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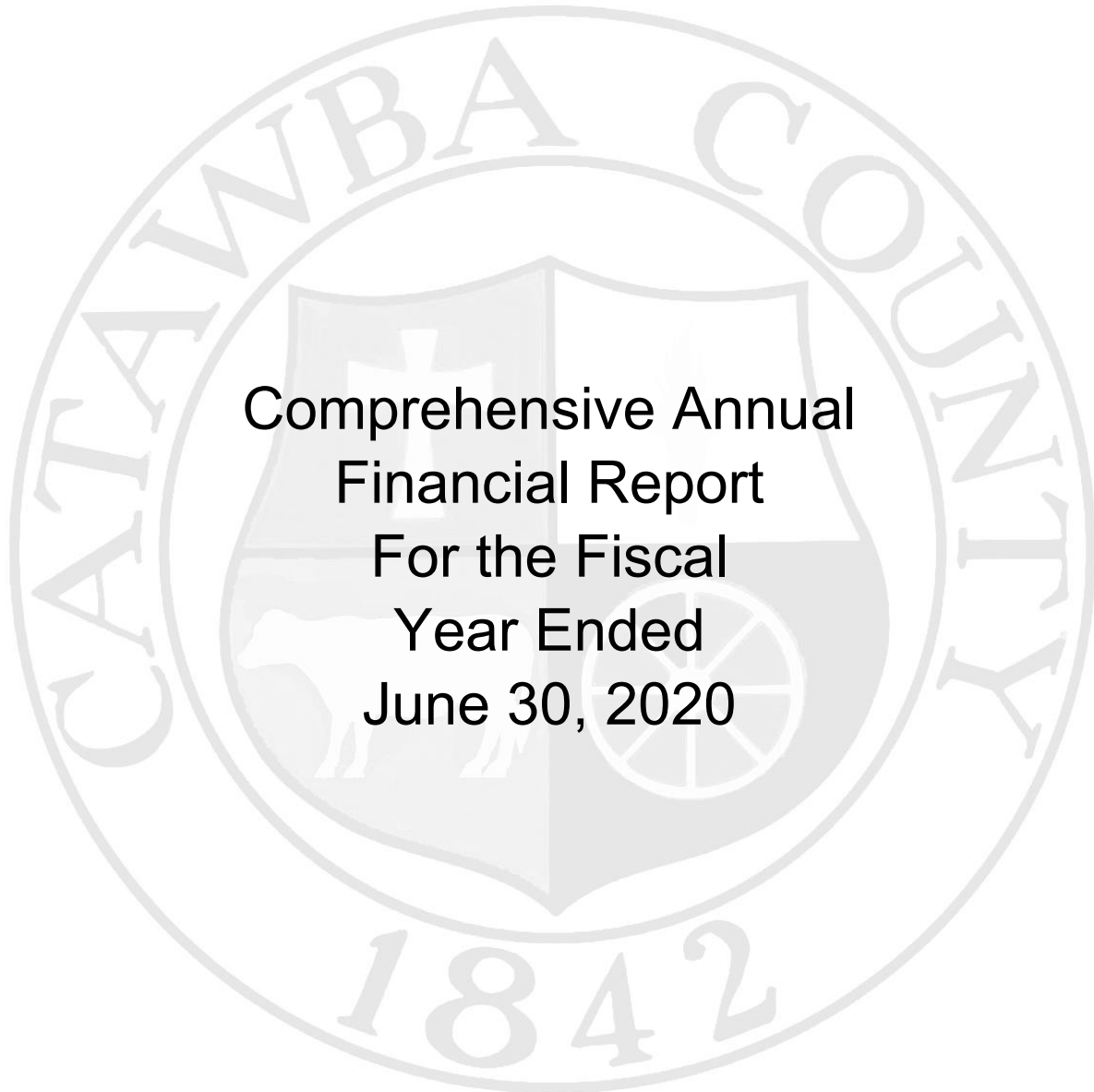
**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

Fiscal Year Ended
June 30, 2020

catawba county
north carolina



Catawba County, North Carolina



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020

Mick Berry, County Manager

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Prepared by Catawba County Finance Department

Published January 11, 2021



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BOARD OF COMMISSIONERS



C. Randall Isenhower
Chair



Barbara G. Beatty
Vice Chair



Austin M. Allran



Kitty W. Barnes



Sherry E. Butler



catawba county finance

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

January 11, 2021

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, 2020.

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, 2020 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, 2020 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

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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 160,504 residents, which positions it as the 18th largest county in North Carolina and one of the 29 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, Austin Allran, Kitty Barnes and Sherry Butler) 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.

BOND RATING

The County is rated 'AA+' for its General Obligation Debt by Standard and Poor's (S&P). This rating highlights and confirms the financial and economic transition the County has been undergoing over the last few years. S&P's rating overview of the County included descriptions such as "Very strong management, strong budgetary performance and very low overall net debt."

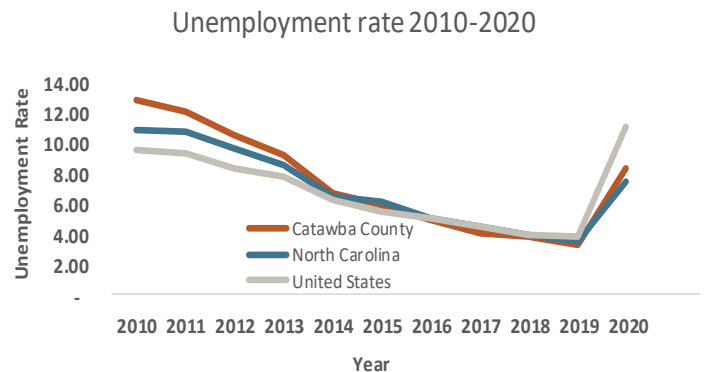
LOCAL ECONOMY

Catawba County is part of the Hickory Metropolitan Statistical Area (MSA), which includes Alexander, Burke, Caldwell, and Catawba counties.

Covid-19's Effect on Catawba County Employment

As of Spring 2020, Catawba County was in the midst of over a decade of economic expansion, nearing or breaking record levels in low unemployment, gross domestic product and the value of exported goods

With the onset of Covid-19, March and April 2020 represented an unprecedented economic shock that negatively impacted nearly every economic sector – with employment falling nationally, and at the state and county levels.



Since this time, the local economy has stabilized, reaching pre-pandemic levels in indicators like job openings and average weekly wages. Overall employment within Catawba County does remain below pre-pandemic levels, but several significant new and expanding industry announcements have been made, demonstrating the strength of the local area's ongoing economic recovery.

Strong Retail Sales & Tourism Performance Indicate Sustained Recovery

Catawba County remains a retail magnet for the region, capturing 59.4% of the \$4.2 billion in retail sales from the four-county MSA, while accounting for only 43% of the population. Catawba County's taxable sales of \$2.49 billion showed a slight increase from 2019-20, despite the loss of retail sales likely attributed to Covid-19. In the two previous years, retail sales increased 4% and 9%, respectively. This is the 11th year in a row that revenues have increased. **Statewide, the County ranks 18th in population but 14th 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.

Catawba County ranks 16th in the State for tourism revenue, with \$303 million generated in 2019 (a 3.3% increase over the previous year's activity). This economic sector is buttressed by the presence of a wide range of cultural amenities that appeal to all audiences:

- Catawba Science Center
- Green Room Community Theatre

- Hickory Choral Society
- Hickory Community Theatre
- Hickory Crawdads Baseball Team
- Hickory Metro Convention Center
- Hickory Motor Speedway
- Hickory Museum of Art
- Newton Performing Arts Center
- 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 2019-20, \$175 million in industry investments and 300 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:

- **ITM (Isotopen Technologien Munchen AG (ITM))**, a group of specialized radiopharmaceutical companies, became the second tenant in Trivium Corporate Center when in December 2018 it announced plans 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 committed 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 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 December 2019, **Cataler North America Corp.**, a subsidiary of Cataler Corporation headquartered in Kakegawa, Japan, announced plans to construct a 100,000 square foot manufacturing facility (expandable to 300,000 square feet) for the production of automotive catalysts for some of the world's largest producers of automobiles. Over the next five years, Cataler NA plans to create 151 jobs and invest a minimum of \$42 million in new facility construction, machinery, and equipment
- **Arhaus**, maker and retailer of home furniture and decor products such as sofas, dining tables and chairs, bedroom furniture, bedding, media centers, tableware, rugs and

lighting, announced a new manufacturing and distribution facility in Conover, investing \$26 million and creating 67 jobs.

In spite of Covid-19's effects on the national and local economy, economic development activity has been surprisingly high with several other significant announcements made recently.

- In September 2020, **MaxPax LLC**, a contract packaging company serving the needs of the cleaners, sanitizers, personal care, household and industrial products industries, began operations in a new facility in Hickory, immediately hiring 80 employees with plans to invest \$9.55 million in building renovations and machinery and equipment and create 300 new jobs over five years.
- **Euromarket Designs, Inc.**, an Illinois corporation, d/b/a Crate and Barrel, announced plans in September 2020 to develop a new 736,000 square foot regional warehouse and distribution center in Newton. The company intends to invest \$38.5 million in constructing and equipping the facility and create 150 jobs by the end of 2022.
- In October 2020, **RMC Advanced Technologies**, a subsidiary of NanoXplore headquartered in Montreal, Canada, announced plans to expand its existing manufacturing facility in Newton. Over the next three years, the company plans to create 49 new jobs and invest a minimum of \$7 million in new facility construction, machinery, and equipment.
- In December 2020, **American Fuji Seal, Inc.**, a leading maker of shrink-sleeve and self-adhesive labels, spouted pouches, and packaging machinery that is part of Japan's Fuji Seal International, announced its commitment to create 101 jobs and invest \$52 million in establishing new production operations in Hickory.

Deliberately Driving Workforce Development

While Catawba County's economy is built upon a large industrial base (with 28% of its workforce in manufacturing), deliberate and targeted growth in several key sectors has resulted in a more balanced economic composition today

than what existed a decade ago. From 2009 through 2019, the following sectors have experienced over 20% employment growth, collectively comprising 23% of the current total employment:

- Professional, Scientific and Technical Services
- Administrative and Support and Waste Management and Remediation Services
- Transportation and Warehousing
- Arts, Entertainment, and Recreation
- Accommodation and Food Services

The growth in these sectors represents a 24% increase from 2009 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:

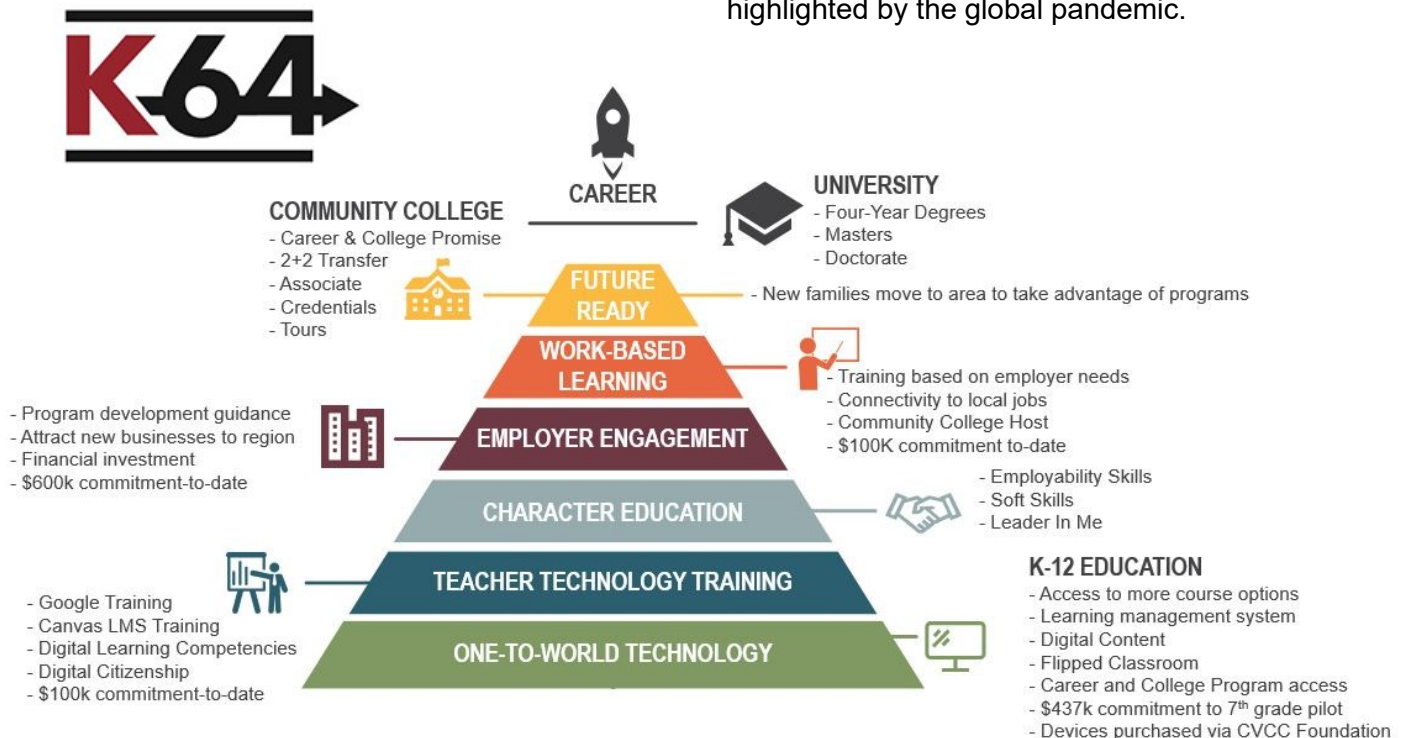
K-64

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.

Lenoir-Rhyne University offers a program called the Catawba County Promise 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 resident of North Carolina or to a transfer undergraduate student with more than 30 attempted hours from an accredited North Carolina community college and a 3.5 GPA.

The Manufacturing Solutions Center (MSC)

MSC is a branch of CVCC focused on helping manufacturers increase sales and improve product quality and production efficiency. 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. Through strategic partnerships, the facility is expanding into the space of prototyping and testing reusable personal protective equipment products for entrepreneurs and existing manufacturers, a need both heightened and highlighted by the global pandemic.



Catawba Valley Furniture Academy

The Catawba Valley Furniture Academy, housed within CVCC, is an industry-driven training program designed in partnership with local furniture manufacturers to prepare students for high-demand skilled positions in the area. Depending on specialization, graduates of the Academy can secure jobs earning wages above the County's average. Program graduates have earned furniture manufacturing certificates and many have secured jobs at participating companies – Century Furniture, LEE Industries, Lexington Home Brands, Sherrill Furniture, and Vanguard Furniture.



The Catawba Valley Manufacturing Academy

The Catawba Valley Manufacturing Academy, modeled after the Furniture 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 support 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

Trivium Corporate Center is a 270-acre Class A Business Park being developed jointly by **TRIVIMUM CORPORATE CENTER** MAKING. WORKING. BETTER. 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, with funds set aside annually to support these anticipated capital expenses. 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 been made, including extension of sewer into the park, a paved entryway, and landscaping. There have been five project announcements associated with the park so far – for a total of \$181.5 million in private investment supporting the creation of 499 jobs. (Project announcements include Corning, ITM, Cataler North America, and American Fuji Seal as previously discussed, plus the Stonemont speculative building discussed below.)

Speculative Building Investments

Based on the success of previous speculative building initiatives in Catawba County, two new spec buildings have been announced in Hickory to spur new investment and job creation.



Atlanta-based developer Stonemont Financial Group (SFG) has announced plans to construct a 192,000 sq. ft. speculative building with 32' ceilings in Trivium Corporate Center. The Stonemont Spec Building is expected to be completed to its shell state by May 2021 and will be expandable to 348,000 sq. ft.

The Lake Park Spec building will offer 40,185 sq. ft. with 26' ceilings and will be an ideal space for light industrial, flex, office, a brewery, or distillery. The building will front on Hickory's Aviation Walk greenway and is expected to be completed to its shell state by September 2021.

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 received numerous awards in recent years, including:

- Women's Choice Awards for Best Hospital in patient experience and various medical specialties.
- American Nurses Credentialing Center – Magnet Designation
- 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 plan's 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 fourth year of a 5-year commitment, 2 percent per pupil current expense increase for the three public school systems, and a 2 percent increase in funding to CVCC. Additionally, the budget funds \$5.5 million in schools' annual capital needs and plans for up to \$45.75 million in projects over a four-year construction funding cycle approved in Fiscal Year 2019/20.



Economic Development

The budget includes \$3.4 million toward the County's share of a joint venture with the City of Hickory in Trivium Corporate Center.



Parks

The Board of Commissioners approved initial start-up staffing for the opening of long-awaited Mountain Creek Park, anticipated for July 2021.



Public Safety

The budget funds two School Resource Officers as well as additional staff for Court Security and the first year of a 5-year phased in 800 MHz radio replacement program. The budget also funds additional staffing for Emergency Medical Services, which is adding Shift Supervisors to handle growing call volume and complexity.

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

AWARDS AND ACKNOWLEDGEMENTS

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Catawba County for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2019, the 38th year in a row that the County has secured this recognition. The Certificate of Achievement is a prestigious national annual award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easy to understand CAFR that is well-organized and conforms to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. This report continues to conform to the Certificate of Achievement program requirements and will be submitted to GFOA for consideration thereof.

In addition, the County has prepared and will be submitting a Popular Annual Financial Report (PAFR) to GFOA for Fiscal Year 2019-2020. 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 twelve years and hopes to continue with the Fiscal Year 2019-2020 entry.

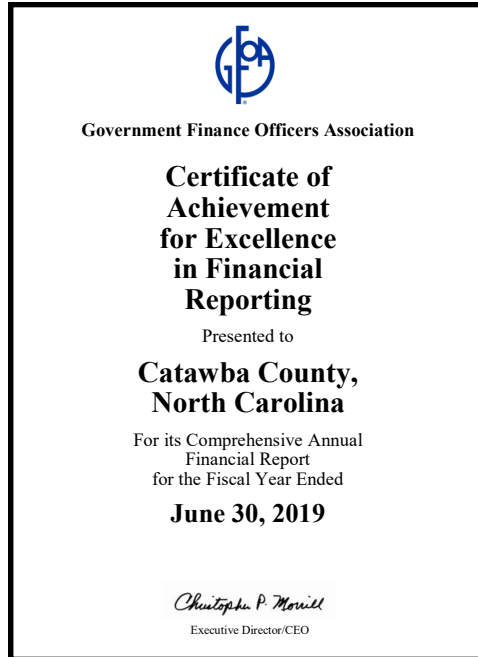
Finally, the County has also received the GFOA's Award for Distinguished Budget Presentation for its Fiscal Year 2019-2020 Adopted Budget effective July 1, 2019. This is the 31st consecutive year the County has received this award. In order to qualify for the Distinguished Budget Presentation Award, 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.

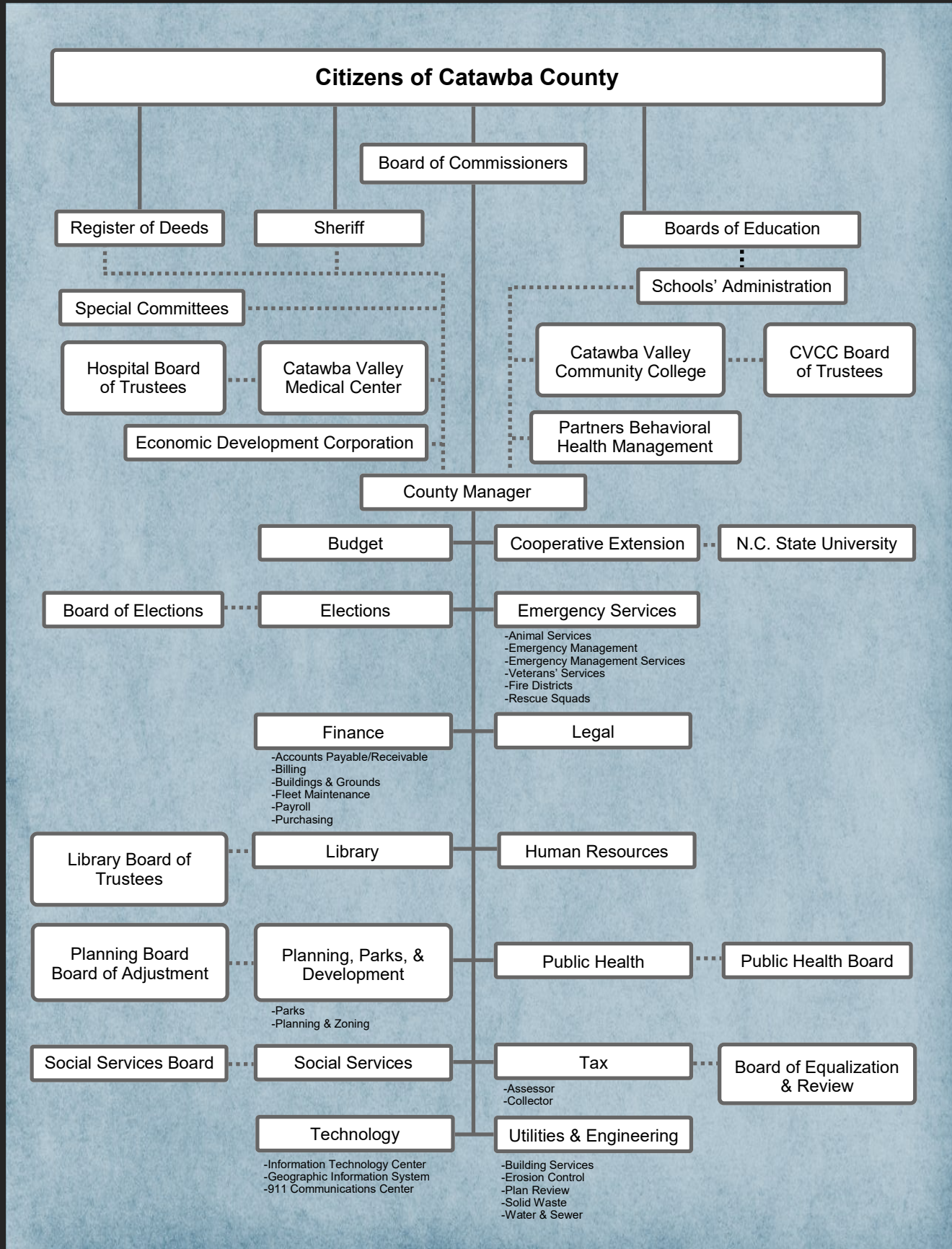


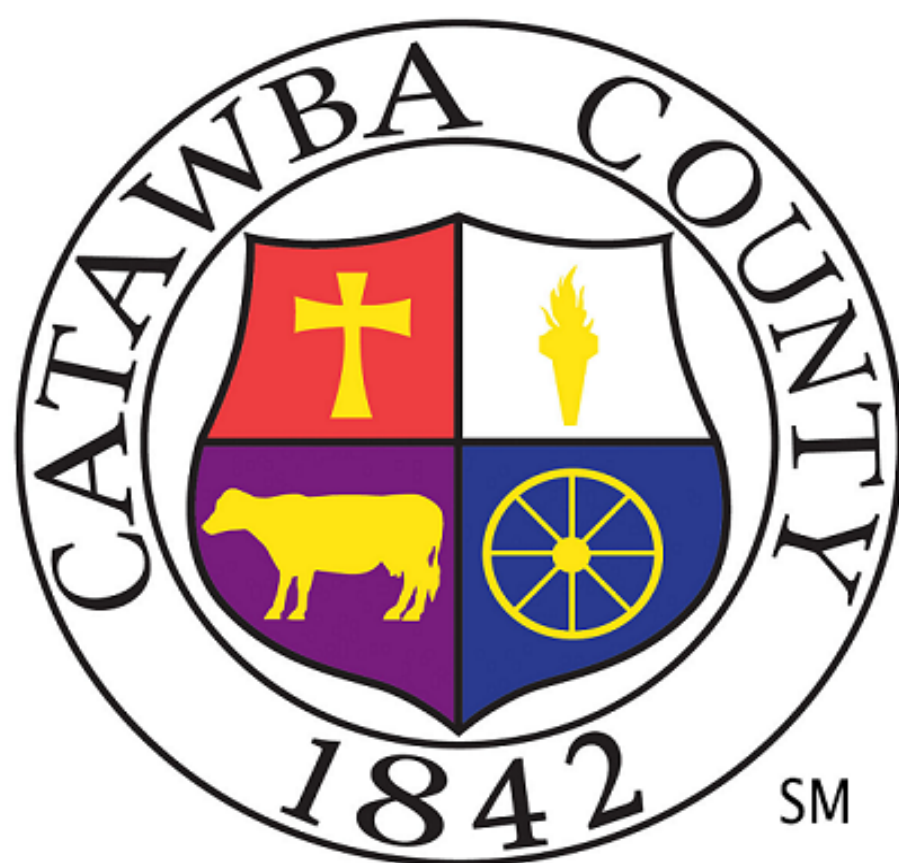
Respectfully submitted,

Mick Berry
County Manager

Jeanne Jarrett
Interim Chief Financial Officer

ORGANIZATIONAL STRUCTURE





SM

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

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

Independent Auditor's Report

Board of County Commissioners
Catawba County
Newton, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Catawba County, North Carolina, as of and for the year ended June 30, 2020, 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%, 96.9%, and 92.7%, 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%, 3.1%, and 7.3%, 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*.

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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Coronavirus Aid, Relief and Economic Security (CARES) Act 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 January 11, 2021 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
January 11, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Catawba County, we offer readers of our financial statements this narrative overview and analysis of the financial activities of Catawba County for the fiscal year ended June 30, 2020. 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

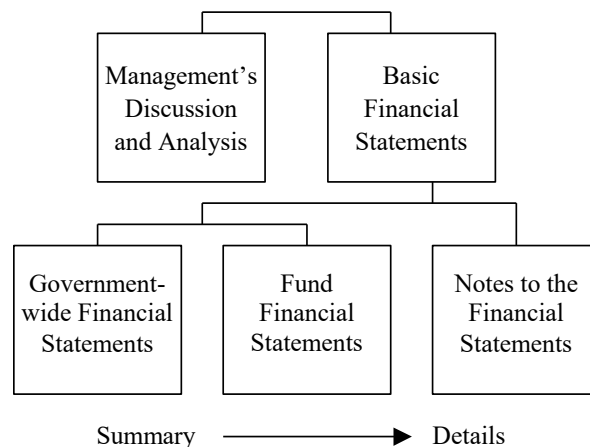
- ▶ The assets and deferred outflows of resources of Catawba County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$227,932,864 (*net position*). Of this figure, approximately \$184 million represents the County's investment in capital assets, which is not available for future spending.
- ▶ The government's total net position increased by \$13,889,094, resulting from an increase of \$12,120,983 in governmental activities and an increase of \$1,768,111 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 \$144,752,610 a decrease of (\$16,142,829) in comparison with the prior year. Approximately 47 percent of this total amount, or \$68,554,854 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 \$49,576,091, or 28 percent of total general fund expenditures for the fiscal year.
- ▶ Catawba County's total long-term debt decreased by \$16,622,234 during the current fiscal year due to payments on outstanding debt balances. Outstanding debt principal is \$166,783,593 and equates to \$1,039 per capita at the end of the fiscal year.
- ▶ In FY 2020, Standard and Poor's maintained Catawba County's bond rating of AA+ for

the third consecutive year. Moody's Investors Service maintained its Aa1 bond rating for the County for the eleventh 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 20-26 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 28-33 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 34 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 36 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 86 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 \$227,932,864 as of June 30, 2020. The County's net position increased by \$13,889,094 for the fiscal year ended June 30, 2020. Additional information can be found in the notes to the financial statements.

The largest portion of net position, 80.9%, 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 \$22,091,933 during the current year. Catawba County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Catawba County's investment in its capital assets

Government-Wide Financial Analysis
Catawba County's Net Position

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percent Change
Current and other assets	\$ 164,253,787	\$ 174,479,620	\$ 56,114,247	\$ 59,620,063	\$ 220,368,034	\$ 234,099,683	\$ (13,731,649)	-5.87%
Capital assets	158,089,436	139,105,513	75,648,002	72,539,992	233,737,438	211,645,505	22,091,933	10.44%
Total assets	322,343,223	313,585,133	131,762,249	132,160,055	454,105,472	445,745,188	8,360,284	1.88%
Deferred outflow s of resources	18,150,629	19,780,175	467,008	516,971	18,617,637	20,297,146	(1,679,509)	-8.27%
Long-term liabilities	209,506,826	220,667,849	17,904,495	20,410,381	227,411,321	241,078,230	(13,666,909)	-5.67%
Other liabilities	14,800,327	8,759,228	833,878	542,977	15,634,205	9,302,205	6,332,000	68.07%
Total liabilities	224,307,153	229,427,077	18,738,373	20,953,358	243,045,526	250,380,435	(7,334,909)	-2.93%
Deferred inflow s of resources	1,715,481	1,587,996	29,238	30,133	1,744,719	1,618,129	126,590	7.82%
Net position:								
Net investment in capital assets	115,574,093	102,979,361	68,855,090	64,560,596	184,429,183	167,539,957	16,889,226	10.08%
Restricted	39,677,297	47,104,886	-	-	39,677,297	47,104,886	(7,427,589)	-15.77%
Unrestricted	(40,780,172)	(47,734,012)	44,606,556	47,132,939	3,826,384	(601,073)	4,427,457	-736.59%
Total net position	\$ 114,471,218	\$ 102,350,235	\$ 113,461,646	\$ 111,693,535	\$ 227,932,864	\$ 214,043,770	\$ 13,889,094	6.49%

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, 17%, represents resources that are subject to external restrictions on how they may be used.

The final component of net position is unrestricted, which is 2% of the total net position. Because the County funds school capital needs through long-term borrowing but does not carry the resulting assets on 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 \$12,120,983. Several particular aspects of the County's financial operations influenced the unrestricted governmental net position.

- Property, sales and other taxes are approximately 76% of all revenues and increased by \$9.6 million from the prior year.

- Investment earnings decreased (\$1.6) million primarily from a decrease in investment fair market value and lower interest rates.

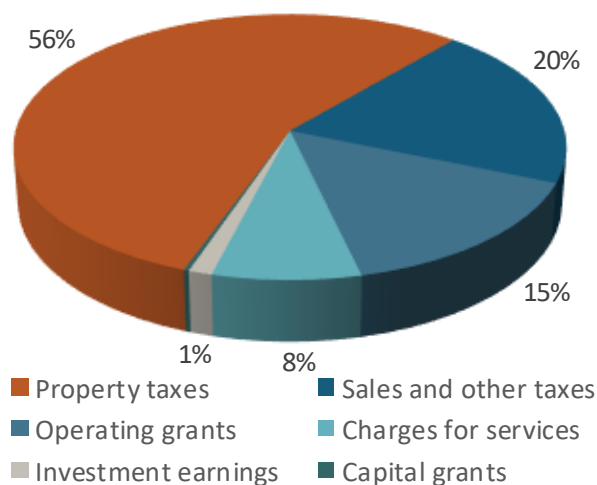
Business-type Activities - Business-type activities increased Catawba County's net position by \$1,768,111. Key elements of this change are as follows:

- Investment earnings decreased (\$684K) primarily from decrease in investment market value and lower interest rates.

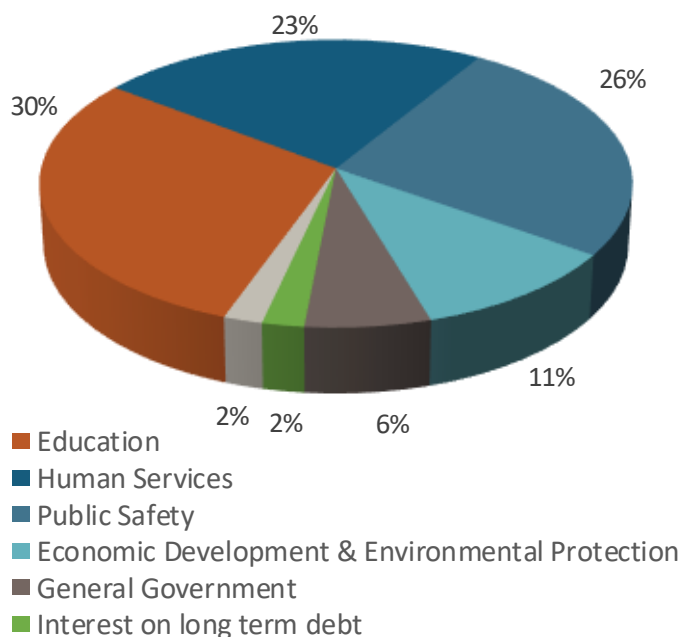
- Net positive change of \$1.5 million in landfill closure and postclosure activity.

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

Revenues by Source - Governmental Activities



Expenditures by Function - Governmental Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2020, the governmental funds of the County reported a combined fund balance of \$144,752,610, a 10 percent decrease from the previous year. The primary reasons for this change are 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 \$79,472,821 while total fund balance was \$97,930,423. 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 43.27% of total general fund expenditures, while the total fund balance represents 53% of that same amount.

The overall fund balance increased by \$8,286,418 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.

Catawba County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 16,093,573	\$ 15,896,739	\$ 9,225,356	\$ 7,972,268	\$ 25,318,929	\$ 23,869,007
Operating grants and contributions	31,304,752	29,495,898	1,049,294	870,227	32,354,046	30,366,125
Capital grants and contributions	565,040	465,997	996,137	13,364	1,561,177	479,361
General revenues:						
Property taxes	115,771,446	107,841,934	-	-	115,771,446	107,841,934
Sales and other taxes	41,401,521	39,734,034	369,136	1,272,368	41,770,657	41,006,402
Investment earnings, unrestricted	2,559,582	4,175,509	1,184,091	1,867,691	3,743,673	6,043,200
Gain on sale of capital assets	-	-	106,551	5,161	106,551	5,161
Total revenues	<u>207,695,914</u>	<u>197,610,111</u>	<u>12,930,565</u>	<u>12,001,079</u>	<u>220,626,479</u>	<u>209,611,190</u>
Expenses						
General government	12,155,897	11,645,266	-	-	12,155,897	11,645,266
Public safety	50,525,230	42,615,139	-	-	50,525,230	42,615,139
Environmental protection	620,215	629,550	-	-	620,215	629,550
Economic and physical development	20,154,248	18,490,744	-	-	20,154,248	18,490,744
Human services	46,071,393	44,620,992	-	-	46,071,393	44,620,992
Cultural and recreation	3,786,087	3,372,144	-	-	3,786,087	3,372,144
Education	58,197,754	65,517,013	-	-	58,197,754	65,517,013
Interest on long-term debt	4,064,107	4,318,642	-	-	4,064,107	4,318,642
Solid waste management	-	-	8,122,386	6,576,468	8,122,386	6,576,468
Water and sewer	-	-	3,040,068	3,210,852	3,040,068	3,210,852
Total expenses	<u>195,574,931</u>	<u>191,209,490</u>	<u>11,162,454</u>	<u>9,787,320</u>	<u>206,737,385</u>	<u>200,996,810</u>
Increase (decrease) in net position before transfers	12,120,983	6,400,621	1,768,111	2,213,759	13,889,094	8,614,380
Transfers	-	(1,694,984)	-	1,694,984	-	-
Increase (decrease) in net position after transfers	12,120,983	4,705,637	1,768,111	3,908,743	13,889,094	8,614,380
Net position - beginning of year, Restatement	102,350,235	97,644,598	111,693,535	107,784,792	214,043,770	205,429,390
	-	-	-	-	-	-
Net position- beginning	<u>102,350,235</u>	<u>97,644,598</u>	<u>111,693,535</u>	<u>107,784,792</u>	<u>214,043,770</u>	<u>205,429,390</u>
Net position - end of year	<u>\$ 114,471,218</u>	<u>\$ 102,350,235</u>	<u>\$ 113,461,646</u>	<u>\$ 111,693,535</u>	<u>\$ 227,932,864</u>	<u>\$ 214,043,770</u>

Other Major Funds

The **CARES Act Fund** is a special revenue fund that accounts for County funding from the Coronavirus Relief Fund. The County was allocated \$5.9 million with stipulation that 25% is allocated to municipalities within the County. Activity in this fund reflects transactions that occurred prior to June 30, 2020. The net increase in fund balance is the interest revenue recognized of \$4,923.

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 (\$20.1) million to \$20.3 million. The net change in fund balance of (\$20.1 million) is the result of \$24.7 million for new capital expenditures.

Non-Major Funds - Fund balances for non-major funds decreased by (\$4.4 million) to \$26.5 million overall. The primary reason for this change is from \$5.2 million in expenditures for school capital projects and \$7.5 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 \$113.5 million with \$44.6 million of this amount being unrestricted. The increase in net position in these funds was \$1.8 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 \$1.7 million or .9%. This increase was due mainly to anticipation of additional federal and state grants available for County services.

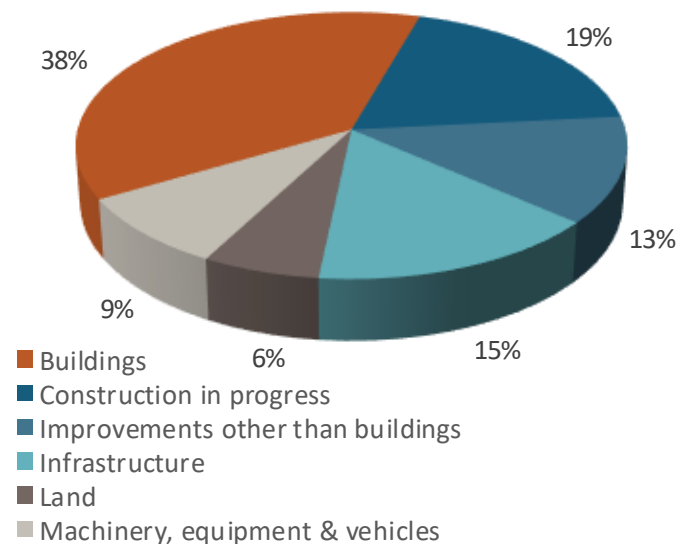
Actual expenditures were less than final budgeted amounts by \$14.9 million. These cost savings resulted mainly from unspent appropriations of

\$6.7 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, 2020, totals \$233.7 million (net of accumulated depreciation). These assets include land, buildings, other improvements, infrastructure, machinery and equipment, and vehicles.

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



Catawba County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 6,204,843	\$ 6,204,843	\$ 8,257,715	\$ 8,194,041	\$ 14,462,558	\$ 14,398,884
Construction in progress	41,925,058	20,674,341	2,271,357	2,185,314	44,196,415	22,859,655
Buildings	85,162,853	85,661,449	3,256,395	3,359,661	88,419,248	89,021,110
Improvements other than buildings	8,398,839	9,218,424	21,791,732	18,769,807	30,190,571	27,988,231
Plant and distribution systems and water lines	-	-	35,928,920	36,367,568	35,928,920	36,367,568
Machinery, equipment and vehicles	16,397,843	17,346,456	4,141,883	3,663,601	20,539,726	21,010,057
Total	158,089,436	139,105,513	75,648,002	72,539,992	233,737,438	211,645,505

Major capital asset transactions during the year include the following:

- ▶ Purchase of new public safety vehicles including new ambulances
- ▶ Major building renovation for new election offices
- ▶ Increase in construction in progress in governmental funds for jail expansion ,new parks, and business development sites
- ▶ 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.

More detailed information on capital assets can be found under Note 2.5 of this report.

Long-term Debt - As of June 30, 2020, Catawba County had outstanding debt of \$166,783,593 The overall change in long-term debt was a net decrease of (\$16 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 3rd consecutive year. Moody's

Investor Service maintained the Aa1 bond rating for the eleventh 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 debt limit is \$1,476,535,609. Total applicable debt of \$149,376,135 is 10% of that limit and results in a legal debt margin of \$1,327,159,474.

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

FISCAL YEAR 2019-20 ECONOMIC FACTORS

The following factors reflect economic activity of the County.

- ▶ Low debt burden and property tax rate. The County's existing debt obligations are only 10% of its statutory limit. The property tax rate of \$0.575/\$100 was below the State average of \$0.678/\$100 and the 20th lowest of all 100 counties in North Carolina.
- ▶ The County is part of the Hickory Metropolitan Statistical Area (MSA)

Catawba County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Certificates of Participation	\$ 4,940,000	\$ 6,015,000	\$ -	\$ -	\$ 4,940,000	\$ 6,015,000
Installment Purchases	51,671,667	58,593,253	3,543,664	4,215,049	55,215,331	62,808,302
Qualified Zone Academy Bonds	100,000	150,000	-	-	100,000	150,000
Qualified School Const. Bonds	27,808,553	27,808,553	-	-	27,808,553	27,808,553
Limited Obligation Bonds	66,776,431	72,876,536	2,423,569	2,853,464	69,200,000	75,730,000
Federal Revolving Loan	-	-	750,000	825,000	750,000	825,000
NC Department of Commerce	540,796	1,070,988	-	-	540,796	1,070,988
Premium on long-term debt	8,124,110	8,879,050	104,803	118,934	8,228,913	8,997,984
Accrued landfill closure and postclosure costs	-	-	9,829,316	11,231,541	9,829,316	11,231,541
Compensated absences	4,805,045	4,571,891	140,830	146,535	4,945,875	4,718,426
Net pension liability (LIGERS)	20,191,895	18,380,561	555,466	511,110	20,747,361	18,891,671
Total pension liability (LEOSSA)	4,190,800	3,817,860	-	-	4,190,800	3,817,860
Total OPEB liability	20,357,529	18,504,157	556,847	508,748	20,914,376	19,012,905
Total	<u>\$ 209,506,826</u>	<u>\$ 220,667,849</u>	<u>\$ 17,904,495</u>	<u>\$ 20,410,381</u>	<u>\$ 227,411,321</u>	<u>\$ 241,078,230</u>

including the counties of Catawba, Alexander, Burke, and Caldwell. The County remains a retail magnet for the region, capturing 60.3% of the \$4.1 billion in retail sales from the four-county MSA despite having only 42.4% of the population. Taxable retail sales increased over 4% from the prior year.

- ▶ Employment figures were on the rise with 800 more jobs in February 2020 than the year before. Prior to the onset of the COVID-19 pandemic, unemployment was 3.6 percent for calendar 2019. The MSA unemployment rate rose to 17.6% in April 2020 but has fallen to 9.0% at the end of the fiscal year.

IMPACT OF CORONAVIRUS ON THE COUNTY

During the 2019-20 fiscal year, the world was affected by a global pandemic. This cast a shadow of uncertainty on Catawba County's future revenues while simultaneously constraining the County's ability to provide services to the community the way it had been done before. Based on a strong tradition of fiscal stewardship and conservative budgeting practices, the County was and continues to be well-positioned to handle this uncertainty, stratifying its response strategies into near-term, mid-term, and long-term approaches. This approach sets the County up to be able to make decisions as new information as to the duration and severity of the pandemic's impacts becomes available.

Catawba County's immediate response to the coronavirus related to the Fiscal Year 2019-2020 budget included slowing the hiring process for non-public safety positions, placing a hold on planned service expansions, and delaying planned capital projects. The County also utilized federally-allocated state pass-through CARES Act funding to supplement local revenues to support necessary expenditures for things such as personal protective equipment, supplemental cleaning services, etc. In the context of the FY 2020-21 budget, Catawba County revised sales tax and property tax revenue estimates downward by \$3.3 million and adjusted planned expenditures accordingly in order to maintain a responsible balance budget. Additionally, the Board of Commissioners delayed some planned decisions

regarding employee performance pay and staffing enhancements in several service areas to allow the financial impacts of COVID-19 to come into greater focus.

BUDGET HIGHLIGHTS FOR NEXT FISCAL YEAR ENDING JUNE 30, 2021

Governmental Activities - The local economy continues to show improvement. The property tax rate remains at \$.575/100 in next year's budget. Revenue projections for the General Fund include a 3.4 percent increase in property tax revenue and a 4.3 percent decrease in sales tax revenue. Sales tax is budgeted at a lower level due to the uncertainty of the economic impact of the Covid-19 pandemic. The County is budgeting a net decrease of 4 percent in operating expenses for all government activities. This decrease is mainly due to lower expected capital project expenditures.. The total approved budget is \$231,247,418 for fiscal year 2020-2021.

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. Included in this budget is a 2% increase in per pupil funding.

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 2020-2021 the County budgets additional funds for new positions in the Sheriff Office, Emergency Services, and Animal Shelter.

The budget continues to set aside revenue for future economic development projects.

The County continues to review staffing needs annually, rightsizing in some areas while investing

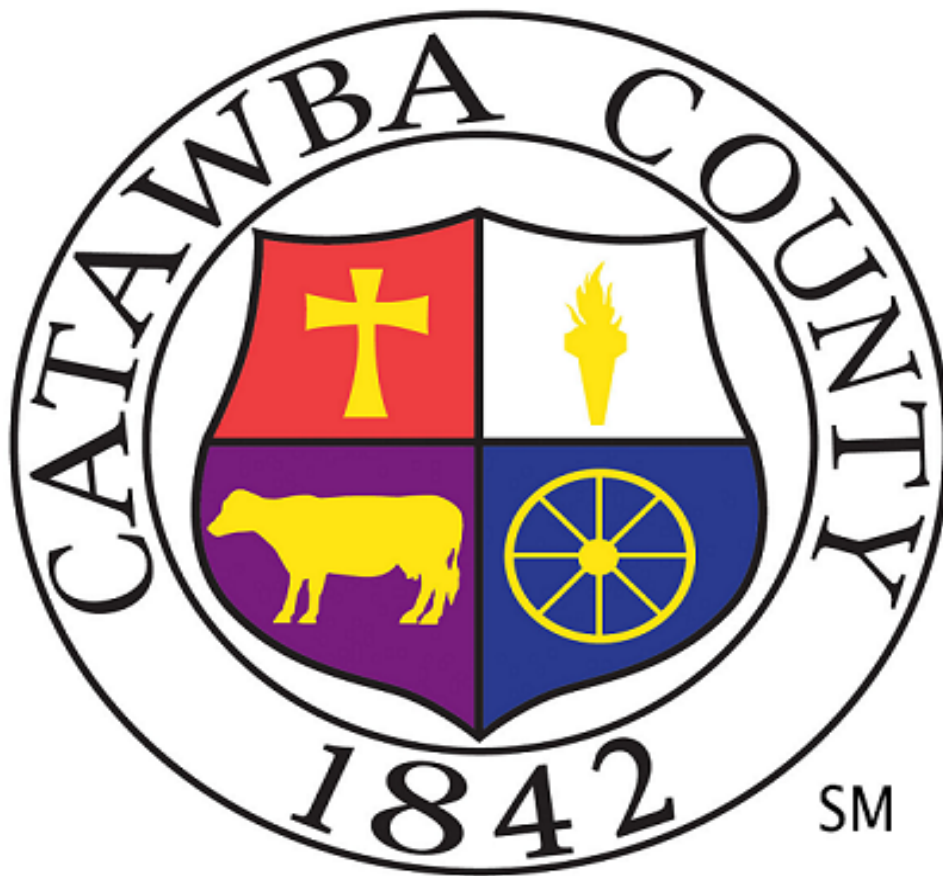
in others. The fiscal year 2020-2021 budget adds or increases 26 positions in various departments. The majority of these new positions are for public safety operations. A limited amount of funding is included to address pay inequities in order to keep the County competitive with other jurisdictions through 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 2021 budget includes \$7,692,341 for solid waste operations and capital projects. The budget includes \$2,537,369 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 \$8,208,561 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.



Basic Financial Statements

CATAWBA COUNTY, NORTH CAROLINA
Exhibit 1
Page 1 of 2
**Statement of Net Position
June 30, 2020**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Cash and investments	\$ 109,277,616	\$ 53,209,095	\$ 162,486,711
Taxes receivable - net	1,466,150	-	1,466,150
Due from other governments	18,115,978	585,082	18,701,060
Notes receivable	1,195,145	1,607,139	2,802,284
Other receivables	2,550,898	641,879	3,192,777
Interest receivable	157,748	70,807	228,555
Inventories	304,083	-	304,083
Prepaid items	617,948	245	618,193
Restricted cash and investments	30,286,755	-	30,286,755
Net pension asset - RODSPF	281,466	-	281,466
Other assets	-	-	-
Capital assets:			
Land and construction in progress	48,129,901	10,529,072	58,658,973
Other capital assets, net of depreciation	109,959,535	65,118,930	175,078,465
Total capital assets	158,089,436	75,648,002	233,737,438
Total assets	322,343,223	131,762,249	454,105,472
Deferred outflows of resources	18,150,629	467,008	18,617,637
Liabilities			
Accounts payable and accrued liabilities	14,800,327	833,878	15,634,205
Long-term liabilities:			
Due within one year	17,698,391	1,390,756	19,089,147
Due in more than one year	191,808,435	16,513,739	208,322,174
Total long-term liabilities	209,506,826	17,904,495	227,411,321
Total liabilities	224,307,153	18,738,373	243,045,526
Deferred inflows of resources	1,715,481	29,238	1,744,719
Net Position			
Net investment in capital assets	115,574,093	68,855,090	184,429,183
Restricted			
Stabilization by State statute	32,508,969	-	32,508,969
Register of Deeds	43,326	-	43,326
Register of Deeds pension plan	315,711	-	315,711
Public safety	1,539,652	-	1,539,652
Fire Protection	1,408,760	-	1,408,760
Social services	243,133	-	243,133
Library Endowment	205,165	-	205,165
Social services scholarships	58,670	-	58,670
Parks preservation	23,033	-	23,033
Community development	19,960	-	19,960
CARES Act	4,923	-	4,923
Hospital capital projects	3,305,995	-	3,305,995
Working Capital	-	-	-
Other	-	-	-
Unrestricted (deficit)	(40,780,172)	44,606,556	3,826,384
Total net position	\$ 114,471,218	\$ 113,461,646	\$ 227,932,864

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 1
Page 2 of 2

Statement of Net Position
June 30, 2020

	Component Units	
	Catawba	
	Catawba Valley	County ABC
	Medical Center	Board
Assets		
Cash and investments	\$ 188,293,146	\$ 3,799,191
Taxes receivable - net	-	-
Due from other governments	1,294,513	-
Notes receivable	-	-
Other receivables	35,029,177	-
Interest receivable	197,667	-
Inventories	6,262,123	3,619,155
Prepaid items	-	95,239
Restricted cash and investments	10,059,772	-
Net pension asset	-	-
Other assets	13,289,306	-
Capital assets:		
Land and construction in progress	13,327,477	741,643
Other capital assets, net of depreciation	94,724,193	837,256
Total capital assets	<u>108,051,670</u>	<u>1,578,899</u>
Total assets	<u>362,477,374</u>	<u>9,092,484</u>
Deferred outflows of resources	<u>25,370,351</u>	<u>331,620</u>
Liabilities		
Accounts payable and accrued liabilities	78,937,949	1,898,269
Long-term liabilities:		
Due within one year	9,613,769	-
Due in more than one year	<u>77,082,744</u>	<u>384,406</u>
Total long-term liabilities	<u>86,696,513</u>	<u>384,406</u>
Total liabilities	<u>165,634,462</u>	<u>2,282,675</u>
Deferred inflows of resources	<u>1,728,000</u>	<u>7,478</u>
Net Position		
Net investment in capital assets	72,847,711	1,578,899
Restricted		
Stabilization by State statute	-	-
Register of Deeds	-	-
Register of Deeds pension plan	-	-
Public safety	-	-
Fire Protection	-	-
Social services	-	-
Library Endowment	-	-
Social services scholarships	-	-
Parks preservation	-	-
Community development	-	-
CARES Act	-	-
Hospital capital projects	3,305,995	-
Working Capital	-	743,828
Other	6,753,777	-
Unrestricted (deficit)	<u>137,577,780</u>	<u>4,811,224</u>
Total net position	<u>\$ 220,485,263</u>	<u>\$ 7,133,951</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 2
Page 1 of 2

Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	12,155,897	2,010,935	\$ 2,419,583	\$ -
Public safety	50,525,230	8,325,780	3,482,121	207,925
Environmental protection	620,215	24,502	30,833	-
Economic and physical development	20,154,248	3,472,412	107,420	355,600
Human services	46,071,393	2,199,185	24,771,684	-
Culture and recreation	3,786,087	60,759	493,111	1,515
Education	58,197,754	-	-	-
Interest on long-term debt	4,064,107	-	-	-
Total governmental activities	<u>195,574,931</u>	<u>16,093,573</u>	<u>31,304,752</u>	<u>565,040</u>
Business-type activities				
Solid waste management	8,122,386	9,051,340	65,130	-
Water and sewer	3,040,068	174,016	984,164	996,137
Total business-type activities	<u>11,162,454</u>	<u>9,225,356</u>	<u>1,049,294</u>	<u>996,137</u>
Total primary government	<u>\$ 206,737,385</u>	<u>\$ 25,318,929</u>	<u>\$ 32,354,046</u>	<u>\$ 1,561,177</u>
Component units				
Catawba Valley Medical Center	\$ 303,513,710	\$ 313,390,166	\$ 1,105,285	\$ 471,703
Catawba County ABC Board	<u>23,989,186</u>	<u>25,130,576</u>	<u>-</u>	<u>-</u>
Total Component Units	<u>\$ 327,502,896</u>	<u>\$ 338,520,742</u>	<u>\$ 1,105,285</u>	<u>\$ 471,703</u>

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

CATAWBA COUNTY, NORTH CAROLINA

 Exhibit 2
 Page 2 of 2

**Statement of Activities
 For the Year Ended June 30, 2020**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Catawba Valley Medical Center	Catawba County ABC Board
Primary Government					
Governmental Activities					
General government	\$ (7,725,379)	\$ -	\$ (7,725,379)		
Public safety	(38,509,404)	-	(38,509,404)		
Environmental protection	(564,880)	-	(564,880)		
Economic and physical development	(16,218,816)	-	(16,218,816)		
Human services	(19,100,524)	-	(19,100,524)		
Culture and recreation	(3,230,702)	-	(3,230,702)		
Education	(58,197,754)	-	(58,197,754)		
Interest on long-term debt	(4,064,107)	-	(4,064,107)		
Total governmental activities	<u>(147,611,566)</u>	<u>-</u>	<u>(147,611,566)</u>		
Business-type activities					
Solid waste management	-	994,084	994,084		
Water and sewer	-	(885,751)	(885,751)		
Total business-type activities	<u>-</u>	<u>108,333</u>	<u>108,333</u>		
Total primary government	<u>(147,611,566)</u>	<u>108,333</u>	<u>(147,503,233)</u>		
Component units					
Catawba Valley Medical Center				\$ 11,453,444	\$ -
Catawba County ABC Board				-	1,141,390
Total Component Units				<u>\$ 11,453,444</u>	<u>\$ 1,141,390</u>
General Revenues:					
Taxes					
Property taxes, levied for general purposes	115,771,446	-	115,771,446	-	-
Local option sales taxes	39,552,244	-	39,552,244	-	-
Other taxes	1,849,277	369,136	2,218,413	-	-
Investment earnings, unrestricted	2,559,582	1,184,091	3,743,673	2,795,268	3,820
Gain on sale of capital assets	-	106,551	106,551	-	-
Total general revenues	<u>159,732,549</u>	<u>1,659,778</u>	<u>161,392,327</u>	<u>2,795,268</u>	<u>3,820</u>
Change in net position	12,120,983	1,768,111	13,889,094	14,248,712	1,145,210
Net position, beginning	<u>102,350,235</u>	<u>111,693,535</u>	<u>214,043,770</u>	<u>206,236,551</u>	<u>5,988,741</u>
Net position, ending	<u>\$ 114,471,218</u>	<u>\$ 113,461,646</u>	<u>\$ 227,932,864</u>	<u>\$ 220,485,263</u>	<u>\$ 7,133,951</u>

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

CATAWBA COUNTY, NORTH CAROLINA
Exhibit 3
**Balance Sheet
Governmental Funds
June 30, 2020**

	Major Funds			Non Major Funds	
	General Fund	CARES Act Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 70,325,847	\$ -	\$ 15,667,489	\$ 23,284,280	\$ 109,277,616
Taxes receivable - net	1,340,862	-	-	125,288	1,466,150
Due from other governments	14,306,774	1,106,533	661,370	2,041,301	18,115,978
Notes receivable	1,195,145	-	-	-	1,195,145
Other receivables	2,550,898	-	-	-	2,550,898
Interest receivable	110,310	-	18,271	29,167	157,748
Inventories	304,083	-	-	-	304,083
Prepaid items	617,948	-	-	-	617,948
Restricted cash and investments	17,772,200	2,850,870	6,946,054	2,717,631	30,286,755
Total assets	108,524,067	3,957,403	23,293,184	28,197,667	163,972,321
Liabilities					
Accounts payable and accrued liabilities	6,310,473	3,952,480	3,008,982	1,528,392	14,800,327
Total liabilities	6,310,473	3,952,480	3,008,982	1,528,392	14,800,327
Deferred Inflows of Resources	4,283,171	-	-	136,213	4,419,384
Fund Balances					
Nonspendable	2,117,176	-	-	-	2,117,176
Restricted	34,039,292	1,111,456	19,751,293	11,535,637	66,437,678
Committed	95,125	-	532,909	14,997,425	15,625,459
Assigned	12,102,739	-	-	-	12,102,739
Unassigned	49,576,091	(1,106,533)	-	-	48,469,558
Total fund balances	97,930,423	4,923	20,284,202	26,533,062	144,752,610
Total liabilities, deferred inflows of resources, and fund balances	\$ 108,524,067	\$ 3,957,403	\$ 23,293,184	\$ 28,197,667	\$ 163,972,321

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, 2020**

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

Total <i>fund balances</i> for governmental funds (Exhibit 3)	\$ 144,752,610
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	158,089,436
Charges related to refunding bond issues	1,664,759
Net pension asset RODSPF	281,466
Net pension liability LGERS	(20,191,895)
Total pension liability LEOSSA	(4,190,800)
Total pension liability OPEB	(20,357,529)
Pension related deferrals LGERS and ROD	11,614,651
Law enforcement separation (LEOSSA) deferrals	262,087
OPEB related deferrals	3,345,717
Liabilities for earned revenues considered deferred inflows of resources in fund statements	3,967,318
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4)	<u>(164,766,602)</u>
Net position of governmental activities (Exhibit 1)	<u>\$ 114,471,218</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Major Funds			Non Major Funds	
	General Fund	CARES Act Fund	General Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Ad valorem taxes	\$ 106,160,053	\$ -	\$ -	\$ 9,336,368	\$ 115,496,421
Other taxes	33,584,852	-	966,649	5,946,089	40,497,590
Unrestricted intergovernmental revenues	1,987,827	-	-	-	1,987,827
Restricted intergovernmental revenues	32,604,868	1,106,533	207,925	1,561,233	35,480,559
Permits and fees	3,663,877	-	-	14,500	3,678,377
Sales and services	8,079,661	-	-	-	8,079,661
Investment earnings	1,672,745	4,923	386,678	495,237	2,559,583
Miscellaneous	3,480,422	-	355,600	2,400	3,838,422
Total revenues	<u>191,234,305</u>	<u>1,111,456</u>	<u>1,916,852</u>	<u>17,355,827</u>	<u>211,618,440</u>
Expenditures					
Current					
General government	13,057,864	-	-	-	13,057,864
Public safety	34,741,592	1,106,533	-	10,696,131	46,544,256
Environmental protection	594,076	-	-	-	594,076
Economic and physical development	18,408,571	-	-	322,859	18,731,430
Human services	43,149,372	-	-	-	43,149,372
Culture and recreation	3,488,988	-	-	3,995	3,492,983
Education	45,497,776	-	-	-	45,497,776
Capital outlay	-	-	24,744,982	12,699,978	37,444,960
Debt service					
Principal	14,676,883	-	-	-	14,676,883
Interest	4,571,669	-	-	-	4,571,669
Total expenditures	<u>178,186,791</u>	<u>1,106,533</u>	<u>24,744,982</u>	<u>23,722,963</u>	<u>227,761,269</u>
Excess of revenues over (under) expenditures	<u>13,047,514</u>	<u>4,923</u>	<u>(22,828,130)</u>	<u>(6,367,136)</u>	<u>(16,142,829)</u>
Other Financing Sources (Uses)					
Transfers from other funds	718,759	-	3,668,075	2,776,080	7,162,914
Transfers to other funds	(5,479,855)	-	(918,759)	(764,300)	(7,162,914)
Total other financing sources (uses)	<u>(4,761,096)</u>	<u>-</u>	<u>2,749,316</u>	<u>2,011,780</u>	<u>-</u>
Net change in fund balance	8,286,418	4,923	(20,078,814)	(4,355,356)	(16,142,829)
Fund Balances - Beginning of Year	<u>89,644,005</u>	<u>-</u>	<u>40,363,016</u>	<u>30,888,418</u>	<u>160,895,439</u>
Fund Balances - End of Year	<u>\$ 97,930,423</u>	<u>\$ 4,923</u>	<u>\$ 20,284,202</u>	<u>\$ 26,533,062</u>	<u>\$ 144,752,610</u>

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

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020**

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

Net change in <i>fund balances</i> - total governmental funds (Exhibit 4)	\$ (16,142,829)
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.	20,317,666
Net capital assets disposed during the year	(1,333,743)
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.	(669,406)
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.	15,431,823
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)	4,810,681
Law Enforcement Separation Allowance (LEOSSA)	83,510
Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the funds.	(247,378)
Deferral of revenue from receivables that do not provide current financial resources	315,269
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.	(10,444,610)
Total changes in net position of governmental activities (Exhibit 2)	<u>12,120,983</u>

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

CATAWBA COUNTY, NORTH CAROLINAExhibit 5
Page 1 of 2**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Ad Valorem taxes	\$ 102,095,631	\$ 102,095,631	\$ 106,160,053	\$ 4,064,422
Other taxes	31,633,657	31,633,657	33,584,852	1,951,195
Unrestricted intergovernmental revenues	1,898,000	1,898,000	1,987,827	89,827
Restricted intergovernmental revenues	32,784,286	34,259,759	32,883,735	(1,376,024)
Permits and fees	3,734,745	3,830,245	3,663,877	(166,368)
Sales and services	7,776,460	7,777,635	8,079,661	302,026
Investment earnings	651,000	651,000	1,661,225	1,010,225
Miscellaneous	3,013,172	3,092,948	3,480,422	387,474
Total revenues	<u>183,586,951</u>	<u>185,238,875</u>	<u>191,501,652</u>	<u>6,262,777</u>
Expenditures				
Current				
General government	14,234,084	14,308,404	12,534,155	1,774,249
Public safety	37,727,574	38,612,911	35,285,344	3,327,567
Environmental protection	723,676	723,676	594,076	129,600
Economic and physical development	20,267,540	20,267,539	18,408,571	1,858,968
Human services	50,753,202	49,871,122	43,149,372	6,721,750
Culture and recreation	4,146,373	4,219,657	3,488,988	730,669
Education	45,497,776	45,497,776	45,497,776	-
Debt service				
Principal	14,676,896	14,676,896	14,676,883	13
Sinking fund payments	1,853,905	1,853,905	1,853,902	3
Interest	4,573,871	4,573,871	4,571,669	2,202
Bond issuance costs	375,000	375,000	-	375,000
Total expenditures	<u>194,829,897</u>	<u>194,980,757</u>	<u>180,060,736</u>	<u>14,920,021</u>
Excess of revenues over (under) expenditures	<u>(11,242,946)</u>	<u>(9,741,882)</u>	<u>11,440,916</u>	<u>21,182,798</u>
Other Financing Sources (Uses)				
Transfers from other funds	718,759	718,759	718,759	-
Transfers to other funds	(4,964,022)	(5,989,022)	(5,989,022)	-
Fund balance appropriated	15,488,209	15,012,145	-	(15,012,145)
Total other financing sources (uses)	<u>11,242,946</u>	<u>9,741,882</u>	<u>(5,270,263)</u>	<u>(15,012,145)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,170,653</u>	<u>\$ 6,170,653</u>
Fund Balances - Beginning of Year			<u>89,544,140</u>	
Fund Balances - End of Year			<u><u>\$ 95,714,793</u></u>	

General Fund**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020**

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

Investment earnings	11,520
Expenditures	(523,709)
Transfer from other funds	509,167
Fund Balance, Beginning	<u>99,865</u>
Fund Balance, Ending - Budget and Actual	95,811,636
Budget and actual reconciliation	<u>2,118,787</u>
Fund Balance, Ending (Exhibit 4)	<u>97,930,423</u>

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

Net change in fund balances - budget and actual	
General Fund	\$ 6,170,653
Tax Reappraisal Fund	(3,022)
Contra revenue notes receivable payments	(278,867)
Contra expense for issuance of notes receivable	543,752
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	<u>1,853,902</u>
Net change in fund balances - general fund (Exhibit 4)	<u>\$ 8,286,418</u>
Fund Balance Beginning (Exhibit 4)	<u>89,644,005</u>
Fund Balance Ending (Exhibit 4)	<u>\$ 97,930,423</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 6

Coronavirus Aid , Relief, and Economic Security (CARES) Act Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over/Under</u>
Revenues				
Intergovernmental revenue				
Federal grants	1,106,533	1,106,533	1,106,533	-
Investment earnings	5,000	5,000	4,923	(77)
Total revenues	<u>1,111,533</u>	<u>1,111,533</u>	<u>1,111,456</u>	<u>(77)</u>
Expenditures				
Current				
Public safety	<u>1,111,533</u>	<u>1,111,533</u>	<u>1,106,533</u>	<u>5,000</u>
Total expenditures	<u>1,111,533</u>	<u>1,111,533</u>	<u>1,106,533</u>	<u>5,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,923</u>	<u>4,923</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,923</u>	<u>\$ 4,923</u>
Fund Balances - Beginning of Year			<u>-</u>	
Fund Balances - End of Year			<u>\$ 4,923</u>	



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Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Assets			
Current assets			
Cash and investments	18,322,659	34,886,436	\$ 53,209,095
Due from other governments	303,187	281,895	585,082
Notes receivable	-	1,607,139	1,607,139
Accounts receivables (net of allowance)	641,879	-	641,879
Interest receivables	25,006	45,801	70,807
Prepaid items	245	-	245
Total current assets	<u>19,292,976</u>	<u>36,821,271</u>	<u>56,114,247</u>
Noncurrent assets			
Capital assets			
Land and construction in progress	7,791,065	2,738,007	10,529,072
Other capital assets, net of depreciation	<u>29,146,436</u>	<u>35,972,494</u>	<u>65,118,930</u>
Total capital assets	<u>36,937,501</u>	<u>38,710,501</u>	<u>75,648,002</u>
Total noncurrent assets	<u>36,937,501</u>	<u>38,710,501</u>	<u>75,648,002</u>
Total assets	<u><u>56,230,477</u></u>	<u><u>75,531,772</u></u>	<u><u>131,762,249</u></u>
Deferred outflows of resources			
Pension - LGERS	311,921	19,193	331,114
OPEB deferrals	103,213	3,557	106,770
Deferred charge on debt refunding	-	29,124	29,124
Total deferred outflows of resources	<u>415,134</u>	<u>51,874</u>	<u>467,008</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	791,532	42,346	833,878
Accrued landfill closure and postclosure care costs	100,000	-	100,000
Installment loan payable	-	1,186,525	1,186,525
Compensated absences	<u>88,594</u>	<u>15,637</u>	<u>104,231</u>
Total current liabilities	<u>980,126</u>	<u>1,244,508</u>	<u>2,224,634</u>
Noncurrent liabilities			
Accrued landfill closure and postclosure care costs	9,729,316	-	9,729,316
Net pension liability	523,268	32,198	555,466
Total OPEB liability	538,285	18,562	556,847
Installment loan payable	-	5,530,708	5,530,708
Premium on long-term debt	-	104,803	104,803
Compensated absences	<u>22,080</u>	<u>14,519</u>	<u>36,599</u>
Total noncurrent liabilities	<u>10,812,949</u>	<u>5,700,790</u>	<u>16,513,739</u>
Total liabilities	<u><u>11,793,075</u></u>	<u><u>6,945,298</u></u>	<u><u>18,738,373</u></u>

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

CATAWBA COUNTY, NORTH CAROLINAExhibit 7
Page 2 of 2**Statement of Net Position
Proprietary Funds
June 30, 2020**

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Deferred inflows of resources			
Pension - LGERS	11,818	727	12,545
OPEB deferrals	16,137	556	16,693
Total deferred inflows of resources	27,955	1,283	29,238
Net Position			
Net investment in capital assets	36,937,501	31,917,589	68,855,090
Unrestricted	7,887,080	36,719,476	44,606,556
Total net position	\$ 44,824,581	\$ 68,637,065	\$ 113,461,646

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, 2020

	Business-Type Activities - Enterprise Funds		
	Solid Waste Management Fund	Water and Sewer Fund	Total
Operating Revenues			
Charges for services	\$ 7,044,587	\$ -	\$ 7,044,587
Methane recovery	401,847	-	401,847
Other operating revenues	92,845	-	92,845
Total operating revenues	<u>7,539,279</u>	<u>-</u>	<u>7,539,279</u>
Operating Expenses			
Administration	644,726	118,193	762,919
Recycling	238,915	-	238,915
Solid waste management improvements	167,663	-	167,663
Solid waste code enforcement	75,426	-	75,426
Sanitary landfill	5,189,870	-	5,189,870
Blackburn landfill methane recovery	350,067	-	350,067
Water and sewer	-	1,886,679	1,886,679
Landfill closure and postclosure care costs	100,000	-	100,000
Depreciation	1,355,719	846,936	2,202,655
Total operating expenses	<u>8,122,386</u>	<u>2,851,808</u>	<u>10,974,194</u>
Operating income (loss)	<u>(583,107)</u>	<u>(2,851,808)</u>	<u>(3,434,915)</u>
Nonoperating Revenues (Expenses)			
Solid waste disposal tax	81,825	-	81,825
Scrap tire disposal tax	215,516	-	215,516
White goods disposal tax	71,795	-	71,795
Scrap tire grant	65,130	-	65,130
Electronics management distribution	9,241	-	9,241
Gain on sale of capital asset	106,551	-	106,551
Landfill closure and postclosure care reduction	1,502,225	-	1,502,225
Property cleanup reimbursement	595	-	595
Miscellaneous	-	391	391
Investment earnings	422,342	761,749	1,184,091
Engineering fees	-	173,625	173,625
Interest on long term debt	-	(188,260)	(188,260)
Municipal revenue sharing	-	984,164	984,164
City of Conover - Farmfield Acres water	-	260,985	260,985
City of Newton - Balls Creek water	-	735,152	735,152
Total nonoperating revenues (expenses)	<u>2,475,220</u>	<u>2,727,806</u>	<u>5,203,026</u>
Change in net position	1,892,113	(124,002)	1,768,111
Net Position - Beginning of Year	<u>42,932,468</u>	<u>68,761,067</u>	<u>111,693,535</u>
Net Position - End of Year	<u>\$ 44,824,581</u>	<u>\$ 68,637,065</u>	<u>\$ 113,461,646</u>



CATAWBA COUNTY, NORTH CAROLINAExhibit 9
Page 1 of 2**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020****Business-Type Activities - Enterprise Funds**

	Solid Waste Management Fund	Water and Sewer Fund	Total
Cash Flows from Operating Activities			
Cash received from customers	\$ 7,600,188	443,256	\$ 8,043,444
Cash paid for goods and services	(4,204,712)	(2,910,006)	(7,114,718)
Cash paid to employees	(1,912,918)	(114,471)	(2,027,389)
Other operating revenues	92,845	-	92,845
Net cash provided (used) by operating activities	<u>1,575,403</u>	<u>(2,581,221)</u>	<u>(1,005,818)</u>
Cash Flows from Noncapital Financing Activities			
Solid waste disposal tax	81,825	-	81,825
Scrap tire disposal tax	215,516	-	215,516
White goods disposal tax	71,795	-	71,795
Scrap tire grant	65,130	-	65,130
Electronics management distribution	9,241	-	9,241
Property cleanup reimbursement	595	-	595
Domestic haulers and capital fees	-	174,016	174,016
Municipal revenue sharing	-	1,980,301	1,980,301
Total cash provided by noncapital financing activities	<u>444,102</u>	<u>2,154,317</u>	<u>2,598,419</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on installment notes payable	-	(1,176,280)	(1,176,280)
Interest paid on installment notes payable	-	(198,461)	(198,461)
Acquisition and construction of capital assets	(4,829,837)	(480,828)	(5,310,665)
Proceeds from sale of assets	106,551	-	106,551
Net cash provided (used) by capital and related financing activities	<u>(4,723,286)</u>	<u>(1,855,569)</u>	<u>(6,578,855)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>463,866</u>	<u>837,979</u>	<u>1,301,845</u>
Net increase (decrease) in cash and cash equivalents	(2,239,915)	(1,444,494)	(3,684,409)
Cash and cash equivalents - beginning of year	<u>20,562,574</u>	<u>36,330,930</u>	<u>56,893,504</u>
Cash and cash equivalents - end of year	<u>\$ 18,322,659</u>	<u>34,886,436</u>	<u>\$ 53,209,095</u>

The accompanying notes are an integral part of the financial statements

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	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)	<u>\$ (583,107)</u>	<u>(2,851,808)</u>	<u>(3,434,915)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation and amortization	1,355,719	846,936	2,202,655
Increase (decrease) in landfill closure and postclosure care costs	100,000	-	100,000
Changes in assets and liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in refundable sales tax	192,637	213,019	405,656
(Increase) decrease in other receivables	(38,883)	230,235	191,352
(Increase) decrease in notes receivables	-	(893,359)	(893,359)
(Increase) decrease in deferred outflows of resources - pensions	61,931	3,742	65,673
(Increase) decrease in deferred outflows of resources - OPEB	(18,984)	(655)	(19,639)
Increase (decrease) in accounts payable and other liabilities	448,545	(129,967)	318,578
Increase (decrease) in compensated absences	(5,034)	(671)	(5,705)
Increase (decrease) in accrued salaries and other benefits	(24,702)	(2,972)	(27,674)
Increase (decrease) in pension liability	41,702	2,654	44,356
Increase (decrease) in OPEB liability	46,495	1,604	48,099
Increase (decrease) in deferred inflows of resources - pensions	1,884	118	2,002
Increase (decrease) in deferred inflows of resources - OPEB	<u>(2,800)</u>	<u>(97)</u>	<u>(2,897)</u>
Total adjustments	<u>2,158,510</u>	<u>270,587</u>	<u>2,429,097</u>
Net cash provided (used) by operating activities	<u>\$ 1,575,403</u>	<u>(2,581,221)</u>	<u>(1,005,818)</u>
Noncash investing, capital and financing activities:			
(Premium)/deferred charge from debt refunding	-	(10,204)	(10,204)
	<u>\$ -</u>	<u>\$ (10,204)</u>	<u>\$ (10,204)</u>

The accompanying notes are an integral part of the financial statements

CATAWBA COUNTY, NORTH CAROLINA

Exhibit 10

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	<u>Agency Funds</u>
Assets	
Cash and investments	<u>\$ 359,741</u>
Liabilities	
Intergovernmental payable - State of North Carolina	\$ 9,746
Miscellaneous liabilities	<u>349,995</u>
Total liabilities	<u><u>\$ 359,741</u></u>

The accompanying notes are an integral part of the financial statements

Notes to Financial Statements - Contents
June 30, 2020

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Catawba County (government) and its discretely presented component units conform to generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the financial activities of the County and its component units, legally-separate entities for which the County is financially accountable.

The Catawba County Industrial Facility and Pollution Control Financing Authority (the *Authority*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Catawba Valley Medical Center (the *Medical Center*) and the Catawba County ABC Board (the *Board*) have a June 30 year end and are presented as if they are separate proprietary funds of the County (discrete presentation).

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Catawba County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board that is appointed by the Board of County Commissioners. The County can remove any member of the Authority with or without cause.	None Issued
Catawba Valley Medical Center	Discrete	The Medical Center is a public hospital that was organized in 1962 by resolution of the Board of Commissioners of Catawba County. The County appoints the board of trustees for the Medical Center. The County has issued revenue bonds for improvement of the Medical Center facilities, which are paid from Medical Center revenues.	Catawba Valley Medical Center 810 Fairgrove Church Road S.E. Hickory, NC 28602
Catawba County ABC Board	Discrete	The members of the ABC Board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Catawba County ABC Board 1910 Fairgrove Church Road Newton, NC 28658

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

Government-wide Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities except for interfund services provided and used which are not eliminated in the consolidation process. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services provided to them.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the County and for each function of the County's governmental activities. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. *Indirect expense allocations* that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as *general revenues*.

Fund Financial Statements - The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in separate columns. All remaining governmental and proprietary funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result in exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary services.

The County reports the following major governmental funds:

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

CARES Act Fund - The *CARES Act* accounts for funds used to prevent, prepare for, and respond to coronavirus.

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:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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-eight legally budgeted funds. The Emergency Telephone System Fund, Narcotics Seized Funds and Property Fund, State Unauthorized Substance Abuse Fund, Narcotics Seized Justice Fund, Narcotics Seized Treasury 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30 (c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio 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	\$ 17,409,766
General Fund	Unexpended debt proceeds	2,641
General Fund	Social services	243,133
General Fund	Tax reappraisal	116,660
CARES Act Fund	Unexpended grant funds	2,850,870
General Capital Projects Fund	Unexpended debt proceeds	6,946,054
School Construction Fund	Unexpended debt proceeds	2,717,631
Total Governmental Activities		<u>\$ 30,286,755</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2019.

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, is recorded in the government-wide financial statements. For the County's proprietary fund, an expense and liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned, if the amount is considered to be material.

The sick leave policy of the County provides for an unlimited accumulation of earned but unused sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither employee nor the County has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid - portion of fund balance that is not an available resource because it represents the asset amount of prepaid expenditures, which are not spendable resources.

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

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known 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.

CARES Act – portion of fund balance that is restricted by revenue source for CARES Act 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 (\$17,409,766), unspent debt proceeds of (\$9,666,326), and the Register of Deeds pension plan of \$315,711.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Catawba County's governing body. The Board of Commissioners is the highest level of decision-making authority that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 \$(30,281,392) 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)	\$ 235,125,212
Less accumulated depreciation	(77,035,776)
Net capital assets	<u>158,089,436</u>
Charges related to debt refunding issued - included on government-wide statement of net position but are not current financial resources	1,664,759
Net pension asset RODSPF	281,466
LGERS and ROD pension related deferrals	11,614,651
LEOSSA related deferrals	262,087
OPEB related deferrals	3,345,717
Deferred inflows of resources reported in the fund statements but not the government-wide	3,967,318
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	(4,940,000)
Installment purchase	(51,671,667)
Qualified zone academy bonds	(100,000)
Qualified school construction bonds	(27,808,553)
Limited obligation bonds	(66,776,431)
NC Department of Commerce	(540,796)
Premium on long-term debt	(8,124,110)
Compensated absences	(4,805,045)
Net pension liability LGERS	(20,191,895)
Total pension liability LEOSSA	(4,190,800)
Total other post employment liability	<u>(20,357,529)</u>
	<u>(209,506,826)</u>
Total adjustment	\$ <u>(30,281,392)</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 \$28,263,812 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	\$ 25,736,565
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	(5,418,899)
Net capital assets disposed during the year	(1,333,743)
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	1,075,000
Installment purchases	6,921,586
Qualified zone academy bonds	50,000
Limited obligation bonds	6,100,105
NC Department of Commerce	530,192
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)	4,810,681
Law Enforcement Separation Allowance (LEOSSA)	83,510
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	(9,226,419)
OPEB expense	(985,037)
Amortization of deferred interest	(247,378)
Net (increase) decrease in compensated absences	(233,154)
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	(669,406)
Amortization of premium on debt issuance	754,940
Net increase (decrease) in receivables and deferred revenue	<u>315,269</u>
Total adjustment	<u><u>\$ 28,263,812</u></u>

NOTE 2 – DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agents in the name of the County. Under the Pooling Method, which is a collateral pool, all

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, the County's deposits had a carrying amount of \$47,220,302 and a bank balance of \$47,853,308. Of the bank balance, \$1,243,133 was covered by federal depository insurance and \$359,741 in non-interest bearing deposits and \$46,250,434 in interest bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2020, Catawba County had \$9,843 cash on hand.

2. Investments

As of June 30, 2020 the County had the following investments and maturities.

Investment Type	Valuation	Fair Value	Less than 6		
	Measurement Method		months	6-12 months	1-5 years
U.S. Government Agencies*	Fair Value-Level 2	\$ 39,062,903	\$ 8,034,880	\$ 5,595,095	\$ 25,432,928
NC Capital Trust Management Trust					
Government Portfolio	Fair Value-Level 1	66,070,310	66,070,310	-	-
NC Capital Trust Management Trust					
Term Portfolio**	Fair Value-Level 1	31,953,213	31,953,213	-	-
US Bank Money Market - Debt					
Escrow-restricted	Fair Value-Level 1	8,816,636	8,816,636	-	-
Total:		<u>\$ 145,903,062</u>	<u>\$ 114,875,039</u>	<u>\$ 5,595,095</u>	<u>\$ 25,432,928</u>

*\$4,005,920 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, 2020, the NCCMT Term Portfolio has a duration of .15 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. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 AAAm by Standard & Poor's as of June 30, 2020. The County's debt service funds for payment of principal and interest are invested in NC Capital Management Trust which 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 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. Approximately, 27% of the County's investments are in United States government-sponsored enterprises. Investments in Federal Farm Credit are 6%, Federal Home Loan Bank are 8%, Federal Home Loan Mortgage Corporation are 5%, and Federal National Mortgage Agency are 8% of the County's total investments. The County does not have a board approved policy on concentration of credit risk; however, it follows the restrictions of an internal investment policy that has been reviewed by the Board of Commissioners.

3. Property Tax – Use – Value Assessment on Certain Lands

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Year Levied	Tax	Interest	Total
2017	1,407,206	397,536	1,804,742
2018	1,418,459	273,053	1,691,512
2019	1,433,507	146,934	1,580,441
2020	1,424,891	-	1,424,891
Total	<u>\$ 5,684,063</u>	<u>\$ 817,523</u>	<u>\$ 6,501,586</u>

4. Receivables

Receivables at the government-wide level at June 30, 2020 were as follows:

	Governmental activities				Total Governmental Activities
	General	CARES Act Fund	General Capital Projects Fund	Non-major Funds	
Receivables					
Accounts	\$ 2,892,287	\$ -	\$ -	\$ -	\$ 2,892,287
Taxes	4,291,293	-	-	290,833	4,582,126
Due from other governments	14,306,774	1,106,533	661,370	2,041,301	18,115,978
Notes	1,195,145	-	-	-	1,195,145
Other	33,898	-	-	-	33,898
Interest	110,310	-	18,271	29,167	157,748
Gross Receivables	22,829,707	1,106,533	679,641	2,361,301	26,977,182
Allowance for uncollectibles	(3,325,718)	-	-	(165,545)	(3,491,263)
Net total receivables	<u>\$ 19,503,989</u>	<u>\$ 1,106,533</u>	<u>\$ 679,641</u>	<u>\$ 2,195,756</u>	<u>\$ 23,485,919</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 628,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 628,950</u>

	Business-type activities		
	Solid Waste Management Fund	Water and Sewer Fund	Total Business-type Activities
Receivables			
Accounts	\$ 641,879	\$ 1,288,860	\$ 1,930,739
Notes	-	1,607,139	1,607,139
Due from other governments	303,187	281,895	585,082
Interest	25,006	45,801	70,807
Gross Receivables	970,072	3,223,695	4,193,767
Allowance for uncollectibles	-	(1,288,860)	(1,288,860)
Net total receivables	<u>\$ 970,072</u>	<u>\$ 1,934,835</u>	<u>\$ 2,904,907</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 1,485,538</u>	<u>\$ 1,485,538</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

	Governmental Activities	Business-type Activities
Local option sales tax	\$ 10,304,170	\$ -
White goods disposal tax	-	18,416
Scrap tire tax	-	48,155
Solid waste disposal tax	-	19,543
Various federal and state grants	6,759,926	315,121
Refundable sales tax	1,051,882	183,847
	<u>\$ 18,115,978</u>	<u>\$ 585,082</u>

5. Capital Assets

Capital asset activity for the year ended June 30, 2020 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	20,674,341	21,250,717	-	41,925,058
Total capital assets, not being depreciated	<u>26,879,184</u>	<u>21,250,717</u>	<u>-</u>	<u>48,129,901</u>
Capital assets, being depreciated				
Buildings	136,365,909	2,037,236	-	138,403,145
Other improvements	15,078,745	35,753	(794,773)	14,319,725
Equipment and vehicles	34,302,888	2,412,859	(2,443,306)	34,272,441
Total capital assets, being depreciated	<u>185,747,542</u>	<u>4,485,848</u>	<u>(3,238,079)</u>	<u>186,995,311</u>
Less accumulated depreciation for				
Buildings	(50,704,460)	(2,535,832)	-	(53,240,292)
Other improvements	(5,860,321)	(292,374)	231,809	(5,920,886)
Equipment and vehicles	<u>(16,956,432)</u>	<u>(2,590,693)</u>	<u>1,672,527</u>	<u>(17,874,598)</u>
Total accumulated depreciation	<u>(73,521,213)</u>	<u>(5,418,899)</u>	<u>1,904,336</u>	<u>(77,035,776)</u>
Total capital assets, being depreciated, net	<u>112,226,329</u>	<u>(933,051)</u>	<u>(1,333,743)</u>	<u>109,959,535</u>
Governmental activities capital assets, net	<u>\$ 139,105,513</u>	<u>\$ 20,317,666</u>	<u>\$ (1,333,743)</u>	<u>\$ 158,089,436</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Governmental activities	
General government	\$ 199,735
Public safety	3,490,183
Environmental protection	8,185
Economic & physical development	485,845
Human services	1,061,641
Culture and recreation	173,310
Total depreciation expense	<u>\$ 5,418,899</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Solid Waste Management				
Capital assets, not being depreciated				
Land	\$ 7,298,659	\$ 63,674	\$ -	\$ 7,362,333
Construction in progress	416,407	12,325	-	428,732
Total capital assets, not being depreciated	<u>7,715,066</u>	<u>75,999</u>	<u>-</u>	<u>7,791,065</u>
Capital assets, being depreciated				
Buildings	3,996,631	-	-	3,996,631
Other improvements	31,934,938	3,469,057	-	35,403,995
Equipment and vehicles	11,516,043	1,284,781	(847,510)	11,953,314
Total capital assets, being depreciated	<u>47,447,612</u>	<u>4,753,838</u>	<u>(847,510)</u>	<u>51,353,940</u>
Less accumulated depreciation for				
Buildings	(636,970)	(103,266)	-	(740,236)
Other improvements	(13,209,883)	(445,954)	-	(13,655,837)
Equipment and vehicles	(7,852,442)	(806,499)	847,510	(7,811,431)
Total accumulated depreciation	<u>(21,699,295)</u>	<u>(1,355,719)</u>	<u>847,510</u>	<u>(22,207,504)</u>
Total capital assets, being depreciated, net	<u>25,748,317</u>	<u>3,398,119</u>	<u>-</u>	<u>29,146,436</u>
Solid Waste Management capital assets, net	<u>\$ 33,463,383</u>	<u>\$ 3,474,118</u>	<u>\$ -</u>	<u>\$ 36,937,501</u>

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Water & Sewer				
Capital assets, not being depreciated				
Land	\$ 895,382	\$ -	\$ -	\$ 895,382
Construction in progress	1,768,907	73,718	-	1,842,625
Total capital assets, not being depreciated	<u>2,664,289</u>	<u>73,718</u>	<u>-</u>	<u>2,738,007</u>
Capital assets, being depreciated				
Plant and distribution systems/water lines	40,921,341	407,110	-	41,328,451
Other improvements	58,885	-	-	58,885
Total capital assets, being depreciated	<u>40,980,226</u>	<u>407,110</u>	<u>-</u>	<u>41,387,336</u>
Less accumulated depreciation for				
Plant and distribution systems/water lines	(4,553,773)	(845,758)	-	(5,399,531)
Other improvements	(14,133)	(1,178)	-	(15,311)
Total accumulated depreciation	<u>(4,567,906)</u>	<u>(846,936)</u>	<u>-</u>	<u>(5,414,842)</u>
Total capital assets, being depreciated, net	<u>36,412,320</u>	<u>(439,826)</u>	<u>-</u>	<u>35,972,494</u>
Water & Sewer capital assets, net	<u>\$ 39,076,609</u>	<u>\$ (366,108)</u>	<u>\$ -</u>	<u>\$ 38,710,501</u>

Construction Commitments

The County has active construction and other capital projects as of June 30, 2020. The government's commitments with contractors and vendors are composed of numerous projects within the following funds:

	Project Authorization	Expended to June 30, 2020	Committed	Required Future Financing
Governmental activities				
General Capital Projects	\$ 107,862,068	\$ 89,791,611	18,070,457	None
Schools Capital Projects	24,571,389	18,398,316	6,173,073	None
School Construction	87,193,000	45,556,553	41,636,447	None
Total governmental activities	<u>\$ 219,626,457</u>	<u>\$ 153,746,480</u>	<u>\$ 65,879,977</u>	
Business-type activities				
Solid Waste Management Fund	\$ 14,176,586	\$ 9,147,798	5,028,788	None
Water and Sewer Fund	22,718,016	8,685,466	14,032,550	None
Total business-type activities	<u>\$ 36,894,602</u>	<u>\$ 17,833,264</u>	<u>\$ 19,061,338</u>	

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020 were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental activities				
General	\$ 2,963,281	\$ 2,553,989	\$ 793,203	\$ 6,310,473
CARES Act Fund	1,106,533	-	2,845,947	3,952,480
General Capital Projects	3,008,982	-	-	3,008,982
Non-major Funds	1,523,567	4,825	-	1,528,392
Total governmental activities	<u>\$ 8,602,363</u>	<u>\$ 2,558,814</u>	<u>\$ 3,639,150</u>	<u>\$ 14,800,327</u>
Business-type Activities				
Solid Waste Management	\$ 724,979	\$ 64,403	2,150	791,532
Water and Sewer	21,993	4,414	15,939	42,346
Total business-type activities	<u>\$ 746,972</u>	<u>\$ 68,817</u>	<u>\$ 18,089</u>	<u>\$ 833,878</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are Law Enforcement Officers (LEO) are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$4,927,547 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$20,747,361 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was .75972% (measured as of June 30, 2019), which was a decrease of .03661% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$9,160,649. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 3,457,365	\$ -
Change of assumptions	3,290,945	-
Net difference between projected and actual earnings on pension plan investments	492,508	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	456,035
County contributions subsequent to the measurement date	4,795,623	-
Total	<u>\$ 12,036,441</u>	<u>\$ 456,035</u>
Business-Type Activities		
Solid Waste Management		
Differences between expected and actual experience	\$ 89,597	\$ -
Change of assumptions	85,284	-
Net difference between projected and actual earnings on pension plan investments	12,763	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	11,818
County contributions subsequent to the measurement date	124,277	-
Total	<u>\$ 311,921</u>	<u>\$ 11,818</u>
Business-Type Activities		
Water & Sewer		
Differences between expected and actual experience	\$ 5,513	\$ -
Change of assumptions	5,248	-
Net difference between projected and actual earnings on pension plan investments	785	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	727
County contributions subsequent to the measurement date	7,647	-
Total	<u>\$ 19,193</u>	<u>\$ 727</u>
Governmental Activities - Total	<u>\$ 12,036,441</u>	<u>\$ 456,035</u>
Business-Type Activities - Total	<u>331,114</u>	<u>12,545</u>
Total deferred	<u>\$ 12,367,555</u>	<u>\$ 468,580</u>

\$4,927,547 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Year ended June 30:

2021	\$ 3,550,816
2022	1,003,487
2023	1,909,741
2024	507,384
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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)	\$ 47,453,008	\$ 20,747,361	\$ (1,450,442)

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, 2018, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	13
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>141</u>
	<u>154</u>

Summary of Significant Accounting Policies:

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

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

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Inflation	2.50 percent per annum
Salary increases	3.50 - 7.35 percent per annum
Discount rate	3.26 percent per annum, compounded annually

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employee's Retirement System for the five-year period ending December 31, 2014.

Mortality Rate

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2015 Disables Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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 \$158,628 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, 2020, the County reported a total pension liability of \$4,190,800. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumption. For the year ended June 30, 2020, the County recognized pension expense of \$349,387.

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experiences	\$ 126,217	\$ 48,825
Changes of assumptions	248,062	146,877
County benefit payments and plan administrative expenses made subsequent to the measurement date	83,510	-
Total	<u>\$ 457,789</u>	<u>\$ 195,702</u>

The County paid \$83,510 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 36,082
2022	36,082
2023	41,714
2024	32,172
2025	32,527
Thereafter	-

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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 4,554,498	\$ 4,190,800	\$ 3,857,365

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

	2020
Total Pension Liability as of December 31, 2018	\$ 3,817,860
Service Cost	176,222
Interest on the total pension liability	136,083
Changes of benefit terms	-
Differences between expected and actual experience	89,070
Changes of assumptions and other inputs	130,193
Benefit payments	(158,628)
Other changes	-
Total Pension Liability as of December 31, 2019	<u>\$ 4,190,800</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 to 3.26 percent at June 30, 2019.

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2018 valuation were based on the results of an actuarial experience study completed for the five-year period ending 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, 2020 were \$445,954 which consisted of \$365,762 from the County and \$80,192 from the law enforcement officers. No amounts were forfeited.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Catawba County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$15,058 for the year ended June 30, 2020.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

At June 30, 2020, the County reported an asset of \$281,466 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was 1.42572%, which was a decrease of .1926% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$33,951. At June 30, 2020, 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	\$ -	\$ 13,573
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,880	-
Changes in proportion and differences between County contributions and proportionate share of contributions	29,880	-
County contributions subsequent to the measurement date	15,058	-
Total	<u>\$ 47,818</u>	<u>\$ 13,573</u>

\$15,058 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, 2021.

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:	
2021	\$ 5,750
2022	12,108
2023	6,889
2024	(5,560)
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

The actuarial assumptions used in the December 31, 2018 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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)	\$ 232,663	\$ (281,466)	\$ 322,726

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 June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2018. The total pension liability for LEOSA was measured as of December 31, 2019, with an actuarial valuation date of December 31, 2018.

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:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 20,747,361	\$(281,466)	\$ -	\$ 20,465,895
Proportion of the Net Pension Liability (Asset)	0.75972%	1.42572%	n/a	
Total Pension Liability	-	-	\$ 4,190,800	\$ 4,190,800
Pension Expense	\$ 9,160,649	\$ 33,951	\$ 349,387	\$ 9,543,987

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 3,552,475	\$ -	\$ 126,217	\$ 3,678,692
Changes of assumptions	3,381,477	-	248,062	3,629,539
Net difference between projected and actual earnings on pension plan investments	506,056	2,880	-	508,936
Changes in proportion and differences between County contributions and proportionate share of contributions	-	29,880	-	29,880
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	4,927,547	15,058	83,510	5,026,115
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 13,573	\$ 48,825	\$ 62,398
Changes of assumptions	-	-	146,877	146,877
Changes in proportion and differences between County contributions and proportionate share of contributions	468,580	-	-	468,580

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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	<u>1,032</u>
Total	<u><u>1,089</u></u>

Total OPEB Liability

The County's total OPEB liability of \$20,914,376 was measured as of June 30, 2019 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	3.89%
Measurement Date	3.50%
Health 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.

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Changes in the Total OPEB Liability

	Governmental Activities	Business-Type Activities		
		Solid Waste		
		Management	Water & Sewer	Total
Total OPEB Liability as of June 30, 2019	\$ 18,504,157	\$ 491,790	\$ 16,958	\$ 19,012,905
Changes for the year:				
Service Cost at the end of the year*	930,379	23,340	805	954,524
Interest on TOL and Cash Flows	706,093	17,713	611	724,417
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	180,442	4,527	156	185,125
Changes of assumptions or other inputs	804,782	20,189	696	825,667
Benefit payments	(768,324)	(19,274)	(664)	(788,262)
Other	-	-	-	-
Net changes	\$ 1,853,372	\$ 46,495	\$ 1,604	\$ 1,901,471
Total OPEB Liability as of June 30, 2020	\$ 20,357,529	\$ 538,285	\$ 18,562	\$ 20,914,376

*The service cost includes interest for the year

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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 or 1-percentage point higher than the current discount rate of 3.5%:

	1% Decrease (2.50%)	Discount (3.50%)	1% Increase (4.50%)
Total OPEB Liability \$	23,202,497	\$ 20,914,376	\$ 18,868,467

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 \$	18,200,731	\$ 20,914,376	\$ 24,160,626

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$2,040,062. At June 30, 2020, the County reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Differences between expected and actual experience	\$ 1,585,188	\$ -
Changes of assumptions or other inputs	1,356,377	598,105
Benefit payments for the OPEB plan paid subsequent to measurement date	1,002,257	-
Total	<u>\$ 3,943,822</u>	<u>\$ 598,105</u>
Business-Type Activities		
Solid Waste Management		
Differences between expected and actual experience	\$ 41,980	\$ -
Changes of assumptions or other inputs	34,935	16,137
Benefit payments for the OPEB plan paid subsequent to measurement date	26,298	-
Total	<u>\$ 103,213</u>	<u>\$ 16,137</u>
Business-Type Activities		
Water & Sewer		
Differences between expected and actual experience	\$ 1,447	\$ -
Changes of assumptions or other inputs	1,205	556
Benefit payments for the OPEB plan paid subsequent to measurement date	905	-
Total	<u>\$ 3,557</u>	<u>\$ 556</u>
Governmental Activities - Total	\$ 3,943,822	\$ 598,105
Business-Type Activities - Total	<u>106,770</u>	<u>16,693</u>
Total deferred	<u>\$ 4,050,592</u>	<u>\$ 614,798</u>

\$1,029,460 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Year ended June 30:

2021	\$	361,121
2022		361,121
2023		361,121
2024		361,121
2025		361,121
Thereafter		600,729

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.

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CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

3. Deferred Outflows and Inflows of Resources

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Exhibit 1		
Charge on refunding of debt	\$ 1,693,883	\$ -
(Pensions, OPEB) - difference between expected and actual experience	5,307,307	62,398
(Pensions, OPEB) - difference between projected and actual investment earnings	508,936	-
(Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions	29,880	468,580
(Pensions, OPEB) - change in assumptions	5,022,056	761,675
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	4,942,605	-
Benefit payments for the OPEB plan paid subsequent to measurement date	1,029,460	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	83,510	-
Prepaid taxes not yet earned (General)	-	203,948
Prepaid taxes not yet earned (Special Revenue)	-	10,925
Deferred revenue collected in advance (General)	-	237,193
Total - Exhibit 1	<u>\$ 18,617,637</u>	<u>\$ 1,744,719</u>
Exhibit 3		
Prepaid taxes not yet earned (General)	\$ -	\$ 203,948
Prepaid taxes not yet earned (Special Revenue)	-	10,925
Unearned revenue collected in advance (General)	-	237,193
Unearned revenue from note receivable (General)	-	284,078
Taxes receivable, net (General)	-	1,340,862
Taxes receivable, net (Special Revenue)	-	125,288
Ambulance receivable, net (General)	-	1,854,584
Human resource receivable, net (General)	-	362,506
Total - Exhibit 3	<u>\$ -</u>	<u>\$ 4,419,384</u>

4. Closure and Postclosure Care Costs – Blackburn Resource Recovery Facility

State and Federal laws and regulations require the County to place a final cover on its current operating cell at Blackburn Resource Recovery facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County also has a closed cell at the Blackburn Resource Recovery facility for which the entire amount of the closure and postclosure costs has been recognized as the cell capacity was used. Although closure and postclosure care costs will be paid only or after the date that 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 \$9,829,316 reported as landfill closure and postclosure care liability as of June 30, 2020 represents a cumulative amount reported to date based on the use of 95.1% of the total estimated capacity of the municipal solid waste operating cell and 81.9% 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 \$18,534,182 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. The County expects to close the current municipal solid waste operating cell at the Blackburn Resource Recovery facility in 2021 and the construction and demolition operating cell in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and Federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 excluded at these locations: Loc. No.6.1, 6.2, 24, 26, 30, 39, 63, 71.1, 71.2, 71.3, 71.4, 71.5, 71.6, 71.7, 71.8, 71.9, 72.1, 72.2, 73.1, 73.2, 74.1, 74.2. Otherwise, flood limit is \$10,000,000. The deductible for 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:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning	\$ 607,431	\$ 411,588	\$ 502,961
Incurred claims	8,873,233	7,786,401	7,337,195
Claim payments	<u>(8,837,308)</u>	<u>(7,590,558)</u>	<u>(7,428,568)</u>
Unpaid claims, ending	<u>\$ 643,356</u>	<u>\$ 607,431</u>	<u>\$ 411,588</u>

6. Contingent Liabilities

At June 30, 2020, 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, including \$302,328 of interest are as follows:

	Governmental Activities	
	Principal	Interest
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	<u>\$ 4,940,000</u>	
Total interest payments		<u>\$ 302,328</u>

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, 2020, including \$10,994 of interest are:

	Governmental Activities	
	Principal	Interest
2021	613,334	10,994
Total principal payments	<u>\$ 613,334</u>	
Total interest payments		<u>\$ 10,994</u>

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, including \$1,458,240 of interest are:

	Governmental Activities	
	Principal	Interest
2021	2,066,666	324,053
2022	2,066,667	283,547
2023	2,066,666	243,040
2024	2,066,667	202,533
2025	2,066,667	162,027
2026-2028	6,200,000	243,040
Total principal payments	<u>\$ 16,533,333</u>	
Total interest payments		<u>\$ 1,458,240</u>

3. 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, 2020, including \$3,220,360 of interest are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Governmental Activities	
	Principal	Interest
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	3,020,000	316,976
2026-2030	12,540,000	868,384
2031	2,450,000	43,120
Total principal payments	<u>\$ 34,525,000</u>	
Total interest payments		<u>\$ 3,220,360</u>

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, 2020 are:

	Governmental Activities	
	Principal	Interest
2021	50,000	-
2022	50,000	-
Total principal payments	<u>\$ 100,000</u>	
Total interest payments		<u>\$ -</u>

d. Qualified School Construction Bonds

1. As authorized by State law (G.S. 160A-20 and 153A-158.1), the County entered into 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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 5.9%, or \$65,063, 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, 2020 are \$5,914,852.

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 5.9%, or \$21,040, 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, 2020 are \$2,086,560.

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, 2020, including \$2,839,076 of interest at a rate that varies from 2% - 5% are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	2,937,012	718,368	427,988	104,682
2022	2,937,012	586,202	427,988	85,423
2023	2,954,469	438,915	430,531	63,960
2024	2,814,819	294,683	410,181	42,942
2025	1,221,937	193,764	178,063	28,236
2026-2028	3,766,182	246,047	548,818	35,854
Total principal payments	\$ 16,631,431		\$ 2,423,569	
Total interest payments		\$ 2,477,979		\$ 361,097

2. 2014 Limited Obligation Bonds

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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

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

For Catawba County, the future minimum payments as of June 30, 2020, including \$3,753,906 of interest are:

	Governmental Activities	
	Principal	Interest
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	1,185,000	394,994
2026-2030	5,920,000	1,143,986
2031	1,180,000	59,000
Total principal payments	<u>\$ 13,025,000</u>	
Total interest payments		<u>\$ 3,753,906</u>

3. 2018 Limited Obligation Bonds

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

For Catawba County, the future minimum payments as of June 30, 2020, including \$15,329,282 of interest are:

	Governmental Activities	
	Principal	Interest
2021	1,965,000	1,660,988
2022	1,965,000	1,562,738
2023	1,965,000	1,464,488
2024	1,965,000	1,366,238
2025	1,965,000	1,267,988
2026-2030	9,775,000	4,870,936
2031-2035	9,750,000	2,547,593
2036-2039	7,770,000	588,313
Total principal payments	<u>\$ 37,120,000</u>	
Total interest payments		<u>\$ 15,329,282</u>

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.

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, including \$10,816 of interest at a rate of 2% are as follows:

	Governmental Activities	
	Principal	Interest
2021	540,796	10,816
Total principal payments	<u>\$ 540,796</u>	
Total interest payments		<u>\$ 10,816</u>

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 for 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, 2020, including \$194,721 of interest are:

	Business-type Activities	
	Principal	Interest
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	<u>\$ 3,543,664</u>	
Total interest payments		<u>\$ 194,721</u>

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, 2020 are:

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Business-type Activities	
	Principal	Interest
2021	75,000	-
2022	75,000	-
2023	75,000	-
2024	75,000	-
2025	75,000	-
2026-2030	375,000	-
Total principal payments	<u>\$ 750,000</u>	
Total interest payments		<u>\$ -</u>

Bonds and Notes Outstanding at June 30, 2020 consist of the following:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate
Governmental Activities				
Certificates of Participation				
2012 Certificates of Participation	Refunding debt for schools and community college, County facility	<u>10,965,000</u>	<u>4,940,000</u>	2.08%
Direct Placement Installment Purchases				
2006 installment purchase	Public school construction/renovation	9,200,000	613,334	2.39%
2013 installment purchase	Public school and community college construction/renovation, County animal shelter	31,000,000	16,533,333	1.96%
2016 installment purchase	Public school and community college construction/renovation, refunding	<u>50,530,000</u>	<u>34,525,000</u>	1.76%
Total installment purchases		<u>90,730,000</u>	<u>51,671,667</u>	
Direct Placement Qualified Zone Academy Bonds				
	Public school construction/renovation	<u>700,000</u>	<u>100,000</u>	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

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

2011 QSCB	Public school construction/renovation	<u>6,300,000</u>	<u>6,300,000</u>	5.52% with 100% IRS subsidy
Total qualified school construction bonds		<u>27,808,553</u>	<u>27,808,553</u>	
Limited Obligation Bonds				
2011 LOB	Refunding debt for public schools, community college	41,995,366	16,631,431	2.00-5.00%
2014 LOB	Refunding debt for public schools, community college, new debt Justice Center	21,935,000	13,025,000	2.00-5.00%
2018 LOB	Public school and community college construction/renovations, County park, jail expansion	<u>39,085,000</u>	<u>37,120,000</u>	3.125-5.00%
Total limited obligation bonds		<u>103,015,366</u>	<u>66,776,431</u>	
Direct Borrowing NC Department of Commerce				
2013 Installment loan	Industrial site development	<u>2,600,000</u>	<u>540,796</u>	2.00%
Total Governmental Activities		<u>235,818,919</u>	<u>151,837,447</u>	
Business-type activities				
Direct Placement Installment Purchases				
2013 installment purchase	Sewer line and pump station project	<u>8,000,000</u>	<u>3,543,664</u>	1.81%
Limited Obligation Bonds				
2011 LOB	Refunding debt for sanitary sewer	<u>6,119,634</u>	<u>2,423,569</u>	2.00-5.00%
Direct Borrowing Federal Revolving Loan				
2010 loan	Water improvements	<u>3,000,000</u>	<u>750,000</u>	0.00%
Total Business-type activities		<u>17,119,634</u>	<u>6,717,233</u>	

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020:

	Balance			Balance	Current
	June 30, 2019	Increases	Decreases	June 30, 2020	Portion of Balance
Governmental activities					
Certificates of participation	\$ 6,015,000	\$ -	\$ (1,075,000)	\$ 4,940,000	\$ 1,045,000
Direct placement installment purchase	58,593,253	-	(6,921,586)	51,671,667	6,855,000
Direct placement Qualified Zone Academy Bonds	150,000	-	(50,000)	100,000	50,000
Direct placement Qualified School Const. Bond	27,808,553	-	-	27,808,553	-
Limited obligation bonds	72,876,536	-	(6,100,105)	66,776,431	6,087,012
Direct borrowing NC Department of Commerce	1,070,988	-	(530,192)	540,796	540,796
Premium on long-term debt	8,879,050	-	(754,940)	8,124,110	-
Compensated absences	4,571,891	3,353,737	(3,120,583)	4,805,045	3,120,583
Net pension liability (LGERS)	18,380,561	1,811,334	-	20,191,895	-
Total pension liability (LEOSSA)	3,817,860	372,940	-	4,190,800	-
Total OPEB liability	18,504,157	1,853,372	-	20,357,529	-
Total governmental activities	<u>\$ 220,667,849</u>	<u>\$ 7,391,383</u>	<u>\$ (18,552,406)</u>	<u>\$ 209,506,826</u>	<u>\$ 17,698,391</u>

	Balance			Balance	Current
	June 30, 2019	Increases	Decreases	June 30, 2020	Portion of Balance
Business-type activities					
Solid-Waste Management					
Accrued landfill closure and postclosure costs	\$ 11,231,541	\$ 100,000	\$ (1,502,225)	\$ 9,829,316	\$ 100,000
Compensated absences	115,708	83,560	(88,594)	110,674	88,594
Net pension liability (LGERS)	481,566	41,702	-	523,268	-
Total OPEB liability	491,790	46,495	-	538,285	-
Total Solid Waste Management	<u>\$ 12,320,605</u>	<u>\$ 271,757</u>	<u>\$ (1,590,819)</u>	<u>\$ 11,001,543</u>	<u>\$ 188,594</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Balance			Current	
	June 30, 2019	Increases	Decreases	Balance June 30, 2020	Portion of Balance
Water & Sewer					
Direct placement Installment purchase	\$ 4,215,049	\$ -	\$ (671,385)	\$ 3,543,664	\$ 683,537
Limited obligation bonds	2,853,464	-	(429,895)	2,423,569	427,988
Direct borrowing federal revolving loan	825,000	-	(75,000)	750,000	75,000
Premium on long-term debt	118,934	-	(14,131)	104,803	-
Compensated absences	30,827	14,966	(15,637)	30,156	15,637
Net pension liability (LGERS)	29,544	2,654	-	32,198	-
Total OPEB liability	16,958	1,604	-	18,562	-
Total Water & Sewer	<u>\$ 8,089,776</u>	<u>\$ 19,224</u>	<u>\$ (1,206,048)</u>	<u>\$ 6,902,952</u>	<u>\$ 1,202,162</u>
Total business-type activities	<u>\$ 20,410,381</u>	<u>\$ 290,981</u>	<u>\$ (2,796,867)</u>	<u>\$ 17,904,495</u>	<u>\$ 1,390,756</u>

Compensated absences typically have been liquidated in the general fund and are accounted for on a last in first out (LIFO) basis, assuming that employees are taking leave time as it is earned. The current portion of compensated absences is estimated at \$3,120,583 for governmental activities and \$104,231 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 \$42,515,343 relates to assets the County holds title. Unexpended debt proceeds related to capital debt are \$6,946,054 for governmental activities and \$0 for business-type activities.

Net investment in capital assets for June 30, 2020 was calculated as follows:

	Governmental activities	Business-type activities
Capital assets	<u>\$ 158,089,436</u>	<u>\$ 75,648,002</u>
Long term debt outstanding	(151,837,448)	(6,717,233)
School debt for which County does not hold asset title	106,286,254	-
Premium on long term debt, net of school related debt	(4,322,733)	(104,803)
Deferred outflows, net of school related debt	412,530	29,124
Unexpended proceeds - net of school related debt	6,946,054	-
Total related debt	<u>(42,515,343)</u>	<u>(6,792,912)</u>
Net investment in capital assets	<u>\$ 115,574,093</u>	<u>\$ 68,855,090</u>

k. Legal Debt Margin

At June 30, 2020, Catawba County had a legal debt margin of \$1,327,159,474.

l. Revenue Bonds

Catawba Valley Medical Center

On August 1, 2016, the County issued County of Catawba, North Carolina Refunding Revenue Bonds (Catawba

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020 were \$23,126,896. Total 2016B Hospital Refunding Bonds outstanding at June 30, 2020 were \$11,895,751.

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%.

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, 2020, assets under capital leases had a cost of \$380,618 and accumulated amortization of \$138,833. During 2020, amortization expense related to the capital lease was approximately \$79,000 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 \$181,312.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2020, consist of the following:

General Fund

From the General fund to the General Capital Projects fund for new construction and various capital improvement projects	3,668,075
From the General fund to the School Capital Projects fund for various school capital improvement projects	1,025,000
From the General fund to the School Construction fund for future debt service	<u>786,780</u>
Subtotal General Fund	<u><u>5,479,855</u></u>

Other Governmental Funds

From the Federal Narcotics Seized Fund to new special revenue Federal Special Seized Justice Fund	28,451
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(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

From the Federal Narcotics Seized Fund to new special revenue Federal Special Seized Treasury Fund	25,259
From the Hospital Capital Reserve fund to the General fund to support the school nurse initiative	500,000
From the General Capital Projects Fund to General Fund for public safety	168,759
From the General Capital Projects Fund to School Capital Fund for Community College renovation project	750,000
From the School Capital Projects fund to the General fund to supplement funds for debt service	50,000
From the School Capital Projects fund to the School Construction fund to supplement funds for public school renovation	100,000
From the School Capital Projects fund to the School Construction fund to supplement funds for public school parking lot renovation	55,381
From the School Construction fund to the School Capital fund to supplement funds for track improvements	<u>5,209</u>
Subtotal Other Governmental Funds	<u>1,683,059</u>
Total transfers to other funds	<u><u>\$ 7,162,914</u></u>

(continued on next page)

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

D. Fund Balance

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

	Major Funds			Non Major Funds	Total
	General	CARES Act	General Capital Projects	Other Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
FUND BALANCES					
Nonspendable:					
Inventories	\$ 304,083	\$ -	\$ -	\$ -	\$ 304,083
Prepaid	617,948	-	-	-	617,948
Notes receivable	1,195,145	-	-	-	1,195,145
Restricted:					
Stabilization by State Statute	16,340,426	1,106,533	12,805,239	2,256,771	32,508,969
Register of Deeds	43,326	-	-	-	43,326
Public Safety	-	-	-	1,539,652	1,539,652
Fire Protection	-	-	-	1,408,760	1,408,760
Debt Service	17,412,407	-	-	-	17,412,407
Social Services	243,133	-	-	-	243,133
Library Endowment	-	-	-	205,165	205,165
Scholarship	-	-	-	58,670	58,670
Parks Preservation	-	-	-	23,033	23,033
Community Development	-	-	-	19,960	19,960
CARES Act		4,923			4,923
General Capital	-	-	6,946,054	-	6,946,054
School Capital and Construction	-	-	-	2,717,631	2,717,631
Hospital Capital	-	-	-	3,305,995	3,305,995
Committed:					
Tax Reappraisal	95,125	-	-	-	95,125
General Capital	-	-	532,909	-	532,909
School Capital	-	-	-	8,969,464	8,969,464
School Construction	-	-	-	6,027,961	6,027,961
Assigned:					
Public Health	662,279	-	-	-	662,279
Social Services	3,892,520	-	-	-	3,892,520
County Manager	263,100	-	-	-	263,100
Human Resources	203,989	-	-	-	203,989
Library	691,398	-	-	-	691,398
Subsequent year's expenditures	6,389,453	-	-	-	6,389,453
Unassigned	49,576,091	(1,106,533)	-	-	48,469,558
Total fund balances	<u>\$ 97,930,423</u>	<u>\$ 4,923</u>	<u>\$ 20,284,202</u>	<u>\$ 26,533,062</u>	<u>\$ 144,752,610</u>

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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	\$97,930,423
Less:	
Inventories	304,083
Prepaid	617,948
Notes receivable	1,195,145
Stabilization by State Statute	<u>16,340,426</u>
Fund Balance Available	<u><u>79,472,821</u></u>

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

	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Non-Major Funds</u>	<u>Enterprise Funds</u>
Encumbrances	\$ 2,110,804	\$ 12,125,598	\$ 186,303	\$ 3,551,769

NOTE 3 – RELATED ORGANIZATION

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

NOTE 4 – JOINT VENTURES

The County, in conjunction with the State of North Carolina and the Catawba County, Hickory Public, and Newton-Conover City Boards of Education, participate in a joint venture to operate the Catawba Valley Community College. The State of North Carolina, Catawba County, and the Boards of Education each appoint four members of the thirteen-member board of trustees of the community college. The president of the Community College's student government serves as an ex officio nonvoting member of the Community College's board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County has periodically issued debt obligations to provide financing for new and restructured facilities. Debt obligations of \$18,887,472 are outstanding at June 30, 2020. The County made debt service payments of \$2,676,380 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 \$4,650,000 and \$1,526,977 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. 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, 2020. 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

CATAWBA COUNTY, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

programs are implemented. The County contributed \$1.3 million to K-64 during the fiscal year ended June 30, 2020.

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, 2020. Complete financial statements for the Commission can be obtained from the Lake Norman Marine Commission, PO Box 2454, Cornelius, NC 28031.

NOTE 5 – JOINTLY GOVERNED ORGANIZATION

The County, in conjunction with three other counties and twenty-three municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$59,824 to the Council during the fiscal year ended June 30, 2020.

NOTE 6 – BENEFIT PAYMENTS ISSUED BY THE STATE

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

NOTE 7 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 8 – SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

In March, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

On September 9, 2020, the County entered into an Installment Financing Contract with Truist Bank for \$18,550,000 to fund major renovations to two public schools. The terms of the financing are a 15-year repayment at an interest rate of 1.76%.

On September 9, 2020, the County entered into an Installment Financing Contract – Forward Delivery Agreement with JPMorgan Chase Bank, N.A. for \$12,325,000. This agreement is effective October 1, 2021 and provides for the redemption of the outstanding principal amount from the 2011 Limited Obligation Bonds. The terms of the agreement are a 6-year repayment at an interest rate of 1.4%.

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, 2020***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 954,524	\$ 810,810	\$ 878,210
Interest	724,417	560,351	466,530
Differences between expected and actual experience	185,125	1,339,405	703,309
Changes of assumptions	825,667	880,348	(958,259)
Benefit payments	<u>(788,262)</u>	<u>(630,877)</u>	<u>(1,064,618)</u>
Net change in total OPEB liability	1,901,471	2,960,037	25,172
Total OPEB liability - beginning	<u>19,012,905</u>	<u>16,052,868</u>	<u>16,027,696</u>
Total OPEB liability - ending	<u><u>\$ 20,914,376</u></u>	<u><u>\$ 19,012,905</u></u>	<u><u>\$ 16,052,868</u></u>
Covered-employee payroll	\$ 48,146,318	\$ 48,146,318	\$ 45,889,403
Total OPEB liability as a percentage of covered-employee payroll	43.44%	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:

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
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



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) %	0.75972%	0.79633%	0.80961%	0.83854%	0.81784%
County's proportionate share of the net pension liability (asset)	\$ 20,747,361	\$ 18,891,671	\$ 12,368,598	\$ 17,796,628	\$ 3,670,431
County's covered payroll	\$ 51,972,953	\$ 50,767,144	\$ 50,968,956	\$ 48,079,853	\$ 47,791,623
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.92%	37.21%	24.27%	37.01%	7.68%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	91.63%	94.18%	91.47%	98.09%

* 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 Seven Fiscal Years*

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule 13

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,927,547	\$ 4,145,168	\$ 3,946,861	\$ 3,798,830	\$ 3,272,052
Contributions in relation to the contractually required contribution	<u>4,927,547</u>	<u>4,145,168</u>	<u>3,946,861</u>	<u>3,798,830</u>	<u>3,272,052</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 53,799,929	\$ 51,972,953	\$ 50,767,144	\$ 50,968,956	\$ 48,079,853
Contributions as a percentage of covered payroll	9.16%	7.98%	7.77%	7.45%	6.81%

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule 13

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) %	1.42572%	1.61832%	1.64463%	1.68672%	1.65814%
County's proportionate share of the net pension liability (asset)	\$ (281,466)	\$ (268,042)	\$ (280,722)	\$ (315,346)	\$ (384,257)
County's covered payroll	\$ 98,647	\$ 94,480	\$ 95,104	\$ 89,954	\$ 86,722
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(285.33%)	(283.70%)	(295.17%)	(350.56%)	(443.09%)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%

* 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

CATAWBA COUNTY, NORTH CAROLINA

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

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

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

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

CATAWBA COUNTY, NORTH CAROLINA

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

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 15,058	\$ 14,772	\$ 12,629	\$ 14,289	\$ 13,779
Contributions in relation to the contractually required contribution	15,058	14,772	12,629	14,289	13,779
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 100,646	\$ 98,647	\$ 94,480	\$ 95,104	\$ 88,954
Contributions as a percentage of covered payroll	14.96%	14.97%	13.37%	15.02%	15.49%

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule 15

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

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

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

**Schedule of Changes in Total Pension Liability and Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officer's Special Separation Allowance
Last Four Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability - beginning	\$ 3,817,860	\$ 3,715,011	\$ 3,344,006	\$ 3,245,785
Service cost at end of year	176,222	194,334	170,110	171,342
Interest on the total pension liability	136,083	115,531	127,178	114,108
Differences between expected and actual experience in the measurement of the total pension liability	89,070	77,270	(92,418)	-
Changes of assumptions or other inputs	130,193	(166,363)	264,596	(88,280)
Benefit payments	<u>(158,628)</u>	<u>(117,923)</u>	<u>(98,461)</u>	<u>(98,949)</u>
Net changes	<u>372,940</u>	<u>102,849</u>	<u>371,005</u>	<u>98,221</u>
Total pension liability - ending	<u>\$ 4,190,800</u>	<u>\$ 3,817,860</u>	<u>\$ 3,715,011</u>	<u>\$ 3,344,006</u>
Covered-employee payroll	6,841,603	7,131,126	6,979,639	6,548,828
Total pension liability as percentage of covered-employee payroll	61.25%	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, 2019 Measurement Date: The Municipal Bond Index Rate decreased from 3.64% to 3.26%.

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.

General Fund Comparatives and Detailed Budgets

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.

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
REVENUES				
Ad Valorem Taxes				
Current year taxes	100,485,631	104,660,712		
Prior year taxes	760,000	682,467		
Penalties and interest	650,000	598,665		
Tax leased vehicles and equipment	200,000	218,209		
Total ad valorem taxes	102,095,631	106,160,053	4,064,422	99,888,964
Other Taxes				
Local Option Sales Taxes				
Article 39 (1%)	14,783,006	15,434,435		
Article 40 (1/2%)	7,649,789	8,088,758		
Article 42 (1/2%)	3,464,810	3,629,176		
Article 44 (1/2%)	-	1,134		
Article 46 (1/4%)	5,056,052	5,144,566		
Medicaid Hold Harmless	-	341,437		
Subtotal local option sales taxes	30,953,657	32,639,506	1,685,849	32,500,873
Other Taxes and Licenses				
Real estate excise stamps	625,000	863,102		
ABC 5 cents per bottle	55,000	74,039		
Privilege licenses	-	8,205		
Subtotal other taxes and licenses	680,000	945,346	265,346	856,513
Total other taxes	31,633,657	33,584,852	1,951,195	33,357,386
Unrestricted Intergovernmental Revenues				
Beer & Wine Tax	370,000	370,713		
Video Programming fees	593,000	533,218		
Catawba County ABC profit distribution	935,000	1,083,896		
Total unrestricted intergovernmental revenues	1,898,000	1,987,827	89,827	1,859,693
Restricted Intergovernmental Revenues				
State grants	6,006,482	5,689,388		
Federal grants	15,758,721	14,770,071		
State and federal grants shared	6,242,651	6,648,287		
Local/Other	6,251,905	5,775,989		
Total restricted intergovernmental revenues	34,259,759	32,883,735	(1,376,024)	32,547,775
Permits and Fees				
Building permits	2,303,101	1,937,987		
Register of deeds	835,300	949,254		
Environmental health fees	310,000	334,541		
Other permits and fees	381,844	442,095		
Total permits and fees	3,830,245	3,663,877	(166,368)	3,648,564
Sales and Services				
Human resources services	977,085	892,558		
Services to municipalities	640,665	630,832		

CATAWBA COUNTY, NORTH CAROLINA

Schedule A-1

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Ambulance services	5,732,100	6,151,656		
Other sales and services	427,785	404,615		
Total sales and services	7,777,635	8,079,661	302,026	7,679,583
Investment Earnings	651,000	1,661,225	1,010,225	2,441,201
Miscellaneous				
Rental fees	32,826	33,440		
Donations and local grants	286,171	258,157		
Insurance premiums	2,375,000	2,756,066		
Other	398,951	432,759		
Total miscellaneous	3,092,948	3,480,422	387,474	3,258,454
Total revenues	185,238,875	191,501,652	6,262,777	184,681,620
EXPENDITURES				
General Government				
Board of Commissioners				
Salaries & employee benefits	113,164	112,139		
Other operating	97,050	70,827		
	210,214	182,966	27,248	198,830
Administration				
County Manager				
Salaries & employee benefits	1,147,587	1,138,806		
Other operating	45,966	41,968		
Non-operating	213,924	-		
	1,407,477	1,180,774	226,703	1,073,659
Legal Services				
Salaries & employee benefits	407,734	407,590		
Other operating	44,724	35,990		
	452,458	443,580	8,878	402,914
Budget				
Salaries & employee benefits	222,220	203,272		
Other operating	13,850	5,276		
	236,070	208,548	27,522	215,724
Total Administration	2,096,005	1,832,902	263,103	1,692,297
Tax Administration				
Tax Assessor				
Salaries & employee benefits	629,759	616,429		
Other operating	158,562	136,704		
Non-operating tax refunds	5,000	2,000		
	793,321	755,133	38,188	806,658

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Tax Collector				
Salaries & employee benefits	564,045	562,029		
Other operating	583,489	500,676		
	<u>1,147,534</u>	<u>1,062,705</u>	<u>84,829</u>	<u>1,001,084</u>
 Total Tax Administration	 <u>1,940,855</u>	 <u>1,817,838</u>	 <u>123,017</u>	 <u>1,807,742</u>
 Board of Elections				
Salaries & employee benefits	485,944	479,554		
Other operating	272,449	225,336		
	<u>758,393</u>	<u>704,890</u>	<u>53,503</u>	<u>532,626</u>
 Human Resources				
Human Resources				
Salaries & employee benefits	724,692	721,017		
Other operating	159,357	154,750		
Capital outlay	11,000	10,941		
Non-operating	100,596	-		
	<u>995,645</u>	<u>886,708</u>	<u>108,937</u>	<u>856,032</u>
 Recruitment				
Salaries & employee benefits	88,905	88,290		
Other operating	13,850	12,202		
	<u>102,755</u>	<u>100,492</u>	<u>2,263</u>	<u>92,629</u>
 Risk Management				
Salaries & employee benefits	155,261	67,711		
Other operating	15,933	8,207		
	<u>171,194</u>	<u>75,918</u>	<u>95,276</u>	<u>187,300</u>
 Total Human Resources	 <u>1,269,594</u>	 <u>1,063,118</u>	 <u>206,476</u>	 <u>1,135,961</u>
 Register of Deeds				
Salaries & employee benefits	686,189	645,460		
Other operating	343,175	317,872		
	<u>1,045,364</u>	<u>977,193</u>	<u>68,171</u>	<u>900,031</u>
 Finance				
Administration and Accounting				
Salaries & employee benefits	965,991	909,266		
Other operating	242,750	194,916		
	<u>1,208,741</u>	<u>1,104,182</u>	<u>104,559</u>	<u>1,109,783</u>
 Purchasing				
Salaries & employee benefits	268,100	264,888		
Other operating	39,320	33,728		
	<u>307,420</u>	<u>298,616</u>	<u>8,804</u>	<u>290,268</u>
 Total Finance	 <u>1,516,161</u>	 <u>1,402,798</u>	 <u>113,363</u>	 <u>1,400,051</u>

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Other General Government Programs				
Government Agencies - Justice Center				
Other operating	10,500	9,557		
	10,500	9,557	943	5,520
Other Government Costs				
Salaries & employee benefits	68,813	26,103		
Other operating	521,105	473,329		
	589,918	499,432	90,486	597,819
Self Insurance				
Wellness	321,900	288,480		
Premiums	2,961,400	2,477,154		
Liability	919,100	769,169		
Workers Compensation	669,000	508,658		
	4,871,400	4,043,461	827,939	4,904,177
Total Other General Government Programs	5,471,818	4,552,450	919,368	5,507,516
Total General Government	14,308,404	12,534,155	1,774,249	13,175,054
Public Safety				
Sheriff and Law Enforcement				
Administration and Law Enforcement				
Salaries & employee benefits	5,180,239	5,134,019		
Other operating	1,480,445	1,218,203		
Capital outlay	721,694	685,895		
	7,382,378	7,038,117	344,261	6,523,995
Catawba Valley Community College -				
Resource Officers				
Salaries & employee benefits	206,366	205,967		
Other operating	3,000	3,000		
	209,366	208,967	399	199,764
School Resource Officers				
Salaries & employee benefits	723,138	715,340		
Other operating	44,000	41,816		
	767,138	757,156	9,982	838,389
Records				
Salaries & employee benefits	325,772	324,624		
Other operating	26,445	24,855		
	352,217	349,479	2,738	306,392
Narcotics				
Salaries & employee benefits	649,822	641,921		
Other operating	106,561	97,947		
	756,383	739,868	16,515	667,422

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Detectives				
Salaries & employee benefits	1,154,184	1,150,542		
Other operating	102,232	97,883		
	<u>1,256,416</u>	<u>1,248,425</u>	<u>7,991</u>	<u>1,040,238</u>
Lake Norman Water Patrol				
Salaries & employee benefits	209,412	200,739		
Other operating	40,645	35,492		
Capital outlay	52,943	52,943		
	<u>303,000</u>	<u>289,174</u>	<u>13,826</u>	<u>346,267</u>
Court Security				
Salaries & employee benefits	966,401	819,973		
Other operating	14,000	13,870		
	<u>980,401</u>	<u>833,843</u>	<u>146,558</u>	<u>871,058</u>
Newton Detention Center				
Salaries & employee benefits	5,497,375	4,846,958		
Other operating	1,679,350	1,521,833		
	<u>7,237,860</u>	<u>6,416,862</u>	<u>820,998</u>	<u>5,255,628</u>
Prisoner Food Services				
Other operating	590,143	507,100		
Capital outlay	18,891	18,891		
	<u>609,034</u>	<u>525,991</u>	<u>83,043</u>	<u>450,404</u>
District Confinement Facility				
Other operating	1,122,000	744,973		
	<u>1,122,000</u>	<u>744,973</u>	<u>377,027</u>	<u>1,287,000</u>
Total Sheriff and Law Enforcement	<u>20,976,193</u>	<u>19,152,855</u>	<u>1,823,338</u>	<u>17,786,557</u>
Emergency Services				
Emergency Services Administration				
Salaries & employee benefits	330,307	329,641		
Other operating	972,435	854,465		
	<u>1,302,742</u>	<u>1,184,106</u>	<u>118,636</u>	<u>597,350</u>
Veterans Services				
Salaries & employee benefits	119,308	119,184		
Other operating	9,200	7,480		
	<u>128,508</u>	<u>126,664</u>	<u>1,844</u>	<u>119,903</u>
Fire Marshal				
Salaries & employee benefits	324,707	317,637		
Other operating	31,985	21,615		
	<u>395,792</u>	<u>378,326</u>	<u>17,466</u>	<u>272,464</u>

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Emergency Medical Services				
Salaries & employee benefits	8,318,792	8,207,768		
Other operating	2,101,171	1,846,884		
Capital outlay	1,355,741	1,112,361		
	<u>11,775,704</u>	<u>11,167,013</u>	<u>608,691</u>	<u>10,333,397</u>
Animal Control				
Salaries & employee benefits	317,891	299,645		
Other operating	49,830	38,771		
	<u>398,638</u>	<u>369,333</u>	<u>29,305</u>	<u>374,696</u>
Animal Shelter				
Salaries & employee benefits	41,209	12,802		
Other operating	615,000	605,489		
Capital outlay	26,780	22,280		
	<u>682,989</u>	<u>640,571</u>	<u>42,418</u>	<u>547,700</u>
Total Emergency Services	<u>14,684,373</u>	<u>13,866,013</u>	<u>818,360</u>	<u>12,245,510</u>
Communication Center				
Salaries & employee benefits	1,951,778	1,788,013		
Other operating	196,765	166,412		
	<u>2,148,543</u>	<u>1,954,425</u>	<u>194,118</u>	<u>1,909,221</u>
Other Public Safety				
Other operating	<u>803,802</u>	<u>312,051</u>	<u>491,751</u>	<u>191,159</u>
Total Public Safety	<u>38,612,911</u>	<u>35,285,344</u>	<u>3,327,567</u>	<u>32,132,447</u>
Environmental Protection				
Cooperative Extension				
Salaries & employee benefits	80,678	68,508		
Other operating	383,182	288,005		
	<u>463,860</u>	<u>356,513</u>	<u>107,347</u>	<u>387,124</u>
Soil & Water Conservation				
Salaries & employee benefits	160,102	159,204		
Other operating	8,870	6,208		
	<u>168,972</u>	<u>165,412</u>	<u>3,560</u>	<u>159,944</u>
Forest Ranger				
Other operating	<u>90,844</u>	<u>72,151</u>	<u>18,693</u>	<u>60,057</u>
Total Environmental Protection	<u>723,676</u>	<u>594,076</u>	<u>129,600</u>	<u>607,125</u>
Economic and Physical Development Technology				
Information Technology Center				
Salaries & employee benefits	2,195,328	2,169,263		
Other operating	<u>1,934,424</u>	<u>1,750,970</u>		

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	4,129,752	3,920,233	209,519	3,870,739
Geospatial Information Services				
Salaries & employee benefits	457,601	443,327		
Other operating	53,895	50,442		
	511,496	493,769	17,727	511,438
Total Technology	4,641,248	4,414,002	227,246	4,382,177
Economic Development and Planning				
Planning & Zoning				
Salaries & employee benefits	476,305	442,625		
Other operating	84,635	69,270		
	560,940	511,895	49,045	520,719
County Parks				
Salaries & employee benefits	400,632	398,831		
Other operating	100,531	77,892		
Capital outlay	42,000	41,987		
	543,163	518,710	24,453	465,012
Other Economic and Physical Development				
Other operating	7,828,949	6,804,076	1,024,873	6,190,456
Total Economic Development and Planning	8,933,052	7,834,681	1,098,371	7,176,187
Utilities & Engineering				
Utilities & Engineering Administration				
Salaries & employee benefits	143,294	138,793		
Other operating	23,065	12,722		
	166,359	151,515	14,844	127,670
Building Inspection				
Salaries & employee benefits	1,859,104	1,709,111		
Other operating	438,065	380,535		
Capital outlay	70,670	60,273		
	2,367,839	2,149,919	217,920	1,680,302
Permit Center				
Salaries & employee benefits	293,826	291,724		
Other operating	50,334	24,525		
	344,160	316,249	27,911	354,156
Plan Review				
Salaries & employee benefits	-	-		
Other operating	-	-		
	-	-	-	315,779
Local Code Compliance				
Salaries & employee benefits	67,091	66,469		

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Other operating	15,038	7,606		
	82,129	74,075	8,054	70,639
Total Utilities & Engineering	2,960,487	2,691,758	268,729	2,548,546
Facilities Division				
Construction Manager				
Salaries & employee benefits	124,246	124,216		
Other operating	3,400	1,697		
	127,646	125,913	1,733	120,465
Garage				
Salaries & employee benefits	275,999	273,256		
Other operating	316,573	291,941		
	592,572	565,197	27,375	575,640
General maintenance				
Salaries & employee benefits	745,591	736,344		
Other operating	134,675	118,380		
Capital outlay	39,561	-		
	919,827	854,724	65,103	884,321
General Buildings				
Other operating	580,307	534,959		
	580,307	534,959	45,348	532,099
Justice Buildings				
Other operating	1,198,664	1,125,126		
	1,198,664	1,125,126	73,538	1,040,294
Library Buildings				
Other operating	121,094	111,462		
	121,094	111,462	9,632	98,125
Leased Buildings				
Other operating	36,968	32,229		
	36,968	32,229	4,739	31,159
Social Services Buildings				
Other operating	77,687	63,166		
	77,687	63,166	14,521	59,033
Public Health Buildings				
Other operating	40,485	29,233		
	40,485	29,233	11,252	33,301
Family Services Center				
Other operating	17,860	14,221		
	17,860	14,221	3,639	10,230

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Street Signs				
Other operating	19,642	11,900		
	19,642	11,900	7,742	17,956
Total Facilities Division	3,732,752	3,468,130	264,622	3,402,623
Total Economic & Physical Development	20,267,539	18,408,571	1,858,968	17,509,533
Human Services				
Medical Examiner				
Other operating	223,500	114,300		
	223,500	114,300	109,200	100,900
Mental Health Services				
General Administration				
Partners Behavioral Health Management	640,000	662,185		
	640,000	662,185	(22,185)	648,338
Social Services Department				
Administration				
Salaries & employee benefits	1,372,943	1,350,281		
Other operating	925,240	841,339		
Non-operating	3,487,590	-		
	5,785,773	2,191,620	3,594,153	2,124,772
CQI Quality Team				
Salaries & employee benefits	792,511	765,839		
Other operating	3,000	181		
	795,511	766,020	29,491	646,434
Child Protective Services Investigations				
Salaries & employee benefits	3,898,937	3,778,072		
Other operating	335,787	308,004		
Social Services assistance	500	2		
	4,235,224	4,086,078	149,146	3,665,877
Department of Human Resources Teams				
Salaries & employee benefits	123,345	124,019		
Other operating	7,166	4,680		
Social Services assistance	1,000	-		
	131,511	128,699	2,812	145,639
Children's Day Care				
Salaries & employee benefits	391,563	387,295		
Other operating	3,277	2,784		
	394,840	390,079	4,761	371,252

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
American Recovery and Reinvestment Act - Project Moves				
Salaries & employee benefits	-	-		
Other operating	-	-		
Social Services assistance	-	-		
	-	-	-	41,388
Family Children Teams / Family Preservation				
Salaries & employee benefits	4,410,293	3,984,148		
Other operating	40,609	40,609		
Social Services assistance	26,000	7,605		
	4,476,902	4,032,362	444,540	3,694,319
Duke Endowment Family Children Project				
Salaries & employee benefits	481,861	471,710		
Other operating	66,871	33,198		
Social Services assistance	6,900	4,660		
	555,632	509,568	46,064	510,334
QIC/AIG Grant				
Other operating	2,550	1,484		
	2,550	1,484	1,066	22,507
Teen Up				
Salaries & employee benefits	88,208	86,582		
Other operating	4,441	2,068		
Social Services assistance	33,516	19,104		
	126,165	107,754	18,411	118,398
Community Services Block Grant				
Salaries & employee benefits	181,561	176,209		
Other operating	6,600	6,266		
Social Services assistance	34,695	27,648		
	222,856	210,123	12,733	197,699
Adoptions				
Salaries & employee benefits	1,552,302	1,541,619		
Other operating	17,806	15,644		
Social Services assistance	33,000	17,526		
	1,603,108	1,574,789	28,319	1,503,319
Post Adoption State Region				
Salaries & employee benefits	251,369	249,641		
Other operating	8,220	5,639		
Social Services assistance	9,100	11,267		
	268,689	266,547	2,142	254,221
Child Advocacy				
Salaries & employee benefits	515,586	465,945		
Other operating	8,373	6,549		

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
	523,959	472,494	51,465	433,902
FamilyNet Administration				
Salaries & employee benefits	222,798	199,791		
Other operating	155,487	111,790		
Social Services assistance	1,000	18		
	379,285	311,599	67,686	354,932
FamilyNet In-home Services				
Salaries & employee benefits	349,849	333,995		
Other operating	16,579	15,169		
	366,428	349,164	17,264	648,214
FamilyNet ECST				
Salaries & employee benefits	457,633	452,749		
Other operating	46,745	45,279		
	504,378	498,028	6,350	486,084
Work First				
Salaries & employee benefits	371,026	369,431		
Other operating	805,159	445,318		
Social Services assistance	613,803	531,415		
	1,789,988	1,346,164	443,824	1,279,313
Office Juvenile Justice Girls Program				
Other operating	3,500	2,294		
	3,500	2,294	1,206	7,921
Administration Group Homes				
Salaries & employee benefits	564,405	563,634		
Other operating	43,988	41,787		
	608,393	605,421	2,972	956,421
Girls Program				
Other operating	36,600	17,039		
	36,600	17,039	19,561	28,666
Boys Program				
Other operating	37,375	32,937		
	37,375	32,937	4,438	35,069
Office Juvenile Justice Boys Program				
Other operating	8,900	3,374		
	8,900	3,374	5,526	33,566
Adult Services				
Social Services assistance	205,085	198,266		
	205,085	198,266	6,819	276,577
Adult Social Work				

CATAWBA COUNTY, NORTH CAROLINA

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Salaries & employee benefits	1,542,147	1,539,411		
Other operating	66,639	42,904		
Social Services assistance	16,000	16,360		
	<u>1,624,786</u>	<u>1,598,675</u>	<u>26,111</u>	<u>1,464,455</u>
Medicaid Administration				
Salaries & employee benefits	1,339,230	1,308,491		
Other operating	6,554	5,814		
	<u>1,345,784</u>	<u>1,314,305</u>	<u>31,479</u>	<u>1,326,765</u>
Transportation				
Salaries & employee benefits	581,725	541,125		
Other operating	67,317	64,743		
Capital outlay	110,000	101,752		
	<u>759,042</u>	<u>707,620</u>	<u>51,422</u>	<u>739,684</u>
Nutrition				
Salaries & employee benefits	472,763	461,668		
Other operating	382,177	290,433		
Social Services assistance	455,261	451,997		
	<u>1,310,201</u>	<u>1,204,098</u>	<u>106,103</u>	<u>1,289,842</u>
Public Assistance Administration				
Salaries & employee benefits	1,760,718	1,694,671		
Other operating	36,302	30,306		
	<u>1,797,020</u>	<u>1,724,977</u>	<u>72,043</u>	<u>1,669,056</u>
Food Stamps				
Salaries & employee benefits	1,799,920	1,717,129		
Other operating	61,439	75,267		
	<u>1,861,359</u>	<u>1,792,396</u>	<u>68,963</u>	<u>1,799,750</u>
Child Support				
Salaries & employee benefits	1,345,236	1,340,969		
Other operating	256,331	253,733		
	<u>1,601,567</u>	<u>1,594,702</u>	<u>6,865</u>	<u>1,591,312</u>
General Assistance				
Other operating	116,000	26,234		
Social Services assistance	135,000	168,238		
	<u>251,000</u>	<u>194,472</u>	<u>56,528</u>	<u>302,090</u>
Public Assistance Payments				
Social Services assistance	1,199,579	813,086		
	<u>1,199,579</u>	<u>813,086</u>	<u>386,493</u>	<u>948,571</u>
Children's Purchase Services				
Social Services assistance	4,690,832	4,485,250		
	<u>4,690,832</u>	<u>4,485,250</u>	<u>205,582</u>	<u>4,511,008</u>

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
Total Social Services	39,503,822	33,531,484	5,972,338	33,479,357
Public Health Department				
Health Administration				
Salaries & employee benefits	776,810	650,962		
Other operating	263,388	261,389		
	1,040,198	912,351	127,847	986,038
Environmental Health				
Salaries & employee benefits	1,251,701	1,211,128		
Other operating	166,032	147,836		
	1,417,733	1,358,964	58,769	1,206,077
Maternal Health				
Other operating	153,190	145,013		
	153,190	145,013	8,177	132,898
Pregnancy Care Management				
Salaries & employee benefits	387,732	384,007		
Other operating	8,425	7,529		
	396,157	391,536	4,621	369,252
Laboratory				
Salaries & employee benefits	89,992	89,533		
Other operating	37,975	25,842		
	127,967	115,375	12,592	110,749
Child Health - Smart Start				
Salaries & employee benefits	172,829	170,847		
Other operating	20,429	16,477		
	193,258	187,324	5,934	184,028
Care Coordination for Children				
Salaries & employee benefits	386,520	326,917		
Other operating	14,893	11,385		
	401,413	338,302	63,111	346,509
School Nurse Fund Initiative				
Salaries & employee benefits	1,706,793	1,695,869		
Other operating	308,449	289,129		
	2,015,242	1,984,998	30,244	1,720,568
Dental Health				
Other operating	10,100	9,443		
	10,100	9,443	657	7,477
Bioterrorism Grant				
Salaries & employee benefits	65,894	65,009		
Other operating	5,750	2,846		
	71,644	67,855	3,789	66,746

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior Year
	Final Budget	Actuals	Over/Under	
OBCM Grant				
Salaries & employee benefits	74,774	53,003		
Other operating	3,364	1,503		
	<u>78,138</u>	<u>54,506</u>	<u>23,632</u>	<u>72,400</u>
Healthy People/Carolinas				
Salaries & employee benefits	66,056	65,636		
Other operating	84,546	(4,805)		
	<u>150,602</u>	<u>60,831</u>	<u>89,771</u>	<u>252,784</u>
Healthy Promotion and Strategy				
Salaries & employee benefits	307,612	289,005		
Other operating	44,172	39,087		
	<u>351,784</u>	<u>328,092</u>	<u>23,692</u>	<u>-</u>
Clinical Services				
Salaries & employee benefits	1,443,712	1,393,401		
Other operating	621,734	534,128		
	<u>2,065,446</u>	<u>1,927,529</u>	<u>137,917</u>	<u>2,152,602</u>
Women Infants Children Program				
Salaries & employee benefits	957,642	891,631		
Other operating	73,286	67,653		
	<u>1,030,928</u>	<u>959,284</u>	<u>71,644</u>	<u>978,844</u>
Total Public Health	<u>9,503,800</u>	<u>8,841,403</u>	<u>662,397</u>	<u>8,586,972</u>
Total Human Services	<u>49,871,122</u>	<u>43,149,372</u>	<u>6,721,750</u>	<u>42,815,567</u>
Culture and Recreation				
County Library				
Library Administration - Main Library				
Salaries & employee benefits	1,204,590	1,117,996		
Other operating	468,142	394,938		
Capital outlay	14,000	13,562		
Non-operating	460,236	-		
	<u>2,146,968</u>	<u>1,526,496</u>	<u>620,472</u>	<u>1,464,800</u>
Pop Up Library				
Salaries & employee benefits	77,995	66,484		
Other operating	16,790	3,938		
	<u>94,785</u>	<u>70,422</u>	<u>-</u>	<u>71,788</u>
Sherrills Ford Branch				
Salaries & employee benefits	282,703	278,935		
Other operating	77,155	81,317		
	<u>359,858</u>	<u>360,252</u>	<u>(394)</u>	<u>322,389</u>
Maiden Branch				

CATAWBA COUNTY, NORTH CAROLINA

Schedule A-1

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Salaries & employee benefits	91,369	82,215		
Other operating	32,500	24,333		
	<u>123,869</u>	<u>106,548</u>	<u>17,321</u>	<u>71,091</u>
St. Stephens Branch				
Salaries & employee benefits	286,677	278,805		
Other operating	98,699	76,144		
	<u>385,376</u>	<u>354,949</u>	<u>30,427</u>	<u>344,518</u>
Southwest Branch Library				
Salaries & employee benefits	168,256	178,138		
Other operating	116,475	95,429		
	<u>284,731</u>	<u>273,567</u>	<u>11,164</u>	<u>255,829</u>
Conover Branch Library				
Salaries & employee benefits	109,670	111,522		
Other operating	31,880	21,941		
	<u>141,550</u>	<u>133,463</u>	<u>8,087</u>	<u>114,136</u>
Claremont Branch Library				
Salaries & employee benefits	49,117	48,049		
Other operating	18,400	7,739		
	<u>67,517</u>	<u>55,788</u>	<u>11,729</u>	<u>55,257</u>
Total County Library	<u>3,604,654</u>	<u>2,881,485</u>	<u>698,806</u>	<u>2,699,808</u>
Arts-Administration				
Other operating	<u>607,503</u>	<u>607,503</u>	<u>-</u>	<u>609,361</u>
Other Cultural				
Other operating	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>291,578</u>
Total Culture and Recreation	<u>4,219,657</u>	<u>3,488,988</u>	<u>730,669</u>	<u>3,600,747</u>
Education				
Current expense				
Catawba County Schools	27,542,445	27,542,445		
Hickory Public Schools	6,952,611	6,952,611		
Newton-Conover City Schools	5,052,720	5,052,720		
Catawba Valley Community College	4,650,000	4,650,000		
K64 Initiative	1,300,000	1,300,000		
Total Education	<u>45,497,776</u>	<u>45,497,776</u>	<u>-</u>	<u>44,679,342</u>
Debt Service				
Principal retirement	14,676,896	14,676,883		
Sinking fund payments	1,853,905	1,853,902		
Interest and other charges	4,573,871	4,571,669		

General Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			
	Final Budget	Actuals	Over/Under	Actual Prior Year
Bond issuance costs	375,000	-		
Total Debt Service	21,479,672	21,102,454	377,218	20,108,284
Total expenditures	194,980,757	180,060,736	14,920,021	174,628,099
Revenues over (under) expenditures	(9,741,882)	11,440,916	21,182,798	10,053,521
Other financing sources (uses)				
Transfers from				
Hospital Capital Reserve	500,000	500,000	-	500,000
General Capital Projects Fund	168,759	168,759	-	-
School Capital Fund	50,000	50,000	-	50,000
Transfers to				
Reappraisal Fund	(509,167)	(509,167)	-	(417,432)
General Capital Projects Fund	(3,668,075)	(3,668,075)	-	(3,183,176)
School Capital Fund	(1,025,000)	(1,025,000)	-	(500,000)
School Construction Fund	(786,780)	(786,780)	-	(518,242)
Water and Sewer Fund	-	-	-	(1,675,000)
Solid Waste Management Fund	-	-	-	(19,984)
Fund Balance appropriated	15,012,145	-	(15,012,145)	-
Total other financing sources (uses)	9,741,882	(5,270,263)	(15,012,145)	(5,763,834)
Net change in fund balance	-	6,170,653	6,170,653	4,289,687
Fund Balances - Beginning of Year		89,544,140		
Fund Balances - End of Year		95,714,793		

Tax Reappraisal Fund

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

For the Fiscal Year Ended June 30, 2020

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

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	\$ -	\$ 11,520	\$ 11,520	10,345
Total revenues	-	11,520	11,520	10,345
Expenditures				
Current				
General government				
Salaries & employee benefits	463,877	457,308	6,569	
Other operating	29,410	22,978	6,432	
Capital outlay	44,068	43,423	645	-
Total expenditures	537,355	523,709	13,646	470,671
Excess of revenues over (under) expenditures	(537,355)	(512,189)	25,166	(460,326)
Other Financing Sources (Uses)				
Transfers from				
General Fund	509,167	509,167	-	417,432
Fund balance appropriated	28,188	-	(28,188)	-
Total other financing sources (uses)	537,355	509,167	(28,188)	417,432
Net change in fund balance	\$ -	(3,022)	\$ (3,022)	(42,894)
Fund Balances - Beginning of Year		99,865		142,759
Fund Balances - End of Year		\$ 96,843		\$ 99,865



Combining Statements for Nonmajor Funds

CATAWBA COUNTY, NORTH CAROLINA

Schedule B-1

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue Funds (Schedule C-1)	Capital Project Funds (Schedule D-1)	Total Nonmajor Governmental Funds (Exhibit 3)
Assets			
Cash and investments	\$ 3,495,304	\$ 19,788,976	\$ 23,284,280
Taxes receivable - net	125,288	-	125,288
Due from other governments	187,557	1,853,744	2,041,301
Interest receivable	4,585	24,582	29,167
Restricted cash and investments	-	2,717,631	2,717,631
Total assets	<u>3,812,734</u>	<u>24,384,933</u>	<u>28,197,667</u>
Liabilities			
Accounts payable and accrued liabilities	<u>42,836</u>	<u>1,485,556</u>	<u>1,528,392</u>
Total liabilities	<u>42,836</u>	<u>1,485,556</u>	<u>1,528,392</u>
Deferred Inflows of Resources			
Taxes receivable	125,288	-	125,288
Prepaid taxes	<u>10,925</u>	<u>-</u>	<u>10,925</u>
Total deferred inflows of resources	<u>136,213</u>	<u>-</u>	<u>136,213</u>
Fund Balances			
Restricted			
Stabilization by State Statute	378,445	1,878,326	2,256,771
Public Safety	1,539,652	-	1,539,652
Fire Protection	1,408,760	-	1,408,760
Library Endowment	205,165	-	205,165
Scholarship	58,670	-	58,670
Parks Preservation	23,033	-	23,033
Community Development	19,960	-	19,960
School Construction	-	2,717,631	2,717,631
Hospital Capital	-	3,305,995	3,305,995
Committed			
School Capital	-	8,969,464	8,969,464
School Construction	-	6,027,961	6,027,961
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>3,633,685</u>	<u>22,899,377</u>	<u>26,533,062</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,812,734</u>	<u>\$ 24,384,933</u>	<u>\$ 28,197,667</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds (Schedule C-3)	Capital Project Funds (Schedule D-2)	Total Nonmajor Governmental Funds (Exhibit 4)
Revenues			
Ad valorem taxes	\$ 9,336,368	\$ -	\$ 9,336,368
Other taxes	-	5,946,089	5,946,089
Restricted intergovernmental revenues	1,561,233	-	1,561,233
Permits and fees	14,500	-	14,500
Investment earnings	79,404	415,833	495,237
Miscellaneous	2,400	-	2,400
Total revenues	<u>10,993,905</u>	<u>6,361,922</u>	<u>17,355,827</u>
Expenditures			
Current			
Public safety	10,696,131	-	10,696,131
Economic and physical development	322,859	-	322,859
Culture and recreation	3,995	-	3,995
Capital outlay	-	12,699,978	12,699,978
Total expenditures	<u>11,022,985</u>	<u>12,699,978</u>	<u>23,722,963</u>
Excess of revenues over (under) expenditures	(29,080)	(6,338,056)	(6,367,136)
Other Financing Sources (Uses)			
Transfers from other funds	53,710	2,722,370	2,776,080
Transfers to other funds	(53,710)	(710,590)	(764,300)
Total other financing sources (uses)	<u>-</u>	<u>2,011,780</u>	<u>2,011,780</u>
Net change in fund balance	(29,080)	(4,326,276)	(4,355,356)
Fund Balances - Beginning of Year	<u>3,662,765</u>	<u>27,225,653</u>	<u>30,888,418</u>
Fund Balances - End of Year	<u>\$ 3,633,685</u>	<u>\$ 22,899,377</u>	<u>\$ 26,533,062</u>



SM

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.

Major Funds

Coronavirus Aid, Relief and Economic Security (CARES) Act Fund –

To account for funds used to prevent, prepare for, and respond to coronavirus.

Non Major Funds

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

Narcotics Seized Justice Fund –

To account for the revenue received by the Sheriff's Department received through the Federal asset Sharing and Forfeiture Program as a result of Federal level narcotics investigations.

Narcotics Seized Treasury Fund –

To account for the revenue received by the Sheriff's Department received through the Federal asset Sharing and Forfeiture Program as a result of Federal level narcotics investigations.

Rescue Squads Fund -

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

Library Endowment Fund –

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

Gretchen Peed Scholarship Fund –

To account for donations that are stipulated for scholarships.

Parks/Historic Preservation Trust Fund –

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

Community Development Fund –

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

Fire District Funds -

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

Page 1 of 3

**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020**

	Emergency Telephone System Fund	Narcotics Seized Funds And Property Fund	State Unauthorized Substance Abuse Fund	Narcotics Seized Justice Fund	Narcotics Seized Treasury Fund
Assets					
Cash and investments	\$ 913,796	\$ 41,459	\$ 130,584	159,483	36,485
Taxes receivable - net	-	-	-	-	-
Due from other governments	115,853	-	1,073	-	-
Interest receivable	1,214	55	175	46	128
Total assets	<u>1,030,863</u>	<u>41,514</u>	<u>131,832</u>	<u>159,529</u>	<u>36,613</u>
Liabilities					
Accounts payable and accrued liabilities	41,392	-	1,444	-	-
Total liabilities	<u>41,392</u>	<u>-</u>	<u>1,444</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	-	-
Prepaid taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted					
Stabilization by State Statute	293,786	55	10,832	46	128
Public Safety	695,685	41,459	119,556	159,483	36,485
Fire Protection	-	-	-	-	-
Library Endowment	-	-	-	-	-
Scholarship	-	-	-	-	-
Parks Preservation	-	-	-	-	-
Community Development	-	-	-	-	-
Total fund balances	<u>989,471</u>	<u>41,514</u>	<u>130,388</u>	<u>159,529</u>	<u>36,613</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,030,863</u>	<u>\$ 41,514</u>	<u>\$ 131,832</u>	<u>\$ 159,529</u>	<u>\$ 36,613</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

Page 2 of 3

**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020**

	Rescue Squads Fund	Library Endowment Fund	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund
Assets					
Cash and investments	\$ 486,984	\$ 205,165	\$ 58,670	\$ 23,033	\$ 19,960
Taxes receivable - net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interest receivable	762	271	77	139	31
Total assets	<u>487,746</u>	<u>205,436</u>	<u>58,747</u>	<u>23,172</u>	<u>19,991</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	-	-	-	-	-
Prepaid taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted					
Stabilization by State Statute	762	271	77	139	31
Public Safety	486,984	-	-	-	-
Fire Protection	-	-	-	-	-
Library Endowment	-	205,165	-	-	-
Scholarship	-	-	58,670	-	-
Parks Preservation	-	-	-	23,033	-
Community Development	-	-	-	-	19,960
Total fund balances	<u>487,746</u>	<u>205,436</u>	<u>58,747</u>	<u>23,172</u>	<u>19,991</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 487,746</u>	<u>\$ 205,436</u>	<u>\$ 58,747</u>	<u>\$ 23,172</u>	<u>\$ 19,991</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-1

Page 3 of 3

**Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020**

	Fire District Funds	Total Nonmajor Special Revenue Funds
Assets		
Cash and investments	\$ 1,419,685	\$ 3,495,304
Taxes receivable - net	125,288	125,288
Due from other governments	70,631	187,557
Interest receivable	1,687	4,585
Total assets	<u>1,617,291</u>	<u>3,812,734</u>
Liabilities		
Accounts payable and accrued liabilities	-	42,836
Total liabilities	<u>-</u>	<u>42,836</u>
Deferred Inflows of Resources		
Taxes receivable	125,288	125,288
Prepaid taxes	<u>10,925</u>	<u>10,925</u>
Total deferred inflows of resources	<u>136,213</u>	<u>136,213</u>
Fund Balances		
Restricted		
Stabilization by State Statute	72,318	378,445
Public Safety	-	1,539,652
Fire Protection	1,408,760	1,408,760
Library Endowment	-	205,165
Scholarship	-	58,670
Parks Preservation	-	23,033
Community Development	-	19,960
Total fund balances	<u>1,481,078</u>	<u>3,633,685</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,617,291</u>	<u>\$ 3,812,734</u>



CATAWBA COUNTY, NORTH CAROLINA

Schedule C-2

Page 1 of 3

**Fire District Funds
Subcombining Balance Sheet
June 30, 2020**

	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	\$ 45,238	\$ 95,397	\$ 86,896	\$ 121,854	\$ 89,540
Taxes receivable - net	7,996	3,085	15,338	1,268	6,612
Due from other governments	6,123	2,393	12,857	1,150	3,978
Interest receivable	<u>45</u>	<u>119</u>	<u>84</u>	<u>156</u>	<u>109</u>
Total assets	<u>59,402</u>	<u>100,994</u>	<u>115,175</u>	<u>124,428</u>	<u>100,239</u>
Liabilities					
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	7,996	3,085	15,338	1,268	6,612
Prepaid taxes	<u>365</u>	<u>2</u>	<u>1,160</u>	<u>-</u>	<u>201</u>
Total deferred inflows of resources	<u>8,361</u>	<u>3,087</u>	<u>16,498</u>	<u>1,268</u>	<u>6,813</u>
Fund Balances					
Restricted					
Stabilization by State Statute	6,168	2,512	12,941	1,306	4,087
Fire Protection	<u>44,873</u>	<u>95,395</u>	<u>85,736</u>	<u>121,854</u>	<u>89,339</u>
Total fund balances	<u>51,041</u>	<u>97,907</u>	<u>98,677</u>	<u>123,160</u>	<u>93,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,402</u>	<u>\$ 100,994</u>	<u>\$ 115,175</u>	<u>\$ 124,428</u>	<u>\$ 100,239</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-2

Page 2 of 3

**Fire District Funds
Subcombining Balance Sheet
June 30, 2020**

	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	\$ 239,964	\$ 91,007	\$ 180,047	\$ 60,329	\$ 116,628
Taxes receivable - net	35,876	11,072	5,229	7,408	9,349
Due from other governments	16,048	6,401	2,439	3,454	2,141
Interest receivable	265	104	232	70	149
Total assets	<u>292,153</u>	<u>108,584</u>	<u>187,947</u>	<u>71,261</u>	<u>128,267</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	35,876	11,072	5,229	7,408	9,349
Prepaid taxes	921	7,007	114	324	91
Total deferred inflows of resources	<u>36,797</u>	<u>18,079</u>	<u>5,343</u>	<u>7,732</u>	<u>9,440</u>
Fund Balances					
Restricted					
Stabilization by State Statute	16,313	6,505	2,671	3,524	2,290
Fire Protection	239,043	84,000	179,933	60,005	116,537
Total fund balances	<u>255,356</u>	<u>90,505</u>	<u>182,604</u>	<u>63,529</u>	<u>118,827</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 292,153</u>	<u>\$ 108,584</u>	<u>\$ 187,947</u>	<u>\$ 71,261</u>	<u>\$ 128,267</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-2

Page 3 of 3

**Fire District Funds
Subcombining Balance Sheet
June 30, 2020**

	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	\$ 23,037	\$ 127,389	\$ 83,634	\$ 58,725	\$ 1,419,685
Taxes receivable - net	326	10,108	3,599	8,022	125,288
Due from other governments	184	6,960	1,163	5,340	70,631
Interest receivable	30	152	108	64	1,687
Total assets	<u>23,577</u>	<u>144,609</u>	<u>88,504</u>	<u>72,151</u>	<u>1,617,291</u>
Liabilities					
Accounts payable and accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Taxes receivable	326	10,108	3,599	8,022	125,288
Prepaid taxes	-	213	394	133	10,925
Total deferred inflows of resources	<u>326</u>	<u>10,321</u>	<u>3,993</u>	<u>8,155</u>	<u>136,213</u>
Fund Balances					
Restricted					
Stabilization by State Statute	214	7,112	1,271	5,404	72,318
Fire Protection	<u>23,037</u>	<u>127,176</u>	<u>83,240</u>	<u>58,592</u>	<u>1,408,760</u>
Total fund balances	<u>23,251</u>	<u>134,288</u>	<u>84,511</u>	<u>63,996</u>	<u>1,481,078</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,577</u>	<u>\$ 144,609</u>	<u>\$ 88,504</u>	<u>\$ 72,151</u>	<u>\$ 1,617,291</u>



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CATAWBA COUNTY, NORTH CAROLINA

Schedule C-3

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Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	Emergency Telephone System Fund	Narcotics Seized Funds and Property Fund	State Unauthorized Substance Abuse Fund	Narcotics Seized Justice Fund	Narcotics Seized Treasury Fund
Revenues					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	1,107,870	-	19,385	131,925	10,033
Permits and fees	-	-	-	-	-
Investment earnings	16,499	897	2,835	800	1,321
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,124,369</u>	<u>897</u>	<u>22,220</u>	<u>132,725</u>	<u>11,354</u>
Expenditures					
Current					
Public safety	806,222	-	33,711	1,647	-
Economic and physical development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>806,222</u>	<u>-</u>	<u>33,711</u>	<u>1,647</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>318,147</u>	<u>897</u>	<u>(11,491)</u>	<u>131,078</u>	<u>11,354</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	28,451	25,259
Transfers to other funds	-	(53,710)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(53,710)</u>	<u>-</u>	<u>28,451</u>	<u>25,259</u>
Net change in fund balance	318,147	(52,813)	(11,491)	159,529	36,613
Fund Balances - Beginning of Year	<u>671,324</u>	<u>94,327</u>	<u>141,879</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 989,471</u>	<u>\$ 41,514</u>	<u>\$ 130,388</u>	<u>\$ 159,529</u>	<u>\$ 36,613</u>

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	Rescue Squads Fund	Library Endowment Fund	Gretchen Peed Scholarship Fund	Parks/ Historic Preservation Fund	Community Development Fund
Revenues					
Ad valorem taxes	\$ 826,183	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	-	4,520	-	250,000	37,500
Permits and fees	-	-	-	14,500	-
Investment earnings	10,339	4,362	1,242	1,239	942
Miscellaneous	-	-	500	1,900	-
Total revenues	<u>836,522</u>	<u>8,882</u>	<u>1,742</u>	<u>267,639</u>	<u>38,442</u>
Expenditures					
Current					
Public safety	829,522	-	-	-	-
Economic and physical development	-	-	-	250,000	72,859
Culture and recreation	-	3,995	-	-	-
Total expenditures	<u>829,522</u>	<u>3,995</u>	<u>-</u>	<u>250,000</u>	<u>72,859</u>
Excess of revenue over (under) expenditures	<u>7,000</u>	<u>4,887</u>	<u>1,742</u>	<u>17,639</u>	<u>(34,417)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	7,000	4,887	1,742	17,639	(34,417)
Fund Balances - Beginning of Year	<u>480,746</u>	<u>200,549</u>	<u>57,005</u>	<u>5,533</u>	<u>54,408</u>
Fund Balances - End of Year	<u>\$ 487,746</u>	<u>\$ 205,436</u>	<u>\$ 58,747</u>	<u>\$ 23,172</u>	<u>\$ 19,991</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule C-3

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Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	Fire District Funds	Total Nonmajor Special Revenue Funds
Revenues		
Ad valorem taxes	\$ 8,510,185	\$ 9,336,368
Restricted intergovernmental revenues	-	1,561,233
Permits and fees	-	14,500
Investment earnings	38,928	79,404
Miscellaneous	-	2,400
Total revenues	<u>8,549,113</u>	<u>10,993,905</u>
Expenditures		
Current		
Public safety	9,025,029	10,696,131
Economic and physical development	-	322,859
Culture and recreation	-	3,995
Total expenditures	<u>9,025,029</u>	<u>11,022,985</u>
Excess of revenue over (under) expenditures	<u>(475,916)</u>	<u>(29,080)</u>
Other Financing Sources (Uses)		
Transfers from other funds	-	53,710
Transfers to other funds	-	(53,710)
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	(475,916)	(29,080)
Fund Balances - Beginning of Year	<u>1,956,994</u>	<u>3,662,765</u>
Fund Balances - End of Year	<u>\$ 1,481,078</u>	<u>\$ 3,633,685</u>

Coronavirus Aid, Relief and Economic Security (CARES) Act Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Intergovernmental revenue				
Federal grants	\$ 1,106,533	\$ 1,106,533		
Investment earnings	5,000	4,923	(77)	\$ -
Total revenues	<u>1,111,533</u>	<u>1,111,456</u>	<u>(77)</u>	<u>-</u>
Expenditures				
Public Safety				
Other operating	<u>1,111,533</u>	<u>1,106,533</u>	<u>5,000</u>	<u>-</u>
Total expenditures	<u>1,111,533</u>	<u>1,106,533</u>	<u>5,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>4,923</u>	<u>4,923</u>	<u>-</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,923</u>	<u>\$ 4,923</u>	<u>\$ -</u>
Fund Balances - Beginning of Year		<u>-</u>		<u>-</u>
Fund Balances - End of Year		<u>\$ 4,923</u>		<u>\$ -</u>

Emergency Telephone System Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
North Carolina 911 funds	\$ 853,911	\$ 853,713	\$ (198)	\$ 699,005
North Carolina 911 funds - secondary PSAP	254,157	254,157	-	236,299
Investment earnings	-	16,499	16,499	18,163
Total revenues	<u>1,108,068</u>	<u>1,124,369</u>	<u>16,301</u>	<u>953,467</u>
Expenditures				
Current				
Public Safety				
Implemental functions	335,407	125,503	209,904	275,294
Telephone and furniture	243,041	282,654	(39,613)	47,685
Software	198,300	92,441	105,859	152,402
Hardware	37,050	43,947	(6,897)	30,924
Training	21,040	7,520	13,520	6,859
Secondary PSAP	254,157	254,157	-	236,299
Miscellaneous	70,000	-	70,000	-
Total expenditures	<u>1,158,995</u>	<u>806,222</u>	<u>352,773</u>	<u>749,463</u>
Excess of revenues over (under) expenditures	<u>(50,927)</u>	<u>318,147</u>	<u>369,074</u>	<u>204,004</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>50,927</u>	<u>-</u>	<u>(50,927)</u>	<u>-</u>
Total other financing sources (uses)	<u>50,927</u>	<u>-</u>	<u>(50,927)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>318,147</u>	<u>\$ 318,147</u>	<u>204,004</u>
Fund Balances - Beginning of Year		<u>671,324</u>		<u>467,320</u>
Fund Balances - End of Year		<u>\$ 989,471</u>		<u>\$ 671,324</u>

CATAWBA COUNTY, NORTH CAROLINA**Schedule C-5A****Emergency Telephone System Unspent Fund Balance
PSAP Reconciliation
June 30, 2020**

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	\$ 318,147
Secondary PSAP Pass Through Funding	
NC 911 Funds	(254,157)
Pass through to Secondary PSAPs	<u>254,157</u>
Ineligible 911 expenses reported in Emergency Telephone System Fund in prior year	4,333
Ineligible 911 expenses reported in Emergency Telephone System Fund in current year	<u>22,568</u>
Net change in fund balance	<u>345,048</u>
Beginning Balance, PSAP Revenue-Expenditure Report	<u>671,324</u>
Ending Balance, PSAP Revenue- Expenditure Report	<u>\$ 1,016,372</u>

Narcotics Seized Funds and Property Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
U. S. Treasury				
Asset Forfeitures	\$ -	\$ -	\$ -	\$ 38,330
Investment earnings	-	897	897	2,567
Total revenues	-	897	897	40,897
Expenditures				
Current				
Public Safety				
Other operating	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	897	897	40,897
Other Financing Sources (Uses)				
Fund balance appropriated	53,710	-	(53,710)	-
Transfers to				
Other funds	(53,710)	(53,710)	-	-
Total other financing sources (uses)	-	(53,710)	(53,710)	-
Net change in fund balance	\$ -	(52,813)	\$ (52,813)	40,897
Fund Balances - Beginning of Year		94,327		53,430
Fund Balances - End of Year		\$ 41,514		\$ 94,327

State Unauthorized Substance Abuse Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
Drug Reimbursement	\$ -	\$ 19,385	\$ 19,385	\$ 22,921
Investment earnings	-	2,835	2,835	5,022
Total revenues	-	22,220	22,220	27,943
Expenditures				
Current				
Public Safety				
Other operating	70,000	33,711	36,289	36,587
Total expenditures	70,000	33,711	36,289	36,587
Excess of revenues over (under) expenditures	(70,000)	(11,491)	58,509	(8,644)
Other Financing Sources (Uses)				
Transfers from				
General Fund	-	-	-	-
Fund balance appropriated	70,000	-	(70,000)	-
Total other financing sources (uses)	70,000	-	(70,000)	-
Net change in fund balance	\$ -	(11,491)	\$ (11,491)	(8,644)
Fund Balances - Beginning of Year		141,879		150,523
Fund Balances - End of Year		\$ 130,388		\$ 141,879

Narcotics Federal Seizure Justice Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
Asset Forfeitures	\$ -	\$ 131,925	\$ 131,925	\$ -
Investment earnings	-	800	800	-
Total revenues	-	132,725	132,725	-
Expenditures				
Current				
Public Safety				
Other operating	28,451	1,647	26,804	-
Total expenditures	28,451	1,647	26,804	-
Excess of revenues over (under) expenditures	(28,451)	131,078	159,529	-
Other Financing Sources (Uses)				
Transfers from				
Other funds	28,451	28,451	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	28,451	28,451	-	-
Net change in fund balance	\$ -	159,529	\$ 159,529	-
Fund Balances - Beginning of Year		-		-
Fund Balances - End of Year		\$ 159,529		\$ -

Narcotics Federal Seizure Treasury Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Restricted intergovernmental revenues				
Asset Forfeitures	\$ -	\$ 10,033	\$ 10,033	\$ -
Investment earnings	-	1,321	1,321	-
Total revenues	-	11,354	11,354	-
Expenditures				
Current				
Public Safety				
Other operating	25,259	-	25,259	-
Total expenditures	25,259	-	25,259	-
Excess of revenues over (under) expenditures	(25,259)	11,354	36,613	-
Other Financing Sources (Uses)				
Transfers from				
Other funds	25,259	25,259	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	25,259	25,259	-	-
Net change in fund balance	\$ -	36,613	\$ 36,613	-
Fund Balances - Beginning of Year		-		-
Fund Balances - End of Year		\$ 36,613		\$ -

Rescue Squads Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 826,183	\$ 826,183	\$ -	\$ 826,183
Investment earnings	-	10,339	10,339	18,131
Total revenues	<u>826,183</u>	<u>836,522</u>	<u>10,339</u>	<u>844,314</u>
Expenditures				
Public Safety				
Other operating	<u>841,692</u>	<u>829,522</u>	<u>12,170</u>	<u>752,446</u>
Total expenditures	<u>841,692</u>	<u>829,522</u>	<u>12,170</u>	<u>752,446</u>
Excess of revenues over (under) expenditures	<u>(15,509)</u>	<u>7,000</u>	<u>22,509</u>	<u>91,868</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>15,509</u>	<u>-</u>	<u>(15,509)</u>	<u>-</u>
Total other financing sources (uses)	<u>15,509</u>	<u>-</u>	<u>(15,509)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>7,000</u>	<u>\$ 7,000</u>	<u>91,868</u>
Fund Balances - Beginning of Year		<u>480,746</u>		<u>388,878</u>
Fund Balances - End of Year		<u>\$ 487,746</u>		<u>\$ 480,746</u>

Library Endowment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Community Foundation	\$ 3,000	\$ 4,520	\$ 1,520	\$ 2,767
Investment earnings	<u>1,000</u>	<u>4,362</u>	<u>3,362</u>	<u>6,582</u>
Total revenues	<u>4,000</u>	<u>8,882</u>	<u>4,882</u>	<u>9,349</u>
	-			
Expenditures				
Culture and recreation				
Other operating	<u>4,000</u>	<u>3,995</u>	<u>5</u>	<u>2,767</u>
Total expenditures	<u>4,000</u>	<u>3,995</u>	<u>5</u>	<u>2,767</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>4,887</u>	<u>4,887</u>	<u>6,582</u>
Other Financing Sources (Uses)				
Transfer from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,887</u>	<u>\$ 4,887</u>	<u>6,582</u>
Fund Balances - Beginning of Year		<u>200,549</u>		<u>193,967</u>
Fund Balances - End of Year		<u>\$ 205,436</u>		<u>\$ 200,549</u>

Gretchen Peed Scholarship Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Investment earnings	\$ 250	\$ 1,242	\$ 992	\$ 1,861
Miscellaneous				
Donations	1,250	500	(750)	-
Total revenues	1,500	1,742	242	1,861
Expenditures				
Human services				
Scholarship awards	1,500	-	1,500	-
Total expenditures	1,500	-	1,500	-
Excess of revenues over (under) expenditures	-	1,742	1,742	1,861
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	1,742	\$ 1,742	1,861
Fund Balances - Beginning of Year		57,005		55,144
Fund Balances - End of Year		\$ 58,747		\$ 57,005

Parks/Historic Preservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Intergovernmental revenue				
State grants	250,000	250,000	-	-
Licenses and permits				
Developer fee	-	14,500	14,500	-
Investment earnings	-	1,239	1,239	179
Miscellaneous				
Miscellaneous	-	1,900	1,900	-
Total revenues	<u>250,000</u>	<u>267,639</u>	<u>17,639</u>	<u>179</u>
Expenditures				
Economic and physical development				
Other operating	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>17,639</u>	<u>17,639</u>	<u>179</u>
-				
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>17,639</u>	<u>\$ 17,639</u>	<u>179</u>
Fund Balances - Beginning of Year		<u>5,533</u>		<u>5,354</u>
Fund Balances - End of Year		<u>\$ 23,172</u>		<u>\$ 5,533</u>

Community Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2020

NC Housing Trust Fund (NCHFA) 2018 Urgent Repair Program (URP1803)	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Investment earnings	743	408	335	743	-
Total revenues	100,743	100,408	335	100,743	-
Expenditures					
Economic and physical development					
Administration	11,398	-	11,398	11,398	-
Rehabilitation	89,345	46,000	43,345	89,345	-
Total expenditures	100,743	46,000	54,743	100,743	-
Excess of revenues over (under) expenditures	-	54,408	(54,408)	-	-
Other Financing Sources (Uses)					
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	-	\$ 54,408	(54,408)	\$ -	\$ -
Fund Balances - Beginning of Year			54,408		
Fund Balances - End of Year			\$ -		

NC Housing Trust Fund (NCHFA) 2019 Urgent Repair Program (URP)	Project Authorization	Actual			
		Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Restricted intergovernmental revenues	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	607	607	607
Total revenues	75,000	-	38,107	38,107	(37,500)
Expenditures					
Economic and physical development					
Administration	12,000	-	-	-	12,000
Rehabilitation	63,000	-	18,116	18,116	44,884
Total expenditures	75,000	-	18,116	18,116	56,884
Excess of revenues over (under) expenditures	-	-	19,991	19,991	19,991
Other Financing Sources (Uses)					
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	19,991	\$ 19,991	\$ 19,991
Fund Balances - Beginning of Year			-		
Fund Balances - End of Year			\$ 19,991		



Fire District Funds

Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	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	\$ 584,211	\$ 236,676	\$ 1,182,171	\$ 128,465	\$ 349,810
Investment earnings	1,446	2,258	2,768	4,275	2,269
Total revenues	<u>585,657</u>	<u>238,934</u>	<u>1,184,939</u>	<u>132,740</u>	<u>352,079</u>
Expenditures					
Current					
Public safety	<u>591,283</u>	<u>226,871</u>	<u>1,174,768</u>	<u>567,554</u>	<u>336,822</u>
Total expenditures	<u>591,283</u>	<u>226,871</u>	<u>1,174,768</u>	<u>567,554</u>	<u>336,822</u>
Excess of revenue over (under) expenditures	<u>(5,626)</u>	<u>12,063</u>	<u>10,171</u>	<u>(434,814)</u>	<u>15,257</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,626)	12,063	10,171	(434,814)	15,257
Fund Balances - Beginning of Year	<u>56,667</u>	<u>85,844</u>	<u>88,506</u>	<u>557,974</u>	<u>78,169</u>
Fund Balances - End of Year	<u>\$ 51,041</u>	<u>\$ 97,907</u>	<u>\$ 98,677</u>	<u>\$ 123,160</u>	<u>\$ 93,426</u>

CATAWBA COUNTY, NORTH CAROLINA

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Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	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	\$ 3,073,086	\$ 594,540	\$ 244,509	\$ 319,545	\$ 266,099
Investment earnings	7,794	2,088	4,071	1,487	2,717
Total revenues	<u>3,080,880</u>	<u>596,628</u>	<u>248,580</u>	<u>321,032</u>	<u>268,816</u>
Expenditures					
Current					
Public safety	<u>3,209,371</u>	<u>646,910</u>	<u>235,463</u>	<u>298,672</u>	<u>253,079</u>
Total expenditures	<u>3,209,371</u>	<u>646,910</u>	<u>235,463</u>	<u>298,672</u>	<u>253,079</u>
Excess of revenue over (under) expenditures	<u>(128,491)</u>	<u>(50,282)</u>	<u>13,117</u>	<u>22,360</u>	<u>15,737</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(128,491)	(50,282)	13,117	22,360	15,737
Fund Balances - Beginning of Year	<u>383,847</u>	<u>140,787</u>	<u>169,487</u>	<u>41,169</u>	<u>103,090</u>
Fund Balances - End of Year	<u>\$ 255,356</u>	<u>\$ 90,505</u>	<u>\$ 182,604</u>	<u>\$ 63,529</u>	<u>\$ 118,827</u>

CATAWBA COUNTY, NORTH CAROLINA

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Fire District Funds
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	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	\$ 31,940	\$ 684,493	\$ 127,061	\$ 687,579	\$ 8,510,185
Investment earnings	529	3,351	1,925	1,950	38,928
Total revenues	<u>32,469</u>	<u>687,844</u>	<u>128,986</u>	<u>689,529</u>	<u>8,549,113</u>
Expenditures					
Current					
Public safety	<u>30,839</u>	<u>655,749</u>	<u>122,474</u>	<u>675,174</u>	<u>9,025,029</u>
Total expenditures	<u>30,839</u>	<u>655,749</u>	<u>122,474</u>	<u>675,174</u>	<u>9,025,029</u>
Excess of revenue over (under) expenditures	<u>1,630</u>	<u>32,095</u>	<u>6,512</u>	<u>14,355</u>	<u>(475,916)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,630	32,095	6,512	14,355	(475,916)
Fund Balances - Beginning of Year	<u>21,621</u>	<u>102,193</u>	<u>77,999</u>	<u>49,641</u>	<u>1,956,994</u>
Fund Balances - End of Year	<u>\$ 23,251</u>	<u>\$ 134,288</u>	<u>\$ 84,511</u>	<u>\$ 63,996</u>	<u>\$ 1,481,078</u>

Mountain View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 564,633	\$ 584,211	\$ 19,578	\$ 572,896
Investment earnings	-	1,446	1,446	2,109
Total revenues	<u>564,633</u>	<u>585,657</u>	<u>21,024</u>	<u>575,005</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>591,283</u>	<u>591,283</u>	<u>-</u>	<u>554,534</u>
Total expenditures	<u>591,283</u>	<u>591,283</u>	<u>-</u>	<u>554,534</u>
Excess of revenues over (under) expenditures	<u>(26,650)</u>	<u>(5,626)</u>	<u>21,024</u>	<u>20,471</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>26,650</u>	<u>-</u>	<u>(26,650)</u>	<u>-</u>
Total other financing sources (uses)	<u>26,650</u>	<u>-</u>	<u>(26,650)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(5,626)</u>	<u>\$ (5,626)</u>	<u>20,471</u>
Fund Balances - Beginning of Year		<u>56,667</u>		<u>36,196</u>
Fund Balances - End of Year		<u>\$ 51,041</u>		<u>\$ 56,667</u>

Propst Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 226,871	\$ 236,676	\$ 9,805	\$ 223,260
Investment earnings	-	2,258	2,258	2,872
Total revenues	<u>226,871</u>	<u>238,934</u>	<u>12,063</u>	<u>226,132</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>226,871</u>	<u>226,871</u>	<u>-</u>	<u>213,549</u>
Total expenditures	<u>226,871</u>	<u>226,871</u>	<u>-</u>	<u>213,549</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>12,063</u>	<u>12,063</u>	<u>12,583</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>12,063</u>	<u>\$ 12,063</u>	<u>12,583</u>
Fund Balances - Beginning of Year		<u>85,844</u>		<u>73,261</u>
Fund Balances - End of Year		<u>\$ 97,907</u>		<u>\$ 85,844</u>

St. Stephens Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 1,140,739	\$ 1,182,171	\$ 41,432	\$ 1,088,812
Investment earnings	-	2,768	2,768	3,518
Total revenues	<u>1,140,739</u>	<u>1,184,939</u>	<u>44,200</u>	<u>1,092,330</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>1,174,768</u>	<u>1,174,768</u>	<u>-</u>	<u>1,098,673</u>
Total expenditures	<u>1,174,768</u>	<u>1,174,768</u>	<u>-</u>	<u>1,098,673</u>
Excess of revenues over (under) expenditures	<u>(34,029)</u>	<u>10,171</u>	<u>44,200</u>	<u>(6,343)</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>34,029</u>	<u>-</u>	<u>(34,029)</u>	<u>-</u>
Total other financing sources (uses)	<u>34,029</u>	<u>-</u>	<u>(34,029)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>10,171</u>	<u>\$ 10,171</u>	<u>(6,343)</u>
Fund Balances - Beginning of Year		<u>88,506</u>		<u>94,849</u>
Fund Balances - End of Year		<u>98,677</u>		<u>88,506</u>

Conover Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 121,527	\$ 128,465	\$ 6,938	\$ 120,046
Investment earnings	-	4,275	4,275	17,835
Total revenues	<u>121,527</u>	<u>132,740</u>	<u>11,213</u>	<u>137,881</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>589,081</u>	<u>567,554</u>	<u>21,527</u>	<u>-</u>
Total expenditures	<u>589,081</u>	<u>567,554</u>	<u>21,527</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(467,554)</u>	<u>(434,814)</u>	32,740	<u>137,881</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>467,554</u>	<u>-</u>	<u>(467,554)</u>	<u>-</u>
Total other financing sources (uses)	<u>467,554</u>	<u>-</u>	<u>(467,554)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(434,814)	<u>\$ (434,814)</u>	137,881
Fund Balances - Beginning of Year		<u>557,974</u>		<u>420,093</u>
Fund Balances - End of Year		<u>\$ 123,160</u>		<u>\$ 557,974</u>

Oxford Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Ad valorem taxes	\$ 336,822	\$ 349,810	\$ 12,988	\$ 320,033
Investment earnings	-	2,269	2,269	2,588
Total revenues	<u>336,822</u>	<u>352,079</u>	<u>15,257</u>	<u>322,621</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>336,822</u>	<u>336,822</u>	<u>-</u>	<u>305,252</u>
Total expenditures	<u>336,822</u>	<u>336,822</u>	<u>-</u>	<u>305,252</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>15,257</u>	<u>15,257</u>	<u>17,369</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>15,257</u>	<u>\$ 15,257</u>	<u>17,369</u>
Fund Balances - Beginning of Year		<u>78,169</u>		<u>60,800</u>
Fund Balances - End of Year		<u>\$ 93,426</u>		<u>\$ 78,169</u>

Sherrills Ford Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 2,984,730	\$ 3,073,086	\$ 88,356	\$ 2,345,181
Investment earnings	-	7,794	7,794	12,929
Total revenues	<u>2,984,730</u>	<u>3,080,880</u>	<u>96,150</u>	<u>2,358,110</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>3,209,371</u>	<u>3,209,371</u>	<u>-</u>	<u>2,237,992</u>
Total expenditures	<u>3,209,371</u>	<u>3,209,371</u>	<u>-</u>	<u>2,237,992</u>
Excess of revenues over (under) expenditures	<u>(224,641)</u>	<u>(128,491)</u>	<u>96,150</u>	<u>120,118</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>224,641</u>	<u>-</u>	<u>(224,641)</u>	<u>-</u>
Total other financing sources (uses)	<u>224,641</u>	<u>-</u>	<u>(224,641)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(128,491)</u>	<u>\$ (128,491)</u>	<u>120,118</u>
Fund Balances - Beginning of Year		<u>383,847</u>		<u>263,729</u>
Fund Balances - End of Year		<u>\$ 255,356</u>		<u>\$ 383,847</u>

Bandys Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 559,717	\$ 594,540	\$ 34,823	\$ 567,389
Investment earnings	-	2,088	2,088	4,551
Total revenues	<u>559,717</u>	<u>596,628</u>	<u>36,911</u>	<u>571,940</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>646,910</u>	<u>646,910</u>	<u>-</u>	<u>558,626</u>
Total expenditures	<u>646,910</u>	<u>646,910</u>	<u>-</u>	<u>558,626</u>
Excess of revenues over (under) expenditures	<u>(87,193)</u>	<u>(50,282)</u>	<u>36,911</u>	<u>13,314</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>87,193</u>	<u>-</u>	<u>(87,193)</u>	<u>-</u>
Total other financing sources (uses)	<u>87,193</u>	<u>-</u>	<u>(87,193)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(50,282)</u>	<u>\$ (50,282)</u>	<u>13,314</u>
Fund Balances - Beginning of Year		<u>140,787</u>		<u>127,473</u>
Fund Balances - End of Year		<u>\$ 90,505</u>		<u>\$ 140,787</u>

Maiden Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 235,463	\$ 244,509	\$ 9,046	\$ 238,101
Investment earnings	-	4,071	4,071	5,572
Total revenues	<u>235,463</u>	<u>248,580</u>	<u>13,117</u>	<u>243,673</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>235,463</u>	<u>235,463</u>	<u>-</u>	<u>224,848</u>
Total expenditures	<u>235,463</u>	<u>235,463</u>	<u>-</u>	<u>224,848</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>13,117</u>	<u>13,117</u>	<u>18,825</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>13,117</u>	<u>\$ 13,117</u>	<u>18,825</u>
Fund Balances - Beginning of Year		<u>169,487</u>		<u>150,662</u>
Fund Balances - End of Year		<u>\$ 182,604</u>		<u>\$ 169,487</u>

Claremont Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 298,672	\$ 319,545	\$ 20,873	\$ 306,333
Investment earnings	-	1,487	1,487	1,398
Total revenues	<u>298,672</u>	<u>321,032</u>	<u>22,360</u>	<u>307,731</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>298,672</u>	<u>298,672</u>	<u>-</u>	<u>294,630</u>
Total expenditures	<u>298,672</u>	<u>298,672</u>	<u>-</u>	<u>294,630</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>22,360</u>	<u>22,360</u>	<u>13,101</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>22,360</u>	<u>\$ 22,360</u>	<u>13,101</u>
Fund Balances - Beginning of Year		<u>41,169</u>		<u>28,068</u>
Fund Balances - End of Year		<u>\$ 63,529</u>		<u>\$ 41,169</u>

Catawba Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 253,079	\$ 266,099	\$ 13,020	\$ 195,422
Investment earnings	-	2,717	2,717	3,542
Total revenues	<u>253,079</u>	<u>268,816</u>	<u>15,737</u>	<u>198,964</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>253,079</u>	<u>253,079</u>	<u>-</u>	<u>189,945</u>
Total expenditures	<u>253,079</u>	<u>253,079</u>	<u>-</u>	<u>189,945</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>15,737</u>	<u>15,737</u>	<u>9,019</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>15,737</u>	<u>\$ 15,737</u>	<u>9,019</u>
Fund Balances - Beginning of Year		<u>103,090</u>		<u>94,071</u>
Fund Balances - End of Year		<u>\$ 118,827</u>		<u>\$ 103,090</u>

Long View Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 30,839	\$ 31,940	\$ 1,101	\$ 26,674
Investment earnings	-	529	529	754
Total revenues	<u>30,839</u>	<u>32,469</u>	<u>1,630</u>	<u>27,428</u>
Expenditures				
Public safety				
Transmitted to fire department	30,839	30,839	-	26,808
Total expenditures	<u>30,839</u>	<u>30,839</u>	<u>-</u>	<u>26,808</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>1,630</u>	<u>1,630</u>	<u>620</u>
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,630	<u>\$ 1,630</u>	620
Fund Balances - Beginning of Year		<u>21,621</u>		<u>21,001</u>
Fund Balances - End of Year		<u>\$ 23,251</u>		<u>\$ 21,621</u>

Newton Rural Fire District Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 655,749	\$ 684,493	\$ 28,744	\$ 636,661
Investment earnings	-	3,351	3,351	3,780
Total revenues	655,749	687,844	32,095	640,441
Expenditures				
Public safety				
Transmitted to fire department	655,749	655,749	-	621,766
Total expenditures	655,749	655,749	-	621,766
Excess of revenues over (under) expenditures	-	32,095	32,095	18,675
Other Financing Sources (Uses)				
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	32,095	\$ 32,095	18,675
Fund Balances - Beginning of Year		102,193		83,518
Fund Balances - End of Year		\$ 134,288		\$ 102,193

Cooksville Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 122,474	\$ 127,061	\$ 4,587	\$ 120,450
Investment earnings	-	1,925	1,925	2,617
Total revenues	<u>122,474</u>	<u>128,986</u>	<u>6,512</u>	<u>123,067</u>
Expenditures				
Public safety				
Transmitted to fire department	<u>122,474</u>	<u>122,474</u>	<u>-</u>	<u>116,165</u>
Total expenditures	<u>122,474</u>	<u>122,474</u>	<u>-</u>	<u>116,165</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>6,512</u>	<u>6,512</u>	<u>6,902</u>
Other Financing Sources (Uses)				
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>6,512</u>	<u>\$ 6,512</u>	<u>6,902</u>
Fund Balances - Beginning of Year		<u>77,999</u>		<u>71,097</u>
Fund Balances - End of Year		<u>\$ 84,511</u>		<u>\$ 77,999</u>

Hickory Rural Fire District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Ad valorem taxes	\$ 660,422	\$ 687,579	\$ 27,157	\$ 541,431
Investment earnings	-	1,950	1,950	1,664
Total revenues	660,422	689,529	29,107	543,095
Expenditures				
Public safety				
Transmitted to fire department	675,174	675,174	-	527,775
Total expenditures	675,174	675,174	-	527,775
Excess of revenues over (under) expenditures	(14,752)	14,355	29,107	15,320
Other Financing Sources (Uses)				
Fund balance appropriated	14,752	-	(14,752)	-
Total other financing sources (uses)	14,752	-	(14,752)	-
Net change in fund balance	\$ -	14,355	\$ 14,355	15,320
Fund Balances - Beginning of Year		49,641		34,321
Fund Balances - End of Year		\$ 63,996		\$ 49,641

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.

CATAWBA COUNTY, NORTH CAROLINA

Schedule D-1

**Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2020**

	School Capital Fund	School Construction Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Assets				
Cash and investments	\$ 9,013,788	7,469,193	\$ 3,305,995	\$ 19,788,976
Due from other governments	1,734,530	119,214	-	1,853,744
Interest receivables	11,037	9,203	4,342	24,582
Restricted cash and investments	-	2,717,631	-	2,717,631
Total assets	<u>10,759,355</u>	<u>10,315,241</u>	<u>3,310,337</u>	<u>24,384,933</u>
Liabilities				
Accounts payable and accrued liabilities	<u>44,324</u>	<u>1,441,232</u>	<u>-</u>	<u>1,485,556</u>
Total liabilities	<u>44,324</u>	<u>1,441,232</u>	<u>-</u>	<u>1,485,556</u>
Fund Balance				
Restricted				
Stabilization by State Statute	1,745,567	128,417	4,342	1,878,326
School Construction	-	2,717,631	-	2,717,631
Hospital Capital	-	-	3,305,995	3,305,995
Committed				
School Capital	8,969,464	-	-	8,969,464
School Construction	-	6,027,961	-	6,027,961
Unassigned	-	-	-	-
Total fund balances	<u>10,715,031</u>	<u>8,874,009</u>	<u>3,310,337</u>	<u>22,899,377</u>
Total liabilities and fund balances	<u>\$ 10,759,355</u>	<u>\$ 10,315,241</u>	<u>\$ 3,310,337</u>	<u>\$ 24,384,933</u>

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2020

	School Capital Fund	School Construction Fund	Hospital Capital Reserve Fund	Total Nonmajor Capital Projects Fund
Revenues				
Other taxes	\$ 5,946,089	\$ -	\$ -	\$ 5,946,089
Investment earnings	158,154	187,883	69,796	415,833
Total revenues	<u>6,104,243</u>	<u>187,883</u>	<u>69,796</u>	<u>6,361,922</u>
Expenditures				
Capital outlay	5,233,511	7,466,467	-	12,699,978
Total expenditures	<u>5,233,511</u>	<u>7,466,467</u>	<u>-</u>	<u>12,699,978</u>
Excess of revenues over (under) expenditures	<u>870,732</u>	<u>(7,278,584)</u>	<u>69,796</u>	<u>(6,338,056)</u>
Other Financing Sources (Uses)				
Transfers from other funds	1,780,209	942,161	-	2,722,370
Transfers to other funds	(205,381)	(5,209)	(500,000)	(710,590)
Total other financing sources (uses)	<u>1,574,828</u>	<u>936,952</u>	<u>(500,000)</u>	<u>2,011,780</u>
Net change in fund balance	2,445,560	(6,341,632)	(430,204)	(4,326,276)
Fund Balances - Beginning of Year	<u>8,269,471</u>	<u>15,215,641</u>	<u>3,740,541</u>	<u>27,225,653</u>
Fund Balances - End of Year	<u>\$ 10,715,031</u>	<u>\$ 8,874,009</u>	<u>\$ 3,310,337</u>	<u>\$ 22,899,377</u>

General Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

		<u>Actual</u>				
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Over/Under</u>	
Revenues						
Other Taxes						
Sales Taxes - Article 46-one quarter of one percent	\$ 9,071,730	\$ 8,164,750	966,649	\$ 9,131,399	\$ 59,669	
Restricted intergovernmental revenues						
County Grants	-	-	207,925	207,925	207,925	
NC PARTF Grant	414,109	414,109	-	414,109	-	
Investment earnings	293,412	8,104,770	386,678	8,491,448	8,198,036	
Miscellaneous						
Duke Energy	100,000	100,000	255,600	355,600	255,600	
Miscellaneous	386,313	497,474	-	497,474	111,161	
Park Donations	587,000	587,000	100,000	687,000	100,000	
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	<u>15,265,547</u>	<u>22,679,615</u>	<u>1,916,852</u>	<u>24,596,467</u>	<u>9,330,920</u>	
Expenditures						
Capital outlay						
Agriculture Resource Center Renovation	100,000	-	-	-	100,000	
Elections Office Renovation	2,189,957	111,725	1,934,813	2,046,538	143,419	
Carolina Thread Trail	87,000	68,315	-	68,315	18,685	
Communications Infrastructure	496,146	401,364	33,013	434,377	61,769	
Court Nomad System	90,000		85,664	85,664	4,336	
Economic Development	1,010,443	103,188	4,050	107,238	903,205	
Employment Security Commission Building	168,800	151,046	-	151,046	17,754	
Future EMS Base	177,520	-	-	-	177,520	
Future Unspecified Projects	49,865	-	-	-	49,865	
General Renovations	360,000	39,892	193,979	233,871	126,129	
Government Center Complex Improvements	1,000,000	242,450	570,710	813,160	186,840	
Jail Expansion	33,114,432	13,242,411	15,168,864	28,411,275	4,703,157	
Justice Center Expansion/Public Safety	42,427,806	41,895,263	102,423	41,997,686	430,120	
Library Technology	226,249	81,495	51,838	133,333	92,916	
Lifeskills Building Maintenance	69,928	-	-	-	69,928	
Mountain Creek Park	8,950,000	376,072	1,486,457	1,862,529	7,087,471	
Multi-jurisdictional Data Park	2,600,000	2,341,635	-	2,341,635	258,365	
Oblique Photography	318,490	318,280	-	318,280	210	
Park Improvements	533,726	460,331	5,617	465,948	67,778	
Park Improvements - Riverbend	614,109	409,837	30,136	439,973	174,136	
Permitting/Inspections System	1,120,000	804,412	2,426	806,838	313,162	
Public Safety	572,408	295,469	-	295,469	276,939	
Public Safety Software System	450,000	-	138,669	138,669	311,331	
Roofing Projects	1,636,727	518,959	-	518,959	1,117,768	
Server & Desktop Applications	1,074,000	580,190	319,190	899,380	174,620	
St. Stephens Library HVAC	250,000	143,412	-	143,412	106,588	
Technology Infrastructure Upgrades	1,585,000	900,000	331,869	1,231,869	353,131	

CATAWBA COUNTY, NORTH CAROLINA

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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, 2020**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Trivium Corporate Center	5,978,151	1,251,253	3,995,686	5,246,939	731,212
Voting Equipment	611,311	309,630	289,578	599,208	12,103
Total expenditures	<u>107,862,068</u>	<u>65,046,629</u>	<u>24,744,982</u>	<u>89,791,611</u>	<u>18,070,457</u>
Excess of revenues over (under) expenditures	<u>(92,596,521)</u>	<u>(42,367,014)</u>	<u>(22,828,130)</u>	<u>(65,195,144)</u>	<u>27,401,377</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	27,982,098	24,314,023	3,668,075	27,982,098	-
General Capital Reserve Fund	632,534	632,534	-	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	(181,259)	(12,500)	(168,759)	(181,259)	-
Schools Capital Projects Fund	(750,000)	-	(750,000)	(750,000)	-
Department of Commerce loan issued (Grant 12-L-2401)	2,600,000	2,600,000	-	2,600,000	-
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	<u>5,802,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,802,169)</u>
Total other financing sources (uses)	<u>92,596,521</u>	<u>82,730,030</u>	<u>2,749,316</u>	<u>85,479,346</u>	<u>(7,117,175)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 40,363,016</u>	<u>(20,078,814)</u>	<u>\$ 20,284,202</u>	<u>\$ 20,284,202</u>
Fund Balances - Beginning of Year			<u>40,363,016</u>		
Fund Balances - End of Year			<u>\$ 20,284,202</u>		

CATAWBA COUNTY, NORTH CAROLINA

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School Capital Projects Fund
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020**

	Project	Actual			
	Authorization	Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Other taxes					
Sales Taxes-Article 40	\$ 400,242	\$ -	\$ 502,325	\$ 502,325	\$ 102,083
Sales Taxes-Article 42	17,776,081	17,630,218	5,443,764	23,073,982	5,297,901
Investment earnings	1,075,367	4,035,080	158,154	4,193,234	3,117,867
Total revenues	19,251,690	21,665,298	6,104,243	27,769,541	8,517,851
Expenditures					
Capital outlay					
Catawba County Schools					
Activity Buses	1,021,396	956,396	-	956,396	65,000
Athletic Field Improvements	700,000	650,000	-	650,000	50,000
Balls Creek Renovations	140,000	76,163	-	76,163	63,837
Bandys High School Renovations	1,145,000	934,554	69,107	1,003,661	141,339
Blackburn Elementary Renovation	24,523	-	24,523	24,523	-
Bunker Hill High School Renovations	949,175	655,495	54,008	709,503	239,672
Camera Security/Electrical Doors	1,185,000	961,409	223,591	1,185,000	-
Capital Projects Manager	35,809	-	35,809	35,809	-
Challenger High School Renovation	75,000	26,573	-	26,573	48,427
Claremont Elementary Renovation	269,294	37,996	231,298	269,294	-
Clyde Campbell Renovation	420,000	122,503	295,577	418,080	1,920
Fire Alarm Upgrades	914,000	341,004	135,224	476,228	437,772
Fred T Foard Renovations	625,000	70,545	90,020	160,565	464,435
HVAC Controls System Upgrade	3,595,990	3,119,778	449,267	3,569,045	26,945
Jacobs Fork Middle School Paving	200,000	4,046	195,954	200,000	-
Lighting Replacements	235,000	-	181,854	181,854	53,146
Lyle Creek Elementary Renovations	60,000	-	-	-	60,000
Maiden Middle School Renovations	352,027	111,566	19,150	130,716	221,311
Painting Systemwide	300,000	-	193,105	193,105	106,895
Paving Systemwide	375,000	-	-	-	375,000
Per Capita Allocation	839,020	-	839,020	839,020	-
Plumbing Replacement Systemwide	394,910	328,001	2,939	330,940	63,970
Project Planning	80,000	-	-	-	80,000
Roofing Projects	1,612,000	1,078,534	66,321	1,144,855	467,145
Track Improvements Systemwide	432,532	-	287,535	287,535	144,997
Total Catawba County Schools	15,980,676	9,474,563	3,394,302	12,868,865	3,111,811
Catawba Valley Community College					
General Renovations	205,000	100,000	105,000	205,000	-
Paving	720,352	290,352	-	290,352	430,000
Project Manager	53,011	-	53,011	53,011	-
Public Safety Driving Range	70,000	5,280	64,720	70,000	-
Stream Bank Restoration Project	1,725,000	-	97,281	97,281	1,627,719
Tractor	85,000	20,000	65,000	85,000	-
Truck	75,000	25,000	50,000	75,000	-
Total Catawba Valley Community College	2,933,363	440,632	435,012	875,644	2,057,719

CATAWBA COUNTY, NORTH CAROLINA

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

From Inception and for the Year Ended June 30, 2020

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Hickory Public Schools					
Cafeteria Tables	130,000	-	130,000	130,000	-
Hickory Career Arts Magnet	50,000	-	45,661	45,661	4,339
Hickory High School Renovation	623,115	353,528	19,206	372,734	250,381
HVAC Controls Upgrades	155,000	145,448	3,659	149,107	5,893
Jenkins Elementary Renovation	120,000	-	55,930	55,930	64,070
Maintenance Vehicle	72,000	65,802	-	65,802	6,198
Northview Renovations	147,940	30,000	117,940	147,940	-
Oakwood Elementary Renovations	110,000	-	-	-	110,000
Paving/Sealing Parking Lots Systemwide	808,538	366,533	442,005	808,538	-
Per Capita Allocation	161,796	-	161,796	161,796	-
Rekeying Locks	141,000	141,000	-	141,000	-
Security Upgrades	92,408	65,000	27,408	92,408	-
Southwest Elementary HVAC	540,000	534,583	-	534,583	5,417
Southwest Elementary Mechanical Upgrades	215,000	214,926	-	214,926	74
Technology Upgrades	35,000	22,427	-	22,427	12,573
Telecommunication Systems	40,000	-	18,832	18,832	21,168
Total Hickory Public Schools	<u>3,441,797</u>	<u>1,939,247</u>	<u>1,022,437</u>	<u>2,961,684</u>	<u>480,113</u>
Newton-Conover City Schools					
Asbestos Removal	111,032	107,825	3,207	111,032	-
Capital Projects Manager	5,601	-	-	-	5,601
Conover School Renovations	100,000	-	50,017	50,017	49,983
Fire Alarm Upgrades	60,000	50,470	-	50,470	9,530
HVAC Upgrades Systemwide	1,400,000	1,018,691	85,760	1,104,451	295,549
NCHS General Renovations	75,000	68,924	6,076	75,000	-
North Newton Windows	100,000	-	5,078	5,078	94,922
Per Capita Allocation	153,920	-	153,920	153,920	-
Security Upgrades	90,000	20,498	23,671	44,169	45,831
System Wide Renovations	120,000	43,955	54,031	97,986	22,014
Total Newton-Conover City Schools	<u>2,215,553</u>	<u>1,310,363</u>	<u>381,760</u>	<u>1,692,123</u>	<u>523,430</u>
Total expenditures	<u>24,571,389</u>	<u>13,164,805</u>	<u>5,233,511</u>	<u>18,398,316</u>	<u>6,173,073</u>
Excess of revenues over (under) expenditures	<u>(5,319,699)</u>	<u>8,500,493</u>	<u>870,732</u>	<u>9,371,225</u>	<u>14,690,924</u>
Other Financing Sources (Uses)					
Transfers from					
General Fund	1,555,000	530,000	1,025,000	1,555,000	-
General Capital Fund	750,000	-	750,000	750,000	-
School Construction Fund	40,209	35,000	5,209	40,209	-
Transfers to					
General Fund	(200,000)	(150,000)	(50,000)	(200,000)	-
School Construction Fund	(801,403)	(646,022)	(155,381)	(801,403)	-
Fund Balance Appropriated	<u>3,975,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,975,893)</u>
Total other financing sources (uses)	<u>5,319,699</u>	<u>(231,022)</u>	<u>1,574,828</u>	<u>1,343,806</u>	<u>(3,975,893)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,269,471</u>	<u>2,445,560</u>	<u>\$ 10,715,031</u>	<u>\$ 10,715,031</u>
Fund Balances - Beginning of Year			<u>8,269,471</u>		
Fund Balances - End of Year			<u>\$ 10,715,031</u>		

CATAWBA COUNTY, NORTH CAROLINA

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School Construction Fund
**Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2020**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u> <u>Current Year</u>	<u>Total to Date</u>	<u>Over/Under</u>
Revenues					
Investment earnings	-	704,947	187,883	892,830	892,830
Total revenues	-	704,947	187,883	892,830	892,830
Expenditures					
Catawba County Schools					
Banoak Elementary	8,845,000	4,426,188	3,666,986	8,093,174	751,826
Claremont Elementary Cafeteria	2,571,491	2,347,807	223,684	2,571,491	-
Clyde Campbell Elementary Cafeteria	2,888,650	2,619,934	268,716	2,888,650	-
Maiden Middle School	7,250,000	-	18,000	18,000	7,232,000
Project Planning	200,000	-	-	-	200,000
Roof Replacements	1,610,000	105,784	5,441	111,225	1,498,775
St. Stephens Classroom Renovation	10,363,000	357	1,727,165	1,727,522	8,635,478
Total Catawba County Schools	33,728,141	9,500,070	5,909,992	15,410,062	18,318,079
Catawba Valley Community College					
Engineering Building	3,000,000	-	78,018	78,018	2,921,982
Vocational Building	25,100,000	23,885,713	1,013,947	24,899,660	200,340
Total Catawba Valley Community College	28,100,000	23,885,713	1,091,965	24,977,678	3,122,322
Hickory Public Schools					
Oakwood Elementary Renovation	2,188,181	1,850,841	3,482	1,854,323	333,858
Total Hickory Public Schools	2,188,181	1,850,841	3,482	1,854,323	333,858
Newton-Conover City Schools					
Conover School Renovations	3,312,452	2,853,462	422,977	3,276,439	36,013
Newton-Conover High School Cafeteria	2,848,529	-	5,000	5,000	2,843,529
Roof Replacements	147,364	-	33,051	33,051	114,313
Total Newton-Conover City Schools	6,308,345	2,853,462	461,028	3,314,490	2,993,855
Other					
Future Projects	850,000	-	-	-	850,000
Future Debt Service	16,018,333	-	-	-	16,018,333
Total Other	16,868,333	-	-	-	16,868,333
Total expenditures	87,193,000	38,090,086	7,466,467	45,556,553	41,636,447
Excess of revenues over (under) expenditures	(87,193,000)	(37,385,139)	(7,278,584)	(44,663,723)	42,529,277
Other Financing Sources (Uses)					
Transfers from					
General Fund	14,905,642	14,118,862	786,780	14,905,642	-
School Capital Fund	801,403	646,022	155,381	801,403	-
Transfers to					
School Capital Fund	(5,209)	-	(5,209)	(5,209)	-
Bonds issued	69,543,224	36,747,028	-	36,747,028	(32,796,196)

School Construction Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual
From Inception and for the Year Ended June 30, 2020

Project	Actual			
	Authorization	Prior Years	Current Year	Total to Date
Premium on bonds issued	-	1,088,868	-	1,088,868
Fund Balance Appropriated	1,947,940	-	-	(1,947,940)
Total other financing sources (uses)	87,193,000	52,600,780	936,952	53,537,732
				(33,655,268)
Net change in fund balance	\$ -	\$ 15,215,641	(6,341,632)	\$ 8,874,009
Fund Balances - Beginning of Year			15,215,641	
Fund Balances - End of Year			\$ 8,874,009	

Hospital Capital Reserve Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2020
 With Comparative Actual Amounts for Fiscal Year Ended June 30, 2019

	2020			Actual Prior Year
	Budget	Actual	Over/Under	
Revenues				
Investment earnings	5,000	69,796	64,796	121,259
Total revenues	5,000	69,796	64,796	121,259
Excess of revenues over (under) expenditures	5,000	69,796	64,796	121,259
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	-	(430,204)	(430,204)	(378,741)
Fund Balances - Beginning of Year		3,740,541		4,119,282
Fund Balances - End of Year		3,310,337		3,740,541

Enterprise Fund
(Proprietary Fund Type)

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

Solid Waste Management Fund -

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

Solid Waste Management Construction Fund -

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

Water and Sewer Fund -

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

Water and Sewer Construction Fund -

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-1

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Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior Year
	Budget	Actual	Over/Under	Year
Revenues				
Operating revenues				
Charges for services				
Solid waste charges	\$ 6,481,250	\$ 7,044,587		
Methane recovery	465,000	401,847		
Other operating	106,250	92,845		
Total operating revenues	7,052,500	7,539,279	486,779	7,131,247
Nonoperating revenues				
Solid waste disposal tax	67,000	81,825		
Scrap tire disposal tax	200,000	215,516		
White goods disposal tax	75,000	71,795		
Scrap tire grant	15,000	65,130		
Electronics management distribution	12,000	9,241		
Hickory community relations	3,000	-		
Proceeds from sale of equipment	50,000	106,551		
Property cleanup reimbursement	2,500	595		
Investment earnings	60,000	264,401		
Total nonoperating revenues	484,500	815,054	330,554	1,052,615
Total revenues	7,537,000	8,354,333	817,333	8,183,862
Expenditures				
Solid Waste Management				
Administration				
Salaries & employee benefits	318,834	301,326		
Other operating	364,721	343,400		
	683,555	644,726	38,829	573,699
Recycling				
Salaries & employee benefits	81,565	80,903		
Other operating	197,310	158,012		
	278,875	238,915	39,960	230,209
Solid Waste Management Improvements				
Other operating	430,379	167,663		
	430,379	167,663	262,716	142,364
Solid Waste Code Enforcement				
Salaries & employee benefits	67,091	66,467		
Other operating	38,671	8,959		
	105,762	75,426	30,336	75,620
Sanitary Landfill				
Salaries & employee benefits	1,517,479	1,439,520		
Maintenance and repair	437,531	263,002		
Solid waste disposal tax remittance	352,800	408,837		
Landfill closure and postclosure care costs	49,231	46,770		
Other operating	1,641,247	1,136,013		
	3,998,288	3,294,142	704,146	3,409,203

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-1

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Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior Year
	Budget	Actual	Over/Under	
Blackburn Landfill - Methane Recovery				
Maintenance and repair	421,715	296,279		
Other operating	77,080	53,788		
	498,795	350,067	148,728	380,972
Total operating expenditures	5,995,654	4,770,939	1,224,715	4,812,067
Capital outlay	1,285,358	1,284,781	577	1,059,037
Total expenditures	7,281,012	6,055,720	1,225,292	5,871,104
Excess of revenues over (under) expenditures	255,988	2,298,613	2,042,625	2,312,758
Other Financing Sources (Uses)				
Transfer to Solid Waste Capital Fund	(3,766,257)	(3,766,257)		
Fund balance appropriated	3,510,269	-	(3,510,269)	
Total other financing sources (uses)	(255,988)	(3,766,257)	(3,510,269)	(4,122,758)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (1,467,644)	\$ (1,467,644)	\$ (1,810,000)
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (1,467,644)		
Reconciling items				
Capital outlay		1,284,781		
Depreciation		(1,355,719)		
(Increase) decrease in deferred outflows of resources - pensions		(61,931)		
(Increase) decrease in net pension liability		(41,702)		
(Increase) decrease in deferred inflows of resources - pensions		(1,884)		
(Increase) decrease in accrued landfill closure and postclosure care costs		(100,000)		
(Increase) decrease in accrued landfill closure and postclosure care reduction		1,502,225		
(Increase) decrease in compensated absences		5,034		
(Increase) decrease in deferred outflows of resources - OPEB		18,984		
(Increase) decrease in net OPEB liability		(46,495)		
(Increase) decrease in deferred inflows of resources - OPEB		2,800		
Project expenditures not capitalized		(1,770,534)		
Revenues from capital projects		157,941		
Transfers from capital projects		3,766,257		
Total reconciling items		3,359,757		
Change in net position (Exhibit 7) (full accrual)		\$ 1,892,113		

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-2

**Solid Waste Management Capital Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From Inception and for the Year Ended June 30, 2020**

	Project Authorization	Actual			Over/Under
		Prior Years	Current Year	Total to Date	
Revenues					
Investment earnings	\$ -	\$ 364,492	157,941	\$ 522,433	\$ 522,433
Miscellaneous revenue	-	359,098	-	359,098	359,098
Total revenues	-	723,590	157,941	881,531	522,433
Expenditures					
Capital outlay					
Bethany Church Road Landfill	2,350,000	329,356	66,299	395,655	1,954,345
Landfill Collection Improvements	140,000	87,051	9,700	96,751	43,249
Subtitle D Cell Construction	9,915,986	3,415,801	3,469,057	6,884,858	3,031,128
Wetlands Mitigation	1,770,600	-	1,770,534	1,770,534	66
Total expenditures	14,176,586	3,832,208	5,315,590	9,147,798	5,028,788
Excess of revenues over (under) expenditures	(14,176,586)	(3,108,618)	(5,157,649)	(8,266,267)	5,910,319
Other Financing Sources (Uses)					
Transfer from Solid Waste Operating	14,176,586	10,410,329	3,766,257	14,176,586	-
Total other financing sources (uses)	14,176,586	10,410,329	3,766,257	14,176,586	-
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 7,301,711	\$ (1,391,392)	\$ 5,910,319	\$ 5,910,319



CATAWBA COUNTY, NORTH CAROLINA

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Water and Sewer Fund
Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019

	2020			Actual Prior
	Budget	Actual	Over/Under	Year
Revenues				
Operating revenues	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Nonoperating revenues				
Municipality revenue	777,000	984,164		
Domestic Haulers	84,000	391		
Capital fees	210,000	173,625		
City of Newton - Balls Creek water	-	735,152		
City of Conover - Farmfield Acres water	-	260,985		
Investment earnings	-	338,545		
Total nonoperating revenues	1,071,000	2,492,862	1,421,862	2,080,571
Total revenues	1,071,000	2,492,862	1,421,862	2,080,571
Expenditures				
Water and Sewer				
Water and Sewer Administration				
Salaries & employee benefits	125,216	111,499		
Other operating	2,138,081	1,429,382		
Principal	1,176,281	1,176,280		
Interest	198,132	188,260		
Total expenditures	3,637,710	2,905,421	732,289	2,056,888
Excess of revenues over (under) expenditures	(2,566,710)	(412,559)	2,154,151	23,683
Other Financing Sources (Uses)				
Transfer from General fund	805,367	805,367		
Fund balance appropriated	1,761,343	-		
Total other financing sources (uses)	2,566,710	805,367	(1,761,343)	1,675,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 392,808	\$ 392,808	\$ 1,698,683
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 392,808		
Reconciling items				
Depreciation		(846,936)		
(Increase) decrease in deferred outflows of resources - pensions		(3,742)		
(Increase) decrease in net pension liability		(2,654)		
(Increase) decrease in deferred inflows of resources - pensions		(118)		
(Increase) decrease in compensated absences		671		
(Increase) decrease in deferred outflows of resources - OPEB		655		
(Increase) decrease in net OPEB liability		(1,604)		
(Increase) decrease in deferred inflows of resources - OPEB		97		
Loan principal		1,176,280		

CATAWBA COUNTY, NORTH CAROLINA

Schedule E-3

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**Water and Sewer Fund
Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020
With Comparative Actual Amounts For Fiscal Year Ended June 30, 2019**

Project expenditures not capitalized	(457,298)
Revenues from capital projects	423,206
Transfers from capital projects	<u>(805,367)</u>
Total reconciling items	<u>(516,810)</u>
Change in net position (full accrual)	<u>\$ (124,002)</u>

Water and Sewer Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Over/Under
Revenues					
Other Taxes					
Sales Taxes - Article 46 - one quarter of one percent	\$ 3,909,137	\$ 4,183,432	-	\$ 4,183,432	\$ 274,295
Investment earnings	-	3,020,436	423,206	3,443,642	3,443,642
Miscellaneous	-	76,223	-	76,223	76,223
Total revenues	3,909,137	7,280,091	423,206	7,703,297	3,794,160
Expenditures					
Capital outlay					
Balls Creek Water Phase II	6,191,905	1,200,523	(4,147)	1,196,376	4,995,529
Bandys Mill Creek Commscope	250,000	-	-	-	250,000
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	347,980	-	347,980	347,980	-
Hart Road Water	500,000	-	407,110	407,110	92,890
Hwy 16 Sewer	910,000	-	-	-	910,000
Hwy 16 South Utilities	2,019,132	-	-	-	2,019,132
Hwy 150 Sewer Service Phase I and II	2,136,848	1,768,906	73,718	1,842,624	294,224
McLin/Lyle Creek Sewer Outfall	3,000,000	-	-	-	3,000,000
Trivium Business Park	700,000	-	-	-	700,000
Sherrills Ford Wastewater Treatment	100,000	-	-	-	100,000
Sludge Composting Project	3,340,784	3,298,370	42,414	3,340,784	-
Southeastern Catawba County Sewer Study	452,000	380,950	71,050	452,000	-
Wastewater Emergent Need	100,000	-	-	-	100,000
Wastewater Treatment Plant Expansion	750,000	-	-	-	750,000
Total expenditures	22,718,016	7,747,341	938,125	8,685,466	14,032,550
Excess of revenues over (under) expenditures	(18,808,879)	(467,250)	(514,919)	(982,169)	17,826,710
Other Financing Sources (Uses)					
Transfers from					
General Fund	5,274,881	5,274,881	-	5,274,881	-
Water and Sewer Construction Fund - Governmental	2,452,460	15,850,295	-	15,850,295	13,397,835
Transfers to					
Wate and Sewer Operations	(805,367)		(805,367)	(805,367)	-
Fund balance appropriated	11,886,905	-	-	-	(11,886,905)
Total other financing sources (uses)	18,808,879	21,125,176	(805,367)	20,319,809	1,510,930
Revenues and other sources over (under) expenditures and other financing uses	\$ -	\$ 20,657,926	\$ (1,320,286)	\$ 19,337,640	\$ 19,337,640

Agency Funds (Fiduciary Fund Types)

Agency Funds are used to account for funds held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Social Services Fund – accounts for monies held by the Social Services Department for the benefit of certain individuals for whom the County serves as agent.

Sheriff Commissary Fund – accounts for monies held by the Sheriff's Department on behalf of inmates detained in the County jail.

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

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

Deed of Trust Fee Fund - accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the North Carolina State Treasurer.

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

CATAWBA COUNTY, NORTH CAROLINA

Schedule F-1

**All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For Fiscal Year Ended June 30, 2020**

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
Social Services Fund				
Assets				
Cash and investments	<u>\$ 70,394</u>	<u>\$ 307,067</u>	<u>\$ 273,709</u>	<u>\$ 103,752</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 70,394</u>	<u>\$ 307,067</u>	<u>\$ 273,709</u>	<u>\$ 103,752</u>
Sheriff Commissary Fund				
Assets				
Cash and investments	<u>\$ 42,103</u>	<u>\$ 329,699</u>	<u>\$ 324,445</u>	<u>\$ 47,357</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 42,103</u>	<u>\$ 329,699</u>	<u>\$ 324,445</u>	<u>\$ 47,357</u>
Sheriff Civil Fund				
Assets				
Cash and investments	<u>\$ 1,530</u>	<u>\$ 300,288</u>	<u>\$ 301,818</u>	<u>\$ -</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 1,530</u>	<u>\$ 300,288</u>	<u>\$ 301,818</u>	<u>\$ -</u>
Sheriff Evidence Escrow Fund				
Assets				
Cash and investments	<u>\$ 202,045</u>	<u>\$ 36,238</u>	<u>\$ 39,397</u>	<u>\$ 198,886</u>
Liabilities				
Miscellaneous liabilities	<u>\$ 202,045</u>	<u>\$ 36,238</u>	<u>\$ 39,397</u>	<u>\$ 198,886</u>
Deed of Trust Fee Fund				
Assets				
Cash and investments	<u>\$ 8,810</u>	<u>\$ 110,149</u>	<u>\$ 109,213</u>	<u>\$ 9,746</u>
Liabilities				
Intergovernmental payable - State of North Carolina	<u>\$ 8,810</u>	<u>\$ 110,149</u>	<u>\$ 109,213</u>	<u>\$ 9,746</u>
Fines and Forfeitures				
Assets				
Cash and investments	<u>\$ -</u>	<u>\$ 375,875</u>	<u>\$ 375,875</u>	<u>\$ -</u>
Liabilities				
Intergovernmental payable - Local Boards of Education	<u>\$ -</u>	<u>\$ 375,875</u>	<u>\$ 375,875</u>	<u>\$ -</u>
Total - All Agency Funds				
Assets				
Cash and investments	<u>\$ 324,882</u>	<u>\$ 1,459,316</u>	<u>\$ 1,424,457</u>	<u>\$ 359,741</u>
Liabilities				
Intergovernmental payable - State of North Carolina	<u>\$ 8,810</u>	<u>\$ 110,149</u>	<u>\$ 109,213</u>	<u>\$ 9,746</u>
Intergovernmental payable - Local Boards of Education	<u>\$ -</u>	<u>\$ 375,875</u>	<u>\$ 375,875</u>	<u>\$ -</u>
Miscellaneous liabilities	<u>\$ 316,072</u>	<u>\$ 973,292</u>	<u>\$ 939,369</u>	<u>\$ 349,995</u>
Total liabilities	<u>\$ 324,882</u>	<u>\$ 1,459,316</u>	<u>\$ 1,424,457</u>	<u>\$ 359,741</u>

Other Schedules

This section contains additional information on *cash and investments, property taxes, and general long-term debt*.

Schedule of Cash and Investment Balances

Analysis of Current Tax Levy

Schedule of Taxes Receivable

General Long-Term Debt Requirements and Maturity Schedule

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

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**Schedule of Cash and Investment Balances
June 30, 2020**

	Amounts Represented on Statements	Cost Value	Fair Value
Cash			
On hand	\$ 9,843	\$ 9,843	\$ 9,843
In demand deposits			
(interest bearing)	27,613,543	27,613,543	27,613,543
(noninterest bearing)	349,995	349,995	349,995
Certificates of deposit	243,133	243,133	243,133
Money Market, unrestricted	1,011,905	1,011,905	1,011,905
Money Market, restricted for capital	18,001,726	18,001,726	18,001,726
Total cash	<u>\$ 47,230,145</u>	<u>\$ 47,230,145</u>	<u>\$ 47,230,145</u>
Other Investments			
North Carolina Capital			
Management Trust, Government Portfolio	66,070,310	66,070,310	66,070,310
North Carolina Capital			
Management Trust, Term Portfolio	31,953,213	31,953,213	31,953,213
Debt Escrow, restricted for capital	8,816,636	8,816,636	8,816,636
Federal Farm Credit	8,766,935	8,542,909	8,766,935
Federal Home Loan Bank	10,949,251	10,667,882	10,949,251
Federal Home Loan Mortgage Corporation	7,350,643	7,169,317	7,350,643
Federal National Mortgage Association	11,996,074	11,487,869	11,996,074
Total other investments	<u>\$ 145,903,062</u>	<u>\$ 144,708,136</u>	<u>\$ 145,903,062</u>
Total cash and investments	<u><u>\$ 193,133,207</u></u>	<u><u>\$ 191,938,281</u></u>	<u><u>\$ 193,133,207</u></u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule G-1

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**Schedule of Cash and Investment Balances
June 30, 2020****Distribution by funds**

General Fund	\$	70,325,847	
Restricted cash		17,772,200	\$ 88,098,047
Special Revenue Funds			
Emergency Telephone System Fund	\$	913,796	
Narcotics Seized Funds and Property Fund		41,459	
State Unauthorized Substance Abuse Fund		130,584	
Narcotics Seized Justice Funds		159,483	
Narcotics Seized Treasury Funds		36,485	
Rescue Squads Fund		486,984	
Library Endowment Fund		205,165	
Gretchen Peed Scholarship Fund		58,670	
Parks Preservation Trust Fund		23,033	
Community Development Fund		19,960	
CARES Act Fund			
Restricted Cash		2,850,870	
Fire District Funds		1,419,685	6,346,174
Capital Projects Funds			
General Capital Projects Fund	\$	15,667,489	
Restricted Cash		6,946,054	
Schools Capital Projects Fund		9,013,788	
School Construction Fund		7,469,193	
Restricted Cash		2,717,631	
Hospital Capital Reserve Fund		3,305,995	45,120,150
Enterprise Fund			
Water & Sewer Fund	\$	34,886,436	
Solid Waste Management Fund		18,322,659	53,209,095
Fiduciary Funds			
Social Services Fund	\$	103,752	
Sheriff Commissary Fund		47,357	
Sheriff Civil Fund		-	
Sheriff Evidence Escrow Fund		198,886	
Deed of Trust Fee Fund		9,746	
Fines and Forfeitures		-	359,741
Total			<u>\$ 193,133,207</u>

CATAWBA COUNTY, NORTH CAROLINA

Schedule H-1

**Analysis of Current Tax Levy
For the Year Ended June 30, 2020**

	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	\$ 18,348,591,502	0.575	\$ 105,504,401	\$ 96,709,646	\$ 8,794,755
Penalties	-		33,150	33,150	-
Total	18,348,591,502		105,537,551	96,742,796	8,794,755
Discoveries:					
Current year taxes	116,828,376	0.575	671,763	671,763	-
Prior year taxes	53,446,390	various	307,317	307,317	-
Penalties	-		85,428	85,428	-
Total	170,274,766		1,064,508	1,064,508	-
Abatements:	(62,171,150)		(357,484)	(321,593)	(35,891)
Total property valuation	<u>\$ 18,456,695,118</u>				
Net levy			106,244,575	97,485,711	8,758,864
Uncollected taxes at June 30, 2020			1,583,768	1,583,768	-
Current year's taxes collected			<u>\$ 104,660,807</u>	<u>\$ 95,901,943</u>	<u>\$ 8,758,864</u>
Current levy collection percentage			<u>98.51%</u>	<u>98.38%</u>	<u>100.00%</u>

Secondary Market Disclosures

Assessed Valuation:	
Assessment Ratio ⁽¹⁾	100%
Real Property	\$ 13,101,976,344
Personal Property	4,431,826,297
Public Service Companies ⁽²⁾	<u>922,892,477</u>
Total Assessed Valuation	\$ 18,456,695,118
Tax Rate per \$100	0.575
Net Levy (includes discoveries, releases and abatements) ⁽³⁾	\$ 106,244,575

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	\$ 8,098,625,997
---------------------------	------------------

⁽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, 2020

General Fund	Uncollected Balance June 30, 2019	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2020
2019	\$ -	\$ 106,244,575	\$ 104,660,807	\$ 1,583,768
2018	1,361,684	-	803,545	558,139
2017	587,255	-	280,215	307,040
2016	335,916	-	125,183	210,733
2015	224,798	-	63,322	161,476
2014	221,108	-	66,078	155,030
2013	361,295	-	56,729	304,566
2012	419,108	-	57,818	361,290
2011	363,615	-	35,072	328,543
2010	346,385	-	25,677	320,708
Prior	342,082	-	342,082	-
	<u>\$ 4,563,246</u>	<u>\$ 106,244,575</u>	<u>\$ 106,516,528</u>	<u>\$ 4,291,293</u>
Less allowance for uncollectible taxes	<u>3,465,318</u>			<u>2,950,431</u>
Taxes receivable -- net	<u>\$ 1,097,928</u>			<u>\$ 1,340,862</u>

Reconcilement with revenues:

Ad valorem taxes	
General Fund	\$ 106,160,053
Rescue Squad Fund	<u>826,183</u>
Total ad valorem taxes	\$ 106,986,236
Reconciling items:	
Penalties and interest collected	(598,665)
Tax on leased vehicle collected	(218,209)
Prior year release/adjustments	5,084
Taxes written off	<u>342,082</u>
Total reconciling items	<u>(469,708)</u>
Total collections	<u>\$ 106,516,528</u>

CATAWBA COUNTY, NORTH CAROLINA
General Long-Term Debt Requirements and Maturity Schedule
June 30, 2020

Schedule J-1

Fiscal Year Ended June 30	Governmental Activities			Business Type Activities		
	Debt Principal	Interest	Total	Debt Principal	Interest	Total
2021	14,577,808	5,479,092	20,056,900	1,186,525	168,822	1,355,347
2022	13,363,679	5,038,744	18,402,423	1,198,897	137,191	1,336,088
2023	13,271,135	4,604,237	17,875,372	1,214,036	103,132	1,317,168
2024	13,076,485	4,169,070	17,245,555	1,206,510	69,290	1,275,800
2025	10,388,603	3,778,280	14,166,883	987,447	41,529	1,028,976
2026-2030	66,009,737	8,257,867	74,267,604	923,818	35,854	959,672
2031-2035	13,380,000	2,649,713	16,029,713	-	-	-
2036-2039	7,770,000	588,313	8,358,313	-	-	-
	<u>\$ 151,837,447</u>	<u>\$ 34,565,316</u>	<u>\$ 186,402,763</u>	<u>\$ 6,717,233</u>	<u>\$ 555,818</u>	<u>\$ 7,273,051</u>

⁽¹⁾ 10% of Legal Debt Limit

Statistical Section

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

<u>Content</u>	<u>Pages</u>
<i>Financial Trends</i> These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	190-197
<i>Revenue Capacity</i> These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.	198-201
<i>Debt Capacity</i> These tables present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	202-205
<i>Demographic and Economic Information</i> These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	206-207
<i>Operating Information</i> These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.	208-210

CATAWBA COUNTY, NORTH CAROLINA

Table 1
Page 1 of 2

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental activities:					
Net investment in capital assets	\$ 115,574,093	\$ 102,979,361	\$ 102,894,759	\$ 92,137,818	\$ 82,024,110
Restricted	39,677,297	47,104,886	26,520,247	32,847,390	37,336,072
Unrestricted	(40,780,172)	(47,734,012)	(31,770,408)	(20,049,846)	(17,909,411)
Total governmental activities net position	<u>114,471,218</u>	<u>102,350,235</u>	<u>97,644,598</u>	<u>104,935,362</u>	<u>101,450,771</u>
Business-type activities:					
Net investment in capital assets	68,855,090	64,560,596	60,993,467	57,243,979	53,727,147
Unrestricted	<u>44,606,556</u>	<u>47,132,939</u>	<u>46,791,325</u>	<u>46,440,583</u>	<u>47,385,811</u>
Total business-type activities net position	<u>113,461,646</u>	<u>111,693,535</u>	<u>147,462,089</u>	<u>103,684,562</u>	<u>101,112,958</u>
Primary government:					
Net investment in capital assets	184,429,183	167,539,957	163,888,226	149,381,797	135,751,257
Restricted	39,677,297	47,104,886	66,197,544	32,847,390	37,336,072
Unrestricted	<u>3,826,384</u>	<u>(601,073)</u>	<u>15,020,917</u>	<u>26,390,737</u>	<u>29,476,400</u>
Total primary government net position	<u>\$ 227,932,864</u>	<u>\$ 214,043,770</u>	<u>\$ 245,106,687</u>	<u>\$ 208,619,924</u>	<u>\$ 202,563,729</u>

Data Source
Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINATable 1
Page 2 of 2**Net Position by Component**
Last Ten Fiscal Years
(accrual basis of accounting)

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

Data Source
Audited Financial Statements

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

(accrual basis of accounting)

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	\$ 12,155,897	\$ 11,645,266	\$ 10,229,231	\$ 12,702,261	\$ 11,860,452
Public safety	50,525,230	42,615,139	40,842,983	39,368,324	34,879,104
Environmental protection	620,215	629,550	599,963	679,490	585,457
Economic and physical development	20,154,248	18,490,744	17,042,823	16,638,619	14,883,762
Human services	46,071,393	44,620,992	43,083,045	48,949,754	46,621,822
Culture and recreation	3,786,087	3,372,144	3,545,635	3,518,210	3,595,626
Education	58,197,754	65,517,013	69,146,541	57,013,840	50,223,611
Interest on long-term debt	4,064,107	4,318,642	3,615,378	3,707,890	3,477,042
Total governmental activities expenses	<u>195,574,931</u>	<u>191,209,490</u>	<u>188,105,599</u>	<u>182,578,388</u>	<u>166,126,876</u>
Business-type activities:					
Solid waste management	8,122,386	6,576,468	5,640,840	5,575,002	5,346,204
Water and sewer	3,040,068	3,210,852	2,289,106	2,074,045	2,279,892
Total business-type activities expenses	<u>11,162,454</u>	<u>9,787,320</u>	<u>7,929,946</u>	<u>7,649,047</u>	<u>7,626,096</u>
Total primary government expenses	<u>206,737,385</u>	<u>200,996,810</u>	<u>196,035,545</u>	<u>190,227,435</u>	<u>173,752,972</u>
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	2,010,935	2,413,382	2,048,789	1,645,516	1,664,523
Public safety	8,325,780	8,753,953	9,082,972	9,062,382	8,617,461
Environmental protection	24,502	40,791	35,125	33,368	35,269
Economic and physical development	3,472,412	2,639,454	2,886,862	2,783,017	2,552,503
Human services	2,199,185	1,986,009	2,104,653	2,777,252	7,390,409
Culture and recreation	60,759	63,150	60,763	57,805	61,537
Education	-	-	-	-	-
Operating grants and contributions	31,304,752	29,495,898	29,180,562	33,826,622	33,083,275
Capital grants and contributions	565,040	465,997	246,568	114,292	250,000
Total governmental activities program revenues	<u>47,963,365</u>	<u>45,858,634</u>	<u>45,646,294</u>	<u>50,300,254</u>	<u>53,654,977</u>
Business-type activities:					
Fees, fines, and charges for services	9,225,356	7,972,268	7,384,774	6,615,230	6,421,312
Operating grants and contributions	1,049,294	870,227	1,500,375	742,079	743,064
Capital grants and contributions	996,137	13,364	-	-	223,191
Total business-type activities program revenues	<u>11,270,787</u>	<u>8,855,859</u>	<u>8,885,149</u>	<u>7,357,309</u>	<u>7,387,567</u>
Total primary government program revenues	<u>59,234,152</u>	<u>54,714,493</u>	<u>54,531,443</u>	<u>57,657,563</u>	<u>61,042,544</u>
Net (Expenses) Revenues					
Governmental activities	(147,611,566)	(145,350,856)	(142,459,305)	(132,278,134)	(112,471,899)
Business-type activities	108,333	(931,461)	955,203	(291,738)	(238,529)
Total primary government net expense	<u>(147,503,233)</u>	<u>(146,282,317)</u>	<u>(141,504,102)</u>	<u>(132,569,872)</u>	<u>(112,710,428)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	115,771,446	107,841,934	104,070,254	102,512,789	98,691,384
Local option sales taxes	39,552,244	37,938,247	36,065,390	34,612,225	32,903,055
Other taxes	1,849,277	1,795,787	1,848,291	1,768,591	1,590,916
Investment earnings, unrestricted	2,559,582	4,175,509	702,975	209,348	1,470,473
Gain (loss) on sales of capital assets	-	-	-	-	-
Transfers	-	(1,694,984)	(1,653,489)	(1,600,000)	(1,617,050)
Total governmental activities	<u>159,732,549</u>	<u>150,056,493</u>	<u>141,033,421</u>	<u>137,502,953</u>	<u>133,038,778</u>
Business-type activities:					
Taxes					
Local option sales taxes	-	900,150	848,925	821,860	870,975
Other taxes	369,136	372,218	425,298	340,216	327,044
Investment earnings	1,184,091	1,867,691	292,600	52,518	715,609
Gain on sales of capital assets	106,551	5,161	54,598	48,748	54,235
Transfers	-	1,694,984	1,653,489	1,600,000	1,617,050
Total business-type activities	<u>1,659,778</u>	<u>4,840,204</u>	<u>3,274,910</u>	<u>2,863,342</u>	<u>3,584,913</u>
Total primary government	<u>161,392,327</u>	<u>154,896,697</u>	<u>144,308,331</u>	<u>140,366,295</u>	<u>136,623,691</u>
Change in Net Position					
Governmental activities	12,120,983	4,705,637	(1,425,884)	5,224,819	20,566,879
Business-type activities	1,768,111	3,908,743	4,230,113	2,571,604	3,346,384
Total primary government	<u>\$ 13,889,094</u>	<u>\$ 8,614,380</u>	<u>\$ 2,804,229</u>	<u>\$ 7,796,423</u>	<u>\$ 23,913,263</u>

Data Source

Audited Financial Statements

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	\$ 9,933,029	\$ 10,807,772	\$ 9,760,225	\$ 9,737,258	\$ 9,795,648
Public safety	32,921,751	32,732,323	31,236,944	31,399,814	30,599,650
Environmental protection	546,444	492,269	508,073	459,609	508,248
Economic and physical development	13,950,985	13,538,407	12,780,487	11,657,411	9,713,902
Human services	47,218,856	47,935,422	48,863,130	50,113,468	51,350,294
Culture and recreation	3,127,165	2,847,558	2,776,547	2,724,942	2,733,249
Education	49,298,062	61,843,087	57,519,210	57,134,411	65,072,007
Interest on long-term debt	3,815,195	3,774,279	3,602,099	4,487,690	4,998,419
Total governmental activities expenses	160,811,487	173,971,117	167,046,715	167,714,603	174,771,417
Business-type activities:					
Solid waste management	46,123,218				
Water and sewer	4,899,445	5,166,963	5,927,016	5,797,602	5,869,812
	2,291,702	1,612,849	2,102,576	2,462,706	1,365,042
Total business-type activities expenses	7,191,147	6,779,812	8,029,592	8,260,308	7,234,854
Total primary government expenses	168,002,634	180,750,929	175,076,307	175,974,911	182,006,271
Program Revenues					
Governmental activities:					
Fees, fines, and charges for services:					
General government	1,870,508	1,752,070	1,869,484	2,018,381	2,915,961
Public safety	8,747,839	8,068,851	9,178,100	9,436,724	10,169,062
Environmental protection	24,651	5,100	4,675	5,100	5,525
Economic and physical development	2,489,106	2,204,984	2,329,590	2,287,770	1,788,439
Human services	5,279,686	6,762,666	7,247,968	6,368,320	7,286,797
Culture and recreation	66,579	57,436	62,192	61,080	61,607
Education	-	494,298	499,006	509,420	796,001
Operating grants and contributions	37,229,196	29,136,207	28,576,342	31,816,198	32,659,457
Capital grants and contributions	125,000	2,292,224	1,859,891	1,746,730	5,380,157
Total governmental activities program revenues	55,832,565	50,773,836	51,627,248	54,249,723	61,063,006
Business-type activities:					
Fees, fines, and charges for services	6,054,569	5,671,631	5,880,833	5,912,649	5,742,856
Operating grants and contributions	606,766	868,759	650,178	447,717	501,033
Capital grants and contributions	486,732	126,942	731,970	1,366,637	1,957,808
Total business-type activities program revenues	7,148,067	6,667,332	7,262,981	7,727,003	8,201,697
Total primary government program revenues	62,980,632	57,441,168	58,890,229	61,976,726	69,264,703
Net (Expenses) Revenues					
Governmental activities	(104,978,922)	(123,197,281)	(115,419,467)	(113,464,880)	(113,708,411)
Business-type activities	(43,080)	(112,480)	(766,611)	(533,305)	966,843
Total primary government net expense	(105,022,002)	(123,309,761)	(116,186,078)	(113,998,185)	(112,741,568)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	94,200,605	93,649,723	89,347,893	85,663,390	85,440,972
Local option sales taxes	29,962,757	28,027,368	26,644,767	26,394,707	26,504,695
Other taxes	1,652,213	1,494,645	1,548,870	1,517,464	1,491,355
Investment earnings, unrestricted	975,564	1,155,474	(183,818)	1,291,370	1,136,085
Gain (loss) on sales of capital assets	-	-	9,169	-	-
Transfers	(800,000)	(1,601,565)	(775,000)	(775,000)	(3,561,973)
Total governmental activities	125,991,139	122,725,645	116,591,881	114,091,931	111,011,134
Business-type activities:					
Taxes					
Local option sales taxes	1,451,312	1,359,558	1,293,304	-	-
Other taxes	312,429	297,543	294,409	1,585,139	302,161
Investment earnings	477,221	621,805	(94,709)	487,048	533,248
Gain on sales of capital assets	2,220	-	-	-	-
Transfers	800,000	1,601,565	775,000	775,000	3,561,973
Total business-type activities	3,043,182	3,880,471	2,268,004	2,847,187	4,397,382
Total primary government	129,034,321	126,606,116	118,859,885	116,939,118	115,408,516
Change in Net Position					
Governmental activities	21,012,217	(471,636)	1,172,414	627,051	(2,697,277)
Business-type activities	3,000,102	3,767,991	1,501,393	2,313,882	5,364,225
Total primary government	\$ 24,012,319	\$ 3,296,355	\$ 2,673,807	\$ 2,940,933	\$ 2,666,948

Data Source

Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

Table 3
Page 1 of 2

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable					
Inventories	\$ 304,083	\$ 310,198	\$ 314,246	\$ 315,603	\$ 326,899
Prepaid	617,948	595,103	600,017	650,755	791,762
Notes receivable	1,195,145	930,261	828,179	1,140,298	1,487,417
Restricted					
Stabilization by State Statute	16,340,426	17,310,522	16,277,027	15,043,605	15,930,246
Register of Deeds	43,326	46,265	17,382	17,170	5,883
Debt service	17,412,407	15,552,488	13,923,346	11,878,801	10,014,375
Social Services	243,133	245,354	-	-	-
General Capital Reserve	-	-	405,964	404,237	462,531
Committed					
Tax Reappraisal	95,125	94,005	119,803	173,005	172,990
Assigned					
Public Health	662,279	572,272	734,665	684,018	376,026
Social Services	3,892,520	3,434,388	3,758,037	4,133,196	5,189,684
County Manager	263,100	251,336	251,049	168,882	165,824
Human Resources	203,989	210,196	323,652	396,894	498,613
Library	691,398	515,113	307,791	127,497	103,073
Cooperative Extension	-	-	-	-	-
Subsequent year's expenditures	6,389,453	7,606,196	6,809,722	6,196,066	8,740,222
Unassigned	49,576,091	41,970,308	39,478,996	38,512,665	34,098,284
Total general fund	97,930,423	89,644,005	84,149,876	79,842,692	78,363,829
Restricted					
Stabilization by State Statute	16,168,544	22,009,972	2,642,305	9,998,054	13,762,920
Public Safety	1,539,652	1,282,323	934,306	607,282	494,667
Fire Protection	1,408,760	1,881,139	1,487,254	1,521,675	1,370,246
Debt service	-	-	-	-	-
Library Endowment	205,165	199,878	193,303	192,424	192,428
Scholarship	58,670	56,815	54,953	53,725	52,740
Parks Preservation	23,032	5,515	5,335	5,312	1,099
Community Development	19,960	4,408	25,764	15,821	-
CARES Act	4,923	-	-	-	-
General Capital	6,946,054	17,884,858	30,058,365	452,704	2,231,565
School Capital and Construction	2,717,631	6,066,675	22,578,401	22,019,761	-
Hospital Capital	3,305,995	3,728,084	4,104,986	4,586,527	5,063,041
Committed					
General Capital	532,909	2,462,695	17,584,405	16,137,346	18,875,251
School Capital	8,969,464	6,791,275	6,116,496	7,159,669	5,499,929
School Construction	6,027,961	8,877,798	7,216,972	12,264,434	6,790,440
Hospital Construction	-	-	-	-	24,433
Assigned	-	-	-	-	-
Unassigned	(1,106,533)	-	-	-	(712)
Total fund balances	46,822,187	71,251,435	93,002,845	75,014,734	54,358,047
Total governmental funds	\$ 144,752,610	\$ 160,895,440	\$ 177,152,721	\$ 154,857,426	\$ 132,721,876

Data Source
Audited Financial Statements

CATAWBA COUNTY, NORTH CAROLINA

Table 3
Page 2 of 2

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

	Fiscal Year				
	2015	2014	2013	2012	2011
General Fund					
Nonspendable					
Inventories	\$ 319,059	\$ 327,147	\$ 305,186	\$ 338,109	\$ 395,153
Prepaid	115,502	164,242	26,922	54,469	86,781
Notes receivable	1,597,343	-	-	-	-
Restricted					
Stabilization by State Statute	15,465,797	14,650,010	12,972,979	12,221,688	11,581,246
Register of Deeds	78,807	1,410	66,229	50,346	39,764
Debt service	8,273,296	1,839,350	-	-	-
Social Services	-	-	-	-	-
General Capital Reserve	456,389	452,670	448,015	448,620	444,128
Committed	46,123,218				
Tax Revaluation	165,832	192,437	166,678	153,881	145,757
Assigned					
Public Health	241,739	289,199	428,814	197,421	169,805
Social Services	5,101,867	4,304,485	4,505,344	4,640,932	4,594,451
County Manager	94,899	122,118	182,660	217,313	158,767
Human Resources	582,027	614,061	624,570	579,873	559,216
Library	224,601	400,697	334,917	298,313	350,508
Cooperative Extension	-	-	-	154,516	136,811
Subsequent year's expenditures	6,144,343	6,471,106	6,356,815	6,542,811	5,244,348
Unassigned	21,646,494	20,734,380	24,199,035	25,202,712	29,177,889
Total general fund	106,631,213	50,563,312	50,618,164	51,101,004	53,084,624
Restricted					
Stabilization by State Statute	21,233,131	28,760,070	3,847,266	4,652,337	4,854,187
Public Safety	2,489,115	2,582,688	2,658,023	2,743,542	2,743,445
Fire Protection	1,258,983	1,145,873	893,577	859,873	852,061
Debt service	-	4,645,650	-	-	-
Library Endowment	187,371	239,217	236,757	237,077	234,704
Scholarship	52,294	46,048	44,288	44,099	43,207
Parks Preservation	50,004	49,596	75,197	161,597	142,407
Community Development	12,105	17,469	-	-	-
CARES Act	-	-	-	-	-
General Capital	10,604,245	17,957,394	-	-	-
School Capital and Construction	224,942	4,726,766	22,834,431	4,316,249	19,278,537
Hospital Capital	5,494,731	5,449,956	5,393,919	5,401,200	5,347,139
Committed					
General Capital	12,203,246	4,543,427	32,219,263	23,913,332	21,417,686
School Capital	5,900,499	6,465,739	6,172,623	9,594,076	8,985,425
School Construction	6,596,208	-	927,914	1,815,442	213,091
Hospital Construction	24,370	24,171	23,693	23,725	23,486
Assigned	-	-	-	-	-
Unassigned	-	(2,380,149)	-	(4,355)	(4,178)
Total fund balances	66,331,244	74,273,915	75,326,951	53,758,194	64,131,197
Total governmental funds	\$ 172,962,457	\$ 124,837,227	\$ 125,945,115	\$ 104,859,198	\$ 117,215,821

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues					
Ad valorem taxes	\$ 115,496,421	\$ 108,017,836	\$ 104,028,855	\$ 102,643,115	\$ 98,864,292
Other taxes	40,497,590	38,794,760	36,953,090	35,395,806	33,513,929
Unrestricted intergovernmental revenues	1,987,827	1,859,693	1,895,660	1,915,010	1,914,853
Restricted intergovernmental revenues	35,480,559	33,799,515	32,872,765	37,710,248	36,702,096
Permits and fees	3,678,377	3,648,564	3,545,784	3,270,330	2,725,409
Sales and services	8,079,661	7,679,583	7,789,214	7,955,557	9,289,078
Investment earnings	2,559,583	4,175,516	702,974	209,348	1,451,782
Miscellaneous	3,838,422	3,258,451	3,584,753	3,544,286	7,502,488
Total revenues	211,618,440	201,233,918	191,373,095	192,643,700	191,963,927
Expenditures					
Current:					
General government	13,057,864	13,645,725	12,033,377	12,813,629	12,646,281
Public safety	46,544,256	40,511,383	40,537,103	40,004,086	34,477,572
Environmental protection	594,076	607,125	581,569	661,156	573,409
Economic and physical development	18,731,430	17,619,284	16,222,681	15,493,426	15,010,630
Human services	43,149,372	42,815,566	42,039,157	47,706,576	46,315,883
Culture and recreation	3,492,983	3,603,514	3,397,645	3,407,377	3,513,584
Education	45,497,776	44,679,342	43,331,107	41,012,204	40,239,272
Capital Outlay	37,444,960	34,042,704	35,780,090	27,343,949	26,081,492
Debt service:					
Principal	14,676,883	13,445,368	13,501,848	13,430,361	10,582,661
Interest	4,571,669	4,826,204	3,507,375	3,763,682	3,744,689
Payment to refunded bond escrow agent	-	-	-	-	-
Bond issuance costs	-	-	375,651	115,551	-
Total expenditures	227,761,269	215,796,215	211,307,603	205,751,997	193,185,473
Other Financing Sources (uses)					
Transfers from other funds	7,162,914	5,158,796	6,641,134	10,302,305	8,376,971
Transfers to other funds	(7,162,914)	(6,853,780)	(8,294,623)	(11,902,305)	(9,994,021)
Installment purchase obligations issued	-	-	-	50,530,000	570,000
Premium on installment obligations issued	-	-	-	-	-
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)
Net change in fund balances	\$ (16,142,829)	\$ (16,257,281)	\$ 22,295,295	\$ 22,135,550	\$ (2,268,596)
Debt service as a percentage of noncapital expenditures	9.5%	9.1%	8.6%	8.9%	8.1%

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

CATAWBA COUNTY, NORTH CAROLINA

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues					
Ad valorem taxes	\$ 94,982,137	\$ 94,593,965	\$ 89,246,050	\$ 86,401,682	\$ 85,290,748
Other taxes	30,577,418	28,514,821	27,201,571	26,867,917	26,934,772
Unrestricted intergovernmental revenues	1,950,128	1,902,192	1,887,066	1,839,255	1,906,277
Restricted intergovernmental revenues	37,914,903	36,065,434	36,172,540	37,487,597	41,544,195
Permits and fees	2,398,171	2,130,735	2,346,916	2,012,367	1,795,495
Sales and services	10,275,072	11,363,376	11,518,226	12,117,015	13,631,424
Investment earnings	975,566	1,155,473	(183,818)	963,774	949,483
Miscellaneous	6,790,563	3,539,937	3,469,424	3,675,026	4,713,228
Total revenues	185,863,958	179,265,933	171,657,975	171,364,633	176,765,622
Expenditures					
Current:					
General government	10,889,713	11,329,249	10,339,386	10,134,171	10,115,078
Public safety	33,618,405	31,930,143	30,928,591	30,749,802	30,260,313
Environmental protection	545,637	461,359	477,163	451,864	503,130
Economic and physical development	13,813,474	13,573,781	12,850,717	11,307,365	9,926,951
Human services	47,773,150	47,114,736	48,069,751	49,245,926	50,540,941
Culture and recreation	3,109,069	2,769,125	2,694,713	2,677,465	2,661,530
Education	40,394,875	40,004,060	39,695,975	39,257,916	39,598,951
Capital Outlay	18,273,102	33,342,151	21,113,769	20,810,153	29,796,072
Debt service:					
Principal	12,331,427	13,932,346	13,586,635	41,605,430	13,177,827
Interest	4,042,723	3,794,348	3,600,703	5,023,779	4,902,829
Payment to refunded bond escrow agent	-	1,014,000	1,128,232	-	-
Bond issuance costs	-	23,583	135,592	448,255	-
Total expenditures	184,791,575	199,288,881	184,621,227	211,712,126	191,483,622
Other Financing Sources (uses)					
Transfers from other funds	5,187,183	2,942,065	2,247,667	1,450,431	2,694,737
Transfers to other funds	(5,987,183)	(4,543,630)	(3,022,667)	(2,225,431)	(6,256,710)
Installment purchase obligations issued	-	20,125,000	33,600,000	650,000	-
Premium on installment obligations issued	-	2,161,054	-	-	-
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)	(800,000)	20,685,275	34,049,169	27,990,870	32,938,027
Net change in fund balances	\$ 272,383	\$ 662,327	\$ 21,085,917	\$ (12,356,623)	\$ 18,220,027
Debt service as a percentage of noncapital expenditures	9.4%	9.5%	9.5%	22.2%	9.7%

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

CATAWBA COUNTY, NORTH CAROLINA**Table 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
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	18,580,608,689
2020 ⁽²⁾	13,101,976,344	4,431,826,297	922,892,477	18,456,695,118	0.575	N/A

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

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

Source: Catawba County Property Appraiser

CATAWBA COUNTY, NORTH CAROLINA
Table 6
**Property Tax Rates - Direct and Overlapping Governments ⁽¹⁾
Last Ten Fiscal Years**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Catawba County										
Property Tax	0.5750	0.5750	0.5750	0.5750	0.5750	0.5300	0.5300	0.5300	0.5300	0.5350
Fire Districts:										
Bandys	0.0780	0.0820	0.0820	0.0820	0.0820	0.0700	0.0700	0.0700	0.0600	0.0600
Catawba Rural	0.1300	0.1000	0.1000	0.1000	0.0850	0.0700	0.0700	0.0700	0.0700	0.0700
Claremont Rural	0.0900	0.0900	0.0900	0.0800	0.0800	0.0700	0.0700	0.0700	0.0700	0.0700
Conover Rural	0.1100	0.1100	0.0900	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700
Cooksville	0.0750	0.0620	0.0620	0.0620	0.0620	0.0617	0.0617	0.0617	0.0517	0.0517
Hickory Rural	0.1500	0.1200	0.1200	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700
Long View Rural	0.0830	0.0730	0.0730	0.0730	0.0730	0.0650	0.0546	0.0546	0.0546	0.0546
Maiden Rural	0.0753	0.0800	0.0800	0.0800	0.0750	0.0700	0.0600	0.0600	0.0600	0.0600
Mountain View	0.0718	0.0750	0.0750	0.0750	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Newton Rural	0.1200	0.1200	0.0900	0.0900	0.0900	0.0850	0.0700	0.0700	0.0700	0.0700
Oxford	0.0650	0.0650	0.0650	0.0650	0.0650	0.0558	0.0558	0.0558	0.0558	0.0558
Propst	0.0620	0.0620	0.0620	0.0620	0.0620	0.0615	0.0615	0.0615	0.0615	0.0615
Sherrills Ford	0.1300	0.1100	0.1100	0.1100	0.0810	0.0800	0.0700	0.0700	0.0700	0.0700
St. Stephens	0.1200	0.1200	0.1200	0.1200	0.0900	0.0900	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	0.5800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800	0.4800
City of Claremont	0.0490	0.4900	0.4900	0.4900	0.4900	0.4600	0.4600	0.4600	0.4600	0.4600
City of Conover	0.0500	0.5000	0.4700	0.4700	0.4700	0.4300	0.4000	0.4000	0.4000	0.4000
City of Hickory	0.5875	0.5665	0.5665	0.5665	0.5665	0.5000	0.5000	0.5000	0.5000	0.5000
City of Newton	0.5400	0.5400	0.5400	0.5400	0.5400	0.5100	0.4800	0.4800	0.4800	0.4800
Total Maximum Rate - Fire District	0.7250	0.6950	0.6950	0.6950	0.6650	0.6200	0.6000	0.6000	0.6000	0.6050
Total Maximum Rate - Municipalities	1.1625	1.1550	1.1415	1.1415	1.1415	1.0500	1.0500	1.0500	1.0500	1.0550

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

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINA
Table 7
**Principal Property Taxpayers
December 31, 2019 and December 31, 2010**

Taxpayer	Type of Business	December 31, 2019			December 31, 2010		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Apple, Inc.	Computer Server	\$ 1,153,612,499	1	6.25	\$ 42,348,109	10	0.28
Duke Energy Carolinas, LLC	Electric Utility	708,511,098	2	3.84	451,942,462	1	2.99
GKN Driveline Newton, LLC	Gears Mfg.	263,061,076	3	1.43	117,633,736	3	0.78
Corning Cable Systems, LLC	Cable Mfg.	190,472,658	4	1.03	60,508,715	7	0.40
CommScope Inc. of North Carolina	Cable Mfg.	115,932,170	5	0.63	110,337,114	4	0.73
Draka Comteq Americas, Inc.	Cable Mfg.	111,540,545	6	0.60	70,091,716	6	0.46
DPL Frye Regional Medical Center, LLC	Medical Care	75,155,656	8	0.41	72,901,992	5	0.48
Target Corporation	Warehouse/Retail	74,366,018	7	0.40	119,249,281	2	0.79
Piedmont Natural Gas Co, Inc.	Gas Utility	62,799,360	9	0.34	-	-	-
Hickory Springs Mfg. Co., Inc.	Manufacturing	57,126,848	10	0.31	53,443,050	8	0.35
Valley Hills Mall, LLC	Retail	-	-	-	49,966,918	9	0.33
		<u>\$ 2,812,577,928</u>		<u>15.24</u>	<u>\$ 1,148,423,093</u>		<u>7.59</u>
Total Assessed Valuation		<u>\$ 18,456,695,118</u>			<u>\$ 15,122,858,692</u>		

Source: Catawba County Tax Collector

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

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2010	80,907,294	77,904,536	96.29	2,682,050	80,586,586	99.60
2012	2011	82,231,844	78,892,929	95.94	3,010,372	81,903,301	99.60
2013	2012	84,947,787	81,441,422	95.87	3,145,075	84,586,497	99.57
2014	2013	88,513,192	85,800,420	96.94	2,408,206	88,208,626	99.66
2015	2014	88,178,346	86,413,676	98.00	1,609,640	88,023,316	99.82
2016	2015	92,542,456	90,856,714	98.18	1,524,266	92,380,980	99.83
2017	2016	94,639,996	93,070,059	98.34	1,359,204	94,429,263	99.78
2018	2017	96,140,422	94,571,921	98.37	1,261,461	95,833,382	99.68
2019	2018	99,113,042	97,751,358	98.63	803,545	98,554,903	99.44
2020	2019	106,244,575	104,660,807	98.51	-	104,660,807	98.51

⁽¹⁾ Includes discoveries, releases and abatements

Source: Catawba County Tax Collector

CATAWBA COUNTY, NORTH CAROLINATable 9
Page 1 of 2**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities							North Carolina Department of Commerce
	General Obligation Bonds	Certificates of Participation	Installment Purchases	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Build America Bonds	Limited Obligation Bonds	
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
2020	-	5,558,217	51,671,667	100,000	27,808,553	-	74,282,324	540,796

Sources:

¹ U.S. Department of Commerce Bureau of Economic Analysis² Population based on estimates issued by the Bureau of the Census

CATAWBA COUNTY, NORTH CAROLINA

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Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Business Type			Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽²⁾
	Installment Purchases	Limited Obligation Bonds	Revolving Loan			
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	2.89	1,263
2019	4,215,049	2,972,398	825,000	183,405,827	2.55	1,157
2020	3,543,664	2,528,372	750,000	166,783,593	N/A	1,039

Sources:

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assessed value (after exemption)	18,456,695,118	17,181,488,855	16,699,988,355	16,421,192,679	16,094,340,156
Debt limit rate	8%	8%	8%	8%	8%
Debt limit	1,476,535,609	1,374,519,108	1,335,999,068	1,313,695,414	1,287,547,212
Less: Total net debt applicable to limit	149,376,135	167,855,980	198,869,191	170,255,375	148,502,990
Legal debt margin	<u>1,327,159,474</u>	<u>1,206,663,128</u>	<u>1,137,129,877</u>	<u>1,143,440,039</u>	<u>1,139,044,222</u>
Total net debt applicable to the limit as a percentage of debt limit	10%	12%	15%	13%	12%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value (after exemptions)	\$ 18,456,695,118
Debt limit (8% of assessed value)	1,476,535,609
Debt applicable to limit:	
Certificates of participation	5,558,217
Installment purchase	55,215,331
Qualified Zone Academy Bonds	100,000
Qualified School Construction Bonds	27,808,553
Limited Obligation Bonds	76,810,696
North Carolina Department of Commerce	540,796
Federal Revolving Loan	750,000
Less: Statutory deductions	
Sinking Funds	<u>(17,407,458)</u>
Total net debt applicable to limit	<u>149,376,135</u>
Legal debt margin	<u>\$ 1,327,159,474</u>

CATAWBA COUNTY, NORTH CAROLINA

Table 10

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

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

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

Fiscal Year	Population Estimate ⁽¹⁾	Personal Income	Per Capita Income ⁽²⁾	Median Age ⁽³⁾	School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
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	7,193,629,000	45,342	41.25	22,705	4.20
2020	160,504	N/A	N/A	39.23	22,593	8.30

N/A = Not available

Sources:

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

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

Employer	Industry	2020		2011	
		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+	2
Corning Optical Communications, LLC	Manufacturing	1,000+	3	1,000+	7
Catawba County Government	Public Administration	1,000+	4	1,000+	5
CommScope	Manufacturing	1,000+	5	1,000+	3
GKN Driveline Newton, LLC	Manufacturing	1,000+	6	-	-
Dip Partner Frye, LLC	Health Care & Social Assistance	1,000+	7	1,000+	4
Wal-Mart Associates, LLC	Retail Trade	1,000+	8	-	-
Target Stores Div.	Transportation & Warehousing	500-999	9	-	-
Sutter Street Manufacturing, Inc.	Manufacturing	500-999	10	-	-
Hickory Springs Manufacturing Co., Inc.	Manufacturing	-	-	1,000+	6
Ethan Allen, Inc.	Manufacturing	-	-	500-999	8
Sherrill Furniture Company	Manufacturing	-	-	500-999	10

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

Table 13

	Full-time Equivalent Employees as of June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function										
Governmental activities:										
General government	81	80	82	82	81	83	84	85	86	90
Public safety	425	374	370	358	355	347	345	340	337	340
Environmental protection	5	5	4	4	4	4	5	4	3	9
Economic and physical development	91	91	86	84	78	76	76	75	75	90
Human services	516	515	510	505	541	548	551	577	573	572
Culture and recreation	38	38	37	36	35	35	35	32	32	33
Total governmental activities	1,156	1,103	1,089	1,069	1,093	1,093	1,096	1,113	1,106	1,135
Business-type activities:										
Water sewer	1	1	1	1	1	1	1	1	1	1
Solid waste management	29	29	29	27	26	26	27	27	28	28
Total business-type activities	30	30	30	28	27	27	28	28	29	29
Total primary government	1,186	1,133	1,119	1,097	1,120	1,120	1,124	1,141	1,136	1,164

Source: Catawba County Human Resources Department

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014 ⁽¹⁾	2013	2012	2011
Governmental activities:										
General government										
Number of registered voters	106,113	99,706	105,035	101,790	101,330	98,344	101,442	100,431	99,286	99,844
Number of marriage licenses issued	995	964	1,081	1,081	1,074	1,017	1,009	1,023	1,076	991
Number of tax bills issued	114,422	111,625	106,065	104,928	104,396	103,835	99,196	232,881	232,817	263,073
Public safety										
Number of 911 dispatch/calls	89,553	89,712	90,118	92,049	93,089	89,426	84,974	85,938	87,108	82,876
Sheriff Department offenses reported	2,697	9,417	5,914	6,054	6,169	4,866	4,823	5,436	6,195	5,737
Environmental protection										
Cooperative extension agent contacts	265,124	170,863	46,075	46,997	41,348	22,733	28,860	64,719	75,102	46,960
Economic and physical development										
Number of commercial permits issued	605	506	602	605	631	603	598	730	750	496
Number of residential permits issued	1,576	1,515	1,467	1,398	1,182	1,098	993	892	876	991
Human services										
Households received assistance with energy bills	3,706	3,681	2,628	3,344	3,550	3,501	2,994	4,045	3,333	2,785
Medicaid transportation provided (round trips)	17,941	21,368	25,679	27,235	27,590	23,810	26,279	23,669	23,177	19,893
Child support services cases currently open	6,139	6,512	6,501	6,562	6,682	6,849	6,847	6,848	6,873	6,498
Public health clients served	42,100	40,768	17,148	9,037	10,958	13,887	18,698	22,087	23,063	24,068
Restaurant inspections	1,303	1,374	1,434	1,353	1,347	1,344	1,333	1,351	1,357	1,429
Culture and recreation										
Total circulation for library system	426,914	476,434	468,898	525,988	555,132	572,569	585,517	604,829	738,923	740,262
Number of patrons visiting parks	208,492	166,853	160,803	166,319	170,295	104,330	109,550	114,721	112,257	101,280
Education										
Public school student enrollment K-12	22,593	22,705	23,203	23,509	23,679	23,889	24,204	24,241	24,250	24,245
Business-type activities:										
Solid waste management										
Tons buried - MSW	159,100	157,312	153,207	139,638	133,843	123,325	120,579	117,787	117,330	123,149
Tons buried - C&D	45,316	34,384	33,858	33,041	32,819	27,638	28,670	26,786	27,980	23,203
Tons recycled	19,255	19,685	20,256	21,761	19,737	21,135	24,228	27,601	28,765	31,347

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

Sources: Catawba County Departments, NC Department of Public Instruction

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

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government										
Buildings	5	5	6	6	6	6	6	5	5	5
Vehicles	8	5	5	4	5	6	8	7	8	9
Public safety										
Buildings	14	14	13	12	11	10	10	10	10	10
Vehicles	233	225	247	230	221	218	216	211	207	182
Environmental protection										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	3	3	3	2	2	2	2	2	2	2
Economic and physical development										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	60	66	62	58	48	43	42	50	49	50
Human services										
Buildings	38	38	38	37	38	38	38	38	38	39
Vehicles	37	35	39	40	41	41	38	37	35	35
Culture and recreation										
Buildings	5	5	5	5	5	6	5	5	5	5
Vehicles	2	2	1	1	1	1	1	1	1	1
Business-type activities:										
Solid waste management										
Buildings	10	10	10	10	10	10	10	6	6	6
Vehicles	25	24	26	24	23	24	25	25	27	27
Water and sewer										
Buildings	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0

N/A = Not available

Sources: Catawba County Departments

Catawba County, North Carolina

Glossary

Accrual Basis. Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Accumulated Depreciation. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

Ad Valorem Tax. A tax levied in proportion to the value of the property.

Agency Fund. A fund normally used to account for resources held by a government in a purely custodial capacity for individuals, private organizations or other governments.

Appropriations. A legal authorization granted by the Board of Commissioners to make expenditures and to incur obligations for specific purposes.

Assessed Valuation. Valuation set upon real estate or other property by a government as a basis for levying taxes.

Basic Financial Statements. The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements and notes to the financial statements.

Basis of Accounting. A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Board of Commissioners. Five-member Board elected at large by the voters of Catawba County to serve four year terms on a staggered basis.

Capital Assets. Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Projects Fund. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

Cash Basis. Method of accounting under which transactions are recognized only when cash is received or disbursed.

Component Unit. Legally separate organization for which elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Comprehensive Annual Financial Report (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support the columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the County's official annual report and also should contain introductory information, schedules necessary to demonstrate

Catawba County, North Carolina

Glossary

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

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

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

Depreciation. (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Encumbrances. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

Enterprise Fund. Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

Expenditures. Under the current financial resources measurement focus, decrease in net financial resources not properly classified as *other financing uses*.

Fiduciary Fund. The trust and agency fund used to account for assets held by a government unit in a trustee capacity or as an agent for

individuals, private organizations, other government units and/or other funds.

Fund. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations.

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

Fund Balance – Assigned. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Fund Balance – Committed. Amounts that are used for specific purposes pursuant to constraints imposed by *formal* action of the government's highest level of decision-making authority. Any amendments or modifications require board action.

Fund Balance – Nonspendable. Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Fund Balance – Restricted. Constraints are imposed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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

Catawba County, North Carolina

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

