

**JACKSON COUNTY, NORTH CAROLINA**  
Sylva, North Carolina

Financial Statements

June 30, 2014

( with Independent Auditors' Report thereon )

**JACKSON COUNTY, NORTH CAROLINA**  
Sylva, North Carolina

Board of County Commissioners

June 30, 2014

Board of County Commissioners

Walter J. Debnam, Chairperson  
Douglas L. Cody  
Vicki Greene  
Charles R. Elders  
Mark R. Jones

County Manager

Chuck Wooten

# JACKSON COUNTY, NORTH CAROLINA

## Table of Contents

June 30, 2014

<b><u>Exhibits</u></b>	<b><u>Page(s)</u></b>
<b>BASIC FINANCIAL STATEMENTS:</b>	
Independent Auditors' Report.....	1-3
Management's Discussion and Analysis.....	4-13
<b>Government-wide Financial Statements:</b>	
"1" Statement of Net Position .....	14
"2" Statement of Activities.....	15-16
<b>Fund Financial Statements:</b>	
"3" Balance Sheet—Governmental Funds.....	17-18
"4" Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	19-20
"5" Statement of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual—General Fund .....	21-22
"6" Statement of Fund Net Position—Proprietary Funds .....	23
"7" Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Funds .....	24
"8" Statement of Cash Flows—Proprietary Funds .....	25
"9" Statement of Fiduciary Net Position—Fiduciary Funds .....	26
Notes to the Financial Statements .....	27-59
<b><u>Schedules</u></b>	
<b>Required Supplemental Financial Data:</b>	
"A-1" Law Enforcement Officers' Special Separation Allowance— Schedule of Funding Progress .....	60
"A-2" Law Enforcement Officers' Special Separation Allowance— Schedule of Employer Contributions .....	61
"A-3" Other Post-employment Benefits—Schedule of Funding Progress .....	62
"A-4" Other Post-employment Benefits—Schedule of Employer Contributions .....	63

**Schedules**

**Page(s)**

**Combining and Individual Fund Statements and Schedules:**

“B-1” Schedule of Revenues, Expenditures, and Changes in Fund Balances—General Fund—Budget and Actual ..... 64-76

“B-2” Schedule of Revenues, Expenditures, and Changes in Fund Balances—Revaluation Fund—Budget and Actual ..... 77

“B-3” Schedule of Revenues, Expenditures, and Changes in Fund Balances—Capital Reserve Fund—Budget and Actual ..... 78

“B-4” Schedule of Revenues, Expenditures, and Changes in Fund Balances—Conservation/Preservation Fund—Budget and Actual.... 79

“B-5” Schedule of Revenues, Expenditures, and Changes in Fund Balances—School Improvements Fund—Budget and Actual ..... 80

“B-6” Schedule of Revenues, Expenditures, and Changes in Fund Balances—School Capital Reserve Fund—Budget and Actual..... 81

“C-1” Combining Balance Sheet—Non-major Governmental Funds ..... 82

“C-2” Combining Balance Sheet—Non-major Special Revenue Funds ... 83-84

“C-3” Combining Balance Sheet—Non-major Capital Projects Funds ..... 85

“C-4” Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances—Non-major Governmental Funds..... 86

“C-5” Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances—Non-major Special Revenue Funds ..... 87-88

“C-6” Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances—Non-major Capital Projects Funds ..... 89

**Schedules of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual:**

Special Revenue:

“D-1” Emergency Telephone System Fund ..... 90

“D-2” Law Enforcement Block Grant Fund..... 91

“D-3” Community Development Scattered Site Project Fund..... 92

“D-4” Clean Water Revolving Loan Fund..... 93

“D-5” Economic Development Fund ..... 94

“D-6” Economic Development Commission Fund..... 95

Capital Projects:

“E-1” Recreation Center Fund ..... 96

“E-2” Emergency Management Fund ..... 97

“E-3” County Capital Projects Fund ..... 98

“E-4” Greenways Project Fund ..... 99

<b><u>Schedules</u></b>	<b><u>Page(s)</u></b>
"F-1"      Schedule of Revenues, Expenditures, and Transfers— Budget and Actual (Non-GAAP) —Landfill Fund.....	100-101
"F-2"      Combining Statement of Fund Net Position—Non-major Proprietary Funds .....	102
"F-3"      Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position—Non-major Proprietary Funds .....	103
"F-4"      Combining Statement of Cash Flows—Non-major Proprietary Funds.....	104
"F-5"      Schedule of Revenues, Expenditures, and Transfers—Budget and Actual (Non-GAAP)—Green Energy Park Fund.....	105
"F-6"      Schedule of Revenues, Expenditures, and Transfers--Budget and Actual (Non-GAAP)—Economic Development Commission Fund.....	106
 <b>Component Unit Schedule:</b>	
"G-1"      Jackson County Airport Authority—Schedule of Revenues, Expenditures, and Changes in Fund Balance— Budget and Actual.....	109
 <b>Fiduciary Fund Schedule:</b>	
"H"          Schedule of Changes in Fiduciary Assets and Liabilities .....	110-111
 <b>Other Schedules:</b>	
"I-1"      Schedule of Ad Valorem Taxes Receivable .....	112
"I-2"      Analysis of Current Tax Levy—County-Wide Levy .....	113

---

## **FINANCIAL SECTION**

---



**– Independent Auditors’ Report –**

To the Board of County Commissioners  
Jackson County, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units (except as noted below), each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of and for the year ended June 30, 2014, 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 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.

***Auditors’ Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board, which is a discretely presented component unit that represents 19% of total assets, 10% of total net position, and 52% of total revenues for all discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts for the Jackson County Alcoholic Beverage Control Board, is based 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 Jackson County Tourism Development Authority and the Jackson County Alcoholic Beverage Control Board 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 auditors’ 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 upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of June 30, 2014, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 13 and the Law Enforcement Officers' Special Separation Allowance's and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions on pages 60 through 63 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 operational, economic, or historical context. We 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 the Jackson County, North Carolina, basic financial statements. The combining and individual non-major fund statements, budgetary schedules and other schedules are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, budgetary 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 basic 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 procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, and other schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014, on our consideration of Jackson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County's internal control over financial reporting and compliance.

Asheville, North Carolina  
December 1, 2014

*Dixon Hughes Goodman LLP*

# JACKSON COUNTY, NORTH CAROLINA

## Management's Discussion and Analysis

June 30, 2014

As management of Jackson County (the "County"), we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended June 30, 2014. 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.

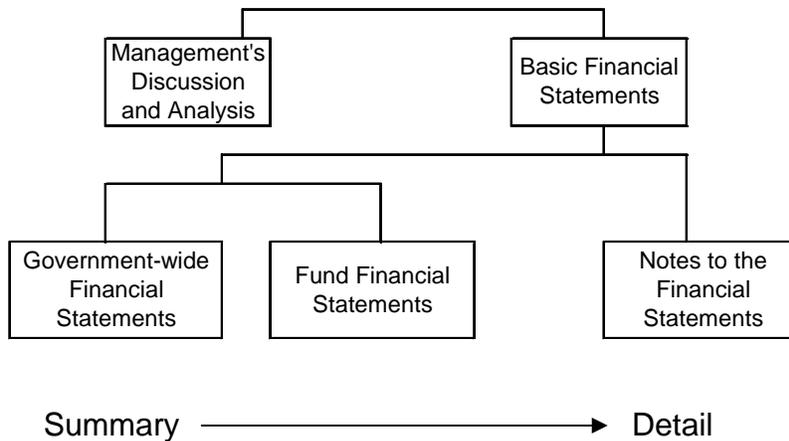
### Financial Highlights

- The assets of Jackson County exceeded its liabilities at the close of the fiscal year by \$51,454,369 (*net position*).
- The government's total net position decreased by \$1,034,376, primarily due to decreased net position in the governmental activities.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$29,250,374, a decrease of \$2,753,164 in comparison with the prior year. 69 percent of this total amount, or \$20,067,136, is available for spending at the government's discretion (unassigned fund balance.)
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,067,136, or 37 percent of total General Fund expenditures and transfers to other funds for the fiscal year.
- Jackson County's governmental activities long-term debt (excluding compensated absences and net OPEB and pension obligations) increased by \$4,757,576 during the current fiscal year. This is due to the repayment of notes payable.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson 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 1). 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 Jackson County.

**Required Components of Annual Financial Report  
Figure 1**



**Basic Financial Statements**

The first two statements 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 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) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the 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 that part of the statements.

**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 they have changed. Net position is the difference between the County’s total assets and total liabilities

and deferred inflows of resources. 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 public safety, parks and recreation, and general 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. This includes the landfill services offered by Jackson County, the Green Energy Park, and the Economic Development Commission. The final category is the component units. The Jackson County Tourism Development Authority was created by the Jackson County Board of Commissioners on January 1, 2013 for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints all fifteen voting members of the Jackson County Tourism Development Authority. The Board adopts a budget to be used by the Authority and approves amendments to the approved budget. The Jackson County Airport Authority exists to operate, promote and to further improve the airport facilities and aviation for County residents. The Jackson County Board of Commissioners appoints two of the five voting members of the Jackson County Airport Authority, and also adopts the Airport Authority's budget and approves all budget amendments to the approved budget. The Jackson County Alcoholic Beverage Control Board was created on May 1, 2014 for the purpose of operating two liquor stores in the County and for investigating violations of North Carolina Alcoholic Beverage Control laws. The Jackson County Board of Commissioners appoints all of the Jackson County Alcoholic Beverage Control Board's voting members.

The government-wide financial statements are on Exhibits 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. Jackson 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 Jackson 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 government activities (reported in the Statements 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.

Jackson County adopts an annual budget for its General Fund, as required by the 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 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, charges 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.

**Proprietary Funds** - Jackson County has one kind of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Jackson County uses enterprise funds to account for its landfill operations, Green Energy Park and the Economic Development Commission. These funds are the same as the separate activities shown in the business-type activities in the Statements of Net Position and the Statement of Activities.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jackson County has six fiduciary funds, all of which are agency funds.

**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 start on Page 27 of this report.

## Government-Wide Financial Analysis

**Jackson County's Net Position**  
**Figure 2**

	2014			2013		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 37,387,150	\$ 1,226,388	\$ 38,613,538	\$ 39,304,078	\$ 1,171,806	\$ 40,475,884
Capital assets	66,467,843	6,116,816	72,584,659	66,791,347	6,262,389	73,053,736
Total assets	<u>103,854,993</u>	<u>7,343,204</u>	<u>111,198,197</u>	<u>106,095,425</u>	<u>7,434,195</u>	<u>113,529,620</u>
Long-term liabilities outstanding	49,321,314	2,996,668	52,317,982	51,748,733	3,180,699	54,929,432
Other liabilities	4,083,385	1,737,100	5,820,485	4,108,582	1,777,645	5,886,227
Total liabilities	<u>53,404,699</u>	<u>4,733,768</u>	<u>58,138,467</u>	<u>55,857,315</u>	<u>4,958,344</u>	<u>60,815,659</u>
Deferred inflows of resources	1,605,361	-	1,605,361	225,216	-	225,216
Net position:						
Net investment in capital assets	50,207,759	3,653,510	53,861,269	53,334,662	3,564,482	56,899,144
Restricted	6,072,648	-	6,072,648	11,961,116	-	11,961,116
Unrestricted	<u>(7,435,474)</u>	<u>(1,044,074)</u>	<u>(8,479,548)</u>	<u>(15,282,884)</u>	<u>(1,088,631)</u>	<u>(16,371,515)</u>
Total net position	<u>\$ 48,844,933</u>	<u>\$ 2,609,436</u>	<u>\$ 51,454,369</u>	<u>\$ 50,012,894</u>	<u>\$ 2,475,851</u>	<u>\$ 52,488,745</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of Jackson County exceeded liabilities and deferred inflows of resources by \$51,454,369 as of June 30, 2014. The County's net position decreased by \$1,034,376 for the fiscal year ended June 30, 2014, of which \$1,167,961 was for a decrease in governmental activities and \$133,585 was for an increase in business-type activities. One of the largest portions of net position (105 percent) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Jackson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Jackson County's net position (approximately 12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,479,548 is unrestricted deficit.

Particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.33, slightly below the statewide average of 97.32 percent for counties in the 25,000 – 49,999 population range;
- Increased revenue in property taxes due to growth within the County.

### Jackson County's Changes in Net Position Figure 3

	2014			2013		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 3,015,639	\$ 3,103,267	\$ 6,118,906	\$ 2,899,381	\$ 3,022,642	\$ 5,922,023
Operating grants and contributions	10,164,946	19,371	10,184,317	9,349,566	21,770	9,371,336
Capital grants and contributions	824,580	-	824,580	779,507	-	779,507
General revenues:						
Property taxes	32,705,098	-	32,705,098	32,136,978	-	32,136,978
Other taxes	10,395,646	58,745	10,454,391	9,535,029	69,989	9,605,018
Grants and contributions not restricted to specific programs	173,559	-	173,559	250,339	-	250,339
Other	415,062	31,115	446,177	576,752	29,923	606,675
Total revenues	<u>57,694,530</u>	<u>3,212,498</u>	<u>60,907,028</u>	<u>55,527,552</u>	<u>3,144,324</u>	<u>58,671,876</u>
Expenses:						
General government	9,068,008	-	9,068,008	9,067,730	-	9,067,730
Public safety	12,210,055	-	12,210,055	11,725,271	-	11,725,271
Transportation	851,742	-	851,742	687,780	-	687,780
Environmental protection	348,825	-	348,825	160,936	-	160,936
Economic and physical development	898,378	-	898,378	887,688	-	887,688
Human services	14,815,551	-	14,815,551	14,171,437	-	14,171,437
Culture and recreation	2,977,475	-	2,977,475	3,122,313	-	3,122,313
Education	16,598,546	-	16,598,546	15,167,354	-	15,167,354
Interest and other charges	959,472	-	959,472	1,436,086	-	1,436,086
Landfill	-	2,963,085	2,963,085	-	3,044,034	3,044,034
Green Energy Park	-	165,037	165,037	-	155,214	155,214
Economic Development Commission	-	85,230	85,230	-	55,708	55,708
Total expenses	<u>58,728,052</u>	<u>3,213,352</u>	<u>61,941,404</u>	<u>56,426,595</u>	<u>3,254,956</u>	<u>59,681,551</u>
Decrease in net position before transfers	(1,033,522)	(854)	(1,034,376)	(899,043)	(110,632)	(1,009,675)
Transfers	(134,439)	134,439	-	(134,439)	134,439	-
Change in net position	(1,167,961)	133,585	(1,034,376)	(1,033,482)	23,807	(1,009,675)
Net position, July 1	50,012,894	2,475,851	52,488,745	51,046,376	2,452,044	53,498,420
Net position, June 30	<u>\$48,844,933</u>	<u>\$ 2,609,436</u>	<u>\$ 51,454,369</u>	<u>\$50,012,894</u>	<u>\$ 2,475,851</u>	<u>\$52,488,745</u>

**Governmental Activities** - Governmental activities decreased the County's net position by \$1,167,961, thereby accounting for 113 percent of the total decrease in the net position of Jackson County. Key elements of this decrease are as follows:

- Increase in property values, tax audits, and review of management plans;
- Increase in County's tax collection rate;
- Increase in County's delinquent tax collections.
- Increased expenses related to school improvements projects

**Business-Type Activities** - Business-type activities increased Jackson County's net position by \$133,585. The key element of this increase was the Landfill Enterprise Fund.

### **Financial Analysis of the County's Funds**

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

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

The General Fund is the chief operating fund of Jackson County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20,067,136, while total fund balance reached \$25,082,432. As a measure of the General Fund's liquidity, it may be useful to use all fund balance except for the amount restricted for stabilization by state statute, \$4,219,433. Fund balance available for appropriation of \$20,862,999 represents 38 percent of total General Fund expenditures and transfers out, while total fund balance represents 46 percent of that same amount.

At June 30, 2014, the governmental funds of Jackson County reported a combined fund balance of \$29,250,374, a decrease of \$2,753,164. The primary reason for this decrease in fund balance is additional spending for capital projects.

**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: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund increased revenues by \$4,018,515.

**Proprietary Funds** - Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Landfill, Green Energy Park, and Economic Development Commission Funds at the end of the fiscal year amounted to \$2,609,436. The total increase in net position for the funds was \$133,585. The net loss from operations was offset by a transfer in from the governmental funds. Other factors concerning the finances of the fund have already been addressed in the discussion of Jackson County's business-type activities.

### Capital Asset and Debt Administration

**Capital Assets** - Jackson County's capital assets for its governmental and business-type activities as of June 30, 2014, totals \$72,584,659 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchased a new vehicle for the Tax Administration Department
- Purchased two new vehicles for the Grounds Department
- Purchased seven new vehicles for the Sheriff's Department
- Purchased a new control panel and door system for the Jail
- Purchased a new vehicle for Emergency Management
- Purchased a new vehicle for Code Enforcement
- Purchase a new vehicle for the Economic Development Department
- Purchased a two new vehicles for the Department of Social Services
- Purchased a new vehicle and a Gator for the Recreation Department
- Addition of construction in progress on the Cashiers Recreation Center, Andrews Park, Mark Watson Park, Greenway, Emergency Management Center, and School Improvements Projects

**Jackson County's Capital Assets, Net of Accumulated Depreciation**  
**Figure 4**

	2014			2013		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$12,366,389	\$ 182,414	\$12,548,803	\$12,366,389	\$ 182,414	\$12,548,803
Buildings and system	42,740,415	5,801,718	48,542,133	43,194,606	5,904,627	49,099,233
Machinery and equipment	914,094	132,684	1,046,778	1,075,088	175,348	1,250,436
Vehicles and motorized equipment	1,317,361	-	1,317,361	1,238,317	-	1,238,317
Construction in progress	9,129,584	-	9,129,584	8,916,947	-	8,916,947
Total	<u>\$66,467,843</u>	<u>\$ 6,116,816</u>	<u>\$72,584,659</u>	<u>\$66,791,347</u>	<u>\$ 6,262,389</u>	<u>\$73,053,736</u>

Additional information on the County's capital assets can be found in Note 2 of the basic financial statements.

**Long-Term Debt** - As of June 30, 2014, Jackson County had total debt outstanding of \$52,317,982, most of which is collateralized by capital assets. However, \$14,336,438 of the

debt is collateralized by capital assets held by the Jackson County Board of Education under capital lease agreements. Those assets are not included in the County’s capital assets.

**Jackson County’s Outstanding Debt  
Installment Purchase Obligations  
Figure 5**

	2014			2013		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Total	<u>\$ 30,596,522</u>	<u>\$ 2,463,306</u>	<u>\$ 33,059,828</u>	<u>\$ 35,354,098</u>	<u>\$ 2,697,907</u>	<u>\$ 38,052,005</u>

Jackson County’s debt, shown above, decreased \$2,611,450 (4.8 percent) during the past fiscal year. The decrease is primarily due to the repayment of notes payable.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Jackson County is approximately \$896,000,000.

Additional information regarding Jackson County’s long-term debt can be found in Note 2 of the basic financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the County:

- The County’s unemployment rate is 4.8 percent, lower than the State average of 6.3 percent.
- Retail vacancy rates are slightly lower, having stayed in the 5 – 6 percent range all year. Several new motels were added during the year. The County realized a 30% increase in room occupancy tax fees.

**Budget Highlights for the Fiscal Year Ending June 30, 2015**

**Governmental Activities:** Property taxes and revenues for permits and fees are projected to increase. Adjustments have been made to programs that are currently in place.

Budgeted expenditures in the General Fund are expected to decrease 6 percent to \$55,141,090. The largest increments are in the creation of 7.93 employee positions, reduction in debt transfers, and decreased operational expenses.

**Business-type Activities:** General operating expenses of the Landfill Fund will remain the same. Revenues from the sales of materials and volumes for tipping fees have

increased slightly. A reduction in State revenues for White Goods Tax and recycling assistance is projected. Rates for landfill services will remain the same. The Green Energy Park Fund will decrease by 10 percent due to decreased grants and fees. The Economic Development Fund will increase by 118.37 percent due to increased rental income.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Jackson County, 401 Grindstaff Cove Road, Sylva, NC 28779.

---

## **BASIC FINANCIAL STATEMENTS**

---

## JACKSON COUNTY, NORTH CAROLINA

### Statement of Net Position

June 30, 2014

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County Alcoholic Beverage Control Board
<b>Assets:</b>						
Cash and cash equivalents	\$ 30,423,362	\$ 555,030	\$ 30,978,392	\$ 398,017	\$ 1,590	\$ 595,371
Restricted cash and cash equivalents	65,101	-	65,101	-	-	-
Taxes receivable, net	2,044,103	-	2,044,103	-	-	-
Accounts receivable, net	398,911	470,168	869,079	97,746	3,296	61
Accrued interest receivable	210,579	17,048	227,627	-	-	-
Due from component units	266,299	-	266,299	-	-	-
Due from other governments	3,609,149	36,316	3,645,465	-	84,286	-
Notes receivable, net	369,646	147,826	517,472	-	-	-
Inventory	-	-	-	-	13,011	395,196
Prepays	-	-	-	-	-	15,333
<b>Capital assets:</b>						
Land and construction in progress	21,495,973	182,414	21,678,387	-	4,818,067	-
Other capital assets, net of depreciation	44,971,870	5,934,402	50,906,272	-	113,901	295,785
Total capital assets	66,467,843	6,116,816	72,584,659	-	4,931,968	295,785
Total assets	103,854,993	7,343,204	111,198,197	495,763	5,034,151	1,301,746
<b>Liabilities:</b>						
Accounts payable and accrued expenses	3,788,487	177,563	3,966,050	66,778	1,304	422,057
Unearned revenue	-	10,273	10,273	-	-	-
Accrued interest payable	176,298	13,277	189,575	-	-	-
Deposits held for others	118,600	-	118,600	-	-	-
Due to primary government	-	-	-	-	3,000	263,299
Accrued landfill closure and post-closure care costs	-	1,535,987	1,535,987	-	-	-
<b>Long-term liabilities:</b>						
Due within one year	4,558,340	234,601	4,792,941	-	-	-
Due in more than one year	44,762,974	2,762,067	47,525,041	-	-	-
Total liabilities	53,404,699	4,733,768	58,138,467	66,778	4,304	685,356
Deferred inflows of resources	1,605,361	-	1,605,361	-	-	-
<b>Net position:</b>						
Net investment in capital assets	50,207,759	3,653,510	53,861,269	-	4,931,968	295,785
<b>Restricted:</b>						
Stabilization by State Statute	4,274,359	-	4,274,359	97,746	-	-
Register of Deeds	22,599	-	22,599	-	-	-
Education	541,392	-	541,392	-	-	-
Public safety	213,433	-	213,433	-	-	-
Economic and physical development	1,020,865	-	1,020,865	-	-	-
Working capital	-	-	-	-	-	107,474
Unrestricted (deficit)	(7,435,474)	(1,044,074)	(8,479,548)	331,239	97,879	213,131
Total net position	\$ 48,844,933	\$ 2,609,436	\$ 51,454,369	\$ 428,985	\$ 5,029,847	\$ 616,390

The notes to the basic financial statements are an integral part of this statement.

# JACKSON COUNTY, NORTH CAROLINA

## Statement of Activities

For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,068,008	\$ 643,433	\$ -	\$ -
Public safety	12,210,055	1,113,088	855,554	28,959
Transportation	851,742	140,002	261,698	158,734
Environmental protection	348,825	163,328	58,153	-
Economic and physical development	898,378	15,829	533,145	-
Human services	14,815,551	409,780	8,351,728	-
Cultural and recreation	2,977,475	530,179	-	291,149
Education	16,598,546	-	104,668	345,738
Interest on long-term debt	959,472	-	-	-
Total governmental activities	<u>\$ 58,728,052</u>	<u>\$ 3,015,639</u>	<u>\$ 10,164,946</u>	<u>\$ 824,580</u>
Business-type activities:				
Landfill	2,963,085	3,050,836	8,467	-
Green Energy Park	165,037	13,565	10,904	-
Economic Development Commission	85,230	38,866	-	-
Total business-type activities	<u>\$ 3,213,352</u>	<u>\$ 3,103,267</u>	<u>\$ 19,371</u>	<u>\$ -</u>
Total primary government	<u>\$ 61,941,404</u>	<u>\$ 6,118,906</u>	<u>\$ 10,184,317</u>	<u>\$ 824,580</u>
Component units:				
Jackson County Tourism Development Authority	\$ 628,751	\$ -	\$ -	\$ -
Jackson County Airport Authority	78,855	45,927	31,000	93,077
Jackson County Alcoholic Beverage Control Board	389,217	431,919	-	573,485
Total component units	<u>\$ 1,096,823</u>	<u>\$ 477,846</u>	<u>\$ 31,000</u>	<u>\$ 666,562</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Other taxes				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position—beginning				
Net position—ending				

The notes to the basic financial statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Position</b>					
<b>Primary Government</b>			<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Jackson County Tourism Development Authority</b>	<b>Jackson County Airport Authority</b>	<b>Jackson County Alcoholic Beverage Control Board</b>
\$ (8,424,575)	\$ -	\$ (8,424,575)			
(10,212,454)	-	(10,212,454)			
(291,308)	-	(291,308)			
(127,344)	-	(127,344)			
(349,404)	-	(349,404)			
(6,054,043)	-	(6,054,043)			
(2,156,147)	-	(2,156,147)			
(16,148,140)	-	(16,148,140)			
(959,472)	-	(959,472)			
<u>(44,722,887)</u>	<u>-</u>	<u>(44,722,887)</u>			
-	96,218	96,218			
-	(140,568)	(140,568)			
-	(46,364)	(46,364)			
<u>-</u>	<u>(90,714)</u>	<u>(90,714)</u>			
<u>(44,722,887)</u>	<u>(90,714)</u>	<u>(44,813,601)</u>			
			\$ (628,751)	\$ -	\$ -
			-	91,149	-
			<u>-</u>	<u>-</u>	<u>616,187</u>
			<u>(628,751)</u>	<u>91,149</u>	<u>616,187</u>
32,705,098	-	32,705,098	-	-	-
9,872,036	-	9,872,036	-	-	-
523,610	58,745	582,355	744,133	-	-
173,559	-	173,559	-	-	-
33,674	31,115	64,789	-	-	203
381,388	-	381,388	17,704	13,632	-
(134,439)	134,439	-	-	-	-
<u>43,554,926</u>	<u>224,299</u>	<u>43,779,225</u>	<u>761,837</u>	<u>13,632</u>	<u>203</u>
(1,167,961)	133,585	(1,034,376)	133,086	104,781	616,390
<u>50,012,894</u>	<u>2,475,851</u>	<u>52,488,745</u>	<u>295,899</u>	<u>4,925,066</u>	<u>-</u>
<u>\$ 48,844,933</u>	<u>\$ 2,609,436</u>	<u>\$ 51,454,369</u>	<u>\$ 428,985</u>	<u>\$ 5,029,847</u>	<u>\$ 616,390</u>

**JACKSON COUNTY, NORTH CAROLINA**

Balance Sheet  
Governmental Funds

June 30, 2014

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Improvements Fund</u>	<u>Non-major Governmental Funds</u>	
<b>Assets:</b>				
Cash and cash equivalents	\$ 25,438,219	\$ 1,182,389	\$ 3,802,754	\$ 30,423,362
Restricted cash and cash equivalents	65,101	-	-	65,101
Taxes receivable, net	2,044,103	-	-	2,044,103
Accounts receivable, net	387,137	1,961	9,813	398,911
Due from other governments	3,565,997	-	43,152	3,609,149
Due from component units	266,299	-	-	266,299
Notes receivable, net	-	-	369,646	369,646
	<u>31,766,856</u>	<u>1,184,350</u>	<u>4,225,365</u>	<u>37,176,571</u>
<b>Total assets</b>	<b>\$ 31,766,856</b>	<b>\$ 1,184,350</b>	<b>\$ 4,225,365</b>	<b>\$ 37,176,571</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,916,360	\$ 88,634	\$ 203,456	\$ 3,208,450
Contract retainage	-	552,363	27,674	580,037
Deposits held for others	118,600	-	-	118,600
	<u>3,034,960</u>	<u>640,997</u>	<u>231,130</u>	<u>3,907,087</u>
<b>Deferred inflows of resources</b>	<b>3,649,464</b>	<b>-</b>	<b>369,646</b>	<b>4,019,110</b>
<b>Fund balances:</b>				
<b>Restricted:</b>				
Stabilization by State Statute	4,219,433	1,961	52,965	4,274,359
Register of Deeds	22,599	-	-	22,599
Education	-	541,392	-	541,392
Public safety	-	-	213,433	213,433
Economic and physical development	-	-	1,020,865	1,020,865
<b>Committed:</b>				
Revaluation	41,147	-	-	41,147
Capital reserve	404,089	-	-	404,089
Conservation/preservation	74,277	-	-	74,277
Recreation	-	-	521,485	521,485
Public safety	-	-	1,373,350	1,373,350
Various programs and projects	-	-	442,491	442,491
<b>Assigned:</b>				
Other post-employment benefits	201,699	-	-	201,699
LEO Separation Allowance	52,052	-	-	52,052
Unassigned	20,067,136	-	-	20,067,136
<b>Total fund balances</b>	<b>25,082,432</b>	<b>543,353</b>	<b>3,624,589</b>	<b>29,250,374</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 31,766,856</b>	<b>\$ 1,184,350</b>	<b>\$ 4,225,365</b>	

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

Balance Sheet  
Governmental Funds, Continued

June 30, 2014

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 66,467,843
Accrued interest receivable	210,579
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds:	
Deferred inflows of resources for notes receivable	369,646
Deferred inflows of resources for taxes receivable	2,044,103
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(176,298)
Compensated absences	(1,410,180)
Net pension obligation	(469,373)
Net OPEB obligation	(16,845,239)
Long-term obligations	<u>(30,596,522)</u>
Net position of governmental activities	<u>\$ 48,844,933</u>

The notes to the basic financial statements are an integral part of this statement.

**JACKSON COUNTY, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balances—  
Governmental Funds

For the Fiscal Year Ended June 30, 2014

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>School Improvements Fund</u>	<u>Non-major Governmental Funds</u>	
Revenues:				
Ad valorem taxes	\$ 33,128,427	\$ -	\$ -	\$ 33,128,427
Other taxes	10,104,291	-	-	10,104,291
Unrestricted intergovernmental	384,289	-	-	384,289
Restricted intergovernmental	9,609,098	345,738	987,320	10,942,156
Other restricted revenues	131,146	-	-	131,146
Permits and fees	1,786,883	-	-	1,786,883
Sales and services	894,863	-	-	894,863
Investment earnings	15,229	885	17,560	33,674
Miscellaneous	780,131	-	-	780,131
Total revenues	<u>56,834,357</u>	<u>346,623</u>	<u>1,004,880</u>	<u>58,185,860</u>
Expenditures:				
Current:				
General government	7,717,505	-	228,651	7,946,156
Public safety	10,686,225	-	669,963	11,356,188
Transportation	719,219	-	-	719,219
Environmental protection	53,440	-	-	53,440
Economic and physical development	753,579	-	437,585	1,191,164
Human services	14,098,593	-	-	14,098,593
Culture and recreation	2,668,281	-	497,869	3,166,150
Intergovernmental:				
Education	9,068,719	7,529,827	-	16,598,546
Debt service:				
Principal retirement	4,757,576	-	-	4,757,576
Interest and other charges	986,980	-	-	986,980
Total expenditures	<u>51,510,117</u>	<u>7,529,827</u>	<u>1,834,068</u>	<u>60,874,012</u>
Revenues over (under) expenditures	<u>5,324,240</u>	<u>(7,183,204)</u>	<u>(829,188)</u>	<u>(2,688,152)</u>
Other financing sources (uses):				
Transfers from other funds	-	853,774	2,021,000	2,874,774
Transfers to other funds	(3,009,213)	-	-	(3,009,213)
Proceeds from sale of capital assets	69,427	-	-	69,427
Total other financing sources (uses)	<u>(2,939,786)</u>	<u>853,774</u>	<u>2,021,000</u>	<u>(65,012)</u>
Net change in fund balances	2,384,454	(6,329,430)	1,191,812	(2,753,164)
Fund Balances:				
Beginning of year, July 1	<u>22,697,978</u>	<u>6,872,783</u>	<u>2,432,777</u>	<u>32,003,538</u>
End of year, June 30	<u>\$ 25,082,432</u>	<u>\$ 543,353</u>	<u>\$ 3,624,589</u>	<u>\$ 29,250,374</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

**Statement of Revenues, Expenditures, and Changes in Fund Balances—  
Governmental Funds, Continued**

For the Fiscal Year Ended June 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances--total governmental funds	\$ (2,753,164)
--	----------------

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 capital outlays exceeded depreciation in the current period:

Capital outlay	1,552,674
Depreciation	(1,851,629)
Net book value of capital assets disposed during the current year	(24,549)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in ad valorem taxes and related interest receivable	(423,329)
Change in notes receivable	(122,891)

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. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Repayments	4,757,576
------------	-----------

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:

The following are accrued in the government-wide statements but not in the fund statements because they do not use current financial resources:

Compensated absences	(97,342)
Net OPEB obligation	(2,194,953)
Net pension obligation	(37,862)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	<u>27,508</u>

Total changes in net position of governmental activities	<u><u>\$ (1,167,961)</u></u>
--	------------------------------

The notes to the basic financial statements are an integral part of this statement.

**JACKSON COUNTY, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balance–  
Budget and Actual–General Fund

For the Fiscal Year Ended June 30, 2014

	<b>General Fund</b>			<b>Variance With Final Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
Revenues:				
Ad valorem taxes	\$ 32,350,710	\$ 33,135,641	\$ 33,128,427	\$ (7,214)
Other taxes	9,052,426	10,104,295	10,104,291	(4)
Unrestricted intergovernmental	436,002	522,802	384,289	(138,513)
Restricted intergovernmental	9,052,073	10,554,546	9,609,098	(945,448)
Other restricted revenues	95,000	132,079	131,146	(933)
Permits and fees	1,596,183	1,918,151	1,786,883	(131,268)
Sales and services	934,110	1,020,432	894,863	(125,569)
Investment earnings	25,000	25,000	14,766	(10,234)
Miscellaneous	847,163	994,236	780,131	(214,105)
Total revenues	<u>54,388,667</u>	<u>58,407,182</u>	<u>56,833,894</u>	<u>(1,573,288)</u>
Expenditures:				
Current:				
General government	7,373,790	7,886,411	7,423,075	463,336
Public safety	10,208,408	10,816,844	10,686,225	130,619
Transportation	1,070,145	1,107,059	719,219	387,840
Environmental protection	83,179	83,179	47,885	35,294
Economic and physical development	624,158	850,030	753,579	96,451
Human services	14,073,801	16,027,213	14,098,593	1,928,620
Culture and recreation	2,812,822	2,930,701	2,668,281	262,420
Intergovernmental:				
Education	9,684,192	9,684,192	9,068,719	615,473
Debt service:				
Principal retirement	4,757,576	4,757,576	4,757,576	-
Interest and other charges	986,980	986,980	986,980	-
Total expenditures	<u>51,675,051</u>	<u>55,130,185</u>	<u>51,210,132</u>	<u>3,920,053</u>
Revenues over expenditures	<u>2,713,616</u>	<u>3,276,997</u>	<u>5,623,762</u>	<u>2,346,765</u>
Other financing sources (uses):				
Transfers to other funds	(1,627,825)	(2,551,954)	(2,551,954)	-
Proceeds from sale of capital assets	21,000	70,430	69,427	(1,003)
Contingency	(1,106,791)	(795,473)	-	795,473
Total other financing uses	<u>(2,713,616)</u>	<u>(3,276,997)</u>	<u>(2,482,527)</u>	<u>794,470</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,141,235</u>	<u>\$ 3,141,235</u>
Fund balance:				
Beginning of year, July 1			<u>21,420,986</u>	
End of year, June 30			<u>\$ 24,562,221</u>	

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balance—  
Budget and Actual—General Fund

For Fiscal Year Ended June 30, 2014

**General Fund**

---

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

Expenses	\$ (294,430)
Transfers from the General Fund	333,334
Beginning Fund Balance	2,941

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

Revenue	463
Transfers from the General Fund	903,407
Transfers to the Emergency Management Projects Fund	(1,094,000)
Beginning Fund Balance	594,219

A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:

Expenses	(5,555)
Transfers to the Greenways Project Fund	(600,000)
Beginning Fund Balance	679,832

Ending Fund Balance	\$ 25,082,432
---------------------	---------------

The notes to the basic financial statements are an integral part of this statement.

## JACKSON COUNTY, NORTH CAROLINA

### Statement of Fund Net Position Proprietary Funds

June 30, 2014

	<u>Major Fund</u> <u>Landfill</u> <u>Fund</u>	<u>Non-major</u> <u>Funds</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 358,596	\$ 196,434	\$ 555,030
Accounts receivable, net	467,985	2,183	470,168
Accrued interest receivable	17,048	-	17,048
Due from other governments	36,316	-	36,316
Total current assets	<u>879,945</u>	<u>198,617</u>	<u>1,078,562</u>
Non-current assets:			
Notes receivable, net	-	147,826	147,826
Capital assets, net of depreciation	4,800,176	1,316,640	6,116,816
Total non-current assets	<u>4,800,176</u>	<u>1,464,466</u>	<u>6,264,642</u>
Total assets	<u>5,680,121</u>	<u>1,663,083</u>	<u>7,343,204</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	165,372	12,191	177,563
Unearned revenue	-	10,273	10,273
Accrued interest payable	13,277	-	13,277
Installment purchases, current	234,601	-	234,601
Total current liabilities	<u>413,250</u>	<u>22,464</u>	<u>435,714</u>
Non-current liabilities:			
Installment purchases, non-current	2,228,705	-	2,228,705
Compensated absences	12,143	9,662	21,805
Net OPEB obligation	460,401	51,156	511,557
Accrued landfill closure and post-closure care costs	1,535,987	-	1,535,987
Total non-current liabilities	<u>4,237,236</u>	<u>60,818</u>	<u>4,298,054</u>
Total liabilities	<u>4,650,486</u>	<u>83,282</u>	<u>4,733,768</u>
<b>Net position:</b>			
Net investment in capital assets	2,336,870	1,316,640	3,653,510
Unrestricted (deficit)	<u>(1,307,235)</u>	<u>263,161</u>	<u>(1,044,074)</u>
Total net position	<u>\$ 1,029,635</u>	<u>\$ 1,579,801</u>	<u>\$ 2,609,436</u>

The notes to the basic financial statements are an integral part of this statement.

## JACKSON COUNTY, NORTH CAROLINA

### Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds

For the Fiscal Year Ended June 30, 2014

	<u>Major Fund</u> <u>Landfill</u> <u>Fund</u>	<u>Non-major</u> <u>Funds</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
Operating revenues:			
Charges for services	\$ 3,050,836	\$ 52,431	\$ 3,103,267
Operating expenses:			
Landfill operations, closure and post-closure care costs	2,811,924	-	2,811,924
Park operations	-	154,014	154,014
Economic development operations	-	39,291	39,291
Depreciation	88,611	51,424	140,035
Total operating expenses	<u>2,900,535</u>	<u>244,729</u>	<u>3,145,264</u>
Operating income (loss)	<u>150,301</u>	<u>(192,298)</u>	<u>(41,997)</u>
Non-operating revenues (expenses):			
Interest and investment revenues	27,955	3,160	31,115
Scrap tire tax	49,345	-	49,345
White goods tax	6,694	-	6,694
Electronics tax	2,706	-	2,706
Recycling assistance grant	8,467	-	8,467
Interest expense	(62,550)	-	(62,550)
Loss on the disposal of assets	-	(5,538)	(5,538)
Total non-operating revenue (expenses)	<u>32,617</u>	<u>8,526</u>	<u>41,143</u>
Income (loss) before transfers	182,918	(183,772)	(854)
Transfers from other funds	-	134,439	134,439
Change in net position	182,918	(49,333)	133,585
Net position:			
Beginning of year, July 1	<u>846,717</u>	<u>1,629,134</u>	<u>2,475,851</u>
End of year, June 30	<u>\$ 1,029,635</u>	<u>\$ 1,579,801</u>	<u>\$ 2,609,436</u>

The notes to the basic financial statements are an integral part of this statement.

## JACKSON COUNTY, NORTH CAROLINA

### Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2014

	<u>Major Fund</u> <u>Landfill</u> <u>Fund</u>	<u>Non-major</u> <u>Funds</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 3,087,196	\$ 51,897	\$ 3,139,093
Cash paid for goods and services	(2,493,785)	(95,388)	(2,589,173)
Cash paid to employees for services	(324,365)	(81,666)	(406,031)
Net cash provided (used) by operating activities	<u>269,046</u>	<u>(125,157)</u>	<u>143,889</u>
Cash flows from non-capital financing activities:			
Other taxes	62,796	-	62,796
Grants and donations	8,467	10,904	19,371
Transfers from other funds	-	134,439	134,439
Net cash provided by non-capital financing activities	<u>71,263</u>	<u>145,343</u>	<u>216,606</u>
Cash flows from capital and related financing activities:			
Principal paid on long-term debt	(234,601)	-	(234,601)
Interest paid on long-term debt	(62,550)	-	(62,550)
Net cash used by capital and related financing activities	<u>(297,151)</u>	<u>-</u>	<u>(297,151)</u>
Cash flows from investing activities:			
Principal payments on notes receivable	-	16,200	3,160
Interest earned on investments	31,827	3,160	34,987
Net cash provided by investing activities	<u>31,827</u>	<u>19,360</u>	<u>51,187</u>
Net increase in cash and cash equivalents	74,985	39,546	114,531
Cash and cash equivalents, July 1	<u>283,611</u>	<u>156,888</u>	<u>440,499</u>
Cash and cash equivalents, June 30	<u>\$ 358,596</u>	<u>\$ 196,434</u>	<u>\$ 555,030</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 150,301	\$ (192,298)	\$ (41,997)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	88,611	51,424	140,035
Changes in assets and liabilities:			
Accounts receivable	36,360	(534)	35,826
Accounts payable and accrued liabilities	(44,017)	9,762	(34,255)
Unearned revenue	-	2,413	2,413
Compensated absences	(3,074)	(200)	(3,274)
Accrued landfill closure and post-closure care costs	(8,703)	-	(8,703)
Net OPEB obligation	49,568	4,276	53,844
Net cash provided (used) by operating activities	<u>\$ 269,046</u>	<u>\$ (125,157)</u>	<u>\$ 143,889</u>

The notes to the basic financial statements are an integral part of this statement.

**JACKSON COUNTY, NORTH CAROLINA**Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2014

	<b><u>Agency Funds</u></b>
Assets:	
Cash and cash equivalents	138,450
Accounts receivable	<u>3,295</u>
Total assets	<u><u>\$ 141,745</u></u>
Liabilities:	
Amounts held for others	<u><u>\$ 141,745</u></u>

The notes to the basic financial statements are an integral part of this statement.

---

## **NOTES TO FINANCIAL STATEMENTS**

---

# JACKSON COUNTY, NORTH CAROLINA

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2014

### 1. Summary of Significant Accounting Policies

The accounting policies of Jackson County (the "County") and its component units conform to accounting principles generally accepted in the United States of America as applicable to governments. 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 (the "State") under North Carolina General Statute ("State law") 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

**Jackson County Industrial Facility and Pollution Control Financing Authority.** Jackson 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 is governed by a four-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

**Jackson County Tourism Development Authority.** The Jackson County Tourism Development Authority (the "JCTDA") was established by the Jackson County Board of Commissioners, with the authorization of the North Carolina General Legislature, for the purpose of using occupancy taxes collected to promote travel and tourism within Jackson County. The JCTDA is composed of 15 voting members and four ex-officio members, all who serve without compensation and are appointed by the Jackson County Board of Commissioners. Members are appointed to complete three year terms. The JCTDA may contract with any person, firm or organization to advise and assist

in carrying out its duty to promote travel and tourism within the County. Complete financial statements for the JCTDA may be obtained by contacting the Jackson County Tourism Development Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

**Jackson County Airport Authority.** The Jackson County Airport Authority (the "Airport") is a non-profit organization that exists to operate, promote, and to further improve the airport facilities and aviation for County residents. During the fiscal year ended June 30, 2011, the Airport created its own Board. The Jackson County Board of Commissioners appoints two of the five voting members of the Airport, and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Airport and approves amendments to the approved budget. The Airport does not issue separate financial statements.

**Jackson County Alcoholic Beverage Control Board.** The Jackson County Alcoholic Beverage Control Board (the "ABC Board") was established to operate two liquor stores and to investigate violations of North Carolina Alcoholic Beverage Control laws in the County. The first retail sales were made on May 1, 2014. The Jackson County Board of Commissioners appoints three of the five members of the ABC Board. The ABC Board is required by State law to distribute 60% of its net profits to the General Fund of the County, which represents a financial benefit to the County. The remaining 40% of the ABC Board's net profits is required by State law to be distributed to the General Fund of the Town of Sylva. Complete financial statements for the ABC Board may be obtained by contacting the Jackson County Alcoholic Beverage Control Board General Manager, 30 E. Sylva Shopping Center, Sylva, North Carolina, 28779.

**B. Basis of Presentation, Basis of Accounting**

**Government-wide Statements.** The Statement of Net Position and the Statement of Activities display information about the primary government 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. 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.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different 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 particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) 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 enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from 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 activities.

The County reports the following major governmental funds:

- **General Fund.** This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Additionally, the County has a legally adopted budget for the Revaluation Fund, the Capital Reserve Fund and the Conservation/Preservation Fund. In accordance with Governmental Accounting Standards Board ("GASB") No. 54 guidance, these funds are consolidated in the General Fund.
- **School Improvements Fund.** This fund is used to for the construction of school improvements from the proceeds of State grants, installment grants, and local matching funds. Additionally, the County has a legally adopted budget for the School Capital Reserve Fund. In accordance with GASB No. 54 guidance, this fund has been consolidated into the School Improvements Fund.

The County reports the following major enterprise fund:

- **Landfill Fund.** This fund accounts for the operation, maintenance, and development of various landfills and disposal sites. Additionally, the County reports the following fund type:

- **Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains four agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Property Tax Fund, which accounts for property taxes that are billed and collected by the County for various municipalities within the County; the Extension Agency Fund, which accounts for moneys collected and disbursed for the operation of the Jackson County 4-H Club; and the State of North Carolina Fund, which accounts for moneys held for the benefit of certain individuals.

- C. **Measurement Focus, 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 the agency funds, which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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 and expenses of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Governmental Fund Financial Statements.** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures 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 taxes other than motor vehicles are materiality past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State Law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicle taxes 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 collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 by general revenues.

- D. **Budgetary Data** – The County’s budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, Special Revenue (excluding funds with multi-year budgets) and the Enterprise Funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds and for certain Special Revenue Fund types. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and Enterprise Funds, and at the object level for the Capital Projects Funds. The County budget officer is authorized by the budget ordinance to transfer appropriations within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. 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 that time until the annual ordinance can be adopted.
- E. **Use of Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- F. **Assets, Liabilities, Deferred Inflows, and Fund Equity**

***Deposits and Investments.*** All deposits of the County and the component units are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the component units 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)] authorizes the County and the component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers’ acceptances; and the North Carolina Capital Management Trust (“NCCMT”), an SEC registered (2a-7) money market mutual fund.

The County’s NCCMT Cash Portfolio’s securities are valued at fair value, which is the NCCMT’s share price. The NCCMT Term Portfolio’s securities are valued at fair value.

**Cash and Cash Equivalents.** The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The component units consider demand deposits and investments purchased with an original maturity three months or less, that are not limited to use, to be cash and cash equivalents.

**Restricted Assets.** Money in the Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

**Ad Valorem Taxes Receivable.** In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2013.

**Allowances 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.

**Capital Assets.** Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Jackson County Board of Education ("Board of Education") properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Board of Education.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	50 years
Improvements	25 years
Furniture and equipment	10 years
Vehicles	6 years
Computer equipment	3 years

**Deferred Inflows of Resources.** 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 has only four items that meet the criterion for this category – prepaid taxes, taxes receivable, notes receivable, and other revenues received in advance.

**Long-Term Obligations.** In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

**Compensated Absences.** The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Compensated absences typically have been liquidated in the general and proprietary funds and are accounted for on a FIFO basis, assuming that employees are taking leave time as it is earned.

The sick leave policy of the County provides for an unlimited accumulation of earned 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 the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**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 represent 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 four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law:

- Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
- Restricted for Register of Deeds – portion of fund balance restricted by revenue source to pay for computer and imaging technology in the Register of Deeds office.
- Restricted for Education – portion of fund balance restricted for school capital per G.S. 159-18-22.
- Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.
- Restricted for Economic and Physical Development – portion of fund balance that is restricted by revenue source for economic development.

Committed Fund Balance – This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of Jackson County's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. Committed fund balance represents ending fund balance in various special revenue and capital project funds, or funds with legally adopted budgets.

Assigned Fund Balance – portion of fund balance that Jackson County governing board has budgeted:

- Assigned for Other Post-Employment Benefits – portion of fund balance that has been assigned for future expenditures related to other post-employment benefits.
- Assigned for LEO Separation Allowance – portion of fund balance that has been assigned for future expenditures related to the Law Enforcement Officers ("LEO") Special Separation Allowance.

Unassigned Fund Balance – This classification includes amounts that have not been restricted, committed, or assigned to specific purposes or other funds.

The County does not have a formal revenue spending policy. However, it is the County's practice to use resources in the following hierarchy: installment loan 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 in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

The County does not have a formal fund balance policy. In addition, all encumbrances lapse at the end of the year. Therefore, the entire amount of unassigned fund balance in the General Fund is available for appropriation.

## 2. Detail Notes on All Funds

### A. Assets

**Deposits.** All of the County's and the component units' 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 or the component units' agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the component units, these deposits are considered to be 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 component units or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the component units 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 County and the component units have no policy regarding custodial credit risk for deposits.

At June 30, 2014, the County's deposits had a carrying amount of \$27,164,717 and a bank balance of \$27,494,151. Of the bank balance, \$604,936 was covered by federal depository insurance and \$26,889,215 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2014, Jackson County had \$1,950 cash on hand.

At June 30, 2014, the carrying amount of deposits and bank balance for the JCTDA was \$397,967. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$147,967 in interest bearing deposits were covered by collateral held under the Pooling Method. The JCTDA also had \$50 in cash on hand at June 30, 2014.

At June 30, 2014, the carrying amount of deposits and bank balance for the Airport was \$1,590, all of which was covered by federal depository insurance.

At June 30, 2014, the carrying amount of the ABC Board’s deposits was \$591,671 and the bank balance was \$593,524. All of the bank balance was covered by federal depository insurance.

**Investments.** At June 30, 2014, the County’s investment balances in the NC Capital Management Trust – cash portfolio were \$4,015,276 with an AAAM rating.

**Custodial Credit Risk.** For an investment, the custodial 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. The County has no policy on custodial credit risk.

**Receivables.** Receivables at the government-wide level at June 30, 2014, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Notes Receivable</u>	<u>Total</u>
Governmental activities:					
General	\$ 387,137	\$3,345,682	\$3,565,997	\$ -	\$7,298,816
School improvements	1,961	-	-	-	1,961
Other governmental	9,813	-	43,152	377,961	430,926
Allowance for doubtful accounts	-	(1,091,000)	-	(8,315)	(1,099,315)
Total governmental activities	<u>\$ 398,911</u>	<u>\$2,254,682</u>	<u>\$3,609,149</u>	<u>\$ 369,646</u>	<u>\$6,632,388</u>
Business-type activities:					
Landfill	\$ 609,680	\$ -	\$ 36,316	\$ -	\$ 645,996
Green Energy Park	2,183	-	-	-	2,183
Economic Development	-	-	-	147,826	147,826
Allowance for doubtful accounts	(124,647)	-	-	-	(124,647)
Total business-type activities	<u>\$ 487,216</u>	<u>\$ -</u>	<u>\$ 36,316</u>	<u>\$ 147,826</u>	<u>\$ 671,358</u>

**Notes Receivable.** The County has made loans to five companies from Community Development Block Grant revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from 2 to 6 percent and are repaid monthly and yearly over a period of three to seventeen years. Notes receivable are collateralized by a deed of trust on the companies' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Amounts reported in the governmental fund are not considered available due to time restrictions and are therefore considered a deferred inflow of resources.

**Capital Assets.** Capital asset activity for the year ended June 30, 2014, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$12,366,389	\$ -	\$ -	\$12,366,389
Construction in progress	8,916,947	902,699	690,062	9,129,584
Total capital assets not being depreciated	<u>21,283,336</u>	<u>902,699</u>	<u>690,062</u>	<u>21,495,973</u>
Capital assets being depreciated:				
Buildings	56,713,851	784,801	-	57,498,652
Equipment	4,993,993	84,238	21,911	5,056,320
Vehicles	4,734,476	470,998	594,582	4,610,892
Total capital assets being depreciated	<u>66,442,320</u>	<u>1,340,037</u>	<u>616,493</u>	<u>67,165,864</u>
Less accumulated depreciation for:				
Buildings	13,519,245	1,238,992	-	14,758,237
Equipment	3,918,905	245,232	21,911	4,142,226
Vehicles	3,496,159	367,405	570,033	3,293,531
Total accumulated depreciation	<u>20,934,309</u>	<u>1,851,629</u>	<u>591,944</u>	<u>22,193,994</u>
Total capital assets being depreciated, net	<u>45,508,011</u>			<u>44,971,870</u>
Governmental activity capital assets, net	<u>\$66,791,347</u>			<u>\$66,467,843</u>

**Governmental Activities.** Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 803,380
Public safety	509,284
Transportation	57,823
Economic and physical development	15,200
Human services	79,293
Culture and recreation	<u>386,649</u>
 Total depreciation expense	 <u>\$ 1,851,629</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 182,414	\$ -	\$ -	\$ 182,414
Capital assets being depreciated:				
Buildings and improvements	2,458,056	8,698	-	2,466,754
Plant and distribution systems	4,628,597	-	-	4,628,597
Furniture and maintenance equipment	962,537	-	21,764	940,773
Total capital assets being depreciated	<u>8,049,190</u>	<u>8,698</u>	<u>21,764</u>	<u>8,036,124</u>
Less accumulated depreciation for:				
Buildings and improvements	653,774	108,662	-	762,436
Plant and distribution systems	546,059	(14,862)	-	531,197
Furniture and maintenance equipment	769,382	46,235	7,528	808,089
Total accumulated depreciation	<u>1,969,215</u>	<u>140,035</u>	<u>7,528</u>	<u>2,101,722</u>
Total capital assets being depreciated, net	<u>6,079,975</u>			<u>5,934,402</u>
Business-type activities capital assets, net	<u>\$ 6,262,389</u>			<u>\$ 6,116,816</u>

**Business Type Activities.** Depreciation expense was charged to functions/programs of the business-type activities as follows:

Landfill	\$ 88,611
Green Energy Park	5,485
Economic Development Commission	<u>45,939</u>
 Total depreciation expense	 <u>\$ 140,035</u>

**Construction Commitments.** The government has active construction projects as of June 30, 2014. At year-end, the government's commitments with contractors are as follows:

Project:	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Emergency Management Center	\$ 98,848	\$ 871,152
Smoky Mountain High Gymnasium and Performing Arts Center	9,960,644	561,418
Blue Ridge High School Locker Rooms	1,096,646	39,119
Greenway	202,241	127,338
Andrews Park	-	100,725
Mark Watson Park	-	18,700
	<u>\$ 11,358,379</u>	<u>\$ 1,718,452</u>

**Discretely Presented Component Units**

Activity for the Airport for the year ended June 30, 2014 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 4,818,067	\$ -	\$ -	\$ 4,818,067
Capital assets being depreciated:				
Buildings	191,322	-	-	191,322
Equipment	99,326	-	-	99,326
Total capital assets being depreciated	290,648	-	-	290,648
Less accumulated depreciation for:				
Buildings	112,696	3,827	-	116,523
Equipment	50,292	9,932	-	60,224
Total accumulated depreciation	162,988	13,759	-	176,747
Total capital assets being depreciated, net	127,660			113,901
Capital assets, net	<u>\$ 4,945,727</u>			<u>\$ 4,931,968</u>

Activity for the ABC Board for the year ended June 30, 2014 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ -	\$ 12,301	\$ -	\$ 12,301
Capital assets being depreciated:				
Building	-	147,508	-	147,508
Furniture and equipment	-	139,775	-	139,775
Total capital assets being depreciated	-	287,283	-	287,283
Less accumulated depreciation for:				
Building	-	1,113	-	1,113
Furniture and equipment	-	2,686	-	2,686
Total accumulated depreciation	-	3,799	-	3,799
Total capital assets being depreciated, net	-			283,484
Capital assets, net	\$ -			\$ 295,785

**B. Liabilities**

**Payables.** Payables at the government-wide level at June 30, 2014, were as follows:

	<u>Vendors</u>	<u>Contract Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:				
General	\$2,179,795	\$ -	\$ 736,565	\$2,916,360
School improvements	88,634	552,363	-	640,997
Other governmental	203,456	27,674	-	231,130
Total governmental activities	<u>\$2,471,885</u>	<u>\$ 580,037</u>	<u>\$ 736,565</u>	<u>\$3,788,487</u>
Business-type activities:				
Landfill	\$ 165,372	\$ -	\$ -	\$ 165,372
Other proprietary	12,191	-	-	12,191
Total business-type activities	<u>\$ 177,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,563</u>

***Pension Plan Obligations.*****Local Governmental Employees' Retirement System**

- **Plan Description.** Jackson County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, or by calling (919) 981-5454.
  
- **Funding Policy.** Plan members are required to contribute 6 percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 7.07 percent and 7.28 percent, respectively, of annual covered payroll. The contribution requirements of members and of Jackson County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012, were \$883,761, \$834,479, and \$862,758, respectively. The contributions made by the County equaled the required contributions for each year.

**Law Enforcement Officers' Special Separation Allowance**

- **Plan Description.** Jackson County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer 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. The Separation Allowance is included in the General Fund in the County's report.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	2
Active plan members	49
	<hr/>
Total	51
	<hr/> <hr/>

➤ **Summary of Significant Accounting Policies.**

*Basis of Accounting.* Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Deposits are reported at fair value.

- **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 by making contributions based on actuarial valuations beginning in the 2005 fiscal year. For the current year, the County contributed \$52,052, or 3.0 percent of annual covered payroll. 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 annual required contribution for the current year was determined as part of the December 31, 2013 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included: (a) 5.00 percent investment rate of return, and (b) projected salary increases ranging from 4.25 percent to 7.85 percent per year. Both items (a) and (b) included an inflation component of 3.00 percent. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized using the level dollar closed method. The remaining amortization period at December 31, 2013 was 17 years.

**3-Year Trend Information**

<u>For Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$ 80,823	0.00%	\$ 381,847
2013	\$ 83,939	40.83%	\$ 431,511
2014	\$ 89,914	57.89%	\$ 469,373

The annual pension cost and change in net pension obligation as of June 30, 2014, is as follows:

Employer annual required contribution	\$ 103,494
Interest on net pension obligation	21,576
Adjustment to annual required contribution	(35,156)
Annual pension cost	<u>89,914</u>
Employer contributions made for year ending June 30, 2014	<u>(52,052)</u>
Increase in net pension obligation	37,862
Net pension obligation beginning of fiscal year	<u>431,511</u>
Net pension obligation end of fiscal year	<u><u>\$ 469,373</u></u>

- **Funded Status and Funding Progress.** As of December 31, 2013, the most recent actuarial valuation date, the plan was 6.65 percent funded. The actuarial accrued liability for benefits was \$818,954, and the actuarial value of assets was \$54,424, which are assigned monies in the General Fund, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$764,530. The covered payroll (annual payroll of active employees covered by the plan) was \$2,009,397, and the ratio of the UAAL to the covered payroll was 38.05 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Supplemental Retirement Income Plan for Law Enforcement Officers**

- **Plan Description.** The County contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to 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 to 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. Contributions for the year ended June 30, 2014, were \$269,333, which consisted of \$147,646 from the County and \$121,687 from the law enforcement officers.

#### **Register of Deeds' Supplemental Pension Fund.**

- **Plan Description.** Jackson County also contributes to the Registers of Deeds' Supplemental Pension Fund ("Fund"), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county Register of Deeds that is retired under the 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. 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, or by calling (919) 981-5454.
- **Funding Policy.** On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For

the fiscal year ended June 30, 2014, the County's required and actual contributions were \$3,864.

**Healthcare Benefits**

➤ **Other Post-employment Benefits.**

*Plan Description.* Under the terms of a county resolution, the County administers a single employer defined benefit Healthcare Benefits Plan (the "HCB Plan"). The County provides post-employment healthcare benefits to retirees of the County, provided they participate in the LGERS and are 60 years of age (or age 55 for law enforcement officers) and have at least 15 years of creditable service with the County (or 10 years of creditable service if hired before January 18, 2001) or have at least 30 years of continuous service to the County at any age. The County pays the full cost of coverage for these benefits through private insurers. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board may amend the benefit provisions. A separate report was not issued for the HCB Plan.

Membership of the HCB Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

	<b><u>General Employees</u></b>	<b><u>Law Enforcement Officers</u></b>
Retirees and dependents receiving benefits	75	3
Active plan members	339	48
	<hr/>	<hr/>
Total	414	51
	<hr/> <hr/>	<hr/> <hr/>

*Funding Policy.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a county resolution that can be amended by the Board. The County’s members pay the group rate per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 19.81 percent of annual covered payroll. For the current year, the County contributed \$631,270 or 4.38 percent of annual covered payroll. The County obtains healthcare coverage through private insurers. The County’s obligation to contribute to the HCB Plan is established and may be amended by the County’s Board.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. These expenditures are paid as they come due.

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

Annual required contribution	\$ 2,853,060
Interest on net OPEB obligation	604,320
Adjustment to annual required contribution	<u>(577,313)</u>
Annual OPEB cost (expense)	2,880,067
Contributions made	<u>(631,270)</u>
Increase in net OPEB obligation	2,248,797
Net OPEB obligation beginning of year	<u>15,107,999</u>
 Net OPEB obligation end of year	 <u>\$ 17,356,796</u>

The County’s net OPEB obligation is comprised of \$16,845,239 and \$511,557 for governmental activities and business-type activities, respectively.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 2,880,067	21.9%	\$ 17,356,796
2013	\$ 2,793,064	21.8%	\$ 15,107,999
2012	\$ 2,788,974	18.0%	\$ 12,924,015

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the plan was 0.6 percent funded. The actuarial accrued liability for benefits was \$31,735,642, and the actuarial value of assets was \$201,291, which are assigned monies in the General Fund, resulting in an unfunded actuarial accrued liability ("UAAL") of \$31,534,351. The covered payroll (annual payroll of active employees covered by the plan) was \$14,400,446, and the ratio of the UAAL to the covered payroll was 219 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probably of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), which

is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.5 to 5 percent annually and 7 to 5 percent annually for pre-Medicare and post-Medicare, respectively. The investment rate included a 3 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

- **Death 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 ("System"), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. 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. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

**Closure and Post-closure Care Costs—Landfill Facility.** State and federal laws and regulations required the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill has been closed, but will be monitored for the next 19 years. Post-closure costs are included in operating expenses of the current year. The \$1,535,987 reported as landfill post-closure care liability at June 30, 2014, represents estimated future post-closure costs based on engineering estimates prepared at and shortly after closure. 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, which is one option under State and federal laws and regulations that helps determine if a unit is financially able to meet closure and post-closure care requirements.

**Deferred Inflows of Resources.** The balance in deferred inflows of resources on the fund statements and/or on the government-wide statements at year-end is composed of the following elements:

	<b>Deferred Inflows</b>	<b>Full Accrual Deferred Inflows</b>
Governmental Funds/activities:		
Prepaid taxes not yet earned (General)	\$ 34,153	\$ 34,153
Taxes receivable, net (General)	2,044,103	-
Notes receivable (Economic Development)	369,946	-
Other (General)	<u>1,571,208</u>	<u>1,571,208</u>
 Total:	 <u>\$ 4,019,110</u>	 <u>\$ 1,605,361</u>

**Risk Management.** The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in one self-funded risk-financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains worker’s compensation coverage up to statutory limits. The pool is audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pool is reinsured through a multi-state public entity captive for single occurrences losses of \$350,000 for worker’s compensation.

The County carries commercial coverage equal to replacement cost values of owned property subject to a limit of \$47.246 million for any one occurrence, general, auto, and professional liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and health insurance for County employees. The County carries commercial coverage for single occurrences losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage.

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 Chairman of the Board, County Manager, Director of Finance and the Tax Collector are each individually bonded for \$250,000. The Register of Deeds and Sheriff are bonded for \$50,000 and \$25,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000 for public employee dishonesty and \$75,000 for theft.

The County carries flood insurance through a commercial carrier for damages up to \$1,000,000 for areas excluding those located in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency. The County has no property located in an "A" area, and therefore has not purchased additional coverage through the National Flood Insurance Plan.

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 JCTDA and the Airport are exposed to various risks related to torts; theft of or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport Authority and the JCTDA carry commercial insurance for these risks of loss. 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.

**Long-Term Debt.** The County's long-term debt for governmental activities at June 30, 2014, comprised of the following:

A \$1,840,000 note was executed on August 11, 1999, and refinanced on May 3, 2002, for improvements to the County's elementary schools and is payable in 25 semi-annual payments of \$86,666 including interest of 4.91 percent. Principal and interest payments are appropriated when due.	\$ 84,590
A \$3,137,637 note was executed December 1, 1999, and refinanced on May 3, 2002, for renovations to various County buildings (48 percent of the proceeds) and school projects (52 percent of the proceeds) and is payable in 26 semi-annual payments of \$120,678. In addition, 4.91 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.	120,678
A \$9,850,000 note was executed on April 28, 2000, and refinanced on May 3, 2002, for the purchase of property for several County buildings (54 percent of the proceeds) and school projects (46 percent of the proceeds) and is payable in 26 semi-annual payments of \$331,617. In addition, 4.91 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.	663,234
A \$9,175,000 note was executed on October 23, 2003, and refinanced on February 16, 2012 for construction of various properties (44 percent of the proceeds) and school projects (56 percent of the proceeds) is payable in 24 semiannual payments of \$382,292. In addition, 2.54 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.	1,146,875
A \$9,507,386 note was executed on December 29, 2005 and refinanced on February 16, 2012 for the construction of a library (42 percent of the proceeds) and school addition (58 percent of the proceeds) and is payable in 30 semi-annual payments of \$316,913. In addition, 2.96 percent interest is payable semi-annually. Principal and interest are appropriated when due.	4,119,867

(continued)

**Long –Term Debt (continued).**

A \$10,295,446 note was executed on July 16, 2009 and refinanced on December 28,2011 for the renovation of the historic courthouse, construction of the new public library, and projects at Southwestern Community College. The note is payable in 30 semi-annual payments of \$343,182. In addition, 3.39 percent interest is payable semi-annually. Principal and interest payments are appropriated when due. \$ 7,206,812

A \$10,000,000 note was executed on October 25, 2012 for the construction of a gymnasium and performing arts center at Smoky Mountain High School, and renovation of locker rooms at Blue Ridge High School. The note is payable in 30 semi-annual payments of \$333,333. In addition, 2.79% interest is payable semi-annually. Principal and interest payments are appropriated when due. 9,000,000

A \$6,933,500 note was executed on November 27, 2012 for the refunding of a prior installment obligation for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 21 semi-annual payments of \$330,167. In addition, 2.19% interest is payable semi-annually. Principal and interest payments are appropriated when due. 5,612,833

A \$3,058,734 note was executed on December 19, 2012, for the refunding of a prior installment obligation for the construction and equipping of a new Aging Facility located at the Webster Complex and is payable in 22 semi-annual payments of \$139,033. In addition, 2.27% interest is payable semi-annually. Principal and interest payments are appropriated when due. 2,641,633

---

**\$30,596,522**

---

Repayment requirements of the notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,558,340	\$ 833,633	\$ 5,391,973
2016	3,307,547	703,347	4,010,894
2017	2,925,255	617,090	3,542,345
2018	2,925,255	535,687	3,460,942
2019	2,925,255	454,285	3,379,540
2020-2024	11,278,354	1,159,733	12,438,087
2025-2028	2,676,516	136,020	2,812,536
	<u>\$ 30,596,522</u>	<u>\$ 4,439,795</u>	<u>\$ 35,036,317</u>

The County's long-term debt for business-type activities at June 30, 2014, comprised of the following:

A \$2,815,207 note was executed on November 27, 2012, for the refunding of a prior installment obligation for the construction of the Municipal Solid Waste Facility, payable in 24 semi-annual payments of \$117,300 including interest of 2.37%. Principal and interest payments are appropriated when due.

\$ 2,463,306

Repayment requirements of the note payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 234,601	\$ 56,990	\$ 291,591
2016	234,601	51,430	286,031
2017	234,601	45,870	280,471
2018	234,601	40,310	274,911
2019	234,601	34,750	269,351
2020-2024	1,173,003	90,351	1,263,354
2025	117,298	1,390	118,688
	<u>\$ 2,463,306</u>	<u>\$ 321,091</u>	<u>\$ 2,784,397</u>

**Changes in Long-Term Liabilities.** A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental activities:					
Installment purchases	\$ 35,354,098	\$ -	\$ 4,757,576	\$ 30,596,522	\$ 4,558,340
Compensated absences	1,312,838	1,297,999	1,200,657	1,410,180	-
Net pension obligation	431,511	37,862	-	469,373	-
Net OPEB obligation	<u>14,650,286</u>	<u>2,818,130</u>	<u>623,177</u>	<u>16,845,239</u>	<u>-</u>
Total governmental activities	<u>\$ 51,748,733</u>	<u>\$ 4,153,991</u>	<u>\$ 6,581,410</u>	<u>\$ 49,321,314</u>	<u>\$ 4,558,340</u>
Business-type activities:					
Installment purchases	\$ 2,697,907	\$ -	\$ 234,601	\$ 2,463,306	\$ 234,601
Landfill closure and post closure costs	1,544,690	15,679	24,382	1,535,987	-
Compensated absences	25,079	20,854	24,128	21,805	-
Net OPEB obligation	<u>457,713</u>	<u>61,937</u>	<u>8,093</u>	<u>511,557</u>	<u>-</u>
Total business-type activities	<u>\$ 4,725,389</u>	<u>\$ 98,470</u>	<u>\$ 291,204</u>	<u>\$ 4,532,655</u>	<u>\$ 234,601</u>

At June 30, 2014, Jackson County had a legal debt margin of approximately \$896,000,000.

**Net Investment in Capital Assets.** The net investment in capital assets at June 30, 2014, is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 66,467,843	\$ 6,116,816
Less capital debt:		
Gross debt	30,596,522	2,463,306
Less:		
School debt related to assets to which the County does not hold title.	<u>(14,336,438)</u>	<u>-</u>
Net capital debt	<u>16,260,084</u>	<u>2,463,306</u>
Net investment in capital assets	<u>\$ 50,207,759</u>	<u>\$ 3,653,510</u>

C. **Interfund Balances and Activity**

**Transfer to/from Other Funds**

Transfers to/from other funds at June 30, 2014, consist of the following:

Transfers from the General Fund to:	
School Improvements Fund	\$ 853,774
Non-major governmental funds	2,021,000
Non-major proprietary funds	134,439

**Due From Component Unit**

At June 30, 2014, the amount due to the County from the ABC Board was \$263,299.

At June 30, 2014, the amount due to the County from the Airport Authority was \$3,000.

3. **Joint Ventures**

**Fontana Regional Library** – The County participates in a joint venture to operate the Fontana Regional Library (“Library”) with five other local governments. Each participating county may appoint three board members to the nine-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2014. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$919,025 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at Post Office Box 460, Bryson City, North Carolina, 28713.

**Southwestern Community College** – The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College (“Community College”). The County appoints five members and the State and the Board of Education each appoint four members of the thirteen-member board of trustees of the Community College. 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. The County contributed \$1,606,460 and \$151,817 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2014. The participating governments do not have any

equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2014. Complete financial statements for the community college may be obtained from the Community College's administrative offices at 275 Webster Road, Sylva, North Carolina 28779.

**Tuckasegee Water and Sewer Authority** – The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckasegee Water and Sewer Authority (the "TWSA"). The chairman of the TWSA appoints one member from each participating government and three members at large. The TWSA is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The TWSA has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the TWSA. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2014. Complete financial statements for the TWSA can be obtained from the TWSA's administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

#### 4. **Jointly Governed Organizations**

**Southwestern North Carolina Planning and Economic Development Commission** – The County, in conjunction with seven other counties and fifteen municipalities, established the Southwestern North Carolina Planning and Economic Development Commission ("Commission"). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's twenty-two member governing board. The County paid membership fees of \$28,088 to the Commission during the fiscal year ended June 30, 2014.

**Mental Health** – Following extensive study and debate, the 2001 North Carolina General Assembly passed the Mental Health System Reform Bill (House Bill 381). Smoky Mountain Mental Health was organized into a twelve county Local Management Entity ("LME") and, as a result, Smoky Mountain Mental Health was dissolved on June 30, 2005. Jackson County joined eleven other counties (Swain, Watauga, Wilkes, Graham, Haywood, Macon, Alleghany, Ashe, Avery, Cherokee and Clay) to form Smoky Mountain Center LME.

The twelve counties participating in the Smoky Mountain Center LME are represented by a county commissioner. Within available resources, the County has an ongoing financial responsibility for the LME because it is legally obligated to provide mental health services either directly or jointly with other counties. None of the participating counties has any equity interest in the LME, so no equity interest

has been reflected in the financial statements at June 30, 2014. The County contributed \$123,081 to the LME to fund operations during fiscal year June 30, 2014. Complete financial statements for the LME may be obtained from the LME's offices at 44 Bonnie Lane, Sylva, NC 28779.

#### 5. **Benefit Payments Issued by the State**

The amounts listed below were paid directly to recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<b><u>Benefit Payments Issued</u></b>	<b><u>Federal CFDA Number</u></b>	<b><u>Federal</u></b>	<b><u>State</u></b>
Independent Living			
Transitional	93.674	\$ 1,000	\$ -
TANF	93.558	114,986	-
SFHF Maximization	N/A	-	36,562
CWS Adoption Subsidy	N/A	-	126,530
IV-E Adoption	93.659	94,908	26,255
IV-E Foster Care	93.658	40,443	13,980
Special Children Adoption	93.558	86,400	-
Medicaid	93.778	27,706,971	13,387,591
SC/SA Domiciliary Care	N/A	-	197,954
State Foster Home	N/A	-	59,531
WIC	10.557	934,858	-
		<u>\$28,979,566</u>	<u>\$13,848,403</u>

#### 6. **Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs** – The County has received proceeds from several 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**Contingent Liabilities** – At June 30, 2014, the County was defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate effect of these legal matters will not have a materially adverse effect on the County's financial position.

---

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

---

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Post-Employment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Notes to the Required Schedules for the Other Post-Employment Benefits

**JACKSON COUNTY, NORTH CAROLINA**

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll for Year Ending on Val Date (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b - a)/c]</b>
12/31/06	\$ -	\$ 350,972	\$ 350,972	0%	\$ 1,399,382	25.08%
12/31/07	-	366,269	366,269	0%	1,183,954	30.94%
12/31/08	85,151	479,997	394,404	17.83%	1,798,245	21.93%
12/31/09	70,896	718,102	647,206	9.87%	1,958,731	33.04%
12/31/10	49,491	743,593	694,102	6.66%	2,020,580	34.35%
12/31/11	42,290	795,399	753,109	5.32%	1,965,281	38.32%
12/31/12	44,246	799,339	755,093	5.54%	1,971,316	38.30%
12/31/13	54,424	818,954	764,530	6.65%	2,009,397	38.05%

**JACKSON COUNTY, NORTH CAROLINA**

Law Enforcement Officers' Special Separation Allowance  
 Required Supplementary Information  
 Schedule of Employer Contributions

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2012	\$ 80,823	0.00%
2013	\$ 83,939	40.83%
2014	\$ 89,914	57.89%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/13
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
Cost-of-living adjustments	N/A

\*Includes inflation at 3.00%

**JACKSON COUNTY, NORTH CAROLINA**

Other Post-Employment Benefits  
 Required Supplementary Information  
 Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b - a)/c]</b>
12/31/08	\$ -	\$36,510,589	\$36,510,589	0.0%	\$13,597,013	268.5%
12/31/09	\$ 200,667	\$31,851,359	\$31,650,692	0.6%	\$14,699,473	215.3%
12/31/11	\$ 201,291	\$31,735,642	\$31,534,351	0.6%	\$14,400,446	219.0%

**JACKSON COUNTY, NORTH CAROLINA**

Other Post-Employment Benefits  
 Required Supplementary Information  
 Schedule of Employer Contributions

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2012	\$ 2,788,974	18.0%
2013	\$ 2,793,064	21.8%
2014	\$ 2,880,067	21.9%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/11
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	
Pre-Medicare trend rate	9.50 - 5.00%
Post-Medicare trend rate	7.00 - 5.00%
Year of ultimate trend rate	2018

\*Includes inflation at 3.00%

## MAJOR GOVERNMENTAL FUNDS

---

**GENERAL FUND:** The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

- **Revaluation Fund** – This fund accounts for the accumulation of resources to be used for the octennial revaluation of real property.\*
- **Capital Reserve Fund** – This fund is used to account for any capital outlay expenditures approved by the County’s Board of Commissioners. The projects in this fund will be financed primarily with operating transfers from other funds.\*
- **Conservation/Preservation Fund** – This fund accounts for federal grants received and expended for environmental protection.\*

### CAPITAL PROJECTS FUND

- **School Improvements Fund** – This fund is used to account for the construction of school improvements from the proceeds of State grants, installment debt, and local matching funds.
- **School Capital Reserve Fund** – This fund was established to account for revenues restricted for the construction and renovation of County schools.\*\*

---

\*These funds have legally adopted budgets under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, they are consolidated into the General Fund.

\*\*This fund has a legally adopted budget under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it has been consolidated into the School Improvements Fund.

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 32,597,664	\$ 32,590,532	\$ (7,132)
Penalties and interest	537,977	537,895	(82)
Total ad valorem taxes	<u>33,135,641</u>	<u>33,128,427</u>	<u>(7,214)</u>
Other taxes:			
Local option sales tax	9,872,039	9,872,036	(3)
Beer and wine tax distribution	163,048	163,048	-
Tax refund-sales and gasoline	69,208	69,207	(1)
Total other taxes	<u>10,104,295</u>	<u>10,104,291</u>	<u>(4)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	197,776	197,776	-
ABC profit distribution	309,550	172,617	(136,933)
ABC 1 and 5 cent bottle charge	15,476	13,896	(1,580)
Total unrestricted governmental	<u>522,802</u>	<u>384,289</u>	<u>(138,513)</u>
Restricted intergovernmental:			
Federal and State grants:			
Home and Community Care Block grant	173,172	173,171	(1)
Municipal reimbursement	11,300	7,807	(3,493)
Nantahala Forest timber receipts	128,000	104,668	(23,332)
DARE grant	6,000	6,000	-
Civil defense	51,899	42,369	(9,530)
Soil conservation-matching	33,739	30,183	(3,556)
Emergency food and shelter	17,434	16,063	(1,371)
AWAKE-child advocacy	54,700	44,438	(10,262)
Tennessee Valley Authority	942	942	-
Older American Act Title III	25,754	25,748	(6)
Health department	1,701,493	1,590,304	(111,189)
Senior care	24,713	22,100	(2,613)
Smart Start	55,000	54,476	(524)
Juvenile Crime Prevention Commission	143,187	143,187	-
Safe Roads Act	4,000	3,241	(759)
Veteran's service	1,452	1,452	-
Erosion control	40,250	250	(40,000)
SCAAP-State Criminal Alien grant	15,000	1,771	(13,229)
Social services	6,525,152	6,064,277	(460,875)
Title XIX-Medicaid	283,280	283,163	(117)

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Restricted intergovernmental, continued:			
Federal and State grants, continued:			
Department of Transportation:			
Governor's Highway Safety program	\$ 20,000	\$ 18,058	\$ (1,942)
Section 18-administration	194,827	166,593	(28,234)
Section 18-operations	248,317	54,723	(193,594)
Contracts—EDTAP	223,073	201,193	(21,880)
Emergency food and shelter	17,434	16,063	(1,371)
Cherokee Preservation grant	211,220	197,410	(13,810)
Department of Justice grant	21,152	21,152	-
Other State grants	265,656	261,956	(3,700)
Total	<u>10,498,146</u>	<u>9,552,758</u>	<u>(945,388)</u>
Court facilities fees	<u>56,400</u>	<u>56,340</u>	<u>(60)</u>
Total restricted intergovernmental	<u>10,554,546</u>	<u>9,609,098</u>	<u>(945,448)</u>
Other restricted revenues:			
Transportation contracts	<u>132,079</u>	<u>131,146</u>	<u>(933)</u>
Permits and fees:			
Cashiers permit fees	7,550	2,600	(4,950)
Board of Elections fees	16,208	8,368	(7,840)
Erosion control fees	64,375	56,840	(7,535)
Building permits and inspection fees	440,000	435,343	(4,657)
Environmental health fees	164,950	163,328	(1,622)
Sheriff's fees	60,647	25,778	(34,869)
Officers fees-court	35,100	34,201	(899)
Animal adoption fees	17,106	16,402	(704)
Road sign fees	90,800	85,538	(5,262)
Health and Social Services fees	382,935	354,423	(28,512)
Register of Deeds	265,135	232,554	(32,581)
Real property transfer tax	300,700	300,694	(6)
Marriage licenses	7,650	7,650	-
Excise tax	6,015	6,015	-
Senior citizens fees	54,900	53,069	(1,831)
ABC fees	4,080	4,080	-
Total permits and fees	<u>1,918,151</u>	<u>1,786,883</u>	<u>(131,268)</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Sales and services:			
Jail fees	\$ 24,000	\$ 10,457	\$ (13,543)
Civil process fees	40,000	30,572	(9,428)
Ambulance fees	145,966	145,965	(1)
Ancillary services	8,144	8,123	(21)
Travel and tourism administrative fees	33,160	18,660	(14,500)
Video programming distribution	72,500	67,691	(4,809)
Telephone charges	19,300	19,177	(123)
Vending machines	2,000	674	(1,326)
Recreation department	611,752	530,179	(81,573)
Rents	56,610	56,586	(24)
Trolley fares	7,000	6,779	(221)
Total sales and services	<u>1,020,432</u>	<u>894,863</u>	<u>(125,569)</u>
Investment earnings	<u>25,000</u>	<u>14,766</u>	<u>(10,234)</u>
Miscellaneous	<u>994,236</u>	<u>780,131</u>	<u>(214,105)</u>
Total revenues	<u>58,407,182</u>	<u>56,833,894</u>	<u>(1,573,288)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	118,322	114,084	4,238
Operating	119,991	113,684	6,307
Total	<u>238,313</u>	<u>227,768</u>	<u>10,545</u>
Administration:			
Salaries and employee benefits	270,236	270,229	7
Operating	14,731	15,500	(769)
Total	<u>284,967</u>	<u>285,729</u>	<u>(762)</u>
Elections:			
Salaries and employee benefits	149,863	146,758	3,105
Operating	226,235	150,217	76,018
Capital outlay	15,291	14,537	754
Total	<u>391,389</u>	<u>311,512</u>	<u>79,877</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Finance:			
Salaries and employee benefits	\$ 527,869	\$ 526,968	\$ 901
Operating	26,380	23,528	2,852
Capital outlay	3,180	3,146	34
Total	<u>557,429</u>	<u>553,642</u>	<u>3,787</u>
Human resources:			
Salaries and employee benefits	112,722	109,634	3,088
Operating	11,800	9,350	2,450
Capital outlay	1,057	1,057	-
Total	<u>125,579</u>	<u>120,041</u>	<u>5,538</u>
Computer services:			
Salaries and employee benefits	258,741	258,731	10
Operating	228,632	191,286	37,346
Capital outlay	8,173	8,173	-
Total	<u>495,546</u>	<u>458,190</u>	<u>37,356</u>
Tax collections:			
Salaries and employee benefits	228,238	228,237	1
Operating	41,584	32,136	9,448
Capital outlay	3,709	3,704	5
Total	<u>273,531</u>	<u>264,077</u>	<u>9,454</u>
Tax assessments:			
Salaries and employee benefits	514,748	511,418	3,330
Operating	135,822	127,679	8,143
Capital outlay	2,477	2,477	-
Total	<u>653,047</u>	<u>641,574</u>	<u>11,473</u>
GIS mapping:			
Salaries and employee benefits	117,072	117,070	2
Operating	22,433	2,802	19,631
Capital outlay	1,456	1,456	-
Total	<u>140,961</u>	<u>121,328</u>	<u>19,633</u>
Legal services	<u>250,000</u>	<u>239,648</u>	<u>10,352</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Register of Deeds:			
Salaries and employee benefits	\$ 298,645	\$ 287,296	\$ 11,349
Operating	145,576	116,414	29,162
Capital outlay	1,160	1,160	-
Total	<u>445,381</u>	<u>404,870</u>	<u>40,511</u>
Public Works:			
Salaries and employee benefits	49,688	49,079	609
Capital outlay	596	596	-
Total	<u>50,284</u>	<u>49,675</u>	<u>609</u>
Maintenance:			
Salaries and employee benefits	2,040,755	2,002,119	38,636
Operating	1,425,852	1,324,763	101,089
Capital outlay	92,094	91,881	213
Total	<u>3,558,701</u>	<u>3,418,763</u>	<u>139,938</u>
Court facilities:			
Operating	89,807	49,282	40,525
Capital outlay	948	948	-
Total	<u>90,755</u>	<u>50,230</u>	<u>40,525</u>
Professional services	<u>25,000</u>	<u>22,800</u>	<u>2,200</u>
Central services:			
Operating	185,500	164,637	20,863
Capital outlay	3,380	3,353	27
Total	<u>188,880</u>	<u>167,990</u>	<u>20,890</u>
Non-departmental	<u>116,648</u>	<u>85,238</u>	<u>31,410</u>
Total general government	<u>7,886,411</u>	<u>7,423,075</u>	<u>463,336</u>
Public safety:			
Sheriff:			
Salaries and employee benefits	3,102,569	3,115,323	(12,754)
Operating	589,463	574,852	14,611
Capital outlay	234,919	234,449	470
Total	<u>3,926,951</u>	<u>3,924,624</u>	<u>2,327</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Public safety, continued:			
Jail:			
Salaries and employee benefits	\$ 1,030,642	\$ 1,000,488	\$ 30,154
Operating	641,770	633,303	8,467
Capital outlay	43,535	43,464	71
Total	<u>1,715,947</u>	<u>1,677,255</u>	<u>38,692</u>
Code enforcement:			
Salaries and employee benefits	1,013,177	1,013,167	10
Operating	177,375	138,268	39,107
Capital outlay	29,968	29,596	372
Total	<u>1,220,520</u>	<u>1,181,031</u>	<u>39,489</u>
Emergency management:			
Salaries and employee benefits	762,840	762,784	56
Operating	155,715	132,355	23,360
Capital outlay	172,218	156,977	15,241
Total	<u>1,090,773</u>	<u>1,052,116</u>	<u>38,657</u>
Fire:			
Salaries and employee benefits	356,238	355,613	625
Operating	977,750	976,082	1,668
Capital outlay	139,065	139,036	29
Total	<u>1,473,053</u>	<u>1,470,731</u>	<u>2,322</u>
Ambulance:			
Operating	1,224,868	1,215,736	9,132
Capital outlay	164,732	164,732	-
Total	<u>1,389,600</u>	<u>1,380,468</u>	<u>9,132</u>
Total public safety	<u>10,816,844</u>	<u>10,686,225</u>	<u>130,619</u>
Transportation:			
Salaries and employee benefits	457,620	443,137	14,483
Operating	342,531	187,249	155,282
Capital outlay	275,908	57,833	218,075
Total	<u>1,076,059</u>	<u>688,219</u>	<u>387,840</u>
Airport	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Total transportation	<u>1,107,059</u>	<u>719,219</u>	<u>387,840</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Environmental protection:			
Forestry	\$ 83,179	\$ 47,885	\$ 35,294
Economic and physical development:			
Planning and zoning:			
Salaries and employee benefits	166,462	165,721	741
Operating	31,300	28,538	2,762
Capital outlay	1,300	1,192	108
Total	<u>199,062</u>	<u>195,451</u>	<u>3,611</u>
Community development	<u>132,076</u>	<u>125,540</u>	<u>6,536</u>
Agricultural extension:			
Salaries and employee benefits	113,510	84,340	29,170
Operating	78,646	50,363	28,283
Total	<u>192,156</u>	<u>134,703</u>	<u>57,453</u>
Conservation:			
Salaries and employee benefits	119,690	119,682	8
Operating	205,859	177,024	28,835
Capital outlay	1,187	1,179	8
Total	<u>326,736</u>	<u>297,885</u>	<u>28,851</u>
Total economic and physical development	<u>850,030</u>	<u>753,579</u>	<u>96,451</u>
Human services:			
Health:			
General health:			
Salaries and employee benefits	2,344,071	2,343,963	108
Operating	759,545	325,941	433,604
Capital outlay	64,640	59,847	4,793
Total	<u>3,168,256</u>	<u>2,729,751</u>	<u>438,505</u>
County health clinic:			
Salaries and employee benefits	125,726	125,724	2
Operating	42,481	34,985	7,496
Capital outlay	1,509	-	1,509
Total	<u>169,716</u>	<u>160,709</u>	<u>9,007</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Health assurance:			
Salaries and employee benefits	\$ 164,312	\$ 115,982	\$ 48,330
Operating	202,513	179,086	23,427
Capital outlay	1,144	1,144	-
Total	<u>367,969</u>	<u>296,212</u>	<u>71,757</u>
Maternal and child health:			
Salaries and employee benefits	103,575	103,280	295
Operating	34,712	23,087	11,625
Total	<u>138,287</u>	<u>126,367</u>	<u>11,920</u>
WIC-administration and nutrition:			
Salaries and employee benefits	170,035	139,303	30,732
Operating	6,772	3,834	2,938
Total	<u>176,807</u>	<u>143,137</u>	<u>33,670</u>
Family planning:			
Salaries and employee benefits	109,900	107,995	1,905
Operating	83,790	53,448	30,342
Total	<u>193,690</u>	<u>161,443</u>	<u>32,247</u>
Maternal outreach:			
Salaries and employee benefits	48,138	48,118	20
Operating	15,623	4,839	10,784
Total	<u>63,761</u>	<u>52,957</u>	<u>10,804</u>
Mothers Too:			
Operating	<u>79,014</u>	<u>36,663</u>	<u>42,351</u>
Communicable diseases:			
Salaries and employee benefits	10,119	10,013	106
Operating	397	376	21
Total	<u>10,516</u>	<u>10,389</u>	<u>127</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
NC healthy start:			
Salaries and employee benefits	\$ 68,510	\$ 67,992	\$ 518
Operating	61,493	60,437	1,056
Total	<u>130,003</u>	<u>128,429</u>	<u>1,574</u>
Immunization action program:			
Salaries and employee benefits	8,566	8,520	46
Operating	448	24	424
Total	<u>9,014</u>	<u>8,544</u>	<u>470</u>
Breastfeeding:			
Salaries and employee benefits	14,175	12,270	1,905
Operating	2,929	494	2,435
Total	<u>17,104</u>	<u>12,764</u>	<u>4,340</u>
Child services coordinator:			
Salaries and employee benefits	62,268	55,553	6,715
Operating	7,340	1,337	6,003
Total	<u>69,608</u>	<u>56,890</u>	<u>12,718</u>
Smart start:			
Salaries and employee benefits	52,955	48,409	4,546
Operating	2,045	1,736	309
Total	<u>55,000</u>	<u>50,145</u>	<u>4,855</u>
Diabetes care clinic:			
Operating	<u>67,500</u>	<u>12,560</u>	<u>54,940</u>
Community transformation:			
Operating	<u>20,505</u>	<u>10,727</u>	<u>9,778</u>
Community garden:			
Operating	<u>27,134</u>	<u>10,998</u>	<u>16,136</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Other health services:			
Operating	\$ 104,000	\$ 90,535	\$ 13,465
Total health	<u>4,867,884</u>	<u>4,099,220</u>	<u>768,664</u>
Environmental health:			
Animal shelter:			
Salaries and employee benefits	199,200	198,854	346
Operating	<u>48,293</u>	<u>38,258</u>	<u>10,035</u>
Total	<u>247,493</u>	<u>237,112</u>	<u>10,381</u>
Environmental health:			
Operating	15,922	9,988	5,934
Capital outlay	<u>11,460</u>	<u>11,460</u>	<u>-</u>
Total	<u>27,382</u>	<u>21,448</u>	<u>5,934</u>
Bioterrorism:			
Salaries and employee benefits	23,991	23,444	547
Operating	<u>6,569</u>	<u>1,059</u>	<u>5,510</u>
Total	<u>30,560</u>	<u>24,503</u>	<u>6,057</u>
Total environmental health	<u>305,435</u>	<u>283,063</u>	<u>22,372</u>
Mental health:			
Smoky Mountain Center LME	<u>123,081</u>	<u>123,081</u>	<u>-</u>
Social services:			
Administration:			
Salaries and employee benefits	3,357,803	3,273,526	84,277
Operating	294,034	218,349	75,685
Capital outlay	<u>114,149</u>	<u>101,149</u>	<u>13,000</u>
Total	<u>3,765,986</u>	<u>3,593,024</u>	<u>172,962</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Social services, continued:			
Other services:			
Adult guardianship	\$ 12,700	\$ 1,836	\$ 10,864
Special assistance	181,910	179,330	2,580
Medical care	266,192	246,381	19,811
Foster care	343,165	146,191	196,974
Aid to the blind	3,558	3,558	-
Food stamp administration	11,000	7,830	3,170
Crisis intervention	143,922	143,707	215
Adult day care	5,143	3,803	1,340
Emergency assistance	23,452	22,224	1,228
IV-D	31,530	18,403	13,127
LIEAP	203,597	91,200	112,397
Child care services	2,143,215	2,143,213	2
Other	484,178	319,788	164,390
Total	<u>3,853,562</u>	<u>3,327,464</u>	<u>526,098</u>
Indian reservation:			
Salaries and employee benefits	743,242	678,487	64,755
Operating	330,823	187,039	143,784
Capital outlay	40,356	30,445	9,911
Total	<u>1,114,421</u>	<u>895,971</u>	<u>218,450</u>
Emergency food and shelter	<u>10,871</u>	<u>4,684</u>	<u>6,187</u>
Focal point on aging:			
Salaries and employee benefits	411,193	400,726	10,467
Operating	198,522	157,985	40,537
Capital outlay	66,796	34,845	31,951
Total	<u>676,511</u>	<u>593,556</u>	<u>82,955</u>
Total social services	<u>9,421,351</u>	<u>8,414,699</u>	<u>1,006,652</u>
Eldercare coalition:			
Salaries and employee benefits	205,949	203,986	1,963
Operating	277,973	213,523	64,450
Total	<u>483,922</u>	<u>417,509</u>	<u>66,413</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Veteran's service officer:			
Salaries and employee benefits	\$ 93,709	\$ 93,684	\$ 25
Operating	10,963	7,350	3,613
Capital outlay	270	270	-
Total	<u>104,942</u>	<u>101,304</u>	<u>3,638</u>
Other human services	<u>720,598</u>	<u>659,717</u>	<u>60,881</u>
Total human services	<u>16,027,213</u>	<u>14,098,593</u>	<u>1,928,620</u>
Culture and recreation:			
Recreation:			
Salaries and employee benefits	763,307	665,938	97,369
Operating	455,044	397,138	57,906
Capital outlay	53,004	43,485	9,519
Total	<u>1,271,355</u>	<u>1,106,561</u>	<u>164,794</u>
Arts council	<u>9,141</u>	<u>9,141</u>	<u>-</u>
Library	<u>1,025,025</u>	<u>1,003,379</u>	<u>21,646</u>
Swimming pool:			
Salaries and employee benefits	25,403	22,553	2,850
Operating	28,450	25,913	2,537
Total	<u>53,853</u>	<u>48,466</u>	<u>5,387</u>
Cashiers recreation:			
Salaries and employee benefits	269,519	263,083	6,436
Operating	243,835	186,563	57,272
Capital outlay	26,619	25,114	1,505
Total	<u>539,973</u>	<u>474,760</u>	<u>65,213</u>
Cashiers swimming pool:			
Salaries and employee benefits	15,054	14,821	233
Operating	16,300	11,153	5,147
Total	<u>31,354</u>	<u>25,974</u>	<u>5,380</u>
Total culture and recreation	<u>2,930,701</u>	<u>2,668,281</u>	<u>262,420</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

General Fund

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

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Education:			
Public schools—current	\$ 6,674,814	\$ 6,674,814	\$ -
Public schools—timber receipts	104,668	104,668	-
Public schools—capital outlay	485,000	485,000	-
Public schools—SROs	84,378	45,960	38,418
Community colleges—current	1,606,460	1,606,460	-
Community colleges—capital outlay	728,872	151,817	577,055
Total education	<u>9,684,192</u>	<u>9,068,719</u>	<u>615,473</u>
Debt service:			
Principal retirement	4,757,576	4,757,576	-
Interest and other charges	986,980	986,980	-
Total debt service	<u>5,744,556</u>	<u>5,744,556</u>	<u>-</u>
Total expenditures	<u>55,130,185</u>	<u>51,210,132</u>	<u>3,920,053</u>
Revenues over expenditures	<u>3,276,997</u>	<u>5,623,762</u>	<u>2,346,765</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(903,407)	(903,407)	-
School Capital Reserve Fund	(853,774)	(853,774)	-
Revaluation Fund	(333,334)	(333,334)	-
County Capital Projects Fund	(327,000)	(327,000)	-
Green Energy Park Fund	(134,439)	(134,439)	-
Proceeds from sale of capital assets	70,430	69,427	(1,003)
Contingency	(795,473)	-	795,473
Total other financing sources (uses)	<u>(3,276,997)</u>	<u>(2,482,527)</u>	<u>794,470</u>
Net change in fund balance	<u>\$ -</u>	<u>3,141,235</u>	<u>\$ 3,141,235</u>
Fund balance, July 1		<u>21,420,986</u>	
Fund balance, June 30		<u>\$ 24,562,221</u>	

**JACKSON COUNTY, NORTH CAROLINA**

## Revaluation Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Tax listing	\$ 333,334	\$ 294,430	\$ 38,904
Other financing source:			
Transfer from General Fund	333,334	333,334	-
Net change in fund balance	<u>\$ -</u>	38,904	<u>\$ 38,904</u>
Fund balance:			
Beginning of year, July 1		2,941	
End of year, June 30		<u>\$ 41,845</u>	

**JACKSON COUNTY, NORTH CAROLINA**

## Capital Reserve Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 500	\$ 463	\$ (37)
Total revenues	<u>500</u>	<u>463</u>	<u>(37)</u>
Expenditures:			
Designated for future appropriations	<u>403,407</u>	<u>-</u>	<u>403,407</u>
Revenues over (under) expenditures	<u>(402,907)</u>	<u>463</u>	<u>403,370</u>
Other financing sources (uses):			
Transfers to Emergency Management Fund	(1,094,000)	(1,094,000)	-
Transfers from General Fund	903,407	903,407	-
Total other financing sources (uses)	<u>(190,593)</u>	<u>(190,593)</u>	<u>-</u>
Fund balance appropriation	<u>593,500</u>	<u>-</u>	<u>(593,500)</u>
Net change in fund balance	<u>\$ -</u>	<u>(190,130)</u>	<u>\$ (190,130)</u>
Fund balance:			
Beginning of year, July 1		<u>594,219</u>	
End of year, June 30		<u>\$ 404,089</u>	

**JACKSON COUNTY, NORTH CAROLINA**

Conservation/Preservation Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Environmental protection:			
Conservation	\$ 47,500	\$ 3,055	\$ 44,445
Capital outlay	2,500	2,500	-
Total expenditures	<u>50,000</u>	<u>5,555</u>	<u>44,445</u>
Other financing uses:			
Transfers to Greenways Project Fund	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Appropriated fund balance	<u>650,000</u>	-	<u>(650,000)</u>
Net change in fund balance	<u>\$ -</u>	(605,555)	<u>\$ (605,555)</u>
Fund balance:			
Beginning of year, July 1		<u>679,832</u>	
End of year, June 30		<u>\$ 74,277</u>	

## JACKSON COUNTY, NORTH CAROLINA

### Capital Project Fund–School Improvements Fund Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 345,738	\$ -	\$ 345,738	\$ 345,738	\$ -
Jackson County Board of Education	97,500	97,500	-	97,500	-
Investment earnings	4,120	3,228	885	4,113	(7)
Total revenues	<u>447,358</u>	<u>100,728</u>	<u>346,623</u>	<u>447,351</u>	<u>(7)</u>
Expenditures:					
Education:					
Smoky Mountain High gym, fine arts and Blue Ridge School locker rooms	12,911,654	5,873,692	6,903,022	12,776,714	134,940
Cullowhee Valley School roofing project	991,541	451,520	530,332	981,852	9,689
Total expenditures	<u>13,903,195</u>	<u>6,325,212</u>	<u>7,433,354</u>	<u>13,758,566</u>	<u>144,629</u>
Revenues under expenditures	<u>(13,455,837)</u>	<u>(6,224,484)</u>	<u>(7,086,731)</u>	<u>(13,311,215)</u>	<u>144,622</u>
Other financing sources:					
Transfers from other funds:					
General Fund	903,043	903,043	-	903,043	-
School Capital Reserve	2,822,912	924,069	1,650,000	2,574,069	(248,843)
Proceeds from installment obligation	10,000,000	10,000,000	-	10,000,000	-
Contingency	(270,118)	-	-	-	270,118
Total other financing sources	<u>13,455,837</u>	<u>11,827,112</u>	<u>1,650,000</u>	<u>13,477,112</u>	<u>21,275</u>
Appropriated fund balance/closed out projects	<u>-</u>	<u>84,705</u>	<u>-</u>	<u>84,705</u>	<u>84,705</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,687,333</u>	<u>(5,436,731)</u>	<u>\$ 250,602</u>	<u>\$ 250,602</u>
Fund balance:					
Beginning of year, July 1			<u>5,687,333</u>		
End of year, June 30			250,602		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statement due to consolidation of the School Capital Reserve Fund:					
Expenditures			(96,473)		
Transfers from the General Fund			853,774		
Transfers to the School Improvement Fund			(1,650,000)		
Fund balance, beginning (School Capital Reserve Fund)			<u>1,185,450</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 543,353</u>		

**JACKSON COUNTY, NORTH CAROLINA**

School Capital Reserve Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 615	\$ -	\$ (615)
Expenditures:			
School Capital Reserve	389,389	96,473	292,916
Revenues under expenditures	(388,774)	(96,473)	292,301
Other financing sources (uses):			
Transfer from General Fund	853,774	853,774	-
Transfer to School Improvement Fund	(1,650,000)	(1,650,000)	-
Total other financing sources (uses)	(796,226)	(796,226)	-
Fund balance appropriation	1,185,000	-	(1,185,000)
Net change in fund balance	<u>\$ -</u>	(892,699)	<u>\$ (892,699)</u>
Fund balance:			
Beginning of year, July 1		<u>1,185,450</u>	
End of year, June 30		<u>\$ 292,751</u>	

---

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS SECTION**

---

# COMBINING STATEMENTS FOR NON-MAJOR GOVERNMENTAL FUNDS

---

## SPECIAL REVENUE FUNDS

---

- **Emergency Telephone System Fund** – This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.
- **Law Enforcement Block Grant Fund** – This fund accounts for State grants received and expended for software and equipment.
- **Community Development Scattered Site Project Fund** – This fund accounts for federal grants and local matching funds received and expended for community development.
- **Clean Water Revolving Loan Fund** – This fund accounts for loans made by the County with moneys received from the Clean Water Management Trust Fund through a revolving loan fund, as well as in-kind local contributions.
- **Economic Development Fund** – This fund accounts for loans made by the County with moneys received from the Community Development Block Grant from the Small Cities Program through a revolving loan fund.
- **Economic Development Commission Fund** – This fund was established as a result of the reorganization of the Jackson County Economic Development Commission and is used to account for revenues from member towns and economic development loans.

---

## CAPITAL PROJECTS FUNDS

---

- **Recreation Center Fund** – This fund is used to account for various recreation projects.
- **Emergency Management Fund** – This fund is used to account for the construction on the Emergency Management Facility, which will be financed primarily by the General Fund.
- **County Capital Projects Fund** – This fund was established to account for the construction of various County administration projects.
- **Greenways Project Fund** – This fund is used to account for the construction of a greenway, which will be funded primarily with restricted intergovernmental revenue.

**JACKSON COUNTY, NORTH CAROLINA**Combining Balance Sheet  
Non-major Governmental Funds

June 30, 2014

	<b>Non-major Special Revenue Funds</b>	<b>Non-major Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,354,641	\$ 2,448,113	\$ 3,802,754
Accounts receivable, net	9,726	87	9,813
Due from other governments	43,152	-	43,152
Notes receivable, net	369,646	-	369,646
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,777,165</u>	<u>\$ 2,448,200</u>	<u>\$ 4,225,365</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 27,407	\$ 176,049	\$ 203,456
Contract retainage	-	27,674	27,674
Total liabilities	<hr/> 27,407	<hr/> 203,723	<hr/> 231,130
Deferred inflows of resources	<hr/> 369,646	<hr/> -	<hr/> 369,646
<b>Fund balances:</b>			
<b>Restricted:</b>			
Stabilization by State Statute	52,878	87	52,965
Public safety	213,433	-	213,433
Economic and physical development	1,020,865	-	1,020,865
<b>Committed:</b>			
Recreation	-	521,485	521,485
Public safety	-	1,373,350	1,373,350
Various programs and projects	92,936	349,555	442,491
Total fund balances	<hr/> 1,380,112	<hr/> 2,244,477	<hr/> 3,624,589
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,777,165</u>	<u>\$ 2,448,200</u>	<u>\$ 4,225,365</u>

**JACKSON COUNTY, NORTH CAROLINA**

Combining Balance Sheet  
Non-major Special Revenue Funds

June 30, 2014

	<b>Emergency Telephone Fund</b>	<b>Law Enforcement Block Grant Fund</b>	<b>Community Development Scattered Site Project Fund</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 190,945	\$ 22,545	\$ 92,936
Accounts receivable, net	3,831	260	140
Due from other governments	43,152	-	-
Notes receivable, net	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 237,928</u>	<u>\$ 22,805</u>	<u>\$ 93,076</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 57	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Deferred inflows of resources	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Fund balances:</b>			
Restricted:			
Stabilization by State Statute	46,983	260	140
Public safety	190,888	22,545	-
Economic and physical development	-	-	-
Committed	-	-	92,936
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>237,871</u>	<u>22,805</u>	<u>93,076</u>
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 237,928</u>	<u>\$ 22,805</u>	<u>\$ 93,076</u>

<b>Clean Water Revolving Loan Fund</b>	<b>Economic Development Fund</b>	<b>Economic Development Commission Fund</b>	<b>Total Non-major Special Revenue Funds</b>
\$ 37,214	\$ 632,310	\$ 378,691	\$ 1,354,641
5,207	-	288	9,726
-	-	-	43,152
-	359,725	9,921	369,646
<u>\$ 42,421</u>	<u>\$ 992,035</u>	<u>\$ 388,900</u>	<u>\$ 1,777,165</u>
\$ -	\$ 773	\$ 26,577	\$ 27,407
-	359,725	9,921	369,646
5,207	-	288	52,878
-	-	-	213,433
37,214	631,537	352,114	1,020,865
-	-	-	92,936
<u>42,421</u>	<u>631,537</u>	<u>352,402</u>	<u>1,380,112</u>
<u>\$ 42,421</u>	<u>\$ 992,035</u>	<u>\$ 388,900</u>	<u>\$ 1,777,165</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Balance Sheet  
Non-major Capital Projects Funds

June 30, 2014

	<b>Recreation Center Fund</b>	<b>Emergency Management Project Fund</b>	<b>County Capital Projects Fund</b>	<b>Greenways Project Fund</b>	<b>Total Non-major Capital Projects Funds</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 524,785	\$ 1,379,078	\$ 5,197	\$ 539,053	\$ 2,448,113
Accounts receivable, net	-	87	-	-	87
	<u>-</u>	<u>87</u>	<u>-</u>	<u>-</u>	<u>87</u>
Total assets	<u>\$ 524,785</u>	<u>\$ 1,379,165</u>	<u>5,197</u>	<u>539,053</u>	<u>\$ 2,448,200</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 3,300	\$ 525	\$ 448	\$ 171,776	\$ 176,049
Contract retainage	-	5,203	-	22,471	27,674
	<u>-</u>	<u>5,203</u>	<u>-</u>	<u>22,471</u>	<u>27,674</u>
Total liabilities	<u>3,300</u>	<u>5,728</u>	<u>448</u>	<u>194,247</u>	<u>203,723</u>
<b>Fund balances:</b>					
<b>Restricted:</b>					
Stabilization by State Statute	-	87	-	-	87
Committed	521,485	1,373,350	4,749	344,806	2,244,390
	<u>521,485</u>	<u>1,373,350</u>	<u>4,749</u>	<u>344,806</u>	<u>2,244,390</u>
Total fund balances	<u>521,485</u>	<u>1,373,437</u>	<u>4,749</u>	<u>344,806</u>	<u>2,244,477</u>
Total liabilities and fund balances	<u>\$ 524,785</u>	<u>\$ 1,379,165</u>	<u>\$ 5,197</u>	<u>\$ 539,053</u>	<u>\$ 2,448,200</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Governmental Funds

For the Fiscal Year Ended June 30, 2014

	<b>Non-major Special Revenue Funds</b>	<b>Non-major Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
Revenues:			
Restricted intergovernmental	\$ 987,320	\$ -	\$ 987,320
Investment earnings	16,955	605	17,560
Total revenues	<u>1,004,275</u>	<u>605</u>	<u>1,004,880</u>
Expenditures:			
Current:			
General government	-	228,651	228,651
Public safety	428,309	241,654	669,963
Economic and physical development	437,585	-	437,585
Culture and recreation	-	497,869	497,869
Total expenditures	<u>865,894</u>	<u>968,174</u>	<u>1,834,068</u>
Revenues over (under) expenditures	<u>138,381</u>	<u>(967,569)</u>	<u>(829,188)</u>
Other financing sources:			
Transfers from other funds	-	2,021,000	2,021,000
Net change in fund balances	138,381	1,053,431	1,191,812
Fund balances:			
Beginning of year, July 1	<u>1,241,731</u>	<u>1,191,046</u>	<u>2,432,777</u>
End of year, June 30	<u>\$ 1,380,112</u>	<u>\$ 2,244,477</u>	<u>\$ 3,624,589</u>

**JACKSON COUNTY, NORTH CAROLINA**

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Special Revenue Funds

For the Fiscal Year Ended June 30, 2014

	<b>Emergency Telephone Fund</b>	<b>Law Enforcement Block Grant Fund</b>	<b>Community Development Scattered Site Project Fund</b>
Revenues:			
Restricted intergovernmental	\$ 517,828	\$ 3,124	\$ 348,908
Investment earnings	-	-	-
Total revenues	517,828	3,124	348,908
Expenditures:			
Current:			
Public safety	423,846	4,463	-
Economic and physical development	-	-	341,906
Total expenditures	423,846	4,463	341,906
Net change in fund balances	93,982	(1,339)	7,002
Fund balances:			
Beginning of year, July 1	143,889	24,144	86,074
End of year, June 30	\$ 237,871	\$ 22,805	\$ 93,076

<b>Clean Water Revolving Loan Fund</b>	<b>Economic Development Fund</b>	<b>Economic Development Commission Fund</b>	<b>Total Non-major Special Revenue Funds</b>
\$ -	\$ 107,539	\$ 9,921	\$ 987,320
-	16,530	425	16,955
-	<u>124,069</u>	<u>10,346</u>	<u>1,004,275</u>
-	-	-	428,309
-	773	94,906	437,585
-	<u>773</u>	<u>94,906</u>	<u>865,894</u>
-	123,296	(84,560)	138,381
<u>42,421</u>	<u>508,241</u>	<u>436,962</u>	<u>1,241,731</u>
<u>\$ 42,421</u>	<u>\$ 631,537</u>	<u>\$ 352,402</u>	<u>\$ 1,380,112</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Capital Projects Funds

For the Fiscal Year Ended June 30, 2014

	<b>Recreation Center Fund</b>	<b>Emergency Management Project Fund</b>	<b>County Capital Projects Fund</b>	<b>Greenways Project Fund</b>	<b>Total Non-major Capital Projects Funds</b>
Revenues:					
Investment earnings	\$ 605	\$ -	\$ -	\$ -	\$ 605
Expenditures:					
Current:					
General government	-	-	228,651	-	228,651
Public safety	-	241,654	-	-	241,654
Culture and recreation	127,547	-	115,128	255,194	497,869
Total expenditures	<u>127,547</u>	<u>241,654</u>	<u>343,779</u>	<u>255,194</u>	<u>968,174</u>
Revenues under expenditures	<u>(126,942)</u>	<u>(241,654)</u>	<u>(343,779)</u>	<u>(255,194)</u>	<u>(967,569)</u>
Other financing sources:					
Transfers from other funds	-	1,094,000	327,000	600,000	2,021,000
Net change in fund balances	(126,942)	852,346	(16,779)	344,806	1,053,431
Fund balances:					
Beginning of year, July 1	<u>648,427</u>	<u>521,091</u>	<u>21,528</u>	<u>-</u>	<u>1,191,046</u>
End of year, June 30	<u>\$ 521,485</u>	<u>\$ 1,373,437</u>	<u>\$ 4,749</u>	<u>\$ 344,806</u>	<u>\$ 2,244,477</u>

**JACKSON COUNTY, NORTH CAROLINA**Emergency Telephone System Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 517,828	\$ 517,828	\$ -
Expenditures:			
Public safety	517,828	423,846	93,982
Net change in fund balance	<u>\$ -</u>	93,982	<u>\$ 93,982</u>
Fund balance:			
Beginning of year, July 1		143,889	
End of year, June 30		<u>\$ 237,871</u>	

**JACKSON COUNTY, NORTH CAROLINA**Law Enforcement Block Grant Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 7,500	\$ 3,124	\$ (4,376)
Expenditures:			
Public safety:			
Operating	7,500	-	7,500
Capital outlay	5,000	4,463	537
Total expenditures	<u>12,500</u>	<u>4,463</u>	<u>8,037</u>
Revenues under expenditures	<u>(5,000)</u>	<u>(1,339)</u>	<u>3,661</u>
Appropriated fund balance	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,339)</u>	<u>\$ (1,339)</u>
Fund balance:			
Beginning of year, July 1		<u>24,144</u>	
End of year, June 30		<u>\$ 22,805</u>	

**JACKSON COUNTY, NORTH CAROLINA**

Community Development Scattered Site Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Actual</u>				<u>Variance Positive (Negative)</u>
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
NC Economic Recovery Program					
Project	\$ 500,000	\$ 151,092	\$ 348,908	\$ 500,000	\$ -
Miscellaneous	-	26,972	-	26,972	26,972
Total revenues	<u>500,000</u>	<u>178,064</u>	<u>348,908</u>	<u>526,972</u>	<u>26,972</u>
Expenditures:					
Economic and physical development:					
Operating	86,760	-	18,921	18,921	67,839
NC Economic Recovery Program					
Project	500,000	164,016	322,985	487,001	12,999
Total expenditures	<u>586,760</u>	<u>164,016</u>	<u>341,906</u>	<u>505,922</u>	<u>80,838</u>
Revenues over (under) expenditures	(86,760)	14,048	7,002	21,050	107,810
Fund balance appropriation/ closed out projects	<u>86,760</u>	<u>72,026</u>	<u>-</u>	<u>72,026</u>	<u>(14,734)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 86,074</u>	<u>7,002</u>	<u>\$ 93,076</u>	<u>\$ 93,076</u>
Fund balance:					
Beginning of year, July 1			<u>86,074</u>		
End of year, June 30			<u>\$ 93,076</u>		

**JACKSON COUNTY, NORTH CAROLINA**

Clean Water Revolving Loan Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 22,200	\$ -	\$ 22,200
Appropriated fund balance	<u>22,200</u>	<u>-</u>	<u>(22,200)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:			
Beginning of year, July 1		<u>42,421</u>	
End of year, June 30		<u>\$ 42,421</u>	

**JACKSON COUNTY, NORTH CAROLINA**

Economic Development Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 105,629	\$ 107,539	\$ 1,910
Investment earnings	12,369	16,530	4,161
Total revenues	<u>117,998</u>	<u>124,069</u>	<u>6,071</u>
Expenditures:			
Economic and physical development:			
Loan funds advanced	775	773	2
Reserve for economic development	117,223	-	117,223
Total expenditures	<u>117,998</u>	<u>773</u>	<u>117,225</u>
Net change in fund balance	<u>\$ -</u>	123,296	<u>\$ 123,296</u>
Fund balance:			
Beginning of year, July 1		<u>508,241</u>	
End of year, June 30		<u>\$ 631,537</u>	

**JACKSON COUNTY, NORTH CAROLINA**Economic Development Commission Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental			
Other:	\$ 9,922	\$ 9,921	\$ (1)
Investment earnings	500	425	(75)
Total revenues	<u>10,422</u>	<u>10,346</u>	<u>(76)</u>
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	92,578	55,635	36,943
Operating	14,222	12,538	1,684
Commercial investments	46,664	-	46,664
Loans, development, capital improvement	150,000	-	150,000
Capital outlay	26,736	26,733	3
Total expenditures	<u>330,200</u>	<u>94,906</u>	<u>235,294</u>
Revenues under expenditures	(319,778)	(84,560)	235,218
Appropriated fund balance	<u>319,778</u>	<u>-</u>	<u>(319,778)</u>
Net change in fund balance	<u>\$ -</u>	<u>(84,560)</u>	<u>\$ (84,560)</u>
Fund balance:			
Beginning of year, July 1		<u>436,962</u>	
End of year, June 30		<u>\$ 352,402</u>	

**JACKSON COUNTY, NORTH CAROLINA**

Capital Project Fund–Recreation Center Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance–Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental:					
DOT Revenue	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Investment earnings	41,680	41,125	605	41,730	50
Total revenues	<u>441,680</u>	<u>441,125</u>	<u>605</u>	<u>441,730</u>	<u>50</u>
Expenditures:					
Culture and recreation:					
Architect fees	868,720	838,737	24,112	862,849	5,871
Furniture and equipment	255,890	250,766	-	250,766	5,124
Construction cost	6,128,710	5,599,795	65,473	5,665,268	463,442
Site preparation	2,847,682	2,744,907	37,962	2,782,869	64,813
East LaPorte Park	101,158	101,158	-	101,158	-
Savannah/Greens Creek Park	120,067	120,067	-	120,067	-
Total expenditures	<u>10,322,227</u>	<u>9,655,430</u>	<u>127,547</u>	<u>9,782,977</u>	<u>539,250</u>
Revenues under expenditures	<u>(9,880,547)</u>	<u>(9,214,305)</u>	<u>(126,942)</u>	<u>(9,341,247)</u>	<u>539,300</u>
Other financing sources (uses):					
Transfers from other funds:					
General	6,888,399	6,790,135	-	6,790,135	(98,264)
Conservation/Preservation	333,500	333,500	-	333,500	-
Installment purchase obligations issued	2,739,097	2,739,097	-	2,739,097	-
Contingency	(80,449)	-	-	-	80,449
Total other financing sources (uses)	<u>9,880,547</u>	<u>9,862,732</u>	<u>-</u>	<u>9,862,732</u>	<u>(17,815)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 648,427</u>	<u>(126,942)</u>	<u>\$ 521,485</u>	<u>\$ 521,485</u>
Fund balance:					
Beginning of year, July 1			<u>648,427</u>		
End of year, June 30			<u>\$ 521,485</u>		

**JACKSON COUNTY, NORTH CAROLINA**

Capital Project Fund–Emergency Management Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance–Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Public Safety:					
Architect fees	\$ 112,179	\$ 5,800	\$ 61,307	\$ 67,107	\$ 45,072
Equipment	485,722	86,977	4,500	91,477	394,245
Construction cost	1,230,294	191,552	175,847	367,399	862,895
Site acquisition	352,981	352,981	-	352,981	-
Total expenditures	<u>2,181,176</u>	<u>637,310</u>	<u>241,654</u>	<u>878,964</u>	<u>1,302,212</u>
Other financing sources (uses):					
Transfers from Capital Reserve Fun	2,252,401	1,158,401	1,094,000	2,252,401	-
Contingency	(71,225)	-	-	-	71,225
Total other financing sources (	<u>2,181,176</u>	<u>1,158,401</u>	<u>1,094,000</u>	<u>2,252,401</u>	<u>71,225</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 521,091</u>	852,346	<u>1,373,437</u>	<u>\$ 1,373,437</u>
Fund balance:					
Beginning of year, July 1			<u>521,091</u>		
End of year, June 30			<u>\$ 1,373,437</u>		

**JACKSON COUNTY, NORTH CAROLINA**

Capital Project Fund—County Capital Projects Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
General government:					
Architect fees	\$ 11,021	\$ 5,100	\$ 1,200	\$ 6,300	\$ 4,721
Furniture and equipment	16,040	15,440	600	16,040	-
Construction cost	395,466	168,587	226,851	395,438	28
Culture and recreation:					
Management fees	18,875	2,000	16,875	18,875	-
Construction cost	253,409	155,156	98,253	253,409	-
Total expenditures	<u>694,811</u>	<u>346,283</u>	<u>343,779</u>	<u>690,062</u>	<u>4,749</u>
Other financing sources:					
Transfers from other funds:					
General Fund	369,811	42,811	327,000	369,811	-
Capital Reserve Fund	325,000	325,000	-	325,000	-
Total other financing sources	<u>694,811</u>	<u>367,811</u>	<u>327,000</u>	<u>694,811</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,528</u>	<u>(16,779)</u>	<u>\$ 4,749</u>	<u>\$ 4,749</u>
Fund balance:					
Beginning of year, July 1			<u>21,528</u>		
End of year, June 30			<u>\$ 4,749</u>		

**JACKSON COUNTY, NORTH CAROLINA**

Capital Project Fund–Greenways Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance–Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 455,000	\$ -	\$ -	\$ -	\$ (455,000)
Expenditures:					
Culture and recreation:					
Construction	948,339	-	224,712	224,712	723,627
Engineering fees	65,000	-	30,482	30,482	34,518
Total expenditures	1,013,339	-	255,194	255,194	758,145
Revenues under expenditures	(558,339)	-	(255,194)	(255,194)	303,145
Other financing sources (uses):					
Transfers from other funds:					
General Fund	600,000	-	600,000	600,000	-
Contingency	(41,661)	-	-	-	41,661
Total other financing sources (uses)	558,339	-	600,000	600,000	41,661
Net change in fund balance	\$ -	\$ -	344,806	\$ 344,806	\$ 344,806
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 344,806		

## ENTERPRISE FUNDS

---

Enterprise funds are used 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 of providing goods and 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.

---

- **Landfill Fund** – This fund is used to account for the operations of the County’s solid waste activities.
- **Green Energy Park Fund** – This fund is used to account for the operations of Jackson County Green Energy Park.
- **Economic Development Enterprise Fund** – This fund was established as a result of the reorganization of the Jackson County Economic Development Commission, in which the County took title to two industrial facilities. The buildings are currently leased and generate rental income for the County.

**JACKSON COUNTY, NORTH CAROLINA**Schedule of Revenues, Expenditures and Transfers—Budget and Actual (Non-GAAP)  
Landfill Fund

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,103,303	\$ 3,050,836	\$ (52,467)
Non-operating revenues:			
Scrap tire disposal fee	55,000	49,345	(5,655)
White goods tax	12,400	6,694	(5,706)
Electronics tax	3,000	2,706	(294)
Recycling assistance grant	10,160	8,467	(1,693)
Interest earned on investments	34,000	31,827	(2,173)
Total non-operating revenues	<u>114,560</u>	<u>99,039</u>	<u>(15,521)</u>
Total revenues	<u>3,217,863</u>	<u>3,149,875</u>	<u>(67,988)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	383,685	324,365	59,320
Operating expenses	1,552,603	1,543,260	9,343
Supplies	37,000	23,066	13,934
Repairs and maintenance	71,518	43,223	28,295
Contracted services	852,405	840,219	12,186
Total	<u>2,897,211</u>	<u>2,774,133</u>	<u>123,078</u>
Debt service:			
Debt principal	258,102	234,601	23,501
Interest and other charges	62,550	62,550	-
Total	<u>320,652</u>	<u>297,151</u>	<u>23,501</u>
Total expenditures	<u>3,217,863</u>	<u>3,071,284</u>	<u>146,579</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 78,591</u>	<u>\$ 78,591</u>

(continued)

**JACKSON COUNTY, NORTH CAROLINA**

Schedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)  
Landfill Fund, Continued

For the Fiscal Year Ended June 30, 2014

Reconciliation from budgetary basis (modified accrual) to full accrual basis:	
Revenues over expenditures	\$ 78,591
Change in accrued interest receivable	(3,872)
Change in compensated absences	3,074
Change in net OPEB obligation	(49,568)
Debt principal payment	234,601
Landfill closure and post-closure costs	8,703
Depreciation	<u>(88,611)</u>
Change in net position	<u>\$ 182,918</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Statement of Fund Net Position  
Non-major Proprietary Funds

June 30, 2014

	<b>Green Energy Park Fund</b>	<b>Economic Development Enterprise Fund</b>	<b>Total Non-major Proprietary Funds</b>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 154,595	\$ 41,839	\$ 196,434
Accounts receivable, net	2,183	-	2,183
Notes receivable, net	-	147,826	147,826
Capital assets, net of depreciation	70,056	1,246,584	1,316,640
Total assets	<u>226,834</u>	<u>1,436,249</u>	<u>1,663,083</u>
<b><u>Liabilities and Net Position</u></b>			
Liabilities:			
Accounts payable and accrued liabilities	4,102	8,089	12,191
Compensated absences	9,662	-	9,662
Unearned revenue	10,273	-	10,273
Net OPEB obligation	51,156	-	51,156
Total liabilities	<u>75,193</u>	<u>8,089</u>	<u>83,282</u>
Net position:			
Net investment in capital assets	70,056	1,246,584	1,316,640
Unrestricted	81,585	181,576	263,161
Total net position	<u>\$ 151,641</u>	<u>\$ 1,428,160</u>	<u>\$ 1,579,801</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position  
Non-major Proprietary Funds

For the Fiscal Year Ended June 30, 2014

	<b>Green Energy Park Fund</b>	<b>Economic Development Enterprise Fund</b>	<b>Total Non-major Proprietary Funds</b>
Operating revenues:			
Charges for services	\$ 13,565	\$ 38,866	\$ 52,431
Operating expenditures:			
Park operations	154,014	-	154,014
Economic development operations	-	39,291	39,291
Depreciation	5,485	45,939	51,424
Total expenditures	<u>159,499</u>	<u>85,230</u>	<u>244,729</u>
Operating loss	<u>(145,934)</u>	<u>(46,364)</u>	<u>(192,298)</u>
Non-operating revenues (expenses):			
Investment earnings	-	3,160	3,160
Conservation Fund grant	10,500	-	10,500
Donations	404	-	404
Loss on the disposal of assets	(5,538)	-	(5,538)
Total non-operating revenue	<u>5,366</u>	<u>3,160</u>	<u>8,526</u>
Loss before transfers	(140,568)	(43,204)	(183,772)
Transfers from other funds	<u>134,439</u>	<u>-</u>	<u>134,439</u>
Change in net position	(6,129)	(43,204)	(49,333)
Net position:			
Beginning of year, July 1	<u>157,770</u>	<u>1,471,364</u>	<u>1,629,134</u>
End of year, June 30	<u>\$ 151,641</u>	<u>\$ 1,428,160</u>	<u>\$ 1,579,801</u>

**JACKSON COUNTY, NORTH CAROLINA**Combining Statement of Cash Flows  
Non-major Proprietary Funds

For the Fiscal Year Ended June 30, 2014

	<b>Green Energy Park Fund</b>	<b>Economic Development Enterprise Fund</b>	<b>Total Non-major Proprietary Funds</b>
Cash flows from operating activities:			
Cash received from customers	\$ 12,963	\$ 38,934	\$ 51,897
Cash paid for goods and services	(63,888)	(31,500)	(95,388)
Cash paid to employees for services	(81,666)	-	(81,666)
Net cash provided (used) by operating activities	<u>(132,591)</u>	<u>7,434</u>	<u>(125,157)</u>
Cash flows from non-capital financing activities:			
Grants and donations	10,904	-	10,904
Transfers from other funds	134,439	-	134,439
Net cash provided by non-capital financing activities	<u>145,343</u>	<u>-</u>	<u>145,343</u>
Cash flows from investing activities:			
Principal payments on notes receivable	-	16,200	16,200
Interest earned on investments	-	3,160	3,160
Net cash provided by investing activities	<u>-</u>	<u>19,360</u>	<u>19,360</u>
Net increase in cash and cash equivalents	12,752	26,794	39,546
Cash and cash equivalents, July 1	<u>141,843</u>	<u>15,045</u>	<u>156,888</u>
Cash and cash equivalents, June 30	<u>\$ 154,595</u>	<u>\$ 41,839</u>	<u>\$ 196,434</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (145,934)	\$ (46,364)	\$ (192,298)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	5,485	45,939	51,424
Changes in assets and liabilities:			
Accounts receivable	(602)	68	(534)
Accounts payable and accrued liabilities	1,971	7,791	9,762
Unearned revenue	2,413	-	2,413
Compensated absences	(200)	-	(200)
Net OPEB obligation	4,276	-	4,276
Total adjustments	<u>13,343</u>	<u>53,798</u>	<u>67,141</u>
Net cash provided (used) by operating activities	<u>\$ (132,591)</u>	<u>\$ 7,434</u>	<u>\$ (125,157)</u>

**JACKSON COUNTY, NORTH CAROLINA**Schedule of Revenues, Expenditures and Transfers—Budget and Actual (Non-GAAP)  
Green Energy Park Fund

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 10,950	\$ 10,950	\$ -
Registration fees	3,245	2,615	(630)
Total operating revenues	<u>14,195</u>	<u>13,565</u>	<u>(630)</u>
Non-operating revenues:			
Conservation Fund grant	10,500	10,500	-
Donations	405	404	(1)
Total non-operating revenues	<u>10,905</u>	<u>10,904</u>	<u>(1)</u>
Other financing sources:			
Transfer from General Fund	<u>134,439</u>	<u>134,439</u>	<u>-</u>
Total revenues and other financing sources	<u>159,539</u>	<u>158,908</u>	<u>(631)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	85,708	85,742	(34)
Operating expenses	73,831	64,196	9,635
Total	<u>159,539</u>	<u>149,938</u>	<u>9,601</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 8,970</u>	<u>\$ 8,970</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ 8,970	
Change in compensated absences		200	
Change in net OPEB obligation		(4,276)	
Loss on the disposal of assets		(5,538)	
Depreciation		<u>(5,485)</u>	
Change in net position		<u>\$ (6,129)</u>	

**JACKSON COUNTY, NORTH CAROLINA**Schedule of Revenues, Expenditures and Transfers—Budget and Actual (Non-GAAP)  
Economic Development Commission Fund

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 58,227	\$ 38,866	\$ (19,361)
Non-operating revenues:			
Interest earned on investments	100	3,160	3,060
Total revenues	<u>58,327</u>	<u>42,026</u>	<u>(16,301)</u>
Expenditures:			
Economic development operations:			
Operating	34,917	19,291	15,626
Insurance	20,000	20,000	-
Capital outlay	3,410	-	3,410
Total expenditures	<u>58,327</u>	<u>39,291</u>	<u>19,036</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 2,735</u>	<u>\$ 2,735</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues over expenditures		\$ 2,735	
Depreciation		<u>(45,939)</u>	
Change in net position		<u>\$ (43,204)</u>	

## **COMPONENT UNIT SCHEDULE**

---

Component units are legally separate organizations for which the elected officials of the County are financially accountable. This section demonstrates budgetary compliance for those component units that do not issue separate financial statements.

---

- **Jackson County Airport Authority** – accounts for the operations of the Jackson County Airport. The Airport Authority adopts an annual budget for its operating fund.

**JACKSON COUNTY, NORTH CAROLINA**  
Jackson County Airport Authority (Non-GAAP)

Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 93,079	\$ 93,077	\$ (2)
Sales and services	45,927	45,927	-
Jackson County	31,000	31,000	-
Miscellaneous	14,768	13,632	(1,136)
Total revenues	<u>184,774</u>	<u>183,636</u>	<u>(1,138)</u>
Expenditures:			
Transportation:			
Operating	<u>184,774</u>	<u>65,096</u>	<u>119,678</u>
Revenues over expenditures	<u>-</u>	<u>118,540</u>	<u>118,540</u>
Net change in fund balance	<u>\$ -</u>	<u>118,540</u>	<u>\$ 118,540</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Depreciation		<u>(13,759)</u>	
Change in net position		<u>\$ 104,781</u>	

## **FIDUCIARY FUND SCHEDULE**

---

The agency fund is a fiduciary fund-type used to account for the assets held by the County as an agent for individuals, private organizations, and/or other government entities.

---

**JACKSON COUNTY, NORTH CAROLINA**  
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2014

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2014</b>
<b>Social Services:</b>				
Assets:				
Cash and cash equivalents	\$ 42,409	\$ 333,952	\$ 321,801	\$ 54,560
Liabilities:				
Amounts held for others	\$ 42,409	\$ 333,952	\$ 321,801	\$ 54,560
<b>Property Tax Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 7,445	\$ 485,930	\$ 488,245	\$ 5,130
Accounts receivable	-	3,256	-	3,256
Total assets	\$ 7,445	\$ 489,186	\$ 488,245	\$ 8,386
Liabilities:				
Amounts held for others	\$ 7,445	\$ 489,186	\$ 488,245	\$ 8,386
<b>State of North Carolina Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 34,354	\$ 391,378	\$ 394,160	\$ 31,572
Liabilities:				
Amounts held for others	\$ 34,354	\$ 391,378	\$ 394,160	\$ 31,572
<b>Extension Agency Fund:</b>				
Assets:				
Cash and cash equivalents	\$ 48,888	\$ 4,155	\$ 5,855	\$ 47,188
Accounts receivable	-	39	-	39
Total assets	\$ 48,888	\$ 4,194	\$ 5,855	\$ 47,227
Liabilities:				
Amounts held for others	\$ 48,888	\$ 4,194	\$ 5,855	\$ 47,227

(continued)

**JACKSON COUNTY, NORTH CAROLINA**  
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2014

	<b>Balance July 1, <u>2013</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Balance June 30, <u>2014</u></b>
<b>Totals--All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 133,096	\$ 1,215,415	\$ 1,210,061	\$ 138,450
Accounts receivable	-	3,295	-	3,295
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 133,096</u>	<u>\$ 1,218,710</u>	<u>\$ 1,210,061</u>	<u>\$ 141,745</u>
Liabilities:				
Amounts held for others	<u>\$ 133,096</u>	<u>\$ 1,218,710</u>	<u>\$ 1,210,061</u>	<u>\$ 141,745</u>

## **OTHER SCHEDULES**

---

This section included additional information on property taxes.

---

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**JACKSON COUNTY, NORTH CAROLINA**

General Fund  
Schedule of Ad Valorem Taxes Receivable

June 30, 2014

Fiscal Year	Uncollected Balance July 1, 2013	Additions	Collections And Credits	Uncollected Balance June 30, 2014
2013-2014	\$ -	\$ 32,417,928	\$ 31,226,610	\$ 1,191,318
2012-2013	1,303,566	-	676,045	627,521
2011-2012	706,795	-	284,071	422,724
2010-2011	456,138	-	171,104	285,034
2009-2010	345,066	-	116,960	228,106
2008-2009	202,282	-	74,353	127,929
2007-2008	141,639	-	38,645	102,994
2006-2007	78,314	-	18,453	59,861
2005-2006	57,224	-	8,714	48,510
2004-2005	46,861	-	5,755	41,106
2003-2004	54,568	-	54,568	-
	<u>\$ 3,392,453</u>	<u>\$ 32,417,928</u>	<u>\$ 32,675,278</u>	<u>\$ 3,135,103</u>
				Less: allowance for uncollectible accounts
				<u>(1,091,000)</u>
				Ad valorem taxes receivable - net:
				General Fund
				<u>\$ 2,044,103</u>
				Reconcilement with revenues:
				Ad valorem taxes--General Fund
				33,128,427
				Reconciling items:
				Interest collected
				(485,311)
				Amounts written off for tax year 2003-2004
				54,568
				Prior year releases, refunds, and other adjustments
				11,455
				Other reconciling Items
				(33,861)
				<u>Total reconciling items</u>
				<u>(453,149)</u>
				Total collections and credits
				<u>\$ 32,675,278</u>

**JACKSON COUNTY, NORTH CAROLINA**Analysis of Current Tax Levy  
County-wide Levy

For the Fiscal Year Ended June 30, 2014

	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	\$ 11,385,423,214	0.28	\$ 31,879,185	\$ 30,824,345	\$ 1,054,840
Utilities at current year's rate	155,553,929	0.28	435,551	435,551	-
Total	<u>11,540,977,143</u>		<u>32,314,736</u>	<u>31,259,896</u>	<u>1,054,840</u>
Discoveries:					
Current year taxes	49,596,429	0.28	138,870	138,870	-
Abatements	<u>(12,742,143)</u>	0.28	<u>(35,678)</u>	<u>(31,258)</u>	<u>(4,420)</u>
Total property valuation	<u>\$ 11,577,831,429</u>				
Net levy			32,417,928	31,367,508	1,050,420
Uncollected taxes at June 30, 2014			<u>1,191,318</u>	<u>1,138,575</u>	<u>52,743</u>
Current year's taxes collected			<u>\$ 31,226,610</u>	<u>\$ 30,228,933</u>	<u>\$ 997,677</u>
Current levy collection percentage			<u>96.33%</u>	<u>96.37%</u>	<u>94.98%</u>