Comprehensive Annual Financial Report

2019

Fiscal Year Ended
June 30, 2019

catawba county
north carolina

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, 2019

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Prepared by Catawba County Finance Department
Published November 21, 2019

CATAWBA COUNTY

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Catawba County, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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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 21, 2019

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, 2019.

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, 2019 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, 2019 are fairly presented in conformity with GAAP. Issuance of an unmodified opinion means an auditor, upon review of a county's financial statements and accompanying notes, certifies that the financial statements are reliable and represent the true financial condition of the county. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader federally- and state-mandated "Single Audit" designed to meet the special needs of federal

and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on not only the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state grant awards. These reports, along with the schedule of expenditures of Federal and State awards, findings and recommendations, if any, are published in a separate report.

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

COUNTY PROFILE

Named for the Catawba Indians who resided in the area prior to European settlement in 1747, Catawba County (established in 1842) encompasses a 414-square mile area and is located in a peaceful valley just east of North Carolina's Blue Ridge Mountains. The center of the Greater Hickory metropolitan statistical area (MSA), Catawba County is conveniently located within a 1-hour drive to Charlotte, Asheville, and Winston-Salem, and affords easy access to both Interstate 40 and Highway 321. The Greater

Hickory MSA consists of Alexander, Burke, Caldwell and Catawba counties. The County's mid-Atlantic location is halfway between New York and Miami and includes a land of scenic beauty and diverse cultures with a large industrial workforce.

The County has eight cities and towns within its boundaries, and is home to a population of 158,579 residents, which positions it as the 18th largest county in North Carolina and one of the 28 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

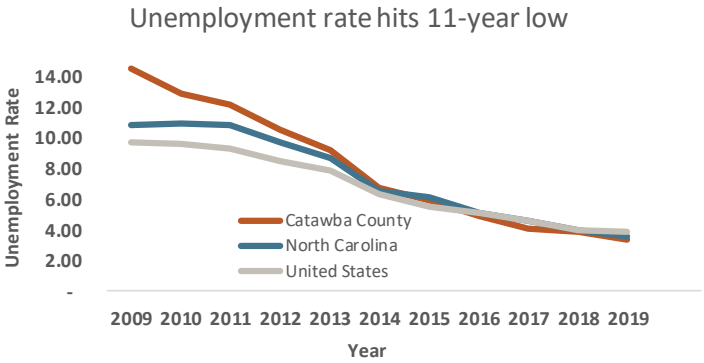
In 2018, the County was upgraded to 'AA+' for its General Obligation Debt by Standard and Poor's (S&P). This highlights and confirms the financial, economic transition the County has been under over the last few years. Some of S&P's comments were "Very strong management, strong budgetary performance 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 752 jobs (or 1.00%) from June 2018 to June 2019. Another bright spot for the economy is that job openings continue to be available, with 4,200 job openings advertised online through NCWorks in July 2019, according to the NC Department of Commerce. Job availability is concentrated largely in the transportation, healthcare, retail sales, customer service, and manufacturing sectors.



Catawba County's unemployment rate, 4.2% for the period of this audit in June 2019, has continued to decline. Recently released unemployment figures for September 2019 show a continued decrease in Catawba County to 3.3%, that remains below the State of North Carolina rate of 3.5% and is equal to the current US rate. This unemployment rate is among the lowest in North Carolina, with only 22 of 100 counties having a lower rate.

Strong Retail Sales & Tourism Performance Indicate Sustained Recovery

Catawba County remains a retail magnet for the region, capturing 60.2% of the $4.1 billion in retail sales from the four-county MSA, while accounting for only 43% of the population. Catawba County's taxable sales of $2.47 billion show an increase of 4% in 2018-19, on top of a healthy 9% increase the year before. This is the 10th 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 $293 million generated in 2018 (a 5.7% 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 2018-19, $200.6 million in industry investments and 971 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 August 2018, **Corning Optical Communications**, a worldwide provider of fiber optic communication solutions for voice, data and video networks, announced plans to build a 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 August 2018, Progressive Furniture, Inc., a wholly owned subsidiary of Sauder Woodworking, announced the purchase of the 48,000 sf speculative industrial building in the Claremont International Business Park, adjacent to its existing Claremont operation. Progressive Furniture anticipated investing a minimum of $6,500,000 on acquisition and completion of the facility and installation of manufacturing machinery and equipment, retaining 75 positions and creating 30 new positions, with as many as 100 new positions over the next 5 years.

- ITM (Isotopen Technologien Munchen AG (ITM), a group of specialized radiopharmaceutical companies became the second tenant in Trivium Corporate Center when it announced plans in December 2018 to construct a new manufacturing facility for the production of a new generation of targeted radiopharmaceuticals for the treatment of cancer patients. ITM plans to create 137 jobs and invest $17 million over the next five years.

- In December 2018, Shurtape Technologies, LLC, an industry-leading manufacturer and marketer of adhesive tape and consumer home and office products, announced plans to construct a new distribution and future manufacturing facility in the Town of Catawba. The company plans to invest $31.4 million and create 100 new jobs at this

location over a four-year period. It is envisioned this facility will become the company's largest distribution center, serving the Southeastern region of the United States. The company expects to expand the facility in 2022 with the addition of manufacturing capabilities to support the continued growth of the business.

- In January 2019, Design Foundry LLC announced plans to manufacture upholstered furniture in partnership with a major furniture and home goods retailer. The company plans to invest $3.133 million in building renovations and machinery and equipment and create 202 new jobs over a five-year period. The company will emphasize the strong tradition of handmade furniture combined with technology in manufacturing to create new methods of manufacturing through supplier partnerships and internal research and development.

- In February 2019, Star Snax, a premier manufacturer of branded private label, and better-for-you tortilla chips, announced a 32,000 square foot expansion of its Catawba County facility in Conover. The company plans to invest $5.8 million and create 40 new jobs.

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.

- **New-Indy, the owners of Carolina Container,** reached an agreement to acquire Resolute Forest Products' Catawba paper and pulp mill located on the Catawba River in Catawba, SC. The Catawba mill produces coated mechanical and specialty paper and market pulp.

- **CommScope**, a global leader in infrastructure solutions for communications networks, agreed to acquire ARRIS International plc, a global leader in entertainment and communications solutions. The combined company is expected to drive profitable growth in new markets, shape the future of wired and wireless communications, and position the new company to benefit from key industry trends, including network convergence, fiber and mobility everywhere, 5G, Internet of Things and rapidly changing network and technology architectures.

Deliberately Driving Workforce Development

While Catawba County's economy is built upon a large industrial base (with over 28% 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 2008 through 2018, the following sectors have experienced over 20% employment growth, collectively comprising 24% of the total employment:

- Professional, Scientific, Technical Services;
- Administrative, Support, & Waste Mgmt and Remediation Services;
- Arts, Entertainment, and Recreation; and
- Accommodation and Food Services

The growth in these sectors represents a 27.5% increase from 2008 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:

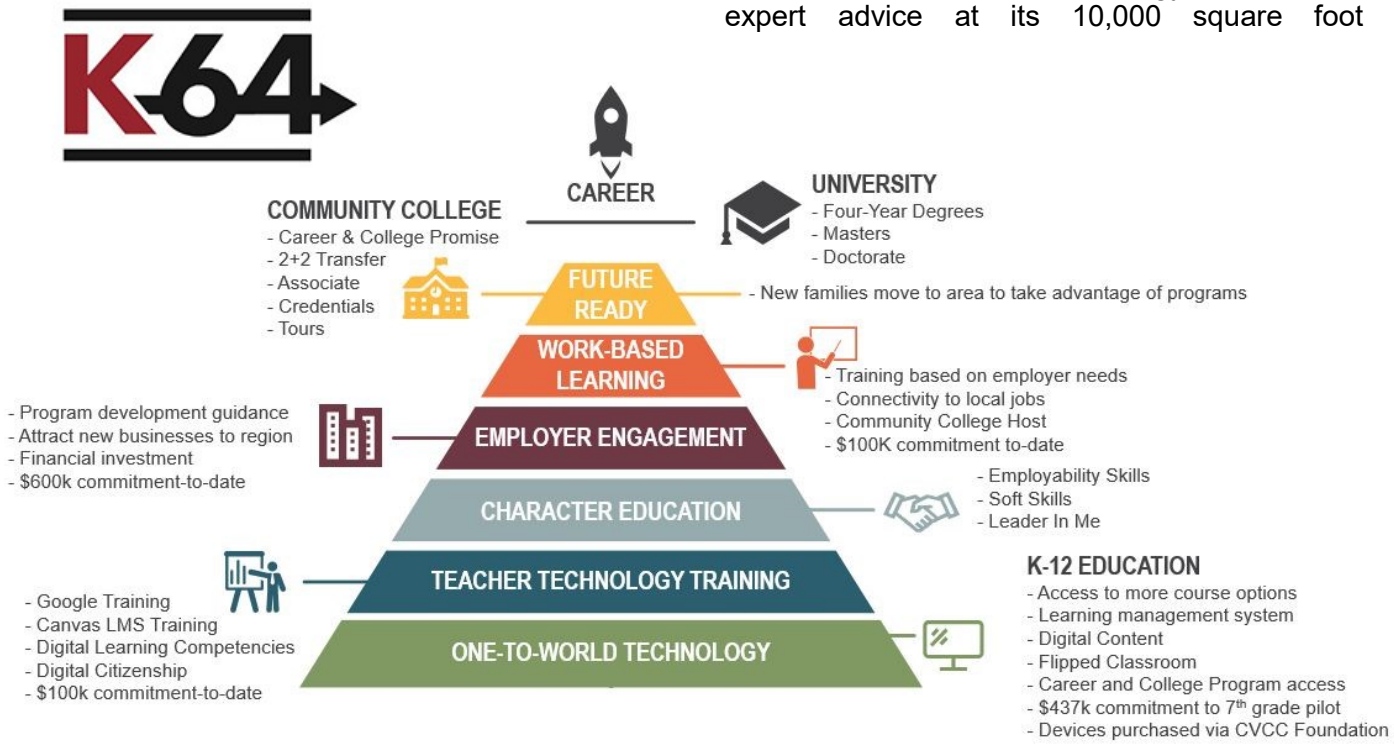
K-64

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.

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.

The Manufacturing Solutions Center (MSC)

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



manufacturing incubator. MSC connects the dots for entrepreneurs by bringing all of the resources needed to successfully launch a product together under one umbrella. This combination of expertise and equipment has enabled the development of innovative products such as wearable technology that measures and regulates blood circulation, delivers active ingredients to the skin through fabric, and integrates QR codes into the material so it can be scanned and tracked through the production process. Future product possibilities are staggering, with the potential for everything from caffeine-infused driving gloves to sleeves that deliver heart medicine in the prescribed amount on the horizon. MSC has established itself as a regional expert in prototype development using 3D printing. The MSC has helped over 1,000 entrepreneurs and worked with companies in all 50 states and 32 countries to conduct product testing or prototyping, or to find domestically-produced production inputs.

Catawba Valley Furniture Academy

The Catawba Valley Furniture Academy, housed within CVCC, is an industry-driven training program designed in partnership with 5 major local furniture manufacturers to prepare students for high-demand skilled positions in the local area. Depending on specialization, graduates of the Academy have the potential to secure jobs earning up to $62,400, which is 53% above the County's average wage. The program varies from 9 to 18 months in length, depending on focus area (Pattern Making, Manual Cutting, Inside Upholstery, Sewing, etc.). Since January 2014, 54 people have completed the program, earned furniture manufacturing certificates and secured jobs at participating companies – Century Furniture, LEE Industries, Lexington Home Brands, Sherrill Furniture, and Vanguard Furniture. In acknowledgement of this program's success, the Furniture Academy earned a 2015 Governor's Award for Excellence.

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

The Catawba Valley Manufacturing Academy

Modeled after the Furniture Academy, the Catawba Valley Manufacturing Academy is an industry-driven training course designed with input and expertise from 25 local manufacturers to prepare students for high-demand manufacturing positions (such as machinists and maintenance technicians) with the region's largest employers. **Graduates will be fast-tracked for open positions with sponsoring companies, earning Career Readiness Certificates.**

Catawba County is committed to working with the private sector, municipalities, and the Catawba County Economic Development Corporation (EDC) to attract new businesses, development, and jobs and to supporting existing business and industry through the delivery of high quality government services supported by a low and stable property tax rate. Recognizing the need to be proactive and take actions to stimulate economic growth, Catawba County invests in the following partnerships and strategies:

Trivium Corporate Center (formerly Park 1764)

TRIVIUM CORPORATE CENTER
MAKING. WORKING. BETTER.

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 2019/20 budget commits an additional $2.6 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. Soon thereafter, in December 2018, ITM (Isotopen Technologien Munchen AG (ITM) became the second tenant when it announced plans to construct a new manufacturing facility creating 137 jobs and investing $17 million over the next five years.

2nd Claremont Spec Building

Based on the success of the first Claremont spec building, 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 (2012-17)
- Women's Choice Award – one of America's Best Hospitals for Orthopedics (each year from 2013-16, 2018-19)
- Women's Choice Award - one of America's Best Hospitals in Obstetrics (2013-19)
- Women's Choice Award - one of American's Best Hospitals in Cancer Care (2016-19)
- Women's Choice Award – one of America's Best Hospitals for Patient Safety (2017-19)
- Women's Choice Award – one of America's Best Hospitals for Patient Experience in Bariatrics (2016-19)
- American Nurses Credentialing Center – Magnet Designation (2018)
- 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 couple of years, 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 to K-64 for the third year of a 5-year commitment, 3.6 percent per pupil current expense increase for the three public school systems, and a 5.7 percent increase in funding to CVCC. Additionally, the budget funds $6.4 million in schools' annual capital needs and plans for up to $10.25 million in projects in the first 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 $2.6 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 started construction in June 2018 with anticipated total costs of $33 million, $22 million of which will be debt financed with the rest coming from reserved revenue. The project is scheduled to be completed by the end of FY20.

Solid Waste
The Board of Commissioners authorized the expenditure of just over $10 million for the next landfill cell expected to begin accepting waste in 2021.

EDUCATION

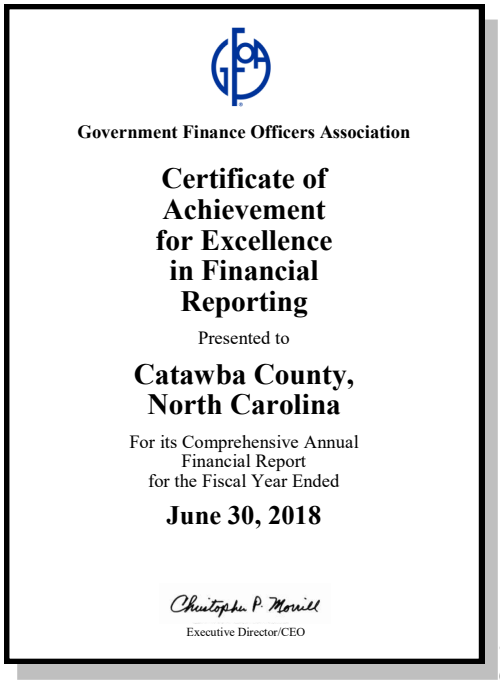
Catawba County has 44 public schools across three school systems with approximately 23,000 combined students. The largest system, Catawba County Schools, is also the County's largest employer. Over the past 10 years, the number of enrolled students in Catawba County's public schools has decreased 6 percent from 24,338 in 2010 to 22,705 in 2019. For 2018, 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 rate in the State at over 94 percent, Catawba County Schools' rate was over 89 percent, and Hickory Public Schools' was over 87 percent—the highest in the history of the school system for the fifth 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

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, 2018, the 37th 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.



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Catawba County, North Carolina

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Executive Director/CEO

In addition, the County has prepared and will be submitting a Popular Annual Financial Report (PAFR) to GFOA for Fiscal Year 2018-2019. 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 eleven years and hopes to continue with the Fiscal Year 2018-2019 entry.

Finally, the County has also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2018-2019 Adopted Budget effective July 1, 2018. This is the 30th 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

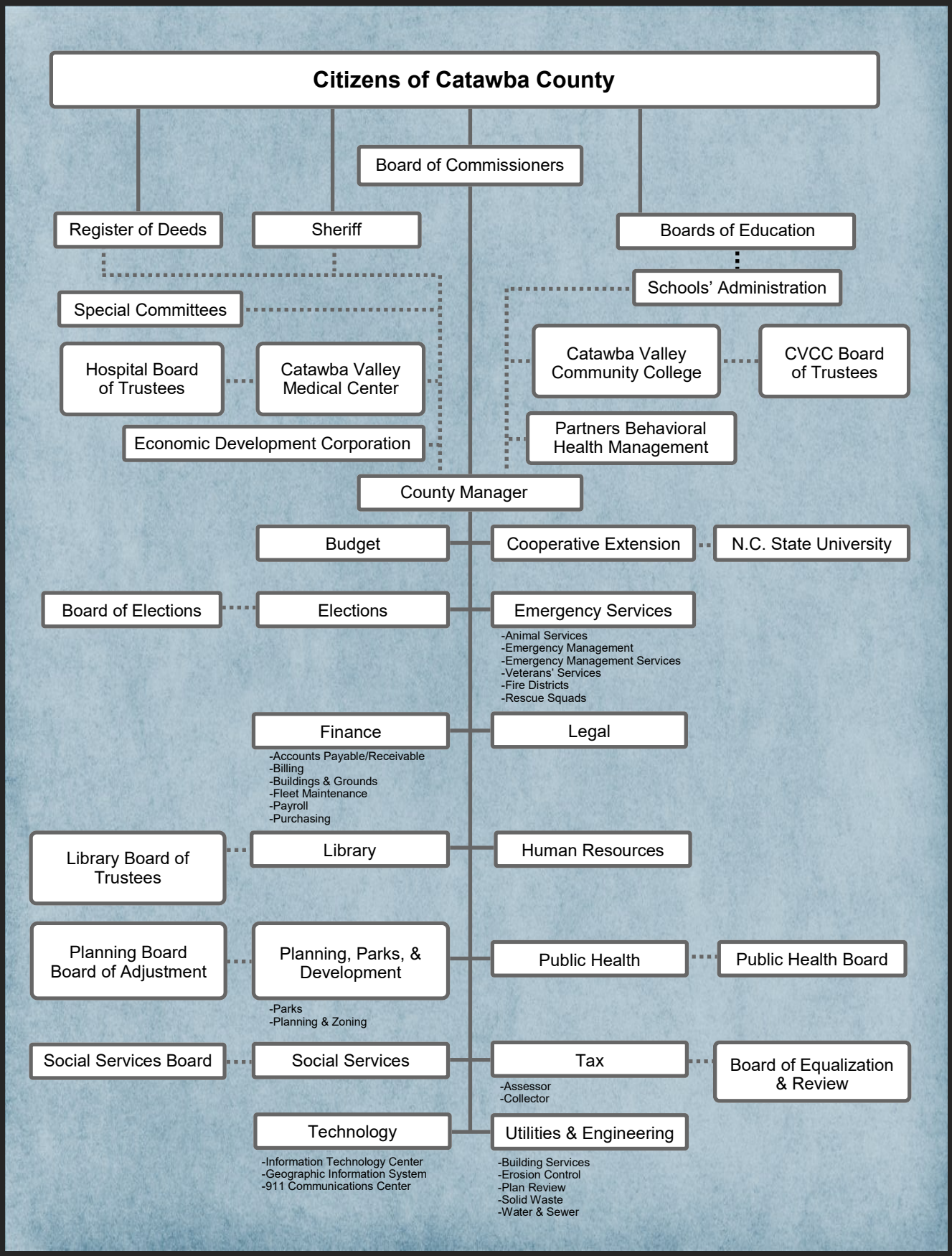
Each County department's strong commitment to the goals, vision, and mission of Catawba County is reflected in the services provided to the citizens of Catawba County. We appreciate the cooperation of all County departments in carrying out the financial activities encompassed in this report. The preparation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


Citizens of Catawba County
Board of Commissioners
Register of Deeds
Sheriff
Boards of Education
Schools' Administration
Special Committees
Hospital Board of Trustees
Catawba Valley Medical Center
Catawba Valley Community College
CVCC Board of Trustees
Economic Development Corporation
Partners Behavioral Health Management
County Manager
Budget
Cooperative Extension
N.C. State University
Board of Elections
Elections
Emergency Services
-Animal Services
-Emergency Management
-Emergency Management Services
-Veterans' Services
-Fire Districts
-Rescue Squads
Finance
-Accounts Payable/Receivable
-Billing
-Buildings & Grounds
-Fleet Maintenance
-Payroll
-Purchasing
Legal
Library Board of Trustees
Library
Human Resources
Planning Board Board of Adjustment
Planning, Parks, & Development
-Parks
-Planning & Zoning
Public Health
Public Health Board
Social Services Board
Social Services
Tax
-Assessor
-Collector
Board of Equalization & Review
Technology
-Information Technology Center
-Geographic Information System
-911 Communications Center
Utilities & Engineering
-Building Services
-Erosion Control
-Plan Review
-Solid Waste
-Water & Sewer

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& 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, 2019, 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 97.6%, 97.2%, and 93.7%, 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 2.4%, 2.8%, and 6.3%, 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*.

730 13th Avenue Drive SE ♦ Hickory, NC 28602 ♦ 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, NC 28681 ♦ 828-632-9025 ♦ Fax 828-632-9085
800-948-0585 ♦ www.martinstarnes.com

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of the Change in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' 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 the 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 21, 2019 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 21, 2019

CATAWBA COUNTY
1842
SM

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, 2019. 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 $214,043,770 (*net position*). Of this figure, approximately $168 million represents the County's investment in capital assets, which is not available for future spending.

- The government's total net position increased by $8,614,380, resulting from an increase of $4,705,637 in governmental activities and an increase of $3,908,743 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 $160,895,440 a decrease of ($16,257,281) in comparison with the prior year. Approximately 54 percent of this total amount, or $88,109,858 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 $41,970,308, or 24 percent of total general fund expenditures for the fiscal year.

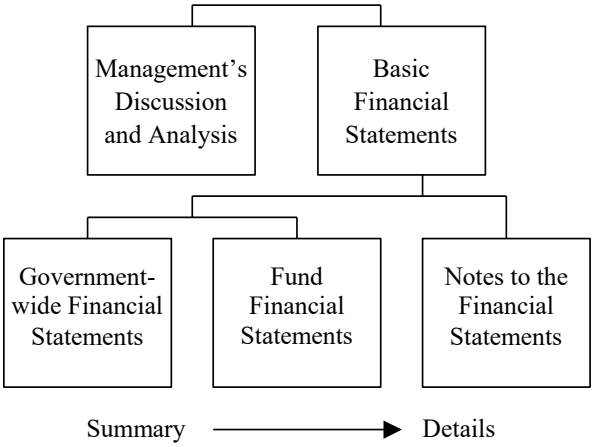
- Catawba County's total long-term debt decreased by $15,463,364 during the current fiscal year due to payments on outstanding debt balances. Outstanding debt principal is $183,405,827 and equates to $1,157 per capita at the end of the fiscal year.

- In FY 2019, Standard and Poor's maintained Catawba County's bond rating of AA+ for the second consecutive year. Moody's Investors Service maintained its Aa1 bond rating for the County for the tenth 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 and other post employment benefit 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 34 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 84 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position - 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 $214,043,770 as of June 30, 2019. The County's net position increased by $8,614,380 for the fiscal year ended June 30, 2019. Additional information can be found in the notes to the financial statements.

The largest portion of net position, 78.3%, 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 $11,388,379 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

Government-Wide Financial Anaylsis

Catawba County's Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percent Change
Current and other assets	$ 174,479,620	$ 192,587,983	$ 59,620,063	$ 59,263,495	$ 234,099,683	$ 251,851,478	$ (17,751,795)	-7.05%
Capital assets	139,105,513	130,025,133	72,539,992	70,231,993	211,645,505	200,257,126	11,388,379	5.69%
Total assets	313,585,133	322,613,116	132,160,055	129,495,488	445,745,188	452,108,604	(6,363,416)	-1.41%
Deferred outflows of resources	19,780,175	12,994,868	516,971	328,905	20,297,146	13,323,773	6,973,373	52.34%
Long-term liabilities	220,667,849	225,479,455	20,410,381	20,909,451	241,078,230	246,388,906	(5,310,676)	-2.16%
Other liabilities	8,759,228	10,470,858	542,977	1,091,410	9,302,205	11,562,268	(2,260,063)	-19.55%
Total liabilities	229,427,077	235,950,313	20,953,358	22,000,861	250,380,435	257,951,174	(7,570,739)	-2.93%
Deferred inflows of resources	1,587,996	2,013,073	30,133	38,740	1,618,129	2,051,813	(433,684)	-21.14%
Net position:								
Net investment in capital assets	102,979,361	102,894,759	64,560,596	60,993,467	167,539,957	163,888,226	3,651,731	2.23%
Restricted	47,104,886	26,520,247	-	-	47,104,886	26,520,247	20,584,639	77.62%
Unrestricted	(47,734,012)	(31,770,408)	47,132,939	46,791,325	(601,073)	15,020,917	(15,621,990)	-104.00%
Total net position	$ 102,350,235	$ 97,644,598	$ 111,693,535	$ 107,784,792	$ 214,043,770	$ 205,429,390	$ 8,614,380	4.19%

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, 22%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is unrestricted, which is (.3%) 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.

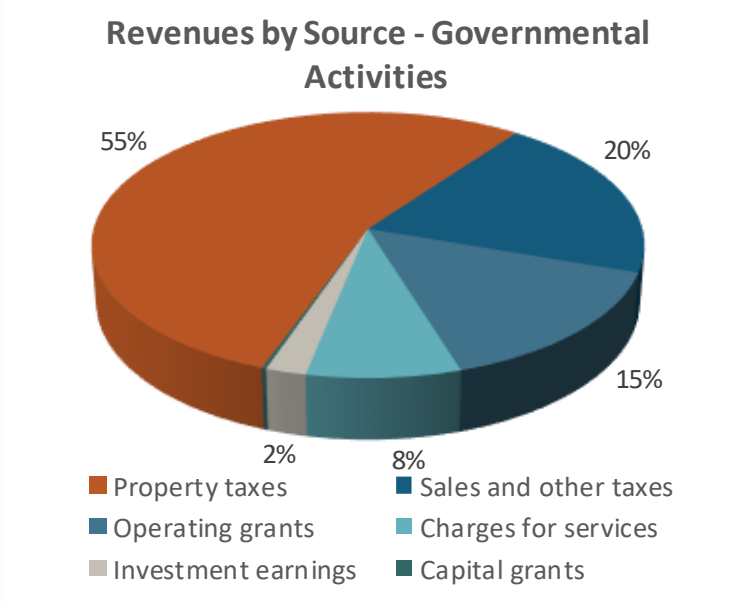
Governmental Activities - Governmental activities increased the County's net position by $4,705,637. Several particular aspects of the County's financial operations influenced the unrestricted governmental net position.

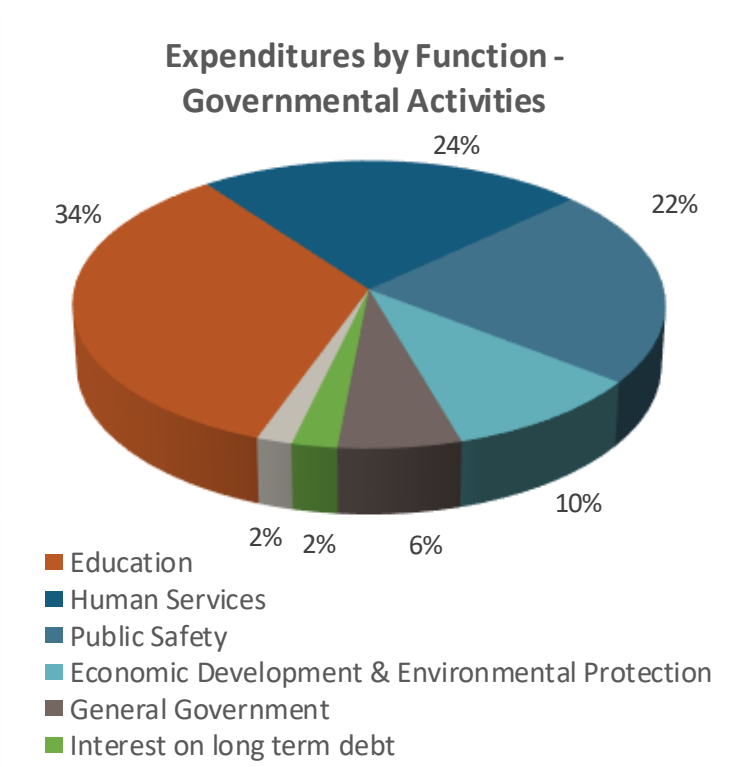
- Property, sales and other taxes are approximately 75% of all revenues and increased by $5.6 million from the prior year.
- Investment earnings increased $3.5 million primarily from a positive increase in investment fair market value.

Business-type Activities - Business-type activities increased Catawba County's net position by $3,908,743. Key elements of this change are as follows:

- Investment earnings increased $1.6 million primarily from a positive increase in investment market value.
- Transfer of property tax for water and sewer capital projects in the amount $1,675,000.

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.





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 and the General Capital Fund, 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, 2019, the governmental funds of the County reported a combined fund balance of $160,895,440, a 9 percent decrease from the previous year. The primary reason for this change is the capital expenditures 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 $70,497,921 while total fund balance was $89,644,005. 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 39.29% of total general fund expenditures, while the total fund balance represents 50% of that same amount.

Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	$ 15,896,739	$ 16,219,164	$ 7,972,268	$ 7,384,774	$ 23,869,007	$ 23,603,938
Operating grants and contributions	29,495,898	29,180,562	870,227	1,500,375	30,366,125	30,680,937
Capital grants and contributions	465,997	246,568	13,364	-	479,361	246,568
General revenues:						
Property taxes	107,841,934	104,070,254	-	-	107,841,934	104,070,254
Sales and other taxes	39,734,034	37,913,681	1,272,368	1,274,223	41,006,402	39,187,904
Investment earnings, unrestricted	4,175,509	702,975	1,867,691	292,600	6,043,200	995,575
Gain on sale of capital assets	-	-	5,161	54,598	5,161	54,598
Total revenues	197,610,111	188,333,204	12,001,079	10,506,570	209,611,190	198,839,774
Expenses						
General government	11,645,266	10,229,231	-	-	11,645,266	10,229,231
Public safety	42,615,139	40,842,983	-	-	42,615,139	40,842,983
Environmental protection	629,550	599,963	-	-	629,550	599,963
Economic and physical development	18,490,744	17,042,823	-	-	18,490,744	17,042,823
Human services	44,620,992	43,083,045	-	-	44,620,992	43,083,045
Cultural and recreation	3,372,144	3,545,635	-	-	3,372,144	3,545,635
Education	65,517,013	69,146,541	-	-	65,517,013	69,146,541
Interest on long-term debt	4,318,642	3,615,378	-	-	4,318,642	3,615,378
Solid waste management	-	-	6,576,468	5,640,840	6,576,468	5,640,840
Water and sewer	-	-	3,210,852	2,289,106	3,210,852	2,289,106
Total expenses	191,209,490	188,105,599	9,787,320	7,929,946	200,996,810	196,035,545
Increase (decrease) in net position before transfers	6,400,621	227,605	2,213,759	2,576,624	8,614,380	2,804,229
Transfers	(1,694,984)	(1,653,489)	1,694,984	1,653,489	-	-
Increase (decrease) in net position after transfers	4,705,637	(1,425,884)	3,908,743	4,230,113	8,614,380	2,804,229
Net position - beginning of year, previously reported	97,644,598	104,935,362	107,784,792	103,684,562	205,429,390	208,619,924
Restatement	-	(5,864,880)	-	(129,883)	-	(5,994,763)
Net position- beginning, restated	97,644,598	99,070,482	107,784,792	103,554,679	205,429,390	202,625,161
Net position - end of year	$ 102,350,235	$ 97,644,598	$ 111,693,535	$ 107,784,792	$ 214,043,770	$ 205,429,390

The overall fund balance increased by $5,494,129 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 Fund - The General Capital Projects Fund is a major governmental fund. This fund accounts for the financing and construction of all general government multi-year capital projects. Its fund balance decreased by $8.3 million to $40.4 million. The net change in fund balance of ($8.3 million) is the result of $13.2 million for new capital expenditures.

Non-Major Funds - Fund balances for non-major funds decreased by ($13.5 million) to $30.9 million overall. The primary reason for this change is from $5 million in expenditures for school capital projects and $15.6 million in expenditures for school construction projects.

Proprietary Funds - The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The County has two enterprise funds, the Solid Waste Management and the Water and Sewer Fund. Total net position of the Enterprise Funds at the end of the fiscal year amounted to $111.7 million with $47.1 million of this amount being unrestricted. The increase in net position in these funds was $3.9 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:

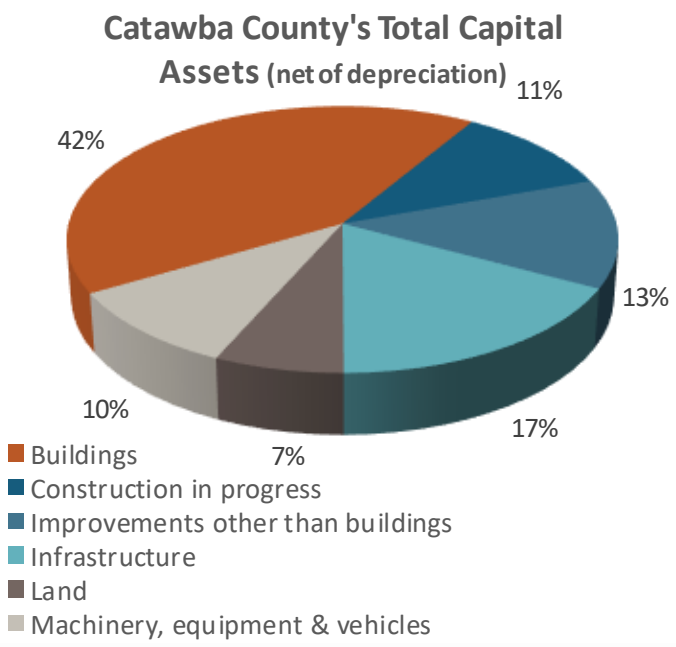
- Amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available.
- Amendments made to recognize new funding amounts from external sources, such as Federal and State grants.
- Increases in appropriations that become necessary to maintain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

Total amendments to the General Fund increased revenues by $1.1 million or .6%. This increase was due mainly to anticipation of additional federal and state grants available for County services.

Actual expenditures were less than final budgeted amounts by $17.8 million. These cost savings resulted mainly from unspent appropriations of $12 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, 2019, totals $211,645,505 (net of accumulated depreciation). These assets include land, buildings, other improvements, infrastructure, machinery and equipment, and vehicles.



Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 6,204,843	$ 6,204,843	$ 8,194,041	$ 8,194,041	$ 14,398,884	$ 14,398,884
Construction in progress	20,674,341	15,950,202	2,185,314	20,828,543	22,859,655	36,778,745
Buildings	85,661,449	87,750,286	3,359,661	3,462,927	89,021,110	91,213,213
Improvements other than buildings	9,218,424	9,392,940	18,769,807	13,968,900	27,988,231	23,361,840
Plant and distribution systems and water lines	-	-	36,367,568	20,476,674	36,367,568	20,476,674
Machinery, equipment and vehicles	17,346,456	10,726,862	3,663,601	3,300,908	21,010,057	14,027,770
Total	139,105,513	130,025,133	72,539,992	70,231,993	211,645,505	200,257,126

Major capital asset transactions during the year include the following:

- Purchase of new public safety vehicles including new ambulances
- Improvements to branch libraries
- Increase in construction in progress in governmental funds for the Jail expansion and new parks
- Increase in the water and sewer fund for the construction of water and sewer infrastructure
- Increase in construction in progress in the solid waste fund for the construction of new landfill cells.

Long-term Debt - As of June 30, 2019, Catawba County had outstanding debt of $183,405,827 The overall change in long-term debt was a net decrease of ($15 million) from annual debt service payments..

As mentioned in the financial highlights section of this document, Standard and Poor's maintained the AA+ bond rating for Catawba County for the 2nd consecutive year. Moody's Investor Service maintained the Aa1 bond rating for the tenth consecutive year. This stable bond rating is a clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

North Carolina general statutes limit the amount of debt that a unit of local government can issue. The County's total debt applicable to the debt limit of $167,855,892 is 12% of the legal debt margin of 1,206,663,128.

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

FISCAL YEAR 2018-19 ECONOMIC FACTORS

The following factors reflect the economic activity of the County.

- Low debt burden and property tax rate. The County's existing debt obligations are only 12% of its statutory limit. The property tax rate of $0.575/$100 was below the State average of $0.673/$100 and the 24th lowest of all 100 counties in North Carolina.
- The County remains a retail magnet for the region, capturing 60.2% of the $4.1 billion in retail sales from the four-county Metropolitan Statistical Area in 2018 despite having only 43% of the population. Taxable retail sales increased over 4% from the prior year.

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Certificates of Participation	$ 6,015,000	$ 7,115,000	$ -	$ -	$ 6,015,000	$ 7,115,000
Installment Purchases	58,593,253	65,653,300	4,215,049	4,874,499	62,808,302	70,527,799
Qualified Zone Academy Bonds	150,000	200,000	-	-	150,000	200,000
Qualified School Const. Bonds	27,808,553	27,808,553	-	-	27,808,553	27,808,553
Limited Obligation Bonds	72,876,536	77,592,061	2,853,464	3,367,939	75,730,000	80,960,000
Federal Revolving Loan	-	-	825,000	900,000	825,000	900,000
NC Department of Commerce	1,070,988	1,590,784	-	-	1,070,988	1,590,784
Premium on long-term debt	8,879,050	9,633,990	118,934	133,065	8,997,984	9,767,055
Accrued landfill closure and postclosure costs	-	-	11,231,541	10,731,541	11,231,541	10,731,541
Compensated absences	4,571,891	4,516,233	146,535	135,464	4,718,426	4,651,697
Net pension liability (LGERS)	18,380,561	12,032,027	511,110	336,571	18,891,671	12,368,598
Total pension liability (LEOSSA)	3,817,860	3,715,011	-	-	3,817,860	3,715,011
Total OPEB liability	18,504,157	15,622,496	508,748	430,372	19,012,905	16,052,868
Total	$ 220,667,849	$ 225,479,455	$ 20,410,381	$ 20,909,451	$ 241,078,230	$ 246,388,906

- The County's unemployment average rate of 4.2% is equal to the State average. The County announced that 752 new jobs were added to the current workforce in 2018-2019.

BUDGET HIGHLIGHTS FOR NEXT FISCAL YEAR ENDING JUNE 30, 2020

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 6.6% percent increase in property tax revenue and a 1.0% percent increase in sales tax revenue. The County is also budgeting a net increase of 1.2 percent in operating expenses due to service expansions for a total approved budget of $240,986,350 for fiscal year 2019-2020.

Education continues to represent the largest portion of the local budget, with 41 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—26.6 cents of every property tax and sales tax dollar—is spent on public safety.

As a commitment to public safety, in fiscal year 2019-2020 the County budgets additional funds for new positions in the Sheriff Office and Emergency Services.

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 2019-2020 budget adds or increases 52 positions in various departments. The majority of these new positions are for detention officers need as a result of a recent jail expansion. The budget includes a 2.0% performance based adjustment for employees who exhibit satisfactory performance as reflected in the annual evaluation. High performers are able to receive an additional $400 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 1% 401-K contribution and an additional match up to 1% of salary for participating employees.

Business – type Activities - The 2020 budget includes $9,071,904 for solid waste operations and capital projects. The budget includes $2,559,282 for water and sewer operations and capital projects.

As the County grows, there is a greater demand for clean drinking water, sewage disposal, and landfill operations. To address these needs, the budget includes $8,017,000 in related permits and fees to fund strategic 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.

CATAWBA COUNTY

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Basic Financial Statements

Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	**Business-type Activities**	**Total**
Assets			
Cash and investments	$ 110,750,315	$ 56,893,504	$ 167,643,819
Taxes receivable - net	1,191,127	-	1,191,127
Due from other governments	16,899,435	990,741	17,890,176
Notes receivable	930,261	713,780	1,644,041
Other receivables	2,587,028	636,726	3,223,754
Interest receivable	408,226	188,561	596,787
Inventories	310,198	-	310,198
Prepaid items	595,103	196,751	791,854
Restricted cash and investments	39,870,479	-	39,870,479
Net pension asset - RODSPF	268,042	-	268,042
Other assets	-	-	-
Capital assets:			
Land and construction in progress	26,879,184	10,379,355	37,258,539
Other capital assets, net of depreciation	112,226,329	62,160,637	174,386,966
Total capital assets	139,105,513	72,539,992	211,645,505
Net investment in joint venture	669,406	-	669,406
Total assets	313,585,133	132,160,055	445,745,188
Deferred outflows of resources	19,780,175	516,971	20,297,146
Liabilities			
Accounts payable and accrued liabilities	8,759,228	542,977	9,302,205
Long-term liabilities:			
Due within one year	17,968,840	1,761,499	19,730,339
Due in more than one year	202,699,009	18,648,882	221,347,891
Total long-term liabilities	220,667,849	20,410,381	241,078,230
Total liabilities	229,427,077	20,953,358	250,380,435
Deferred inflows of resources	1,587,996	30,133	1,618,129
Net Position			
Net investment in capital assets	102,979,361	64,560,596	167,539,957
Restricted			
Stabilization by State statute	39,320,494	-	39,320,494
Register of Deeds	46,265	-	46,265
Register of Deeds pension plan	334,611	-	334,611
Social services	245,354		245,354
Public safety	1,282,323	-	1,282,323
Fire Protection	1,881,139	-	1,881,139
Library Endowment	199,878	-	199,878
Social services scholarships	56,815	-	56,815
Parks preservation	5,515	-	5,515
Community development	4,408	-	4,408
Hospital capital projects	3,728,084	-	3,728,084
Working Capital	-	-	-
Other	-	-	-
Unrestricted (deficit)	(47,734,012)	47,132,939	(601,073)
Total net position	$ 102,350,235	$ 111,693,535	$ 214,043,770

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

Statement of Net Position
June 30, 2019

	Component Units	
	Catawba Valley Medical Center	**Catawba County ABC Board**
Assets		
Cash and investments	$ 133,831,490	$ 2,696,997
Taxes receivable - net	-	-
Due from other governments	1,322,651	-
Notes receivable	-	-
Other receivables	41,988,589	-
Interest receivable	763,440	
Inventories	6,241,709	3,161,719
Prepaid items	-	-
Restricted cash and investments	4,261,758	-
Net pension asset	-	-
Other assets	12,871,698	-
Capital assets:		
Land and construction in progress	9,094,248	741,643
Other capital assets, net of depreciation	97,815,219	927,164
Total capital assets	106,909,467	1,668,807
Net investment in joint venture	-	-
Total assets	308,190,802	7,527,523
Deferred outflows of resources	25,675,000	394,770
Liabilities		
Accounts payable and accrued liabilities	40,934,196	1,534,221
Long-term liabilities:		
Due within one year	8,545,822	-
Due in more than one year	77,426,233	387,329
Total long-term liabilities	85,972,055	387,329
Total liabilities	126,906,251	1,921,550
Deferred inflows of resources	723,000	12,002
Net Position		
Net investment in capital assets	69,058,077	1,668,807
Restricted		
Stabilization by State statute	-	-
Register of Deeds	-	-
Register of Deeds pension plan	-	-
Social services	-	-
Public safety	-	-
Fire Protection	-	-
Library Endowment	-	-
Social services scholarships	-	-
Parks preservation	-	-
Community development	-	-
Hospital capital projects	3,740,541	-
Working Capital	-	631,771
Other	521,217	-
Unrestricted (deficit)	132,916,716	3,688,163
Total net position	$ 206,236,551	$ 5,988,741

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

Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues		
Functions/Programs	**Expenses**	**Fees, Fines, and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government				
Governmental Activities				
General government	$ 11,645,266	$ 2,413,382	$ 2,492,465	$ -
Public safety	42,615,139	8,753,953	1,778,092	-
Environmental protection	629,550	40,791	21,146	-
Economic and physical development	18,490,744	2,639,454	212,073	427,037
Human services	44,620,992	1,986,009	24,776,078	-
Culture and recreation	3,372,144	63,150	216,044	38,960
Education	65,517,013	-	-	-
Interest on long-term debt	4,318,642	-	-	-
Total governmental activities	191,209,490	15,896,739	29,495,898	465,997
Business-type activities				
Solid waste management	6,576,468	7,308,864	39,638	13,364
Water and sewer	3,210,852	663,404	830,589	-
Total business-type activities	9,787,320	7,972,268	870,227	13,364
Total primary government	$ 200,996,810	$ 23,869,007	$ 30,366,125	$ 479,361
Component units				
Catawba Valley Medical Center	$ 294,898,681	$ 315,840,974	$ 577,204	$ 825,500
Catawba County ABC Board	20,150,926	21,400,909	-	-
Total Component Units	$ 315,049,607	$ 337,241,883	$ 577,204	$ 825,500

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

Statement of Activities
For the Year Ended June 30, 2019

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
Functions/Programs	**Governmental Activities**	**Business-type Activities**	**Total**	**Catawba Valley Medical Center**	**Catawba County ABC Board**
Primary Government					
Governmental Activities					
General government	$ (6,739,419)	$ -	$ (6,739,419)		
Public safety	(32,083,094)	-	(32,083,094)		
Environmental protection	(567,613)	-	(567,613)		
Economic and physical development	(15,212,180)	-	(15,212,180)		
Human services	(17,858,905)	-	(17,858,905)		
Culture and recreation	(3,053,990)	-	(3,053,990)		
Education	(65,517,013)	-	(65,517,013)		
Interest on long-term debt	(4,318,642)	-	(4,318,642)		
Total governmental activities	(145,350,856)	-	(145,350,856)		
Business-type activities					
Solid waste management	-	785,398	785,398		
Water and sewer	-	(1,716,859)	(1,716,859)		
Total business-type activities	-	(931,461)	(931,461)		
Total primary government	(145,350,856)	(931,461)	(146,282,317)		
Component units					
Catawba Valley Medical Center				$ 22,344,997	$ -
Catawba County ABC Board				-	1,249,983
Total Component Units				$ 22,344,997	$ 1,249,983
General Revenues:					
Taxes					
Property taxes, levied for general purposes	107,841,934	-	107,841,934	-	-
Local option sales taxes	37,938,247	900,150	38,838,397	-	-
Other taxes	1,795,787	372,218	2,168,005	-	-
Investment earnings, unrestricted	4,175,509	1,867,691	6,043,200	3,354,843	2,115
Gain on sale of capital assets	-	5,161	5,161	48,990	-
Total general revenues	151,751,477	3,145,220	154,896,697	3,403,833	2,115
Transfers	(1,694,984)	1,694,984	-	-	-
Total general revenues and transfers	150,056,493	4,840,204	154,896,697	3,403,833	2,115
Change in net position	4,705,637	3,908,743	8,614,380	25,748,830	1,252,098
Net position, beginning	97,644,598	107,784,792	205,429,390	180,487,721	4,736,643
Net position, ending	$ 102,350,235	$ 111,693,535	$ 214,043,770	$ 206,236,551	$ 5,988,741

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

CATAWBA COUNTY, NORTH CAROLINA **Exhibit 3**

Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds		Non Major Funds	
	General Fund	**General Capital Projects Fund**	**Other Governmental Funds**	**Total Governmental Funds**
Assets				
Cash and investments	$ 63,789,568	$ 23,259,270	$ 23,701,477	$ 110,750,315
Taxes receivable - net	1,097,928	-	93,199	1,191,127
Due from other governments	14,715,145	282,809	1,901,481	16,899,435
Notes receivable	930,261	-	-	930,261
Other receivables	2,581,316	5,712	-	2,587,028
Interest receivable	252,983	74,535	80,708	408,226
Inventories	310,198	-	-	310,198
Prepaid items	595,103	-	-	595,103
Restricted cash and investments	15,918,946	17,884,858	6,066,675	39,870,479
Total assets	100,191,448	41,507,184	31,843,540	173,542,172
Liabilities				
Accounts payable and accrued liabilities	6,758,575	1,144,168	856,485	8,759,228
Total liabilities	6,758,575	1,144,168	856,485	8,759,228
Deferred Inflows of Resources	3,788,868	-	98,636	3,887,504
Fund Balances				
Nonspendable	1,835,562	-	-	1,835,562
Restricted	33,154,629	37,900,321	15,219,346	86,274,296
Committed	94,005	2,462,695	15,669,073	18,225,773
Assigned	12,589,501	-	-	12,589,501
Unassigned	41,970,308	-	-	41,970,308
Total fund balances	89,644,005	40,363,016	30,888,419	160,895,440
Total liabilities, deferred inflows of resources, and fund balances	$ 100,191,448	$ 41,507,184	$ 31,843,540	$ 173,542,172

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, 2019

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

Total *fund balances* for governmental funds (Exhibit 3)	$ 160,895,440
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	139,105,513
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	669,406
Charges related to refunding bond issues	1,912,136
Net pension asset RODSPF	268,042
Net pension liability LGERS	(18,380,561)
Total pension liability LEOSSA	(3,817,860)
Total pension liability OPEB	(18,504,157)
Pension related deferrals LGERS and ROD	13,706,012
Law enforcement separation (LEOSSA) deferrals	332,104
OPEB related deferrals	2,477,381
Liabilities for earned revenues considered deferred inflows of resources in fund statements	3,652,050
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	(179,965,271)
Net position of governmental activities (Exhibit 1)	$ 102,350,235

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, 2019

	Major Funds		Non Major Funds	
	General Fund	**General Capital Projects Fund**	**Other Governmental Funds**	**Total Governmental Funds**
Revenues				
Ad valorem taxes	$ 99,888,964	$ -	$ 8,128,872	$ 108,017,836
Other taxes	33,357,386	59,802	5,377,572	38,794,760
Unrestricted intergovernmental revenues	1,859,693	-	-	1,859,693
Restricted intergovernmental revenues	32,235,656	427,037	1,136,822	33,799,515
Permits and fees	3,648,564	-	-	3,648,564
Sales and services	7,679,583	-	-	7,679,583
Investment earnings	2,451,547	827,448	896,522	4,175,517
Miscellaneous	3,258,450	-	-	3,258,450
Total revenues	184,379,843	1,314,287	15,539,788	201,233,918
Expenditures				
Current				
General government	13,645,725	-	-	13,645,725
Public safety	32,002,324	-	8,509,059	40,511,383
Environmental protection	607,125	-	-	607,125
Economic and physical development	17,509,533	-	109,751	17,619,284
Human services	42,815,566	-	-	42,815,566
Culture and recreation	3,600,747	-	2,767	3,603,514
Education	44,679,342	-	-	44,679,342
Capital outlay	-	13,205,033	20,837,671	34,042,704
Debt service				
Principal	13,445,368	-	-	13,445,368
Interest	4,826,204	-	-	4,826,204
Total expenditures	173,131,934	13,205,033	29,459,248	215,796,215
Excess of revenues over (under) expenditures	11,247,909	(11,890,746)	(13,919,460)	(14,562,297)
Other Financing Sources (Uses)				
Transfers from other funds	550,000	3,590,554	1,018,242	5,158,796
Transfers to other funds	(6,303,780)	-	(550,000)	(6,853,780)
Total other financing sources (uses)	(5,753,780)	3,590,554	468,242	(1,694,984)
Net change in fund balance	5,494,129	(8,300,192)	(13,451,218)	(16,257,281)
Fund Balances - Beginning of Year	84,149,876	48,663,208	44,339,637	177,152,721
Fund Balances - End of Year	$ 89,644,005	$ 40,363,016	$ 30,888,419	$ 160,895,440

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2019

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

Net change in *fund balances* - total governmental funds (Exhibit 4)	$ (16,257,281)
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.	9,249,735
Net capital assets disposed during the year	(169,355)
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.	(110,038)
A portion of expense activity related to retirement and other post employment benefits are not reported in the Governmental funds and are included in the Statement of Activities	
Local Government Employee Retirement (LGERS and ROD)	4,047,794
Law Enforcement Separation Allowance (LEOSSA)	86,008
Other Post Employment Benefits (OPEB)	767,157
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(327,379)
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.	14,200,308
Deferral of revenue from receivables that do not provide current financial resources	284,078
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.	(7,065,390)
Total changes in net position of governmental activities (Exhibit 2)	$ 4,705,637

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

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over/Under
Revenues				
Ad Valorem taxes	$ 95,785,817	$ 95,785,817	$ 99,888,964	$ 4,103,147
Other taxes	31,380,441	31,380,441	33,357,386	1,976,945
Unrestricted intergovernmental revenues	1,914,250	1,914,250	1,859,693	(54,557)
Restricted intergovernmental revenues	40,155,315	40,773,343	32,547,775	(8,225,568)
Permits and fees	3,723,739	3,802,739	3,648,564	(154,175)
Sales and services	7,505,600	7,975,650	7,679,583	(296,067)
Investment earnings	651,000	651,000	2,441,202	1,790,202
Miscellaneous	3,075,018	3,051,299	3,258,450	207,151
Total revenues	184,191,180	185,334,539	184,681,617	(652,922)
Expenditures				
Current				
General government	13,871,043	14,356,926	13,175,054	1,181,872
Public safety	33,733,053	33,928,142	32,132,447	1,795,695
Environmental protection	661,106	661,689	607,125	54,564
Economic and physical development	19,564,589	19,466,030	17,509,533	1,956,497
Human services	55,993,961	54,923,682	42,815,566	12,108,116
Culture and recreation	3,870,325	4,271,724	3,600,747	670,977
Education	44,679,342	44,679,342	44,679,342	-
Debt service				
Principal	14,248,514	13,452,532	13,445,368	7,164
Sinking fund payments	1,853,905	1,836,800	1,836,712	88
Interest	3,462,159	4,826,039	4,826,204	(165)
Bond issuance costs	517,528	-	-	-
Total expenditures	192,455,525	192,402,906	174,628,098	17,774,808
Excess of revenues over (under) expenditures	(8,264,345)	(7,068,367)	10,053,519	17,121,886
Other Financing Sources (Uses)				
Transfers from other funds	550,000	550,000	550,000	-
Transfers to other funds	(6,183,223)	(6,313,834)	(6,313,834)	-
Fund balance appropriated	13,897,568	12,832,201	-	(12,832,201)
Total other financing sources (uses)	8,264,345	7,068,367	(5,763,834)	(12,832,201)
Net change in fund balance	$ -	$ -	4,289,685	$ 4,289,685
Fund Balances - Beginning of Year			83,599,739	
Fund Balances - End of Year			$ 87,889,424	

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019

A legally budgeted Tax Reappraisal Fund is consolidated into the General Fund for reporting purposes:	
Investment earnings	10,345
Expenditures	(470,671)
Transfer from other funds	417,432
Fund Balance, Beginning	142,759
A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes	
Transfer to other funds	(407,378)
Fund Balance, Beginning	407,378
Fund Balance, Ending - Budget and Actual	87,989,289
Budget and actual reconcilement	1,654,716
Fund Balance, Ending (Exhibit 4)	89,644,005

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	$ 4,289,685
Tax Reappraisal Fund	(42,894)
General Capital Reserve Fund	(407,378)
Contra revenue notes receivable payments	(312,119)
Contra expense for issuance of notes receivable	130,123
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	1,836,712
Net change in fund balances - general fund (Exhibit 4)	$ 5,494,129
Fund Balance Beginning (Exhibit 4)	84,149,876
Fund Balance Ending (Exhibit 4)	$ 89,644,005

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

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	**Water and Sewer Fund**	**Total**
Assets			
Current assets			
Cash and investments	20,562,574	36,330,930	$ 56,893,504
Due from other governments	495,824	494,917	990,741
Notes receivable	-	713,780	713,780
Accounts receivables (net of allowance)	602,098	34,628	636,726
Interest receivables	66,530	122,031	188,561
Prepaid items	1,143	195,608	196,751
Total current assets	21,728,169	37,891,894	59,620,063
Noncurrent assets			
Capital assets			
Land and construction in progress	7,715,066	2,664,289	10,379,355
Other capital assets, net of depreciation	25,748,317	36,412,320	62,160,637
Total capital assets	33,463,383	39,076,609	72,539,992
Total noncurrent assets	33,463,383	39,076,609	72,539,992
Total assets	55,191,552	76,968,503	132,160,055
Deferred outflows of resources			
Pension - LGERS	373,852	22,936	396,788
OPEB deferrals	84,228	2,904	87,132
Deferred charge on debt refunding	-	33,051	33,051
Total deferred outflows of resources	458,080	58,891	516,971
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	367,688	175,289	542,977
Accrued landfill closure and postclosure care costs	500,000	-	500,000
Installment loan payable	-	1,176,280	1,176,280
Compensated absences	74,313	10,906	85,219
Total current liabilities	942,001	1,362,475	2,304,476
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	10,731,541	-	10,731,541
Net pension liability	481,566	29,544	511,110
Total OPEB liability	491,790	16,958	508,748
Installment loan payable	-	6,717,233	6,717,233
Premium on long-term debt	-	118,934	118,934
Compensated absences	41,395	19,921	61,316
Total noncurrent liabilities	11,746,292	6,902,590	18,648,882
Total liabilities	12,688,293	8,265,065	20,953,358

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

Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	**Water and Sewer Fund**	**Total**
Deferred inflows of resources			
Pension - LGERS	9,934	609	10,543
OPEB deferrals	18,937	653	19,590
Total deferred inflows of resources	28,871	1,262	30,133
Net Position			
Net investment in capital assets	33,463,383	31,097,213	64,560,596
Unrestricted	9,469,085	37,663,854	47,132,939
Total net position	$ 42,932,468	$ 68,761,067	$ 111,693,535

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, 2019

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	**Water and Sewer Fund**	**Total**
Operating Revenues			
Charges for services	$ 6,554,052	$ -	$ 6,554,052
Methane recovery	479,846	-	479,846
Other operating revenues	97,349	-	97,349
Total operating revenues	7,131,247	-	7,131,247
Operating Expenses			
Administration	573,699	114,070	687,769
Recycling	230,209	-	230,209
Solid waste management improvements	142,364	-	142,364
Solid waste code enforcement	75,620	-	75,620
Sanitary landfill	3,465,487	-	3,465,487
Blackburn landfill methane recovery	380,972	-	380,972
Water and sewer	-	2,034,340	2,034,340
Landfill closure and postclosure care costs	500,000	-	500,000
Depreciation	1,208,117	843,397	2,051,514
Total operating expenses	6,576,468	2,991,807	9,568,275
Operating income (loss)	554,779	(2,991,807)	(2,437,028)
Nonoperating Revenues (Expenses)			
Solid waste disposal tax	88,639	-	88,639
Scrap tire disposal tax	218,955	-	218,955
White goods disposal tax	64,624	-	64,624
Scrap tire grant	39,638	-	39,638
Electronics management distribution	9,880	-	9,880
Duke Energy Water	-	271,883	271,883
Hickory community relations	3,000	-	3,000
Gain on sale of capital asset	5,161	-	5,161
Miscellaneous	172	108,521	108,693
Investment earnings	659,294	1,208,397	1,867,691
Insurance settlements	164,565	-	164,565
Engineering fees	-	283,000	283,000
Sales Taxes - Article 46 - one quarter of one percent	-	900,150	900,150
Interest on long term debt	-	(219,045)	(219,045)
Municipal revenue sharing	-	830,589	830,589
Capital Contribution	13,364	-	13,364
Total nonoperating revenues (expenses)	1,267,292	3,383,495	4,650,787
Income (loss) before contributions and transfers	1,822,071	391,688	2,213,759
Transfer from other funds	19,984	1,675,000	1,694,984
Change in net position	1,842,055	2,066,688	3,908,743
Net Position - Beginning of Year	41,090,413	66,694,379	107,784,792
Net Position - End of Year	$ 42,932,468	$ 68,761,067	$ 111,693,535

CATAWBA COUNTY

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Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	**Water and Sewer Fund**	**Total**
Cash Flows from Operating Activities			
Cash received from customers	$ 7,212,670	27,614	$ 7,240,284
Cash paid for goods and services	(2,953,235)	(2,560,448)	(5,513,683)
Cash paid to employees	(1,782,388)	(102,961)	(1,885,349)
Other operating revenues	97,349	-	97,349
Net cash provided (used) by operating activities	2,574,396	(2,635,795)	(61,399)
Cash Flows from Noncapital Financing Activities			
Solid waste disposal tax	88,639	-	88,639
Scrap tire disposal tax	218,955	-	218,955
White goods disposal tax	64,624	-	64,624
Scrap tire grant	39,638	-	39,638
Community relations and distribution charges	13,052	-	13,052
Insurance settlements	164,565	-	164,565
Other taxes	-	900,150	900,150
Domestic haulers and capital fees	-	391,521	391,521
Municipal revenue sharing	-	830,589	830,589
Transfer from general fund	19,984	1,675,000	1,694,984
Total cash provided by noncapital financing activities	609,457	3,797,260	4,406,717
Cash Flows from Capital and Related Financing Activities			
Principal paid on installment notes payable	-	(1,248,924)	(1,248,924)
Interest paid on installment notes payable	-	(229,250)	(229,250)
Acquisition and construction of capital assets	(3,471,480)	(874,669)	(4,346,149)
Duke Energy Water	-	271,883	271,883
Proceeds from sale of assets	5,161	-	5,161
Net cash provided (used) by capital and related financing activities	(3,466,319)	(2,080,960)	(5,547,279)
Cash Flows from Investing Activities			
Investment earnings	667,091	1,212,729	1,879,820
Net increase (decrease) in cash and cash equivalents	384,625	293,234	677,859
Cash and cash equivalents - beginning of year	20,177,949	36,037,696	56,215,645
Cash and cash equivalents - end of year	$ 20,562,574	36,330,930	$ 56,893,504

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	**Water and Sewer Fund**	**Total**
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	$ 554,779	(2,991,807)	(2,437,028)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	1,208,118	843,397	2,051,515
Increase (decrease) in landfill closure and postclosure care costs	500,000	-	500,000
Changes in assets and liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in refundable sales tax	(156,385)	30,588	(125,797)
(Increase) decrease in other receivables	335,156	(2,974)	332,182
(Increase) decrease in notes receivables	-	102,778	102,778
(Increase) decrease in deferred outflows of resources - pensions	(130,774)	(9,436)	(140,210)
(Increase) decrease in deferred outflows of resources - OPEB	(50,056)	(1,726)	(51,782)
Increase (decrease) in accounts payable and other liabilities	49,624	(628,886)	(579,262)
Increase (decrease) in compensated absences	6,914	4,157	11,071
Increase (decrease) in accrued salaries and other benefits	26,820	4,006	30,826
Increase (decrease) in pension liability	162,703	11,835	174,538
Increase (decrease) in OPEB liability	75,764	2,613	78,377
Increase (decrease) in deferred inflows of resources - pensions	(5,337)	(239)	(5,576)
Increase (decrease) in deferred inflows of resources - OPEB	(2,930)	(101)	(3,031)
Total adjustments	2,019,617	356,012	2,375,629
Net cash provided (used) by operating activities	$ 2,574,396	(2,635,795)	(61,399)
Noncash investing, capital and financing activities:			
Donated capital asset	13,364	-	13,364
(Premium)/deferred charge from debt refunding	-	(10,205)	(10,205)
	$ 13,364	$ (10,205)	$ 3,159

The accompanying notes are an integral part of the financial statements

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Agency Funds
Assets	
Cash and investments	$ 324,882
Liabilities	
Intergovernmental payable - State of North Carolina	$ 8,810
Miscellaneous liabilities	316,072
Total liabilities	$ 324,882

The accompanying notes are an integral part of the financial statements

Notes to Financial Statements - Contents
June 30, 2019

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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 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

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 Statues; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

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

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

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

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

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

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

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

and expenses.

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

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

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

The County's investments are carried at fair value as determined by quoted market prices. The NC Capital Management Trust (NCCMT) is a SEC-registered money market mutual fund allowable by G.S. 159-30 (c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported 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. 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	$ 15,549,847
General Fund	Unexpended debt proceeds	2,641
General Fund	Social services	245,354
General Fund	Tax reappraisal	121,104
General Capital Projects Fund	Unexpended debt proceeds	17,884,858
School Construction Fund	Unexpended debt proceeds	6,066,675
Total Governmental Activities		$ 39,870,479

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, 2018.

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

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, other unearned revenue 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, 2019, 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 purposed externally imposed by creditors or imposed by law.

Restricted for Stabilization of State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930s that were designed to improve and maintain the fiscal health of local

government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is knowns as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Social Services - portion of fund balance that is restricted by revenue source for client services.

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.

Restricted net position on Exhibit 1 differs from restricted fund balance on Exhibit 3 due to sinking fund debt payments to date of ($15,549,847), unspent debt proceeds of ($23,954,174), and the Register of Deeds pension plan of $334,611.

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.

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. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the funds' assets and deferred outflows of resources.

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 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 two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF). 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 $(58,545,205) consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	$ 212,626,726
Less accumulated depreciation	(73,521,213)
Net capital assets	139,105,513
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	669,406
Charges related to advance refunding issued - included on government-wide statement of net position but are not current financial resources	1,912,136
Net pension asset RODSPF	268,042
Pension related deferrals	13,706,012
LEOSSA related deferrals	332,104
OPEB related deferrals	2,477,381
Deferred inflows of resources reported in the fund statements but not the government-wide	3,652,050
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	(6,015,000)
Installment purchase	(58,593,253)
Qualified zone academy bonds	(150,000)
Qualified school construction bonds	(27,808,553)
Limited obligation bonds	(72,876,536)
NC Department of Commerce	(1,070,988)
Premium on long-term debt	(8,879,050)
Compensated absences	(4,571,891)
Net pension liability LGERS	(18,380,561)
Total pension liability LEOSSA	(3,817,860)
Total other post employment liability	(18,504,157)
	(220,667,849)
Total adjustment	$ (58,545,205)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position in governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of $20,962,918 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	$ 14,479,731
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	(5,229,996)
Net capital assets disposed during the year	(169,355)
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	1,100,000
Installment purchases	7,060,047
Qualified zone academy bonds	50,000
Limited obligation bonds	4,715,525
NC Department of Commerce	519,796
A portion of activity related to retirement and other post employment benefits are not reported in the Governmental funds and are included in the Statement of Activities	
Local Government Employee Retirement (LGERS and ROD)	4,047,794
Law Enforcement Separation Allowance (LEOSSA)	86,008
Other Post Employment Benefits (OPEB)	767,157
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	(5,392,002)
OPEB expense	(1,633,512)
Amortization of deferred interest	(247,378)
Net (increase) decrease in compensated absences	(55,658)
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	(110,038)
Amortization of premium on debt issuance	754,940
Net increase (decrease) in receivables and deferred revenue	219,859
Total adjustment	$ 20,962,918

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Non-Compliance with North Carolina General Statutes

In accordance with G.S. 159-30(c), the County was not in compliance as a result of a purchase of an unauthorized investment security. This security was held at the end of fiscal year June 30, 2019 but was sold subsequent to year end.

B. Corrective Action/Management Response

The County recognizes that it erred in purchasing the unauthorized security but will limit future purchases to the authorized classes of securities listed in the General Statutes.

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, 2019, the County's deposits had a carrying amount of $30,549,136 and a bank balance of $30,810,472. Of the bank balance, $1,245,354 was covered by federal depository insurance and $324,882 in non-interest bearing deposits and $29,240,236 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2019, Catawba County had $9,948 cash on hand.

2. Investments

As of June 30, 2019 the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less than 6 months	6-12 months	1-5 years
U.S. Government Agencies*	Fair Value-Level 2	$ 117,212,307	$ 14,504,138	$ 6,978,950	$ 95,729,219
Commercial Paper	Fair Value-Level 2	2,965,278	2,965,278	-	-
Utility Bond	Fair Value-Level 2	3,095,220			3,095,220
NC Capital Trust Management Trust Government Portfolio	Fair Value-Level 1	18,832,158	18,832,158	-	-
NC Capital Trust Management Trust Term Portfolio**	Fair Value-Level 1	14,672,253	14,672,253	-	-
US Bank Money Market - Debt Escrow-restricted	Fair Value-Level 1	20,502,880	20,502,880	-	-
Total:		$ 177,280,096	$ 71,476,707	$ 6,978,950	$ 98,824,439

*$64,871,208 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.

** As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are 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, 2019. 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 Aaa by Moody's Investors Service. The County's investment in TVA's Power Bonds are rated AAA/Aaa by Fitch Ratings and 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 66% of the County's investments are in United States government-sponsored enterprises. Investments in Federal Farm Credit are 6%, Federal Home Loan Bank are 14%, Federal Home Loan Mortgage Corporation are 26%, and Federal National Mortgage Agency are 21% 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.

Year Levied	Tax	Interest	Total
2016	1,383,796	390,922	1,774,718
2017	1,407,206	270,887	1,678,093
2018	1,418,459	145,392	1,563,851
2019	1,433,507	-	1,433,507
Total	$ 5,642,968	$ 807,201	$ 6,450,169

4. Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	Governmental activities			
	General	General Capital Projects Fund	Non-major Funds	Total Governmental Activities
Receivables				
Accounts	$ 2,999,621	$ 5,712	$ -	$ 3,005,333
Taxes	4,563,246	-	291,033	4,854,279
Due from other governments	14,715,145	282,809	1,901,481	16,899,435
Notes	930,261	-	-	930,261
Other	45,238	-	-	45,238
Interest	252,983	74,535	80,708	408,226
Gross Receivables	23,506,494	363,056	2,273,222	26,142,772
Allowance for uncollectibles	(3,928,861)	-	(197,834)	(4,126,695)
Net total receivables	$ 19,577,633	$ 363,056	$ 2,075,388	$ 22,016,077
Amounts not scheduled for collection during the subsequent year	$ 367,317	$ -	$ -	$ 367,317

(continued on next page)

	Business-type activities		
	Solid Waste Management Fund	Water and Sewer Fund	Total Business-type Activities
Receivables			
Accounts	$ 602,098	$ 1,323,488	$ 1,925,586
Notes	-	713,780	713,780
Due from other governments	495,824	494,917	990,741
Interest	66,530	122,031	188,561
Gross Receivables	1,164,452	2,654,216	3,818,668
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	$ 1,164,452	$ 1,365,356	$ 2,529,808
Amounts not scheduled for colleciton during the subsequent year	$ -	$ 611,002	$ 611,002

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

	Governmental Activities	Business-type Activities
Local option sales tax	$ 10,123,640	$ 242,135
White goods disposal tax	-	16,522
Scrap tire tax	-	57,134
Solid waste disposal tax	-	19,770
Various federal and state grants	6,068,661	407,301
Refundable sales tax	707,134	247,879
	$ 16,899,435	$ 990,741

(continued on next page)

5. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 6,204,843	$ -	$ -	$ 6,204,843
Construction in progress	15,950,202	11,704,201	(6,980,062)	20,674,341
Total capital assets, not being depreciated	22,155,045	11,704,201	(6,980,062)	26,879,184
Capital assets, being depreciated				
Buildings	136,257,260	423,204	(314,555)	136,365,909
Other improvements	14,967,947	132,530	(21,732)	15,078,745
Equipment and vehicles	26,315,173	9,045,158	(1,057,443)	34,302,888
Total capital assets, being depreciated	177,540,380	9,600,892	(1,393,730)	185,747,542
Less accumulated depreciation for				
Buildings	(48,506,974)	(2,512,041)	314,555	(50,704,460)
Other improvements	(5,575,007)	(296,985)	11,671	(5,860,321)
Equipment and vehicles	(15,588,311)	(2,420,970)	1,052,849	(16,956,432)
Total accumulated depreciation	(69,670,292)	(5,229,996)	1,379,075	(73,521,213)
Total capital assets, being depreciated, net	107,870,088	4,370,896	(14,655)	112,226,329
Governmental activities capital assets, net	$ 130,025,133	$ 16,075,097	$ (6,994,717)	$ 139,105,513

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

Governmental activities	
General government	$ 177,140
Public safety	3,435,209
Environmental protection	15,018
Economic & physical development	390,653
Human services	1,057,619
Culture and recreation	154,357
Total depreciation expense	$ 5,229,996

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	3,201,192	367,024	(3,151,809)	416,407
Total capital assets, not being depreciated	10,499,851	367,024	(3,151,809)	7,715,066
Capital assets, being depreciated				
Buildings	3,996,631	-	-	3,996,631
Other improvements	26,737,709	5,197,229	-	31,934,938
Equipment and vehicles	10,478,568	1,072,401	(34,926)	11,516,043
Total capital assets, being depreciated	41,212,908	6,269,630	(34,926)	47,447,612
Less accumulated depreciation for				
Buildings	(533,704)	(103,266)	-	(636,970)
Other improvements	(12,814,192)	(395,691)	-	(13,209,883)
Equipment and vehicles	(7,178,207)	(709,161)	34,926	(7,852,442)
Total accumulated depreciation	(20,526,103)	(1,208,118)	34,926	(21,699,295)
Total capital assets, being depreciated, net	20,686,805	5,061,512	-	25,748,317
Solid Waste Management capital assets, net	$ 31,186,656	$ 5,428,536	$ (3,151,809)	$ 33,463,383

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	$ 895,382	$ -	$ -	$ 895,382
Construction in progress	17,627,351	735,995	(16,594,439)	1,768,907
Total capital assets, not being depreciated	18,522,733	735,995	(16,594,439)	2,664,289
Capital assets, being depreciated				
Plant and distribution systems/water lines	24,188,228	16,733,113	-	40,921,341
Other improvements	58,885	-	-	58,885
Total capital assets, being depreciated	24,247,113	16,733,113	-	40,980,226
Less accumulated depreciation for				
Plant and distribution systems/water lines	(3,711,554)	(842,219)	-	(4,553,773)
Other improvements	(12,955)	(1,178)	-	(14,133)
Total accumulated depreciation	(3,724,509)	(843,397)	-	(4,567,906)
Total capital assets, being depreciated, net	20,522,604	15,889,716	-	36,412,320
Water & Sewer capital assets, net	$ 39,045,337	$ 16,625,711	$ (16,594,439)	$ 39,076,609

Construction Commitments

The County has active construction and other capital projects as of June 30, 2019. The government's commitments with contractors and vendors are composed of numerous projects within the following funds:

	Project Authorization	Expended to June 30, 2019	Committed	Required Future Financing
Governmental activities				
General Capital Projects	$ 107,188,344	$ 69,291,310	37,897,034	None
Schools Capital Projects	20,324,265	16,894,066	3,430,199	None
School Construction	85,207,907	47,291,945	37,915,962	None
Total governmental activities	$ 212,720,516	$ 133,477,321	$ 79,243,195	
Business-type activities				
Solid Waste Management Fund	$ 11,594,187	$ 4,847,691	6,746,496	None
Water and Sewer Fund	39,599,398	24,537,261	15,062,137	None
Total business-type activities	$ 51,193,585	$ 29,384,952	$ 21,808,633	

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2019 were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental activities				
General	$ 1,699,561	$ 3,545,331	$ 1,513,683	$ 6,758,575
General Capital Projects	1,144,168	-	-	1,144,168
Non-major Funds	849,648	6,837	-	856,485
Total governmental activities	$ 3,693,377	$ 3,552,168	$ 1,513,683	$ 8,759,228
Business-type Activities				
Solid Waste Management	$ 276,434	$ 89,105	2,149	367,688
Water and Sewer	139,248	7,532	28,509	175,289
Total business-type activities	$ 415,682	$ 96,637	$ 30,658	$ 542,977

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by

calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are Law Enforcement Officers (LEO) are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service 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, 2019, was 8.50% of compensation for law enforcement officers and 7.75% 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 $4,145,168 for the year ended June 30, 2019.

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, 2019, the County reported a liability of $18,891,671 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2019, the County's proportion was .796% (measured as of June 30, 2018), which was a decrease of .014% from its proportion as of June 30, 2018 (measured as of June 30, 2017).

For the year ended June 30, 2019, the County recognized pension expense of $5,228,439. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Governmental Activities	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 2,835,684	$ 95,151
Change of assumptions	4,877,491	-
Net difference between projected and actual earnings on pension plan investments	2,523,105	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	284,008
County contributions subsequent to the measurement date	4,033,022	-
Total	$ 14,269,302	$ 379,159

Business-Type Activities	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Solid Waste Management		
Differences between expected and actual experience	$ 74,294	$ 2,493
Change of assumptions	127,789	-
Net difference between projected and actual earnings on pension plan investments	66,105	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	7,441
County contributions subsequent to the measurement date	105,664	-
Total	$ 373,852	$ 9,934

Business-Type Activities	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Water & Sewer		
Differences between expected and actual experience	$ 4,558	$ 153
Change of assumptions	7,840	-
Net difference between projected and actual earnings on pension plan investments	4,056	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	456
County contributions subsequent to the measurement date	6,482	-
Total	$ 22,936	$ 609

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Governmental Activities - Total	$ 14,269,302	$ 379,159
Business-Type Activities - Total	396,787	10,543
Total deferred	$ 14,666,090	$ 389,702

$4,145,168 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ 4,941,681
2021	3,194,366
2022	523,618
2023	1,471,555
2024	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2017 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 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2017 valuation were based on the results of an actuarial experience study as of 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, 2018 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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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 7.00%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	$ 45,379,430	$ 18,891,671	$ (3,241,915)

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, 2017, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	9
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	148
	157

Summary of Significant Accounting Policies:
Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures for the County are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust funds that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions
The entry age normal actuarial cost method was used in the December 31, 2017 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	3.64 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2018.

Mortality Rate
Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale 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 $117,923 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, 2019, the County reported a total pension liability of $3,817,860. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumption. For the year ended June 30, 2019, the County recognized pension expense of $309,706.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experiences	$ 64,706	$ 63,356
Changes of assumptions	181,390	187,344
County benefit payments and plan administrative expenses made subsequent to the measurement date	86,008	-
Total	$ 332,104	$ 250,700

The County paid $86,008 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the

year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	$ (831)
2021	(831)
2022	(831)
2023	4,801
2024	(4,741)
Thereafter	(2,171)

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 3.64 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 (2.64 percent) or 1-percent-point higher (4.64 percent) that the current rate:

	1% Decrease (2.64%)	**Discount Rate (3.64%)**	**1% Increase (4.64%)**
Total pension liability	$ 4,172,663	$ 3,817,860	$ 3,493,880

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

	2019
Total Pension Liability as of December 31, 2017	$ 3,715,011
Service Cost	194,334
Interest on the total pension liability	115,531
Changes of benefit terms	-
Differences between expected and actual experience	77,270
Changes of assumptions and other inputs	(166,363)
Benefit payments	(117,923)
Other changes	-
Total Pension Liability as of December 31, 2018	$ 3,817,860

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at June 30, 2017 to 3.64 percent at June 30, 2018.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. All law enforcement officers employed by the County participate in the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. Participation begins at the date of employment, and benefits are provided to all law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law

Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Total contributions for the County for the year ended June 30, 2018 were $428,138 which consisted of $347,312 from the County and $80,826 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 Resisters 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 $14,772 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of $268,042 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 1.62%, which was a decrease of .026% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of $51,834. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Register of Deeds	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,363	$ 12,234
Changes of assumptions	12,607	-
Net difference between projected and actual earnings on pension plan investments	42,724	-
Changes in proportion and differences between County contributions and proportionate share of contributions	7,091	754
County contributions subsequent to the measurement date	14,772	-
Total	$ 79,557	$ 12,988

$14,772 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, 2020.

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:	
2020	$ 27,453
2021	5,117
2022	12,591
2023	6,636
2024	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2017 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	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, 2017 valuation were based on the results of an actuarial experience study as of 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, 2018 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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 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)	$ (211,336)	$ (268,042)	$ (315,864)

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, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017.

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)	$ 18,891,671	$ (268,042)	$ -	$ 18,623,629
Proportion of the Net Pension Liability (Asset)	0.796%	1.620%	n/a	
Total Pension Liability	-	-	$ 3,817,860	$ 3,817,860
Pension Expense	$ 5,228,439	$ 51,834	$ 309,706	$ 5,589,979

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 2,914,536	$ 2,363	$ 64,706	$ 2,981,605
Changes of assumptions	5,013,120	12,607	181,390	5,207,117
Net difference between projected and actual earnings on pension plan investments	2,593,266	42,724	-	2,635,990
Changes in proprtion and differences between County contributions and proportionate share of contributions	-	7,091	-	7,091
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	4,145,168	14,772	86,008	4,245,948
Deferred Inflows of Resources				
Difference between expected and actual experience	$ 97,797	$ 12,234	$ 63,356	$ 173,387
Changes of assumptions	-	-	187,344	187,344
Changes in proportion and differences between County contributions and proportionate share of contributions	291,905	754	-	292,659

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, 2018, the date of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive members entitled to but not yet receiving benefits	-
Active employees	1,032
Total	1,089

Total OPEB Liability

The County's total OPEB liability of $19,012,905 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 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	3.56%
Measurement Date	3.89%
Heath Care Cost Trend Rates	
Pre-Medicare Medical and Prescription Drug	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

The County selected a Municipal Bond Rate equal to the June average of the Bond Buyer 20-year General Obligation Bond Index published weekly by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Changes in the Total OPEB Liability

	Governmental Activities	Business-Type Activities		
		Solid Waste Management	Water & Sewer	Total
Total OPEB Liability as of June 30, 2017	$ 15,622,496	$ 416,026	$ 14,346	**$ 16,052,868**
Changes for the year:				
Service Cost at the end of the year*	789,341	20,753	716	**810,810**
Interest on TOL and Cash Flows	545,514	14,343	495	**560,351**
Change in benefit terms	-	-	-	**-**
Difference between expected and actual experience	1,303,940	34,283	1,182	**1,339,405**
Changes of assumptions or other inputs	857,038	22,533	776	**880,347**
Benefit payments	(614,172)	(16,148)	(557)	**(630,877)**
Other	-	-	-	**-**
Net changes	$ 2,881,661	$ 75,764	$ 2,612	**$ 2,960,036**
Total OPEB Liability as of June 30, 2018	$ 18,504,157	$ 491,790	$ 16,958	**$ 19,012,904**

*The service cost includes interest for the year

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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

in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

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, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 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 (2.89%) or 1-percentage point higher (4.89%) than the current discount rate:

	1% Decrease (2.89%)	Discount (3.89%)	1% Increase (4.89%)
Total OPEB Liability	$ 21,110,685	$ 19,012,905	$ 17,141,418

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	$ 16,707,815	$ 19,012,905	$ 21,752,192

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resource Related to OPEB
For the year ended June 30, 2019, the County recognized OPEB expense of $ 1,609,762. At June 30, 2019, the County reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

(continued on next page)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	$ 1,666,765	$ -
Changes of assumptions or other inputs	753,154	709,695
Beneift payments for the OPEB plan paid subsequent to measurement date	767,157	-
Total	$ 3,187,076	$ 709,695
Business-Type Activiies		
Solid Waste Management		
Differences between expected and actual experience	$ 44,026	$ -
Changes of assumptions or other inputs	19,802	18,937
Beneift payments for the OPEB plan paid subsequent to measurement date	20,400	-
Total	$ 84,228	$ 18,937
Business-Type Activiies		
Water & Sewer		
Differences between expected and actual experience	$ 1,518	$ -
Changes of assumptions or other inputs	683	653
Beneift payments for the OPEB plan paid subsequent to measurement date	703	-
Total	$ 2,904	$ 653
Governmental Activties - Total	$ 3,187,076	$ 709,695
Business-Type Activities - Total	87,132	19,590
Total deferred	$ 3,274,208	$ 729,285

$788,260 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	$ 238,601
2021	238,601
2022	238,601
2023	238,601
2024	238,601
Thereafter	563,658

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

	Outflows of Resources	Inflows of Resources
Exhibit 1		
Charge on refunding of debt	$ 1,945,187	$ -
(Pensions, OPEB) - difference between expected and actual experience	4,693,914	173,387
(Pensions, OPEB) - difference between projected and actual investment earnings	2,635,990	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	7,091	292,659
(Pensions, OPEB) - change in assumptions	5,980,756	916,629
Contributions to pension plan subsequent to measurement date (LGERS, ROD	4,159,940	-
Benefit payments for the OPEB plan paid subsequent to measurement date	788,260	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	86,008	-
Prepaid taxes not yet earned (General)	-	150,017
Prepaid taxes not yet earned (Special Revenue)	-	5,437
Deferred revenue collected in advance (General)	-	80,000
Total - Exhibit 1	$ 20,297,146	$ 1,618,129
Exhibit 3		
Prepaid taxes not yet earned (General)	$ -	$ 150,017
Prepaid taxes not yet earned (Special Revenue)	-	5,437
Deferred revenue collected in advance (General)	-	80,000
Deferred revenue from note receivable (General)	-	284,078
Taxes receivable, net (General)	-	1,097,928
Taxes receivable, net (Special Revenue)	-	93,199
Ambulance receivable, net (General)	-	1,952,004
Human resource receivable, net (General)	-	224,841
Total - Exhibit 3	$ -	$ 3,887,504

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 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 $11,231,541 reported as landfill closure and postclosure care liability as of June 30, 2019 represents a cumulative amount reported to date based on the use of 91.7% of the total estimated capacity of the municipal solid waste operating cell and 78.0% of the total estimated capacity of the construction and demolition operating cell of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of $19,915,179 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2019. 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 $200,000.

The County carries flood insurance as a part of its property insurance through Travelers Insurance Companies with limits as follows: Flood - $1,000,000 Limit – Zone A; Zone V not covered; Zone B, Zone X (shaded or Zone X-500) - $5,000,000 limit; all other Zones - $10,000,000. The deductible for all zones is $50,000. 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:

	2019	2018	2017
Unpaid claims, beginning	$ 411,588	$ 502,961	$ 998,936
Incurred claims	7,786,401	7,337,195	8,467,117
Claim payments	(7,590,558)	(7,428,568)	(8,963,092)
Unpaid claims, ending	$ 607,431	$ 411,588	$ 502,961

6. Contingent Liabilities

At June 30, 2019, 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, 2019, including $427,440 of interest are as follows:

	Governmental Activities	
	Principal	Interest
2020	1,075,000	125,112
2021	1,045,000	102,752
2022	1,015,000	81,016
2023	990,000	59,904
2024	960,000	39,312
2025	930,000	19,344
Total principal payments	$ 6,015,000	
Total interest payments		$ 427,440

b. Installment Purchases

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a direct placement 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 because the property is pledged as collateral for the debt. 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.

In the case of default, the bank may declare the unpaid principal components immediately due and payable.

For Catawba County, the future minimum payments as of June 30, 2019, including $36,647 of interest are:

	Governmental Activities	
	Principal	**Interest**
2020	613,333	25,653
2021	613,334	10,994
Total principal payments	$ 1,226,667	
Total interest payments		$ 36,647

2. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a direct placement 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 because the public school property is pledged as collateral for the debt. 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%.

In the event of default, the bank may declare all indebtedness to be due and payable without notice.

For Catawba County, the future minimum payments as of June 30, 2019, including $1,822,800 of interest are:

	Governmental Activities	
	Principal	**Interest**
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	2,066,666	202,533
2025-2028	8,266,670	405,067
Total principal payments	$ 18,600,000	
Total interest payments		$ 1,822,800

3. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a direct borrowing 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 computer servers are pledged as collateral for the debt.

In the event of default, the Bank may declare the entire principal due and payable without notice or demand to 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, 2019, including $131 of interest are:

	Governmental Activities	
	Principal	**Interest**
2020	36,586	131
Total principal payments	$ 36,586	
Total interest payments		$ 131

4. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a $50,530,000 direct placement 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.

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 direct placement 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 because the community college and public high school property are pledged as collateral for the debt. 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.

In the case of default, the bank may declare that all unpaid principal components of the installment payments are due and payable without notice to the County.

For Catawba County, the future minimum payments as of June 30, 2019, including $3,902,008 of interest are:

	Governmental Activities	
	Principal	**Interest**
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	4,085,000	388,872
2025-2029	13,105,000	1,099,032
2030-2031	4,905,000	129,448
Total principal payments	$ 38,730,000	
Total interest payments		$ 3,902,008

c. Qualified Zone Academy Bonds

As authorized by State law (G.S. 160A-20), the County entered into a direct placement 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 because the property is pledged as collateral for the debt. 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.

In the event of default, the bank may declare the entire amount of outstanding installment payments due and payable without notice to the County.

For Catawba County, the future minimum payments as of June 30, 2019 are:

	Governmental Activities	
	Principal	**Interest**
2020	50,000	-
2021	50,000	-
2022	50,000	-
Total principal payments	$ 150,000	
Total interest payments		$ -

d. Qualified School Construction Bonds

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a direct placement 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 direct placement 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 because the property is pledged as collateral for the debt. 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 6.2%, or $68,827.37, 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, 2019 are $6,990,279.

2. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into a direct placement 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 because the property is pledged as collateral for the debt. 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 6.2%, or $22,256.64, 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, 2019 are $2,434,320.

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

The future minimum payments as of June 30, 2019, including $3,797,025 of interest at a rate that varies from 2% - 5% are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	2,814,819	294,683	410,181	42,942
2025-2028	4,988,120	439,810	726,881	64,090
Total principal payments	$ 19,581,536		$ 2,853,464	
Total interest payments		$ 3,314,088		$ 482,937

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 that 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, 2019, including $4,425,601 of interest are:

	Governmental Activities	
	Principal	**Interest**
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	1,185,000	454,244
2025-2029	5,925,000	1,420,981
2030-2031	2,360,000	177,000
Total principal payments	$ 14,210,000	
Total interest payments		$ 4,425,601

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, 2019, including $17,088,520 of interest are:

	Governmental Activities	
	Principal	**Interest**
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	1,965,000	1,366,238
2025-2029	9,790,000	5,360,063
2030-2034	9,750,000	2,977,813
2035-2039	9,720,000	936,955
Total principal payments	$ 39,085,000	
Total interest payments		$ 17,088,520

f. North Carolina Department of Commerce Loan
On April 22, 2013, the County entered into a direct borrowing 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 pledged County funds as collateral for the loan that is satisfactory to the lender and covers the property for the site development. The County is obligated to repay these funds over a seven-year period.

In the event of default, the County has 10 days to correct the default. If the default is not satisfied within that period, the lender may appoint a receiver to collect any associated revenue or take possession of the property.

The future minimum payments as of June 30, 2019, including $32,236 of interest at a rate of 2% are as follows:

	Governmental Activities	
	Principal	**Interest**
2020	530,192	21,420
2021	540,796	10,816
Total principal payments	$ 1,070,988	
Total interest payments		$ 32,236

Business-Type Activities
g. Installment Purchase

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

In the event of default, the bank may declare the unpaid principal and interest component of the installment payments immediately due and payable.

For Catawba County, the future minimum payments as of June 30, 2019, including $271,013 of interest are:

	Business-type Activities	
	Principal	**Interest**
2020	671,385	76,292
2021	683,537	64,140
2022	695,909	51,768
2023	708,505	39,172
2024	721,329	26,348
2025	734,384	13,293
Total principal payments	$ 4,215,049	
Total interest payments		$ 271,013

h. Federal Revolving Loan

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

In the case of default, the State of North Carolina may withhold other monies due to the County to pay any outstanding principal or interest due.

The future minimum payments as of June 30, 2019 are:

	Business-type Activities	
	Principal	Interest
2020	75,000	-
2021	75,000	-
2022	75,000	-
2023	75,000	-
2024	75,000	
2025-2029	375,000	-
2030	75,000	-
Total principal payments	$ 825,000	
Total interest payments		$ -

Bonds and Notes Outstanding at June 30, 2019 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	10,965,000	6,015,000	2.08%
Direct Placement Installment Purchases				
2006 installment purchase	Public school construction/renovation	9,200,000	1,226,667	2.39%
2013 installment purchase	Public school and community college construction/renovation, County animal shelter	31,000,000	18,600,000	1.96%
2015 installment purchase	Computer servers	570,000	36,586	1.43%
2016 installment purchase	Public school and community college construction/renovation, refunding	50,530,000	38,730,000	1.76%
Total installment purchases		91,300,000	58,593,253	
Direct Placement Qualifed Zone Academy Bonds	Public school construction/renovation	700,000	150,000	0.00%

Direct Placement 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	6,300,000	6,300,000	5.52% with 100% IRS subsidy
Total qualified school construction bonds		27,808,553	27,808,553	
Limited Obligation Bonds				
2011 LOB	Refunding debt for public schools, community college	41,995,366	19,581,536	2.00-5.00%
2014 LOB	Refunding debt for public schools, community college, new debt Justice Center	21,935,000	14,210,000	2.00-5.00%
2018 LOB	Public school and community college construction/renovations, County park, jail expansion	39,085,000	39,085,000	3.125-5.00%
Total limited obligation bonds		103,015,366	72,876,536	
Direct Borrowing NC Department of Commerce				
2013 Installment loan	Industrial site development	2,600,000	1,070,988	2.00%
Total Governmental Activities		236,388,919	166,514,330	
Business-type activities				
Direct Placement Installment Purchases				
2013 intallment purchase	Sewer line and pump station project	8,000,000	4,215,049	1.81%
Limited Obligation Bonds				
2011 LOB	Refunding debt for sanitary sewer	6,119,634	2,853,464	2.00-5.00%
Direct Borrowing Federal Revolving Loan				
2010 loan	Water improvements	3,000,000	825,000	0.00%
Total Business-type activities		17,119,634	7,893,513	

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, 2019:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities					
Certificates of participation	$ 7,115,000	$ -	$ (1,100,000)	$ 6,015,000	$ 1,075,000
Direct placement installment purchase	65,653,300	-	(7,060,047)	58,593,253	6,921,586
Direct placement Qualified Zone Academy Bonds	200,000	-	(50,000)	150,000	50,000
Direct placement Qualified School Const. Bond	27,808,553	-	-	27,808,553	-
Limited obligation bonds	77,592,061	-	(4,715,525)	72,876,536	6,100,105
Direct borrowing NC Department of Commerce	1,590,784	-	(519,796)	1,070,988	530,192
Premium on long-term debt	9,633,990	-	(754,940)	8,879,050	-
Compensated absences	4,516,233	3,347,615	(3,291,957)	4,571,891	3,291,957
Net pension liability (LGERS)	12,032,027	6,348,534	-	18,380,561	-
Total pension liability (LEOSSA)	3,715,011	102,849	-	3,817,860	-
Total OPEB liability	15,622,496	2,881,661	-	18,504,157	-
Total governmental activities	$ 225,479,455	$ 12,680,659	$ (17,492,265)	$ 220,667,849	$ 17,968,840

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	$ 10,731,541	$ 500,000	$ -	$ 11,231,541	$ 500,000
Compensated absences	108,794	81,227	(74,313)	115,708	74,313
Net pension liability (LGERS)	318,862	162,704	-	481,566	-
Total OPEB liability	416,026	75,764	-	491,790	-
Total Solid Waste Management	$ 11,575,223	$ 819,695	$ (74,313)	$ 12,320,605	$ 574,313

Water & Sewer					
Direct placement Installment purchase	$ 4,874,499	$ -	$ (659,450)	$ 4,215,049	$ 671,385
Limited obligation bonds	3,367,939	-	(514,475)	2,853,464	429,895
Direct borrowing federal revolving loan	900,000	-	(75,000)	825,000	75,000
Premium on long-term debt	133,065	-	(14,131)	118,934	-
Compensated absences	26,670	15,063	(10,906)	30,827	10,906
Net pension liability (LGERS)	17,709	11,835	-	29,544	-
Total OPEB liability	14,346	2,612	-	16,958	-
Total Water & Sewer	$ 9,334,228	$ 29,510	$ (1,273,962)	$ 8,089,776	$ 1,187,186
Total business-type activities	$ 20,909,451	$ 849,205	$ (1,348,275)	$ 20,410,381	$ 1,761,499

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 $3,291,957 for governmental activities and $85,219 for business-type activities. Net pension and other post-employment liabilities 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 $36,126,153 relates to assets the County holds title. Unexpended debt proceeds related to capital debt are $17,884,857 for governmental activities and $0 for business-type activities.

Net investment in capital assets for June 30, 2019 was calculated as follows:

	Governmental activities	Business-type activities
Capital assets	$ 139,105,513	$ 72,539,992
Long term debt outstanding	(166,514,330)	(7,893,513)
School debt for which County does not hold asset title	116,653,522	-
Premium on long term debt, net of school related debt	(4,638,309)	(118,934)
Deferred outflows, net of school related debt	488,108	33,051
Unexpended proceeds - net of school related debt	17,884,857	-
Total related debt	(36,126,152)	(7,979,396)
Net investment in capital assets	$ 102,979,361	$ 64,560,596

k. Legal Debt Margin
At June 30, 2019, Catawba County had a legal debt margin of $1,206,663,128.

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 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, 2019 were $300,000.

Catawba Valley Medical Center

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 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 Series 2010 Bonds.

Total 2016A Hospital Refunding Bonds outstanding at June 30, 2019 were $23,894,008. Total 2016B Hospital Refunding Bonds outstanding at June 30, 2019 were $13,662,004.

On January 1, 2019, the Hospital converted the Series 2016 A Bonds from a variable interest rate to a fixed interest rate of 4.12%. Prior to the conversion on January 1, 2019, the Series 2016 A Bonds had an interest rate equal to LIBOR.

m. Catawba Valley Medical Center Capital Lease Obligations

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, 2019, assets under capital leases had a cost of $380,618 and accumulated amortization of $59,609. During 2019, amortization expense related to the capital lease was approximately $585,000 and is included in depreciation expense on the combined statement of revenues, expenses, and changes in net assets.

The present value of minimum lease payments at June 30, 2019 was $295,378.

n. 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.

(continued on next page)

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019, consist of the following:

General Fund	
From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	3,183,176
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	518,242
From the General fund to the Water & Sewer fund for the payment of debt service and other expenses	1,675,000
From the General fund to the Solid Waste Management fund for insurance settlements	19,984
Subtotal General Fund	5,896,402
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 Reserve fund to the General Capital Fund for economic projec	407,378
From the School Capital Projects fund to the General fund to supplement funds for debt service	50,000
Subtotal Other Governmental Funds	957,378
Total transfers to other funds	$ 6,853,780

(continued on next page)

D. Fund Balance

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

	Major Funds		Non Major Funds	
	General Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Inventories	$ 310,198	$ -	$ -	$ 310,198
Prepaid	595,103	-	-	595,103
Notes receivable	930,261	-	-	930,261
Restricted:				
Stabilization by State Statute	17,310,522	20,015,463	1,994,509	39,320,494
Register of Deeds	46,265	-	-	46,265
Public Safety	-	-	1,282,323	1,282,323
Fire Protection	-	-	1,881,139	1,881,139
Debt Service	15,552,488	-	-	15,552,488
Social Services	245,354			245,354
Library Endowment	-	-	199,878	199,878
Scholarship	-	-	56,815	56,815
Parks Preservation	-	-	5,515	5,515
Community Development	-	-	4,408	4,408
General Capital	-	17,884,858	-	17,884,858
School Capital and Construction	-	-	6,066,675	6,066,675
Hospital Capital	-	-	3,728,084	3,728,084
Committed:				
Tax Reappraisal	94,005	-	-	94,005
General Capital	-	2,462,695	-	2,462,695
School Capital	-	-	6,791,275	6,791,275
School Construction	-	-	8,877,798	8,877,798
Assigned:				
Public Health	572,272	-	-	572,272
Social Services	3,434,388	-	-	3,434,388
County Manager	251,336	-	-	251,336
Human Resources	210,196	-	-	210,196
Library	515,113	-	-	515,113
Subsequent year's expenditures	7,606,196	-	-	7,606,196
Unassigned	41,970,308	-	-	41,970,308
Total fund balances	$ 89,644,005	$ 40,363,016	$ 30,888,419	$ 160,895,440

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	**$89,644,005**
Less:	
Inventories	310,198
Prepaid	595,103
Notes receivable	930,261
Stabilization by State Statute	17,310,522
Fund Balance Available	70,497,921

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	$ 2,222,001	$ 19,652,407	$ 12,320	$ 7,095,127

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 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 $21,064,079 are outstanding at June 30, 2019. The County made debt service payments of $2,611,912 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 $4,400,000 and $6,311,849 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. 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, 2019. 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 funding as specific goals are met and certain

programs are implemented. The County contributed $1,387,084 to K-64 during the fiscal year ended June 30, 2019.

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 $31,000 to the Lake Norman Marine Commission for operating expenses during the fiscal year ended June 30, 2019. 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 $669,406 at June 30, 2019. 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 $50,869 to the Council during the fiscal year ended June 30, 2019.

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.

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, 2019*

	2019	2018
Total OPEB Liability		
Service Cost	$ 810,810	$ 878,210
Interest	560,351	466,530
Changes of benefit terms	-	-
Differences between expected and actual experience	1,339,405	703,309
Changes of assumptions	880,348	(958,259)
Benefit payments	(630,877)	(1,064,618)
Net change in total OPEB liability	2,960,037	25,172
Total OPEB liability - beginning	16,052,868	16,027,696
Total OPEB liability - ending	$ 19,012,905	$ 16,052,868
Covered-employee payroll	$ 48,146,318	$ 45,889,403
Total OPEB liability as a percentage of covered-employee payroll	39.49%	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:

Fiscal Year	Rate
2019	3.89%
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

CATAWBA COUNTY

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

	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) %	0.79633%	0.80961%	0.83854%	0.81784%	0.82375%
County's proportionate share of the net pension liability (asset)	$ 18,891,671	$ 12,368,598	$ 17,796,628	$ 3,670,431	$ (4,858,036)
County's covered payroll	$ 50,767,144	$ 50,968,956	$ 48,079,853	$ 47,791,623	$ 46,741,190
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.21%	24.27%	37.01%	7.68%	10.39%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%

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

	2014
County's proportion of the net pension liability (asset) %	0.84060%
County's proportionate share of the net pension liability (asset)	$ 10,132,458
County's covered payroll	$ 46,158,989
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.95%
Plan fiduciary net position as a percentage of the total pension liability	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 Six Fiscal Years*

	2019	2018	2017	2016	2015
Contractually required contribution	$ 4,145,168	$ 3,946,861	$ 3,798,830	$ 3,272,052	$ 3,386,383
Contributions in relation to the contractually required contribution	4,145,168	3,946,861	3,798,830	3,272,052	3,386,383
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 51,972,953	$ 50,767,144	$ 50,968,956	$ 48,079,853	$ 47,791,623
Contributions as a percentage of covered payroll	7.98%	7.77%	7.45%	6.81%	7.09%

*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 Six Fiscal Years*

	2014
Contractually required contribution	$ 3,317,023
Contributions in relation to the contractually required contribution	3,317,023
Contribution deficiency (excess)	$ -
County's covered payroll	$ 46,741,190
Contributions as a percentage of covered payroll	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 Six Fiscal Years*

	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) %	1.61832%	1.64463%	1.68672%	1.65814%	1.61440%
County's proportionate share of the net pension liability (asset)	$ (268,042)	$ (280,722)	$ (315,346)	$ (384,257)	$ (365,928)
County's covered payroll	$ 94,480	$ 95,104	$ 89,954	$ 86,722	$ 83,768
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(283.70%)	(295.17%)	(350.56%)	(443.09%)	(436.84%)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

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

		2014
County's proportion of the net pension liability (asset) %		1.59029%
County's proportionate share of the net pension liability (asset)	$	(339,686)
County's covered payroll	$	75,798
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		(448.15%)
Plan fiduciary net position as a percentage of the total pension liability		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 Six Fiscal Years*

	2019	2018	2017	2016	2015
Contractually required contribution	$ 14,772	$ 12,629	$ 14,289	$ 13,779	$ 13,268
Contributions in relation to the contractually required contribution	14,772	12,629	14,289	13,779	13,268
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 98,647	$ 94,480	$ 95,104	$ 88,954	$ 86,722
Contributions as a percentage of covered payroll	14.97%	13.37%	15.02%	15.49%	15.30%

*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 Six Fiscal Years*

		2014
Contractually required contribution	$	13,181
Contributions in relation to the contractually required contribution		13,181
Contribution deficiency (excess)	$	-
County's covered payroll	$	83,768
Contributions as a percentage of covered payroll		15.74%

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

Schedule of Changes in Total Pension Liability and Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officer's Special Separation Allowance
For the Year Ended June 30, 2019

	2019	2018	2017
Total pension liability - beginning	$ 3,715,011	$ 3,344,006	$ 3,245,785
Service cost at end of year	194,334	170,110	171,342
Interest on the total pension liability	115,531	127,178	114,108
Changes in benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	77,270	(92,418)	-
Changes of assumptions or other inputs	(166,363)	264,596	(88,280)
Benefit payments	(117,923)	(98,461)	(98,949)
Other changes	-	-	-
Net changes	102,849	371,005	98,221
Total pension liability - ending	$ 3,817,860	$ 3,715,011	$ 3,344,006
Covered-employee payroll	7,131,126	6,979,639	6,548,828
Total pension liability as percentage of covered-employee payroll	53.54%	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] Changes in actuarial assumptions or other inputs:
December 31, 2018 Measurement Date: The Municipal Bond Index Rate increased from 3.16% to 3.64%.
December 31, 2017 Measurement Date: The Municipal Bond Index Rate decreased from 3.86% to 3.16%.
December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

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

Financial Statements of Individual Funds

General Fund

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
REVENUES				
Ad Valorem Taxes				
Current year taxes	94,194,674	97,751,125		
Prior year taxes	765,143	1,195,939		
Penalties and interest	651,000	719,186		
Tax leased vehicles and equipment	175,000	222,714		
Total ad valorem taxes	95,785,817	99,888,964	4,103,147	96,118,691
Other Taxes				
Local Option Sales Taxes				
Article 39 (1%)	14,569,886	15,284,901		
Article 40 (1/2%)	7,618,233	8,265,541		
Article 42 (1/2%)	3,395,688	3,585,048		
Article 44 (1/2%)	-	1,465		
Article 46 (1/4%)	5,061,709	5,148,211		
Medicaid Hold Harmless	-	215,707		
Subtotal local option sales taxes	30,645,516	32,500,873	1,855,357	30,915,493
Other Taxes and Licenses				
Real estate excise stamps	681,175	796,264		
ABC 5 cents per bottle	53,750	55,234		
Privilege licenses	-	5,015		
Subtotal other taxes and licenses	734,925	856,513	121,588	887,700
Total other taxes	31,380,441	33,357,386	1,976,945	31,803,193
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	370,000	369,219		
Video Programming fees	608,000	570,055		
Catawba County ABC profit distribution	936,250	920,419		
Total unrestricted intergovernmental revenues	1,914,250	1,859,693	(54,557)	1,895,660
Restricted Intergovernmental Revenues				
State grants	7,097,961	5,824,736		
Federal grants	15,172,008	14,568,859		
State and federal grants shared	11,381,647	6,529,983		
Local/Other	7,121,727	5,624,197		
Total restricted intergovernmental revenues	40,773,343	32,547,775	(8,225,568)	31,920,786
Permits and Fees				
Building permits	2,291,455	2,075,400		
Register of deeds	841,500	843,246		
Environmental health fees	290,000	322,164		
Other permits and fees	379,784	407,754		
Total permits and fees	3,802,739	3,648,564	(154,175)	3,545,784
Sales and Services				
Human resources services	1,020,310	897,822		
Services to municipalities	474,011	490,749		

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Ambulance services	5,693,944	5,867,303		
Other sales and services	787,385	423,709		
Total sales and services	7,975,650	7,679,583	(296,067)	7,789,214
Investment Earnings	651,000	2,441,202	1,790,202	360,151
Miscellaneous				
Rental fees	32,062	32,512		
Donations and local grants	358,471	367,885		
Insurance premiums	2,375,000	2,441,899		
Other	285,766	416,154		
Total miscellaneous	3,051,299	3,258,450	207,151	3,188,139
Total revenues	185,334,539	184,681,617	(652,922)	176,621,618
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	111,639	112,159		
Other operating	93,650	86,671		
	205,289	198,830	6,459	191,101
Administration				
County Manager				
Salaries & employee benefits	1,012,936	1,036,416		
Other operating	42,472	37,243		
Non-operating	251,049	-		
	1,306,457	1,073,659	232,798	989,630
Legal Services				
Salaries & employee benefits	377,838	374,091		
Other operating	32,898	28,823		
	410,736	402,914	7,822	388,174
Budget				
Salaries & employee benefits	212,586	210,272		
Other operating	13,850	5,452		
	226,436	215,724	10,712	204,883
Total Administration	1,943,629	1,692,297	251,332	1,582,687
Tax Administration				
Tax Assessor				
Salaries & employee benefits	620,946	601,063		
Other operating	219,146	205,575		
Non-operating tax refunds	2,000	20		
	842,092	806,658	35,434	960,296

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Tax Collector				
Salaries & employee benefits	578,115	555,207		
Other operating	499,660	445,877		
	1,077,775	1,001,084	76,691	949,517
Total Tax Administration	1,919,867	1,807,742	112,125	1,909,813
Board of Elections				
Salaries & employee benefits	355,017	351,434		
Other operating	159,884	144,540		
Capital outlay	37,000	36,652		
	551,901	532,626	19,275	576,647
Human Resources				
Human Resources				
Salaries & employee benefits	667,654	650,822		
Other operating	214,700	205,210		
Non-operating	183,552	-		
	1,065,906	856,032	209,874	808,780
Recruitment				
Salaries & employee benefits	79,642	79,493		
Other operating	13,150	13,136		
	92,792	92,629	163	87,540
Risk Management				
Salaries & employee benefits	162,765	172,070		
Other operating	17,933	15,230		
	180,698	187,300	(6,602)	168,809
Total Human Resources	1,339,396	1,135,961	203,435	1,065,129
Register of Deeds				
Salaries & employee benefits	657,250	645,498		
Other operating	373,566	254,533		
	1,030,816	900,031	130,785	811,707
Finance				
Administration and Accounting				
Salaries & employee benefits	930,963	886,755		
Other operating	236,405	223,028		
	1,167,368	1,109,783	57,585	1,062,927
Purchasing				
Salaries & employee benefits	282,068	259,075		
Other operating	35,978	31,193		
	318,046	290,268	27,778	302,456
Total Finance	1,485,414	1,400,051	85,363	1,365,383

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	11,816	5,520		
	11,816	5,520	6,296	8,855
Other Government Costs				
Salaries & employee benefits	141,829	32,595		
Other operating	714,565	565,224		
	856,394	597,819	258,575	620,263
Self Insurance				
Wellness	302,125	303,759		
Premiums	3,504,779	3,482,866		
Liability	669,950	664,249		
Workers Compensation	535,550	453,303		
	5,012,404	4,904,177	108,227	3,463,471
Total Other General Government Programs	5,880,614	5,507,516	373,098	4,092,589
Total General Government	14,356,926	13,175,054	1,181,872	11,595,056
Public Safety				
Sheriff and Law Enforcement				
Administration and Law Enforcement				
Salaries & employee benefits	4,885,594	4,862,965		
Other operating	1,226,504	1,083,835		
Capital outlay	635,409	577,195		
	6,747,507	6,523,995	223,512	6,353,308
Catawba Valley Community College - Resource Officers				
Salaries & employee benefits	197,457	196,764		
Other operating	3,000	3,000		
	200,457	199,764	693	189,196
School Resource Officers				
Salaries & employee benefits	815,149	798,789		
Other operating	39,600	39,600		
	854,749	838,389	16,360	790,627
Records				
Salaries & employee benefits	290,984	286,290		
Other operating	19,845	20,102		
	310,829	306,392	4,437	327,918
Narcotics				
Salaries & employee benefits	594,479	588,807		
Other operating	87,914	78,615		
	682,393	667,422	14,971	757,094

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Detectives				
Salaries & employee benefits	949,182	946,603		
Other operating	105,263	93,635		
	1,054,445	1,040,238	14,207	953,164
Lake Norman Water Patrol				
Salaries & employee benefits	284,780	270,426		
Other operating	38,985	33,427		
Capital outlay	76,405	42,414		
	400,170	346,267	53,903	440,443
Court Security				
Salaries & employee benefits	868,293	859,058		
Other operating	12,000	12,000		
	880,293	871,058	9,235	754,300
Newton Detention Center				
Salaries & employee benefits	3,922,447	3,873,645		
Other operating	1,521,650	1,381,983		
	5,444,097	5,255,628	188,469	4,795,668
Prisoner Food Services				
Other operating	504,100	450,404		
Capital outlay	19,000	-		
	523,100	450,404	-	457,896
District Confinement Facility				
Other operating	1,287,000	1,287,000		
	1,287,000	1,287,000	-	1,260,000
Total Sheriff and Law Enforcement	18,385,040	17,786,557	525,787	17,079,614
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	312,594	304,506		
Other operating	1,150,802	292,844		
	1,463,396	597,350	866,046	1,135,663
Veterans Services				
Salaries & employee benefits	114,261	112,970		
Other operating	9,200	6,933		
	123,461	119,903	3,558	114,345
Fire Marshal				
Salaries & employee benefits	259,625	246,743		
Other operating	33,265	25,721		
	292,890	272,464	20,426	287,178

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Emergency Medical Services				
Salaries & employee benefits	7,728,011	7,720,015		
Other operating	1,749,785	1,621,591		
Capital outlay	993,890	991,791		
	10,471,686	10,333,397	138,289	9,781,905
Animal Control				
Salaries & employee benefits	358,737	342,920		
Other operating	46,420	31,776		
	405,157	374,696	30,461	353,531
Animal Shelter				
Other operating	550,000	547,700		
	550,000	547,700	2,300	554,199
Total Emergency Services	13,306,590	12,245,510	1,061,080	12,226,821
Communication Center				
Salaries & employee benefits	1,793,872	1,736,184		
Other operating	202,975	173,037		
	1,996,847	1,909,221	87,626	1,773,187
Other Public Safety				
Other operating	239,665	191,159	48,506	204,961
Total Public Safety	33,928,142	32,132,447	1,722,999	31,284,583
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	82,555	61,931		
Other operating	347,164	325,193		
	429,719	387,124	42,595	366,006
Soil & Water Conservation				
Salaries & employee benefits	152,681	151,703		
Other operating	8,395	8,241		
	161,076	159,944	1,132	158,455
Forest Ranger				
Other operating	70,894	60,057	10,837	57,108
Total Environmental Protection	661,689	607,125	54,564	581,569
Economic and Physical Development				
Technology				
Information Technology Center				
Salaries & employee benefits	2,047,126	1,975,970		
Other operating	1,994,258	1,894,769		
	4,041,384	3,870,739	170,645	3,260,119

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Geospatial Information Services				
Salaries & employee benefits	449,045	442,251		
Other operating	76,633	69,187		
	525,678	511,438	14,240	374,116
Total Technology	4,567,062	4,382,177	184,885	3,634,235
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	453,062	453,336		
Other operating	81,325	67,383		
	534,387	520,719	13,668	521,035
County Parks				
Salaries & employee benefits	377,450	358,485		
Other operating	93,122	63,618		
Capital outlay	49,000	42,909		
	519,572	465,012	54,560	424,477
Other Economic and Physical Development				
Other operating	7,472,450	6,190,456	1,281,994	5,843,600
Total Economic Development and Planning	8,526,409	7,176,187	1,350,222	6,789,112
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	156,461	113,824		
Other operating	23,317	13,846		
	179,778	127,670	52,108	173,756
Building Inspection				
Salaries & employee benefits	1,281,373	1,274,365		
Other operating	347,879	344,052		
Capital outlay	62,316	61,885		
	1,691,568	1,680,302	11,266	1,601,474
Permit Center				
Salaries & employee benefits	347,847	312,154		
Other operating	46,715	42,002		
	394,562	354,156	40,406	371,307
Plan Review				
Salaries & employee benefits	391,804	298,029		
Other operating	21,274	17,750		
	413,078	315,779	97,299	346,244
Local Code Compliance				
Salaries & employee benefits	63,651	63,125		
Other operating	15,038	7,514		
	78,689	70,639	8,050	71,779

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Total Utilities & Engineering	2,757,675	2,548,546	209,129	2,564,560
Facilities Division				
Construction Manager				
Salaries & employee benefits	119,022	118,837		
Other operating	3,400	1,628		
	122,422	120,465	1,957	115,016
Garage				
Salaries & employee benefits	262,743	260,975		
Other operating	329,525	314,665		
	592,268	575,640	16,628	514,454
General maintenance				
Salaries & employee benefits	703,062	702,937		
Other operating	73,175	69,202		
Capital outlay	118,461	112,182		
	894,698	884,321	10,377	739,369
General Buildings				
Other operating	583,250	532,099		
	583,250	532,099	51,151	482,981
Justice Buildings				
Other operating	1,137,570	1,040,294		
	1,137,570	1,040,294	97,276	1,066,358
Library Buildings				
Other operating	117,808	98,125		
	117,808	98,125	19,683	84,053
Leased Buildings				
Other operating	33,200	31,159		
	33,200	31,159	2,041	31,429
Social Services Buildings				
Other operating	66,864	59,033		
	66,864	59,033	7,831	59,140
Public Health Buildings				
Other operating	33,360	33,301		
	33,360	33,301	59	40,580
Family Services Center				
Other operating	13,660	10,230		
	13,660	10,230	3,430	9,549

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Street Signs				
Other operating	19,784	17,956		
	19,784	17,956	1,828	13,994
Total Facilities Division	3,614,884	3,402,623	212,261	3,156,923
Total Economic & Physical Development	19,466,030	17,509,533	1,956,497	16,144,830
Human Services				
Medical Examiner				
Other operating	223,500	100,900		
	223,500	100,900	122,600	164,650
Mental Health Services				
General Administration				
Partners Behavioral Health Management	640,000	648,338		
	640,000	648,338	(8,338)	643,753
Social Services Department				
Administration				
Salaries & employee benefits	1,277,022	1,183,836		
Other operating	956,140	940,936		
Non-operating	3,512,904	-		
	5,746,066	2,124,772	3,621,294	2,103,254
CQI Quality Team				
Salaries & employee benefits	669,200	646,446		
Other operating	3,500	(12)		
	672,700	646,434	26,266	674,583
Child Protective Services Investigations				
Salaries & employee benefits	3,297,471	3,336,102		
Other operating	333,927	329,678		
Social Services assistance	1,000	97		
	3,632,398	3,665,877	(33,479)	3,325,744
Department of Human Resources Teams				
Salaries & employee benefits	161,646	139,764		
Other operating	6,466	5,867		
Social Services assistance	1,000	8		
	169,112	145,639	23,473	242,778
Children's Day Care				
Salaries & employee benefits	374,284	368,476		
Other operating	3,777	2,776		
	378,061	371,252	6,809	359,183

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Early Childhood Development				
Other operating	-	-		
	-	-	-	140,151
Prevention Management				
Other operating	-	-		
	-	-	-	212
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	37,566	26,237		
Other operating	800	151		
Social Services assistance	15,000	15,000		
	53,366	41,388	11,978	50,915
Family Children Teams / Family Preservation				
Salaries & employee benefits	3,582,518	3,644,385		
Other operating	40,609	40,609		
Social Services assistance	51,500	9,325		
	3,674,627	3,694,319	(19,692)	3,406,125
Duke Endowment Family Children Project				
Salaries & employee benefits	485,509	452,036		
Other operating	58,471	51,815		
Social Services assistance	12,400	6,483		
	556,380	510,334	46,046	533,127
QIC/AIG Grant				
Salaries & employee benefits	17,054	15,778		
Other operating	20,630	6,626		
Social Services assistance	-	103		
	37,684	22,507	15,177	76,394
Teen Up				
Salaries & employee benefits	118,926	88,812		
Other operating	4,546	3,336		
Social Services assistance	43,000	26,250		
	166,472	118,398	48,074	228,457
Community Services Block Grant				
Salaries & employee benefits	203,042	180,557		
Other operating	4,100	5,135		
Social Services assistance	1,000	12,007		
	208,142	197,699	10,443	373,566
Adoptions				
Salaries & employee benefits	1,466,695	1,465,024		
Other operating	17,806	19,718		
Social Services assistance	53,000	18,577		
	1,537,501	1,503,319	34,182	1,432,292

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Post Adoption State Region				
Salaries & employee benefits	237,941	238,031		
Other operating	5,082	6,155		
Social Services assistance	10,780	10,035		
	253,803	254,221	(418)	229,044
Child Advocacy				
Salaries & employee benefits	431,798	426,809		
Other operating	27,723	7,093		
Social Services assistance	500	-		
	460,021	433,902	26,119	415,869
FamilyNet Administration				
Salaries & employee benefits	262,336	237,538		
Other operating	156,411	117,225		
Social Services assistance	3,500	169		
	422,247	354,932	67,315	404,163
FamilyNet In-home Services				
Salaries & employee benefits	684,072	630,678		
Other operating	21,579	17,536		
	705,651	648,214	57,437	748,391
FamilyNet ECST				
Salaries & employee benefits	451,291	430,955		
Other operating	51,857	55,129		
	503,148	486,084	17,064	328,763
Work First				
Salaries & employee benefits	353,905	352,183		
Other operating	615,086	357,566		
Social Services assistance	537,970	569,564		
	1,506,961	1,279,313	227,648	1,175,622
Office Juvenile Justice Girls Program				
Other operating	34,650	7,921		
	34,650	7,921	26,729	27,153
Administration Group Homes				
Salaries & employee benefits	973,968	913,242		
Other operating	43,988	43,179		
	1,017,956	956,421	61,535	1,036,661
Girls Program				
Other operating	34,650	28,666		
Capital outlay	19,000	-		
	53,650	28,666	24,984	24,490

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Boys Program				
Other operating	37,150	35,069		
	37,150	35,069	2,081	32,760
Office Juvenile Justice Boys Program				
Other operating	45,550	33,566		
	45,550	33,566	11,984	37,212
Adult Services				
Other operating	87,409	49,268		
Social Services assistance	203,585	227,309		
	290,994	276,577	14,417	527,379
Adult Social Work				
Salaries & employee benefits	1,515,551	1,404,288		
Other operating	69,296	45,419		
Social Services assistance	16,000	14,748		
	1,600,847	1,464,455	136,392	1,663,597
Medicaid Administration				
Salaries & employee benefits	1,333,909	1,321,151		
Other operating	6,554	5,614		
	1,340,463	1,326,765	13,698	1,227,976
Transportation				
Salaries & employee benefits	572,117	569,653		
Other operating	55,189	65,225		
Capital outlay	106,500	104,806		
	733,806	739,684	(5,878)	654,029
Nutrition				
Salaries & employee benefits	419,388	443,466		
Other operating	450,577	408,977		
Social Services assistance	483,781	437,399		
	1,353,746	1,289,842	63,904	1,052,510
Public Assistance Administration				
Salaries & employee benefits	1,689,894	1,633,877		
Other operating	37,131	35,179		
	1,727,025	1,669,056	57,969	1,659,217
Food Stamps				
Salaries & employee benefits	1,751,992	1,708,966		
Other operating	71,689	90,784		
	1,823,681	1,799,750	23,931	1,805,252
Child Support				
Salaries & employee benefits	1,373,567	1,337,531		
Other operating	236,831	253,781		
	1,610,398	1,591,312	19,086	1,581,010

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
General Assistance				
Other operating	286,000	165,405		
Social Services assistance	135,000	136,685		
	421,000	302,090	118,910	210,160
Public Assistance Payments				
Social Services assistance	1,220,061	948,571		
	1,220,061	948,571	271,490	1,059,921
Children's Purchase Services				
Social Services assistance	11,002,819	4,511,008		
	11,002,819	4,511,008	6,491,811	4,087,933
Total Social Services	44,998,136	33,479,357	11,518,779	32,935,893
Public Health Department				
Health Administration				
Salaries & employee benefits	768,225	733,775		
Other operating	243,800	234,085		
Capital Outlay	18,776	18,178		
	1,030,801	986,038	44,763	1,086,510
Environmental Health				
Salaries & employee benefits	1,105,919	1,070,433		
Other operating	146,242	135,644		
	1,252,161	1,206,077	46,084	1,117,992
Maternal Health				
Salaries & employee benefits	-	-		
Other operating	142,732	132,898		
	142,732	132,898	9,834	136,430
Pregnancy Care Management				
Salaries & employee benefits	365,558	362,210		
Other operating	10,411	7,042		
	375,969	369,252	6,717	357,956
Laboratory				
Salaries & employee benefits	86,329	85,424		
Other operating	38,285	25,325		
	124,614	110,749	13,865	100,809
Child Health - Smart Start				
Salaries & employee benefits	164,833	162,812		
Other operating	25,180	21,216		
	190,013	184,028	5,985	168,537

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Care Coordination for Children				
Salaries & employee benefits	370,416	336,919		
Other operating	14,443	9,590		
	384,859	346,509	38,350	365,428
School Nurse Fund Initiative				
Salaries & employee benefits	1,660,068	1,629,853		
Other operating	98,797	90,715		
	1,758,865	1,720,568	38,297	1,713,952
Dental Health				
Other operating	10,100	7,476		
	10,100	7,476	2,624	8,845
Bioterrorism Grant				
Salaries & employee benefits	63,060	62,401		
Other operating	5,150	4,345		
	68,210	66,746	1,464	61,927
OBCM Grant				
Salaries & employee benefits	69,390	69,687		
Other operating	4,789	2,713		
	74,179	72,400	1,779	-
Healthy People/Carolinas				
Salaries & employee benefits	68,544	53,181		
Other operating	215,049	199,603		
	283,593	252,784	30,809	228,564
Clinical Services				
Salaries & employee benefits	1,690,218	1,585,363		
Other operating	673,257	567,239		
	2,363,475	2,152,602	210,873	1,990,334
Women Infants Children Program				
Salaries & employee benefits	923,394	903,509		
Other operating	79,081	75,335		
	1,002,475	978,844	23,631	957,577
Total Public Health	9,062,046	8,586,971	473,296	8,294,861
Total Human Services	54,923,682	42,815,566	12,106,337	42,039,157
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	1,136,564	1,095,884		
Other operating	409,123	365,178		
Capital outlay	3,738	3,738		
Non-operating	307,791	-		

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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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
	1,857,216	1,464,800	392,416	1,501,497
Pop Up Library				
Salaries & employee benefits	74,548	48,958		
Other operating	21,418	22,830		
	95,966	71,788	-	134,503
Sherrills Ford Branch				
Salaries & employee benefits	270,121	262,208		
Other operating	74,583	60,181		
	344,704	322,389	22,315	310,450
Maiden Branch				
Salaries & employee benefits	88,077	50,120		
Other operating	32,900	20,971		
	120,977	71,091	49,886	107,908
St. Stephens Branch				
Salaries & employee benefits	273,005	267,938		
Other operating	89,901	76,580		
	362,906	344,518	18,388	342,733
Southwest Branch Library				
Salaries & employee benefits	152,241	157,713		
Other operating	112,273	98,116		
	264,514	255,829	8,685	236,239
Conover Branch Library				
Salaries & employee benefits	111,000	98,200		
Other operating	24,748	15,936		
	135,748	114,136	21,612	100,724
Claremont Branch Library				
Salaries & employee benefits	46,857	45,904		
Other operating	18,475	9,353		
	65,332	55,257	10,075	57,602
Total County Library	3,247,363	2,699,808	523,377	2,791,656
Arts-Administration				
Other operating	609,361	609,361	-	598,364
Other Cultural				
Other operating	415,000	291,578	123,422	-
Total Culture and Recreation	4,271,724	3,600,747	670,977	3,390,020

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CATAWBA COUNTY, NORTH CAROLINA

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			
	Final Budget	**Actuals**	**Over/Under**	**Actual Prior Year**
Education				
Current expense				
Catawba County Schools	27,028,917	27,028,917		
Hickory Public Schools	6,830,109	6,830,109		
Newton-Conover City Schools	5,033,232	5,033,232		
Catawba Valley Community College	4,400,000	4,400,000		
K64 Initiative	1,387,084	1,387,084		
Total Education	44,679,342	44,679,342	-	43,331,107
Debt Service				
Principal retirement	13,452,532	13,445,368		
Sinking fund payments	1,836,800	1,836,712		
Interest and other charges	4,826,039	4,826,204		
Total Debt Service	20,115,371	20,108,284	7,087	19,192,039
Total expenditures	192,402,906	174,628,098	17,700,333	167,558,361
Revenues over (under) expenditures	(7,068,367)	10,053,519	17,121,886	9,063,257
Other financing sources (uses)				
Transfers from				
Hospital Capital Reserve	500,000	500,000	-	500,000
General Capital Projects Fund	-	-	-	12,500
School Capital Fund	50,000	50,000	-	50,000
Transfers to				
Reappraisal Fund	(417,432)	(417,432)	-	(400,000)
Emergency Telephone System	-	-	-	(993)
State Substance Abuse Fund	-	-	-	(23,654)
Library Endowment Fund	-	-	-	(7,625)
General Capital Projects Fund	(3,183,176)	(3,183,176)	-	(4,052,770)
School Capital Fund	(500,000)	(500,000)	-	(500,000)
School Construction Fund	(518,242)	(518,242)	-	(832,819)
Water and Sewer Construction Fund	-	-	-	(1,650,000)
Water and Sewer Fund	(1,675,000)	(1,675,000)	-	-
Solid Waste Management Fund	(19,984)	(19,984)	-	(3,489)
Bonds issued	-	-	-	224,706
Premium on bonds issued	-	-	-	153,586
Fund Balance appropriated	12,832,201	-	(12,832,201)	-
Total other financing sources (uses)	7,068,367	(5,763,834)	(12,832,201)	(6,530,558)
Net change in fund balance	-	4,289,685	4,289,685	2,532,699
Fund Balances - Beginning of Year		83,599,739		
Fund Balances - End of Year		87,889,424		

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Tax Reappraisal Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	$ -	$ 10,345	$ 10,345	$ 3,644
Total revenues	-	10,345	10,345	3,644
Expenditures				
Current				
General government				
Salaries & employee benefits	409,408	394,961	14,447	
Other operating	96,454	75,710	20,744	
Total expenditures	505,862	470,671	35,191	438,322
Excess of revenues over (under) expenditures	(505,862)	(460,326)	45,536	(434,678)
Other Financing Sources (Uses)				
Transfers from				
General Fund	417,432	417,432	-	400,000
Fund balance appropriated	88,430	-	(88,430)	-
Total other financing sources (uses)	505,862	417,432	(88,430)	400,000
Net change in fund balance	$ -	(42,894)	$ (42,894)	(34,678)
Fund Balances - Beginning of Year		142,759		177,437
Fund Balances - End of Year		$ 99,865		$ 142,759

General Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	$ -	$ -	$ -	$ 1,997
Total revenues	-	-	-	1,997
Expenditures				
Other operating	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	1,997
Other Financing Sources (Uses)				
Transfer to General Capital Fund	(407,378)	(407,378)	-	-
Fund Balance appropriated	407,378	-	(407,378)	-
Total other financing sources (uses)	-	(407,378)	(407,378)	-
Net change in fund balance	$ -	(407,378)	$ (407,378)	1,997
Fund Balances - Beginning of Year		407,378		405,381
Fund Balances - End of Year		$ -		$ 407,378

Combining Statements for Nonmajor Funds

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	$ 3,501,519	$ 20,199,958	$ 23,701,477
Taxes receivable - net	93,199	-	93,199
Due from other governments	221,026	1,680,455	1,901,481
Interest receivable	11,662	69,046	80,708
Restricted cash and investments	-	6,066,675	6,066,675
Total assets	3,827,406	28,016,134	31,843,540
Liabilities			
Accounts payable and accrued liabilities	66,004	790,481	856,485
Total liabilities	66,004	790,481	856,485
Deferred Inflows of Resources			
Taxes receivable	93,199	-	93,199
Prepaid taxes	5,437	-	5,437
Total deferred inflows of resources	98,636	-	98,636
Fund Balances			
Restricted			
Stabilization by State Statute	232,688	1,761,821	1,994,509
Public Safety	1,282,323	-	1,282,323
Fire Protection	1,881,139	-	1,881,139
Library Endowment	199,878	-	199,878
Scholarship	56,815	-	56,815
Parks Preservation	5,515	-	5,515
Community Development	4,408		4,408
School Construction	-	6,066,675	6,066,675
Hospital Capital	-	3,728,084	3,728,084
Committed			
School Capital	-	6,791,275	6,791,275
School Construction	-	8,877,798	8,877,798
Unassigned	-	-	-
Total fund balances	3,662,766	27,225,653	30,888,419
Total liabilities, deferred inflows of resources and fund balances	$ 3,827,406	$ 28,016,134	$ 31,843,540

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	$ 8,128,872	$ -	$ 8,128,872
Other taxes	-	5,377,572	5,377,572
Restricted intergovernmental revenues	1,136,822	-	1,136,822
Investment earnings	119,022	777,500	896,522
Total revenues	9,384,716	6,155,072	15,539,788
Expenditures			
Current			
Public safety	8,509,059	-	8,509,059
Economic and physical development	109,751	-	109,751
Culture and recreation	2,767	-	2,767
Capital outlay	-	20,837,671	20,837,671
Total expenditures	8,621,577	20,837,671	29,459,248
Excess of revenues over (under) expenditures	763,139	(14,682,599)	(13,919,460)
Other Financing Sources (Uses)			
Transfers from other funds	-	1,018,242	1,018,242
Transfers to other funds	-	(550,000)	(550,000)
Total other financing sources (uses)	-	468,242	468,242
Net change in fund balance	763,139	(14,214,357)	(13,451,218)
Fund Balances - Beginning of Year	2,899,627	41,440,010	44,339,637
Fund Balances - End of Year	$ 3,662,766	$ 27,225,653	$ 30,888,419

CATAWBA COUNTY

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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.

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	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	$ 631,762	$ 94,066	$ 139,621	$ 479,569	$ 201,450
Taxes receivable - net	-	-	-	-	-
Due from other governments	99,463	-	1,764	-	-
Interest receivable	2,001	261	494	1,971	671
Total assets	733,226	94,327	141,879	481,540	202,121
Liabilities					
Accounts payable and accrued liabilitie	61,902	-	-	793	1,572
Total liabilities	61,902	-	-	793	1,572
Deferred Inflows of Resources					
Taxes receivable	-	-	-	-	-
Prepaid taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Restricted					
Stabilization by State Statute	101,464	261	2,258	1,971	671
Public Safety	569,860	94,066	139,621	478,776	-
Fire Protection	-	-	-	-	-
Library Endowment	-	-	-	-	199,878
Scholarship	-	-	-	-	-
Parks Preservation	-	-	-	-	-
Community Development	-	-	-	-	-
Total fund balances	671,324	94,327	141,879	480,747	200,549
Total liabilities, deferred inflows of resources and fund balances	$ 733,226	$ 94,327	$ 141,879	$ 481,540	$ 202,121

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Assets					
Cash and investments	$ 56,815	$ 5,515	$ 4,408	$ 1,888,313	$ 3,501,519
Taxes receivable - net	-	-	-	93,199	93,199
Due from other governments	-	-	50,000	69,799	221,026
Interest receivable	190	18	-	6,056	11,662
Total assets	57,005	5,533	54,408	2,057,367	3,827,406
Liabilities					
Accounts payable and accrued liabiliti	-	-	-	1,737	66,004
Total liabilities	-	-	-	1,737	66,004
Deferred Inflows of Resources					
Taxes receivable	-	-	-	93,199	93,199
Prepaid taxes	-	-	-	5,437	5,437
Total deferred inflows of resources	-	-	-	98,636	98,636
Fund Balances					
Restricted					
Stabilization by State Statute	190	18	50,000	75,855	232,688
Public Safety	-	-	-	-	1,282,323
Fire Protection	-	-	-	1,881,139	1,881,139
Library Endowment	-	-	-	-	199,878
Scholarship	56,815	-	-	-	56,815
Parks Preservation	-	5,515	-	-	5,515
Community Development	-	-	4,408	-	4,408
Total fund balances	57,005	5,533	54,408	1,956,994	3,662,766
Total liabilities, deferred inflows of resources and fund balances	$ 57,005	$ 5,533	$ 54,408	$ 2,057,367	$ 3,827,406

Fire District Funds
Subcombining Balance Sheet
June 30, 2019

	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	$ 50,022	$ 83,247	$ 74,491	$ 554,802	$ 74,378
Taxes receivable - net	5,839	1,270	12,134	1,507	5,017
Due from other governments	6,560	2,485	13,926	1,330	3,943
Interest receivable	162	269	244	1,842	236
Total assets	62,583	87,271	100,795	559,481	83,574
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Taxes receivable	5,839	1,270	12,134	1,507	5,017
Prepaid taxes	77	157	155	-	388
Total deferred inflows of resources	5,916	1,427	12,289	1,507	5,405
Fund Balances					
Restricted					
Stabilization by State Statute	6,722	2,754	14,170	3,172	4,179
Fire Protection	49,945	83,090	74,336	554,802	73,990
Total fund balances	56,667	85,844	88,506	557,974	78,169
Total liabilities, deferred inflows of resources and fund balances	$ 62,583	$ 87,271	$ 100,795	$ 559,481	$ 83,574

Fire District Funds
Subcombining Balance Sheet
June 30, 2019

	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	$ 369,354	$ 134,253	$ 166,190	$ 37,307	$ 103,495
Taxes receivable - net	19,476	9,230	5,004	8,649	6,960
Due from other governments	14,078	6,541	2,800	3,759	1,486
Interest receivable	1,113	409	550	117	345
Total assets	404,021	150,433	174,544	49,832	112,286
Liabilities					
Accounts payable and accrued liabiliti	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Taxes receivable	19,476	9,230	5,004	8,649	6,960
Prepaid taxes	698	416	53	14	2,236
Total deferred inflows of resources	20,174	9,646	5,057	8,663	9,196
Fund Balances					
Restricted					
Stabilization by State Statute	15,191	6,950	3,350	3,876	1,831
Fire Protection	368,656	133,837	166,137	37,293	101,259
Total fund balances	383,847	140,787	169,487	41,169	103,090
Total liabilities, deferred inflows of resources and fund balances	$ 404,021	$ 150,433	$ 174,544	$ 49,832	$ 112,286

Fire District Funds
Subcombining Balance Sheet
June 30, 2019

	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	$ 21,416	$ 96,903	$ 76,813	$ 45,642	$ 1,888,313
Taxes receivable - net	217	8,400	2,463	7,033	93,199
Due from other governments	147	7,211	1,286	4,247	69,799
Interest receivable	74	322	254	119	6,056
Total assets	21,854	112,836	80,816	57,041	2,057,367
Liabilities					
Accounts payable and accrued liabiliti	-	1,737	-	-	1,737
Total liabilities	-	1,737	-	-	1,737
Deferred Inflows of Resources					
Taxes receivable	217	8,400	2,463	7,033	93,199
Prepaid taxes	16	506	354	367	5,437
Total deferred inflows of resources	233	8,906	2,817	7,400	98,636
Fund Balances					
Restricted					
Stabilization by State Statute	221	7,533	1,540	4,366	75,855
Fire Protection	21,400	94,660	76,459	45,275	1,881,139
Total fund balances	21,621	102,193	77,999	49,641	1,956,994
Total liabilities, deferred inflows of resources and fund balances	$ 21,854	$ 112,836	$ 80,816	$ 57,041	$ 2,057,367

CATAWBA COUNTY

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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, 2019

	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	$ -	$ -	$ -	$ 826,183	$ -
Restricted intergovernmental revenues	935,304	38,330	22,921	-	2,767
Investment earnings	18,163	2,567	5,022	18,132	6,582
Total revenues	953,467	40,897	27,943	844,315	9,349
Expenditures					
Current					
Public safety	749,463	-	36,587	752,446	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	-	-	2,767
Total expenditures	749,463	-	36,587	752,446	2,767
Excess of revenue over (under) expenditures	204,004	40,897	(8,644)	91,869	6,582
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	204,004	40,897	(8,644)	91,869	6,582
Fund Balances - Beginning of Year	467,320	53,430	150,523	388,878	193,967
Fund Balances - End of Year	$ 671,324	$ 94,327	$ 141,879	$ 480,747	$ 200,549

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund	Fire District Funds	Total Nonmajor Special Revenue Funds
Revenues					
Ad valorem taxes	$ -	$ -	$ -	$ 7,302,689	$ 8,128,872
Restricted intergovernmental revenues	-	-	137,500	-	1,136,822
Investment earnings	1,861	179	787	65,729	119,022
Total revenues	1,861	179	138,287	7,368,418	9,384,716
Expenditures					
Current					
Public safety	-	-	-	6,970,563	8,509,059
Economic and physical development	-	-	109,751	-	109,751
Culture and recreation	-	-	-	-	2,767
Total expenditures	-	-	109,751	6,970,563	8,621,577
Excess of revenue over (under) expenditure	1,861	179	28,536	397,855	763,139
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	1,861	179	28,536	397,855	763,139
Fund Balances - Beginning of Year	55,144	5,354	25,872	1,559,139	2,899,627
Fund Balances - End of Year	$ 57,005	$ 5,533	$ 54,408	$ 1,956,994	$ 3,662,766

Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	$ 699,006	$ 699,005	$ (1)	$ 507,559
North Carolina 911 funds - secondary PSAP	236,299	236,299	-	73,916
North Carolina 911 grant - G2017-1A	-	-	-	145,788
Investment earnings	-	18,163	18,163	570
Total revenues	935,305	953,467	18,162	727,833
Expenditures				
Current				
Public Safety				
Implemental functions	274,579	275,294	(715)	267,853
Telephone and furniture	94,815	47,685	47,130	133,075
Software	186,400	152,402	33,998	111,776
Hardware	48,950	30,924	18,026	681,233
Training	21,040	6,859	14,181	8,973
Secondary PSAP	236,299	236,299	-	73,916
Grant G2017-1A expenditures	-	-	-	88,862
Miscellaneous	73,222	-	73,222	862
Total expenditures	935,305	749,463	185,842	1,366,550
Excess of revenues over (under) expenditures	-	204,004	204,004	(638,717)
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	993
Total other financing sources (uses)	-	-	-	993
Net change in fund balance	$ -	204,004	$ 204,004	(637,724)
Fund Balances - Beginning of Year		467,320		1,105,044
Fund Balances - End of Year		$ 671,324		$ 467,320

Emergency Telephone System Unspent Fund Balance
PSAP Reconciliation
June 30, 2019

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	$ 204,004
Secondary PSAP Pass Through Funding	
NC 911 Funds	(236,299)
Pass through to Secondary PSAPs	236,299
Net change in fund balance	204,004
Beginning Balance, PSAP Revenue-Expenditure Report	467,320
Ending Balance, PSAP Revenue- Expenditure Report	$ 671,324

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, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Drug reimbursement	$ -	$ 38,330	$ 38,330	$ 29,515
Investment earnings	-	2,567	2,567	101
Total revenues	-	40,897	40,897	36,691
Expenditures				
Current				
Public Safety				
Other operating	10,000	-	10,000	6,965
Total expenditures	10,000	-	10,000	6,965
Excess of revenues over (under) expenditures	(10,000)	40,897	50,897	29,726
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	$ -	40,897	$ 40,897	29,726
Fund Balances - Beginning of Year		53,430		23,704
Fund Balances - End of Year		$ 94,327		$ 53,430

State Unauthorized Substance Abuse Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
Drug reimbursement	$ -	$ 22,921	$ 22,921	$ 92,605
Investment earnings	-	5,022	5,022	725
Total revenues	-	27,943	27,943	93,330
Expenditures				
Current				
Public Safety				
Other operating	70,000	36,587	33,413	30,000
Total expenditures	70,000	36,587	33,413	30,000
Excess of revenues over (under) expenditures	(70,000)	(8,644)	61,356	63,330
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	23,654
Fund balance appropriated	70,000	-	(70,000)	-
Total other financing sources (uses)	70,000	-	(70,000)	23,654
Net change in fund balance	$ -	(8,644)	$ (8,644)	86,984
Fund Balances - Beginning of Year		150,523		63,539
Fund Balances - End of Year		$ 141,879		$ 150,523

Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 826,183	$ 826,183	$ -	$ 994,609
Investment earnings	-	18,132	18,132	957
Total revenues	826,183	844,315	18,132	995,566
Expenditures	-			
Public Safety				
Other operating	826,183	752,446	73,737	891,151
Total expenditures	826,183	752,446	73,737	891,151
Excess of revenues over (under) expenditures	-	91,869	91,869	104,415
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	91,869	$ 91,869	104,415
Fund Balances - Beginning of Year		388,878		284,463
Fund Balances - End of Year		$ 480,747		$ 388,878

Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Community Foundation	$ 5,000	$ 2,767	$ (2,233)	$ -
Investment earnings	-	6,582	6,582	997
Total revenues	5,000	9,349	4,349	997
	-			
Expenditures				
Culture and recreation				
Other operating	5,000	2,767	2,233	7,625
Total expenditures	5,000	2,767	2,233	7,625
Excess of revenues over (under) expenditures	-	6,582	6,582	(6,628)
Other Financing Sources (Uses)				
Transfer from other funds	-	-	-	7,625
Total other financing sources (uses)	-	-	-	7,625
Net change in fund balance	$ -	6,582	$ 6,582	997
Fund Balances - Beginning of Year		193,967		192,970
Fund Balances - End of Year		$ 200,549		$ 193,967

Gretchen Peed Scholarship Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	$ -	$ 1,861	$ 1,861	$ 268
Miscellaneous				
Donations	1,500	-	(1,500)	1,000
Total revenues	1,500	1,861	361	1,268
Expenditures				
Human services				
Scholarship awards	1,500	-	1,500	-
Total expenditures	1,500	-	1,500	-
Excess of revenues over (under) expenditures	-	1,861	1,861	1,268
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
	-			
Net change in fund balance	$ -	1,861	$ 1,861	1,268
Fund Balances - Beginning of Year		55,144		53,876
Fund Balances - End of Year		57,005		55,144

Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	$ -	$ 179	$ 179	$ 32
Total revenues	-	179	179	32
Expenditures				
Economic and physical development				
Other operating	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	179	179	32
	-			
Other Financing Sources (Uses)	-			
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	179	$ 179	32
Fund Balances - Beginning of Year		5,354		5,322
Fund Balances - End of Year		$ 5,533		$ 5,354

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, 2019

NC Housing Trust Fund (NCHFA) 2017 Urgent Repair Program (URP1701))	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	$ 75,000	$ 37,500	$ 37,500	$ 75,000	$ -
Investment earnings	496	117	379	496	-
Total revenues	75,496	37,617	37,879	75,496	-
Expenditures					
Economic and physical development					
Administration	8,746	-	8,746	8,746	-
Rehabilitation	66,750	11,745	55,005	66,750	-
Total expenditures	75,496	11,745	63,751	75,496	-
Excess of revenues over (under) expenditures	-	25,872	(25,872)	-	-
Other Financing Sources (Uses)					
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	$ -	$ 25,872	(25,872)	$ -	$ -
Fund Balances - Beginning of Year			25,872		
Fund Balances - End of Year			$ -		

NC Housing Trust Fund (NCHFA) 2018 Urgent Repair Program (URP1803)	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	$ 100,000	$ -	$ 100,000	$ 100,000	$ -
Investment earnings	-	-	408	408	408
Total revenues	100,000	-	100,408	100,408	-
Expenditures					
Economic and physical development					
Administration	12,000	-	-	-	12,000
Rehabilitation	88,000	-	46,000	46,000	42,000
Total expenditures	100,000	-	46,000	46,000	54,000
Excess of revenues over (under) expenditures	-	-	54,408	54,408	54,408
Net change in fund balance	$ -	$ -	54,408	$ 54,408	$ 54,408
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			$ 54,408		

CATAWBA COUNTY

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Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	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	$ 572,896	$ 223,260	$ 1,088,812	$ 120,046	$ 320,033
Investment earnings	2,109	2,872	3,518	17,835	2,588
Total revenues	575,005	226,132	1,092,330	137,881	322,621
Expenditures					
Current					
Public safety	554,534	213,549	1,098,673	-	305,252
Total expenditures	554,534	213,549	1,098,673	-	305,252
Excess of revenue over (under) expenditures	20,471	12,583	(6,343)	137,881	17,369
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	20,471	12,583	(6,343)	137,881	17,369
Fund Balances - Beginning of Year	36,196	73,261	94,849	420,093	60,800
Fund Balances - End of Year	$ 56,667	$ 85,844	$ 88,506	$ 557,974	$ 78,169

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	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	$ 2,345,181	$ 567,389	$ 238,101	$ 306,333	$ 195,422
Investment earnings	12,929	4,551	5,572	1,398	3,542
Total revenues	2,358,110	571,940	243,673	307,731	198,964
Expenditures					
Current					
Public safety	2,237,992	558,626	224,848	294,630	189,945
Total expenditures	2,237,992	558,626	224,848	294,630	189,945
Excess of revenue over (under) expenditures	120,118	13,314	18,825	13,101	9,019
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	120,118	13,314	18,825	13,101	9,019
Fund Balances - Beginning of Year	263,729	127,473	150,662	28,068	94,071
Fund Balances - End of Year	$ 383,847	$ 140,787	$ 169,487	$ 41,169	$ 103,090

Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	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	$ 26,674	$ 636,661	$ 120,450	$ 541,431	$ 7,302,689
Investment earnings	754	3,780	2,617	1,664	65,729
Total revenues	27,428	640,441	123,067	543,095	7,368,418
Expenditures					
Current					
Public safety	26,808	621,766	116,165	527,775	6,970,563
Total expenditures	26,808	621,766	116,165	527,775	6,970,563
Excess of revenue over (under) expenditure	620	18,675	6,902	15,320	397,855
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	620	18,675	6,902	15,320	397,855
Fund Balances - Beginning of Year	21,001	83,518	71,097	34,321	1,559,139
Fund Balances - End of Year	$ 21,621	$ 102,193	$ 77,999	$ 49,641	$ 1,956,994

Mountain View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 554,534	$ 572,896	$ 18,362	$ 558,513
Investment earnings	-	2,109	2,109	430
Total revenues	554,534	575,005	20,471	558,943
Expenditures				
Public safety				
Transmitted to fire department	554,534	554,534	-	577,443
Total expenditures	554,534	554,534	-	577,443
Excess of revenues over (under) expenditures	-	20,471	20,471	(18,500)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	20,471	$ 20,471	(18,500)
Fund Balances - Beginning of Year		36,196		54,696
Fund Balances - End of Year		$ 56,667		$ 36,196

Propst Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 213,549	$ 223,260	$ 9,711	$ 219,746
Investment earnings	-	2,872	2,872	472
Total revenues	213,549	226,132	12,583	220,218
Expenditures				
Public safety				
Transmitted to fire department	213,549	213,549	-	207,047
Total expenditures	213,549	213,549	-	207,047
Excess of revenues over (under) expenditures	-	12,583	12,583	13,171
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	12,583	$ 12,583	13,171
Fund Balances - Beginning of Year		73,261		60,090
Fund Balances - End of Year		$ 85,844		$ 73,261

St. Stephens Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 1,056,662	$ 1,088,812	$ 32,150	$ 1,067,868
Investment earnings	-	3,518	3,518	1,089
Total revenues	1,056,662	1,092,330	35,668	1,068,957
Expenditures				
Public safety				
Transmitted to fire department	1,098,673	1,098,673	-	1,064,733
Total expenditures	1,098,673	1,098,673	-	1,064,733
Excess of revenues over (under) expenditures	(42,011)	(6,343)	35,668	4,224
Other Financing Sources (Uses)				
Fund balance appropriated	42,011	-	(42,011)	-
Total other financing sources (uses)	42,011	-	(42,011)	-
Net change in fund balance	$ -	(6,343)	$ (6,343)	4,224
Fund Balances - Beginning of Year		94,849		90,625
Fund Balances - End of Year		88,506		94,849

Conover Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 117,748	$ 120,046	$ 2,298	$ 97,490
Investment earnings	-	17,835	17,835	1,671
Total revenues	117,748	137,881	20,133	99,161
Expenditures				
Public safety				
Transmitted to fire department	117,748	-	117,748	138,073
Total expenditures	117,748	-	117,748	138,073
Excess of revenues over (under) expenditures	-	137,881	137,881	(38,912)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	137,881	$ 137,881	(38,912)
Fund Balances - Beginning of Year		420,093		459,005
Fund Balances - End of Year		$ 557,974		$ 420,093

Oxford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 305,252	$ 320,033	$ 14,781	$ 315,917
Investment earnings	-	2,588	2,588	464
Total revenues	305,252	322,621	17,369	316,381
Expenditures				
Public safety				
Transmitted to fire department	305,252	305,252	-	300,221
Total expenditures	305,252	305,252	-	300,221
Excess of revenues over (under) expenditures	-	17,369	17,369	16,160
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	17,369	$ 17,369	16,160
Fund Balances - Beginning of Year		60,800		44,640
Fund Balances - End of Year		$ 78,169		$ 60,800

Sherrills Ford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 2,237,992	$ 2,345,181	$ 107,189	$ 2,261,046
Investment earnings	-	12,929	12,929	2,651
Total revenues	2,237,992	2,358,110	120,118	2,263,697
Expenditures				
Public safety				
Transmitted to fire department	2,237,992	2,237,992	-	2,176,963
Total expenditures	2,237,992	2,237,992	-	2,176,963
Excess of revenues over (under) expenditures	-	120,118	120,118	86,734
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	120,118	$ 120,118	86,734
Fund Balances - Beginning of Year		263,729		176,995
Fund Balances - End of Year		$ 383,847		$ 263,729

Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 534,541	$ 567,389	$ 32,848	$ 549,339
Investment earnings	-	4,551	4,551	801
Total revenues	534,541	571,940	37,399	550,140
Expenditures				
Public safety				
Transmitted to fire department	558,626	558,626	-	552,296
Total expenditures	558,626	558,626	-	552,296
Excess of revenues over (under) expenditures	(24,085)	13,314	37,399	(2,156)
Other Financing Sources (Uses)				
Fund balance appropriated	24,085	-	(24,085)	-
Total other financing sources (uses)	24,085	-	(24,085)	-
Net change in fund balance	$ -	13,314	$ 13,314	(2,156)
Fund Balances - Beginning of Year		127,473		129,629
Fund Balances - End of Year		$ 140,787		$ 127,473

Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 224,848	$ 238,101	$ 13,253	$ 237,992
Investment earnings	-	5,572	5,572	824
Total revenues	224,848	243,673	18,825	238,816
Expenditures				
Public safety				
Transmitted to fire department	224,848	224,848	-	221,268
Total expenditures	224,848	224,848	-	221,268
Excess of revenues over (under) expenditures	-	18,825	18,825	17,548
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	18,825	$ 18,825	17,548
Fund Balances - Beginning of Year		150,662		133,114
Fund Balances - End of Year		$ 169,487		$ 150,662

Claremont Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 294,630	$ 306,333	$ 11,703	$ 292,698
Investment earnings	-	1,398	1,398	230
Total revenues	294,630	307,731	13,101	292,928
Expenditures				
Public safety				
Transmitted to fire department	294,630	294,630	-	343,771
Total expenditures	294,630	294,630	-	343,771
Excess of revenues over (under) expenditures	-	13,101	13,101	(50,843)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	13,101	$ 13,101	(50,843)
Fund Balances - Beginning of Year		28,068		78,911
Fund Balances - End of Year		$ 41,169		$ 28,068

Catawba Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 189,945	$ 195,422	$ 5,477	$ 192,644
Investment earnings	-	3,542	3,542	315
Total revenues	189,945	198,964	9,019	192,959
Expenditures				
Public safety				
Transmitted to fire department	189,945	189,945	-	288,768
Total expenditures	189,945	189,945	-	288,768
Excess of revenues over (under) expenditures	-	9,019	9,019	(95,809)
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	9,019	$ 9,019	(95,809)
Fund Balances - Beginning of Year		94,071		189,880
Fund Balances - End of Year		$ 103,090		$ 94,071

Long View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 26,808	$ 26,674	$ (134)	$ 27,035
Investment earnings	-	754	754	127
Total revenues	26,808	27,428	620	27,162
Expenditures				
Public safety				
Transmitted to fire department	26,808	26,808	-	26,489
Total expenditures	26,808	26,808	-	26,489
Excess of revenues over (under) expenditures	-	620	620	673
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	620	$ 620	673
Fund Balances - Beginning of Year		21,001		20,328
Fund Balances - End of Year		$ 21,621		$ 21,001

Newton Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			
	Budget	Actual	Over/Under	Actual Prior Year
Revenues				
Ad valorem taxes	$ 621,766	$ 636,661	$ 14,895	$ 473,137
Investment earnings	-	3,780	3,780	688
Total revenues	621,766	640,441	18,675	473,825
Expenditures				
Public safety				
Transmitted to fire department	621,766	621,766	-	453,542
Total expenditures	621,766	621,766	-	453,542
Excess of revenues over (under) expenditures	-	18,675	18,675	20,283
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	18,675	$ 18,675	20,283
Fund Balances - Beginning of Year		83,518		63,235
Fund Balances - End of Year		$ 102,193		$ 83,518

Cooksville Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 116,165	$ 120,450	$ 4,285	$ 98,808
Investment earnings	-	2,617	2,617	405
Total revenues	116,165	123,067	6,902	99,213
Expenditures				
Public safety				
Transmitted to fire department	116,165	116,165	-	93,362
Total expenditures	116,165	116,165	-	93,362
Excess of revenues over (under) expenditures	-	6,902	6,902	5,851
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	$ -	6,902	$ 6,902	5,851
Fund Balances - Beginning of Year		71,097		65,246
Fund Balances - End of Year		$ 77,999		$ 71,097

Hickory Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	$ 514,668	$ 541,431	$ 26,763	$ 523,322
Investment earnings	-	1,664	1,664	502
Total revenues	514,668	543,095	28,427	523,824
Expenditures				
Public safety				
Transmitted to fire department	527,775	527,775	-	513,878
Total expenditures	527,775	527,775	-	513,878
Excess of revenues over (under) expenditures	(13,107)	15,320	28,427	9,946
Other Financing Sources (Uses)				
Fund balance appropriated	13,107	-	(13,107)	-
Total other financing sources (uses)	13,107	-	(13,107)	-
Net change in fund balance	$ -	15,320	$ 15,320	9,946
Fund Balances - Beginning of Year		34,321		24,375
Fund Balances - End of Year		$ 49,641		$ 34,321

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.

Non Major Funds

School Capital Projects Fund -

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

School Construction Fund -

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

Hospital Capital Reserve Fund -

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

Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2019

	School Capital Fund	School Construction Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Assets				
Cash and investments	$ 6,828,310	9,643,564	$ 3,728,084	$ 20,199,958
Due from other governments	1,443,092	237,363	-	1,680,455
Interest receivables	22,784	33,805	12,457	69,046
Restricted cash and investments	-	6,066,675	-	6,066,675
Total assets	8,294,186	15,981,407	3,740,541	28,016,134
				-
Liabilities				
Accounts payable and accrued liabilities	24,715	765,766	-	790,481
Total liabilities	24,715	765,766	-	790,481
Fund Balance				
Restricted				
Stabilization by State Statute	1,478,196	271,168	12,457	1,761,821
School Construction	-	6,066,675	-	6,066,675
Hospital Capital	-	-	3,728,084	3,728,084
Committed				
School Capital	6,791,275	-	-	6,791,275
School Construction	-	8,877,798	-	8,877,798
Unassigned	-	-	-	-
Total fund balances	8,269,471	15,215,641	3,740,541	27,225,653
Total liabilities and fund balances	$ 8,294,186	$ 15,981,407	$ 3,740,541	$ 28,016,134

Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	School Capital Fund	School Construction Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Revenues				
Other taxes	$ 5,377,572	$ -	$ -	$ 5,377,572
Investment earnings	222,105	434,136	121,259	777,500
Total revenues	5,599,677	434,136	121,259	6,155,072
Expenditures				
Capital outlay	5,237,379	15,600,292	-	20,837,671
Total expenditures	5,237,379	15,600,292	-	20,837,671
Excess of revenues over (under) expenditures	362,298	(15,166,156)	121,259	(14,682,599)
Other Financing Sources (Uses)				
Transfers from other funds	500,000	518,242	-	1,018,242
Transfers to other funds	(50,000)	-	(500,000)	(550,000)
Total other financing sources (uses)	450,000	518,242	(500,000)	468,242
Net change in fund balance	812,298	(14,647,914)	(378,741)	(14,214,357)
Fund Balances - Beginning of Year	7,457,173	29,863,555	4,119,282	41,440,010
Fund Balances - End of Year	$ 8,269,471	$ 15,215,641	$ 3,740,541	$ 27,225,653

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, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Other Taxes					
Sales Taxes - Article 46-one quarter of one percent	$ 9,084,435	$ 9,067,670	59,802	$ 9,127,472	$ 43,037
Restricted intergovernmental revenues					
Municipalities Grants	102,099	118,577	12,928	131,505	29,406
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	414,109	-
NC 911 Funds	62,620	-	-	-	(62,620)
Investment earnings	293,412	7,277,322	827,448	8,104,770	7,811,358
Miscellaneous					
Duke Energy	1,219,588	1,219,588	-	1,219,588	-
Miscellaneous	386,313	468,068	-	468,068	81,755
Park Donations	587,000	587,000	-	587,000	-
Rental - Jail Beds	4,343,055	4,687,752	-	4,687,752	344,697
Rental - Lifeskills	69,928	123,760	-	123,760	53,832
Total revenues	18,622,831	25,610,009	1,314,287	26,924,296	8,301,465
Expenditures					
Capital outlay					
Elections Office Renovation	2,189,957	24,827	86,898	111,725	2,078,232
Carolina Thread Trail	87,000	68,315		68,315	18,685
Economic Development	270,456	715,999	(612,811)	103,188	167,268
Employment Security Commission Building	168,800	58,871	92,175	151,046	17,754
Future EMS Base	177,520	-	-	-	177,520
Future Unspecified Projects	149,865	-	-	-	149,865
General Renovations	260,000	20,347	19,545	39,892	220,108
Government Center Complex Improvements	1,000,000	10,461	231,989	242,450	757,550
Jail Expansion	33,114,432	1,894,458	11,347,953	13,242,411	19,872,021
Justice Center Expansion/Public Safety	42,427,806	41,751,609	143,654	41,895,263	532,543
Library Technology	226,249	54,570	26,925	81,495	144,754
Lifeskills Building Maintenance	69,928	-	-	-	69,928
Mountain Creek Park	12,129,860	3,481,777	74,155	3,555,932	8,573,928
Multi-jurisdictional Data Park	2,600,000	2,341,635	-	2,341,635	258,365
Neonatal Ambulance	380,000	371,692	-	371,692	8,308
Oblique Photography	420,589	366,736	53,643	420,379	210
Park Improvements	533,726	404,864	55,467	460,331	73,395
Park Improvements - Riverbend	614,109	400,900	8,937	409,837	204,272
Permitting/Inspections System	1,020,000	797,331	7,081	804,412	215,588
Public Safety	741,167	246,229	49,240	295,469	445,698
Roofing Projects	1,636,727	518,959	-	518,959	1,117,768
Server & Desktop Applications	716,000	181,348	398,842	580,190	135,810
St.Stephens Library HVAC	250,000	-	143,412	143,412	106,588
Simulcast Radio System	653,650	429,229	161,801	591,030	62,620
Technology Infrastructure Upgrades	900,000	600,000	300,000	900,000	-

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, 2019

		Actual			
	Project Authorization	**Prior Years**	**Current Year**	**Total to Date**	**Over/Under**
Trivium Corporate Center	3,343,046	635,126	616,127	1,251,253	2,091,793
Viper 800mhz System	496,146	401,364	-	401,364	94,782
Voting Equipment	611,311	309,630	-	309,630	301,681
Total expenditures	107,188,344	56,086,277	13,205,033	69,291,310	37,897,034
Excess of revenues over (under) expenditures	(88,565,513)	(30,476,268)	(11,890,746)	(42,367,014)	46,198,499
Other Financing Sources (Uses)					
Transfers from					
General Fund	24,314,023	21,130,847	3,183,176	24,314,023	-
General Capital Reserve Fund	632,534	225,156	407,378	632,534	-
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	-	-	-	-	-
Bonds issued	53,401,060	46,743,280	-	46,743,280	(6,657,780)
Premium on bonds issued	-	5,342,774	-	5,342,774	5,342,774
Fund balance appropriated	4,520,477	-	-	-	(4,520,477)
Total other financing sources (uses)	88,565,513	79,139,476	3,590,554	82,730,030	(5,835,483)
Net change in fund balance	$ -	$ 48,663,208	(8,300,192)	$ 40,363,016	$ 40,363,016
Fund Balances - Beginning of Year			48,663,208		
Fund Balances - End of Year			$ 40,363,016		

School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Investment earnings	-	270,811	434,136	704,947	704,947
Total revenues	-	270,811	434,136	704,947	704,947
Expenditures					
Catawba County Schools					
Banoak Elementary	9,245,000	128,289	4,297,899	4,426,188	4,818,812
Blackburn Elementary Renovation	1,250,000	-	-	-	1,250,000
Claremont Elementary Cafeteria	2,576,700	835,047	1,512,760	2,347,807	228,893
Clyde Campbell Elementary Cafeteria	2,888,650	1,441,073	1,178,861	2,619,934	268,716
Project Planning	200,000	-	-	-	200,000
Roof Replacements	2,210,000	44,823	60,961	105,784	2,104,216
St. Stephens Classroom Renovation	8,013,000	-	357	357	8,012,643
Total Catawba County Schools	26,383,350	2,449,232	7,050,838	9,500,070	16,883,280
Catawba Valley Community College					
Campus Equipment	3,500,000	676,821	2,823,179	3,500,000	-
East Campus Renovation	4,201,859	4,011,280	190,579	4,201,859	-
Vocational Building	25,100,000	21,329,781	2,555,932	23,885,713	1,214,287
Total Catawba Valley Community College	32,801,859	26,017,882	5,569,690	31,587,572	1,214,287
Hickory Public Schools					
Jenkins Elementary Renovation	800,000	192,962	607,038	800,000	-
Oakwood Elementary Renovation	2,188,181	1,829,613	21,228	1,850,841	337,340
Technology Improvements	700,000	636,119	63,881	700,000	-
Total Hickory Public Schools	3,688,181	2,658,694	692,147	3,350,841	337,340
Newton-Conover City Schools					
Conover School Renovations	3,312,452	565,845	2,287,617	2,853,462	458,990
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	565,845	2,287,617	2,853,462	3,399,502
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	15,231,553	-	-	-	15,231,553
Total Other	16,081,553	-	-	-	16,081,553
Total expenditures	85,207,907	31,691,653	15,600,292	47,291,945	37,915,962
Excess of revenues over (under) expenditures	(85,207,907)	(31,420,842)	(15,166,156)	(46,586,998)	38,620,909
Other Financing Sources (Uses)					
Transfers from					
General Fund	15,430,721	14,912,479	518,242	15,430,721	-
School Capital Fund	646,022	646,022	-	646,022	-
Bonds issued	67,183,224	44,262,910	-	44,262,910	(22,920,314)

School Construction Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Premium on bonds issued	-	1,462,986	-	1,462,986	1,462,986
Fund Balance Appropriated	1,947,940	-	-	-	(1,947,940)
Total other financing sources (uses)	85,207,907	61,284,397	518,242	61,802,639	(23,405,268)
Net change in fund balance	$ -	$ 29,863,555	(14,647,914)	$ 15,215,641	$ 15,215,641
Fund Balances - Beginning of Year			29,863,555		
Fund Balances - End of Year			$ 15,215,641		

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, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Other taxes					
Sales Taxes-Article 42	$ 16,140,802	$ 15,981,907	5,377,572	$ 21,359,479	$ 5,218,677
Investment earnings	1,075,367	3,812,975	222,105	4,035,080	2,959,713
Total revenues	17,216,169	19,794,882	5,599,677	25,394,559	8,178,390
Expenditures					
Capital outlay					
Catawba County Schools					
Activity Buses	1,021,396	841,396	115,000	956,396	65,000
Athletic Field Improvements	650,000	617,002	32,998	650,000	-
Balls Creek Renovations	140,000		76,163	76,163	63,837
Bandys High School Renovations	945,000	327,819	606,735	934,554	10,446
Blackburn Elementary Renovation	40,000	-	-	-	40,000
Bunker Hill High School Renovations	749,175	511,285	144,210	655,495	93,680
Camera Security/Electrical Doors	985,000	647,658	313,751	961,409	23,591
Capital Projects Manager	35,809	-	35,809	35,809	-
Challenger High School Renovation	75,000	26,573		26,573	48,427
Claremont Elementary Renovation	190,000		37,996	37,996	152,004
Clyde Campbell Renovation	420,000		122,503	122,503	297,497
Fire Alarm Upgrades	684,000	341,004	-	341,004	342,996
Fred T Foard Renovations	425,000	59,725	10,820	70,545	354,455
HVAC Controls System Upgrade	3,135,990	2,819,403	300,375	3,119,778	16,212
Jacobs Fork Middle School Paving	200,000	-	4,046	4,046	195,954
Lyle Creek Elementary Renovations	60,000	-	-	-	60,000
Maiden Elementary Renovations	15,000	-	15,000	15,000	-
Maiden High School Gym Air Conditioning	60,000	3,840	56,160	60,000	-
Maiden Middle School Renovations	352,027	86,030	25,536	111,566	240,461
Oxford Elementary HVAC System	100,000	-	-	-	100,000
Per Capita Allocation	853,372	-	853,372	853,372	-
Plumbing Replacement Systemwide	387,050	327,050	951	328,001	59,049
Project Planning	180,000	-	-	-	180,000
Roofing Projects	1,310,000	976,194	102,340	1,078,534	231,466
Total Catawba County Schools	13,013,819	7,584,979	2,853,765	10,438,744	2,575,075
Catawba Valley Community College					
Equipment Allowance	180,000	-	180,000	180,000	-
General Renovations	100,000	50,000	50,000	100,000	-
Lighting	175,000	-	175,000	175,000	-
Paving	290,352	55,510	234,842	290,352	-
Project Manager	101,838	49,801	52,037	101,838	-
Public Safety Driving Range	70,000	-	5,280	5,280	64,720
Tractor	20,000	-	20,000	20,000	-
Truck	25,000	-	25,000	25,000	-
Total Catawba Valley Community College	962,190	155,311	742,159	897,470	64,720

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, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Over/Under
Hickory Public Schools					
Hickory Career Arts Magnet	50,000	-	-	-	50,000
Hickory High School Chiller	337,000	333,626	3,374	337,000	-
Hickory High School Renovation	355,000	309,531	43,997	353,528	1,472
HVAC Controls Upgrades	155,000	145,448		145,448	9,552
Maintenance Vehicle	72,000	-	65,802	65,802	6,198
Northview Renovations	30,000	30,000	-	30,000	-
Paving/Sealing Parking Lots Systemwide	825,000	227,347	139,186	366,533	458,467
Per Capita Allocation	165,644	-	165,644	165,644	-
Rekeying Locks	141,000	133,849	7,151	141,000	-
Security Upgrades	65,000		65,000	65,000	-
Southwest Elementary HVAC	540,000	534,583	-	534,583	5,417
Southwest Elementary Mechanical Upgrades	215,000	214,926	-	214,926	74
Southwest Renovations	360,000	126,839	233,161	360,000	-
Technology Upgrades	35,000	-	22,427	22,427	12,573
Telecommunication Systems	40,000	-	-	-	40,000
Total Hickory Public Schools	3,385,644	2,056,149	745,742	2,801,891	583,753
Newton-Conover City Schools					
Activity Bus	95,000	-	89,619	89,619	5,381
American with Disabilities Act Renovations	30,000	19,525	10,475	30,000	-
Asbestos Removal	111,032	104,625	3,200	107,825	3,207
Capital Projects Manager	55,396	49,795	-	49,795	5,601
Fire Alarm Upgrades	60,000	50,470	-	50,470	9,530
HVAC Upgrades Systemwide	1,100,000	503,311	515,380	1,018,691	81,309
NCHS General Renovations	75,000	24,467	44,457	68,924	6,076
NCHS Stadium Lighting	285,000	284,287	713	285,000	-
Per Capita Allocation	158,912	-	158,912	158,912	-
Roofing Projects	832,272	823,768	8,504	832,272	-
Security Upgrades	90,000	-	20,498	20,498	69,502
System Wide Renovations	70,000	-	43,955	43,955	26,045
Total Newton-Conover City Schools	2,962,612	1,860,248	895,713	2,755,961	206,651
Total expenditures	20,324,265	11,656,687	5,237,379	16,894,066	3,430,199
Excess of revenues over (under) expenditures	(3,108,096)	8,138,195	362,298	8,500,493	11,608,589
Other Financing Sources (Uses)					
Transfers from					
General Fund	530,000	30,000	500,000	530,000	-
School Construction Fund	35,000	35,000	-	35,000	-
Transfers to					
General Fund	(150,000)	(100,000)	(50,000)	(150,000)	-
School Construction Fund	(646,022)	(646,022)	-	(646,022)	-
Fund Balance Appropriated	3,339,118	-	-	-	(3,339,118)
Total other financing sources (uses)	3,108,096	(681,022)	450,000	(231,022)	(3,339,118)
Net change in fund balance	$ -	$ 7,457,173	812,298	$ 8,269,471	$ 8,269,471
Fund Balances - Beginning of Year			7,457,173		
Fund Balances - End of Year			$ 8,269,471		

Hospital Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2019			Actual Prior
	Budget	**Actual**	**Over/Under**	**Year**
Revenues				
Investment earnings	5,000	121,259	116,259	19,780
Total revenues	5,000	121,259	116,259	19,780
Expenditures				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	5,000	121,259	116,259	19,780
Other Financing Sources (Uses)				
Transfer to General Fund	(500,000)	(500,000)	-	(500,000)
Fund Balance Appropriated	495,000	-	(495,000)	-
Total other financing sources (uses)	(5,000)	(500,000)	(495,000)	(500,000)
Net change in fund balance	-	(378,741)	(378,741)	(480,220)
Fund Balances - Beginning of Year		4,119,282		4,599,502
Fund Balances - End of Year		3,740,541		4,119,282

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.

Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			
	Budget	Actual	Over/Under	Actual Prior Year
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	$ 5,796,000	$ 6,554,052		
Methane recovery	834,350	479,846		
Other operating	99,475	97,349		
Total operating revenues	6,729,825	7,131,247	401,422	6,792,006
Nonoperating revenues				
Solid waste disposal tax	65,000	88,639		
Scrap tire disposal tax	200,000	218,955		
White goods disposal tax	50,000	64,624		
Scrap tire grant	15,000	39,638		
Electronics management distribution	12,000	9,880		
Hickory community relations	3,000	3,000		
Insurance settlements	2,500	164,565		
Proceeds from sale of equipment	50,000	5,161		
Miscellaneous	-	172		
Investment earnings	-	457,981		
Total nonoperating revenues	397,500	1,052,615	655,115	582,599
Total revenues	7,127,325	8,183,862	1,056,537	7,374,605
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	323,241	273,440		
Other operating	319,377	300,259		
	642,618	573,699	68,919	600,410
Recycling				
Salaries & employee benefits	75,882	75,376		
Other operating	183,550	154,833		
	259,432	230,209	29,223	166,701
Solid Waste Management Improvements				
Other operating	394,403	142,364		
	394,403	142,364	252,039	82,387
Solid Waste Code Enforcement				
Salaries & employee benefits	63,651	63,121		
Other operating	37,064	12,499		
	100,715	75,620	25,095	70,236
Sanitary Landfill				
Salaries & employee benefits	1,438,993	1,397,271		
Maintenance and repair	433,841	408,513		
Solid waste disposal tax remittance	348,000	383,407		
Landfill closure and postclosure care costs	40,000	29,321		
Other operating	1,942,829	1,190,691		
	4,203,663	3,409,203	794,460	3,052,174

Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			
	Budget	Actual	Over/Under	Actual Prior Year
Convenience Centers	-	-	-	-
	-	-	-	1,598
Blackburn Landfill - Methane Recovery				
Salaries & employee benefits	8	-		
Maintenance and repair	550,149	329,670		
Other operating	95,380	51,302		
	645,537	380,972	264,565	613,959
Total operating expenditures	6,246,368	4,812,067	1,434,301	4,587,465
Capital outlay	1,092,082	1,059,037	33,045	1,062,089
Total expenditures	7,338,450	5,871,104	1,467,346	5,649,554
Excess of revenues over (under) expenditures	(211,125)	2,312,758	2,523,883	1,725,051
Other Financing Sources (Uses)				
Transfer from Self Insurance Fund	19,984	19,984	-	3,489
Transfer to Solid Waste Capital Fund	(4,142,742)	(4,142,742)		(1,924,430)
Fund balance appropriated	4,333,883	-	(4,333,883)	-
Total other financing sources (uses)	211,125	(4,122,758)	(4,333,883)	(1,920,941)
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ (1,810,000)	$ (1,810,000)	$ (195,890)

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

Revenues and other financing sources over (under) expenditures and other financing uses	$ (1,810,000)
Reconciling items	
Capital outlay	1,059,037
Depreciation	(1,208,117)
(Increase) decrease in deferred outflows of resources - pensions	130,774
(Increase) decrease in net pension liability	(162,703)
(Increase) decrease in deferred inflows of resources - pensions	5,337
(Increase) decrease in accrued landfill closure and postclosure care costs	(500,000)
(Increase) decrease in compensated absences	(6,914)
(Increase) decrease in deferred outflows of resources - OPEB	50,056
(Increase) decrease in net OPEB liability	(75,764)
(Increase) decrease in deferred inflows of resources - OPEB	2,930
Capital contribution	13,364
Revenues from capital projects	201,313
Transfers from capital projects	4,142,742
Total reconciling items	3,652,055
Change in net position (Exhibit 7) (full accrual)	$ 1,842,055

Solid Waste Management Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Investment earnings	$ -	$ 163,179	$ 201,313	$ 364,492	$ 364,492
Miscellaneous revenue	-	190,723	-	190,723	190,723
Total revenues	-	353,902	201,313	555,215	364,492
Expenditures					
Capital outlay					
Bethany Church Road Landfill	350,000	-	329,356	329,356	20,644
EcoComplex Facility	500,000	331,625	-	331,625	168,375
Landfill Collection Improvements	140,000	49,383	37,668	87,051	52,949
Scales House Renovation	683,858	100,450	583,408	683,858	-
Subtitle D Cell Construction	9,870,329	1,953,789	1,462,012	3,415,801	6,454,528
Wetlands Mitigation	50,000	-	-	-	50,000
Total expenditures	11,594,187	2,435,247	2,412,444	4,847,691	6,746,496
Excess of revenues over (under) expenditures	(11,594,187)	(2,081,345)	(2,211,131)	(4,292,476)	7,301,711
Other Financing Sources (Uses)					
Transfer from Solid Waste Operating	11,594,187	7,451,445	4,142,742	11,594,187	-
Total other financing sources (uses)	11,594,187	7,451,445	4,142,742	11,594,187	-
Revenues and other sources over (under) expenditures and other financing uses	$ -	$ 5,370,100	$ 1,931,611	$ 7,301,711	$ 7,301,711

Water and Sewer Fund
Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2018

	2019			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Operating revenues	$ -	$ -	$ -	$ -
Total operating revenues	-	-	-	-
Nonoperating revenues				
Sales Taxes - Article 46 - one quarter of one percent	318,061	326,174		
Municipality revenue	734,000	830,589		
Domestic Haulers	79,000	108,521		
Capital fees	190,000	283,000		
Investment earnings	-	532,287		
Total nonoperating revenues	1,321,061	2,080,571	759,510	2,663,146
Total revenues	1,321,061	2,080,571	759,510	2,663,146
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	110,700	106,967		
Other operating	1,208,737	481,952		
Principal	1,248,925	1,248,924		
Interest	228,955	219,045		
Total expenditures	2,797,317	2,056,888	740,429	2,076,436
Excess of revenues over (under) expenditures	(1,476,256)	23,683	1,499,939	586,710
Other Financing Sources (Uses)				
Transfer from General fund	1,675,000	1,675,000		
Fund balance appropriated	(198,744)	-		
Total other financing sources (uses)	1,476,256	1,675,000	198,744	-
Revenues and other financing sources over (under) expenditures and other financing uses	$ -	$ 1,698,683	$ 1,698,683	$ 586,710

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

Revenues and other financing sources over (under) expenditures and other financing uses	$ 1,698,683
Reconciling items	
Depreciation	(843,397)
(Increase) decrease in deferred outflows of resources - pensions	9,436
(Increase) decrease in net pension liability	(11,835)
(Increase) decrease in deferred inflows of resources - pensions	239
(Increase) decrease in compensated absences	(4,157)
(Increase) decrease in deferred outflows of resources - OPEB	1,726
(Increase) decrease in net OPEB liability	(2,613)
(Increase) decrease in deferred inflows of resources - OPEB	101
Loan principal	1,248,924
Project expenditures not capitalized	(1,552,388)
Revenues from capital projects	1,521,969
Total reconciling items	368,005
Change in net position (full accrual)	$ 2,066,688

Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Over/Under
Revenues					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	$ 3,909,137	$ 3,609,454	$ 573,976	$ 4,183,430	$ 274,293
Duke Energy Water	510,300	314,640	271,883	586,523	76,223
Investment earnings	-	2,344,325	676,110	3,020,435	3,020,435
Total revenues	4,419,437	6,268,419	1,521,969	7,790,388	3,370,951
Expenditures					
Capital outlay					
Balls Creek Water Phase II	6,191,905	242,718	957,805	1,200,523	4,991,382
Bandys Mill Creek Commscope	250,000	-	-	-	250,000
Bunker Hill Sewer	519,451	519,451	-	519,451	-
Davis Road Water	964,271	964,271	-	964,271	-
Duke Energy Water	510,300	412,688	97,612	510,300	-
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	484,075	-	-	-	484,075
Hwy 16 Sewer	910,000	-	-	-	910,000
Hwy 16 South Utilities	2,019,132	-	-	-	2,019,132
Hwy 150 Sewer Service	8,000,000	7,985,819	14,181	8,000,000	-
Hwy 150 Sewer Service Phase I and II	2,136,848	1,032,911	735,995	1,768,906	367,942
McLin/Lyle Creek Sewer Outfall	3,000,000	-	-	-	3,000,000
Trivium Business Park	700,000	-	-	-	700,000
Sludge Composting Project	4,146,151	2,881,487	416,883	3,298,370	847,781
Southeastern Catawba County Sewer Study	452,000	203,250	177,700	380,950	71,050
Southeastern Catawba County Wastewater	6,795,898	6,769,018	26,880	6,795,898	-
Wastewater Emergent Need	100,000	-	-	-	100,000
Wastewater Treatment Plant Expansion	500,000	-	-	-	500,000
Total expenditures	39,599,398	22,110,205	2,427,056	24,537,261	15,062,137
Excess of revenues over (under) expenditures	(35,179,961)	(15,841,786)	(905,087)	(16,746,873)	18,433,088
Other Financing Sources (Uses)					
Transfers from (to)					
General Fund	6,239,152	6,239,152	-	6,239,152	-
Water and Sewer Construction Fund - Governmental	9,767,810	23,165,647	-	23,165,647	13,397,837
Installment Purchase Obligations Issued	8,000,000	8,000,000	-	8,000,000	-
Fund balance appropriated	11,172,999	-	-	-	(11,172,999)
Total other financing sources (uses)	35,179,961	37,404,799	-	37,404,799	2,224,838
Revenues and other sources over (under) expenditures and other financing uses	$ -	$ 21,563,013	$ (905,087)	$ 20,657,926	$ 20,657,926

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.

All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Fiscal Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Social Services Fund				
Assets				
Cash and investments	$ 69,486	$ 300,777	$ 299,868	$ 70,395
Liabilities				
Miscellaneous liabilities	$ 69,486	$ 300,777	$ 299,868	$ 70,395
Sheriff Commissary Fund				
Assets				
Cash and investments	$ 44,293	$ 377,530	$ 379,720	$ 42,103
Liabilities				
Miscellaneous liabilities	$ 44,293	$ 377,530	$ 379,720	$ 42,103
Sheriff Civil Fund				
Assets				
Cash and investments	$ -	$ 101,274	$ 99,744	$ 1,530
Liabilities				
Miscellaneous liabilities	$ -	$ 101,274	$ 99,744	$ 1,530
Sheriff Evidence Escrow Fund				
Assets				
Cash and investments	$ 186,649	$ 106,074	$ 90,679	$ 202,044
Liabilities				
Miscellaneous liabilities	$ 186,649	$ 106,074	$ 90,679	$ 202,044
Deed of Trust Fee Fund				
Assets				
Cash and investments	$ 9,207	$ 99,070	$ 99,467	$ 8,810
Liabilities				
Intergovernmental payable - State of North Carolina	$ 9,207	$ 99,070	$ 99,467	$ 8,810
Fines and Forfeitures				
Assets				
Cash and investments	$ -	$ 377,782	$ 377,782	$ -
Liabilities				
Intergovernmental payable - Local Boards of Education	$ -	$ 377,782	$ 377,782	$ -
Total - All Agency Funds				
Assets				
Cash and investments	$ 309,635	$ 1,362,507	$ 1,347,260	$ 324,882
Liabilities				
Intergovernmental payable - State of North Carolina	$ 9,207	$ 99,070	$ 99,467	$ 8,810
Intergovernmental payable - Local Boards of Education	$ -	$ 377,782	$ 377,782	$ -
Miscellaneous liabilities	$ 300,428	$ 885,655	$ 870,011	$ 316,072
Total liabilities	$ 309,635	$ 1,362,507	$ 1,347,260	$ 324,882

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

Schedule of Cash and Investment Balances
June 30, 2019

	Amounts Represented on Statements	Cost Value	Fair Value
Cash			
On hand	$ 9,948	$ 9,948	$ 9,948
In demand deposits			
(interest bearing)	10,233,493	10,233,493	10,233,493
(noninterest bearing)	316,072	316,072	316,072
Certificates of deposit	245,133	245,133	245,133
Money Market, unrestricted	1,009,330	1,009,330	1,009,330
Money Market, restricted for capital	18,745,108	18,745,108	18,745,108
Total cash	$ 30,559,084	$ 30,559,084	$ 30,559,084
Other Investments			
North Carolina Capital			
Management Trust, Government Portfolio	18,832,158	18,832,158	18,832,158
North Carolina Capital			
Management Trust, Term Portfolio	14,672,253	14,672,253	14,672,253
Debt Escrow, restricted for capital	20,502,880	20,502,880	20,502,880
Federal Farm Credit	10,047,920	10,005,889	10,047,920
Federal Home Loan Bank	24,079,040	24,041,086	24,079,040
Federal Home Loan Mortgage Corporation	45,539,662	45,405,378	45,539,662
Federal National Mortgage Association	37,545,684	37,410,224	37,545,684
Commercial Paper	2,965,278	2,965,278	2,965,278
TVA Bond	3,095,220	3,075,510	3,095,220
Total other investments	$ 177,280,096	$ 176,910,656	$ 177,280,096
Total cash and investments	$ 207,839,180	$ 207,469,740	$ 207,839,180

Schedule of Cash and Investment Balances
June 30, 2019

Distribution by funds

General Fund	$ 63,789,568	
Restricted cash	15,918,946	$ 79,708,514
Special Revenue Funds		
Emergency Telephone System Fund	631,762	
Narcotics Seized Funds and Property Fund	94,066	
State Unauthorized Substance Abuse Fund	139,621	
Rescue Squads Fund	479,569	
Library Endowment Fund	201,450	
Gretchen Peed Scholarship Fund	56,815	
Parks Preservation Trust Fund	5,515	
Community Development Fund	4,408	
Fire District Funds	1,888,313	3,501,519
Capital Projects Funds		
General Capital Projects Fund	23,259,270	
Restricted Cash	17,884,858	
Schools Capital Projects Fund	6,828,310	
School Construction Fund	9,643,564	
Restricted Cash	6,066,675	
Hospital Capital Reserve Fund	3,728,084	67,410,761
Enterprise Fund		
Solid Waste Management Fund	20,562,574	
Water & Sewer Fund	36,330,930	56,893,504
Restricted Cash		
Fiduciary Funds		
Social Services Fund	$ 70,394	
Sheriff Commissary Fund	42,103	
Sheriff Civil Fund	1,530	
Sheriff Evidence Escrow Fund	202,045	
Deed of Trust Fee Fund	8,810	
Fines and Forfeitures	-	324,882
Total		$ 207,839,180

Analysis of Current Tax Levy
For the Year Ended June 30, 2019

	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	$ 17,161,552,236	0.575	$ 98,678,925	$ 90,042,405	$ 8,636,520
Penalties	-		166,858	166,858	-
Total	17,161,552,236		98,845,783	90,209,263	8,636,520
Discoveries:					
Current year taxes	110,298,252	0.575	634,215	634,215	-
Prior year taxes	122,051,536	various	701,796	701,796	-
Penalties	-		152,623	152,623	-
Total	232,349,788		1,488,634	1,488,634	-
Abatements:	(212,413,169)		(1,221,375)	(1,187,112)	(34,263)
Total property valuation	$ 17,181,488,855				
Net levy			99,113,042	90,510,785	8,602,257
Uncollected taxes at June 30, 2019			1,361,684	1,361,684	-
Current year's taxes collected			$ 97,751,358	$ 89,149,101	$ 8,602,257
Current levy collection percentage			98.63%	98.50%	100.00%

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio [1]	100%
Real Property	$ 11,984,593,390
Personal Property	4,339,896,854
Public Service Companies [2]	856,998,611
Total Assessed Valuation	$ 17,181,488,855
Tax Rate per $100	0.575
Net Levy (includes discoveries, releases and abatements)[3]	$ 99,113,042

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	$ 7,420,876,893

[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, 2019

General Fund	Uncollected Balance June 30, 2018	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2019
2018	$ -	$ 99,113,042	$ 97,751,358	$ 1,361,684
2017	1,568,501	-	981,246	587,255
2016	729,221	-	393,305	335,916
2015	426,569	-	201,771	224,798
2014	336,726	-	115,618	221,108
2013	460,083	-	98,788	361,295
2012	522,180	-	103,072	419,108
2011	438,721	-	75,106	363,615
2010	394,749	-	48,364	346,385
2009	372,520	-	30,438	342,082
Prior	381,607	-	381,607	-
	$ 5,630,877	$ 99,113,042	$ 100,180,673	$ 4,563,246
Less allowance for uncollectible taxes	4,378,481			3,465,318
Taxes receivable -- net	$ 1,252,396			$ 1,097,928

Reconcilement with revenues:	
Ad valorem taxes	
General Fund	$ 99,888,964
Rescue Squad Fund	826,183
Total ad valorem taxes	$ 100,715,147
Reconciling items:	
Penalties and interest collected	(719,186)
Tax on leased vehicle collected	(222,714)
Prior year release/adjustments	25,819
Taxes written off	381,607
Total reconciling items	(534,474)
Total collections	$ 100,180,673

CATAWBA COUNTY, NORTH CAROLINA

Schedule J-1

General Long-Term Debt Requirements and Maturity Schedule
June 30, 2019

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
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	5,038,744	18,402,422	1,198,897	137,191	1,336,088
2023	13,271,134	4,604,237	17,875,371	1,214,036	103,132	1,317,168
2024	13,076,485	4,169,069	17,245,554	1,206,510	69,290	1,275,800
2025-2029	70,813,343	11,052,958	81,866,301	1,836,265	77,383	1,913,648
2030-2034	17,015,000	3,284,261	20,299,261	75,000	-	75,000
2035-2039	9,720,000	936,955	10,656,955	-	-	-
	$ 166,514,330	$ 40,474,069	$ 206,988,399	$ 7,893,513	$ 753,950	$ 8,647,463

(1) 12% of Legal Debt Limit

Statistical Section

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

Content	Pages
Financial Trends	*180-189*
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	*190-193*
These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	*194-197*
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.	
Demographic and Economic Information	*198-200*
These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	*201-202*
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.	

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

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

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
Governmental activities:					
Net investment in capital assets	$ 102,979,361	$ 102,894,759	$ 92,137,818	$ 82,024,110	$ 75,032,918
Restricted	47,104,886	26,520,247	32,847,390	37,336,072	55,052,023
Unrestricted	(47,734,012)	(31,770,408)	(20,049,846)	(17,909,411)	(49,201,049)
Total governmental activities net position	102,350,235	97,644,598	104,935,362	101,450,771	80,883,892
Business-type activities:					
Net investment in capital assets	64,560,596	60,993,467	57,243,979	53,727,147	51,643,356
Unrestricted	47,132,939	46,791,325	46,440,583	47,385,811	46,123,218
Total business-type activities net position	111,693,535	107,784,792	103,684,562	101,112,958	97,766,574
Primary government:					
Net investment in capital assets	167,539,957	163,888,226	149,381,797	135,751,257	126,676,274
Restricted	47,104,886	26,520,247	32,847,390	37,336,072	55,052,023
Unrestricted	(601,073)	15,020,917	26,390,737	29,476,400	(3,077,831)
Total primary government net position	$ 214,043,770	$ 205,429,390	$ 208,619,924	$ 202,563,729	$ 178,650,466

Data Source
Audited Financial Statements

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

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

	Fiscal Year				
	2014	**2013**	**2012**	**2011**	**2010**
Governmental activities:					
Net investment in capital assets	$ 73,669,285	$ 72,733,148	$ 71,902,720	$ 71,693,769	$ 68,272,595
Restricted	61,304,988	50,910,338	32,831,276	47,011,143	1,377,237
Unrestricted	(70,537,217)	(56,964,579)	(39,024,726)	(53,622,693)	(1,870,336)
Total governmental activities net position	64,437,056	66,678,907	65,709,270	65,082,219	67,779,496
Business-type activities:					
Net investment in capital assets	49,571,504	51,632,394	47,665,657	46,958,987	46,177,552
Unrestricted	45,362,525	39,533,644	41,998,988	40,391,776	35,808,986
Total business-type activities net position	94,934,029	91,166,038	89,664,645	87,350,763	81,986,538
Primary government:					
Net investment in capital assets	123,240,789	124,365,542	119,568,377	118,652,756	114,450,147
Restricted	61,304,988	50,910,338	32,831,276	47,011,143	1,377,237
Unrestricted	(25,174,692)	(17,430,935)	2,974,262	(13,230,917)	33,938,650
Total primary government net position	$ 159,371,085	$ 157,844,945	$ 155,373,915	$ 152,432,982	$ 149,766,034

Data Source
Audited Financial Statements

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

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

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
Expenses					
Governmental activities:					
General government	$ 11,645,266	$ 10,229,231	$ 12,702,261	$ 11,860,452	$ 9,933,029
Public safety	42,615,139	40,842,983	39,368,324	34,879,104	32,921,751
Environmental protection	629,550	599,963	679,490	585,457	546,444
Economic and physical development	18,490,744	17,042,823	16,638,619	14,883,762	13,950,985
Human services	44,620,992	43,083,045	48,949,754	46,621,822	47,218,856
Culture and recreation	3,372,144	3,545,635	3,518,210	3,595,626	3,127,165
Education	65,517,013	69,146,541	57,013,840	50,223,611	49,298,062
Interest on long-term debt	4,318,642	3,615,378	3,707,890	3,477,042	3,815,195
Total governmental activities expenses	191,209,490	188,105,599	182,578,388	166,126,876	160,811,487
Business-type activities:					
Solid waste management	6,576,468	5,640,840	5,575,002	5,346,204	4,899,445
Water and sewer	3,210,852	2,289,106	2,074,045	2,279,892	2,291,702
Total business-type activities expenses	9,787,320	7,929,946	7,649,047	7,626,096	7,191,147
Total primary government expenses	200,996,810	196,035,545	190,227,435	173,752,972	168,002,634
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	2,413,382	2,048,789	1,645,516	1,664,523	1,870,508
Public safety	8,753,953	9,082,972	9,062,382	8,617,461	8,747,839
Environmental protection	40,791	35,125	33,368	35,269	24,651
Economic and physical development	2,639,454	2,886,862	2,783,017	2,552,503	2,489,106
Human services	1,986,009	2,104,653	2,777,252	7,390,409	5,279,686
Culture and recreation	63,150	60,763	57,805	61,537	66,579
Education		-	-	-	-
Operating grants and contributions	29,495,898	29,180,562	33,826,622	33,083,275	37,229,196
Capital grants and contributions	465,997	246,568	114,292	250,000	125,000
Total governmental activities program revenues	45,858,634	45,646,294	50,300,254	53,654,977	55,832,565
Business-type activities:					
Fees, fines, and charges for services	7,972,268	7,384,774	6,615,230	6,421,312	6,054,569
Operating grants and contributions	870,227	1,500,375	742,079	743,064	606,766
Capital grants and contributions	13,364	-	-	223,191	486,732
Total business-type activities program revenues	8,855,859	8,885,149	7,357,309	7,387,567	7,148,067
Total primary government program revenues	54,714,493	54,531,443	57,657,563	61,042,544	62,980,632
Net (Expenses) Revenues					
Governmental activities	(145,350,856)	(142,459,305)	(132,278,134)	(112,471,899)	(104,978,922)
Business-type activities	(931,461)	955,203	(291,738)	(238,529)	(43,080)
Total primary government net expense	(146,282,317)	(141,504,102)	(132,569,872)	(112,710,428)	(105,022,002)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	107,841,934	104,070,254	102,512,789	98,691,384	94,200,605
Local option sales taxes	37,938,247	36,065,390	34,612,225	32,903,055	29,962,757
Other taxes	1,795,787	1,848,291	1,768,591	1,590,916	1,652,213
Investment earnings, unrestricted	4,175,509	702,975	209,348	1,470,473	975,564
Gain (loss) on sales of capital assets	-	-	-	-	-
Transfers	(1,694,984)	(1,653,489)	(1,600,000)	(1,617,050)	(800,000)
Total governmental activities	150,056,493	141,033,421	137,502,953	133,038,778	125,991,139
Business-type activities:					
Taxes					
Local option sales taxes	900,150	848,925	821,860	870,975	1,451,312
Other taxes	372,218	425,298	340,216	327,044	312,429
Investment earnings	1,867,691	292,600	52,518	715,609	477,221
Gain on sales of capital assets	5,161	54,598	48,748	54,235	2,220
Transfers	1,694,984	1,653,489	1,600,000	1,617,050	800,000
Total business-type activities	4,840,204	3,274,910	2,863,342	3,584,913	3,043,182
Total primary government	154,896,697	144,308,331	140,366,295	136,623,691	129,034,321
Change in Net Position					
Governmental activities	4,705,637	(1,425,884)	5,224,819	20,566,879	21,012,217
Business-type activities	3,908,743	4,230,113	2,571,604	3,346,384	3,000,102
Total primary government	8,614,380	$ 2,804,229	$ 7,796,423	$ 23,913,263	$ 24,012,319

Data Source
Audited Financial Statements

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

	Fiscal Year				
	2014	**2013**	**2012**	**2011**	**2010**
Expenses					
Governmental activities:					
General government	$ 10,807,772	$ 9,760,225	$ 9,737,258	$ 9,795,648	$ 10,533,518
Public safety	32,732,323	31,236,944	31,399,814	30,599,650	29,076,572
Environmental protection	492,269	508,073	459,609	508,248	495,248
Economic and physical development	13,538,407	12,780,487	11,657,411	9,713,902	10,627,991
Human services	47,935,422	48,863,130	50,113,468	51,350,294	51,688,459
Culture and recreation	2,847,558	2,776,547	2,724,942	2,733,249	2,830,504
Education	61,843,087	57,519,210	57,134,411	65,072,007	53,825,312
Interest on long-term debt	3,774,279	3,602,099	4,487,690	4,998,419	5,411,021
Total governmental activities expenses	173,971,117	167,046,715	167,714,603	174,771,417	164,488,625
Business-type activities:					
Solid waste management	5,166,963	5,927,016	5,797,602	5,869,812	5,800,628
Water and sewer	1,612,849	2,102,576	2,462,706	1,365,042	1,270,443
Total business-type activities expenses	6,779,812	8,029,592	8,260,308	7,234,854	7,071,071
Total primary government expenses	180,750,929	175,076,307	175,974,911	182,006,271	171,559,696
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	1,752,070	1,869,484	2,018,381	2,915,961	2,631,983
Public safety	8,068,851	9,178,100	9,436,724	10,169,062	8,188,847
Environmental protection	5,100	4,675	5,100	5,525	4,675
Economic and physical development	2,204,984	2,329,590	2,287,770	1,788,439	2,858,217
Human services	6,762,666	7,247,968	6,368,320	7,286,797	7,876,144
Culture and recreation	57,436	62,192	61,080	61,607	74,256
Education	494,298	499,006	509,420	796,001	892,179
Operating grants and contributions	29,136,207	28,576,342	31,816,198	32,659,457	32,298,988
Capital grants and contributions	2,292,224	1,859,891	1,746,730	5,380,157	3,217,167
Total governmental activities program revenues	50,773,836	51,627,248	54,249,723	61,063,006	58,042,456
Business-type activities:					
Fees, fines, and charges for services	5,671,631	5,880,833	5,912,649	5,742,856	5,816,059
Operating grants and contributions	868,759	650,178	447,717	501,033	546,052
Capital grants and contributions	126,942	731,970	1,366,637	1,957,808	209,796
Total business-type activities program revenues	6,667,332	7,262,981	7,727,003	8,201,697	6,571,907
Total primary government program revenues	57,441,168	58,890,229	61,976,726	69,264,703	64,614,363
Net (Expenses) Revenues					
Governmental activities	(123,197,281)	(115,419,467)	(113,464,880)	(113,708,411)	(106,446,169)
Business-type activities	(112,480)	(766,611)	(533,305)	966,843	(499,164)
Total primary government net expense	(123,309,761)	(116,186,078)	(113,998,185)	(112,741,568)	(106,945,333)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	93,649,723	89,347,893	85,663,390	85,440,972	84,763,108
Local option sales taxes	28,027,368	26,644,767	26,394,707	26,504,695	26,692,186
Other taxes	1,494,645	1,548,870	1,517,464	1,491,355	1,263,135
Investment earnings, unrestricted	1,155,474	(183,818)	1,291,370	1,136,085	2,115,680
Gain (loss) on sales of capital assets	-	9,169	-	-	-
Transfers	(1,601,565)	(775,000)	(775,000)	(3,561,973)	(3,700,000)
Total governmental activities	122,725,645	116,591,881	114,091,931	111,011,134	111,134,109
Business-type activities:					
Taxes					
Local option sales taxes	1,359,558	1,293,304	-	-	-
Other taxes	297,543	294,409	1,585,139	302,161	290,643
Investment earnings	621,805	(94,709)	487,048	533,248	927,964
Gain on sales of capital assets	-	-	-	-	-
Transfers	1,601,565	775,000	775,000	3,561,973	3,700,000
Total business-type activities	3,880,471	2,268,004	2,847,187	4,397,382	4,918,607
Total primary government	126,606,116	118,859,885	116,939,118	115,408,516	116,052,716
Change in Net Position					
Governmental activities	(471,636)	1,172,414	627,051	(2,697,277)	4,687,940
Business-type activities	3,767,991	1,501,393	2,313,882	5,364,225	4,419,443
Total primary government	$ 3,296,355	$ 2,673,807	$ 2,940,933	$ 2,666,948	$ 9,107,383

Data Source
Audited Financial Statements

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

	Fiscal Year				
General Fund	**2019**	**2018**	**2017**	**2016**	**2015**
Nonspendable					
Inventories	310,198	$ 314,246	$ 315,603	$ 326,899	$ 319,059
Prepaid	595,103	600,017	650,755	791,762	115,502
Notes receivable	930,261	828,179	1,140,298	1,487,417	1,597,343
Restricted					
Stabilization by State Statute	17,310,522	16,277,027	15,043,605	15,930,246	15,465,797
Register of Deeds	46,265	17,382	17,170	5,883	78,807
Debt service	15,552,488	13,923,346	11,878,801	10,014,375	8,273,296
Social Services	245,354	-	-	-	-
General Capital Reserve	-	405,964	404,237	462,531	456,389
Committed					
Tax Reappraisal	94,005	119,803	173,005	172,990	165,832
Assigned					
Public Health	572,272	734,665	684,018	376,026	241,739
Social Services	3,434,388	3,758,037	4,133,196	5,189,684	5,101,867
County Manager	251,336	251,049	168,882	165,824	94,899
Human Resources	210,196	323,652	396,894	498,613	582,027
Library	515,113	307,791	127,497	103,073	224,601
Cooperative Extension	-	-	-	-	-
Subsequent year's expenditures	7,606,196	6,809,722	6,196,066	8,740,222	6,144,343
Unassigned	41,970,308	39,478,996	38,512,665	34,098,284	21,646,494
Total general fund	89,644,005	84,149,876	79,842,692	78,363,829	60,507,995
All other governmental funds					
Restricted					
Stabilization by State Statute	22,009,972	2,642,305	9,998,054	13,762,920	21,233,131
Public Safety	1,282,323	934,306	607,282	494,667	2,489,115
Fire Protection	1,881,139	1,487,254	1,521,675	1,370,246	1,258,983
Debt service	-	-	-	-	-
Library Endowment	199,878	193,303	192,424	192,428	187,371
Scholarship	56,815	54,953	53,725	52,740	52,294
Parks Preservation	5,515	5,335	5,312	1,099	50,004
Community Development	4,408	25,764	15,821	-	12,105
General Capital	17,884,858	30,058,365	452,704	2,231,565	10,604,245
School Capital and Construction	6,066,675	22,578,401	22,019,761	-	224,942
Hospital Capital	3,728,084	4,104,986	4,586,527	5,063,041	5,494,731
Committed					
General Capital	2,462,695	17,584,405	16,137,346	18,875,251	12,203,246
School Capital	6,791,275	6,116,496	7,159,669	5,499,929	5,900,499
School Construction	8,877,798	7,216,972	12,264,434	6,790,440	6,596,208
Hospital Construction	-	-	-	24,433	24,370
Assigned	-	-	-	-	-
Unassigned	-	-	-	(712)	-
Total fund balances	71,251,435	93,002,845	75,014,734	54,358,047	66,331,244
Total governmental funds	$ 160,895,440	$ 177,152,721	$ 154,857,426	$ 132,721,876	$ 126,839,239

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions in fiscal year 2011.
Nine years are presented in the format after the implementation of GASB 45.
The previous year is presented on the following page.

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

	Fiscal Year			
General Fund	**2014**	**2013**	**2012**	**2011**
Nonspendable				
Inventories	$ 327,147	$ 305,186	$ 338,109	$ 395,153
Prepaid	164,242	26,922	54,469	86,781
Notes receivable	-	-	-	-
Restricted				
Stabilization by State Statute	14,650,010	12,972,979	12,221,688	11,581,246
Register of Deeds	1,410	66,229	50,346	39,764
Debt service	1,839,350	-	-	-
Social Services	-	-	-	-
General Capital Reserve	452,670	448,015	448,620	444,128
Committed				
Tax Revaluation	192,437	166,678	153,881	145,757
Assigned				
Public Health	289,199	428,814	197,421	169,805
Social Services	4,304,485	4,505,344	4,640,932	4,594,451
County Manager	122,118	182,660	217,313	158,767
Human Resources	614,061	624,570	579,873	559,216
Library	400,697	334,917	298,313	350,508
Cooperative Extension	-	-	154,516	136,811
Subsequent year's expenditures	6,471,106	6,356,815	6,542,811	5,244,348
Unassigned	20,734,380	24,199,035	25,202,712	29,177,889
Total general fund	50,563,312	50,618,164	51,101,004	53,084,624
All other governmental funds				
Restricted				
Stabilization by State Statute	28,760,070	3,847,266	4,652,337	4,854,187
Public Safety	2,582,688	2,658,023	2,743,542	2,743,445
Fire Protection	1,145,873	893,577	859,873	852,061
Debt service	4,645,650	-	-	-
Library Endowment	239,217	236,757	237,077	234,704
Scholarship	46,048	44,288	44,099	43,207
Parks Preservation	49,596	75,197	161,597	142,407
Community Development	17,469	-	-	-
General Capital	17,957,394	-	-	-
School Capital and Construction	4,726,766	22,834,431	4,316,249	19,278,537
Hospital Capital	5,449,956	5,393,919	5,401,200	5,347,139
Committed				
General Capital	4,543,427	32,219,263	23,913,332	21,417,686
School Capital	6,465,739	6,172,623	9,594,076	8,985,425
School Construction	-	927,914	1,815,442	213,091
Hospital Construction	24,171	23,693	23,725	23,486
Assigned	-	-	-	-
Unassigned	(2,380,149)	-	(4,355)	(4,178)
Total fund balances	74,273,915	75,326,951	53,758,194	64,131,197
Total governmental funds	$ 124,837,227	$ 125,945,115	$ 104,859,198	$ 117,215,821

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

	Fiscal Year
	2010
General Fund	
Reserved	$ 12,081,863
Unreserved	39,583,672
Total general fund	51,665,535
All other governmental funds	
Reserved	177,161
Unreserved, reported in:	
Special revenue funds	10,994,696
Capital projects funds	36,158,392
Total all other governmental funds	47,330,249
Total governmental funds	$ 98,995,784

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governme
Type Definitions" in fiscal year 2011.
One year is presented in the format prior to the implementation of GASB 45.
Nine years after the implementation are presented on the previous page.

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

	Fiscal Year				
	2019	**2018**	**2017**	**2016**	**2015**
Revenues					
Ad valorem taxes	108,017,836	$ 104,028,855	$ 102,643,115	$ 98,864,292	$ 94,982,137
Other taxes	38,794,760	36,953,090	35,395,806	33,513,929	30,577,418
Unrestricted intergovernmental revenues	1,859,693	1,895,660	1,915,010	1,914,853	1,950,128
Restricted intergovernmental revenues	33,799,515	32,872,765	37,710,248	36,702,096	37,914,903
Permits and fees	3,648,564	3,545,784	3,270,330	2,725,409	2,398,171
Sales and services	7,679,583	7,789,214	7,955,557	9,289,078	10,275,072
Investment earnings	4,175,516	702,974	209,348	1,451,782	975,566
Miscellaneous	3,258,451	3,584,753	3,544,286	7,502,488	6,790,563
Total revenues	201,233,918	191,373,095	192,643,700	191,963,927	185,863,958
Expenditures					
Current:					
General government	13,645,725	12,033,377	12,813,629	12,646,281	10,889,713
Public safety	40,511,383	40,537,103	40,004,086	34,477,572	33,618,405
Environmental protection	607,125	581,569	661,156	573,409	545,637
Economic and physical development	17,619,284	16,222,681	15,493,426	15,010,630	13,813,474
Human services	42,815,566	42,039,157	47,706,576	46,315,883	47,773,150
Culture and recreation	3,603,514	3,397,645	3,407,377	3,513,584	3,109,069
Education	44,679,342	43,331,107	41,012,204	40,239,272	40,394,875
Capital Outlay	34,042,704	35,780,090	27,343,949	26,081,492	18,273,102
Debt service:					
Principal	13,445,368	13,501,848	13,430,361	10,582,661	12,331,427
Interest	4,826,204	3,507,375	3,763,682	3,744,689	4,042,723
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance costs	-	375,651	115,551	-	-
Total expenditures	215,796,215	211,307,603	205,751,997	193,185,473	184,791,575
Other Financing Sources (uses)					
Transfers from other funds	5,158,796	6,641,134	10,302,305	8,376,971	5,187,183
Transfers to other funds	(6,853,780)	(8,294,623)	(11,902,305)	(9,994,021)	(5,987,183)
Installment purchase obligations issued	-	-	50,530,000	570,000	-
Premium on installment obligations issue	-	-	-	-	-
Bonds issued	-	39,085,000	-	-	-
Premium on bonds issued	-	4,798,292			
Payment to refunded escrow agent	-	-	(13,686,153)	-	-
Sales of capital assets	-	-	-	-	-
Total other financing sources (uses)	(1,694,984)	42,229,803	35,243,847	(1,047,050)	(800,000)
Net change in fund balances	$ (16,257,281)	$ 22,295,295	$ 22,135,550	$ (2,268,596)	$ 272,383
Debt service as a percentage of noncapital expenditures	9.1%	8.6%	8.9%	8.1%	9.4%

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

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

	Fiscal Year				
	2014	**2013**	**2012**	**2011**	**2010**
Revenues					
Ad valorem taxes	$ 94,593,965	$ 89,246,050	$ 86,401,682	$ 85,290,748	$ 84,697,609
Other taxes	28,514,821	27,201,571	26,867,917	26,934,772	27,121,865
Unrestricted intergovernmental revenues	1,902,192	1,887,066	1,839,255	1,906,277	1,878,455
Restricted intergovernmental revenues	36,065,434	36,172,540	37,487,597	41,544,195	41,218,717
Licenses and permits	2,130,735	2,346,916	2,012,367	1,795,495	2,547,643
Sales and services	11,363,376	11,518,226	12,117,015	13,631,424	13,041,964
Investment earnings	1,155,473	(183,818)	963,774	949,483	1,929,311
Miscellaneous	3,539,937	3,469,424	3,675,026	4,713,228	3,716,912
Total revenues	179,265,933	171,657,975	171,364,633	176,765,622	176,152,476
Expenditures					
Current:					
General government	11,329,249	10,339,386	10,134,171	10,115,078	11,601,149
Public safety	31,930,143	30,928,591	30,749,802	30,260,313	29,360,816
Environmental protection	461,359	477,163	451,864	503,130	469,014
Economic and physical development	13,573,781	12,850,717	11,307,365	9,926,951	10,619,754
Human services	47,114,736	48,069,751	49,245,926	50,540,941	50,879,470
Culture and recreation	2,769,125	2,694,713	2,677,465	2,661,530	2,758,668
Education	40,004,060	39,695,975	39,257,916	39,598,951	38,606,716
Capital Outlay	33,342,151	21,113,769	20,810,153	29,796,072	16,572,802
Debt service:					
Principal	13,932,346	13,586,635	41,605,430	13,177,827	13,421,793
Interest	3,794,348	3,600,703	5,023,779	4,902,829	5,315,420
Payment to refunded bond escrow agent	1,014,000	1,128,232	-	-	-
Bond issuance costs	23,583	135,592	448,255	-	-
Total expenditures	199,288,881	184,621,227	211,712,126	191,483,622	179,605,602
Other Financing Sources (uses)					
Transfers from other funds	2,942,065	2,247,667	1,450,431	2,694,737	4,395,302
Transfers to other funds	(4,543,630)	(3,022,667)	(2,225,431)	(6,256,710)	(8,095,302)
Installment purchase obligations issued	20,125,000	33,600,000	650,000	-	-
Premium on installment obligations issued	2,161,054	-	-	-	-
Bonds issued	1,810,000	10,965,000	41,995,366	36,500,000	-
Premium on bonds issued	39,911		3,873,747		
Payment to refunded escrow agent	(1,849,125)	(9,750,000)	(17,777,592)	-	-
Sales of capital assets	-	9,169	24,349	-	-
Total other financing sources (uses)	20,685,275	34,049,169	27,990,870	32,938,027	(3,700,000)
Net change in fund balances	$ 662,327	$ 21,085,917	$ (12,356,623)	$ 18,220,027	$ (7,153,126)
Debt service as a percentage of noncapital expenditures	10.0%	10.2%	22.4%	9.7%	10.6%

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

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
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	17,439,106,470
2019	11,984,593,390	4,339,896,854	856,998,611	17,181,488,855	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

Property Tax Rates - Direct and Overlapping Governments [1]
Last Ten Fiscal Years

	Fiscal Year									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Catawba County										
Property Tax	0.5750	0.5750	0.5750	0.5750	0.5300	0.5300	0.5300	0.5300	0.5350	0.5350
Fire Districts:										
Bandys	0.0820	0.0820	0.0820	0.0820	0.0700	0.0700	0.0700	0.0600	0.0600	0.0600
Catawba Rural	0.1000	0.1000	0.1000	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont Rural	0.0900	0.0900	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.1100	0.0900	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Cooksville	0.0620	0.0620	0.0620	0.0620	0.0617	0.0617	0.0617	0.0517	0.0517	0.0517
Hickory Rural	0.1200	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Long View Rural	0.0730	0.0730	0.0730	0.0730	0.0650	0.0546	0.0546	0.0546	0.0546	0.0546
Maiden Rural	0.0800	0.0800	0.0800	0.0750	0.0700	0.0600	0.0600	0.0600	0.0600	0.0500
Mountain View	0.0750	0.0750	0.0750	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0493
Newton Rural	0.1200	0.0900	0.0900	0.0900	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700
Oxford	0.0650	0.0650	0.0650	0.0650	0.0558	0.0558	0.0558	0.0558	0.0558	0.0558
Propst	0.0620	0.0620	0.0620	0.0620	0.0615	0.0615	0.0615	0.0615	0.0615	0.0615
Sherrills Ford	0.1100	0.1100	0.1100	0.0810	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700
St. Stephens	0.1200	0.1200	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700
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	0.5800	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	0.4900	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600
City of Conover	0.5000	0.4700	0.4700	0.4700	0.4300	0.4000	0.4000	0.4000	0.4000	0.4000
City of Hickory	0.5665	0.5665	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Town of Long View	0.5700	0.5200	0.5200	0.4200	0.4200	0.4200	0.4000	0.4000	0.4000	0.4000
Town of Maiden	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.4000	0.4000
City of Newton	0.5400	0.5400	0.5400	0.5400	0.5100	0.4800	0.4800	0.4800	0.4800	0.4800
Total Maximum Rate - Fire District	0.6950	0.6950	0.6950	0.6650	0.6200	0.6000	0.6000	0.6000	0.6050	0.6050
Total Maximum Rate - Municipalities	1.1550	1.1415	1.1415	1.1415	1.0500	1.0500	1.0500	1.0500	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

Principal Property Taxpayers
December 31, 2018 and December 31, 2009

		December 31, 2018			December 31, 2009		
Taxpayer	**Type of Business**	**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	6.33	$ -	-	-
Duke Energy Carolinas, LLC	Electric utility	644,785,994	2	3.75	433,348,357	1	2.89
GKN Driveline Newton, LLC	Gears mfg.	246,181,535	3	1.43	129,677,116	2	0.86
Corning Cable Systems, LLC	Cable mfg.	175,230,631	4	1.02	74,191,266	6	0.49
CommScope Inc. of North Carolina	Cable mfg.	115,669,668	5	0.67	128,462,553	3	0.86
Draka Comteq Americas, Inc.	Cable mfg.	93,552,441	6	0.54	70,617,246	7	0.47
Target Corporation	Warehouse/Retail	74,655,784	7	0.43	104,626,992	4	0.70
DPL Frye Regional Medical Center, LLC	Medical care	66,713,719	8	0.39	84,831,953	5	0.57
Piedmont Natural Gas Co, Inc.	Gas utility	57,464,466	9	0.33	-	-	-
ZF Chassis Components, LLC	Automotive	54,780,628	10	0.32	-	-	-
Hickory Springs Mfg. Co., Inc.	Furniture supplies mfg.	-	-	-	59,411,136	8	0.40
Central Telephone Company	Telephone	-	-	-			0.00
Valley Hills Mall, LLC	Retail	-	-	-	50,192,205	9	0.33
Shuford Mills, Inc./Shuford Development	Textiles/Tape mfg.	-	-	-	46,828,469	10	0.31
		$ 2,616,450,458		15.21	$ 1,182,187,293		7.88
Total Assessed Valuation		$ 17,181,488,855			$ 15,013,754,766		

Source: Catawba County Tax Collector

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

			Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year [1]	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2010	2009	80,666,180	77,707,260	96.33	2,616,838	80,324,098	99.58
2011	2010	80,907,294	77,904,536	96.29	2,656,373	80,560,909	99.57
2012	2011	82,231,844	78,892,929	95.94	2,975,300	81,868,229	99.56
2013	2012	84,947,787	81,441,422	95.87	3,087,257	84,528,679	99.51
2014	2013	88,513,192	85,800,420	96.94	2,351,477	88,151,897	99.59
2015	2014	88,178,346	86,413,676	98.00	1,543,562	87,957,238	99.75
2016	2015	92,542,456	90,856,714	98.18	1,460,944	92,317,658	99.76
2017	2016	94,639,996	93,070,059	98.34	1,234,021	94,304,080	99.65
2018	2017	96,140,422	94,571,921	98.37	981,246	95,553,167	99.39
2019	2018	99,113,042	97,751,358	98.63	-	97,751,358	98.63

[1] Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Year	**General Obligation Bonds**	**Certificates of Participation**	**Installment Purchases**	**Qualified Zone Academy Bonds**	**Qualified School Construction Bonds**	**Build America Bonds**	**Limited Obligation Bonds**	**North Carolina Department of Commerce**
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
2019	-	6,776,664	58,593,253	150,000	27,808,553	-	80,993,922	1,070,988

N/A = Not available

Sources:
[1] U.S. Department of Commerce Bureau of Economic Analysis
[2] Population based on estimates issued by the Bureau of the Census

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Business Type					
Year	**Installment Purchases**	**Limited Obligation Bonds**	**Revolving Loan**	**Total Primary Government**	**Percentage of Personal Income (1)**	**Per Capita (2)**
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	3,501,003	900,000	198,869,190	N/A	1,263
2019	4,215,049	2,972,398	825,000	183,405,827	N/A	1,157

N/A = Not available

Sources:
[1] U.S. Department of Commerce Bureau of Economic Analysis
[2] Population based on estimates issued by the Bureau of the Census

Legal Debt Margin Information
Last Ten Fiscal Years

	2019	2018	2017	2016	2015
Assessed value (after exemption)	17,181,488,855	16,699,988,355	16,421,192,679	16,094,340,156	16,637,423,792
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,374,519,108	1,335,999,068	1,313,695,414	1,287,547,212	1,330,993,903
Less: Total net debt applicable to limit	167,855,980	198,869,191	170,255,375	148,502,990	152,703,618
Legal debt margin	1,206,663,128	1,137,129,877	1,143,440,039	1,139,044,222	1,178,290,285
Total net debt applicable to the limit as a percentage of debt limit	12%	15%	13%	12%	11%

Legal Debt Margin Calculation for Fiscal Year 2019	
Assessed value (after exemptions)	$ 17,181,488,855
Debt limit (8% of assessed value)	1,374,519,108
Debt applicable to limit:	
Certificates of participation	6,776,664
Installment purchase	62,808,302
Qualified Zone Academy Bonds	150,000
Qualified School Construction Bonds	27,808,553
Limited Obligation Bonds	83,966,320
North Carolina Department of Commerce	1,070,988
Federal Revolving Loan	825,000
Less: Statutory deductions	
Sinking Funds	(15,549,847)
Total net debt applicable to limit	167,855,980
Legal debt margin	$ 1,206,663,128

Legal Debt Margin Information
Last Ten Fiscal Years

	2014	2013	2012	2011	2010
Assessed value (after exemption)	16,700,602,238	16,027,884,358	15,515,442,124	15,122,858,692	15,013,754,766
Debt limit rate	8%	8%	8	8%	8%
Debt limit	1,336,048,179	1,282,230,749	1,241,235,370	1,209,828,695	1,201,100,381
Less: Total net debt applicable to limit	158,887,591	154,634,710	125,775,150	142,142,197	117,002,355
Legal debt margin	1,177,160,588	1,127,596,039	1,115,460,220	1,067,686,498	1,084,098,026
Total net debt applicable to the limit as a percentage of debt limit	12%	12%	10%	12%	10%

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population Estimate [1]	Personal Income	Per Capita Income [2]	Median Age [3]	School Enrollment [4]	Unemployment Rate [5]
2010	159,013	4,941,148,000	31,052	38.20	24,338	12.90
2011	159,125	5,016,806,000	32,504	38.39	24,245	12.00
2012	154,992	5,137,333,000	33,320	39.90	24,250	11.30
2013	155,494	5,357,979,000	34,716	40.25	24,241	10.80
2014	155,411	5,478,237,750	35,250	40.47	24,204	7.10
2015	155,832	5,725,579,344	36,742	40.67	23,889	6.00
2016	156,182	6,243,298,000	40,265	40.82	23,679	4.90
2017	156,106	6,489,428,000	41,477	41.06	23,509	4.00
2018	157,424	6,895,726,000	43,651	41.20	23,203	3.80
2019	158,579	N/A	N/A	41.25	22,705	4.20

N/A = Not available

Sources:
[1] NC Budget and Management Office of State Planning - Based upon estimates issued by the U.S. Census Bureau
[2] Bureau of Economic Analysis
[3] NC Budget and Management Office of State Planning
[4] North Carolina Department of Public Instruction
[5] United States Department of Labor - Bureau of Labor Statistics

Principal Employers
Current Year and Nine Years Ago

		2019		2010	
Employer	**Industry**	**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
Corning Optical Communications, LLC	Manufacturing	1,000+	3	1,000+	8
CommScope	Manufacturing	1,000+	4	1,000+	4
GKN Driveline Newton, LLC	Manufacturing	1,000+	5	-	-
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	1,000+	9	-	-
Century Furniture LLC	Manufacturing	500-999	10	-	-
Pierre Foods	Manufacturing	-	-	1,000+	6
Hickory Springs Manufacturing Co., Inc.	Manufacturing	-	-	1,000+	7
Ethan Allen, Inc.	Manufacturing	-	-	500-999	9
Sherrill Furniture Company	Manufacturing	-	-	500-999	10

CATAWBA COUNTY, NORTH CAROLINA

Table 13

Full Time Equivalent County Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Function										
Governmental activities:										
General government	80	82	82	81	83	84	85	86	90	92
Public safety	374	370	358	355	347	345	340	337	340	341
Environmental protection	5	4	4	4	4	5	4	3	9	11
Economic and physical developmer	91	86	84	78	76	76	75	75	90	98
Human services	515	510	505	541	548	551	577	573	572	561
Culture and recreation	38	37	36	35	35	35	32	32	33	37
Total governmental activities	1,103	1,089	1,069	1,093	1,093	1,096	1,113	1,106	1,135	1,140
Business-type activities:										
Water sewer	1	1	1	1	1	1	1	1	1	1
Solid waste management	29	29	27	26	26	27	27	28	28	28
Total business-type activities	30	30	28	27	27	28	28	29	29	29
Total primary government	1,133	1,119	1,097	1,120	1,120	1,124	1,141	1,136	1,164	1,169

Source: Catawba County Human Resources Department

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2019**	**2018**	**2017**	**2016**	**2015**	**2014 [1]**	**2013**	**2012**	**2011**	**2010**
Governmental activities:										
General government										
Number of registered voters	99,706	105,035	101,790	101,330	98,344	101,442	100,431	99,286	99,844	101,558
Number of marriage licenses issued	964	1,081	1,081	1,074	1,017	1,009	1,023	1,076	991	926
Number of tax bills issued	111,625	106,065	104,928	104,396	103,835	99,196	232,881	232,817	263,073	297,925
Public safety										
Number of 911 dispatch/calls	89,712	90,118	92,049	93,089	89,426	84,974	85,938	87,108	82,876	83,000
Sheriff Department offenses reported	9,417	5,914	6,054	6,169	4,866	4,823	5,436	6,195	5,737	6,256
Environmental protection										
Cooperative extension agent contacts	170,863	46,075	46,997	41,348	22,733	28,860	64,719	75,102	46,960	45,945
Economic and physical development										
Number of commercial permits issued	506	602	605	631	603	598	730	750	496	504
Number of residential permits issued	1,515	1,467	1,398	1,182	1,098	993	892	876	991	1,057
Human services										
Households that received assistance with energy bill	3,681	2,628	3,344	3,550	3,501	2,994	4,045	3,333	2,785	2,764
Medicaid transportation provided (round trips)	21,368	25,679	27,235	27,590	23,810	26,279	23,669	23,177	19,893	19,136
Child support services cases currently open	6,512	6,501	6,562	6,682	6,849	6,847	6,848	6,873	6,498	7,600
Public health clients served	40,768	17,148	9,037	10,958	13,887	18,698	22,087	23,063	24,068	28,826
Restaurant inspections	1,374	1,434	1,353	1,347	1,344	1,333	1,351	1,357	1,429	1,419
Culture and recreation										
Total circulation for library system	476,434	468,898	525,988	555,132	572,569	588,517	604,829	738,923	740,462	775,544
Number of patrons visiting parks	166,853	160,803	166,319	170,295	104,330	109,550	114,721	112,257	101,280	134,463
Education										
Public school student enrollment K-12	22,705	23,203	23,509	23,679	23,889	24,204	24,241	24,250	24,245	24,338
Business-type activities:										
Solid waste management										
Tons buried - MSW	157,312	153,207	139,638	133,843	123,325	120,579	117,787	117,330	123,149	122,938
Tons buried - C&D	34,384	33,858	33,041	32,819	27,638	28,670	26,786	27,980	23,203	22,570
Tons recycled	19,685	20,256	21,761	19,737	21,135	24,228	27,601	28,765	31,347	28,125

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

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Governmental activities:										
General government										
Buildings	5	6	6	6	6	6	5	5	5	5
Vehicles	5	5	4	5	6	8	7	8	9	8
Public safety										
Buildings	14	13	12	11	10	10	10	10	10	9
Vehicles	225	247	230	221	218	216	211	207	182	168
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	3	3	2	2	2	2	2	2	2	2
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	66	62	58	48	43	42	50	49	50	57
Human services										
Buildings	38	38	37	38	38	38	38	38	39	39
Vehicles	35	39	40	41	41	38	37	35	35	32
Culture and recreation										
Buildings	5	5	5	5	6	5	5	5	5	5
Vehicles	2	1	1	1	1	1	1	1	1	2
Business-type activities:										
Solid waste management										
Buildings	10	10	10	10	10	10	6	6	6	6
Vehicles	24	26	24	23	24	25	25	27	27	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

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

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.

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.

CATAWBA COUNTY

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