		<u>63,235</u>		<u>37,962</u>
Fund Balances - End of Year		<u>\$ 83,518</u>		<u>\$ 63,235</u>

Cooksville Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 93,362	\$ 98,808	\$ 5,446	\$ 97,773
Investment earnings	-	405	405	90
Total revenues	<u>93,362</u>	<u>99,213</u>	<u>5,851</u>	<u>97,863</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>93,362</u>	<u>93,362</u>	<u>-</u>	<u>92,243</u>
Total expenditures	<u>93,362</u>	<u>93,362</u>	<u>-</u>	<u>92,243</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>5,851</u>	<u>5,851</u>	<u>5,620</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>5,851</u>	<u>\$ 5,851</u>	<u>5,620</u>
Fund Balances - Beginning of Year		<u>65,246</u>		<u>59,626</u>
Fund Balances - End of Year		<u>\$ 71,097</u>		<u>\$ 65,246</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, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 507,726	\$ 523,322	\$ 15,596	\$ 390,332
Investment earnings	-	502	502	164
Total revenues	<u>507,726</u>	<u>523,824</u>	<u>16,098</u>	<u>390,496</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>513,878</u>	<u>513,878</u>	<u>-</u>	<u>385,036</u>
Total expenditures	<u>513,878</u>	<u>513,878</u>	<u>-</u>	<u>385,036</u>
Excess of revenues over (under) expenditures	<u>(6,152)</u>	<u>9,946</u>	<u>16,098</u>	<u>5,460</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>6,152</u>	<u>-</u>	<u>(6,152)</u>	<u>-</u>
Total other financing sources (uses)	<u>6,152</u>	<u>-</u>	<u>(6,152)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>9,946</u>	<u>\$ 9,946</u>	<u>5,460</u>
Fund Balances - Beginning of Year		<u>24,375</u>		<u>18,915</u>
Fund Balances - End of Year		<u>\$ 34,321</u>		<u>\$ 24,375</u>

Capital Projects Funds

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

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.

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 Capital Reserve Fund -

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule D-1

**Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2018**

	School Capital Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Assets			
Cash and investments	\$ 6,459,033	\$ 4,104,986	\$ 10,564,019
Due from other governments	1,319,190	-	1,319,190
Interest receivables	21,487	14,296	35,783
Total assets	<u>7,799,710</u>	<u>4,119,282</u>	<u>11,918,992</u>
			-
Liabilities			
Accounts payable and accrued liabilities	<u>342,537</u>	<u>-</u>	<u>342,537</u>
Total liabilities	<u>342,537</u>	<u>-</u>	<u>342,537</u>
Fund Balance			
Restricted			
Stabilization by State Statute	1,340,677	14,296	1,354,973
Hospital Capital	-	4,104,986	4,104,986
Committed			
School Capital	<u>6,116,496</u>	<u>-</u>	<u>6,116,496</u>
Total fund balances	<u>7,457,173</u>	<u>4,119,282</u>	<u>11,576,455</u>
Total liabilities and fund balances	<u>\$ 7,799,710</u>	<u>\$ 4,119,282</u>	<u>\$ 11,918,992</u>

Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	School Capital Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Revenues			
Other taxes	\$ 5,149,897	\$ -	\$ 5,149,897
Investment earnings	34,336	19,780	54,116
Total revenues	<u>5,184,233</u>	<u>19,780</u>	<u>5,204,013</u>
Expenditures			
Capital outlay	<u>5,957,012</u>	<u>-</u>	<u>5,957,012</u>
Total expenditures	<u>5,957,012</u>	<u>-</u>	<u>5,957,012</u>
Excess of revenues over (under) expenditures	<u>(772,779)</u>	<u>19,780</u>	<u>(752,999)</u>
Other Financing Sources (Uses)			
Transfers from other funds	514,751	-	514,751
Transfers to other funds	<u>(696,022)</u>	<u>(500,000)</u>	<u>(1,196,022)</u>
Total other financing sources (uses)	<u>(181,271)</u>	<u>(500,000)</u>	<u>(681,271)</u>
Net change in fund balance	(954,050)	(480,220)	(1,434,270)
Fund Balances - Beginning of Year	<u>8,411,223</u>	<u>4,599,502</u>	<u>13,010,725</u>
Fund Balances - End of Year	<u>\$ 7,457,173</u>	<u>\$ 4,119,282</u>	<u>\$ 11,576,455</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, 2018

		Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Over/Under	
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	103,481	15,096	118,577	29,407	
NC Department of Natural Resources Clean Water Management Trust - CWMTF 2008-006	2,060,272	2,060,272	-	2,060,272	-	
NC PARTF Grant	414,109	-	-	-	(414,109)	
NC 911 Funds	62,620	-	-	-	(62,620)	
Investment earnings	293,412	7,155,554	121,768	7,277,322	6,983,910	
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	346,356	405,597	1,980	407,577	61,221	
Park Donations	587,000	462,000	125,000	587,000	-	
Rental - Jail Beds	4,391,153	4,474,291	261,559	4,735,850	344,697	
Rental - Lifeskills	69,928	123,760	-	123,760	53,832	
Total revenues	24,397,564	30,945,292	525,403	31,470,695	7,073,131	
Expenditures						
Capital outlay						
Animal Shelter - New	4,200,000	4,160,043	-	4,160,043	39,957	
Animal Shelter (former) Renovation	350,000	20,927	3,900	24,827	325,173	
Carolina Thread Trail	87,000	68,315	-	68,315	18,685	
Economic Development	1,015,584	120,456	595,543	715,999	299,585	
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	149,865	-	-	-	149,865	
General Renovations	1,438,819	1,283,166	16,000	1,299,166	139,653	
Government Center Complex Improvements	1,000,000	-	10,461	10,461	989,539	
Jail Expansion	32,403,162	596,961	1,297,497	1,894,458	30,508,704	
Jail Expansion - Female Beds	50,000	48,098	-	48,098	1,902	
Justice Center Expansion/Public Safety	44,227,806	36,453,942	5,297,667	41,751,609	2,476,197	
Library Land Expansion	107,800	-	107,551	107,551	249	
Library Technology	224,245	29,874	24,696	54,570	169,675	
Lifeskills Building Maintenance	69,928	-	-	-	69,928	
Mountain Creek Park	12,129,860	3,427,965	53,812	3,481,777	8,648,083	
Multi-jurisdictional Data Park	2,600,000	2,147,297	194,338	2,341,635	258,365	
Neonatal Ambulance	380,000	4,711	366,981	371,692	8,308	
Oblique Photography	366,946	313,093	53,643	366,736	210	
Park Improvements	533,726	81,700	323,164	404,864	128,862	
Park Improvements - Riverbend	614,109	100,000	300,900	400,900	213,209	
Permitting/Inspections System	920,000	775,063	22,268	797,331	122,669	
Public Safety	371,691	234,132	12,097	246,229	125,462	
Radio Transmit Base Station	150,000	-	-	-	150,000	
Rescue Squad - Newton-Conover	120,000	-	-	-	120,000	

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, 2018

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Roofing Projects	636,727	499,553	19,406	518,959	117,768
Server & Desktop Applications	2,831,000	2,456,221	248,127	2,704,348	126,652
Sherrills Ford Library	3,041,555	3,039,800	-	3,039,800	1,755
St. Stephens Library HVAC	250,000	-	-	-	250,000
Simulcast Radio System	653,650	333,844	95,385	429,229	224,421
Technology Infrastructure Upgrades	2,650,726	2,321,935	328,791	2,650,726	-
Trivium Corporate Center	635,582	42,697	592,429	635,126	456
Viper 800mhz System	496,146	401,364	-	401,364	94,782
Voting Equipment	611,311	309,630	-	309,630	301,681
Total expenditures	115,963,558	59,591,432	9,964,656	69,556,088	46,407,470
Excess of revenues over (under) expenditures	(91,565,994)	(28,646,140)	(9,439,253)	(38,085,393)	53,480,601
Other Financing Sources (Uses)					
Transfers from					
General Fund	24,539,972	20,487,202	4,052,770	24,539,972	-
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	-
Transfers to					
General Fund	(12,500)	-	(12,500)	(12,500)	-
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	-
Bonds issued	53,401,060	20,125,000	26,618,280	46,743,280	(6,657,780)
Premium on bonds issued	-	2,161,054	3,181,720	5,342,774	5,342,774
Fund balance appropriated	3,502,387	-	-	-	(3,502,387)
Total other financing sources (uses)	91,565,994	52,908,331	33,840,270	86,748,601	(4,817,393)
Net change in fund balance	\$ -	\$ 24,262,191	24,401,017	\$ 48,663,208	\$ 48,663,208
Fund Balances - Beginning of Year			24,262,191		
Fund Balances - End of Year			\$ 48,663,208		

CATAWBA COUNTY, NORTH CAROLINA

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School Construction Fund
**Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2018**

	Project	Actual			
	Authorization	Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Investment earnings	-	124,152	146,659	270,811	270,811
Total revenues	-	124,152	146,659	270,811	270,811
Expenditures					
Catawba County Schools					
Banoak Elementary	9,245,000	-	128,289	128,289	9,116,711
Claremont Elementary Cafeteria	2,576,700	-	835,047	835,047	1,741,653
Clyde Campbell Elementary Cafeteria	2,888,650	-	1,441,073	1,441,073	1,447,577
Fred T Foard Fieldhouse	1,538,000	1,537,928	72	1,538,000	-
Project Planning	200,000	-	-	-	200,000
Roof Replacements	2,210,000	-	44,823	44,823	2,165,177
Total Catawba County Schools	18,658,350	1,537,928	2,449,304	3,987,232	14,671,118
Catawba Valley Community College					
Campus Equipment	3,500,000	-	676,821	676,821	2,823,179
East Campus Renovation	4,201,859	3,796,905	214,375	4,011,280	190,579
Vocational Building	25,100,000	6,460,898	14,868,883	21,329,781	3,770,219
Total Catawba Valley Community College	32,801,859	10,257,803	15,760,079	26,017,882	6,783,977
Hickory Public Schools					
Jenkins Elementary Renovation	800,000	-	192,962	192,962	607,038
Oakwood Elementary Renovation	2,188,181	768,030	1,061,583	1,829,613	358,568
Technology Improvements	700,000	629,927	6,192	636,119	63,881
Total Hickory Public Schools	3,688,181	1,397,957	1,260,737	2,658,694	1,029,487
Newton-Conover City Schools					
Conover School Renovations	3,312,452	177,543	388,302	565,845	2,746,607
Newton-Conover High School Cafeteria	2,793,148	-	-	-	2,793,148
Roof Replacements	147,364	-	-	-	147,364
Total Newton-Conover City Schools	6,252,964	177,543	388,302	565,845	5,687,119
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	14,713,311	-	-	-	14,713,311
Total Other	15,563,311	-	-	-	15,563,311
Total expenditures	76,964,665	13,371,231	19,858,422	33,229,653	43,735,012
Excess of revenues over (under) expenditures	(76,964,665)	(13,247,079)	(19,711,763)	(32,958,842)	44,005,823
Other Financing Sources (Uses)					
Transfers from					
General Fund	14,927,230	14,094,411	832,819	14,927,230	-
School Capital Fund	646,022	-	646,022	646,022	-
Transfers to					
School Capital Fund	(14,751)	-	(14,751)	(14,751)	-
Bonds issued	59,458,224	33,558,896	12,242,014	45,800,910	(13,657,314)

CATAWBA COUNTY, NORTH CAROLINA
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School Construction Fund
**Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2018**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Premium on bonds issued	-	-	1,462,986	1,462,986	1,462,986
Fund Balance Appropriated	<u>1,947,940</u>	-	-	-	<u>(1,947,940)</u>
Total other financing sources (uses)	<u>76,964,665</u>	<u>47,653,307</u>	<u>15,169,090</u>	<u>62,822,397</u>	<u>(14,142,268)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 34,406,228</u>	(4,542,673)	<u>\$ 29,863,555</u>	<u>\$ 29,863,555</u>
Fund Balances - Beginning of Year			<u>34,406,228</u>		
Fund Balances - End of Year			<u>\$ 29,863,555</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, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Other taxes					
Sales Taxes-Article 42	\$ 12,468,748	\$ 12,254,725	\$ 5,149,897	\$ 17,404,622	\$ 4,935,874
Investment earnings	1,075,367	3,778,639	34,336	3,812,975	2,737,608
Total revenues	13,544,115	16,033,364	5,184,233	21,217,597	7,673,482
Expenditures					
Capital outlay					
Catawba County Schools					
Activity Buses	841,396	670,196	171,200	841,396	-
Athletic Field Improvements	650,000	-	617,002	617,002	32,998
Bandys High School Renovations	465,000	232,363	95,456	327,819	137,181
Blackburn Elementary Cooler	30,415	-	30,415	30,415	-
Bunker Hill High School Renovations	749,175	338,522	172,763	511,285	237,890
Camera Security/Electrical Doors	785,000	585,000	62,658	647,658	137,342
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	337,684	3,320	341,004	132,996
Fred T Foard Renovations	125,000	-	59,725	59,725	65,275
HVAC Controls System Upgrade	2,985,990	1,677,898	1,141,505	2,819,403	166,587
Lyle Creek Elementary Renovations	30,000	-	-	-	30,000
Maiden Elemenatry Renovations	15,000	-	-	-	15,000
Maiden High School Gym Air Conditioning	60,000	-	3,840	3,840	56,160
Maiden Middle School Renovations	352,027	67,600	18,430	86,030	265,997
Oxford Elementary HVAC System	100,000	-	-	-	100,000
Per Capita Allocation	863,512	-	863,512	863,512	-
Plumbing Replacement Systemwide	327,050	252,375	74,675	327,050	-
Project Planning	180,000	-	-	-	180,000
Roof Guttering	194,725	130,913	63,812	194,725	-
Roofing Projects	1,306,693	951,657	254,230	1,205,887	100,806
St. Stephens High School HVAC Piping	267,097	255,133	11,964	267,097	-
St. Stephens High School Renovations	131,358	102,596	28,762	131,358	-
Traffic Patterns Improvements	300,000	28,657	271,343	300,000	-
Total Catawba County Schools	11,341,530	5,657,167	3,977,704	9,634,871	1,706,659
Catawba Valley Community College					
American with Disabilities Act Renovations	539,648	345,565	194,083	539,648	-
General Renovations	50,000	-	50,000	50,000	-
Maintenance Van	45,000	20,000	25,000	45,000	-
Paving	210,352	-	55,510	55,510	154,842
Project Manager	49,801	-	49,801	49,801	-
Total Catawba Valley Community College	894,801	365,565	374,394	739,959	154,842

CATAWBA COUNTY, NORTH CAROLINA

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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, 2018

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
Activity Buses	170,000	85,000	85,000	170,000	-
Hickory High School Chiller	337,000	105,106	228,520	333,626	3,374
Hickory High School Renovation	355,000	223,088	86,443	309,531	45,469
HVAC Controls Upgrades	155,000	145,448	-	145,448	9,552
Northview Renovations	30,000	-	30,000	30,000	-
Paving/Sealing Parking Lots Systemwide	425,000	128,890	98,457	227,347	197,653
Per Capita Allocation	170,324	-	170,324	170,324	-
Rekeying Locks	141,000	133,849	-	133,849	7,151
Southwest Elementary HVAC	540,000	505,151	29,432	534,583	5,417
Southwest Elementary Mechanical Upgrades	215,000	212,235	2,691	214,926	74
Southwest Renovations	360,000	-	126,839	126,839	233,161
Technology Upgrades	35,000	-	-	-	35,000
Telecommunication Systems	40,000	-	-	-	40,000
Total Hickory Public Schools	<u>2,973,324</u>	<u>1,538,767</u>	<u>857,706</u>	<u>2,396,473</u>	<u>576,851</u>
Newton-Conover City Schools					
American with Disabilities Act Renovations	30,000	-	19,525	19,525	10,475
Asbestos Removal	111,032	104,625	-	104,625	6,407
Capital Projects Manager	55,396	49,795	-	49,795	5,601
Central Office Renovations	64,751	153	64,598	64,751	-
Fire Alarm Upgrades	60,000	49,019	1,451	50,470	9,530
HVAC Upgrades Systemwide	750,000	321,492	181,819	503,311	246,689
NCHS General Renovations	75,000	-	24,467	24,467	50,533
NCHS Renovation Planning	10,000	-	10,000	10,000	-
NCHS Stadium Lighting	285,000	-	284,287	284,287	713
Per Capita Allocation	158,600	-	158,600	158,600	-
Roofing Projects	832,272	821,307	2,461	823,768	8,504
Total Newton-Conover City Schools	<u>2,432,051</u>	<u>1,346,391</u>	<u>747,208</u>	<u>2,093,599</u>	<u>338,452</u>
Total expenditures	<u>17,641,706</u>	<u>8,907,890</u>	<u>5,957,012</u>	<u>14,864,902</u>	<u>2,776,804</u>
Excess of revenues over (under) expenditures	<u>(4,097,591)</u>	<u>7,125,474</u>	<u>(772,779)</u>	<u>6,352,695</u>	<u>10,450,286</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	1,735,000	1,235,000	500,000	1,735,000	-
School Construction Fund	115,500	100,749	14,751	115,500	-
Transfers to					
General Fund	(100,000)	(50,000)	(50,000)	(100,000)	-
School Construction Fund	(646,022)	-	(646,022)	(646,022)	-
Fund Balance Appropriated	2,993,113	-	-	-	(2,993,113)
Total other financing sources (uses)	<u>4,097,591</u>	<u>1,285,749</u>	<u>(181,271)</u>	<u>1,104,478</u>	<u>(2,993,113)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,411,223</u>	<u>(954,050)</u>	<u>\$ 7,457,173</u>	<u>\$ 7,457,173</u>
Fund Balances - Beginning of Year			<u>8,411,223</u>		
Fund Balances - End of Year			<u>\$ 7,457,173</u>		

Hospital Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2018
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	\$ 50,000	\$ 19,780	\$ (30,220)	\$ 3,555
Total revenues	50,000	19,780	(30,220)	3,555
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	50,000	19,780	(30,220)	3,555
Other Financing Sources (Uses)				
Transfer to General Fund	(500,000)	(500,000)	-	(500,000)
Transfer from Hospital Construction Fund	-	-	-	24,433
Fund Balance Appropriated	450,000	-	(450,000)	-
Total other financing sources (uses)	(50,000)	(500,000)	(450,000)	(475,567)
Net change in fund balance	\$ -	(480,220)	\$ (480,220)	(472,012)
Fund Balances - Beginning of Year		4,599,502		5,071,514
Fund Balances - End of Year		\$ 4,119,282		\$ 4,599,502

Enterprise Fund
(Proprietary Fund Type)

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

Solid Waste Management Fund -

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

Solid Waste Management Construction Fund -

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

Water and Sewer Fund -

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

Water and Sewer Construction Fund -

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

CATAWBA COUNTY, NORTH CAROLINA

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Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 5,178,138	\$ 6,071,756		
Methane recovery	834,350	644,654		
Other operating	67,375	75,596		
Total operating revenues	6,079,863	6,792,006	712,143	6,205,799
Nonoperating revenues				
Solid waste disposal tax	62,000	70,232		
Scrap tire disposal tax	190,000	254,893		
White goods disposal tax	45,000	100,173		
Scrap tire grant	5,000	20,522		
Electronics management distribution	9,000	12,556		
Hickory community relations	3,000	3,000		
Proceeds from sale of equipment	50,000	54,598		
Miscellaneous	-	7		
Investment earnings	-	66,618		
Total nonoperating revenues	364,000	582,599	218,599	437,905
Total revenues	6,443,863	7,374,605	930,742	6,643,704
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	312,706	305,100		
Other operating	309,075	295,310		
	621,781	600,410	21,371	601,557
Recycling				
Salaries & employee benefits	73,231	73,037		
Other operating	184,250	93,664		
	257,481	166,701	90,780	168,742
Solid Waste Management Improvements				
Other operating	376,944	82,387		
	376,944	82,387	294,557	128,816
Solid Waste Code Enforcement				
Salaries & employee benefits	62,096	61,038		
Other operating	39,464	9,198		
	101,560	70,236	31,324	95,776
Sanitary Landfill				
Salaries & employee benefits	1,247,603	1,207,397		
Maintenance and repair	356,615	300,370		
Solid waste disposal tax remittance	331,200	380,128		
Landfill closure and postclosure care costs	40,000	26,019		
Other operating	1,439,719	1,138,260		
	3,415,137	3,052,174	362,963	2,775,982

CATAWBA COUNTY, NORTH CAROLINA

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Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual Prior
	Budget	Actual	Over/Under	Year
Convenience Centers				
Maintenance and repair	1,000	498		
Other operating	1,100	1,100		
	<u>2,100</u>	<u>1,598</u>	<u>502</u>	<u>630</u>
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	144,510	138,982		
Maintenance and repair	542,311	405,816		
Other operating	112,395	69,161		
	<u>799,216</u>	<u>613,959</u>	<u>185,257</u>	<u>707,491</u>
Total operating expenditures	<u>5,574,219</u>	<u>4,587,465</u>	<u>986,754</u>	<u>4,478,994</u>
Capital outlay	<u>1,826,538</u>	<u>1,062,089</u>	<u>764,449</u>	<u>1,982,326</u>
Total expenditures	<u>7,400,757</u>	<u>5,649,554</u>	<u>1,751,203</u>	<u>6,461,320</u>
Excess of revenues over (under) expenditures	<u>(956,894)</u>	<u>1,725,051</u>	<u>2,681,945</u>	<u>182,384</u>
Other Financing Sources (Uses)				
Transfer from Self Insurance Fund	3,489	3,489	-	
Transfer to Solid Waste Capital Fund	(1,924,430)	(1,924,430)		
Fund balance appropriated	2,877,835	-	(2,877,835)	
Total other financing sources (uses)	<u>956,894</u>	<u>(1,920,941)</u>	<u>(2,877,835)</u>	<u>(1,800,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (195,890)</u>	<u>\$ (195,890)</u>	<u>\$ (1,617,616)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		<u>\$ (195,890)</u>		
Reconciling items				
Capital outlay		1,062,089		
Depreciation		(938,611)		
(Increase) decrease in deferred outflows of resources - pensions		(142,784)		
(Increase) decrease in net pension liability		133,172		
(Increase) decrease in deferred inflows of resources - pensions		3,688		
(Increase) decrease in accrued landfill closure and postclosure care costs		(100,000)		
(Increase) decrease in compensated absences		7,098		
(Increase) decrease in deferred outflows of resources - OPEB		34,172		
(Increase) decrease in net OPEB liability		(28,243)		
(Increase) decrease in deferred inflows of resources - OPEB		(21,867)		
Revenues from capital projects		37,471		
Transfers from capital projects		1,924,430		
Total reconciling items		<u>1,970,615</u>		
Change in net position (Exhibit 7) (full accrual)		<u>\$ 1,774,725</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, 2018**

	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	-	125,708	37,471	163,179	163,179
Total revenues	<u>1,933,377</u>	<u>2,044,085</u>	<u>37,471</u>	<u>2,081,556</u>	<u>148,179</u>
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	7,594	331,625	168,375
Heat Exchange Facility	35,000	11,470	-	11,470	23,530
Landfill Collection Improvements	140,000	32,553	16,830	49,383	90,617
Methane Gas Skid & Flare	1,790,148	1,738,521	40,000	1,778,521	11,627
Scales House Renovation	784,430	16,445	84,005	100,450	683,980
Subtitle D Cell Construction	5,777,587	141,400	1,812,389	1,953,789	3,823,798
Wood Gasification Facility	100,000	31,465	-	31,465	68,535
Total expenditures	<u>10,457,955</u>	<u>3,275,216</u>	<u>1,960,818</u>	<u>5,236,034</u>	<u>5,221,921</u>
Excess of revenues over (under) expenditures	<u>(8,524,578)</u>	<u>(1,231,131)</u>	<u>(1,923,347)</u>	<u>(3,154,478)</u>	<u>5,370,100</u>
Other Financing Sources (Uses)					
Transfer from Solid Waste Operating	<u>8,524,578</u>	<u>6,600,148</u>	<u>1,924,430</u>	<u>8,524,578</u>	<u>-</u>
Total other financing sources (uses)	<u>8,524,578</u>	<u>6,600,148</u>	<u>1,924,430</u>	<u>8,524,578</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 5,369,017</u>	<u>\$ 1,083</u>	<u>\$ 5,370,100</u>	<u>\$ 5,370,100</u>

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, 2018
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2017

	2018			Actual
	Budget	Actual	Over/Under	Prior Year
Revenues				
Operating revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Nonoperating revenues				
Sales Taxes - Article 46 - one quarter of one percent	803,907	848,925		
Municipality revenue	688,000	1,479,853		
Domestic Haulers	93,000	81,190		
Capital fees	198,000	181,375		
Investment earnings	-	71,803		
Total nonoperating revenues	1,782,907	2,663,146	880,239	1,933,329
Total revenues	1,782,907	2,663,146	880,239	1,933,329
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	96,419	96,336		
Other operating	1,312,917	490,388		
Principal	1,238,474	1,238,472		
Interest	261,288	251,240		
Total expenditures	2,909,098	2,076,436	832,662	2,053,849
Excess of revenues over (under) expenditures	(1,126,191)	586,710	1,712,901	(120,520)
Other Financing Sources (Uses)				
Fund balance appropriated	1,126,191	-		
Total other financing sources (uses)	1,126,191	-	(1,126,191)	1,600,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 586,710	\$ 586,710	\$ 1,479,480
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 586,710		
Reconciling items				
Depreciation		(739,512)		
(Increase) decrease in deferred outflows of resources - pensions		(7,768)		
(Increase) decrease in net pension liability		7,206		
(Increase) decrease in deferred inflows of resources - pensions		197		
(Increase) decrease in compensated absences		(1,578)		
(Increase) decrease in deferred outflows of resources - OPEB		1,178		
(Increase) decrease in net OPEB liability		(974)		
(Increase) decrease in deferred inflows of resources - OPEB		(754)		
Loan principal		1,238,472		
Project expenditures not capitalized		(709,137)		
Revenues from capital projects		431,348		
Transfers from capital projects		1,650,000		
Total reconciling items		1,868,678		
Change in net position (full accrual)		\$ 2,455,388		

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, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	\$ 3,349,437	\$ 3,609,454	\$ -	\$ 3,609,454	\$ 260,017
Duke Energy Water	2,500,000	-	314,640	314,640	(2,185,360)
Investment earnings	-	2,227,617	116,708	2,344,325	2,344,325
Total revenues	5,849,437	5,837,071	431,348	6,268,419	418,982
Expenditures					
Capital outlay					
Balls Creek Water Phase II	6,191,905	194,733	47,985	242,718	5,949,187
Bandys Mill Creek Commscope	250,000	-	-	-	250,000
Bunker Hill Bridge Water	350,000	322,397	-	322,397	27,603
Bunker Hill Sewer	1,134,992	519,451	-	519,451	615,541
Davis Road Water	1,007,234	841,783	122,488	964,271	42,963
Duke Energy Water	2,500,000	-	412,688	412,688	2,087,312
EcoComplex and Resource Recovery	1,669,367	1,034,023	-	1,034,023	635,344
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	7,984,641	1,178	7,985,819	14,181
Hwy 150 Sewer Service Phase I and II	2,136,848	343,955	688,956	1,032,911	1,103,937
McLin/Lyle Creek Sewer Outfall	2,576,393	-	-	-	2,576,393
Molly's Backbone/Monbo/Long Island	300,000	-	-	-	300,000
Trivium Business Park	700,000	-	-	-	700,000
Sludge Composting Project	3,746,151	2,546,072	335,415	2,881,487	864,664
Southeastern Catawba County Sewer Study	452,000	-	203,250	203,250	248,750
Southeastern Catawba County Wastewater	6,810,573	6,715,812	53,206	6,769,018	41,555
Southeastern Catawba County Water Supply Loop	6,653,777	6,643,284	-	6,643,284	10,493
Wastewater Emergent Need	100,000	-	-	-	100,000
Wastewater Treatment Plant Expansion	250,000	-	-	-	250,000
Total expenditures	46,749,240	27,210,720	1,865,166	29,075,886	17,673,354
Excess of revenues over (under) expenditures	(40,899,803)	(21,373,649)	(1,433,818)	(22,807,467)	18,092,336

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-4

Page 2 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, 2018**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Other Financing Sources (Uses)					
Transfers from (to)					
General Fund	6,561,549	4,911,549	1,650,000	6,561,549	-
Water and Sewer Construction Fund - Governmental	16,418,814	29,808,931	-	29,808,931	13,390,117
Installment Purchase Obligations Issued	8,000,000	8,000,000	-	8,000,000	-
Fund balance appropriated	9,919,440	-	-	-	(9,919,440)
Total other financing sources (uses)	<u>40,899,803</u>	<u>42,720,480</u>	<u>1,650,000</u>	<u>44,370,480</u>	<u>3,470,677</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 21,346,831</u>	<u>\$ 216,182</u>	<u>\$ 21,563,013</u>	<u>\$ 21,563,013</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, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Social Services Fund				
Assets				
Cash and investments	<u>\$ 63,881</u>	<u>\$ 391,627</u>	<u>\$ 386,022</u>	<u>\$ 69,486</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 63,881</u>	<u>\$ 391,627</u>	<u>\$ 386,022</u>	<u>\$ 69,486</u>
Sheriff Commissary Fund				
Assets				
Cash and investments	<u>\$ 28,043</u>	<u>\$ 365,985</u>	<u>\$ 349,735</u>	<u>\$ 44,293</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 28,043</u>	<u>\$ 365,985</u>	<u>\$ 349,735</u>	<u>\$ 44,293</u>
Sheriff Civil Fund				
Assets				
Cash and investments	<u>\$ 1,543</u>	<u>\$ 526,826</u>	<u>\$ 528,369</u>	<u>\$ -</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 1,543</u>	<u>\$ 526,826</u>	<u>\$ 528,369</u>	<u>\$ -</u>
Sheriff Evidence Escrow Fund				
Assets				
Cash and investments	<u>\$ 187,974</u>	<u>\$ 64,556</u>	<u>\$ 65,881</u>	<u>\$ 186,649</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 187,974</u>	<u>\$ 64,556</u>	<u>\$ 65,881</u>	<u>\$ 186,649</u>
Deed of Trust Fee Fund				
Assets				
Cash and investments	<u>\$ 9,027</u>	<u>\$ 98,896</u>	<u>\$ 98,716</u>	<u>\$ 9,207</u>
Liabilities				
Intergovernmental payable - State of North Carolina	<u>\$ 9,027</u>	<u>\$ 98,896</u>	<u>\$ 98,716</u>	<u>\$ 9,207</u>
Fines and Forfeitures				
Assets				
Cash and investments	<u>\$ -</u>	<u>\$ 490,348</u>	<u>\$ 490,348</u>	<u>\$ -</u>
Liabilities				
Intergovernmental payable - Local Boards of Education	<u>\$ -</u>	<u>\$ 490,348</u>	<u>\$ 490,348</u>	<u>\$ -</u>
Total - All Agency Funds				
Assets				
Cash and investments	<u>\$ 290,468</u>	<u>\$ 1,938,238</u>	<u>\$ 1,919,071</u>	<u>\$ 309,635</u>
Liabilities				
Intergovernmental payable - State of North Carolina	<u>\$ 9,027</u>	<u>\$ 98,896</u>	<u>\$ 98,716</u>	<u>\$ 9,207</u>
Intergovernmental payable - Local Boards of Education	<u>\$ -</u>	<u>\$ 490,348</u>	<u>\$ 490,348</u>	<u>\$ -</u>
Miscellaneous liabilities	<u>\$ 281,441</u>	<u>\$ 1,348,994</u>	<u>\$ 1,330,007</u>	<u>\$ 300,428</u>
Total liabilities	<u>\$ 290,468</u>	<u>\$ 1,938,238</u>	<u>\$ 1,919,071</u>	<u>\$ 309,635</u>

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, 2018**

	Amounts Represented on Statements	Cost Value	Fair Value
Cash			
On hand	\$ 9,881	\$ 9,881	\$ 9,881
(interest bearing)	4,544,294	4,544,294	4,544,294
(noninterest bearing)	300,428	300,428	300,428
Certificates of deposit	245,133	245,133	245,133
Money Market, unrestricted	1,006,414	1,006,414	1,006,414
Money Market, restricted for capital	22,572,337	22,572,337	22,572,337
Total cash	<u>\$ 28,678,487</u>	<u>\$ 28,678,487</u>	<u>\$ 28,678,487</u>
Other Investments			
North Carolina Capital			
Management Trust, Government Portfolio	2,857,514	2,857,514	2,857,514
North Carolina Capital			
Management Trust, Term Portfolio	12,345,662	12,345,662	12,345,662
Debt Escrow, restricted for capital	43,731,529	43,731,529	43,731,529
Federal Farm Credit	21,838,460	21,982,450	21,838,460
Federal Home Loan Bank	19,382,945	19,872,938	19,382,945
Federal Home Loan Mortgage Corporation	47,182,635	48,237,863	47,182,635
Federal National Mortgage Association	50,354,180	51,443,043	50,354,180
Total other investments	<u>\$ 197,692,925</u>	<u>\$ 200,470,999</u>	<u>\$ 197,692,925</u>
Total cash and investments	<u><u>\$ 226,371,412</u></u>	<u><u>\$ 229,149,486</u></u>	<u><u>\$ 226,371,412</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

Page 2 of 2

**Schedule of Cash and Investment Balances
June 30, 2018****Distribution by funds**

General Fund	\$	59,979,153	
Restricted cash		14,739,404	\$ 74,718,557
Special Revenue Funds			
Emergency Telephone System Fund	\$	369,709	
Narcotics Seized Funds and Property Fund		53,336	
State Unauthorized Substance Abuse Fund		150,021	
Rescue Squads Fund		387,189	
Library Endowment Fund		193,303	
Gretchen Peed Scholarship Fund		54,953	
Parks Preservation Trust Fund		5,335	
Community Development Fund		25,764	
Fire District Funds		<u>1,497,996</u>	2,737,606
Capital Projects Funds			
General Capital Projects Fund	\$	20,176,865	
Restricted Cash		30,058,365	
Schools Capital Projects Fund		6,459,033	
School Construction Fund		9,012,319	
Restricted Cash		22,578,401	
Hospital Capital Reserve Fund		<u>4,104,986</u>	92,389,969
Enterprise Fund			
Water & Sewer Fund	\$	36,037,696	
Solid Waste Management Fund		<u>20,177,949</u>	56,215,645
Fiduciary Funds			
Social Services Fund	\$	69,486	
Sheriff Commissary Fund		44,293	
Sheriff Civil Fund		-	
Sheriff Evidence Escrow Fund		186,649	
Deed of Trust Fee Fund		9,207	
Fines and Forfeitures		<u>-</u>	<u>309,635</u>
Total			\$ <u>226,371,412</u>

Analysis of Current Tax Levy
For the Year Ended June 30, 2018

	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	\$ 16,690,197,188	0.575	\$ 95,968,634	\$ 87,739,438	\$ 8,229,196
Penalties	-		78,567	78,567	-
Total	16,690,197,188		96,047,201	87,818,005	8,229,196
Discoveries:					
Current year taxes	15,532,183	0.575	89,310	89,310	-
Prior year taxes	46,960,174	various	270,021	270,021	-
Penalties	-		38,647	38,647	-
Total	62,492,357		397,978	397,978	-
Abatements:	(53,001,190)		(304,757)	(268,700)	(36,057)
Total property valuation	<u>\$ 16,699,688,355</u>				
Net levy			96,140,422	87,947,283	8,193,139
Uncollected taxes at June 30, 2018			1,568,501	1,568,029	472
Current year's taxes collected			<u>\$ 94,571,921</u>	<u>\$ 86,379,254</u>	<u>\$ 8,192,667</u>
Current levy collection percentage			<u>98.37%</u>	<u>98.22%</u>	<u>99.99%</u>

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 11,821,086,656
Personal Property	4,032,470,698
Public Service Companies ⁽²⁾	846,131,001
Total Assessed Valuation	\$ 16,699,688,355
Tax Rate per \$100	0.575
Net Levy (includes discoveries, releases and abatements) ⁽³⁾	\$ 96,140,422

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	\$ 7,283,615,249
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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, 2018

General Fund	Uncollected Balance June 30, 2017	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2018
2017	\$ -	\$ 96,140,422	\$ 94,571,921	\$ 1,568,501
2016	1,569,937	-	840,716	729,221
2015	732,779	-	306,210	426,569
2014	545,181	-	208,455	336,726
2013	613,711	-	153,628	460,083
2012	625,411	-	103,231	522,180
2011	512,495	-	73,774	438,721
2010	448,036	-	53,287	394,749
2009	401,262	-	28,742	372,520
2008	398,175	-	16,568	381,607
Prior	322,970	-	322,970	-
	<u>\$ 6,169,957</u>	<u>\$ 96,140,422</u>	<u>\$ 96,679,502</u>	<u>\$ 5,630,877</u>
Less allowance for uncollectible taxes	<u>4,941,501</u>			<u>4,378,481</u>
Taxes receivable -- net	<u>\$ 1,228,456</u>			<u>\$ 1,252,396</u>

Reconcilement with revenues:

Ad valorem taxes	
General Fund	\$ 96,118,691
Rescue Squad Fund	<u>994,609</u>
Total ad valorem taxes	\$ 97,113,300
Reconciling items:	
Penalties and interest collected	(663,646)
Tax on leased vehicle collected	(211,648)
Prior year release/adjustments	118,526
Taxes written off	<u>322,970</u>
Total reconciling items	<u>(433,798)</u>
Total collections	<u>\$ 96,679,502</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
June 30, 2018

Schedule J-1

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2019	13,445,367	6,158,081	19,603,448	1,248,924	228,956	1,477,880
2020	14,676,882	5,908,753	20,585,635	1,176,280	198,132	1,374,412
2021	14,577,808	5,479,092	20,056,900	1,186,525	168,822	1,355,347
2022	13,363,678	5,038,743	18,402,421	1,198,897	137,191	1,336,088
2023	13,271,134	4,604,236	17,875,370	1,214,036	103,132	1,317,168
2024-2028	78,299,829	14,038,879	92,338,708	2,967,776	146,673	3,114,449
2029-2033	20,655,000	4,039,547	24,694,547	150,000	-	150,000
2034-2038	9,730,000	1,332,081	11,062,081	-	-	-
2039	<u>1,940,000</u>	<u>32,737</u>	<u>1,972,737</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 179,959,698</u>	<u>\$ 46,632,149</u>	<u>\$ 226,591,847</u>	<u>\$ 9,142,438</u>	<u>\$ 982,906</u>	<u>\$ 10,125,344</u>

⁽¹⁾ 15% 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.	182-191
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	192-195
<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.	196-199
<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.	200-202
<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.	203-204

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

CATAWBA COUNTY, NORTH CAROLINA

Table 1
Page 1 of 2

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

	Fiscal Year				
	2018	2017	2016	2015	2014
Governmental activities:					
Net investment in capital assets	\$ 102,894,759	\$ 92,137,818	\$ 82,024,110	\$ 75,032,918	\$ 73,669,285
Restricted	26,520,247	32,847,390	37,336,072	55,052,023	61,304,988
Unrestricted	(31,770,408)	(20,049,846)	(17,909,411)	(49,201,049)	(70,537,217)
Total governmental activities net position	<u>97,644,598</u>	<u>104,935,362</u>	<u>101,450,771</u>	<u>80,883,892</u>	<u>64,437,056</u>
Business-type activities:					
Net investment in capital assets	60,993,467	57,243,979	53,727,147	51,643,356	49,571,504
Restricted	-	-	-	-	-
Unrestricted	<u>46,791,325</u>	<u>46,440,583</u>	<u>47,385,811</u>	<u>46,123,218</u>	<u>45,362,525</u>
Total business-type activities net position	<u>107,784,792</u>	<u>103,684,562</u>	<u>101,112,958</u>	<u>97,766,574</u>	<u>94,934,029</u>
Primary government:					
Net investment in capital assets	163,888,226	149,381,797	135,751,257	126,676,274	123,240,789
Restricted	26,520,247	32,847,390	37,336,072	55,052,023	61,304,988
Unrestricted	<u>15,020,917</u>	<u>26,390,737</u>	<u>29,476,400</u>	<u>(3,077,831)</u>	<u>(25,174,692)</u>
Total primary government net position	<u>\$ 205,429,390</u>	<u>\$ 208,619,924</u>	<u>\$ 202,563,729</u>	<u>\$ 178,650,466</u>	<u>\$ 159,371,085</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.

CATAWBA COUNTY, NORTH CAROLINA

Table 1
Page 2 of 2

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Governmental activities:					
Net investment in capital assets	\$ 72,733,148	\$ 71,902,720	\$ 71,693,769	\$ 68,272,595	\$ 67,484,313
Restricted	50,910,338	32,831,276	47,011,143	1,377,237	1,089,189
Unrestricted	(56,964,579)	(39,024,726)	(53,622,693)	(1,870,336)	(5,481,946)
Total governmental activities net position	<u>66,678,907</u>	<u>65,709,270</u>	<u>65,082,219</u>	<u>67,779,496</u>	<u>63,091,556</u>
Business-type activities:					
Net investment in capital assets	51,632,394	47,665,657	46,958,987	46,177,552	43,612,368
Restricted	-	-	-	-	-
Unrestricted	<u>39,533,644</u>	<u>41,998,988</u>	<u>40,391,776</u>	<u>35,808,986</u>	<u>33,954,727</u>
Total business-type activities net position	<u>91,166,038</u>	<u>89,664,645</u>	<u>87,350,763</u>	<u>81,986,538</u>	<u>77,567,095</u>
Primary government:					
Net investment in capital assets	124,365,542	119,568,377	118,652,756	114,450,147	111,096,681
Restricted	50,910,338	32,831,276	47,011,143	1,377,237	1,089,189
Unrestricted	(17,430,935)	2,974,262	(13,230,917)	33,938,650	28,472,781
Total primary government net position	<u>\$ 157,844,945</u>	<u>\$ 155,373,915</u>	<u>\$ 152,432,982</u>	<u>\$ 149,766,034</u>	<u>\$ 140,658,651</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.

CATAWBA COUNTY, NORTH CAROLINA
Table 2
Page 1 of 2
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 10,229,231	\$ 12,702,261	\$ 11,860,452	\$ 9,933,029	\$ 10,807,772
Public safety	40,842,983	39,368,324	34,879,104	32,921,751	32,732,323
Environmental protection	599,963	679,490	585,457	546,444	492,269
Economic and physical development	17,042,823	16,638,619	14,883,762	13,950,985	13,538,407
Human services	43,083,045	48,949,754	46,621,822	47,218,856	47,935,422
Culture and recreation	3,545,635	3,518,210	3,595,626	3,127,165	2,847,558
Education	69,146,541	57,013,840	50,223,611	49,298,062	61,843,087
Interest on long-term debt	3,615,378	3,707,890	3,477,042	3,815,195	3,774,279
Total governmental activities expenses	188,105,599	182,578,388	166,126,876	160,811,487	173,971,117
Business-type activities:					
Solid waste management	5,640,840	5,575,002	5,346,204	4,899,445	5,166,963
Water and sewer	2,289,106	2,074,045	2,279,892	2,291,702	1,612,849
Total business-type activities expenses	7,929,946	7,649,047	7,626,096	7,191,147	6,779,812
Total primary government expenses	196,035,545	190,227,435	173,752,972	168,002,634	180,750,929
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	2,048,789	1,645,516	1,664,523	1,870,508	1,752,070
Public safety	9,082,972	9,062,382	8,617,461	8,747,839	8,068,851
Environmental protection	35,125	33,368	35,269	24,651	5,100
Economic and physical development	2,886,862	2,783,017	2,552,503	2,489,106	2,204,984
Human services	2,104,653	2,777,252	7,390,409	5,279,686	6,762,666
Culture and recreation	60,763	57,805	61,537	66,579	57,436
Education	-	-	-	-	494,298
Operating grants and contributions	29,180,562	33,826,622	33,083,275	37,229,196	29,136,207
Capital grants and contributions	246,568	114,292	250,000	125,000	2,292,224
Total governmental activities program revenues	45,646,294	50,300,254	53,654,977	55,832,565	50,773,836
Business-type activities:					
Fees, fines, and charges for services	7,384,774	6,615,230	6,421,312	6,054,569	5,671,631
Operating grants and contributions	1,500,375	742,079	743,064	606,766	868,759
Capital grants and contributions	-	-	223,191	486,732	126,942
Total business-type activities program revenues	8,885,149	7,357,309	7,387,567	7,148,067	6,667,332
Total primary government program revenues	54,531,443	57,657,563	61,042,544	62,980,632	57,441,168
Net (Expenses) Revenues					
Governmental activities	(142,459,305)	(132,278,134)	(112,471,899)	(104,978,922)	(123,197,281)
Business-type activities	955,203	(291,738)	(238,529)	(43,080)	(112,480)
Total primary government net expense	(141,504,102)	(132,569,872)	(112,710,428)	(105,022,002)	(123,309,761)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	104,070,254	102,512,789	98,691,384	94,200,605	93,649,723
Local option sales taxes	36,065,390	34,612,225	32,903,055	29,962,757	28,027,368
Other taxes	1,848,291	1,768,591	1,590,916	1,652,213	1,494,645
Investment earnings, unrestricted	702,975	209,348	1,470,473	975,564	1,155,474
Gain (loss) on sales of capital assets	-	-	-	-	-
Transfers	(1,653,489)	(1,600,000)	(1,617,050)	(800,000)	(1,601,565)
Total governmental activities	141,033,421	137,502,953	133,038,778	125,991,139	122,725,645
Business-type activities:					
Taxes					
Local option sales taxes	848,925	821,860	870,975	1,451,312	1,359,558
Other taxes	425,298	340,216	327,044	312,429	297,543
Investment earnings	292,600	52,518	715,609	477,221	621,805
Gain on sales of capital assets	54,598	48,748	54,235	2,220	-
Transfers	1,653,489	1,600,000	1,617,050	800,000	1,601,565
Total business-type activities	3,274,910	2,863,342	3,584,913	3,043,182	3,880,471
Total primary government	144,308,331	140,366,295	136,623,691	129,034,321	126,606,116
Change in Net Position					
Governmental activities	(1,425,884)	5,224,819	20,566,879	21,012,217	(471,636)
Business-type activities	4,230,113	2,571,604	3,346,384	3,000,102	3,767,991
Total primary government	\$ 2,804,229	\$ 7,796,423	\$ 23,913,263	\$ 24,012,319	\$ 3,296,355

[Data Source](#)

Audited Financial Statements

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Expenses					
Governmental activities:					
General government	\$ 9,760,225	\$ 9,737,258	\$ 9,795,648	\$ 10,533,518	\$ 10,172,611
Public safety	31,236,944	31,399,814	30,599,650	29,076,572	28,263,640
Environmental protection	508,073	459,609	508,248	495,248	539,138
Economic and physical development	12,780,487	11,657,411	9,713,902	10,627,991	10,743,831
Human services	48,863,130	50,113,468	51,350,294	51,688,459	56,066,282
Culture and recreation	2,776,547	2,724,942	2,733,249	2,830,504	2,830,192
Education	57,519,210	57,134,411	65,072,007	53,825,312	78,130,574
Interest on long-term debt	3,602,099	4,487,690	4,998,419	5,411,021	5,163,100
Total governmental activities expenses	167,046,715	167,714,603	174,771,417	164,488,625	191,909,368
Business-type activities:					
Solid waste management	5,927,016	5,797,602	5,869,812	5,800,628	5,570,927
Water and sewer	2,102,576	2,462,706	1,365,042	1,270,443	1,118,908
Total business-type activities expenses	8,029,592	8,260,308	7,234,854	7,071,071	6,689,835
Total primary government expenses	175,076,307	175,974,911	182,006,271	171,559,696	198,599,203
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	1,869,484	2,018,381	2,915,961	2,631,983	2,683,400
Public safety	9,178,100	9,436,724	10,169,062	8,188,847	8,613,711
Environmental protection	4,675	5,100	5,525	4,675	5,125
Economic and physical development	2,329,590	2,287,770	1,788,439	2,858,217	2,013,945
Human services	7,247,968	6,368,320	7,286,797	7,876,144	7,962,471
Culture and recreation	62,192	61,080	61,607	74,256	77,989
Education	499,006	509,420	796,001	892,179	994,015
Operating grants and contributions	28,576,342	31,816,198	32,659,457	32,298,988	31,213,021
Capital grants and contributions	1,859,891	1,746,730	5,380,157	3,217,167	4,164,591
Total governmental activities program revenues	51,627,248	54,249,723	61,063,006	58,042,456	57,728,268
Business-type activities:					
Fees, fines, and charges for services	5,880,833	5,912,649	5,742,856	5,816,059	7,440,625
Operating grants and contributions	650,178	447,717	501,033	546,052	144,989
Capital grants and contributions	731,970	1,366,637	1,957,808	209,796	44,081
Total business-type activities program revenues	7,262,981	7,727,003	8,201,697	6,571,907	7,629,695
Total primary government program revenues	58,890,229	61,976,726	69,264,703	64,614,363	65,357,963
Net (Expenses) Revenues					
Governmental activities	(115,419,467)	(113,464,880)	(113,708,411)	(106,446,169)	(134,181,100)
Business-type activities	(766,611)	(533,305)	966,843	(499,164)	939,861
Total primary government net expense	(116,186,078)	(113,998,185)	(112,741,568)	(106,945,333)	(133,241,239)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	89,347,893	85,663,390	85,440,972	84,763,108	84,738,225
Local option sales taxes	26,644,767	26,394,707	26,504,695	26,692,186	32,272,780
Other taxes	1,548,870	1,517,464	1,491,355	1,263,135	1,605,323
Investment earnings, unrestricted	(183,818)	1,291,370	1,136,085	2,115,680	4,023,446
Gain (loss) on sales of capital assets	9,169	-	-	-	-
Transfers	(775,000)	(775,000)	(3,561,973)	(3,700,000)	(43,853,720)
Total governmental activities	116,591,881	114,091,931	111,011,134	111,134,109	78,786,054
Business-type activities:					
Taxes					
Local option sales taxes	1,293,304	-	-	-	-
Other taxes	294,409	1,585,139	302,161	290,643	255,732
Investment earnings	(94,709)	487,048	533,248	927,964	1,700,401
Gain on sales of capital assets	-	-	-	-	-
Transfers	775,000	775,000	3,561,973	3,700,000	43,853,720
Total business-type activities	2,268,004	2,847,187	4,397,382	4,918,607	45,809,853
Total primary government	118,859,885	116,939,118	115,408,516	116,052,716	124,595,907
Change in Net Position					
Governmental activities	1,172,414	627,051	(2,697,277)	4,687,940	(55,395,046)
Business-type activities	1,501,393	2,313,882	5,364,225	4,419,443	46,749,714
Total primary government	\$ 2,673,807	\$ 2,940,933	\$ 2,666,948	\$ 9,107,383	\$ (8,645,332)

Data Source

Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

Table 3
Page 1 of 2

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

	Fiscal Year				
	2018	2017	2016	2015	2014
General Fund					
Nonspendable					
Inventories	\$ 314,246	\$ 315,603	\$ 326,899	\$ 319,059	\$ 327,147
Prepaid	600,017	650,755	791,762	115,502	164,242
Notes receivable	828,179	1,140,298	1,487,417	1,597,343	-
Restricted					
Stabilization by State Statute	16,277,027	15,043,605	15,930,246	15,465,797	14,650,010
Register of Deeds	17,382	17,170	5,883	78,807	1,410
Debt service	13,923,346	11,878,801	10,014,375	8,273,296	1,839,350
General Capital Reserve	405,964	404,237	462,531	456,389	452,670
Committed					
Tax Reappraisal	119,803	173,005	172,990	165,832	192,437
Assigned					
Public Health	734,665	684,018	376,026	241,739	289,199
Social Services	3,758,037	4,133,196	5,189,684	5,101,867	4,304,485
County Manager	251,049	168,882	165,824	94,899	122,118
Human Resources	323,652	396,894	498,613	582,027	614,061
Library	307,791	127,497	103,073	224,601	400,697
Cooperative Extension	-	-	-	-	-
Subsequent year's expenditures	6,809,722	6,196,066	8,740,222	6,144,343	6,471,106
Unassigned	39,478,996	38,512,665	34,098,284	21,646,494	20,734,380
Total general fund	84,149,876	79,842,692	78,363,829	60,507,995	50,563,312
All other governmental funds					
Restricted					
Stabilization by State Statute	2,642,305	9,998,054	13,762,920	21,233,131	28,760,070
Public Safety	934,306	607,282	494,667	2,489,115	2,582,688
Fire Protection	1,487,254	1,521,675	1,370,246	1,258,983	1,145,873
Debt service	-	-	-	-	4,645,650
Library Endowment	193,303	192,424	192,428	187,371	239,217
Scholarship	54,953	53,725	52,740	52,294	46,048
Parks Preservation	5,335	5,312	1,099	50,004	49,596
Community Development	25,764	15,821	-	12,105	17,469
General Capital	30,058,365	452,704	2,231,565	10,604,245	17,957,394
School Capital and Construction	22,578,401	22,019,761	-	224,942	4,726,766
Hospital Capital	4,104,986	4,586,527	5,063,041	5,494,731	5,449,956
Committed					
General Capital	17,584,405	16,137,346	18,875,251	12,203,246	4,543,427
School Capital	6,116,496	7,159,669	5,499,929	5,900,499	6,465,739
School Construction	7,216,972	12,264,434	6,790,440	6,596,208	-
Hospital Construction	-	-	24,433	24,370	24,171
Assigned	-	-	-	-	-
Unassigned	-	-	(712)	-	(2,380,149)
Total fund balances	93,002,845	75,014,734	54,358,047	66,331,244	74,273,915
Total governmental funds	\$ 177,152,721	\$ 154,857,426	\$ 132,721,876	\$ 126,839,239	\$ 124,837,227

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

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

CATAWBA COUNTY, NORTH CAROLINA

Table 3
Page 2 of 2

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

	Fiscal Year		
	2013	2012	2011
General Fund			
Nonspendable			
Inventories	\$ 305,186	\$ 338,109	\$ 395,153
Prepaid	26,922	54,469	86,781
Notes receivable	-	-	-
Restricted			
Stabilization by State Statute	12,972,979	12,221,688	11,581,246
Register of Deeds	66,229	50,346	39,764
Debt service	-	-	-
General Capital Reserve	448,015	448,620	444,128
Committed			
Tax Revaluation	166,678	153,881	145,757
Assigned			
Public Health	428,814	197,421	169,805
Social Services	4,505,344	4,640,932	4,594,451
County Manager	182,660	217,313	158,767
Human Resources	624,570	579,873	559,216
Library	334,917	298,313	350,508
Cooperative Extension	-	154,516	136,811
Subsequent year's expenditures	6,356,815	6,542,811	5,244,348
Unassigned	24,199,035	25,202,712	29,177,889
Total general fund	50,618,164	51,101,004	53,084,624
All other governmental funds			
Restricted			
Stabilization by State Statute	3,847,266	4,652,337	4,854,187
Public Safety	2,658,023	2,743,542	2,743,445
Fire Protection	893,577	859,873	852,061
Debt service	-	-	-
Library Endowment	236,757	237,077	234,704
Scholarship	44,288	44,099	43,207
Parks Preservation	75,197	161,597	142,407
Community Development	-	-	-
General Capital	-	-	-
School Capital and Construction	22,834,431	4,316,249	19,278,537
Hospital Capital	5,393,919	5,401,200	5,347,139
Committed			
General Capital	32,219,263	23,913,332	21,417,686
School Capital	6,172,623	9,594,076	8,985,425
School Construction	927,914	1,815,442	213,091
Hospital Construction	23,693	23,725	23,486
Assigned	-	-	-
Unassigned	-	(4,355)	(4,178)
Total fund balances	75,326,951	53,758,194	64,131,197
Total governmental funds	\$ 125,945,115	\$ 104,859,198	\$ 117,215,821

CATAWBA COUNTY, NORTH CAROLINA**Table 3a****Fund Balances, Governmental Funds****Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year	
	2010	2009
General Fund		
Reserved	\$ 12,081,863	\$ 13,796,892
Unreserved	<u>39,583,672</u>	<u>36,617,111</u>
Total general fund	<u>51,665,535</u>	<u>50,414,003</u>
 All other governmental funds		
Reserved	177,161	171,237
Unreserved, reported in:		
Special revenue funds	10,994,696	9,403,227
Capital projects funds	<u>36,158,392</u>	<u>46,160,443</u>
Total all other governmental funds	<u>47,330,249</u>	<u>55,734,907</u>
 Total governmental funds	<u>\$ 98,995,784</u>	<u>\$ 106,148,910</u>

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

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

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



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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				
	2018	2017	2016	2015	2014
Revenues					
Ad valorem taxes	\$ 104,028,855	\$ 102,643,115	\$ 98,864,292	\$ 94,982,137	\$ 94,593,965
Other taxes	36,953,090	35,395,806	33,513,929	30,577,418	28,514,821
Unrestricted intergovernmental revenues	1,895,660	1,915,010	1,914,853	1,950,128	1,902,192
Restricted intergovernmental revenues	32,872,765	37,710,248	36,702,096	37,914,903	36,065,434
Permits and fees	3,545,784	3,270,330	2,725,409	2,398,171	2,130,735
Sales and services	7,789,214	7,955,557	9,289,078	10,275,072	11,363,376
Investment earnings	702,974	209,348	1,451,782	975,566	1,155,473
Miscellaneous	3,584,753	3,544,286	7,502,488	6,790,563	3,539,937
Total revenues	<u>191,373,095</u>	<u>192,643,700</u>	<u>191,963,927</u>	<u>185,863,958</u>	<u>179,265,933</u>
Expenditures					
Current:					
General government	12,033,377	12,813,629	12,646,281	10,889,713	11,329,249
Public safety	40,537,103	40,004,086	34,477,572	33,618,405	31,930,143
Environmental protection	581,569	661,156	573,409	545,637	461,359
Economic and physical development	16,222,681	15,493,426	15,010,630	13,813,474	13,573,781
Human services	42,039,157	47,706,576	46,315,883	47,773,150	47,114,736
Culture and recreation	3,397,645	3,407,377	3,513,584	3,109,069	2,769,125
Education	43,331,107	41,012,204	40,239,272	40,394,875	40,004,060
Capital Outlay	35,780,090	27,343,949	26,081,492	18,273,102	33,342,151
Debt service:					
Principal	13,501,848	13,430,361	10,582,661	12,331,427	13,932,346
Interest	3,507,375	3,763,682	3,744,689	4,042,723	3,794,348
Payment to refunded bond escrow agent	-	-	-	-	1,014,000
Bond issuance costs	375,651	115,551	-	-	23,583
Total expenditures	<u>211,307,603</u>	<u>205,751,997</u>	<u>193,185,473</u>	<u>184,791,575</u>	<u>199,288,881</u>
Other Financing Sources (uses)					
Transfers from other funds	6,641,134	10,302,305	8,376,971	5,187,183	2,942,065
Transfers to other funds	(8,294,623)	(11,902,305)	(9,994,021)	(5,987,183)	(4,543,630)
Installment purchase obligations issued	-	50,530,000	570,000	-	20,125,000
Premium on installment obligations issue	-	-	-	-	2,161,054
Bonds issued	39,085,000	-	-	-	1,810,000
Premium on bonds issued	4,798,292	-	-	-	39,911
Payment to refunded escrow agent	-	(13,686,153)	-	-	(1,849,125)
Sales of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>42,229,803</u>	<u>35,243,847</u>	<u>(1,047,050)</u>	<u>(800,000)</u>	<u>20,685,275</u>
Net change in fund balances	<u>\$ 22,295,295</u>	<u>\$ 22,135,550</u>	<u>\$ (2,268,596)</u>	<u>\$ 272,383</u>	<u>\$ 662,327</u>
Debt service as a percentage of noncapital expenditures	8.7%	9.0%	8.1%	9.4%	10.0%

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

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year				
	2013	2012	2011	2010	2009
Revenues					
Ad valorem taxes	\$ 89,246,050	\$ 86,401,682	\$ 85,290,748	\$ 84,697,609	\$ 84,125,547
Other taxes	27,201,571	26,867,917	26,934,772	27,121,865	32,794,322
Unrestricted intergovernmental revenues	1,887,066	1,839,255	1,906,277	1,878,455	2,127,081
Restricted intergovernmental revenues	36,172,540	37,487,597	41,544,195	41,218,717	41,946,212
Licenses and permits	2,346,916	2,012,367	1,795,495	2,547,643	2,271,147
Sales and services	11,518,226	12,117,015	13,631,424	13,041,964	12,936,583
Investment earnings	(183,818)	963,774	949,483	1,929,311	3,837,081
Miscellaneous	3,469,424	3,675,026	4,713,228	3,716,912	3,624,321
Total revenues	<u>171,657,975</u>	<u>171,364,633</u>	<u>176,765,622</u>	<u>176,152,476</u>	<u>183,662,294</u>
Expenditures					
Current:					
General government	10,339,386	10,134,171	10,115,078	11,601,149	11,556,920
Public safety	30,928,591	30,749,802	30,260,313	29,360,816	28,513,201
Environmental protection	477,163	451,864	503,130	469,014	512,882
Economic and physical development	12,850,717	11,307,365	9,926,951	10,619,754	10,727,052
Human services	48,069,751	49,245,926	50,540,941	50,879,470	55,118,250
Culture and recreation	2,694,713	2,677,465	2,661,530	2,758,668	2,758,206
Education	39,695,975	39,257,916	39,598,951	38,606,716	39,948,749
Capital Outlay	21,113,769	20,810,153	29,796,072	16,572,802	39,869,050
Debt service:					
Principal	13,586,635	41,605,430	13,177,827	13,421,793	12,067,834
Interest	3,600,703	5,023,779	4,902,829	5,315,420	5,067,500
Payment to refunded bond escrow agent	1,128,232	-	-	-	-
Bond issuance costs	135,592	448,255	-	-	-
Total expenditures	<u>184,621,227</u>	<u>211,712,126</u>	<u>191,483,622</u>	<u>179,605,602</u>	<u>206,139,644</u>
Other Financing Sources (uses)					
Transfers from other funds	2,247,667	1,450,431	2,694,737	4,395,302	12,262,330
Transfers to other funds	(3,022,667)	(2,225,431)	(6,256,710)	(8,095,302)	(48,646,927)
Installment purchase obligations issued	33,600,000	650,000	-	-	21,656,000
Premium on installment obligations issued	-	-	-	-	-
Bonds issued	10,965,000	41,995,366	36,500,000	-	-
Premium on bonds issued	-	3,873,747	-	-	-
Payment to refunded escrow agent	(9,750,000)	(17,777,592)	-	-	-
Sales of capital assets	9,169	24,349	-	-	-
Total other financing sources (uses)	<u>34,049,169</u>	<u>27,990,870</u>	<u>32,938,027</u>	<u>(3,700,000)</u>	<u>(14,728,597)</u>
Net change in fund balances	<u>\$ 21,085,917</u>	<u>\$ (12,356,623)</u>	<u>\$ 18,220,027</u>	<u>\$ (7,153,126)</u>	<u>\$ (37,205,947)</u>
Debt service as a percentage of noncapital expenditures	10.2%	22.4%	9.7%	10.6%	8.4%

⁽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
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	16,571,997,860
2018	11,821,086,656	4,032,470,698	846,131,001	16,699,688,355	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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Catawba County										
Property Tax	0.5750	0.5750	0.5750	0.5300	0.5300	0.5300	0.5300	0.5350	0.5350	0.5350
Fire Districts:										
Bandys	0.0820	0.0820	0.0820	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600	0.0600
Catawba	0.1000	0.1000	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont	0.0900	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.0900	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Cooksville	0.0620	0.0620	0.0620	0.0617	0.0617	0.0617	0.0517	0.0517	0.0517	0.0517
Denver	-	-	-	-	-	-	-	-	-	-
Fairbrook	-	-	-	-	-	-	-	-	-	-
Hickory Rural	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0325
Long View	0.0730	0.0730	0.0730	0.0650	0.0546	0.0546	0.0546	0.0546	0.0546	0.0546
Maiden	0.0800	0.0800	0.0750	0.0700	0.0600	0.0600	0.0600	0.0600	0.0500	0.0500
Mountain View	0.0750	0.0750	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0493	0.0493
Newton	0.0900	0.0900	0.0900	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Oxford	0.0650	0.0650	0.0650	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558
Propst	0.0620	0.0620	0.0620	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615
Sherrills Ford	0.1100	0.1100	0.0810	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0500
St. Stephens	0.1200	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	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	0.4900	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600
City of Conover	0.4700	0.4700	0.4700	0.4300	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
City of Hickory	0.5665	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Town of Long View	0.5200	0.5200	0.4200	0.4200	0.4200	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.4000	0.4000	0.4000
City of Newton	0.5400	0.5400	0.5400	0.5100	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
Total Maximum Rate - Fire District	0.6950	0.6950	0.6650	0.6200	0.6000	0.6000	0.6000	0.6050	0.6050	0.6050
Total Maximum Rate - Municipalities	1.1415	1.1415	1.1415	1.0500	1.0500	1.0500	1.0500	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, 2017 and December 31, 2008**

Taxpayer	Type of Business	December 31, 2017			December 31, 2008		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Apple, Inc.	Computer Server	\$ 1,087,415,592	1	6.51	\$ -	-	-
Duke Energy Carolinas, LLC	Electric utility	644,785,994	2	3.86	633,234,896	1	4.20
GKN Driveline Newton, LLC	Gears mfg.	246,181,535	3	1.47	122,577,912	3	0.81
Corning Cable Systems, LLC	Cable mfg.	205,646,624	4	1.23	75,125,833	5	0.50
CommScope Inc. of North Carolina	Cable mfg.	115,536,068	5	0.69	132,048,432	2	0.88
Draka Comteq Americas, Inc.	Cable mfg.	93,552,441	6	0.56	63,150,113	7	-
Target Corporation	Warehouse/Retail	74,655,784	7	0.45	-	-	-
DPL Frye Regional Medical Center, LLC	Medical care	66,713,719	8	0.40	82,412,460	4	0.55
Piedmont Natural Gas Co, Inc.	Gas utility	57,948,966	9	0.35	-	-	-
ZF Chassis Components, LLC	Automotive	54,780,628	10	0.33	-	-	-
Hickory Springs Mfg. Co., Inc.	Furniture supplies mfg.	-	-	-	65,248,487	6	0.43
Central Telephone Company	Telephone	-	-	-	55,427,978	8	0.37
Valley Hills Mall, LLC	Retail	-	-	-	49,740,830	9	0.33
Shuford Mills, Inc./Shuford Development	Textiles/Tape mfg.	-	-	-	43,736,518	10	0.29
		<u>\$ 2,647,217,351</u>		<u>15.85</u>	<u>\$ 1,278,966,941</u>		<u>8.36</u>
Total Assessed Valuation		<u>\$ 16,699,688,355</u>			<u>\$ 15,068,712,596</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
2009	2008	80,966,452	77,974,463	96.30	2,610,382	80,584,845	99.53
2010	2009	80,666,180	77,707,260	96.33	2,586,400	80,293,660	99.54
2011	2010	80,907,294	77,904,536	96.29	2,608,009	80,512,545	99.51
2012	2011	82,231,844	78,892,929	95.94	2,900,194	81,793,123	99.47
2013	2012	84,947,787	81,441,422	95.87	2,984,185	84,425,607	99.39
2014	2013	88,513,192	85,800,420	96.94	2,252,689	88,053,109	99.48
2015	2014	88,178,346	86,413,676	98.00	1,427,944	87,841,620	99.62
2016	2015	92,542,456	90,856,714	98.18	1,259,173	92,115,887	99.54
2017	2016	94,639,996	93,070,059	98.34	840,716	93,910,775	99.23
2018	2017	96,140,422	94,571,921	98.37	-	94,571,921	98.37

⁽¹⁾ Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA

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

Fiscal Year	Governmental Activities							North Carolina Department of Commerce
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Limited Obligation Bonds	
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
2018	-	8,020,112	65,653,300	200,000	27,808,553	-	86,320,939	1,590,784

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			
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	2.63	1,091
2018	4,874,499	3,501,004	900,000	198,869,191	N/A	1,263

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 10
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**Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assessed value (after exemption)	16,699,688,355	16,421,192,679	16,094,340,156	16,637,423,792	16,700,602,238
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,335,975,068	1,313,695,414	1,287,547,212	1,330,993,903	1,336,048,179
Less: Total net debt applicable to limit	198,869,191	170,255,375	148,502,990	152,703,618	158,887,591
Legal debt margin	<u>1,137,105,877</u>	<u>1,143,440,039</u>	<u>1,139,044,222</u>	<u>1,178,290,285</u>	<u>1,177,160,588</u>
Total net debt applicable to the limit as a percentage of debt limit	15%	13%	12%	11%	12%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value (after exemptions)	\$ 16,699,688,355
Debt limit (8% of assessed value)	1,335,975,068
Debt applicable to limit:	
Authorized and unissued debt	-
Certificates of participation	8,020,112
Installment purchase	70,527,799
Qualified Zone Academy Bonds	200,000
Qualified School Construction Bonds	27,808,553
Limited Obligation Bonds	89,821,943
North Carolina Department of Commerce	1,590,784
Federal Revolving Loan	900,000
Less: Statutory deductions	
Unissued debt	-
Total net debt applicable to limit	<u>198,869,191</u>
Legal debt margin	<u>\$ 1,137,105,877</u>

CATAWBA COUNTY, NORTH CAROLINA

Table 10

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

	2013	2012	2011	2010	2009
Assessed value (after exemption)	16,027,884,358	15,515,442,124	15,122,858,692	15,013,754,766	15,068,712,596
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,282,230,749	1,241,235,370	1,209,828,695	1,201,100,381	1,205,497,008
Less: Total net debt applicable to limit	154,634,710	125,775,150	142,142,197	117,002,355	130,663,312
Legal debt margin	1,127,596,039	1,115,460,220	1,067,686,498	1,084,098,026	1,074,833,696
Total net debt applicable to the limit as a percentage of debt limit	12%	10%	12%	10%	11%

CATAWBA COUNTY, NORTH CAROLINA**Table 11****Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population Estimate ⁽¹⁾	Personal Income	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
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	6,489,428,000	41,477	41.1	23,509	4.00
2018	157,424	N/A	N/A	41.2	23,203	3.80

N/A = Not available

Sources:

¹ NC Budget and Management Office of State Planning - Based upon estimates issued by the U.S. Census Bureau² Bureau of Economic Analysis³ NC Budget and Management Office of State Planning⁴ North Carolina Department of Public Instruction⁵ United States Department of Labor - Bureau of Labor Statistics

CATAWBA COUNTY, NORTH CAROLINA**Table 12****Principal Employers
Current Year and Nine Years Ago**

Employer	Industry	2018		2009	
		Employees	Rank	Employees	Rank
Catawba County Schools	Education & Health Services	1,000+	1	1,000+	1
Catawba Valley Medical Center	Education & Health Services	1,000+	2	1,000+	3
GKN Driveline Newton, LLC	Manufacturing	1,000+	3	-	-
Corning Optical Communications, LLC	Manufacturing	1,000+	4	1,000+	7
CommScope	Manufacturing	1,000+	5	1,000+	4
Catawba County Government	Public Administration	1,000+	6	1,000+	5
Dip Partner Frye, LLC	Education & Health Services	1,000+	7	1,000+	2
Wal-Mart Associates, LLC	Trade, Transportation, & Utilities	1,000+	8	-	-
Target Stores Div.	Trade, Transportation, & Utilities	500-999	9	-	-
Catawba Valley Community College	Education & Health Services	500-999	10	-	-
Hickory Springs Manufacturing Co., Inc.	Manufacturing	-	-	1,000+	6
Sherrill Furniture Co.	Manufacturing	-	-	500-999	8
CV Industries, Inc.	Manufacturing	-	-	500-999	9
City of Hickory	Public Administration	-	-	500-999	10

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Function										
Governmental activities:										
General government	82	82	81	83	84	85	86	90	92	92
Public safety	370	358	355	347	345	340	337	340	341	334
Environmental protection	4	4	4	4	5	4	3	9	11	11
Economic and physical developmer	86	84	78	76	76	75	75	90	98	100
Human services	510	505	541	548	551	577	573	572	561	578
Culture and recreation	37	36	35	35	35	32	32	33	37	37
Total governmental activities	1,089	1,069	1,093	1,093	1,096	1,113	1,106	1,135	1,140	1,151
Business-type activities:										
Water sewer	1	1	1	1	1	1	1	1	1	1
Solid waste management	29	27	26	26	27	27	28	28	28	28
Total business-type activities	30	28	27	27	28	28	29	29	29	29
Total primary government	1,119	1,097	1,120	1,120	1,124	1,141	1,136	1,164	1,169	1,180

Source: Catawba County Human Resources Department

CATAWBA COUNTY, NORTH CAROLINA
Table 14
**Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2018	2017	2016	2015	2014 ⁽¹⁾	2013	2012	2011	2010	2009
Governmental activities:										
General government										
Number of registered voters	105,035	101,790	101,330	98,344	101,442	100,431	99,286	99,844	101,558	101,142
Number of marriage licenses issued	1,081	1,081	1,074	1,017	1,009	1,023	1,076	991	926	1,062
Number of tax bills issued	106,065	104,928	104,396	103,835	99,196	232,881	232,817	263,073	297,925	272,581
Public safety										
Number of 911 dispatch/calls	90,118	92,049	93,089	89,426	84,974	85,938	87,108	82,876	83,000	83,367
Sheriff Department offenses reported	5,914	6,054	6,169	4,866	4,823	5,436	6,195	5,737	6,256	5,479
Environmental protection										
Cooperative extension agent contacts	46,075	46,997	41,348	22,733	28,860	64,719	75,102	46,960	45,945	71,001
Economic and physical development										
Number of commercial permits issued	602	605	631	603	598	730	750	496	504	534
Number of residential permits issued	1,467	1,398	1,182	1,098	993	892	876	991	1,057	1,056
Human services										
Households that received assistance with energy bill:	2,628	3,344	3,550	3,501	2,994	4,045	3,333	2,785	2,764	3,042
Medicaid transportation assistance (trips)	25,679	27,235	27,590	23,810	26,279	23,669	23,177	19,893	19,136	17,689
Child support services cases currently open	6,501	6,562	6,682	6,849	6,847	6,848	6,873	6,498	7,600	7,500
Public health clients served	17,148	9,037	10,958	13,887	18,698	22,087	23,063	24,068	28,826	21,534
Restaurant inspections	1,434	1,353	1,347	1,344	1,333	1,351	1,357	1,429	1,419	1,226
Culture and recreation										
Total circulation for library system	468,898	525,988	555,132	572,569	588,517	604,829	738,923	740,462	775,544	744,652
Number of patrons visiting parks	160,803	166,319	170,295	104,330	109,550	114,721	112,257	101,280	134,463	121,370
Education										
Public school student enrollment K-12	23,203	23,509	23,679	23,889	24,204	24,241	24,250	24,245	24,338	24,688
Business-type activities:										
Solid waste management										
Tons buried - MSW	153,207	139,638	133,843	123,325	120,579	117,787	117,330	123,149	122,938	165,811
Tons buried - C&D	33,858	33,041	32,819	27,638	28,670	26,786	27,980	23,203	22,570	32,911
Tons recycled	20,256	21,761	19,737	21,135	24,228	27,601	28,765	31,347	28,125	29,416

⁽¹⁾ The State of North Carolina implemented a combined motor vehicle registration renewal and property tax collection system whereby the State now issues the bills for motor vehicle

Sources: Catawba County Departments, NC Department of Public Instruction

CATAWBA COUNTY, NORTH CAROLINA
Table 15
**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government										
Buildings	6	6	6	6	6	5	5	5	5	5
Vehicles	5	4	5	6	8	7	8	9	8	8
Public safety										
Buildings	13	12	11	10	10	10	10	10	9	8
Vehicles	247	230	221	218	216	211	207	182	168	156
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	3	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	62	58	48	43	42	50	49	50	57	57
Human services										
Buildings	38	37	38	38	38	38	38	39	39	39
Vehicles	39	40	41	41	38	37	35	35	32	27
Culture and recreation										
Buildings	5	5	5	6	5	5	5	5	5	5
Vehicles	1	1	1	1	1	1	1	1	2	2
Business-type activities:										
Solid waste management										
Buildings	10	10	10	10	10	6	6	6	6	6
Vehicles	26	24	23	24	25	25	27	27	26	26
Water and sewer										
Buildings	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0

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.