

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

Financial Statements

June 30, 2010

(with Independent Auditors' Report thereon)

JACKSON COUNTY, NORTH CAROLINA
Sylva, North Carolina

Board of County Commissioners

June 30, 2010

Board of County Commissioners

Brian T. McMahan, Chairperson
Joe Cowan
Mark Jones
Tom Massie
William Shelton

County Manager

Kenneth L. Westmoreland

JACKSON COUNTY, NORTH CAROLINA

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FINANCIAL SECTION

- Independent Auditors' Report -

Jackson County Board of Commissioners
Sylva, North Carolina

We have audited the accompanying financial statements 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 and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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, 2010, and the respective changes in financial position, and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 2, 2010, on our consideration of Jackson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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

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Independent Auditors' Report
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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 and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the schedules of funding progress, employer contributions and the notes to the required schedules for the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedule of Funding Progress and Employer Contributions are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Jackson County, North Carolina. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the financial data schedule as required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended June 30, 2010, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

December 2, 2010

Dixon Hughes PLLC

JACKSON COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2010

As management of Jackson 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, 2010. 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.

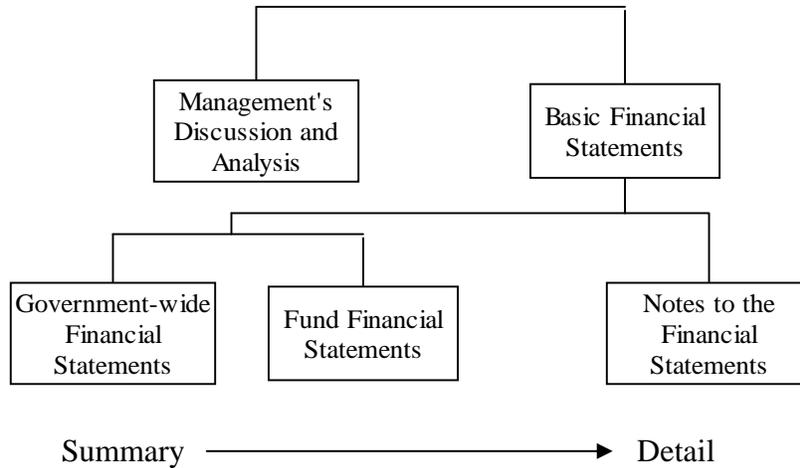
Financial Highlights

- The assets of Jackson County exceeded its liabilities at the close of the fiscal year by \$54,653,712 (*net assets*).
- The government's total net assets increased by \$847,204, primarily due to increased net assets in the Governmental Funds.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$32,164,629 an increase of \$3,338,073 in comparison with the prior year. 89 percent of this total amount, or \$28,538,923 is available for spending at the government's discretion (*unreserved fund balance*.)
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$19,666,683, or 40 percent of total general fund expenditures for the fiscal year.
- Jackson County's total long-term debt increased by \$12,236,774 during the current fiscal year. This is due to the implementation of GASB 45, which required recognition of other postemployment benefit liabilities, which increased by \$3,602,170. Additional debt was issued for capital projects.

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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets 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 Travel and Tourism Authority and the Cashiers Area Travel and Tourism Authority were established by the Jackson County Board of Commissioners for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints five of the eleven voting members of the Jackson Travel and Tourism Authority and two of the five voting members of the Cashiers Area Travel and Tourism Authority. The Board adopts a budget to be used by each Authority and approves amendments to the approved budget.

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 Statement of Net Assets 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 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 Economic Development Commission. These funds are the same as the separate activities shown in the business-type activities in the Statement of Net Assets 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 25 of this report.

Government-Wide Financial Analysis

Jackson County’s Net Assets
Figure 2

	2010			2009		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 39,803,676	\$ 1,104,528	\$ 40,908,204	\$ 37,678,961	\$ 347,837	\$ 38,026,798
Capital assets	<u>64,664,356</u>	<u>6,196,946</u>	<u>70,861,302</u>	<u>54,704,004</u>	<u>2,849,522</u>	<u>57,553,526</u>
Total assets	<u>104,468,032</u>	<u>7,301,474</u>	<u>111,769,506</u>	<u>92,382,965</u>	<u>3,197,359</u>	<u>95,580,324</u>
Long-term liabilities outstanding	48,162,197	3,526,492	51,688,689	39,262,108	189,807	39,451,915
Other liabilities	<u>4,435,852</u>	<u>991,253</u>	<u>5,427,105</u>	<u>6,116,223</u>	<u>865,026</u>	<u>6,981,249</u>
Total liabilities	<u>52,598,049</u>	<u>4,517,745</u>	<u>57,115,794</u>	<u>45,378,331</u>	<u>1,054,833</u>	<u>46,433,164</u>
Net assets:						
Invested in capital assets, net of related debt	45,254,870	2,962,715	48,217,585	40,804,309	2,849,522	43,653,831
Restricted	6,204,645	-	6,204,645	2,612,254	-	2,612,254
Unrestricted	<u>410,468</u>	<u>(178,986)</u>	<u>231,482</u>	<u>3,588,071</u>	<u>(706,996)</u>	<u>2,881,075</u>
Total net assets	<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</u>	<u>\$ 47,004,634</u>	<u>\$ 2,142,526</u>	<u>\$ 49,147,160</u>

As noted earlier, net assets may serve over time as one useful indicator of a government’s financial condition. The assets of Jackson County exceeded liabilities by \$54,653,712 as of June 30, 2010. The County’s net assets increased by \$847,204 for the fiscal year ended June 30, 2010, of which \$206,001 was for governmental activities and \$641,203 was for business-type activities. One of the largest portions of net assets (88 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 assets (less than 12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$231,482 is unrestricted.

Several particular aspects of the County’s financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 94.56, slightly below the statewide average of 96.21 percent for counties in the 50,000 - 100,000 population range.
- Increased revenue in property taxes due to growth within the County.

Jackson County's Changes in Net Assets
Figure 3

	2010			2009		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,806,261	\$ 3,171,284	\$ 4,977,545	\$ 2,109,132	\$ 3,337,308	\$ 5,446,440
Operating grants and contributions	8,525,266	14,773	8,540,039	8,121,146	11,389	8,132,535
Capital grants and contributions	685,888	-	685,888	817,896	-	817,896
General revenues:						
Property taxes	31,664,156	-	31,664,156	30,344,063	-	30,344,063
Other taxes	8,257,371	11,955	8,269,326	10,044,276	11,573	10,055,849
Grants and contributions not restricted to specific programs	220,369	-	220,369	71,890	34,286	106,176
Other	995,045	19,568	1,014,613	1,598,043	-	1,598,043
Total revenues	<u>52,154,356</u>	<u>3,217,580</u>	<u>55,371,936</u>	<u>53,106,446</u>	<u>3,394,556</u>	<u>56,501,002</u>
Expenses:						
General government	7,207,903	-	7,207,903	1,463,346	-	1,463,346
Public safety	11,182,333	-	11,182,333	10,791,433	-	10,791,433
Transportation	689,348	-	689,348	820,720	-	820,720
Environmental protection	907,711	-	907,711	829,827	-	829,827
Economic and physical development	1,741,665	-	1,741,665	1,639,361	-	1,639,361
Human services	15,589,517	-	15,589,517	19,042,231	-	19,042,231
Culture and recreation	2,265,238	-	2,265,238	3,801,034	-	3,801,034
Education	9,780,240	-	9,780,240	11,566,435	-	11,566,435
Interest on long-term debt	1,789,870	-	1,789,870	1,425,381	-	1,425,381
Landfill	-	3,036,884	3,036,884	-	3,255,950	3,255,950
Green Energy Park	-	283,709	283,709	-	223,157	223,157
Economic Development Commission	-	50,314	50,314	-	29,522	29,522
Total expenses	<u>51,153,825</u>	<u>3,370,907</u>	<u>54,524,732</u>	<u>51,379,768</u>	<u>3,508,629</u>	<u>54,888,397</u>
Increase in net assets before transfers	1,000,531	(153,327)	847,204	1,726,678	(114,073)	1,612,605
Transfers	(794,530)	794,530	-	(477,383)	477,383	-
Increase in net assets	206,001	641,203	847,204	1,249,295	363,310	1,612,605
Net assets, July 1	<u>51,663,982</u>	<u>2,142,526</u>	<u>53,806,508</u>	<u>45,755,339</u>	<u>1,779,216</u>	<u>47,534,555</u>
Net assets, June 30	<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</u>	<u>\$ 47,004,634</u>	<u>\$ 2,142,526</u>	<u>\$ 49,147,160</u>

Governmental Activities - Governmental activities increased the County's net assets by \$206,001, thereby accounting for 24 percent of the total growth in the net assets of Jackson County. Key elements of this increase are as follows:

- Solicitation of additional grant revenues
- Increase in property values, tax audits, and review of management plans.

Business-Type Activities - Business-type activities increased Jackson County's net assets by \$641,203, accounting for 76 percent of the total growth in the government's net assets. Key element of this increase was the Economic Development 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, unreserved 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, unreserved fund balance of the General Fund was \$19,666,683 while total fund balance reached \$22,953,568. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 40 percent of total General Fund expenditures, while total fund balance represents 47 percent of that same amount.

At June 30, 2010, the governmental funds of Jackson County reported a combined fund balance of \$32,164,629. The primary reason for this increase in fund balance is additional funding for capital projects and an increase in advalorem tax collections due to tax audits.

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 \$1,432,822.

Proprietary Funds - Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net assets of the Landfill, Green Energy Park, and Economic Development Commission Funds at the end of the fiscal year amounted to \$2,783,729. The total increase in net assets for the funds was \$641,203. 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, 2010, totals \$70,861,302 (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 an Apache Grader, chipper, and a Turfcut mower for the Grounds Department
- Purchased seven new vehicles for the Sheriff's Department
- Purchased an antenna, generator, and a Trimble GPS unit for Emergency Management
- Purchased two new vans for the Transportation Department
- Purchased a 4x4 vehicle for the Community Development Department
- Purchased a new car for the Health Department
- Purchased a 60,000 BTU Trane furnace for the Animal Shelter
- Purchased four new vehicles for the Department of Social Service
- Purchased 6.92 acres of land for the Recreation Department
- Addition of construction in progress on the Webster Complex, Jackson Library, Cashiers Recreation, and School Improvements Projects

Jackson County’s Changes in Net Assets, Net of Accumulated Depreciation
Figure 4

	2010			2009		
	<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	\$ 16,952,812	\$ 182,414	\$ 17,135,226	\$ 11,923,984	\$ 171,014	\$ 12,094,998
Buildings and system	30,486,090	2,334,504	32,820,594	29,132,536	2,396,097	31,528,633
Machinery and equipment	1,244,941	249,656	1,494,597	1,290,636	282,411	1,573,047
Vehicles and motorized equipment	1,270,436	-	1,270,436	1,226,996	-	1,226,996
Construction in progress	<u>14,710,077</u>	<u>3,430,372</u>	<u>18,140,449</u>	<u>11,129,852</u>	<u>-</u>	<u>11,129,852</u>
Total	<u>\$ 64,664,356</u>	<u>\$ 6,196,946</u>	<u>\$ 70,861,302</u>	<u>\$ 54,704,004</u>	<u>\$ 2,849,522</u>	<u>\$ 57,553,526</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, 2010, Jackson County had total debt outstanding of \$51,688,689, most of which is collateralized by capital assets. However, \$13.6 million 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 and Capitalized Leases
Figure 5

	2010			2009		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Total	<u>\$ 39,805,910</u>	<u>\$ 3,234,231</u>	<u>\$ 43,040,141</u>	<u>\$ 34,282,835</u>	<u>\$ -</u>	<u>\$ 34,282,835</u>

Jackson County’s debt, shown above, increased by \$8,757,306 (26 percent) during the past fiscal year. The increase is due to new debt issuance for the Library capital project, Southwestern Community College, and the Solid Waste Facility, less the regularly scheduled debt service payments.

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 \$853,500,000.

Additional information regarding Jackson County’s long-term debt can be found on Pages 46 - 49 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 7.3 percent, lower than the state average of 9.1 percent.
- Retail vacancy rates are higher, having stayed in the 18-20 percent range all year. The County realized a 15.1% decrease in room occupancy tax fees.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: Property taxes are expected to lead the increase in revenue projections by 2 percent. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to decrease 9 percent to \$50,122,125. The largest increments are in the elimination of nine employee positions, capital reserve transfers, bond match for Southwestern Community College, and decreased operational expenses.

Business-type Activities: General operating expenses will decrease by 48 percent. Revenues from the sales of materials and volumes for tipping fees have decreased. Reductions have been factored in the cost of transportation, disposal fees, and other operating expenses. The Solid Waste Transfer Station building has been completed. Rates for landfill services will remain the same.

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 Assets

June 30, 2010

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Jackson County Travel and Tourism Authority</u>	<u>Cashiers Area Travel and Tourism Authority</u>
Assets:					
Cash and cash equivalents	\$ 26,163,204	\$ 530,883	\$ 26,694,087	\$ 132,933	\$ 45,341
Taxes receivable, net	2,556,039	-	2,556,039	-	-
Accounts receivable, net	203,855	450,982	654,837	28,993	21,603
Accrued interest receivable	180,581	32,345	212,926	-	-
Internal balances	325,000	(325,000)	-	1,581	(1,581)
Due from other governments	2,802,382	64,028	2,866,410	-	-
Notes receivable, net	775,108	-	775,108	-	-
Inventory	13,011	-	13,011	-	-
Restricted cash and cash equivalents	6,784,496	351,290	7,135,786	-	-
Capital assets:					
Land and construction in progress	31,662,889	3,612,786	35,275,675	-	-
Other capital assets, net of depreciation	33,001,467	2,584,160	35,585,627	-	-
Total capital assets	<u>64,664,356</u>	<u>6,196,946</u>	<u>70,861,302</u>	<u>-</u>	<u>-</u>
Total assets	<u>104,468,032</u>	<u>7,301,474</u>	<u>111,769,506</u>	<u>163,507</u>	<u>65,363</u>
Liabilities:					
Accounts payable and accrued expenses	3,922,593	284,351	4,206,944	4,658	585
Unearned revenue	63,754	-	63,754	-	-
Accrued interest payable	335,505	29,302	364,807	-	-
Deposits held for others	114,000	-	114,000	-	-
Accrued landfill closure and post- closure care costs	-	677,600	677,600	-	-
Long-term liabilities:					
Due within one year	5,170,818	162,000	5,332,818	-	-
Due in more than one year	42,991,379	3,364,492	46,355,871	-	-
Total liabilities	<u>52,598,049</u>	<u>4,517,745</u>	<u>57,115,794</u>	<u>4,658</u>	<u>585</u>
Net assets:					
Invested in capital assets, net of related debt	45,254,870	2,962,715	48,217,585	-	-
Restricted for:					
Register of Deeds	43,367	-	43,367	-	-
Public safety	224,539	-	224,539	-	-
Education	2,966,314	-	2,966,314	-	-
Cultural and recreation	2,970,425	-	2,970,425	-	-
Unrestricted (deficit)	410,468	(178,986)	231,482	158,849	64,778
Total net assets	<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</u>	<u>\$ 158,849</u>	<u>\$ 64,778</u>

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, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 7,207,903	\$ 241,024	\$ -	\$ -
Public safety	11,182,333	548,347	1,037,856	19,528
Transportation	689,348	125,869	293,230	622,560
Environmental protection	907,711	142,957	76,710	3,800
Economic and physical development	1,741,665	85,216	-	-
Human services	15,589,517	339,514	6,982,495	-
Cultural and recreation	2,265,238	323,334	-	40,000
Education	9,780,240	-	134,975	-
Interest on long-term debt	1,789,870	-	-	-
Total governmental activities	51,153,825	1,806,261	8,525,266	685,888
Business-type activities:				
Landfill	3,036,884	3,132,491	9,731	-
Green Energy Park	283,709	15,978	5,042	-
Economic Development Commission	50,314	22,815	-	-
Total business-type activities	3,370,907	3,171,284	14,773	-
Total government-wide	\$ 54,524,732	\$ 4,977,545	\$ 8,540,039	\$ 685,888
Component units:				
Jackson County Travel and Tourism	\$ 291,446	\$ -	\$ -	\$ -
Cashiers Area Travel and Tourism	155,113	-	-	-
Total component units	\$ 446,559	\$ -	\$ -	\$ -
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 assets				
Net assets-beginning				
Net assets-ending				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Jackson County Travel and Tourism Authority	Cashiers Area Tourism Development Authority
\$ (6,966,879)	\$ -	\$ (6,966,879)		
(9,576,602)	-	(9,576,602)		
352,311	-	352,311		
(684,244)	-	(684,244)		
(1,656,449)	-	(1,656,449)		
(8,267,508)	-	(8,267,508)		
(1,901,904)	-	(1,901,904)		
(9,645,265)	-	(9,645,265)		
(1,789,870)	-	(1,789,870)		
<u>(40,136,410)</u>	<u>-</u>	<u>(40,136,410)</u>		
-	105,338	105,338		
-	(262,689)	(262,689)		
-	(27,499)	(27,499)		
<u>-</u>	<u>(184,850)</u>	<u>(184,850)</u>		
(40,136,410)	(184,850)	(40,321,260)		
			\$ (291,446)	\$ -
			<u>-</u>	<u>(155,113)</u>
			<u>(291,446)</u>	<u>(155,113)</u>
31,664,156	-	31,664,156	-	-
7,504,962	-	7,504,962	-	-
752,409	11,955	764,364	264,386	154,427
220,369	-	220,369	-	-
110,612	19,568	130,180	7	10
884,433	-	884,433	-	-
(794,530)	794,530	-	-	-
<u>40,342,411</u>	<u>826,053</u>	<u>41,168,464</u>	<u>264,393</u>	<u>154,437</u>
206,001	641,203	847,204	(27,053)	(676)
<u>51,663,982</u>	<u>2,142,526</u>	<u>53,806,508</u>	<u>185,902</u>	<u>65,454</u>
<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</u>	<u>\$ 158,849</u>	<u>\$ 64,778</u>

JACKSON COUNTY, NORTH CAROLINA

**Balance Sheet
Governmental Funds**

June 30, 2010

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 20,328,322	\$ 5,834,882	\$ 26,163,204
Taxes receivable, net	2,556,039	-	2,556,039
Accounts receivable, net	151,833	52,022	203,855
Due from other governments	2,456,707	345,675	2,802,382
Due from other funds	634,978	-	634,978
Restricted assets-cash and cash equivalents	2,390,903	4,393,593	6,784,496
Notes receivable, net	-	775,108	775,108
Inventory	-	13,011	13,011
	<u>28,518,782</u>	<u>11,414,291</u>	<u>39,933,073</u>
Total assets	\$ 28,518,782	\$ 11,414,291	\$ 39,933,073
Liabilities and fund balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,831,421	\$ 768,015	\$ 3,599,436
Due to other funds	-	309,978	309,978
Contract retainage	-	323,157	323,157
Deferred revenues	2,619,793	802,080	3,421,873
Deposits held for others	114,000	-	114,000
	<u>5,565,214</u>	<u>2,203,230</u>	<u>7,768,444</u>
Fund balances:			
Reserved for:			
State statute	3,243,518	101,271	3,344,789
Register of Deeds	43,367	-	43,367
911 Wireless	-	224,539	224,539
Inventory	-	13,011	13,011
Unreserved:			
Designated for other postemployment benefits	200,703	-	200,703
Designated for LEO separation allowance	56,642	-	56,642
Undesignated	19,409,338	-	19,409,338
Unreserved, reported in non-major:			
Special revenue funds	-	4,329,329	4,329,329
Capital projects funds	-	4,542,911	4,542,911
Total fund balances	<u>22,953,568</u>	<u>9,211,061</u>	<u>32,164,629</u>
Total liabilities and fund balances	\$ 28,518,782	\$ 11,414,291	

(continued)

JACKSON COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2010

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 64,664,356
Accrued interest receivable	180,581

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Notes receivable	775,108
Liabilities for earned but deferred revenues in fund statements	2,583,011

Some liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(335,505)
Compensated absences	(1,338,767)
Net pension obligation	(221,654)
Other post employment benefits liability	(6,795,866)
Long-term obligations	<u>(39,805,910)</u>

Net assets of governmental activities	<u><u>\$ 51,869,983</u></u>
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The notes to the basic financial statements are an integral part of this statement.

JACKSON COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balances--
Governmental Funds

For the Fiscal Year Ended June 30, 2010

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 30,886,805	\$ -	\$ 30,886,805
Other taxes	7,645,583	-	7,645,583
Unrestricted intergovernmental	404,897	-	404,897
Restricted intergovernmental	6,700,776	2,565,901	9,266,677
Other restricted revenues	93,390	-	93,390
Permits and fees	1,519,923	-	1,519,923
Sales and services	572,844	32,479	605,323
Investment earnings	73,921	36,691	110,612
Miscellaneous	866,173	18,964	885,137
Total revenues	<u>48,764,312</u>	<u>2,654,035</u>	<u>51,418,347</u>
Expenditures:			
Current:			
General government	7,082,861	193,959	7,276,820
Public safety	9,590,208	454,962	10,045,170
Transportation	612,443	545,334	1,157,777
Environmental protection	60,745	846,966	907,711
Economic and physical development	1,138,102	288,824	1,426,926
Human services	10,653,130	3,420,311	14,073,441
Culture and recreation	1,945,644	4,623,533	6,569,177
Intergovernmental:			
Education	9,010,919	769,321	9,780,240
Debt service:			
Principal retirement	4,772,374	-	4,772,374
Interest and other charges	1,587,570	-	1,587,570
Total expenditures	<u>46,453,996</u>	<u>11,143,210</u>	<u>57,597,206</u>
Revenues over (under) expenditures	<u>2,310,316</u>	<u>(8,489,175)</u>	<u>(6,178,859)</u>
Other financing sources (uses):			
Transfers from other funds	14,103	2,575,173	2,589,276
Transfers to other funds	(2,869,703)	(514,103)	(3,383,806)
Proceeds from installment obligation	2,387,865	7,907,581	10,295,446
Sale of capital assets	16,016	-	16,016
Total other financing sources (uses)	<u>(451,719)</u>	<u>9,968,651</u>	<u>9,516,932</u>
Net change in fund balances	1,858,597	1,479,476	3,338,073
Fund balances:			
Beginning of year, July 1	<u>21,094,971</u>	<u>7,731,585</u>	<u>28,826,556</u>
End of year, June 30	<u>\$ 22,953,568</u>	<u>\$ 9,211,061</u>	<u>\$ 32,164,629</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

**Schedule of Revenues, Expenditures, and Changes in Fund Balances--
Governmental Funds, Continued**

For the Fiscal Year Ended June 30, 2010

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

Net changes in fund balances--total governmental funds	\$ 3,338,073
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	7,607,984
Depreciation	(2,179,478)

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 receivable	777,351
Payments received and increase in allowance on notes receivable	(235,540)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds	(10,295,446)
Repayments	4,772,374

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 resources:

Compensated absences	135,497
Other postemployment benefits	(3,500,064)
Net pension obligation	(12,450)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	(202,300)

Total changes in net assets of governmental activities	<u>\$ 206,001</u>
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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, 2010

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 30,983,835	\$ 31,189,950	\$ 30,886,805	\$ (303,145)
Other taxes	8,645,185	8,645,185	7,645,583	(999,602)
Unrestricted intergovernmental	229,872	405,227	404,897	(330)
Restricted intergovernmental	6,581,334	8,002,067	6,700,776	(1,301,291)
Other restricted revenues	87,750	96,566	93,390	(3,176)
Permits and fees	2,048,878	1,853,503	1,519,923	(333,580)
Sales and services	628,884	684,810	572,844	(111,966)
Investment earnings	505,000	85,977	73,921	(12,056)
Miscellaneous	789,584	969,859	866,173	(103,686)
Total revenues	50,500,322	51,933,144	48,764,312	(3,168,832)
Expenditures:				
Current:				
General government	7,288,955	7,669,595	7,082,861	586,734
Public safety	9,488,959	9,818,530	9,590,208	228,322
Transportation	691,733	971,106	612,443	358,663
Environmental protection	75,645	75,645	60,745	14,900
Economic and physical development	1,150,677	1,229,089	1,138,102	90,987
Human services	11,478,750	12,295,115	10,653,130	1,641,985
Culture and recreation	2,170,549	2,339,631	1,945,644	393,987
Intergovernmental:				
Education	11,937,195	11,037,195	9,010,919	2,026,276
Debt service:				
Principal retirement	4,943,005	4,943,005	4,772,374	170,631
Interest and other charges	1,752,917	1,752,917	1,587,570	165,347
Total expenditures	50,978,385	52,131,828	46,453,996	5,677,832
Revenues over (under) expenditures	(478,063)	(198,684)	2,310,316	2,509,000
Other financing sources (uses):				
Transfers from other funds	-	14,103	14,103	-
Transfers to other funds	(2,995,802)	(2,912,552)	(2,869,703)	42,849
Proceeds from installment obligation	3,287,865	2,387,865	2,387,865	-
Sale of capital assets	436,000	17,403	16,016	(1,387)
Appropriated fund balance	-	721,988	-	(721,988)
Contingency	(250,000)	(30,123)	-	30,123
Total other financing sources (uses)	478,063	198,684	(451,719)	(650,403)
Net change in fund balance	\$ -	\$ -	1,858,597	\$ 1,858,597
Fund balance:				
Beginning of year, July 1			21,094,971	
End of year, June 30			\$ 22,953,568	

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

JACKSON COUNTY, NORTH CAROLINA

Statement of Fund Net Assets
Proprietary Funds

June 30, 2010

	<u>Major Fund</u>		<u>Total</u>
	<u>Landfill</u>	<u>Non-major</u>	<u>Proprietary</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,679	\$ 527,204	\$ 530,883
Accounts receivable, net	445,321	5,661	450,982
Accrued interest receivable	32,345	-	32,345
Due from other governments	64,028	-	64,028
Restricted assets--cash and cash equivalents	351,290	-	351,290
Total current assets	<u>896,663</u>	<u>532,865</u>	<u>1,429,528</u>
Non-current assets:			
Capital assets, net of depreciation	<u>5,205,355</u>	<u>991,591</u>	<u>6,196,946</u>
Total assets	<u>6,102,018</u>	<u>1,524,456</u>	<u>7,626,474</u>
Liabilities:			
Current liabilities:			
Accounts payable	268,945	15,406	284,351
Due to other funds	325,000	-	325,000
Unearned revenue	-	-	-
Accrued interest payable	29,302	-	29,302
Installment purchases, current	162,000	-	162,000
Total current liabilities	<u>785,247</u>	<u>15,406</u>	<u>800,653</u>
Non-current liabilities:			
Installment purchases, non-current	3,072,231	-	3,072,231
Compensated absences	29,526	12,490	42,016
Other postemployment benefits	224,282	25,963	250,245
Accrued landfill closure and postclosure care costs	677,600	-	677,600
Total non-current liabilities	<u>4,003,639</u>	<u>38,453</u>	<u>4,042,092</u>
Total liabilities	<u>4,788,886</u>	<u>53,859</u>	<u>4,842,745</u>
Net assets:			
Invested in capital assets, net of related debt	1,971,124	991,591	2,962,715
Unrestricted	(657,992)	479,006	(178,986)
Total net assets	<u>\$ 1,313,132</u>	<u>\$ 1,470,597</u>	<u>\$ 2,783,729</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 Assets Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	<u>Major Fund</u>		<u>Total Proprietary Funds</u>
	<u>Landfill Fund</u>	<u>Non-major Funds</u>	
Operating revenues:			
Charges for services	\$ 3,083,174	\$ 38,793	\$ 3,121,967
Operating expenses:			
Landfill operations, closure and postclosure care costs	2,798,289	-	2,798,289
Park operations	-	280,674	280,674
Economic development operations	-	31,421	31,421
Depreciation	134,264	21,928	156,192
Total operating expenses	<u>2,932,553</u>	<u>334,023</u>	<u>3,266,576</u>
Operating income (loss)	<u>150,621</u>	<u>(295,230)</u>	<u>(144,609)</u>
Non-operating revenues (expenses):			
Interest and investment revenues	19,568	-	19,568
ARC grant	-	3,163	3,163
Donations	-	1,879	1,879
Scrap tire disposal fee	49,317	-	49,317
White goods tax	11,955	-	11,955
Recycling assistance grant	9,731	-	9,731
Interest expense	(104,331)	-	(104,331)
Total non-operating revenue (expenses)	<u>(13,760)</u>	<u>5,042</u>	<u>(8,718)</u>
Income (loss) before transfers	136,861	(290,188)	(153,327)
Transfers from other funds	<u>-</u>	<u>794,530</u>	<u>794,530</u>
Change in net assets	136,861	504,342	641,203
Net assets:			
Beginning of year, July 1	<u>1,176,271</u>	<u>966,255</u>	<u>2,142,526</u>
End of year, June 30	<u>\$ 1,313,132</u>	<u>\$ 1,470,597</u>	<u>\$ 2,783,729</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, 2010

	<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	\$ 3,023,234	\$ 39,810	\$ 3,063,044
Cash paid for goods and services	(2,088,916)	(166,547)	(2,255,463)
Cash paid to employees for services	(534,129)	(121,413)	(655,542)
Net cash provided (used) by operating activities	<u>400,189</u>	<u>(248,150)</u>	<u>152,039</u>
Cash flows from non-capital financing activities:			
Scrap tire disposal fee	54,141	-	54,141
White goods tax	10,989	-	10,989
Recycling assistance grant	11,500	-	11,500
ARC grant	-	3,163	3,163
Donations	-	1,879	1,879
Advance from other funds	144,500	794,530	939,030
Net cash provided by non-capital financing activities	<u>221,130</u>	<u>799,572</u>	<u>1,020,702</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(3,453,421)	(50,195)	(3,503,616)
Issuance of installment purchase contracts	3,312,550	-	3,312,550
Principal paid on long-term debt	(78,319)	-	(78,319)
Interest paid on long-term debt	(75,029)	-	(75,029)
Net cash used by capital and related financing activities	<u>(294,219)</u>	<u>(50,195)</u>	<u>(344,414)</u>
Cash flows from investing activities:			
Interest earned on investments	21,298	-	21,298
Net increase in cash and cash equivalents	348,398	501,227	849,625
Cash and cash equivalents, July 1	6,571	25,977	32,548
Cash and cash equivalents, June 30	<u>\$ 354,969</u>	<u>\$ 527,204</u>	<u>\$ 882,173</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 150,621	\$ (295,230)	\$ (144,609)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	134,264	21,928	156,192
Changes in assets and liabilities:			
Accounts receivable	(59,940)	1,017	(58,923)
Accounts payable and accrued liabilities	118,224	12,943	131,167
Deferred revenue	(592)	-	(592)
Compensated absences	(1,974)	2,322	348
Accrued landfill closure and postclosure care costs	(33,650)	-	(33,650)
OPEB liability	93,236	8,870	102,106
Net cash provided (used) by operating activities	<u>\$ 400,189</u>	<u>\$ (248,150)</u>	<u>\$ 152,039</u>

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

JACKSON COUNTY, NORTH CAROLINAStatement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2010

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 208,990
Accounts receivable	<u>5,710</u>
Total assets	<u><u>\$ 214,700</u></u>
Liabilities:	
Amounts held for others	\$ 213,702
Due to other governments	<u>998</u>
Total liabilities	<u><u>\$ 214,700</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, 2010

1. Summary of Significant Accounting Policies

The accounting policies of Jackson 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 under North Carolina General Statute 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 first component unit of the County discussed below had no financial transactions or account balances; therefore it is not presented in the basic financial statements. The two 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 Travel and Tourism Authority. The Jackson County Travel and Tourism Authority (the Authority) was established by the Jackson County Board of Commissioners for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints five of the eleven voting members of the Authority, and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Authority and approves amendments to the approved budget. The Authority does not issue separate financial statements.

Cashiers Area Travel and Tourism Authority. The Cashiers Area Travel and Tourism Authority (the Authority) was established by the Jackson County Board of Commissioners for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints two of the five voting members of the Authority, and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Authority and approves amendments to the approved budget. The Authority does not issue separate financial statements.

Jackson County Airport Authority. The Jackson County Airport Authority (the Authority) 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, 2010, the Jackson County Board of Commissioners took over responsibility the Authority and has the ability to significantly influence the Authority's programs, projects, and activities. The Authority is presented as a blended component unit within the County's financial statements.

B. Basis of Presentation--Fund Accounting

Government-wide Statements. The Statement of Net Assets and the Statement of Activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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 and blended component units. 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 fund

- **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.

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 types:

- **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 six 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; the State of North Carolina Fund, which accounts for moneys held for the benefit of certain individuals; the Motor Vehicle Tax Fund which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Community Health Link Fund, which accounts for moneys to fund health-related programs in the community.

- 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 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially 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. Effective with this change in the law, Jackson County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they

become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2006 registration renewals will vary from 7 to 18 months after December 31, 2005. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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 assets 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

- 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 generally accepted accounting principles 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, and Net Assets/Fund Balances**

Deposits and Investments. All deposits of the County and the Authorities are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the Authorities may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the Authorities 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 Authorities 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 Authorities 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.

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, 2009.

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.

Restrictions on Cash. The restricted cash and cash equivalents in the Governmental Funds represent the balance of proceeds available under various loan agreements to finance the construction of school improvements, projects at Southwestern Community College, the Recreation Center, the Library and the Webster Complex capital projects. The funds are held by various banks in Municipal Investment Money Market Accounts. Investment earnings are payable to Jackson County.

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 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 Jackson County 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

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 assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as another 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 LIFO 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.

G. **Net Assets/Fund Balances**

Net Assets. Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets 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, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved by State Statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Reserved for Register of Deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees

collected and maintained by the Register of Deeds office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds office.

Reserved for 911 Wireless - portion of fund balance constituting the accumulation of funds used to operate the 911 Emergency Service Operation.

Reserved for Inventory - portion of fund balance that represents inventory.

Unreserved

Designated for OPEB - portion of fund balance designated for postemployment benefits.

Designated for LEO Separation Allowance - portion of fund balance designated for the LEO separation allowance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

2. **Detail Notes on All Funds**

A. **Assets**

Deposits. All of the County's and the Authorities' 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 Authorities' 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 Authorities, 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 Authorities or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Authorities 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 Authorities have no policy regarding custodial credit risk for deposits.

At June 30, 2010, the County’s deposits had a carrying amount of \$28,069,023 and a bank balance of \$28,551,338. Of the bank balance, \$1,294,451 was covered by federal depository insurance and \$27,256,887 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2010, Jackson County had \$1,857 cash on hand.

At June 30, 2010, the carrying amount of deposits for the Jackson County Travel and Tourism Authority was \$132,883 and the bank balances were \$132,883, all of which was covered by federal depository insurance. The Authority also had \$50 in cash on hand at June 30, 2010.

At June 30, 2010, the carrying amount of deposits for the Cashiers Area Travel and Tourism Authority was \$45,341 and the bank balances were \$45,341, all of which was covered by federal depository insurance. The Authority also had no cash on hand at June 30, 2010.

Investments. At June 30, 2010, the County’s investment balances in the NC Capital Management Trust – cash portfolio were \$5,967,983 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, 2010, 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	\$ 151,833	\$ 3,636,620	\$ 2,456,707	\$ -	\$ 6,245,160
Other governmental	52,022	-	345,675	1,030,660	1,428,357
Allowance for doubtful accounts	-	(900,000)	-	(255,552)	(1,155,552)
Total governmental activities	<u>\$ 203,855</u>	<u>\$ 2,736,620</u>	<u>\$ 2,802,382</u>	<u>\$ 775,108</u>	<u>\$ 6,517,965</u>
Business-type activities:					
Landfill	\$ 602,313	\$ -	\$ 415,318	\$ -	\$ 1,017,631
Green Energy Park	4,278	-	-	-	4,278
Economic Development	1,383	-	-	-	1,383
Allowance for doubtful accounts	(124,647)	-	-	-	(124,647)
Total business-type activities	<u>\$ 483,327</u>	<u>\$ -</u>	<u>\$ 415,318</u>	<u>\$ -</u>	<u>\$ 898,645</u>

Notes Receivable. The County has made loans to five companies from Community Development Block Grant revenues. The major criteria 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 four to six 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 Company’s property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. At June 30, 2010, the outstanding balances totaled \$770,331.

Capital Assets. Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 16,262,833	\$ 689,979	\$ -	\$ 16,952,812
Construction in progress	11,129,852	6,434,145	2,853,920	14,710,077
Total capital assets not being depreciated	<u>27,392,685</u>	<u>7,124,124</u>	<u>2,853,920</u>	<u>31,662,889</u>
Capital assets being depreciated:				
Buildings	38,010,564	2,734,154	-	40,744,718
Equipment	4,498,795	151,283	-	4,650,078
Vehicles	4,091,415	452,343	122,458	4,421,300
Total capital assets being depreciated	<u>46,600,774</u>	<u>3,337,780</u>	<u>122,458</u>	<u>49,816,096</u>
Less accumulated depreciation for:				
Buildings	8,784,357	1,474,271	-	10,258,628
Equipment	3,108,833	296,304	-	3,405,137
Vehicles	2,864,419	408,903	122,458	3,150,864
Total accumulated depreciation	<u>14,757,609</u>	<u>2,179,478</u>	<u>122,458</u>	<u>16,814,629</u>
Total capital assets being depreciated, net	<u>31,843,165</u>			<u>33,001,467</u>
Governmental activity capital assets, net	<u>\$ 59,235,850</u>			<u>\$ 64,664,356</u>

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

General government	\$ 867,502
Public safety	499,710
Transportation	54,239
Economic and physical development	32,807
Human Services	416,396
Culture and recreation	308,824
Total depreciation expense	<u>\$ 2,179,478</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 171,014	\$ 11,400	\$ -	\$ 182,414
Construction in progress	-	3,430,372	-	3,430,372
Total capital assets not being depreciated	<u>171,014</u>	<u>3,441,772</u>	<u>-</u>	<u>3,612,786</u>
Capital assets being depreciated:				
Land improvements	1,014,082	-	-	1,014,082
Buildings	989,454	41,497	-	1,030,951
Plant and distribution systems	1,097,011	-	-	1,097,011
Furniture and maintenance equipment	857,974	20,348	-	878,322
Total capital assets being depreciated	<u>3,958,521</u>	<u>61,845</u>	<u>-</u>	<u>4,020,366</u>
Less accumulated depreciation for:				
Land improvements	478,773	38,302	-	517,075
Buildings	37,729	20,728	-	58,457
Plant and distribution systems	187,946	44,062	-	232,008
Furniture and maintenance equipment	575,565	53,101	-	628,666
Total accumulated depreciation	<u>1,280,013</u>	<u>156,193</u>	<u>-</u>	<u>1,436,206</u>
Total capital assets being depreciated, net	<u>2,678,508</u>			<u>2,584,160</u>
Business-type activities capital assets, net	<u>\$ 2,849,522</u>			<u>\$ 6,196,946</u>

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

Landfill	\$ 134,264
Green Energy Park	3,035
Economic Development Commission	<u>18,894</u>
Total depreciation expense	<u>\$ 156,193</u>

Construction Commitments. The government has active construction projects as of June 30, 2010. At year-end, the government’s commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Project:		
Southwestern Community College--		
Early College	\$ 557,290	\$ 229,358
Cashiers Recreation Site	1,735,976	829,226
Jackson County Library	3,556,350	2,510,819
Solid Waste Transfer Station	3,108,092	183,505
	<u>\$ 8,957,708</u>	<u>\$ 3,752,908</u>

B. Liabilities

Payables. Payables at the government-wide level at June 30, 2010, were as follows:

	<u>Vendors</u>	<u>Contract Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:				
General	\$ 2,243,966	\$ -	\$ 587,455	\$ 2,831,421
Other governmental	768,015	323,157	-	1,091,172
	<u>\$ 3,011,981</u>	<u>\$ 323,157</u>	<u>\$ 587,455</u>	<u>\$ 3,922,593</u>
Business-type activities:				
Landfill	\$ 186,655	\$ 82,290	\$ -	\$ 268,945
Other proprietary	15,406	-	-	15,406
	<u>\$ 202,061</u>	<u>\$ 82,290</u>	<u>\$ -</u>	<u>\$ 284,351</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 six 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 4.91% and 4.86%, 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, 2010, 2009 and 2008, were \$638,019, \$699,656, and \$621,876, 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, 2009, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>48</u>
 Total	 <u><u>51</u></u>

➤ **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

\$42,321, or 2.35% 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, 2009 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both item (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percent of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 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>
2008	\$ 31,972	89.70%	\$ 207,507
2009	42,321	95.99%	209,204
2010	54,771	77.27%	221,654

The annual pension cost and change in net pension obligation as of June 30, 2010, is as follows:

Employer annual required contribution	\$ 52,782
Interest on net pension obligation	15,167
Adjustment to annual required contribution	(13,178)
Annual pension cost	<u>54,771</u>
Employer contributions made for year ending June 30, 2010	<u>42,321</u>
Increase in net pension obligation	12,450
Net pension obligation beginning of fiscal year	<u>209,204</u>
Net pension obligation end of fiscal year	<u>\$ 221,654</u>

- **Funded Status and Funding Progress.** As of December 31, 2009, the most recent actuarial valuation date, the plan was 9.87 percent funded. The actuarial accrued liability for benefits was \$718,102, and the actuarial value of assets was \$70,896, which are designated monies in the General Fund, resulting in an unfunded actuarial accrued liability (UAAL) of \$647,206. The covered payroll (annual payroll of active employees covered by the plan) was \$1,958,731, and the ratio of the UAAL to the covered payroll was 33.04%.

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, 2010, were \$218,289, which consisted of \$97,688 from the County and \$120,601 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 who is retired under the Local Government Employees’ Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, 2010, the County’s required and actual contributions were \$2,631.

➤ **Other Post-employment Benefits.**

Healthcare 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 postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (“System”) and are 60 years of age (or age 55 for law enforcement officers) and have at least fifteen years of creditable service with the County (or ten 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, 2009, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	61	2
Active Plan members	342	48
	<hr/>	<hr/>
Total	403	50
	<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 27.21% of annual covered payroll. For the current year, the County contributed \$415,868 or 2.83% 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 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	\$ 3,999,129
Interest on net OPEB obligation	137,758
Adjustment to annual required contribution	<u>(118,849)</u>
Annual OPEB cost (expense)	4,018,038
Contributions made	<u>(415,868)</u>
Increase (decrease) in net OPEB obligation	3,602,170
Net OPEB obligation beginning of year	<u>3,443,941</u>
 Net OPEB obligation end of year	 <u>\$ 7,046,111</u>

The County’s net OPEB obligation is comprised of \$6,795,866 and \$250,245 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 2010 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>
2010	\$ 4,018,038	10.4%	\$ 7,046,111
2009	\$ 3,854,582	10.7%	\$ 3,443,941

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$31,851,359, and the actuarial value of assets was \$200,667, which are designated monies in the General Fund, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,650,692. The covered payroll (annual payroll of active employees covered by the plan) was \$14,699,473, and the ratio of the UAAL to the covered payroll was 215.3 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, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually and 9.00 to 5.00 percent annually for pre-Medicare and post-Medicare, respectively. The investment rate included a 3.75 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, 2009, was 30 years.

- **Other Post-employment Benefits.** The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State- administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in 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. For the fiscal year ended June 30, 2010, the County made contributions to the State for death benefits of \$17,167. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .11% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.
- **Supplemental Retirement Plan.** Full time employees of the County are also eligible for the supplemental retirement plan under Internal Revenue Code Section 401(k). Under this plan, an employee may contribute a percentage of their annual gross salary as limited by federal tax laws. The County does not make any contributions to the supplemental retirement plan. The employees' contribution to the 401(k) plan for the fiscal year ended June 30, 2010 was \$238,887.
- **Closure and Postclosure 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 22 years. Postclosure costs are included in operating expenses of the current year. The \$677,600 reported as landfill postclosure care liability at June 30, 2010, represents estimated future postclosure 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 postclosure care requirements.

➤ **Deferred/Unearned Revenues.** The balance in deferred revenue on the fund statements and/or unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred/ Unearned Revenue	Full Accrual Unearned Revenue
Governmental activities:		
Prepaid taxes not yet earned (General)	\$ 40,477	\$ 40,477
Taxes receivable, net (General)	2,556,039	-
Notes receivable (Economic Development)	770,331	-
Notes receivable (Clean Water)	4,777	-
Other (Economic Development)	26,972	-
Other (General)	<u>23,277</u>	<u>23,277</u>
Total governmental activities	\$ <u>3,421,873</u>	\$ <u>63,754</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 \$127.5 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.

➤ **Contingent Liabilities.** At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County’s management and the county attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County’s financial position.

➤ **Long-Term Debt.** The County’s long-term debt for governmental activities at June 30, 2010, comprised of the following:

A \$7,122,935 note was executed February 28, 1997, and refinanced on December 17, 1998, for construction of a school, payable in 30 semi-annual payments of \$365,343 including interest of 4.56%. Principal and interest payments are appropriated when due. \$ 1,047,891

A \$3,950,000 note was executed on April 13, 1999, for the construction of a school addition and the installation of water and sewer lines, payable in 24 semi-annual payments of \$222,555 including interest of 4.56%. Principal and interest payments are appropriated when due. 842,764

(continued)

<p>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%. Principal and interest payments are appropriated when due.</p>	<p>\$ 692,275</p>
<p>A \$3,137,637 note was executed December 1, 1999, and refinanced on May 3, 2002, for renovations to various County buildings (48% of the proceeds) and school projects (52% of the proceeds) and is payable in 26 semi-annual payments of \$120,678. In addition, 4.91% interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>1,086,105</p>
<p>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% of the proceeds) and school projects (46% of the proceeds) and is payable in 26 semi-annual payments of \$331,617. In addition, 4.91% interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>3,316,167</p>
<p>A \$9,175,000 note was executed on October 23, 2003, for construction of various properties (44% of the proceeds) and school projects (56% of the proceeds) is payable in 24 semi-annual payments of \$382,292. In addition, 3.49% interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>4,205,208</p>
<p>A \$9,507,386 note was executed on December 29, 2005, for the construction of a library (42% of the proceeds) and a school addition (58% of the proceeds) and is payable in 30 semi-annual payments of \$316,913. In addition, 3.84% interest is payable semi-annually. Principal and interest are appropriated when due.</p>	<p>6,655,170</p>

(continued)

A \$9,905,000 note was executed on December 20, 2007, 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 30 semi-annual payments of \$330,167. In addition, 3.72% interest is payable semi-annually. Principal and interest payments are appropriated when due. \$ 8,254,167

A \$4,171,000 note was executed on December 11, 2008, for the construction and equipping of a new Aging Facility located at the Webster Complex and is payable in 30 semi-annual payments of \$139,033. In addition, 4.35% interest is payable semi-annually. Principal and interest payments are appropriated when due. 3,753,899

A \$10,295,446 note was executed on July 16, 2009, 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, 4.63% interest is payable semi-annually. Principal and interest payments are appropriated when due. 9,952,264

\$ 39,805,910

Repayment requirements of the notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 5,170,818	\$ 1,614,715	\$ 6,785,533
2012	4,864,473	1,391,839	6,256,312
2013	4,083,184	1,198,798	5,281,982
2014	4,090,909	1,027,196	5,118,105
2015	3,891,673	855,210	4,746,883
2016-2020	11,675,236	2,576,965	14,252,201
2021-2025	<u>6,029,617</u>	<u>540,382</u>	<u>6,569,999</u>
	<u>\$ 39,805,910</u>	<u>\$ 9,205,105</u>	<u>\$ 49,011,015</u>

The County’s long-term debt for business-type activities at June 30, 2010, comprised of the following:

A \$3,312,550 note was executed October 19, 2009, for the construction of the Municipal Solid Waste Facility, payable in 30 semi-annual payments of \$153,349 including interest of 4.53%. Principal and interest payments are appropriated when due. \$ 3,234,231

Repayment requirements of the note payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 162,000	\$ 144,697	\$ 306,697
2012	169,422	137,275	306,697
2013	177,184	129,513	306,697
2014	185,302	121,395	306,697
2015	193,791	112,906	306,697
2016-2020	1,110,546	422,941	1,533,487
2021-2025	<u>1,235,986</u>	<u>144,152</u>	<u>1,380,138</u>
	<u>\$ 3,234,231</u>	<u>\$ 1,212,879</u>	<u>\$ 4,447,110</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental activities:			\$		
Installment purchases	\$ 34,282,838	\$ 10,295,446	\$ 4,772,374	\$ 39,805,910	\$ 5,170,818
Compensated absences	1,474,264	998,040	1,133,537	1,338,767	-
Net pension obligation	209,204	12,450	-	221,654	-
Other postemployment benefits	<u>3,295,802</u>	<u>3,902,730</u>	<u>402,666</u>	<u>6,795,866</u>	<u>-</u>
Total governmental activities	<u>\$ 39,262,108</u>	<u>\$ 15,208,666</u>	<u>\$ 6,308,577</u>	<u>\$ 48,162,197</u>	<u>\$ 5,170,818</u>
Business-type activities:					
Installment purchases	\$ -	\$ 3,312,550	\$ 78,319	\$ 3,234,231	\$ 162,000
Compensated absences	41,668	27,110	26,762	42,016	-
Other postemployment benefits	<u>148,139</u>	<u>115,308</u>	<u>13,202</u>	<u>250,245</u>	<u>-</u>
Total business-type activities	<u>\$ 189,807</u>	<u>\$ 3,454,968</u>	<u>\$ 118,283</u>	<u>\$ 3,526,492</u>	<u>\$ 162,000</u>

At June 30, 2010, Jackson County had a legal debt margin of approximately \$853,500,000.

➤ **Capital Assets Net of Related Debt.** Capital assets net of related debt at June 30, 2010, is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 64,664,356	\$ 6,185,546
Less capital debt:		
Gross debt	39,805,910	3,234,231
Less:		
School debt related to assets to which the County does not hold title.	13,611,928	-
Unexpended debt proceeds	<u>6,784,496</u>	<u>-</u>
Net capital debt	<u>19,867,129</u>	<u>-</u>
Capital assets net of related debt	<u>\$ 45,254,870</u>	<u>\$ 2,951,315</u>

Interfund Balances and Activity

➤ **Due to/from Other Funds.** Due to/from other funds at June 30, 2010, consists of the following:

From the Airport Authority Fund to the General Fund for operating purposes	\$ 309,964
From the Solid Waste Fund to the General Fund for operating purposes	325,000
From the Emergency Telephone Fund to the General Fund for operating purposes	<u>14</u>
	<u>\$ 634,978</u>

➤ **Transfer to/from Other Funds.** Transfers to/from other funds at June 30, 2010, consists of the following:

Transfers to the General Fund from:	
Non-major governmental funds	\$ 14,103
Transfers from the General Fund to:	
Non-major governmental funds	2,575,173
Non-major proprietary funds	294,530
Transfers between non-major governmental and non-major proprietary funds	500,000

3. Related Organizations

Jackson Economic Development Commission - As of July 1, 2007, the Jackson Economic Development Commission was taken over by the County, as well as the assets of Jackson Development Corporation. For fiscal year ending June 30, 2010, the Economic Development Commission is reported as a Special Revenue Fund of the County and the assets of the Jackson Development Corporation are held in an enterprise fund of the County.

4. 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, 2010. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$546,041 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. 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 \$1,376,344 and \$379,589 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2010. 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, 2010. 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 chairman of the Authority appoints one member from each participating government and three members at large. The Authority 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 Authority 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 Authority. 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, 2010. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at East Main Street, Sylva, North Carolina.

5. **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 \$25,126 to the Commission during the fiscal year ended June 30, 2010.

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, 2010. The County contributed \$123,081 to the LME to fund operations during fiscal year June 30, 2020. Complete financial statements for the LME may be obtained from the LME's offices at 44 Bonnie Lane, Sylva, NC 28779.

6. **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.

<u>Benefit Payments Issued</u>		<u>Federal</u>	<u>State</u>
Independent Living Transitional	93.674	\$ 106	\$ -
Energy Assistance	93.568	260,202	-
SFHF Maximization	N/A	-	115,850
Work First Benefits	93.558	2,109	-
TANF	93.558	86,911	-
CWS Adoption Subsidy	N/A	-	104,403
Foster Care At Risk	N/A	-	433
Foster Care Special Provision	N/A	-	6,881
IV-E Adoption	93.659	102,519	21,985
IV-E Foster Care	93.658	12,014	2,642
IV-E County Paid to CCI	93.658	9,830	4,915
Medicaid	93.778	27,158,029	8,814,735
SC/SA Domiciliary Care	N/A	-	165,982
State Foster Home	N/A	-	42,916
WIC	10.557	846,559	-
		<u>\$ 28,478,279</u>	<u>\$ 9,280,742</u>

7. **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.

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 Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

JACKSON COUNTY, NORTH CAROLINA

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
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%

*Represents fund balance designated in the General Fund.

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>
2008	\$ 42,892	94.71%
2009	\$ 42,321	95.99%
2010	\$ 52,782	80.18%

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	12/31/09
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.5% to 12.3%
Includes inflation at	3.75%
Cost-of-living adjustments	N/A

*Includes inflation at cost of living adjustments

JACKSON COUNTY, NORTH CAROLINA

Other Postemployment Benefits
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
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%

*Represents fund balance designated in the General Fund.

JACKSON COUNTY, NORTH CAROLINA

Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 3,854,582	3.02%
2010	\$ 3,999,129	10.40%

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	12/31/09
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	10.50 - 5.00%
Post-Medicare trend rate	9.00 - 5.00%
Year of ultimate trend rate	2017

*Includes inflation at 3.75%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

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.

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 30,926,548	\$ 30,623,403	\$ (303,145)
Penalties and interest	263,402	263,402	-
Total ad valorem taxes	<u>31,189,950</u>	<u>30,886,805</u>	<u>(303,145)</u>
Other taxes:			
Local option sales tax	8,494,196	7,505,952	(988,244)
Tax refund-sales and gasoline	150,989	139,631	(11,358)
Total other taxes	<u>8,645,185</u>	<u>7,645,583</u>	<u>(999,602)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	169,396	169,396	-
ABC profit distribution	219,810	219,810	-
ABC 1 and 5 cent bottle charge	16,021	15,691	(330)
Total unrestricted governmental	<u>405,227</u>	<u>404,897</u>	<u>(330)</u>
Restricted intergovernmental:			
Federal and State grants:			
Home and Community Care Block grant	159,225	132,285	(26,940)
Municipal Reimbursement	11,225	8,071	(3,154)
Nantahala Forest timber receipts	136,417	134,975	(1,442)
DARE Grant	6,000	6,000	-
Civil Defense	71,704	71,704	-
Soil conservation-matching	29,885	26,590	(3,295)
Emergency food and shelter	17,860	16,800	(1,060)
AWAKE-child advocacy	67,485	66,936	(549)
Tennessee Valley Authority	690	559	(131)
Older American Act Title III	22,591	14,243	(8,348)
Health department	1,489,629	1,350,292	(139,337)
Senior center	14,229	13,793	(436)
Smart start	53,133	40,956	(12,177)
Juvenile Crime Prevention Commission	108,318	102,422	(5,896)
Safe Roads Act	5,515	5,515	-
Veteran's service	2,000	2,000	-
Erosion control	52,000	50,120	(1,880)
NC Department of Corrections grant	106,336	101,272	(5,064)

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues, continued:			
Restricted intergovernmental, continued:			
Federal and State grants, continued:			
NC Gov Highway Safety - STEP	\$ 54,280	\$ 54,202	\$ (78)
Help America Vote Act grant	20,420	-	(20,420)
SCAAP-State Criminal Alien grant	29,468	29,468	-
Social services	4,187,965	3,506,316	(681,649)
Title XIX-Medicaid	494,047	395,433	(98,614)
Department of Transportation:			
Section 18-administration	160,255	157,261	(2,994)
Section 18-operations	117,653	-	(117,653)
Contracts-EDTAP	453,280	293,230	(160,050)
Cherokee Preservation grant	40,000	40,000	-
Department of Justice grant	10,966	10,966	-
Other State grants	4,491	4,291	(200)
Total	<u>7,927,067</u>	<u>6,635,700</u>	<u>(1,291,367)</u>
Court facilities fees	<u>75,000</u>	<u>65,076</u>	<u>(9,924)</u>
Total restricted intergovernmental	<u>8,002,067</u>	<u>6,700,776</u>	<u>(1,301,291)</u>
Other restricted revenues:			
Transportation contracts	<u>96,566</u>	<u>93,390</u>	<u>(3,176)</u>
Total other restricted	<u>96,566</u>	<u>93,390</u>	<u>(3,176)</u>
Permits and fees:			
Road petition fees	500	-	(500)
Cashiers permit fees	5,400	5,400	-
Industrial permit fees	500	-	(500)
Floodplain permit fees	1,100	1,100	-
Board of Election fees	6,525	6,522	(3)
Building permits and inspection fees	350,000	331,918	(18,082)
Environmental health fees	151,842	142,957	(8,885)
Sheriff's fees	55,175	47,833	(7,342)
Officers fees-court	22,921	22,921	-
Animal adoption fees	26,500	22,756	(3,744)
Road sign fees	98,747	87,781	(10,966)
Health and Social Service fees	372,714	280,528	(92,186)

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues, continued:			
Permits and fees, continued:			
Register of deeds	\$ 328,000	\$ 173,053	\$ (154,947)
Real property transfer tax	375,000	348,289	(26,711)
Marriage licenses	7,000	6,375	(625)
Excise tax	7,500	6,260	(1,240)
Senior citizens fees	44,079	36,230	(7,849)
Total permits and fees	<u>1,853,503</u>	<u>1,519,923</u>	<u>(333,580)</u>
Sales and services:			
Jail fees	24,578	14,728	(9,850)
Ambulance fees	45,000	1,997	(43,003)
Ancillary services	52,154	52,154	-
Travel and tourism administrative fees	37,714	37,714	-
Video programming distribution	95,675	87,843	(7,832)
Telephone charges	34,000	25,055	(8,945)
Vending machines	2,000	19	(1,981)
Recreation department	363,609	323,334	(40,275)
Rents	30,080	30,000	(80)
Total sales and services	<u>684,810</u>	<u>572,844</u>	<u>(111,966)</u>
Investment earnings	<u>85,977</u>	<u>73,921</u>	<u>(12,056)</u>
Miscellaneous	<u>969,859</u>	<u>866,173</u>	<u>(103,686)</u>
Total revenues	<u>51,933,144</u>	<u>48,764,312</u>	<u>(3,168,832)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	132,172	128,434	3,738
Operating	133,502	126,920	6,582
Total	<u>265,674</u>	<u>255,354</u>	<u>10,320</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Administration:			
Salaries and employee benefits	\$ 283,999	\$ 283,960	\$ 39
Operating	18,273	16,743	1,530
Capital outlay	2,950	2,950	-
Total	<u>305,222</u>	<u>303,653</u>	<u>1,569</u>
Elections:			
Salaries and employee benefits	141,052	138,910	2,142
Operating	161,039	68,185	92,854
Capital outlay	7,500	-	7,500
Total	<u>309,591</u>	<u>207,095</u>	<u>102,496</u>
Finance:			
Salaries and employee benefits	553,394	526,395	26,999
Operating	29,775	24,532	5,243
Capital outlay	8,900	997	7,903
Total	<u>592,069</u>	<u>551,924</u>	<u>40,145</u>
Computer services:			
Salaries and employee benefits	242,439	242,404	35
Operating	209,431	207,710	1,721
Capital outlay	29,740	22,896	6,844
Total	<u>481,610</u>	<u>473,010</u>	<u>8,600</u>
Tax collections:			
Salaries and employee benefits	230,385	230,385	-
Operating	33,663	33,028	635
Total	<u>264,048</u>	<u>263,413</u>	<u>635</u>
Tax assessments:			
Salaries and employee benefits	598,451	596,110	2,341
Operating	148,876	139,748	9,128
Capital outlay	10,171	1,069	9,102
Total	<u>757,498</u>	<u>736,927</u>	<u>20,571</u>
Legal services	<u>365,500</u>	<u>353,397</u>	<u>12,103</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Register of deeds:			
Salaries and employee benefits	\$ 284,764	\$ 283,382	\$ 1,382
Operating	159,148	40,541	118,607
Capital outlay	10,000	9,948	52
Total	<u>453,912</u>	<u>333,871</u>	<u>120,041</u>
Maintenance:			
Salaries and employee benefits	2,098,043	2,062,913	35,130
Operating	1,343,814	1,202,811	141,003
Capital outlay	98,314	87,768	10,546
Total	<u>3,540,171</u>	<u>3,353,492</u>	<u>186,679</u>
Court facilities:			
Operating	75,000	41,575	33,425
Capital outlay	5,000	423	4,577
Total	<u>80,000</u>	<u>41,998</u>	<u>38,002</u>
Professional services	<u>24,800</u>	<u>24,800</u>	<u>-</u>
Central services:			
Operating	212,500	179,477	33,023
Capital outlay	17,000	4,450	12,550
Total	<u>229,500</u>	<u>183,927</u>	<u>45,573</u>
Total general government	<u>7,669,595</u>	<u>7,082,861</u>	<u>586,734</u>
Public safety:			
Sheriff:			
Salaries and employee benefits	2,899,235	2,896,130	3,105
Operating	530,359	526,225	4,134
Travel	6,000	3,249	2,751
Capital outlay	268,644	267,705	939
Total	<u>3,704,238</u>	<u>3,693,309</u>	<u>10,929</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Public safety, continued:			
Jail:			
Salaries and employee benefits	\$ 1,042,690	\$ 1,042,684	\$ 6
Operating	442,785	440,494	2,291
Capital outlay	3,300	3,207	93
Total	<u>1,488,775</u>	<u>1,486,385</u>	<u>2,390</u>
Criminal justice partnership program:			
Salaries and employee benefits	56,465	56,462	3
Operating	49,871	44,809	5,062
Total	<u>106,336</u>	<u>101,271</u>	<u>5,065</u>
Inspections:			
Salaries and employee benefits	725,196	682,461	42,735
Operating	118,510	75,429	43,081
Capital outlay	14,000	2,446	11,554
Total	<u>857,706</u>	<u>760,336</u>	<u>97,370</u>
Emergency management:			
Salaries and employee benefits	824,053	824,046	7
Operating	94,551	84,699	9,852
Capital outlay	27,628	26,584	1,044
Total	<u>946,232</u>	<u>935,329</u>	<u>10,903</u>
Fire:			
Salaries and employee benefits	384,743	355,066	29,677
Operating	1,025,852	988,921	36,931
Capital outlay	166,989	164,659	2,330
Total	<u>1,577,584</u>	<u>1,508,646</u>	<u>68,938</u>
Ambulance:			
Operating	964,925	947,948	16,977
Capital outlay	172,734	156,984	15,750
Total	<u>1,137,659</u>	<u>1,104,932</u>	<u>32,727</u>
Total public safety	<u>9,818,530</u>	<u>9,590,208</u>	<u>228,322</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Transportation:			
Salaries and employee benefits	\$ 380,326	\$ 330,924	\$ 49,402
Operating	202,355	151,640	50,715
Capital outlay	322,762	78,433	244,329
Total	<u>905,443</u>	<u>560,997</u>	<u>344,446</u>
WCU transit:			
Salaries and employee benefits	45,235	35,392	9,843
Operating	20,428	16,054	4,374
Total	<u>65,663</u>	<u>51,446</u>	<u>14,217</u>
Total transportation	<u>971,106</u>	<u>612,443</u>	<u>358,663</u>
Environmental protection:			
Forestry	<u>75,645</u>	<u>60,745</u>	<u>14,900</u>
Economic and physical development:			
Planning and zoning:			
Salaries and employee benefits	592,247	584,119	8,128
Operating	103,120	98,718	4,402
Capital outlay	14,099	12,158	1,941
Total	<u>709,466</u>	<u>694,995</u>	<u>14,471</u>
Community development	<u>216,641</u>	<u>171,379</u>	<u>45,262</u>
Agricultural extension:			
Salaries and employee benefits	113,913	95,855	18,058
Operating	28,662	24,068	4,594
Capital outlay	2,600	1,238	1,362
Total	<u>145,175</u>	<u>121,161</u>	<u>24,014</u>
Conservation:			
Salaries and employee benefits	139,470	139,465	5
Operating	17,337	11,102	6,235
Capital outlay	1,000	-	1,000
Total	<u>157,807</u>	<u>150,567</u>	<u>7,240</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures, continued:			
Economic and physical development, continued:			
Total economic and physical development	\$ 1,229,089	\$ 1,138,102	\$ 90,987
Human services:			
Health:			
General health:			
Salaries and employee benefits	2,297,036	2,238,295	58,741
Operating	276,534	219,194	57,340
Capital outlay	22,450	17,433	5,017
Total	<u>2,596,020</u>	<u>2,474,922</u>	<u>121,098</u>
Health assurance:			
Salaries and employee benefits	285,571	252,544	33,027
Operating	282,325	211,086	71,239
Capital outlay	5,000	-	5,000
Total	<u>572,896</u>	<u>463,630</u>	<u>109,266</u>
Maternal and child health:			
Salaries and employee benefits	100,744	99,369	1,375
Operating	55,646	46,844	8,802
Total	<u>156,390</u>	<u>146,213</u>	<u>10,177</u>
WIC-administration and nutrition:			
Salaries and employee benefits	107,073	105,009	2,064
Operating	40,936	28,760	12,176
Total	<u>148,009</u>	<u>133,769</u>	<u>14,240</u>
Family planning:			
Salaries and employee benefits	98,838	98,824	14
Operating	92,343	77,890	14,453
Total	<u>191,181</u>	<u>176,714</u>	<u>14,467</u>
Crippled children:			
Salaries and employee benefits	11,135	11,123	12
Operating	6,097	2,242	3,855
Total	<u>17,232</u>	<u>13,365</u>	<u>3,867</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Maternal outreach:			
Salaries and employee benefits	\$ 40,717	\$ 40,695	\$ 22
Operating	19,304	10,552	8,752
Total	<u>60,021</u>	<u>51,247</u>	<u>8,774</u>
Communicable diseases:			
Salaries and employee benefits	12,736	12,726	10
Operating	1,166	701	465
Total	<u>13,902</u>	<u>13,427</u>	<u>475</u>
NC healthy start:			
Salaries and employee benefits	66,213	66,205	8
Operating	88,970	66,352	22,618
Total	<u>155,183</u>	<u>132,557</u>	<u>22,626</u>
Immunization action program:			
Salaries and employee benefits	9,511	9,507	4
Operating	17,759	6,805	10,954
Total	<u>27,270</u>	<u>16,312</u>	<u>10,958</u>
Breastfeeding:			
Salaries and employee benefits	7,617	7,614	3
Operating	657	232	425
Total	<u>8,274</u>	<u>7,846</u>	<u>428</u>
Child services coordinator:			
Salaries and employee benefits	26,962	26,956	6
Operating	202	175	27
Total	<u>27,164</u>	<u>27,131</u>	<u>33</u>
WOW grant:			
Salaries and employee benefits	22,006	14,022	7,984
Operating	17,994	4,841	13,153
Total	<u>40,000</u>	<u>18,863</u>	<u>21,137</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Smart start:			
Salaries and employee benefits	\$ 50,702	\$ 50,666	\$ 36
Operating	2,678	2,511	167
Total	<u>53,380</u>	<u>53,177</u>	<u>203</u>
Other health services:			
Operating	<u>132,500</u>	<u>67,883</u>	<u>64,617</u>
Total health	<u>4,199,422</u>	<u>3,797,056</u>	<u>402,366</u>
Environmental health:			
Animal shelter:			
Salaries and employee benefits	163,835	163,820	15
Operating	44,753	34,675	10,078
Capital outlay	5,000	5,000	-
Total	<u>213,588</u>	<u>203,495</u>	<u>10,093</u>
Environmental health:			
Operating	5,500	1,765	3,735
Capital outlay	2,000	660	1,340
Total	<u>7,500</u>	<u>2,425</u>	<u>5,075</u>
Bioterrorism:			
Salaries and employee benefits	108,280	108,208	72
Operating	22,508	12,046	10,462
Capital outlay	98,678	38,043	60,635
Total	<u>229,466</u>	<u>158,297</u>	<u>71,169</u>
Total Environmental health	<u>450,554</u>	<u>364,217</u>	<u>86,337</u>
Mental health:			
Smoky Mountain Center LME	<u>123,081</u>	<u>123,081</u>	<u>-</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures, continued			
Human Services, continued;			
Social services:			
Administration:			
Salaries and employee benefits	\$ 3,236,796	\$ 3,227,634	\$ 9,162
Operating	295,612	213,876	81,736
Capital outlay	139,534	135,730	3,804
Total	<u>3,671,942</u>	<u>3,577,240</u>	<u>94,702</u>
Other services:			
Adult guardianship	12,700	9,032	3,668
Special assistance	171,669	150,511	21,158
Medical care	178,514	126,411	52,103
Foster care	696,498	122,953	573,545
Aid to the blind	9,975	4,644	5,331
Food stamp administration	9,000	7,044	1,956
Crisis intervention	172,762	172,662	100
Adult day care	5,714	4,420	1,294
Emergency assistance	23,457	23,457	-
IV-D	19,500	12,991	6,509
Other	404,738	209,534	195,204
Total	<u>1,704,527</u>	<u>843,659</u>	<u>860,868</u>
Indian reservation:			
Salaries and employee benefits	567,203	547,994	19,209
Operating	259,081	171,371	87,710
Capital outlay	16,221	11,626	4,595
Total	<u>842,505</u>	<u>730,991</u>	<u>111,514</u>
Emergency food and shelter	<u>15,038</u>	<u>13,291</u>	<u>1,747</u>
Focal point on aging:			
Salaries and employee benefits	381,277	381,240	37
Operating	153,809	136,645	17,164
Total	<u>535,086</u>	<u>517,885</u>	<u>17,201</u>
Total social services	<u>6,769,098</u>	<u>5,683,066</u>	<u>1,086,032</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human Services, continued:			
Eldercare coalition:			
Salaries and employee benefits	\$ 226,049	\$ 225,561	\$ 488
Operating	166,522	127,658	38,864
Total	<u>392,571</u>	<u>353,219</u>	<u>39,352</u>
Veteran's service officer:			
Salaries and employee benefits	53,264	53,250	14
Operating	11,309	7,925	3,384
Total	<u>64,573</u>	<u>61,175</u>	<u>3,398</u>
Other human services	<u>295,816</u>	<u>271,316</u>	<u>24,500</u>
Total human services	<u>12,295,115</u>	<u>10,653,130</u>	<u>1,641,985</u>
Culture and recreation:			
Recreation:			
Salaries and employee benefits	770,329	709,098	61,231
Operating	489,435	354,321	135,114
Capital outlay	146,614	44,146	102,468
Total	<u>1,406,378</u>	<u>1,107,565</u>	<u>298,813</u>
Arts council	<u>9,141</u>	<u>9,141</u>	<u>-</u>
Library	<u>584,346</u>	<u>583,337</u>	<u>1,009</u>
Swimming pool:			
Salaries and employee benefits	26,776	21,995	4,781
Operating	26,760	24,030	2,730
Capital outlay	13,088	6,950	6,138
Total	<u>66,624</u>	<u>52,975</u>	<u>13,649</u>
Cashiers recreation:			
Salaries and employee benefits	86,520	86,507	13
Operating	60,465	56,731	3,734
Capital outlay	96,989	25,098	71,891
Total	<u>243,974</u>	<u>168,336</u>	<u>75,638</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Culture and recreation, continued:			
Cashiers swimming pool:			
Salaries and employee benefits	\$ 13,668	\$ 11,022	\$ 2,646
Operating	14,000	12,502	1,498
Capital outlay	1,500	766	734
Total	<u>29,168</u>	<u>24,290</u>	<u>4,878</u>
Total culture and recreation	<u>2,339,631</u>	<u>1,945,644</u>	<u>393,987</u>
Education:			
Public schools--current	6,644,507	6,626,507	18,000
Public schools--timber receipts	134,975	134,975	-
Public schools--capital outlay	493,504	493,504	-
Community colleges--current	1,376,344	1,376,344	-
Community colleges--capital outlay	2,387,865	379,589	2,008,276
Total education	<u>11,037,195</u>	<u>9,010,919</u>	<u>2,026,276</u>
Debt service:			
Principal retirement	4,943,005	4,772,374	170,631
Interest and other charges	1,752,917	1,587,570	165,347
Total debt service	<u>6,695,922</u>	<u>6,359,944</u>	<u>335,978</u>
Total expenditures	<u>52,131,828</u>	<u>46,453,996</u>	<u>5,677,832</u>
Revenues over (under) expenditures	<u>(198,684)</u>	<u>2,310,316</u>	<u>2,509,000</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,500,000)	(1,500,000)	-
Economic Development Commission Fund	(105,987)	(105,987)	-
School Capital Reserve Fund	(102,250)	(102,250)	-
Revaluation Fund	(250,000)	(250,000)	-
Community Development--Scattered Site Project Fund	(187,524)	(187,524)	-
Public Housing Fund	(55,511)	(29,412)	26,099

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources (uses), continued:			
Transfers from (to) other funds, continued:			
Green Energy Park Fund	\$ (264,530)	\$ (264,530)	\$ -
Economic Development Enterprise Fund	(30,000)	(30,000)	-
Emergency Watershed Fund	(400,000)	(400,000)	-
Airport Authority Fund	(16,750)	-	16,750
Crisis Housing Assistance Fund	14,103	14,103	-
Proceeds from installment obligation	2,387,865	2,387,865	-
Sale of capital assets	17,403	16,016	(1,387)
Appropriated fund balance	721,988	-	(721,988)
Contingency	(30,123)	-	30,123
Total other financing sources (uses)	<u>198,684</u>	<u>(451,719)</u>	<u>(650,403)</u>
Net change in fund balance	<u>\$ -</u>	1,858,597	<u>\$ 1,858,597</u>
Fund balance, July 1		<u>21,094,971</u>	
Fund balance, June 30		<u>\$ 22,953,568</u>	

COMBINING STATEMENTS FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Emergency Telephone 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.
- **Revaluation Fund** - This fund accounts for the accumulation of resources to be used for the octennial revaluation of real property.
- **Law Enforcement Block Grant Fund** - This fund accounts for State grants received and expended for software and equipment.
- **Public Housing Agency Fund** - This fund accounts for federal grants received and expended for housing assistance.
- **Crisis Housing Assistance Fund** – This fund is used to account for the administration of the federal and state grants for rehabilitation of homes that suffered damage from natural disasters.
- **School Capital Reserve Fund** - This fund was established to account for revenues restricted for the construction and renovation of County schools.
- **Community Development Scattered Site Project Fund** - This fund accounts for federal grants and local matching funds received and expended for community development.
- **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.
- **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.
- **Conservation/Preservation Fund** - This fund accounts for federal grants received and expended for environmental protection.
- **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.
- **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.
- **Airport Authority Fund** - This fund accounts for moneys to operate and promote the airport facilities and aviation for county residents.

CAPITAL PROJECTS FUNDS

- **Library Expansion Project Fund** - This fund is used to account for the construction of the Jackson County Library, which will be funded primarily with loan proceeds.
- **Recreation Center Fund** - This fund is used to account for various recreation projects.
- **Early College Building Fund** - This fund is used to account for the construction of the Early College building.
- **School Improvement 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.
- **Webster Complex Fund** - This fund is used to account for the construction on the Webster Complex and Aging Facility, which will be financed primarily with loan proceeds.

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Governmental Funds

June 30, 2010

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 4,780,769	\$ 1,054,113	\$ 5,834,882
Accounts receivable, net	33,338	18,684	52,022
Due from other governments	345,675	-	345,675
Restricted assets--cash and cash equivalents	-	4,393,593	4,393,593
Notes receivable, net	775,108	-	775,108
Inventory	13,011	-	13,011
	<hr/>	<hr/>	<hr/>
Total assets	\$ 5,947,901	\$ 5,466,390	\$ 11,414,291
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 171,094	\$ 596,921	\$ 768,015
Due to other funds	309,978	-	309,978
Contract retainage	15,283	307,874	323,157
Deferred revenue	802,080	-	802,080
Total liabilities	<hr/>	<hr/>	<hr/>
	1,298,435	904,795	2,203,230
Fund balances:			
Reserved for:			
State statute	82,587	18,684	101,271
911 Wireless	224,539	-	224,539
Inventory	13,011	-	13,011
Unreserved:			
Undesignated	4,329,329	4,542,911	8,872,240
Total fund balances	<hr/>	<hr/>	<hr/>
	4,649,466	4,561,595	9,211,061
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 5,947,901	\$ 5,466,390	\$ 11,414,291

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Special Revenue Funds

June 30, 2010

	Emergency Telephone Fund	Revaluation Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund	Crisis Housing Assistance Fund	School Capital Reserve Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 299,419	\$ 97,837	\$ 18,693	\$ 43,167	\$ -	\$ 117,557
Accounts receivable, net	1,585	399	617	-	-	-
Due from other governments	41,499	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 342,503</u>	<u>\$ 98,236</u>	<u>\$ 19,310</u>	<u>\$ 43,167</u>	<u>\$ -</u>	<u>\$ 117,557</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 108	\$ 542	\$ -	\$ -	\$ -	\$ -
Due to other funds	14	-	-	-	-	-
Contract retainage	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>122</u>	<u>542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Reserved for:						
State statute	43,084	399	617	-	-	-
911 Wireless	224,539	-	-	-	-	-
Inventory	-	-	-	-	-	-
Unreserved:						
Undesignated	74,758	97,295	18,693	43,167	-	117,557
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>342,381</u>	<u>97,694</u>	<u>19,310</u>	<u>43,167</u>	<u>-</u>	<u>117,557</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 342,503</u>	<u>\$ 98,236</u>	<u>\$ 19,310</u>	<u>\$ 43,167</u>	<u>\$ -</u>	<u>\$ 117,557</u>

Community Development Scattered Site Project Fund	Capital Reserve Fund	Clean Water Revolving Loan Fund	Economic Development Fund	Conservation/ Preservation Fund	Economic Development Commission Fund	Airport Authority Fund	Total Non-major Special Revenue Funds
\$ 106,074	\$ 1,959,751	\$ 51,574	\$ 751,268	\$ 688,298	\$ 481,174	\$ 165,957	\$ 4,780,769
1,191	-	4,935	-	21,028	10	3,573	33,338
11,323	-	-	-	-	-	292,853	345,675
-	-	4,777	770,331	-	-	-	775,108
-	-	-	-	-	-	13,011	13,011
<u>\$ 118,588</u>	<u>\$ 1,959,751</u>	<u>\$ 61,286</u>	<u>\$ 1,521,599</u>	<u>\$ 709,326</u>	<u>\$ 481,184</u>	<u>\$ 475,394</u>	<u>\$ 5,947,901</u>
\$ 28,031	\$ -	\$ -	\$ -	\$ -	\$ 1,025	\$ 141,388	\$ 171,094
-	-	-	-	-	-	309,964	309,978
-	-	-	-	-	-	15,283	15,283
26,972	-	4,777	770,331	-	-	-	802,080
<u>55,003</u>	<u>-</u>	<u>4,777</u>	<u>770,331</u>	<u>-</u>	<u>1,025</u>	<u>466,635</u>	<u>1,298,435</u>
12,514	-	4,935	-	21,028	10	-	82,587
-	-	-	-	-	-	-	224,539
-	-	-	-	-	-	13,011	13,011
<u>51,071</u>	<u>1,959,751</u>	<u>51,574</u>	<u>751,268</u>	<u>688,298</u>	<u>480,149</u>	<u>(4,252)</u>	<u>4,329,329</u>
<u>63,585</u>	<u>1,959,751</u>	<u>56,509</u>	<u>751,268</u>	<u>709,326</u>	<u>480,159</u>	<u>8,759</u>	<u>4,649,466</u>
<u>\$ 118,588</u>	<u>\$ 1,959,751</u>	<u>\$ 61,286</u>	<u>1,521,599</u>	<u>\$ 709,326</u>	<u>\$ 481,184</u>	<u>\$ 475,394</u>	<u>\$ 5,947,901</u>

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Capital Projects Funds

June 30, 2010

	Early College Building Fund	Library Project Fund	Recreation Center Fund	Webster Complex Fund	School Improvement Fund	Total Non-major Capital Projects Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 128,879	\$ 259,104	\$ 143,536	\$ 159,132	\$ 363,462	\$ 1,054,113
Accounts receivable, net	-	-	-	18,684	-	18,684
Restricted assets--cash and cash equivalents	<u>515,088</u>	<u>2,663,706</u>	<u>739,765</u>	<u>98,985</u>	<u>376,049</u>	<u>4,393,593</u>
Total assets	<u>\$ 643,967</u>	<u>\$ 2,922,810</u>	<u>\$ 883,301</u>	<u>\$ 276,801</u>	<u>739,511</u>	<u>\$ 5,466,390</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 243,643	\$ 123,737	\$ 30,766	\$ 156,023	\$ 42,752	\$ 596,921
Contract retainage	<u>29,331</u>	<u>187,176</u>	<u>91,367</u>	<u>-</u>	<u>-</u>	<u>307,874</u>
Total liabilities	<u>272,974</u>	<u>310,913</u>	<u>122,133</u>	<u>156,023</u>	<u>42,752</u>	<u>904,795</u>
Fund balances:						
Reserved by state statute	-	-	-	18,684	-	18,684
Unreserved:						
Undesignated	<u>370,993</u>	<u>2,611,897</u>	<u>761,168</u>	<u>102,094</u>	<u>696,759</u>	<u>4,542,911</u>
Total fund balances	<u>370,993</u>	<u>2,611,897</u>	<u>761,168</u>	<u>120,778</u>	<u>696,759</u>	<u>4,561,595</u>
Total liabilities and fund balances	<u>\$ 643,967</u>	<u>\$ 2,922,810</u>	<u>\$ 883,301</u>	<u>\$ 276,801</u>	<u>\$ 739,511</u>	<u>\$ 5,466,390</u>

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

For the Fiscal Year Ended June 30, 2010

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Restricted intergovernmental	\$ 2,565,901	\$ -	\$ 2,565,901
Sales and services	32,479	-	32,479
Investment earnings	29,865	6,826	36,691
Miscellaneous	13,964	5,000	18,964
Total revenues	<u>2,642,209</u>	<u>11,826</u>	<u>2,654,035</u>
Expenditures:			
Current:			
General government	193,959	-	193,959
Public safety	454,962	-	454,962
Transportation	545,334	-	545,334
Environmental Protection	846,966	-	846,966
Economic and physical development	288,824	-	288,824
Human services	1,609,701	1,810,610	3,420,311
Culture and recreation	-	4,623,533	4,623,533
Education	-	769,321	769,321
Total expenditures	<u>3,939,746</u>	<u>7,203,464</u>	<u>11,143,210</u>
Revenues under expenditures	<u>(1,297,537)</u>	<u>(7,191,638)</u>	<u>(8,489,175)</u>
Other financing sources (uses):			
Transfers from other funds	2,575,173	-	2,575,173
Transfers to other funds	(514,103)	-	(514,103)
Proceeds from installment obligation	-	7,907,581	7,907,581
Total other financing sources (uses)	<u>2,061,070</u>	<u>7,907,581</u>	<u>9,968,651</u>
Net change in fund balances	763,533	715,943	1,479,476
Fund balances:			
Beginning of year, July 1	<u>3,885,933</u>	<u>3,845,652</u>	<u>7,731,585</u>
End of year, June 30	<u>\$ 4,649,466</u>	<u>\$ 4,561,595</u>	<u>\$ 9,211,061</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, 2010

	Emergency Telephone Fund	Revaluation Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund	Crisis Housing Assistance Fund	School Capital Reserve Fund
Revenues:						
Restricted intergovernmental	\$ 497,982	\$ -	\$ 471	\$ 1,489,686	\$ 14,103	\$ -
Sales and services	-	-	-	-	-	-
Investment earnings	-	-	-	310	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>497,982</u>	<u>-</u>	<u>471</u>	<u>1,489,996</u>	<u>14,103</u>	<u>-</u>
Expenditures:						
Current:						
General government	-	193,959	-	-	-	-
Public safety	438,320	-	16,642	-	-	-
Transportation	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-
Human services	-	-	-	1,609,701	-	-
Total expenditures	<u>438,320</u>	<u>193,959</u>	<u>16,642</u>	<u>1,609,701</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>59,662</u>	<u>(193,959)</u>	<u>(16,171)</u>	<u>(119,705)</u>	<u>14,103</u>	<u>-</u>
Other financing sources (uses):						
Transfers from other funds	-	250,000	-	29,412	-	102,250
Transfers to other funds	-	-	-	-	(14,103)	-
Total other financing sources (uses)	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>29,412</u>	<u>(14,103)</u>	<u>102,250</u>
Net change in fund balances	59,662	56,041	(16,171)	(90,293)	-	102,250
Fund balances:						
Beginning of year, July 1	<u>282,719</u>	<u>41,653</u>	<u>35,481</u>	<u>133,460</u>	<u>-</u>	<u>15,307</u>
End of year, June 30	<u>\$ 342,381</u>	<u>\$ 97,694</u>	<u>\$ 19,310</u>	<u>\$ 43,167</u>	<u>\$ -</u>	<u>\$ 117,557</u>

Community Development Scattered Site Project Fund	Capital Reserve Fund	Clean Water Revolving Loan Fund	Economic Development Fund	Conservation/ Preservation Fund	Economic Development Commission Fund	Airport Authority Fund	Total Non-major Special Revenue Funds
\$ 37,358	\$ -	\$ -	\$ 41,002	\$ -	\$ 20,000	\$ 465,299	\$ 2,565,901
-	-	-	-	-	-	32,479	32,479
-	8,090	1,977	17,408	-	2,080	-	29,865
-	-	-	-	-	-	13,964	13,964
<u>37,358</u>	<u>8,090</u>	<u>1,977</u>	<u>58,410</u>	<u>-</u>	<u>22,080</u>	<u>511,742</u>	<u>2,642,209</u>
-	-	-	-	-	-	-	193,959
-	-	-	-	-	-	-	454,962
-	-	-	-	-	-	545,334	545,334
-	750,000	-	-	96,966	-	-	846,966
237,563	-	-	-	-	51,261	-	288,824
-	-	-	-	-	-	-	1,609,701
<u>237,563</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>96,966</u>	<u>51,261</u>	<u>545,334</u>	<u>3,939,746</u>
<u>(200,205)</u>	<u>(741,910)</u>	<u>1,977</u>	<u>58,410</u>	<u>(96,966)</u>	<u>(29,181)</u>	<u>(33,592)</u>	<u>(1,297,537)</u>
187,524	1,500,000	-	-	400,000	105,987	-	2,575,173
-	(500,000)	-	-	-	-	-	(514,103)
<u>187,524</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>105,987</u>	<u>-</u>	<u>2,061,070</u>
(12,681)	258,090	1,977	58,410	303,034	76,806	(33,592)	763,533
<u>76,266</u>	<u>1,701,661</u>	<u>54,532</u>	<u>692,858</u>	<u>406,292</u>	<u>403,353</u>	<u>42,351</u>	<u>3,885,933</u>
<u>\$ 63,585</u>	<u>\$ 1,959,751</u>	<u>\$ 56,509</u>	<u>\$ 751,268</u>	<u>\$ 709,326</u>	<u>\$ 480,159</u>	<u>\$ 8,759</u>	<u>\$ 4,649,466</u>

JACKSON COUNTY, NORTH CAROLINA

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Non-major Capital Project Funds

For the Fiscal Year Ended June 30, 2010

	Early College Building Fund	Library Expansion Project Fund	Recreation Center Fund	Webster Complex Fund	School Improvement Fund	Total Non-major Capital Projects Funds
Revenues:						
Investment earnings	\$ 1,040	\$ 5,704	\$ 41	\$ 41	\$ -	\$ 6,826
Miscellaneous	-	-	-	5,000	-	5,000
Total revenues	<u>1,040</u>	<u>5,704</u>	<u>41</u>	<u>5,041</u>	<u>-</u>	<u>11,826</u>
Expenditures:						
Current:						
Human services	-	-	-	1,810,610	-	1,810,610
Culture and recreation	-	3,575,894	1,047,639	-	-	4,623,533
Education	645,018	-	-	-	124,303	769,321
Total expenditures	<u>645,018</u>	<u>3,575,894</u>	<u>1,047,639</u>	<u>1,810,610</u>	<u>124,303</u>	<u>7,203,464</u>
Revenues under expenditures	<u>(643,978)</u>	<u>(3,570,190)</u>	<u>(1,047,598)</u>	<u>(1,805,569)</u>	<u>(124,303)</u>	<u>(7,191,638)</u>
Other financing sources:						
Proceeds from installment obligation	<u>900,000</u>	<u>7,007,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,907,581</u>
Net change in fund balances (deficit)	256,022	3,437,391	(1,047,598)	(1,805,569)	(124,303)	715,943
Fund balances (deficit):						
Beginning of year, July 1	<u>114,971</u>	<u>(825,494)</u>	<u>1,808,766</u>	<u>1,926,347</u>	<u>821,062</u>	<u>3,845,652</u>
End of year, June 30	<u>\$ 370,993</u>	<u>\$ 2,611,897</u>	<u>\$ 761,168</u>	<u>\$ 120,778</u>	<u>\$ 696,759</u>	<u>\$ 4,561,595</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 573,000	\$ 497,982	\$ (75,018)
Expenditures:			
Public safety:			
Salaries and employee benefits	191,789	191,611	178
Operating	386,556	228,724	157,832
Capital outlay	19,655	17,985	1,670
Total expenditures	<u>598,000</u>	<u>438,320</u>	<u>159,680</u>
Revenues over (under) expenditures	<u>(25,000)</u>	<u>59,662</u>	<u>84,662</u>
Fund balance appropriation	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>59,662</u>	<u>\$ 59,662</u>
Fund balance:			
Beginning of year, July 1		<u>282,719</u>	
End of year, June 30		<u>\$ 342,381</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Tax listing	\$ 196,046	\$ 193,959	\$ 2,087
Revenues under expenditures	<u>(196,046)</u>	<u>(193,959)</u>	<u>2,087</u>
Other financing sources:			
Transfer from General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Fund balance appropriation	<u>(53,954)</u>	<u>-</u>	<u>53,954</u>
Net change in fund balance	<u>\$ -</u>	<u>56,041</u>	<u>\$ 56,041</u>
Fund balance:			
Beginning of year, July 1		<u>41,653</u>	
End of year, June 30		<u>\$ 97,694</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 17,000	\$ 471	\$ (16,529)
Expenditures:			
Public safety:			
Operating	7,500	7,500	-
Capital outlay	9,500	9,142	358
Total expenditures	<u>17,000</u>	<u>16,642</u>	<u>358</u>
Net change in fund balance	<u>\$ -</u>	<u>(16,171)</u>	<u>\$ (16,171)</u>
Fund balance:			
Beginning of year, July 1		<u>35,481</u>	
End of year, June 30		<u>\$ 19,310</u>	

JACKSON COUNTY, NORTH CAROLINA

Public Housing Agency Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 1,576,904	\$ 1,489,686	\$ (87,218)
Investment earnings	2,315	310	(2,005)
Total revenues	<u>1,579,219</u>	<u>1,489,996</u>	<u>(89,223)</u>
Expenditures:			
Human services:			
Operating	<u>1,634,730</u>	<u>1,609,701</u>	<u>25,029</u>
Revenues under expenditures	(55,511)	(119,705)	(64,194)
Other financing sources:			
Transfer from General Fund	<u>55,511</u>	<u>29,412</u>	<u>(26,099)</u>
Net change in fund balance	<u>\$ -</u>	<u>(90,293)</u>	<u>\$ (90,293)</u>
Fund balance:			
Beginning of year, July 1		<u>133,460</u>	
End of year, June 30		<u>\$ 43,167</u>	

JACKSON COUNTY, NORTH CAROLINA

Crisis Housing Assistance Fund

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
NC Department of Crime Control	\$ 14,103	\$ 14,103	\$ -
Other financing uses:			
Transfers to General Fund	(14,103)	(14,103)	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance:			
Beginning of year, July 1		-	
End of year, June 30		<u>\$ -</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
School Capital Reserve	\$ 117,557	\$ -	\$ 117,557
Revenues under expenditures	<u>(117,557)</u>	<u>-</u>	<u>117,557</u>
Other financing sources:			
Transfer from General Fund	<u>102,250</u>	<u>102,250</u>	<u>-</u>
Fund balance appropriation	<u>15,307</u>	<u>-</u>	<u>(15,307)</u>
Net change in fund balance	<u>\$ -</u>	<u>102,250</u>	<u>\$ 102,250</u>
Fund balance:			
Beginning of year, July 1		<u>15,307</u>	
End of year, June 30		<u>\$ 117,557</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, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
Community Development Block Grant C-1	\$ 400,000	\$ -	\$ 37,358	\$ 37,358	\$ (362,642)
Housing Preservation Grant	89,000	-	-	-	(89,000)
Total revenues	<u>489,000</u>	<u>-</u>	<u>37,358</u>	<u>37,358</u>	<u>(451,642)</u>
Expenditures:					
Economic and physical development:					
Administration	120,003	-	89,501	89,501	30,502
Rehabilitation:					
Grant	74,500	-	-	-	74,500
County	168,946	-	115,886	115,886	53,060
Relocation	255,000	-	11,900	11,900	243,100
Clearance	30,500	-	1,395	1,395	29,105
Capital outlay	18,881	-	18,881	18,881	-
Program	85,000	-	-	-	85,000
Total expenditures	<u>752,830</u>	<u>-</u>	<u>237,563</u>	<u>237,563</u>	<u>515,267</u>
Revenues under expenditures	(263,830)	-	(200,205)	(200,205)	63,625
Other financing sources:					
Transfer from General Fund	<u>187,564</u>	<u>-</u>	<u>187,524</u>	<u>187,524</u>	<u>(40)</u>
Fund balance appropriation/closed out projects	<u>76,266</u>	<u>76,266</u>	<u>-</u>	<u>76,266</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 76,266</u>	<u>(12,681)</u>	<u>\$ 63,585</u>	<u>\$ 63,585</u>
Fund balance:					
Beginning of year, July 1			<u>76,266</u>		
End of year, June 30			<u>\$ 63,585</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 23,000	\$ 8,090	\$ (14,910)
Total revenues	<u>23,000</u>	<u>8,090</u>	<u>(14,910)</u>
Expenditures:			
Designated for future appropriations	773,000	-	773,000
Designated--water and sewer	750,000	750,000	-
Total expenditures	<u>1,523,000</u>	<u>750,000</u>	<u>773,000</u>
Revenues over (under) expenditures	<u>(1,500,000)</u>	<u>(741,910)</u>	<u>758,090</u>
Other financing source (uses):			
Transfers from (to) other funds:			
General Fund	1,500,000	1,500,000	-
Economic Development Commission Proprietary Fund	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Fund balance appropriation	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balance	<u>\$ -</u>	258,090	<u>\$ 258,090</u>
Fund balance:			
Beginning of year, July 1		<u>1,701,661</u>	
End of year, June 30		<u>\$ 1,959,751</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	<u>\$ 2,009</u>	<u>\$ 1,977</u>	<u>\$ (32)</u>
Expenditures:			
Economic and physical development:			
County loan funds advanced	<u>2,009</u>	<u>-</u>	<u>2,009</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>1,977</u>	<u><u>\$ 1,977</u></u>
Fund balance:			
Beginning of year, July 1		<u>54,532</u>	
End of year, June 30		<u><u>\$ 56,509</u></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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 120,097	\$ 41,002	\$ (79,095)
Investment earnings	56,943	17,408	(39,535)
Total revenues	<u>177,040</u>	<u>58,410</u>	<u>(118,630)</u>
Expenditures:			
Economic and physical development:			
Reserve for economic development	<u>177,040</u>	<u>-</u>	<u>177,040</u>
Net change in fund balance	<u>\$ -</u>	58,410	<u>\$ 58,410</u>
Fund balance:			
Beginning of year, July 1		<u>692,858</u>	
End of year, June 30		<u>\$ 751,268</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Environmental protection:			
Conservation	\$ 400,000	\$ 96,966	\$ 303,034
Other financing sources:			
Transfer from General Fund	400,000	400,000	-
Net change in fund balance	<u>\$ -</u>	303,034	<u>\$ 303,034</u>
Fund balance:			
Beginning of year, July 1		<u>406,292</u>	
End of year, June 30		<u>\$ 709,326</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 23,648	\$ 20,000	\$ (3,648)
Investment earnings	6,000	2,080	(3,920)
Total revenues	<u>29,648</u>	<u>22,080</u>	<u>(7,568)</u>
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	69,267	17,213	52,054
Operating	25,250	14,048	11,202
Loans, development, capital improvement	<u>120,000</u>	<u>20,000</u>	<u>100,000</u>
Total expenditures	<u>214,517</u>	<u>51,261</u>	<u>163,256</u>
Revenues under expenditures	<u>(184,869)</u>	<u>(29,181)</u>	<u>155,688</u>
Other financing sources (uses):			
Transfer from General Fund	105,987	105,987	-
Contingency	<u>(1,852)</u>	<u>-</u>	<u>1,852</u>
Total other financing sources (uses)	<u>104,135</u>	<u>105,987</u>	<u>1,852</u>
Appropriated fund balance	<u>80,734</u>	<u>-</u>	<u>(80,734)</u>
Net change in fund balance	<u>\$ -</u>	<u>76,806</u>	<u>\$ 76,806</u>
Fund balance:			
Beginning of year, July 1		<u>403,353</u>	
End of year, June 30		<u>\$ 480,159</u>	

JACKSON COUNTY, NORTH CAROLINA

Airport Authority Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 593,023	\$ 465,299	\$ (127,724)
Sales and services	48,000	32,479	(15,521)
Miscellaneous	14,800	13,964	(836)
Total revenues	<u>655,823</u>	<u>511,742</u>	<u>(144,081)</u>
Expenditures:			
Transportation:			
Operating	59,772	47,306	12,466
Capital outlay	661,942	498,028	163,914
Total expenditures	<u>721,714</u>	<u>545,334</u>	<u>176,380</u>
Revenues under expenditures	<u>(65,891)</u>	<u>(33,592)</u>	<u>32,299</u>
Appropriated fund balance	<u>65,891</u>	<u>-</u>	<u>(65,891)</u>
Net change in fund balance	<u>\$ -</u>	<u>(33,592)</u>	<u>\$ (33,592)</u>
Fund balance:			
Beginning of year, July 1		<u>42,351</u>	
End of year, June 30		<u>\$ 8,759</u>	

JACKSON COUNTY, NORTH CAROLINA

Capital Project Fund--Early College Building Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 1,050	\$ 1,040	\$ (10)
Expenditures:			
Education:			
Early college building	901,050	645,018	256,032
Revenues under expenditures	(900,000)	(643,978)	256,022
Other financing sources:			
Proceeds from installment obligation	900,000	900,000	-
Net change in fund balance	<u>\$ -</u>	256,022	<u>\$ 256,022</u>
Fund balance:			
Beginning of year, July 1		<u>114,971</u>	
End of year, June 30		<u>\$ 370,993</u>	

JACKSON COUNTY, NORTH CAROLINA**Capital Project Fund--Library Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)--Budget and Actual**

From Inception and for the Fiscal Year Ended June 30, 2010

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 1,510,000	\$ 121,782	\$ 5,704	\$ 127,486	\$ (1,382,514)
Expenditures:					
Culture and recreation:					
Construction	6,067,169	2,675,748	3,443,686	6,119,434	(52,265)
Architect fees	547,374	519,667	132,208	651,875	(104,501)
Buildings, structures and improvements	1,500,000	1,502,715	-	1,502,715	(2,715)
Contingency	403,038	106,811	-	106,811	296,227
Total expenditures	<u>8,517,581</u>	<u>4,804,941</u>	<u>3,575,894</u>	<u>8,380,835</u>	<u>136,746</u>
Revenue under expenditures	<u>(7,007,581)</u>	<u>(4,683,159)</u>	<u>(3,570,190)</u>	<u>(8,253,349)</u>	<u>(1,245,768)</u>
Other financing sources (uses):					
Proceeds from installment obligation	7,007,581	3,960,200	7,007,581	10,967,781	3,960,200
Transfers from General Fund	-	44,746	-	44,746	44,746
Transfer to County Administrative Fund	-	(147,281)	-	(147,281)	(147,281)
Total other financing sources (uses)	<u>7,007,581</u>	<u>3,857,665</u>	<u>7,007,581</u>	<u>10,865,246</u>	<u>3,857,665</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ (825,494)</u>	3,437,391	<u>\$ 2,611,897</u>	<u>\$ 2,611,897</u>
Fund balance (deficit):					
Beginning of year, July 1			<u>(825,494)</u>		
End of year, June 30			<u>\$ 2,611,897</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, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 35,000	\$ 31,985	\$ 41	\$ 32,026	\$ (2,974)
Expenditures:					
Culture and recreation:					
Architect fees	604,244	440,904	89,121	530,025	74,219
Furniture and equipment	61,800	33,247	-	33,247	28,553
Construction cost	1,155,549	1,109,464	25,051	1,134,515	21,034
Site preparation	2,498,587	906,986	933,467	1,840,453	658,134
East LaPorte Park	101,158	101,158	-	101,158	-
Savannah/Greens Creek Park	120,067	120,067	-	120,067	-
Total expenditures	<u>4,541,405</u>	<u>2,711,826</u>	<u>1,047,639</u>	<u>3,759,465</u>	<u>781,940</u>
Revenues under expenditures	<u>(4,506,405)</u>	<u>(2,679,841)</u>	<u>(1,047,598)</u>	<u>(3,727,439)</u>	<u>778,966</u>
Other financing sources (uses):					
Transfer from General Fund	1,847,774	1,749,510	-	1,749,510	(98,264)
Installment purchase obligations issued	2,739,097	2,739,097	-	2,739,097	-
Contingency	(80,466)	-	-	-	80,466
Total other financing sources (uses)	<u>4,506,405</u>	<u>4,488,607</u>	<u>-</u>	<u>4,488,607</u>	<u>(17,798)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,808,766</u>	<u>(1,047,598)</u>	<u>\$ 761,168</u>	<u>\$ 761,168</u>
Fund balance:					
Beginning of year, July 1			<u>1,808,766</u>		
End of year, June 30			<u>\$ 761,168</u>		

JACKSON COUNTY, NORTH CAROLINA

Capital Project Fund--Webster Complex Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2010

	<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:					
Investment earnings	\$ 45,000	\$ 39,258	\$ 41	\$ 39,299	\$ (5,701)
Miscellaneous	5,000	-	5,000	5,000	-
Total revenues	<u>50,000</u>	<u>39,258</u>	<u>5,041</u>	<u>44,299</u>	<u>(5,701)</u>
Expenditures:					
Human services:					
Architect fees	721,210	578,743	142,001	720,744	466
Furniture and equipment	348,500	-	348,150	348,150	350
Construction cost	7,053,790	5,607,668	1,320,459	6,928,127	125,663
Total expenditures	<u>8,123,500</u>	<u>6,186,411</u>	<u>1,810,610</u>	<u>7,997,021</u>	<u>126,479</u>
Revenues under expenditures	<u>(8,073,500)</u>	<u>(6,147,153)</u>	<u>(1,805,569)</u>	<u>(7,952,722)</u>	<u>120,778</u>
Other financing sources:					
Installment purchase obligations issued	<u>8,073,500</u>	<u>8,073,500</u>	<u>-</u>	<u>8,073,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,926,347</u>	<u>(1,805,569)</u>	<u>\$ 120,778</u>	<u>\$ 120,778</u>
Fund balance:					
Beginning of year, July 1			<u>1,926,347</u>		
End of year, June 30			<u>\$ 120,778</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, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Public School Building Bond Fund	\$ 2,477,582	\$ 2,482,379	\$ -	\$ 2,482,379	\$ 4,797
Public School Building Capital Fund	1,734,935	1,774,600	-	1,774,600	39,665
Jackson County Board of Education	213,166	213,166	-	213,166	-
DOT Revenue	350,000	350,000	-	350,000	-
Investment earnings	1,041,268	1,034,807	-	1,034,807	(6,461)
Sale of timber	20,304	20,304	-	20,304	-
Total revenues	<u>5,837,255</u>	<u>5,875,256</u>	<u>-</u>	<u>5,875,256</u>	<u>38,001</u>
Expenditures:					
Education:					
Smoky Mountain High-- classrooms/media	577,700	577,700	-	577,700	-
Blue Ridge School	674,200	674,200	-	674,200	-
Fairview Elementary School	400,000	400,000	-	400,000	-
Smoky Mountain High	200,000	200,000	-	200,000	-
Smoky Mountain High-band room/ art/science	625,682	625,682	-	625,682	-
Construction--Blue Ridge School	874,843	890,755	-	890,755	(15,912)
Construction--Smoky Mountain High School	5,905,800	5,912,573	-	5,912,573	(6,773)
Construction--SMHS--Science Building	3,857,226	4,066,048	-	4,066,048	(208,822)
Construction--SMHS--Front Entry	1,853,387	1,853,387	-	1,853,387	-
Construction--SMHS--Land Acquisition	327,465	327,465	-	327,465	-
Construction--SMHS--Road and signs	6,952,960	6,899,037	-	6,899,037	53,923
Construction--SMHS--D Building	835,475	793,902	-	793,902	41,573
Construction--Fairview/Smoky Mountain Elementary	1,761,512	1,761,512	-	1,761,512	-
Construction--Fairview Kindergarten	2,852,020	2,842,012	10,008	2,852,020	-
Public School Building Capital Fund	1,542,514	1,533,402	-	1,533,402	9,112
School projects	438,758	333,039	97,795	430,834	7,924
Study/needs assessment-SMHS	38,000	38,000	-	38,000	-
HUB Project	205,915	-	16,500	16,500	189,415
Total expenditures	<u>29,923,457</u>	<u>29,728,714</u>	<u>124,303</u>	<u>29,853,017</u>	<u>70,440</u>
Revenues under expenditures	<u>(24,086,202)</u>	<u>(23,853,458)</u>	<u>(124,303)</u>	<u>(23,977,761)</u>	<u>108,441</u>

(continued)

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, 2010

	Actual			Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	
Other financing sources:				
Transfers from other funds:				
School Capital Reserve	\$ 293,116	\$ 236,252	\$ -	\$ (56,864)
General Fund	1,362,556	1,174,626	-	(187,930)
Capital Projects Fund	280,000	1,113,112	-	833,112
Installment purchase obligations issued	22,150,530	22,150,530	-	-
Total other financing sources	<u>24,086,202</u>	<u>24,674,520</u>	<u>-</u>	<u>588,318</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 821,062</u>	(124,303)	<u>\$ 696,759</u>
Fund balance:				
Beginning of year, July 1			<u>821,062</u>	
End of year, June 30			<u>\$ 696,759</u>	

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, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services	\$ 3,302,056	\$ 3,083,174	\$ (218,882)
Non-operating revenues:			
Scrap tire disposal fee	66,800	49,317	(17,483)
White goods tax	11,955	11,955	-
Recycling assistance grant	11,845	9,731	(2,114)
Interest earned on investments	21,315	21,298	(17)
Total non-operating revenues	<u>111,915</u>	<u>92,301</u>	<u>(19,614)</u>
Total revenues	<u>3,413,971</u>	<u>3,175,475</u>	<u>(238,496)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	535,720	534,129	1,591
Operating expenses	1,702,860	1,455,689	247,171
Supplies	39,775	25,658	14,117
Repairs and maintenance	30,000	27,143	2,857
Contracted services	710,440	692,287	18,153
Capital outlay	3,624,312	3,459,192	165,120
Total	<u>6,643,107</u>	<u>6,194,098</u>	<u>449,009</u>
Debt service:			
Debt principal	78,320	78,319	1
Interest paid	75,030	75,029	1
Total	<u>153,350</u>	<u>153,348</u>	<u>2</u>
Total expenditures	<u>6,796,457</u>	<u>6,347,446</u>	<u>449,011</u>
Revenues under expenditures	(3,382,486)	(3,171,971)	210,515

(continued)

JACKSON COUNTY, NORTH CAROLINASchedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Landfill Fund, Continued

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources:			
Proceeds from installment obligation	\$ 3,312,550	\$ 3,312,550	\$ -
Appropriated fund balance	69,936	-	(69,936)
Total other financing sources	<u>3,382,486</u>	<u>3,312,550</u>	<u>(69,936)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 140,579</u>	<u>\$ 140,579</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues over expenditures		\$ 140,579	
Change in accrued interest receivable		(1,730)	
Change in compensated absences		1,974	
Change in accrued interest payable		(29,302)	
Change in OPEB liability		(93,236)	
Capital outlay		3,453,421	
Proceeds from installment obligation		(3,312,550)	
Debt principal payment		78,319	
Landfill closure and postclosure costs		33,650	
Depreciation		<u>(134,264)</u>	
		<u>\$ 136,861</u>	

JACKSON COUNTY, NORTH CAROLINACombining Statement of Fund Net Assets
Non-major Proprietary Funds

June 30, 2010

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 9,247	\$ 517,957	\$ 527,204
Accounts receivable, net	4,278	1,383	5,661
Capital assets, net of depreciation	65,411	926,180	991,591
Total assets	<u>78,936</u>	<u>1,445,520</u>	<u>1,524,456</u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Accounts payable and accrued liabilities	6,215	9,191	15,406
Compensated absences	12,490	-	12,490
Other postemployment benefits	25,963	-	25,963
Total liabilities	<u>44,668</u>	<u>9,191</u>	<u>53,859</u>
Net assets:			
Invested in capital assets	65,411	926,180	991,591
Unrestricted	<u>(31,143)</u>	<u>510,149</u>	<u>479,006</u>
Total net assets	<u>\$ 34,268</u>	<u>\$ 1,436,329</u>	<u>\$ 1,470,597</u>

JACKSON COUNTY, NORTH CAROLINACombining Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Non-major Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
Operating revenues:			
Charges for services	\$ 15,978	\$ 22,815	\$ 38,793
Operating expenses:			
Park operations	280,674	-	280,674
Economic development operations	-	31,421	31,421
Depreciation	3,035	18,893	21,928
Total expenditures	<u>283,709</u>	<u>50,314</u>	<u>334,023</u>
Operating loss	<u>(267,731)</u>	<u>(27,499)</u>	<u>(295,230)</u>
Non-operating revenues:			
ARC grant	3,163	-	3,163
Donations	1,879	-	1,879
Total non-operating revenue	<u>5,042</u>	<u>-</u>	<u>5,042</u>
Loss before transfers	(262,689)	(27,499)	(290,188)
Transfers from other funds	<u>264,530</u>	<u>530,000</u>	<u>794,530</u>
Change in net assets	1,841	502,501	504,342
Net assets:			
Beginning of year, July 1	<u>32,427</u>	<u>933,828</u>	<u>966,255</u>
End of year, June 30	<u>\$ 34,268</u>	<u>\$ 1,436,329</u>	<u>\$ 1,470,597</u>

JACKSON COUNTY, NORTH CAROLINACombining Statement of Cash Flows
Non-major Proprietary Funds

For the Fiscal Year Ended June 30, 2010

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	\$ 13,336	\$ 26,474	\$ 39,810
Cash paid for goods and services	(144,247)	(22,300)	(166,547)
Cash paid to employees for services	(121,413)	-	(121,413)
Net cash provided (used) by operating activities	<u>(252,324)</u>	<u>4,174</u>	<u>(248,150)</u>
Cash flows from non-capital financing activities:			
ARC grant	3,163	-	3,163
Donations	1,879	-	1,879
Cash received from other funds	264,530	530,000	794,530
Net cash provided by non-capital financing activities	<u>269,572</u>	<u>530,000</u>	<u>799,572</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(8,698)</u>	<u>(41,497)</u>	<u>(50,195)</u>
Net increase in cash and cash equivalents	8,550	492,677	501,227
Cash and cash equivalents, July 1	<u>697</u>	<u>25,280</u>	<u>25,977</u>
Cash and cash equivalents, June 30	<u>\$ 9,247</u>	<u>\$ 517,957</u>	<u>\$ 527,204</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating loss	\$ (267,731)	\$ (27,499)	\$ (295,230)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	3,035	18,893	21,928
Changes in assets and liabilities:			
Accounts receivable	(2,642)	3,659	1,017
Accounts payable and accrued liabilities	3,822	9,121	12,943
Compensated absences	2,322	-	2,322
OPEB liability	8,870	-	8,870
Total adjustments	<u>15,407</u>	<u>31,673</u>	<u>47,080</u>
Net cash provided (used) by operating activities	<u>\$ (252,324)</u>	<u>\$ 4,174</u>	<u>\$ (248,150)</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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 20,399	\$ 13,952	\$ (6,447)
Registration fees	2,026	2,026	-
Total operating revenues	<u>22,425</u>	<u>15,978</u>	<u>(6,447)</u>
Non-operating revenues:			
ARC grant	3,163	3,163	-
Donations	3,894	1,879	(2,015)
Total non-operating revenues	<u>7,057</u>	<u>5,042</u>	<u>(2,015)</u>
Other financing sources:			
Transfers from other funds	<u>264,530</u>	<u>264,530</u>	-
Total revenues and other financing sources	<u>294,012</u>	<u>285,550</u>	<u>(8,462)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	135,164	132,605	2,559
Operating expenses	124,877	115,261	9,616
Capital outlay	32,575	30,314	2,261
Contingency	1,396	-	1,396
Total	<u>294,012</u>	<u>278,180</u>	<u>15,832</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 7,370</u>	<u>\$ 7,370</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ 7,370	
Change in compensated absences		(2,322)	
Change in other postemployment benefits		(8,870)	
Capital assets		8,698	
Depreciation		<u>(3,035)</u>	
		<u>\$ 1,841</u>	

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services	\$ 64,250	\$ 22,815	\$ (41,435)
Other financing sources:			
Transfers from other funds	<u>530,000</u>	<u>530,000</u>	<u>-</u>
Total revenues and other financing sources	<u>594,250</u>	<u>552,815</u>	<u>(41,435)</u>
Expenditures:			
Park operations:			
Operating	57,165	926	56,239
Insurance	18,925	18,925	-
Property	8,160	8,160	-
Plant Fees	10,000	3,410	6,590
Construction	475,000	41,497	433,503
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	<u>594,250</u>	<u>72,918</u>	<u>521,332</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 479,897</u>	<u>\$ 479,897</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ 479,897	
Capital assets		41,497	
Depreciation		<u>(18,893)</u>	
Change in net assets		<u>\$ 502,501</u>	

TRAVEL AND TOURISM AUTHORITY BUDGET REPORTS

Component units are legally separate organizations for which the elected officials of the County are financially accountable.

- **Jackson County Travel and Tourism Authority** - accounts for room occupancy taxes assessed and expended for economic development in Jackson County.
- **Cashiers Area Travel and Tourism Authority** - accounts for room occupancy taxes assessed and expended for economic development in the Cashiers area of Jackson County.

JACKSON COUNTY, NORTH CAROLINA
Jackson County Travel and Tourism Authority

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
Room occupancy tax	\$ 265,191	\$ 264,386	\$ (805)
Investment earnings	800	7	(793)
Total revenues	<u>265,991</u>	<u>264,393</u>	<u>(1,598)</u>
Expenditures:			
Economic and physical development:			
Operating expenditures	306,191	291,446	14,745
Capital outlay	400	-	400
Total expenditures	<u>306,591</u>	<u>291,446</u>	<u>15,145</u>
Revenues under expenditures	(40,600)	(27,053)	13,547
Appropriated fund balance	<u>40,600</u>	<u>-</u>	<u>(40,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>(27,053)</u>	<u>\$ (27,053)</u>
Fund balance:			
Beginning of year, July 1		<u>185,902</u>	
End of year, June 30		<u>\$ 158,849</u>	

JACKSON COUNTY, NORTH CAROLINA
Cashiers Area Travel and Tourism Authority

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

For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
Room occupancy tax	\$ 156,683	\$ 154,427	\$ (2,256)
Investment earnings	10	10	-
Total revenues	<u>156,693</u>	<u>154,437</u>	<u>(2,256)</u>
Expenditures:			
Economic and physical development:			
Operating expenditures	183,742	155,113	28,629
Capital outlay	1,000	-	1,000
Total expenditures	<u>184,742</u>	<u>155,113</u>	<u>29,629</u>
Revenues under expenditures	(28,049)	(676)	27,373
Appropriated fund balance	<u>28,049</u>	<u>-</u>	<u>(28,049)</u>
Net change in fund balance	<u>\$ -</u>	<u>(676)</u>	<u>\$ (676)</u>
Fund balance:			
Beginning of year, July 1		<u>65,454</u>	
End of year, June 30		<u>\$ 64,778</u>	

AGENCY FUNDS

Agency Funds are 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, 2010

	Balance July 1, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2010</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 38,806	\$ 359,140	\$ 358,279	\$ 39,667
Liabilities:				
Amounts held for others	\$ 38,806	\$ 359,140	\$ 358,279	\$ 39,667
Property Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 11,718	\$ 348,409	\$ 351,832	\$ 8,295
Liabilities:				
Amounts held for others	\$ 11,718	\$ 348,409	\$ 351,832	\$ 8,295
State of North Carolina Fund:				
Assets:				
Cash and cash equivalents	\$ 28,202	\$ 419,103	\$ 430,348	\$ 16,957
Liabilities:				
Amounts held for others	\$ 28,202	\$ 419,103	\$ 430,348	\$ 16,957
Extension Agency Fund				
Assets:				
Cash and cash equivalents	\$ 56,368	\$ 5,129	\$ 4,504	\$ 56,993
Accounts receivable	10	15	10	15
Total assets	\$ 56,378	\$ 5,144	\$ 4,514	\$ 57,008
Liabilities:				
Amounts held for others	\$ 56,378	\$ 5,144	\$ 4,514	\$ 57,008

(continued)

JACKSON COUNTY, NORTH CAROLINA

Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2010

	Balance July 1, <u>2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2010</u>
Community Health Link Fund				
Assets:				
Cash and cash equivalents	\$ 84,198	\$ 116,779	\$ 114,897	\$ 86,080
Accounts receivable	12,573	24,113	30,991	5,695
	<u>\$ 96,771</u>	<u>\$ 140,892</u>	<u>\$ 145,888</u>	<u>\$ 91,775</u>
Total assets				
Liabilities:				
Amounts due to others	\$ 96,771	\$ 140,892	\$ 145,888	\$ 91,775
	<u>\$ 96,771</u>	<u>\$ 140,892</u>	<u>\$ 145,888</u>	<u>\$ 91,775</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 1,697	\$ 12,693	\$ 13,392	\$ 998
	<u>\$ 1,697</u>	<u>\$ 12,693</u>	<u>\$ 13,392</u>	<u>\$ 998</u>
Liabilities:				
Due to other governments	\$ 1,697	\$ 12,693	\$ 13,392	\$ 998
	<u>\$ 1,697</u>	<u>\$ 12,693</u>	<u>\$ 13,392</u>	<u>\$ 998</u>
Totals--all Agency Funds				
Assets:				
Cash and cash equivalents	\$ 220,989	\$ 1,261,253	\$ 1,273,252	\$ 208,990
Accounts receivable	12,583	24,128	31,001	5,710
	<u>\$ 233,572</u>	<u>\$ 1,285,381</u>	<u>\$ 1,304,253</u>	<u>\$ 214,700</u>
Total assets				
Liabilities:				
Amounts held for others	\$ 231,875	\$ 1,272,688	\$ 1,290,861	\$ 213,702
Due to other governments	1,697	12,693	13,392	998
	<u>\$ 233,572</u>	<u>\$ 1,285,381</u>	<u>\$ 1,304,253</u>	<u>\$ 214,700</u>
Total liabilities				

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, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections And Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 31,379,147	\$ 29,671,473	\$ 1,707,674
2008-2009	1,471,926	-	741,513	730,413
2007-2008	467,382	-	131,714	335,668
2006-2007	210,470	-	40,661	169,809
2005-2006	129,652	-	21,374	108,278
2004-2005	102,261	-	11,750	90,511
2003-2004	97,573	-	6,872	90,701
2002-2003	85,369	-	5,196	80,173
2001-2002	71,470	-	2,402	69,068
2000-2001	75,973	-	2,229	73,744
1999-2000	50,782	-	50,782	-
	<u>\$ 2,762,858</u>	<u>\$ 31,379,147</u>	<u>\$ 30,685,966</u>	3,456,039
				Less: allowance for uncollectible accounts <u>(900,000)</u>
				Ad valorem taxes receivable - net: General Fund <u>\$ 2,556,039</u>
				Reconcilement with revenues:
				Ad valorem taxes--General Fund \$ 30,886,805
				Reconciling items:
				Interest collected (278,957)
				Rental vehicle tax (11,107)
				Amounts written off for tax year 1999-2000 48,656
				Other taxes written off 21,415
				Collection on taxes previously written off (5,052)
				Prior year releases, refunds and other adjustments 34,467
				DMV interest (12,693)
				Other miscellaneous reconciling items 7,621
				Collection fees <u>(5,189)</u>
				Total reconciling items <u>(200,839)</u>
				Total collections and credits <u>\$ 30,685,966</u>

JACKSON COUNTY, NORTH CAROLINA

Analysis of Current Tax Levy
County-wide Levy

For the Fiscal Year Ended June 30, 2010

	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	\$ 10,933,040,000	0.28	\$ 30,612,512	\$ 29,857,950	\$ 754,562
Utilities at current year's rate	129,759,643	0.28	363,327	363,327	-
Total	<u>11,062,799,643</u>		<u>30,975,839</u>	<u>30,221,277</u>	<u>754,562</u>
Discoveries:					
Current year taxes	171,193,214	0.28	479,341	479,341	-
Abatements	<u>(27,154,643)</u>	0.28	<u>(76,033)</u>	<u>(66,708)</u>	<u>(9,325)</u>
Total property valuation	<u><u>\$ 11,206,838,214</u></u>				
Net levy			31,379,147	30,633,910	745,237
Uncollected taxes at June 30, 2010			<u>1,707,674</u>	<u>1,597,124</u>	<u>110,550</u>
Current year's taxes collected			<u>\$ 29,671,473</u>	<u>\$ 29,036,786</u>	<u>\$ 634,687</u>
Current levy collection percentage			<u>94.56%</u>	<u>94.79%</u>	<u>85.17%</u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Balance Sheet

For the Year Ended June 30, 2010

Line Item Number	Account Descriptions	Section 8 14.871
	Assets:	
	Current assets:	
	Cash:	
113	Cash--other restricted	\$ 43,167
100	Total cash	<u>43,167</u>
150	Total current assets	<u>43,167</u>
190	Total assets	<u><u>\$ 43,167</u></u>
	Equity:	
512.1	Fund balance	\$ 43,167
513	Total net assets	<u>43,167</u>
600	Total liabilities and net assets	<u><u>\$ 43,167</u></u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses

For the Year Ended June 30, 2010

Line Item Number	Account Descriptions	Section 8 14.871
	Revenue:	
70600-010	Housing assistance payments	\$ 1,294,606
70600-020	Ongoing administrative fees earned	195,080
70600	Total HUD PHA operating grants	<u>1,489,686</u>
7100	Investment income--unrestricted	<u>310</u>
70000	Total revenue	<u><u>\$ 1,489,996</u></u>
	Expenses:	
91100	Administrative salaries	\$ 154,214
91200	Auditing fees	3,915
91500	Employee benefit contributions--administrative	49,131
91600	Office expenses	19,259
91800	Travel	3,121
91000	Total operating--administrative	<u>229,640</u>
96900	Total operating expenses	<u>229,640</u>
97000	Excess revenue over operating expenses	<u>1,260,356</u>
97300	Housing assistance payments	<u>1,380,061</u>
90000	Total expenses	<u>1,609,701</u>
10010	Operating transfers in	<u>29,412</u>
10100	Total other financing sources	<u>29,412</u>
10000	Excess (deficiency) of revenue over (under) expenses	<u><u>\$ (90,293)</u></u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses, Continued

For the Year Ended June 30, 2010

Line Item Number	Account Descriptions	Section 8 14.871
MEMO: Account information		
11190-210	Total ACC HCV Units	324
11190	Unit Months Available	3,888
11210	Unit Months Leased	3,856