

**JACKSON COUNTY
NORTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

List of Principal Officials

June 30, 2021

Board of Commissioners

Brian T. McMahan, Chairperson

Boyce T. Deitz

Mark Jones

Gayle Woody

Tom Stribling

County Manager

Don Adams

Finance Director

Darlene Fox



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JACKSON COUNTY, NORTH CAROLINA

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

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

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

Independent Auditor's Report

Board of County Commissioners
Jackson County
Sylva, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jackson County Alcoholic Beverage Control Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Jackson County Alcoholic Beverage Control Board and the Jackson County Tourism Development were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Coronavirus Relief Fund, and the American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, effective July 1, 2020, the County adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, the Law Enforcement Officers' Special Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Register of Deeds' Supplemental Pension Fund schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 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 grants agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 19, 2021



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Management's Discussion and Analysis

As management of Jackson County (the "County"), we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

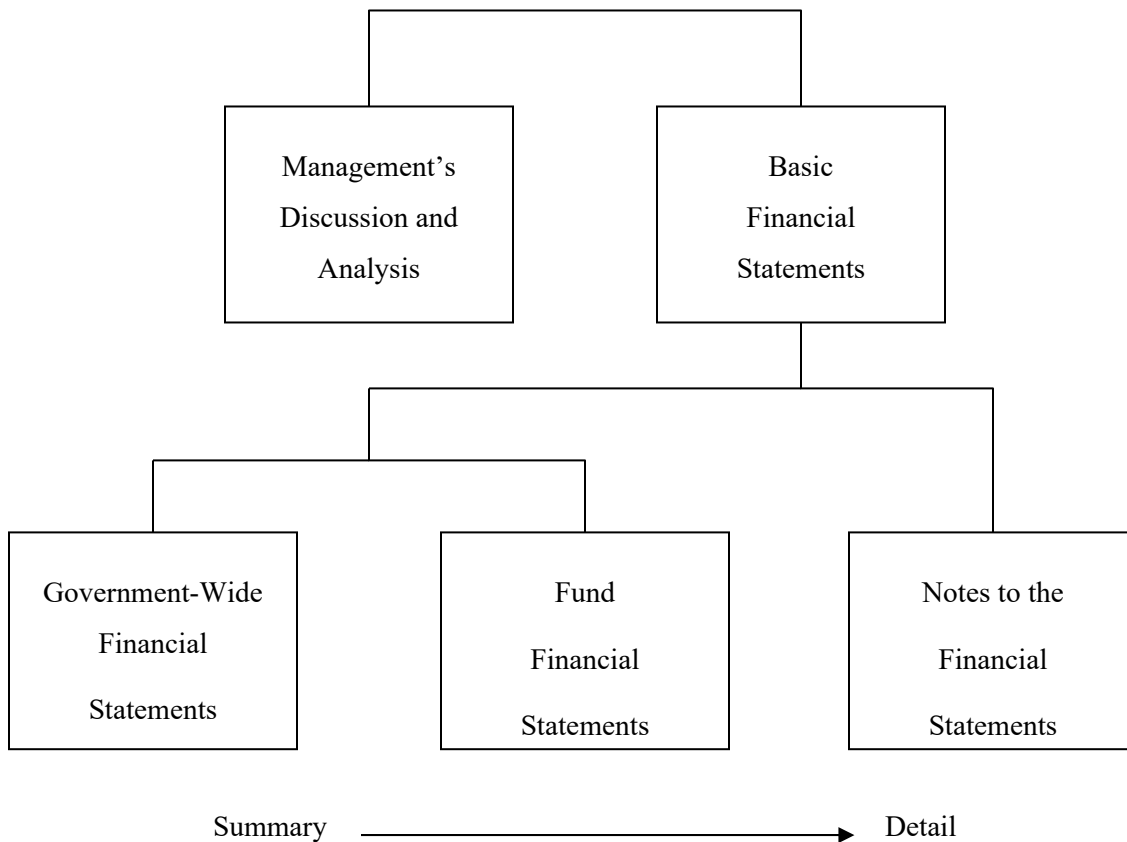
- The assets and deferred outflows of resources of Jackson County's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$53,479,451 and \$2,275,664, respectively.
- The government's total net position increased by \$12,732,294 of which \$12,692,585 was for an increase in governmental activities and \$39,709 was for an increase in business-type activities, as well as the implementation of GASB Statement No. 84, Fiduciary Activities, which combined 3 funds into the General fund that were once treated as agency funds.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$44,833,205, an increase of \$466,582 in comparison with the prior year. 50.39% (percent) of this total amount, or \$22,590,179, is available for spending at the government's discretion (unassigned fund balance.)
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,135,308, or 30.62% (percent), of total General Fund expenditures and transfers to other funds for the fiscal year.
- Jackson County's governmental activities long-term debt (excluding compensated absences, OPEB and pension related liabilities) decreased by \$3,942,944 during the current fiscal year. This is due to regularly scheduled debt service repayments and no new issuance of debt related to governmental activities, in the fiscal year.

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 (Exhibit A and B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through M) 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 nonmajor governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in that part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes the landfill services offered by Jackson County, the Green Energy Park, and the Economic Development Commission. The final category is the component units. The Jackson County Tourism Development Authority was created by the Jackson County Board of Commissioners on January 1, 2013 for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints all fifteen voting members of the Jackson County Tourism Development Authority. The Board adopts a budget to be used by the Authority and approves amendments to the approved budget. The Jackson County Airport Authority exists to operate, promote and to further improve the airport facilities and aviation for County residents. The Jackson County Board of Commissioners appoints two of the five voting members of the Jackson County Airport Authority, and also adopts the Airport Authority's budget and approves all budget amendments to the approved budget. The Jackson County Alcoholic Beverage Control Board was created on May 1, 2014 for the purpose of operating two liquor stores in the County and for investigating violations of North Carolina Alcoholic Beverage Control laws. The Jackson County Board of Commissioners appoints all of the Jackson County Alcoholic Beverage Control Board's voting members.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Jackson County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Jackson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statements of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Jackson County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jackson County has two fiduciary funds, all of which are custodial 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 after Exhibit M of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Jackson County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found after the notes to the financial statements.

Government-Wide Financial Analysis

Jackson County's Net Position

Figure 2

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 54,230,544	\$ 1,195,487	\$ 55,426,031	\$ 51,665,343	\$ 1,129,821	\$ 52,795,164
Capital assets	93,239,338	4,911,130	98,150,468	82,141,506	5,081,574	87,223,080
Total assets	147,469,882	6,106,617	153,576,499	133,806,849	6,211,395	140,018,244
Deferred Outflows of Resources	15,784,009	415,735	16,199,744	5,110,323	103,656	5,213,979
Liabilities:						
Current liabilities	12,386,426	304,637	12,691,063	10,419,673	290,494	10,710,167
Long-term liabilities	88,455,109	3,670,837	92,125,946	77,243,428	3,465,503	80,708,931
Total liabilities	100,841,535	3,975,474	104,817,009	87,663,101	3,755,997	91,419,098
Deferred Inflows of Resources	8,932,905	271,214	9,204,119	10,579,969	323,099	10,903,068
Net Position:						
Net investment in capital assets	80,339,750	4,090,028	84,429,778	61,252,270	4,025,871	65,278,141
Restricted	10,224,519	-	10,224,519	16,784,300	-	16,784,300
Unrestricted	(37,084,818)	(1,814,364)	(38,899,182)	(37,362,468)	(1,789,916)	(39,152,384)
Total net position	\$ 53,479,451	\$ 2,275,664	\$ 55,755,115	\$ 40,674,102	\$ 2,235,955	\$ 42,910,057

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Jackson County exceeded liabilities and deferred inflows of resources by \$55,755,115 as of June 30, 2021. The County's net position increased by \$12,732,294 for the fiscal year ended June 30, 2021, of which \$12,692,585 was for an increase in governmental activities and \$39,709 was for an increase in business-type activities. One of the largest portions of net position reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Jackson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Jackson County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$38,899,182 is unrestricted deficit, which is primarily due to unfunded OPEB obligations and net pension liabilities.

Particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position: continued diligence in the collection of property taxes by maintaining a collection percentage of 98.83 percent, constant with the statewide average of 98.83 percent for counties in the 25,000-49,999 population range; increased revenue in property taxes due to growth within the County.

Jackson County's Changes in Net Position

Figure 3

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues						
Charges for services	\$ 5,719,416	\$ 3,622,237	\$ 9,341,653	\$ 5,159,381	\$ 3,619,168	\$ 8,778,549
Operating grants and contributions	12,761,288	2,626	12,763,914	7,706,120	2,468	7,708,588
Capital grants and contributions	-	-	-	2,864,299	-	2,864,299
General revenues:						
Property taxes	39,557,748	-	39,557,748	38,039,496	-	38,039,496
Local option sales tax	19,696,308	-	19,696,308	16,369,217	-	16,369,217
Other taxes	363,060	90,767	453,827	192,292	82,606	274,898
Investment earnings	13,653	16,048	29,701	318,974	24,567	-
Total revenues	<u>78,111,473</u>	<u>3,731,678</u>	<u>81,843,151</u>	<u>70,649,779</u>	<u>3,728,809</u>	<u>74,035,047</u>
Expenses:						
General government	348,700	-	348,700	11,344,205	-	11,344,205
Public safety	19,675,729	-	19,675,729	18,823,808	-	18,823,808
Transportation	770,564	-	770,564	980,758	-	980,758
Environmental protection	333,897	-	333,897	685,611	-	685,611
Economic and physical development	1,177,889	-	1,177,889	1,579,430	-	1,579,430
Human services	15,592,720	-	15,592,720	15,360,838	-	15,360,838
Culture and recreation	3,824,569	-	3,824,569	3,956,628	-	3,956,628
Education	22,503,679	-	22,503,679	13,396,118	-	13,396,118
Interest and other charges	621,148	-	621,148	712,480	-	712,480
Landfill	-	3,958,013	3,958,013	-	3,832,336	3,832,336
Green Energy Park	-	253,746	253,746	-	289,688	289,688
Economic Development Commission	-	50,203	50,203	-	50,833	50,833
Total expenses	<u>64,848,895</u>	<u>4,261,962</u>	<u>69,110,857</u>	<u>66,839,876</u>	<u>4,172,857</u>	<u>71,012,733</u>
Change in net position before transfers	13,262,578	(530,284)	12,732,294	3,809,903	(444,048)	3,365,855
Transfers	<u>(569,993)</u>	<u>569,993</u>	<u>-</u>	<u>(215,000)</u>	<u>215,000</u>	<u>-</u>
Change in net position	<u>12,692,585</u>	<u>39,709</u>	<u>12,732,294</u>	<u>3,594,903</u>	<u>(229,048)</u>	<u>3,365,855</u>
Net Position:						
Beginning of year, July 1	40,674,102	2,235,955	42,910,057	37,079,199	2,465,003	39,544,202
Prior period restatement						
Change in accounting principle	<u>112,764</u>	<u>-</u>	<u>112,764</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position July 1, as restated	<u>40,786,866</u>	<u>2,235,955</u>	<u>43,022,821</u>	<u>37,079,199</u>	<u>2,465,003</u>	<u>39,544,202</u>
End of year, June 30	<u>\$ 53,479,451</u>	<u>\$ 2,275,664</u>	<u>\$ 55,755,115</u>	<u>\$ 40,674,102</u>	<u>\$ 2,235,955</u>	<u>\$ 42,910,057</u>

Governmental Activities - Governmental activities increased the County's net position by \$12,692,585. Key elements of this increase are as follows:

- Other taxes (primarily sales tax) increased as the County's current economic conditions improve. Overall, the County realized a 21.06% (percent) increase for the year.
- The increase in human service expenses are related to the Health Department renovation project.
- The increase in the education expenses are related to various school construction projects being completed and additional funding for teacher supplements and bonuses.

Business-Type Activities – Business-type activities increased Jackson County's net position by \$39,709. The key element of this increase is as follows:

- The Landfill Fund, Green Energy Park Fund and the Economic Development Fund ended the year with an addition to net position. The Landfill Fund and Green Energy Park had subsidies from the General Fund.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Jackson County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,135,308, while total fund balance reached \$35,221,830. As a measure of the General Fund's liquidity, it may be useful to use all fund balance except for the amount restricted for stabilization by state statute, \$6,563,806. Fund balance available for appropriation of \$28,658,024 represents 37.93% (percent) of total General Fund expenditures and transfers out, while total fund balance represents 46.62% (percent) of that same amount.

At June 30, 2021, the governmental funds of Jackson County reported a combined fund balance of \$44,833,205 an increase of \$466,582. The primary reason for this increase in fund balance is the increased sales tax revenues.

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 decreased revenues by \$7,456,477, which is eleven percent.

Proprietary Funds. Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Landfill, Green Energy Park, and Economic Development Commission funds at the end of the fiscal year amounted to \$2,275,664. The total increase in net position for the funds was \$39,709. 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, 2021, totals \$98,011,952 (net of accumulated depreciation). These assets include buildings and improvements, land, machinery and equipment, vehicles, plant and distribution systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchased an Audio Visual System for the Governing Body
- Purchased new Dell Poweredge R540 Server for GIS
- Purchased a Ballymore Scissor Lift for Maintenance
- Purchased five 2020 Dodge Chargers, and three Dodge Durango's for the Sheriff's Office
- Purchased an Evidence Locker and Video Arraignment System for the Jail
- Purchased a 40x40 Tent and a Lifesize Video System for Emergency Management
- Purchased a 2020 Ford Truck for Code Enforcement
- Purchased three Transport Vans for Transit
- Purchased a HP Designjet SD Plotter printer for the Planning Department
- Purchased eight exam tables, vaccination trailer, cargo trailer, 2020 Ford Cargo van, and a diagnostic system for the Health Department
- Purchased a 2020 Ford Escape and a Camera system for the Department of Social Services
- Purchased a Wello Station Kiosk and a Walk-in Freezer for the Department on Aging
- Purchased camera system for the Jackson County Library
- Purchased playground equipment for Cashiers Recreation
- Addition of construction in progress on the Dillsboro Complex, SCC Science Building and Health Department Projects

Jackson County's Capital Assets, Net of Accumulated Depreciation

Figure 4

	2021			2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 15,479,734	\$ 146,368	\$ 15,626,102	\$ 15,479,734	\$ 146,368	\$ 15,626,102
Buildings and improvements	39,998,226	1,908,349	41,906,575	40,976,656	1,998,080	42,974,736
Machinery and equipment	2,029,281	2,771,732	4,801,013	1,809,591	2,836,321	4,645,912
Vehicles	1,945,790	84,681	2,030,471	1,999,898	100,805	2,100,703
Construction in progress	33,647,791	-	33,647,791	21,764,108	-	21,764,108
Capital assets, net	<u>\$ 93,100,822</u>	<u>\$ 4,911,130</u>	<u>\$ 98,011,952</u>	<u>\$ 82,029,987</u>	<u>\$ 5,081,574</u>	<u>\$ 87,111,561</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, 2021, Jackson County had total debt outstanding of \$24,842,372, most of which is collateralized by capital assets. However, approximately \$11,260,000 of the debt is collateralized by capital assets held by the Jackson County Board of Education under capital lease agreements. Those assets are not included in the County's capital assets.

Jackson County's Outstanding Debt Installment Purchase Obligations

Figure 5

	2021			2020		
	<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 Installment Purchases from Direct Placements	\$ 24,021,270	\$ 821,102	\$ 24,842,372	\$ 27,729,613	\$ 1,055,703	\$ 28,785,316

Jackson County's debt, shown above, decreased \$3,942,944 (13.70 percent) during the past fiscal year. The decrease is primarily due regularly schedules debt service payments for outstanding debt, and no new issuances of debt in the fiscal year.

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 \$772,140,000.

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

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate is 4.7 percent, slightly higher than the state average of 4.6 percent and the lower than the national average of 5.4 percent.
- Retail vacancy rates increased mainly due to the Covid-19 Pandemic. The average vacancy rate for the year was in the 59.02 percent range. The County experienced an increase overall in room occupancy tax fees.
- Construction for new homes and businesses is increasing.

Impact of Coronavirus on the County. During the fiscal year, the state and the nation were affected by the spread of a coronavirus.

The Covid-19 Pandemic is still having an impact on businesses in the County. The Recreation Centers and Aging Services are back to normal operations. Sales tax revenues increased by 21.06% above the previous fiscal year. The County is experiencing a growth in new construction and home sales. Rentals though Home Away, Airbnb and other third-party agents have continued to increase due to the ongoing pandemic.

Budget Highlights for the Fiscal Year Ending June 30, 2022

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

Budgeted expenditures in the General Fund are expected to increase 7.69 percent to \$71,666,678. The largest increments are in the salary and health insurance costs, a decrease in debt transfers, and increased operational expenses. The public schools, community college, and library expenses were increased.

Business-Type Activities. General operating expenses of the Landfill Fund will remain the same. Revenues from the sales of materials and volumes for tipping fees have increased slightly. An increase in sales of recycled materials is projected. Rates for landfill services are increased by 15 percent. The Green Energy Park Fund operational budget will decrease by 2.81 percent. The Economic Development Fund operational budget decrease by 62 percent due to a business moving from the facility.

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, North Carolina 28779.

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Assets:						
Current assets:						
Cash and cash equivalents	\$ 40,873,548	\$ 807,963	\$ 41,681,511	\$ 1,547,659	\$ 180,116	\$ 1,086,411
Restricted cash and cash equivalents	4,563,186	-	4,563,186	-	-	-
Taxes receivable, net	723,606	-	723,606	-	-	-
Accounts receivable, net	1,441,272	312,649	1,753,921	-	1,217	4,411
Due from primary government	-	-	-	308,131	-	-
Due from other governments	6,620,598	50,064	6,670,662	-	11,688	-
Notes receivable, net	8,334	24,811	33,145	-	-	-
Inventory and prepaids	-	-	-	-	15,745	709,006
Total current assets	<u>54,230,544</u>	<u>1,195,487</u>	<u>55,426,031</u>	<u>1,855,790</u>	<u>208,766</u>	<u>1,799,828</u>
Non-current assets:						
Net pension asset (RODSPF)	138,516	-	138,516	-	-	-
Capital assets:						
Land and construction in progress	49,127,525	146,368	49,273,893	-	4,818,067	12,301
Depreciable capital assets, net of depreciation	<u>43,973,297</u>	<u>4,764,762</u>	<u>48,738,059</u>	<u>-</u>	<u>544,586</u>	<u>848,317</u>
Total non-current assets	<u>93,239,338</u>	<u>4,911,130</u>	<u>98,150,468</u>	<u>-</u>	<u>5,362,653</u>	<u>860,618</u>
Total assets	<u>147,469,882</u>	<u>6,106,617</u>	<u>153,576,499</u>	<u>1,855,790</u>	<u>5,571,419</u>	<u>2,660,446</u>
Deferred Outflows of Resources:						
Pension deferrals	5,576,651	100,044	5,676,695	-	-	76,611
OPEB deferrals	<u>10,207,358</u>	<u>315,691</u>	<u>10,523,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>15,784,009</u>	<u>415,735</u>	<u>16,199,744</u>	<u>-</u>	<u>-</u>	<u>76,611</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	4,015,327	54,160	4,069,487	18,351	-	475,316
Liabilities to be paid from restricted assets:						
Advance from grantors	4,267,221	-	4,267,221	-	-	-
Accrued interest payable	-	6,514	6,514	-	-	-
Due to component unit	308,131	-	308,131	-	-	-
Compensated absences, current	404,317	9,362	413,679	-	-	-
Installment purchases, current	<u>3,391,430</u>	<u>234,601</u>	<u>3,626,031</u>	<u>-</u>	<u>-</u>	<u>32,290</u>
Total current liabilities	<u>12,386,426</u>	<u>304,637</u>	<u>12,691,063</u>	<u>18,351</u>	<u>-</u>	<u>507,606</u>
Non-current liabilities:						
Accrued landfill closure and post-closure care costs	-	1,570,120	1,570,120	-	-	-
Net pension liability - LGERS	7,706,592	189,607	7,896,199	-	-	152,228
Total pension liability - LEOSSA	<u>2,828,932</u>	<u>-</u>	<u>2,828,932</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total OPEB liability	56,076,794	1,296,523	57,373,317	-	-	-
Compensated absences, non-current	1,212,951	28,086	1,241,037	-	-	-
Installment purchases, non-current	<u>20,629,840</u>	<u>586,501</u>	<u>21,216,341</u>	<u>-</u>	<u>-</u>	<u>503,910</u>
Total non-current liabilities	<u>88,455,109</u>	<u>3,670,837</u>	<u>92,125,946</u>	<u>-</u>	<u>-</u>	<u>656,138</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Total liabilities	100,841,535	3,975,474	104,817,009	18,351	-	1,163,744
Deferred Inflows of Resources:						
Prepaid taxes	83,054	-	83,054	-	-	-
Pension deferrals	82,673	221	82,894	-	-	13,201
OPEB deferrals	8,767,178	270,993	9,038,171	-	-	-
Total deferred inflows of resources	8,932,905	271,214	9,204,119	-	-	13,201
Net Position:						
Net investment in capital assets	80,339,750	4,090,028	84,429,778	-	5,362,653	324,418
Restricted:						
Stabilization by state statute	8,479,488	-	8,479,488	308,131	-	-
Tourism Promotion	-	-	-	1,529,308	-	-
Register of Deeds' pension plan	130,299	-	130,299	-	-	-
Register of Deeds	53,235	-	53,235	-	-	-
Public safety	689,381	-	689,381	-	-	-
Economic and physical development	845,512	-	845,512	-	-	-
Human services	26,604	-	26,604	-	-	-
Working capital	-	-	-	-	-	193,016
Unrestricted	(37,084,818)	(1,814,364)	(38,899,182)	-	208,766	1,042,678
Total net position	<u>\$ 53,479,451</u>	<u>\$ 2,275,664</u>	<u>\$ 55,755,115</u>	<u>\$ 1,837,439</u>	<u>\$ 5,571,419</u>	<u>\$ 1,560,112</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 348,700	\$ 2,554,951	\$ 9,796	\$ -
Public safety	19,675,729	1,839,754	3,486,465	-
Transportation	770,564	79,316	122,395	-
Environmental protection	333,897	361,454	106,530	-
Economic and physical development	1,177,889	38,250	2,142,578	-
Human services	15,592,720	463,508	5,555,076	-
Cultural and recreation	3,824,569	382,183	-	-
Education	22,503,679	-	1,338,448	-
Interest on long-term debt	621,148	-	-	-
Total governmental activities	64,848,895	5,719,416	12,761,288	-
Business-type activities:				
Landfill	3,958,013	3,502,885	2,515	-
Green Energy Park	253,746	8,262	111	-
Economic Development Commission	50,203	111,090	-	-
Total business-type activities	4,261,962	3,622,237	2,626	-
Total primary government	\$ 69,110,857	\$ 9,341,653	\$ 12,763,914	\$ -
Component Units:				
Jackson County Tourism Development Authority	\$ 1,034,413	\$ 11,432	\$ 50,491	\$ -
Jackson County Airport Authority	202,820	81,936	-	-
Jackson County ABC Board	6,416,884	6,573,306	-	-
Total component units	\$ 7,654,117	\$ 6,666,674	\$ 50,491	\$ -

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

JACKSON COUNTY, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Primary Government:						
Governmental activities:						
General government	\$ 2,216,047	\$ -	\$ 2,216,047			
Public safety	(14,349,510)	-	(14,349,510)			
Transportation	(568,853)	-	(568,853)			
Environmental protection	134,087	-	134,087			
Economic and physical development	1,002,939	-	1,002,939			
Human services	(9,574,136)	-	(9,574,136)			
Cultural and recreation	(3,442,386)	-	(3,442,386)			
Education	(21,165,231)	-	(21,165,231)			
Interest on long-term debt	(621,148)	-	(621,148)			
Total governmental activities	(46,368,191)	-	(46,368,191)			
Business-type activities:						
Landfill	-	(452,613)	(452,613)			
Green Energy Park	-	(245,373)	(245,373)			
Economic Development Commission	-	60,887	60,887			
Total business-type activities	-	(637,099)	(637,099)			
Total primary government	(46,368,191)	(637,099)	(47,005,290)			
Component Units:						
Jackson County Tourism Development Authority				\$ (972,490)	\$ -	\$ -
Jackson County Airport Authority				-	(120,884)	-
Jackson County ABC Board				-	-	156,422
Total component units				(972,490)	(120,884)	156,422
General Revenues:						
Taxes:						
Property taxes, levied for						
general purpose	39,557,748	-	39,557,748	-	-	-
Local option sales tax	19,696,308	-	19,696,308	-	-	-
Beer and wine tax distribution	168,261	-	168,261	-	-	-
Occupancy taxes	-	-	-	2,109,686	-	-
Other taxes	194,799	90,767	285,566	-	-	-
Investment earnings, unrestricted	13,653	16,048	29,701	76	-	-
Miscellaneous, unrestricted	-	-	-	-	143,595	3,302
Total general revenues, excluding transfers	59,630,769	106,815	59,737,584	2,109,762	143,595	3,302
Transfers	(569,993)	569,993	-	-	-	-
Total general revenues and transfers	59,060,776	676,808	59,737,584	2,109,762	143,595	3,302
Change in net position	12,692,585	39,709	12,732,294	1,137,272	22,711	159,724
Net Position:						
Beginning of year, July 1	40,674,102	2,235,955	42,910,057	700,167	5,548,708	1,400,388
Prior period restatement - change in accounting principle	112,764	-	112,764	-	-	-
Beginning of year, July 1, as restated	40,786,866	2,235,955	43,022,821	700,167	5,548,708	1,400,388
End of year, June 30	\$ 53,479,451	\$ 2,275,664	\$ 55,755,115	\$ 1,837,439	\$ 5,571,419	\$ 1,560,112

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major						Nonmajor	
	General Fund	Coronavirus Relief Fund	American Rescue Plan Fund	School Improvements Fund	SCC Health Science Building Fund	Health Department Project Fund	Other Governmental Funds	Total
Assets:								
Cash and cash equivalents	\$ 31,816,856	\$ -	\$ -	\$ 4,494,722	\$ 269,228	\$ 26,604	\$ 4,266,138	\$ 40,873,548
Restricted cash and cash equivalents	295,965	-	4,267,221	-	-	-	-	4,563,186
Taxes receivable, net	699,521	-	-	-	-	-	24,085	723,606
Accounts receivable, net	6,722	-	-	499,292	901,019	-	34,239	1,441,272
Due from other governments	6,557,084	-	-	-	-	52,208	11,306	6,620,598
Due from other funds	-	-	-	409,284	-	-	-	409,284
Notes receivable, net	-	-	-	-	-	-	8,334	8,334
Total assets	<u>\$ 39,376,148</u>	<u>\$ -</u>	<u>\$ 4,267,221</u>	<u>\$ 5,403,298</u>	<u>\$ 1,170,247</u>	<u>\$ 78,812</u>	<u>\$ 4,344,102</u>	<u>\$ 54,639,828</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ 2,655,020	\$ -	\$ -	\$ 232,831	\$ 814,357	\$ -	\$ 313,119	\$ 4,015,327
Due to component unit	308,131	-	-	-	-	-	-	308,131
Due to other funds	409,284	-	-	-	-	-	-	409,284
Liabilities to be paid from restricted assets:								
Advance from grantors	-	-	4,267,221	-	-	-	-	4,267,221
Contract retainage	-	-	-	-	-	-	-	-
Total liabilities	<u>3,372,435</u>	<u>-</u>	<u>4,267,221</u>	<u>232,831</u>	<u>814,357</u>	<u>-</u>	<u>313,119</u>	<u>8,999,963</u>
Deferred Inflows of Resources:								
Prepaid taxes	82,362	-	-	-	-	-	692	83,054
Property taxes receivable	699,521	-	-	-	-	-	24,085	723,606
Total deferred inflows of resources	<u>781,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,777</u>	<u>806,660</u>
Fund Balances:								
Restricted:								
Stabilization by state statute	6,563,806	-	-	908,576	901,019	52,208	53,879	8,479,488
Register of Deeds	53,235	-	-	-	-	-	-	53,235
Public safety	-	-	-	-	-	-	689,381	689,381
Economic and physical development	-	-	-	-	-	-	845,512	845,512
Human services	-	-	-	-	-	26,604	-	26,604
Committed:								
Revaluation	295,106	-	-	-	-	-	-	295,106
Capital reserve	3,170,010	-	-	-	-	-	-	3,170,010
Conservation/preservation	1,800,889	-	-	-	-	-	-	1,800,889
Recreation	-	-	-	-	-	-	2,282,307	2,282,307
Education	-	-	-	4,261,891	-	-	-	4,261,891
General government	-	-	-	-	-	-	135,127	135,127
Assigned:								
Other post-employment benefits	203,476	-	-	-	-	-	-	203,476
Unassigned	23,135,308	-	-	-	(545,129)	-	-	22,590,179
Total fund balances	<u>35,221,830</u>	<u>-</u>	<u>-</u>	<u>5,170,467</u>	<u>355,890</u>	<u>78,812</u>	<u>4,006,206</u>	<u>44,833,205</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,376,148</u>	<u>\$ -</u>	<u>\$ 4,267,221</u>	<u>\$ 5,403,298</u>	<u>\$ 1,170,247</u>	<u>\$ 78,812</u>	<u>\$ 4,344,102</u>	<u>\$ 54,639,828</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

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

Total fund balance for governmental funds	\$ 44,833,205
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	93,100,822
Long-term liabilities, interest payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(25,638,538)
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be received within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	723,606
Deferred outflows of resources related to pensions are not reported in the funds.	5,576,651
Deferred outflows of resources related to OPEB are not reported in the funds.	10,207,358
Total pension liability - LEOSSA	(2,828,932)
Net pension liability - LGERS	(7,706,592)
Total OPEB liability	(56,076,794)
Net pension asset	138,516
Deferred inflows of resources related to pensions are not reported in the funds.	(82,673)
Deferred inflows of resources related to OPEB are not reported in the funds.	<u>(8,767,178)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 53,479,451</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major					Nonmajor	
	General Fund	Coronavirus Relief Fund	School Improvements Fund	SCC Health Science Building Fund	Health Department Project Fund	Other Governmental Funds	Total
Revenues:							
Ad valorem taxes	\$ 38,579,247	\$ -	\$ -	\$ -	\$ -	\$ 1,352,973	\$ 39,932,220
Other taxes	20,059,368	-	-	-	-	-	20,059,368
Unrestricted intergovernmental	628,614	-	-	-	-	-	628,614
Restricted intergovernmental	7,777,711	1,817,632	1,288,707	1,826,512	-	429,991	13,140,553
Other restricted revenues	7,489,490	-	-	-	-	-	7,489,490
Permits and fees	3,363,570	-	-	-	-	-	3,363,570
Sales and services	787,121	-	-	-	-	-	787,121
Investment earnings	10,746	-	-	1,781	477	649	13,653
Miscellaneous	473,020	-	-	-	15,000	-	488,020
Total revenues	<u>79,168,887</u>	<u>1,817,632</u>	<u>1,288,707</u>	<u>1,828,293</u>	<u>15,477</u>	<u>1,783,613</u>	<u>85,902,609</u>
Expenditures:							
Current:							
General government	12,017,103	-	-	-	-	108,475	12,125,578
Public safety	17,406,455	597,018	-	-	-	2,766,444	20,769,917
Transportation	1,009,136	-	-	-	-	-	1,009,136
Environmental protection	227,521	-	-	-	-	-	227,521
Economic and physical development	1,071,761	-	-	-	-	166,362	1,238,123
Human services	16,428,512	-	-	-	2,354,651	-	18,783,163
Culture and recreation	3,643,090	-	-	-	-	292,000	3,935,090
Intergovernmental:							
Education	12,434,565	-	1,582,351	8,486,763	-	-	22,503,679
Debt service:							
Principal retirement	3,708,343	-	-	-	-	-	3,708,343
Interest and other charges	621,148	-	-	-	-	-	621,148
Total expenditures	<u>68,567,634</u>	<u>597,018</u>	<u>1,582,351</u>	<u>8,486,763</u>	<u>2,354,651</u>	<u>3,333,281</u>	<u>84,921,698</u>
Revenues over (under) expenditures	<u>10,601,253</u>	<u>1,220,614</u>	<u>(293,644)</u>	<u>(6,658,470)</u>	<u>(2,339,174)</u>	<u>(1,549,668)</u>	<u>980,911</u>
Other Financing Sources (Uses):							
Transfers from other funds	2,077,802	-	3,563,269	-	200,000	2,827,774	8,668,845
Transfers to other funds	(6,978,743)	(1,220,614)	(1,039,481)	-	-	-	(9,238,838)
Proceeds from sale of capital assets	55,664	-	-	-	-	-	55,664
Total other financing sources (uses)	<u>(4,845,277)</u>	<u>(1,220,614)</u>	<u>2,523,788</u>	<u>-</u>	<u>200,000</u>	<u>2,827,774</u>	<u>(514,329)</u>
Net change in fund balances	<u>5,755,976</u>	<u>-</u>	<u>2,230,144</u>	<u>(6,658,470)</u>	<u>(2,139,174)</u>	<u>1,278,106</u>	<u>466,582</u>
Fund Balances:							
Beginning of year, July 1	29,353,090	-	2,940,323	7,014,360	2,217,986	2,728,100	44,253,859
Prior period restatement - change in accounting principle	112,764	-	-	-	-	-	112,764
Beginning of year, July 1, as restated	<u>29,465,854</u>	<u>-</u>	<u>2,940,323</u>	<u>7,014,360</u>	<u>2,217,986</u>	<u>2,728,100</u>	<u>44,366,623</u>
End of year, June 30	<u>\$ 35,221,830</u>	<u>\$ -</u>	<u>\$ 5,170,467</u>	<u>\$ 355,890</u>	<u>\$ 78,812</u>	<u>\$ 4,006,206</u>	<u>\$ 44,833,205</u>

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

JACKSON COUNTY, NORTH CAROLINA**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	\$ 466,582
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes, grant receivables and business licenses	(374,472)
Pension expense	(938,502)
Expenses related to compensated absences, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(1,240,201)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	13,403,446
Loss on capital asset disposed of during the year, not recognized on modified accrual basis	(29,652)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,302,959)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	<u>3,708,343</u>
Changes in net position of governmental activities (Exhibit B)	<u>\$ 12,692,585</u>

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

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 37,711,120	\$ 38,531,120	\$ 38,579,247	\$ 48,127
Other taxes	15,200,646	18,630,432	20,059,368	1,428,936
Unrestricted intergovernmental	474,572	474,572	628,614	154,042
Restricted intergovernmental	8,744,097	10,117,736	7,777,711	(2,340,025)
Other restricted revenues	60,700	100,500	63,012	(37,488)
Permits and fees	2,410,377	3,484,377	3,363,570	(120,807)
Sales and services	1,284,825	1,316,220	787,121	(529,099)
Investment earnings	200,000	200,000	9,753	(190,247)
Miscellaneous	388,811	1,076,668	473,020	(603,648)
Total revenues	<u>66,475,148</u>	<u>73,931,625</u>	<u>71,741,416</u>	<u>(2,190,209)</u>
Expenditures:				
Current:				
General government	10,103,717	10,897,454	9,983,361	914,093
Public safety	15,348,336	16,362,058	15,503,222	858,836
Transportation	1,249,019	1,786,096	871,917	914,179
Environmental protection	85,408	85,408	53,199	32,209
Economic and physical development	958,117	1,028,651	922,562	106,089
Human services	14,824,044	16,229,972	14,185,798	2,044,174
Culture and recreation	3,705,442	3,952,487	3,364,853	587,634
Intergovernmental:				
Education	11,664,757	12,714,765	12,434,565	280,200
Debt service:				
Principal retirement	3,708,346	3,708,346	3,708,343	3
Interest and other charges	621,151	621,151	621,148	3
Contingency	<u>1,029,908</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>63,298,245</u>	<u>67,386,388</u>	<u>61,648,968</u>	<u>5,737,420</u>
Revenues over (under) expenditures	<u>3,176,903</u>	<u>6,545,237</u>	<u>10,092,448</u>	<u>3,547,211</u>
Other Financing Sources (Uses):				
Transfers to other funds	(4,109,091)	(8,711,639)	(8,331,577)	380,062
Transfers from other funds	857,188	2,077,802	2,077,802	-
Proceeds from sale of capital assets	<u>75,000</u>	<u>88,600</u>	<u>55,664</u>	<u>(32,936)</u>
Total other financing sources (uses)	<u>(3,176,903)</u>	<u>(6,545,237)</u>	<u>(6,198,111)</u>	<u>347,126</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,894,337</u>	<u>\$ 3,894,337</u>
Fund Balance:				
Beginning of year, July 1			24,789,676	
Prior period restatement - change in accounting principle			<u>112,764</u>	
Beginning of year, July 1, as restated			<u>24,902,440</u>	
End of year, June 30			<u>\$ 28,796,777</u>	

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

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			\$ (394,106)	
Transfers from the General Fund			<u>352,834</u>	
Net change in fund balance			(41,272)	
Beginning fund balance			<u>336,378</u>	
Ending fund balance			<u>295,106</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenues			993	
Transfers from the General Fund			1,000,000	
Transfers to the Dillsboro Complex Project Fund			<u>(1,000,000)</u>	
Net change in fund balance			993	
Beginning fund balance			<u>3,169,017</u>	
Ending fund balance			<u>3,170,010</u>	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			(174,322)	
Transfers from the General Fund			<u>1,000,000</u>	
Net change in fund balance			825,678	
Beginning fund balance			<u>975,211</u>	
Ending fund balance			<u>1,800,889</u>	
A legally budgeted Health Insurance Fund is consolidated into the General Fund for reporting purposes:				
Revenues			7,426,478	
Expenditures			<u>(6,350,238)</u>	
Net change in fund balance			1,076,240	
Beginning fund balance			<u>82,808</u>	
Ending fund balance			<u>1,159,048</u>	
Ending fund balance - Combined General Fund			<u>\$ 35,221,830</u>	

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

JACKSON COUNTY, NORTH CAROLINA

**ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND -
CORONAVIRUS RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ 1,817,632	\$ 1,817,632	\$ -
Expenditures:				
Public safety:				
Operating	-	597,018	597,018	-
Revenues over (under) expenditures	-	1,220,614	1,220,614	-
Other Financing Sources (Uses):				
Transfers to General Fund	-	(1,220,614)	(1,220,614)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance:				
Beginning balance, July 1			-	
Ending balance, June 30			<u>\$ -</u>	

JACKSON COUNTY, NORTH CAROLINA

ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND -
 AMERICAN RESCUE PLAN FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ 4,267,221	\$ -	\$ (4,267,221)
Expenditures:				
Public safety:				
Operating	-	4,267,221	-	4,267,221
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance:				
Beginning balance, July 1			-	
Ending balance, June 30			\$ -	

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Major	Nonmajor	
	Landfill	Other	
	Fund	Enterprise	Total
		Funds	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 63,860	\$ 744,103	\$ 807,963
Accounts receivable, net	311,433	1,216	312,649
Due from other governments	50,064	-	50,064
Notes receivable, net	-	24,811	24,811
Total current assets	<u>425,357</u>	<u>770,130</u>	<u>1,195,487</u>
Non-current assets:			
Capital assets:			
Land	146,368	-	146,368
Depreciable capital assets, net of depreciation	<u>3,706,205</u>	<u>1,058,557</u>	<u>4,764,762</u>
Total non-current assets	<u>3,852,573</u>	<u>1,058,557</u>	<u>4,911,130</u>
Total assets	<u>4,277,930</u>	<u>1,828,687</u>	<u>6,106,617</u>
Deferred Outflows of Resources:			
Pension deferrals	72,390	27,654	100,044
OPEB deferrals	<u>210,460</u>	<u>105,231</u>	<u>315,691</u>
Total deferred outflows of resources	<u>282,850</u>	<u>132,885</u>	<u>415,735</u>
Liabilities:			
Current liabilities:			
Accounts payable	39,998	14,162	54,160
Accrued interest payable	6,514	-	6,514
Compensated absences, current	4,700	4,662	9,362
Installment purchases, current	<u>234,601</u>	<u>-</u>	<u>234,601</u>
Total current liabilities	<u>285,813</u>	<u>18,824</u>	<u>304,637</u>
Non-current liabilities:			
Installment purchases, non-current	586,501	-	586,501
Compensated absences, non-current	14,101	13,985	28,086
Net pension liability - LGERS	133,293	56,314	189,607
Total OPEB liability	926,221	370,302	1,296,523
Accrued landfill closure and post-closure care costs	<u>1,570,120</u>	<u>-</u>	<u>1,570,120</u>
Total non-current liabilities	<u>3,230,236</u>	<u>440,601</u>	<u>3,670,837</u>
Total liabilities	<u>3,516,049</u>	<u>459,425</u>	<u>3,975,474</u>
Deferred Inflows of Resources:			
Pension deferrals	145	76	221
OPEB deferrals	<u>180,763</u>	<u>90,230</u>	<u>270,993</u>
Total deferred inflows of resources	<u>180,908</u>	<u>90,306</u>	<u>271,214</u>
Net Position:			
Net investment in capital assets	3,031,471	1,058,557	4,090,028
Unrestricted	<u>(2,167,648)</u>	<u>353,284</u>	<u>(1,814,364)</u>
Total net position	<u>\$ 863,823</u>	<u>\$ 1,411,841</u>	<u>\$ 2,275,664</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
		<u>Funds</u>	
Operating Revenues:			
Charges for services	\$ 3,502,885	\$ 119,352	\$ 3,622,237
Total operating revenues	<u>3,502,885</u>	<u>119,352</u>	<u>3,622,237</u>
Operating Expenses:			
Landfill operations, closure and post-closure post-closure care costs	3,790,848	-	3,790,848
Park operations	-	250,863	250,863
Economic development operations	-	20,623	20,623
Depreciation	<u>147,769</u>	<u>32,463</u>	<u>180,232</u>
Total operating expenses	<u>3,938,617</u>	<u>303,949</u>	<u>4,242,566</u>
Operating loss	<u>(435,732)</u>	<u>(184,597)</u>	<u>(620,329)</u>
Non-Operating Revenues (Expenses):			
Interest and investment revenues	15,335	713	16,048
Donations	-	111	111
Scrap tire tax	63,595	-	63,595
White goods tax	23,340	-	23,340
Electronics tax	3,123	-	3,123
Scrap tire grant	709	-	709
Miscellaneous revenue	2,515	-	2,515
Interest expense	<u>(19,396)</u>	<u>-</u>	<u>(19,396)</u>
Total non-operating revenues (expenses)	<u>89,221</u>	<u>824</u>	<u>90,045</u>
Income (loss) before transfers	(346,511)	(183,773)	(530,284)
Transfers:			
Transfers from other funds	<u>353,559</u>	<u>216,434</u>	<u>569,993</u>
Change in net position	7,048	32,661	39,709
Net Position:			
Beginning of year, July 1	<u>856,775</u>	<u>1,379,180</u>	<u>2,235,955</u>
End of year, June 30	<u>\$ 863,823</u>	<u>\$ 1,411,841</u>	<u>\$ 2,275,664</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
		<u>Funds</u>	
Cash Flows from Operating Activities:			
Cash received from customers	\$ 3,670,425	\$ 119,896	\$ 3,790,321
Cash paid for goods and services	(3,434,560)	(194,785)	(3,629,345)
Cash paid to employees for services	(289,926)	(53,060)	(342,986)
Net cash provided (used) by operating activities	<u>(54,061)</u>	<u>(127,949)</u>	<u>(182,010)</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	-	111	111
Transfers from other funds	353,559	216,434	569,993
Net cash provided (used) by non-capital financing activities	<u>353,559</u>	<u>216,545</u>	<u>570,104</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(9,788)	(9,788)
Principal paid on long-term debt	(234,601)	-	(234,601)
Interest paid on long-term debt	(19,396)	-	(19,396)
Net cash provided (used) by capital and related financing activities	<u>(253,997)</u>	<u>(9,788)</u>	<u>(263,785)</u>
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	18,645	18,645
Interest earned on investments	15,335	713	16,048
Net cash provided (used) by investing activities	<u>15,335</u>	<u>19,358</u>	<u>34,693</u>
Net change in cash and cash equivalents	60,836	98,166	159,002
Cash and Cash Equivalents:			
Beginning of year, July 1	<u>3,024</u>	<u>645,937</u>	<u>648,961</u>
End of year, June 30	<u>\$ 63,860</u>	<u>\$ 744,103</u>	<u>\$ 807,963</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
		<u>Funds</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (435,732)	\$ (184,597)	\$ (620,329)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	147,769	32,463	180,232
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	(135,662)	(76,373)	(212,035)
Change in deferred inflow - OPEB	(34,735)	(17,219)	(51,954)
Change in other post-employment benefits	253,507	126,753	380,260
Change in deferred outflow - pensions	(72,390)	(27,654)	(100,044)
Change in deferred inflow - pensions	145	(76)	69
Change in pensions	33,290	16,645	49,935
Change in accounts receivable	75,053	433	75,486
Change in accounts payable and accrued liabilities	106,530	770	107,300
Change in compensated absences	(3,586)	906	(2,680)
Accrued landfill closure and post-closure care costs	<u>11,750</u>	<u>-</u>	<u>11,750</u>
Net cash provided (used) by operating activities	<u>\$ (54,061)</u>	<u>\$ (127,949)</u>	<u>\$ (182,010)</u>

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

JACKSON COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION****FIDUCIARY FUNDS****JUNE 30, 2021**

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 203,690
Taxes receivables for other governments, net	<u>13,155</u>
Total assets	<u>216,845</u>
 Liabilities:	
Accounts payable and accrued liabilities	10,739
Due to other governments	<u>56</u>
Total liabilities	<u>10,795</u>
 Net Position:	
Restricted For:	
Individuals, organizations, and other governments	<u>206,050</u>
Total net position	<u><u>\$ 206,050</u></u>

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

JACKSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Ad valorem taxes for other governments	\$ 534,599
Collections on behalf of inmates	<u>180,296</u>
Total additions	<u>714,895</u>
Deductions:	
Tax distributions to other governments	523,017
Payments on behalf of inmates	<u>134,754</u>
Total deductions	<u>657,771</u>
Net increase (decrease) in fiduciary net position	<u>57,124</u>
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	<u>148,926</u>
Net position, beginning, as restated	<u>148,926</u>
Net position, ending	<u>\$ 206,050</u>

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



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NOTES TO FINANCIAL STATEMENTS



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JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

The accounting policies of Jackson County (the “County”) and its component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina (the “state”) under North Carolina General Statute (“state law”) 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County’s combined financial statements in order to emphasize that they are legally separate from the County.

Jackson County Industrial Facility and Pollution Control Financing Authority

Jackson County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a four-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

Jackson County Tourism Development Authority

The Jackson County Tourism Development Authority (the “JCTDA”) was established by the Jackson County Board of Commissioners, with the authorization of the North Carolina General Legislature under Session Law 2011-170 (most recently amended by North Carolina Session Law 2012-100), for the purpose of using occupancy taxes collected to promote travel and tourism within Jackson County. The JCTDA is composed of nine voting members and four ex-officio members, all who serve without compensation and are appointed by the Jackson County Board of Commissioners. Members are appointed to complete three year terms. The JCTDA may contract with any person, firm or organization to advise and assist in carrying out its duty to promote travel and tourism within the County. Complete financial statements for the JCTDA may be obtained by contacting the Jackson County Tourism Development Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

Jackson County Airport Authority

The Jackson County Airport Authority (the “Airport”) exists to operate, promote, and to further improve the airport facilities and aviation for County residents. During the fiscal year ended June 30, 2011, the Airport created its own Board. The Jackson County Board of Commissioners appoints

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

two of the five voting members of the Airport and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Airport and approves amendments to the approved budget. Complete financial statements for the Jackson County Airport Authority may be obtained by contacting the Jackson County Airport Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

Jackson County Alcoholic Beverage Control Board

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

Basis of Presentation, Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (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. 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 nonmajor funds.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Additionally, the County has a legally adopted budget for the Revaluation Fund, Capital Reserve Fund, Conservation/Preservation Fund, and Health Insurance Fund. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54 guidance, these funds are consolidated in the General Fund.

Coronavirus Relief Fund. This fund is used for the restricted funds related to federal funding provided through the CARES ACT. These funds are restricted for public safety expenditures.

American Rescue Plan Fund. This fund is used for the restricted funds related to federal funding provided through the ARP. These funds are restricted for public safety expenditures.

School Improvements Fund. This fund is used for the construction of school improvements from the proceeds of state grants, installment grants, and local matching funds. Additionally, the County has a legally adopted budget for the School Capital Reserve Fund. In accordance with GASB No. 54 guidance, this fund has been consolidated into the School Improvements Fund.

SCC Health Science Building Fund. This fund is used for the construction of health science building at Southwestern Community College ("SCC"). The project is be funds from proceeds from state grants, loan, and bond proceeds. Additionally, the County has a legally adopted budget for the SCC Health Science Building Fund.

Health Department Project Fund. This fund is used for the construction of a new health department building from the proceeds local funds. Additionally, the County has a legally adopted budget for the Health Department Project 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:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County,

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains thirteen legally budgeted nonmajor funds. The Emergency Telephone Fund, Law Enforcement Block Grant Fund, Fire Service Districts Fund, Community Development Scattered Site Project Fund, Clean Water Revolving Loan Fund, Economic Development Fund, and the Economic Development Commission Fund are reported as nonmajor special revenue funds. The Recreation Center Fund, Dillsboro Complex Project Fund, County Capital Projects Fund, and the Greenways Project Fund are reported as nonmajor capital projects funds. The Green Energy Park Fund and the Economic Development Commission Fund are reported as nonmajor proprietary funds.

Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds, which have no measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the state at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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 funds (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 project funds. The County Manager and/or Finance Director are authorized to transfer appropriations within the following: the Finance Director may transfer amounts between line item expenditures within departmental limitation and without a report being required; the County Manager may transfer amounts between departments including contingency appropriations, within the same fund, but he

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

must make an official report on such transfers at the following regular meeting of the Board of Commissioners; the funding for approved reclassifications may be transferred from the budgeted reserve with the approval of the County Manager. No revenues may be increased, or no funds may be transferred between funds unless formal action is taken by the Board of Commissioners. 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.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

All deposits of the County and the component units are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County and the component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the component units may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30I] authorizes the County and the component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT").

All investments of the County and the component units are reported at fair value.

The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Service. The Government Portfolio is reported at fair value.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Cash and Cash Equivalents

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

Restricted Assets

Cash and Cash Equivalents in the General Fund is considered restricted because it is generated and used for Erosion Control Bonds and for a Cell Tower Escrow account. Cash and cash equivalents in the American Rescue Plan Fund is considered restricted due to being unspent grant proceeds that are to be used for only eligible related expenditures.

	Restricted Cash Amount	Purpose
Governmental Activities:		
General Fund	\$ 295,965	Erosion bonds and cell tower escrow accounts
American Rescue Plan Fund	4,267,221	Unspent grant proceeds
Total governmental activities	<u>\$ 4,563,186</u>	

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, 2020.

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.

Inventories and Prepaid Items

The inventories of the Airport and ABC Board are valued at the lower of cost (first-in, first-out) or market. The inventories of the Airport and ABC Board consist of materials and supplies held for consumption or resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets

Purchased or constructed capital assets are recorded at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Plant & distribution systems	50 years
Improvements	25 years
Furniture and equipment	10 years
Vehicles	6 years
Computer equipment	3 years

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position can also report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The County has several items that meet the criterion for this category – OPEB and pension related deferrals.

In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and other OPEB and pension related deferrals.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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 Statement of Net Position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Compensated Absences

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

The sick leave policy of the County provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Restricted Fund Balance

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories 35-J-56 and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system and fire safety expenditures.

Restricted for Economic and Physical Development – portion of fund balance that is restricted by revenue source for economic development.

Restricted for Human Services – portion of fund balance restricted by revenue sources to be used for human service activities, such as health administration or related capital projects.

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A because of Register of Deeds Pension Plan of \$130,299, at June 30, 2021.

Committed Fund Balance

This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of Jackson County's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Committed for Revaluation – portion of fund balance that can only be used for tax revaluation activities. This includes the legally budgeted separately Revaluation Fund, that is collapsed into the General Fund.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Committed for Capital Reserve – portion of fund balance that can only be reserved until there are future capital needs. This includes the legally budgeted separately Capital Reserve Fund, that is collapsed into the General Fund.

Committed for Conservation/Preservation – portion of fund balance that can only be used for environmental conservation and preservation. This includes the legally budgeted separately Conservation/Preservation Fund, that is collapsed into the General Fund.

Committed for Recreation – portion of fund balance that can only be used for projects related to recreation. This includes the Dillsboro Complex Project Fund and a portion of the fund balance from the Greenways Project Fund.

Committed for General Government – portion of fund balance that can only be used for projects related to general government needs. This includes the County Capital Project Fund.

Committed for Education – portion of fund balance that has been committed by the board to only be used for school related projects and needs.

Assigned Fund Balance

This classification includes the portion of fund balance that Jackson County governing board has budgeted:

Assigned for Other Post-Employment Benefits – portion of fund balance that has been assigned for future expenditures related to other post-employment benefits.

Unassigned Fund Balance

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

The County does not have a formal revenue spending policy. However, it is the County's practice to use resources in the following hierarchy: installment loan proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance.

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

Defined Benefit Cost-Sharing Pension Plans

Jackson County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LGERS); and the Registers of Deeds' Supplemental Pension Fund (RODSPF). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

of the state-administered defined benefit plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net position have been determined on the same basis as they are reported by the state-administered defined benefit plans. Jackson County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of state-administered defined benefit pension plans. Investments for both plans are reported at fair value.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's and the component units' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the component units' agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the component units, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the component units or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the component units under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the component units have no policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$26,546,019 and a bank balance of \$26,950,243. Of the bank balance, \$683,394 was covered by federal depository insurance and \$26,266,849 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$2,980 cash on hand at June 30, 2021.

At June 30, 2021, the TDA's deposits had a carrying amount of \$1,147,659 and bank balance of \$1,147,660. Of the bank balance, \$250,000 was covered by federal depository insurance and \$897,660 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2021, the carrying amount of deposits and bank balance for the Airport was \$180,116, of which \$180,116 was covered by the Pooling Method. The Airport had \$0 in cash on hand at June 30, 2021.

At June 30, 2021, the carrying amount of the ABC Board's deposits was \$1,086,411, and the bank balance was \$2,562,362. All of the bank balance was covered by federal depository insurance.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Investments

At June 30, 2021, the County's investments consisted of \$19,899,388 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor service. The County has no formal policy on credit risk.

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

At June 30, 2021, the TDA's investments consisted of \$400,000 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's AAA-mf by Moody's Investor Service. The Cash Portfolio has no maturity value and is measured at fair value. The TDA has no formal policy on credit risk. These amounts are included within cash on the statement of net position.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

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 formal policy on custodial credit risk.

Property Tax – Use – Value Assessment on Certain Lands

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

Year Levied	Tax	Interest	Total
2021	\$ 416,090	\$ 17,996	\$ 434,086
2020	219,261	20,153	239,414
2019	167,755	7,074	174,829
2018	132,426	23,468	155,894
Total	<u>\$ 935,532</u>	<u>\$ 68,691</u>	<u>\$ 1,004,223</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Notes Receivable</u>	<u>Total</u>
Governmental Activities:					
General	\$ 6,722	\$ 1,562,521	\$ 6,557,084	\$ -	\$ 8,126,327
School improvement	499,292	-	-	-	499,292
Southwestern Community College Health Science	901,019	-	-	-	901,019
Health Department Project Fund	-	-	52,208	-	52,208
Other governmental	34,239	24,085	11,306	8,334	77,964
Allowance for doubtful accounts	-	(863,000)	-	-	(863,000)
Total governmental activities	<u>\$ 1,441,272</u>	<u>\$ 723,606</u>	<u>\$ 6,620,598</u>	<u>\$ 8,334</u>	<u>\$ 8,793,810</u>
Business-Type Activities:					
Landfill	\$ 407,333	\$ -	\$ 50,064	\$ -	\$ 457,397
Green Energy Park	1,216	-	-	-	1,216
Economic development	-	-	-	24,811	24,811
Allowance for doubtful accounts	(95,900)	-	-	-	(95,900)
Total business-type activities	<u>\$ 312,649</u>	<u>\$ -</u>	<u>\$ 50,064</u>	<u>\$ 24,811</u>	<u>\$ 387,524</u>

Due from other governments that is owed to the County at year-end consists of the following:

	<u>Sales Tax</u>	<u>State/ Federal Entities</u>	<u>Miscellaneous</u>	<u>Total</u>
Governmental Activities:				
General	\$ 5,739,304	\$ 662,676	\$ 155,104	\$ 6,557,084
Health Department Project Fund	52,208	-	-	52,208
Other governmental	11,306	-	-	11,306
Total governmental activities	<u>\$ 5,802,818</u>	<u>\$ 662,676</u>	<u>\$ 155,104</u>	<u>\$ 6,620,598</u>
Business-Type Activities:				
Landfill	<u>\$ 50,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,064</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Notes Receivable

The County has made loans to two companies from Community Development Block Grant revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from 0 to 2 percent and are repaid monthly and yearly over a period of one to thirteen years. Notes receivable are collateralized by a deed of trust on the companies' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Notes receivable balances and corresponding funds are as follows:

	<u>Balance</u>
Governmental Activities:	
Economic Development Fund	<u>\$ 8,334</u>
Business-Type Activities:	
Economic Commission Development Fund	<u>\$ 24,811</u>

Due To/From Other Funds

The following due to/from amounts for the County are for:

Due To/From Other Funds:	
Due from General Fund to School	
Improvements Fund for timing of funding	<u>\$ 409,284</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 15,479,734	\$ -	\$ -	\$ -	\$ 15,479,734
Construction in progress	21,764,108	12,325,147	-	(441,464)	33,647,791
Total non-depreciable capital assets	<u>37,243,842</u>	<u>12,325,147</u>	<u>-</u>	<u>(441,464)</u>	<u>49,127,525</u>
Depreciable Capital Assets:					
Buildings	64,728,404	-	-	441,464	65,169,868
Equipment	7,373,748	536,781	-	-	7,910,529
Vehicles	6,355,965	541,518	336,208	-	6,561,275
Total depreciable capital assets	<u>78,458,117</u>	<u>1,078,299</u>	<u>336,208</u>	<u>441,464</u>	<u>79,641,672</u>
Less Accumulated Depreciation:					
Buildings	23,751,748	1,419,894	-	-	25,171,642
Equipment	5,564,157	317,091	-	-	5,881,248
Vehicles	4,356,067	565,974	306,556	-	4,615,485
Total accumulated depreciation	<u>33,671,972</u>	<u>\$ 2,302,959</u>	<u>\$ 306,556</u>	<u>\$ -</u>	<u>35,668,375</u>
Total depreciable capital assets, net	<u>44,786,145</u>				<u>43,973,297</u>
Governmental activities capital assets, net	<u>\$ 82,029,987</u>				<u>\$ 93,100,822</u>

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

General government	\$ 939,301
Public safety	643,201
Transportation	96,053
Economic and physical development	24,674
Human services	122,097
Culture and recreation	477,633
Total depreciation expense	<u>\$ 2,302,959</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Landfill Fund:				
Non-Depreciable Capital Assets:				
Land	\$ 146,368	\$ -	\$ -	\$ 146,368
Depreciable Capital Assets:				
Buildings and improvements	1,996,343	-	-	1,996,343
Plant and distribution systems	3,545,486	-	-	3,545,486
Furniture and maintenance equipment	1,117,426	-	-	1,117,426
Total depreciable capital assets	<u>6,659,255</u>	<u>-</u>	<u>-</u>	<u>6,659,255</u>
Less Accumulated Depreciation:				
Buildings and improvements	1,075,660	60,690	-	1,136,350
Plant and distribution systems	713,000	70,955	-	783,955
Furniture and maintenance equipment	1,016,621	16,124	-	1,032,745
Total accumulated depreciation	<u>2,805,281</u>	<u>\$ 147,769</u>	<u>\$ -</u>	<u>2,953,050</u>
Total depreciable capital assets, net	<u>3,853,974</u>			<u>3,706,205</u>
Landfill Fund capital assets, net	<u>\$ 4,000,342</u>			<u>\$ 3,852,573</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Economic Development Fund:				
Depreciable Capital Assets:				
Buildings	\$ 1,403,838	\$ -	\$ -	\$ 1,403,838
Equipment	15,040	-	-	15,040
Total depreciable capital assets	<u>1,418,878</u>	<u>-</u>	<u>-</u>	<u>1,418,878</u>
Less Accumulated Depreciation:				
Buildings	363,978	28,076	-	392,054
Equipment	13,285	1,504	-	14,789
Total accumulated depreciation	<u>377,263</u>	<u>\$ 29,580</u>	<u>\$ -</u>	<u>406,843</u>
Total depreciable capital assets, net	<u>1,041,615</u>			<u>1,012,035</u>
Economic Development Fund capital assets, net	<u>\$ 1,041,615</u>			<u>\$ 1,012,035</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Green Energy Park Fund:				
Depreciable Capital Assets:				
Buildings	\$ 48,228	\$ -	\$ -	\$ 48,228
Equipment	60,873	9,788	-	70,661
Total depreciable capital assets	<u>109,101</u>	<u>9,788</u>	<u>-</u>	<u>118,889</u>
Less Accumulated Depreciation:				
Buildings	10,691	965	-	11,656
Equipment	58,793	1,918	-	60,711
Total accumulated depreciation	<u>69,484</u>	<u>\$ 2,883</u>	<u>\$ -</u>	<u>72,367</u>
Total depreciable capital assets, net	<u>39,617</u>			<u>46,522</u>
Green Energy Park Fund capital assets, net	<u>\$ 39,617</u>			<u>\$ 46,522</u>

At June 20, 2021, the County has constructions commitments as follows:

<u>Project:</u>	<u>Contractor:</u>	<u>Contract</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Dillsboro Complex	H&M Constructors	\$ 4,359,596	\$ 780,995	\$ 3,578,601
SCC Health Science Building	The Christman Company	18,161,826	17,237,776	924,050
		<u>\$ 22,521,422</u>	<u>\$ 18,018,771</u>	<u>\$ 4,502,651</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Non-Depreciable Capital Assets:				
Land	\$ 12,301	\$ -	\$ -	\$ 12,301
Depreciable Capital Assets:				
Buildings	864,837	-	-	864,837
Furniture and equipment	273,811	34,491	10,284	298,018
Total depreciable capital assets:	<u>1,138,648</u>	<u>34,491</u>	<u>10,284</u>	<u>1,162,855</u>
Less Accumulated Depreciation:				
Buildings	125,255	23,847	-	149,102
Furniture and equipment	145,503	30,217	10,284	165,436
Total accumulated depreciation	<u>270,758</u>	<u>\$ 54,064</u>	<u>\$ 10,284</u>	<u>314,538</u>
Total depreciable capital assets, net	<u>867,890</u>			<u>848,317</u>
ABC Board capital assets, net	<u>\$ 880,191</u>			<u>\$ 860,618</u>

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	<u>Vendors</u>	<u>Contact Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,987,739	\$ -	\$ 667,281	\$ 2,655,020
School Improvements Fund	232,831	-	-	232,831
SCC Health Science Building Fund	6,000	808,357	-	814,357
Other governmental	<u>313,119</u>	<u>-</u>	<u>-</u>	<u>313,119</u>
Total governmental activities	<u>\$ 2,539,689</u>	<u>\$ 808,357</u>	<u>\$ 667,281</u>	<u>\$ 4,015,327</u>
Business-Type Activities:				
Landfill	\$ 39,998	\$ -	\$ -	\$ 39,998
Other proprietary	<u>14,162</u>	<u>-</u>	<u>-</u>	<u>14,162</u>
Total business-type activities	<u>\$ 54,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,160</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021 was 10.84% of compensation for law enforcement officers and 10.23% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,814,755 for the year ended June 30, 2021.

Refunds of Contributions. County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

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

At June 30, 2021, the County reported a liability of \$7,896,199 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.22097% (measured as of June 30, 2020), which was a decrease of 0.00722% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$2,788,131. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 997,151	\$ -
Changes of assumptions	587,632	-
Net difference between projected and actual earnings on pension plan investments	1,111,179	-
Changes in proportion and differences between County contributions and proportionate share of contributions	126,823	24,732
County contributions subsequent to the measurement date	1,814,755	-
Total	<u>\$ 4,637,540</u>	<u>\$ 24,732</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$1,814,755 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as of June 30 were as follows:

Year Ending	
June 30	Amount
2022	\$ 809,925
2023	1,032,360
2024	626,916
2025	328,852
Total	<u>\$ 2,798,053</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 16,020,528</u>	<u>\$ 7,896,199</u>	<u>\$ 1,144,311</u>

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Active plan members	<u>54</u>
Total	<u><u>63</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Mortality Rates

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths after Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths after Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths after Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$147,854 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$2,828,932. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$367,823.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 324,729	\$ 3,850
Changes of assumptions	618,637	34,633
Benefit payments and administrative expense subsequent to the measurement date	84,327	-
Total	<u>\$ 1,027,693</u>	<u>\$ 38,483</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$84,327 reported as deferred outflows of resources related to pensions resulting from County benefits payments and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as of June 30 were as follows:

Year Ending June 30	Amount
2022	\$ 229,845
2023	218,288
2024	194,843
2025	183,507
2026	78,400
Thereafter	-
Total	<u>\$ 904,883</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Current (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$ 3,042,425</u>	<u>\$ 2,828,932</u>	<u>\$ 2,631,856</u>

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

	Pension Liability
Beginning balance	\$ 2,007,304
Changes for the year:	
Service cost	74,189
Interest on the total pension liability	63,028
Differences between expected and actual experience in the measurement of the total pension liability	153,664
Changes of assumption of other inputs	678,601
Benefit payments	<u>(147,854)</u>
Ending balance of total pension liability	<u>\$ 2,828,932</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at December 31, 2019 to 1.93 percent at December 31, 2020.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The state’s ACFR 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, 2021, were \$171,458, which consisted of \$134,525 from the County and \$36,933 from the law enforcement officers. No amounts were forfeited.

Registers of Deeds’ Supplemental Pension Fund

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,615 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$138,516 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was (0.60440%), which was an increase of 0.03952% from its proportion measured as of June 30, 2019 of (0.56488%).

For the year ended June 30, 2021, the County recognized pension expense of \$1,097. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,823
Net difference between projected and actual earnings on pension plan investments	-	11,852
Changes in proportion and differences between County contributions and proportionate share of contributions	4,847	5,004
County contributions subsequent to the measurement date	6,615	-
Total	<u>\$ 11,462</u>	<u>\$ 19,679</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$6,615 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2022	\$ (2,140)
2023	(4,357)
2024	(5,349)
2025	(2,986)
Total	<u>\$ (14,832)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	<u>1% Decrease (2.75%)</u>	<u>Current (3.75%)</u>	<u>1% Increase (4.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ <u>(117,653)</u>	\$ <u>(138,516)</u>	\$ <u>(156,171)</u>

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

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

The net pension liability for LGERS was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is a summary of the County's pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 7,896,199	N/A	\$ (138,516)	\$ 7,757,683
Proportion of the net pension liability (asset)	0.22097%	N/A	-0.60440%	-
Total pension liability	-	2,828,932	-	2,828,932
Pension expense	2,788,131	367,823	1,097	3,157,051

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 997,151	\$ 324,729	\$ -	\$ 1,321,880
Changes of assumptions	587,632	618,637	-	1,206,269
Net difference between projected and actual earnings on pension plan investments	1,111,179	-	-	1,111,179
Changes in proportion and differences between County contributions and proportionate share of contributions	126,823	-	4,847	131,670
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,814,755</u>	<u>84,327</u>	<u>6,615</u>	<u>1,905,697</u>
Totals	<u>\$ 4,637,540</u>	<u>\$ 1,027,693</u>	<u>\$ 11,462</u>	<u>\$ 5,676,695</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ -	\$ 3,850	\$ 2,823	\$ 6,673
Net difference between projected and actual earnings on pension plan investments	-	-	11,852	11,852
Changes of assumptions	-	34,633	-	34,633
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>24,732</u>	<u>-</u>	<u>5,004</u>	<u>29,736</u>
Totals	<u>\$ 24,732</u>	<u>\$ 38,483</u>	<u>\$ 19,679</u>	<u>\$ 82,894</u>

Deferred Compensation Plan

County employees can elect to participate in a County-sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Investment Services Corporation. The Plan permits employees to defer a portion of their salary until future year. The deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency. The County does not contribute to this plan. Contributions to the 457 Plan for the year ended June 30, 2021 were \$4,606 from the employees.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Other Post-Employment Benefits – Healthcare Benefits Plan

Plan Description. Under a County resolution, Jackson County administers the Healthcare Benefits Plan (HCB Plan), single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (NCLGERS). In addition to participating in the NCLGERS, to be eligible general employees must meet the following criteria applicable to their specific hire date: the general employee must be sixty years of age and have accumulated ten consecutive vesting credit years with the County if hired before January 18, 2001; the general employee must be sixty years of age and have accumulated fifteen consecutive vesting credit years with the County if hired on or after January 18, 2001, but before July 1, 2013; the general employee must be sixty years of age and have accumulated twenty consecutive vesting credit years with the County if hired on or after July 1, 2013; the general employee must have thirty consecutive vesting credit years with the County if they have not reached the age of sixty, if hired before July 1, 2013; the general employee must have thirty consecutive vesting credit years with twenty of thirty being with the County if the employee has not reached the age of sixty, and was hired on or after July 1, 2013. In addition to participating in NCLGERS, to be eligible law enforcement officers must meet the following criteria applicable to their specific hire date: the officer must be fifty-five years of age and have accumulated twenty consecutive vesting credit years with the County regardless of hire date; the officer must have thirty consecutive vesting credit years with the County if the officer has not reached fifty-five years of age, and was hired before July 1, 2013; the officer must have thirty consecutive vesting credit year with twenty of thirty being with the County if the officer has not reached fifty-five years of age, and was hired on or after July 1, 2013. The County will pay the full cost of retiree health insurance, obtained through private insurers, until the retiree becomes eligible for Medicare, at which time the County will pay for a Medicare Supplement plan. Health care, prescription drugs, and dental coverage are provided in the County's retiree healthcare plan to retirees under the age of sixty-five. Medicare eligible retirees are provided with a Medicare Supplement plan, and dependents are eligible but must pay the full premium. The retiree may continue dependent coverage (and pay the premium for this coverage) if enrolled in dependent coverage at the time of retirement. Medicare prescription drug coverage is provided through the County's \$192 per month for Medicare prescription coverage.

A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Plan Membership. At June 30, 2019, the HCB Plan membership consisted of the following:

Inactive plan members or beneficiaries	
currently receiving benefits	126
Active plan members	402
Total	<u>528</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuations as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1 percent
Salary increases	3.50 to 7.75 percent for general employees, including inflation and productivity factor 3.50 to 7.35 percent for law enforcement officers, including inflation and productivity factor
Healthcare cost trend rates	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 for Pre-Medicare 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021 for Medicare
Dental	4 percent

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Summary of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balance, July 1, 2020	\$ 44,697,977
Changes for the year:	
Service cost	1,256,798
Interest on the total pension liability	1,594,845
Difference between expected and actual experience in the measurement of the total pension liability	(509,796)
Changes of assumption or other inputs	11,115,752
Benefit payments	(782,259)
Ending balance, June 30, 2021	<u>\$ 57,373,317</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County at June 30, 2021, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Current (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB liability	\$ 68,894,794	\$ 57,373,317	\$ 48,459,137

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County at June 30, 2021, as well as what the County's total OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 47,325,633	\$ 57,373,317	\$ 70,663,216

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2019 to 2.21 percent in 2020.

For the year ended June 30, 2021, the County recognized OPEB expense of \$2,313,493. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 187,411	\$ 5,105,600
Changes of assumptions	9,476,261	3,932,571
County contributions subsequent to the measurement date	859,377	-
Total	<u>\$ 10,523,049</u>	<u>\$ 9,038,171</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

\$859,377 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2022	\$ (538,150)
2023	(538,150)
2024	(516,103)
2025	207,956
2026	789,792
Thereafter	1,220,156
Total	<u>\$ 625,501</u>

Other Employment Benefits – Death Benefits

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

Post-Closure Care Costs – Landfill Facility

State and federal laws and regulations required the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill has been closed but will be monitored for the next 14 years. Post-closure costs are included in operating expenses of the current year. The \$1,570,120 reported as landfill post-closure care liability at June 30, 2021, represents estimated future post-closure costs based on engineering estimates prepared at and shortly after closure. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County has met the requirements of a local government financial test, which is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and post-closure care requirements.

Long-Term Debt

The County's long-term debt for governmental activities at June 30, 2021 was comprised of the following:

A \$10,295,446 note was executed on July 16, 2009, and refinanced on December 28, 2011 and March 16, 2015, 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, 2.49 percent interest is payable semi-annually. Principal and interest payments are appropriated when due. \$ 2,402,271

A \$10,000,000 note was executed on October 25, 2012 for the construction of a gymnasium and performing arts center at Smoky Mountain High School, and renovation of locker rooms at Blue Ridge High School. The note is payable in 30 semi-annual payments of \$333,333. In addition, 2.79% interest is payable semi-annually. Principal and interest payments are appropriated when due. 4,333,333

A \$6,933,500 note was executed on November 27, 2012 for the refunding of a prior installment obligation for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 21 semi-annual payments of \$330,167. In addition, 2.19% interest is payable semi-annually. Principal and interest payments are appropriated when due. 990,500

A \$3,058,734 note was executed on December 19, 2012, for the refunding of a prior installment obligation for the construction and equipping of a new Aging Facility located at the Webster Complex and is payable in 22 semi-annual payments of \$139,033. In addition, 2.27% interest is payable semi-annually. Principal and interest payments are appropriated when due. 695,166

A \$9,000,000 noninterest bearing note was executed on March 22, 2017, for the construction and renovation of Jackson County Public Schools and is payable in 30 semi-annual payments of \$300,000. Principal payments are appropriated when due. 6,600,000

A \$10,000,000 note was executed on January 8, 2019, for the Community College and is payable in 40 semi-annual payments of \$250,000. In addition, 3.81% interest is payable and appropriated when due. 9,000,000

Total \$ 24,021,270

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Repayment requirements of the notes payable for governmental activities as of June 30, 2021 are:

Year Ending June 30	Principal	Interest	Total
2022	\$ 3,391,430	\$ 542,210	\$ 3,933,640
2023	3,061,263	466,478	3,527,741
2024	2,592,063	402,029	2,994,092
2025	2,109,848	345,710	2,455,558
2026	1,766,666	303,788	2,070,454
2027-2031	6,500,000	1,051,838	7,551,838
2032-2036	3,100,000	547,688	3,647,688
2037-2039	1,500,000	100,012	1,600,012
Total	<u>\$ 24,021,270</u>	<u>\$ 3,759,753</u>	<u>\$ 27,781,023</u>

The County's long-term debt for business-type activities at June 30, 2021 was comprised of the following:

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

\$ 821,102

Repayment requirements of the note payable for business-type activities as of June 30, 2021 are:

Year Ending June 30	Principal	Interest	Total
2022	\$ 234,601	\$ 18,071	\$ 252,672
2023	234,601	12,510	247,111
2024	234,600	6,950	241,550
2025	117,300	1,390	118,690
Total	<u>\$ 821,102</u>	<u>\$ 38,921</u>	<u>\$ 860,023</u>

All notes payable held by the County for both governmental activities and business-type activities are classified as installment purchases resulting from direct placements. All outstanding debt is collateralized by the full faith, credit, and taxing power of the County. In the event of a default, possession of the asset which the debt was incurred for, passes to the lender.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental Activities:					
Direct Placement -					
installment purchases	\$ 27,729,613	\$ -	\$ 3,708,343	\$ 24,021,270	\$ 3,391,430
Compensated absences	1,788,161	1,143,415	1,314,308	1,617,268	404,317
Net pension liability - LGERS	6,092,019	1,614,573	-	7,706,592	-
Total pension liability - LEOSA	2,007,304	969,482	147,854	2,828,932	-
Total OPEB liability	<u>43,781,714</u>	<u>12,295,080</u>	<u>-</u>	<u>56,076,794</u>	<u>-</u>
Total governmental activities	<u>\$ 81,398,811</u>	<u>\$ 16,022,550</u>	<u>\$ 5,170,505</u>	<u>\$ 92,250,856</u>	<u>\$ 3,795,747</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Landfill Fund:					
Direct Placement -					
installment purchases	\$ 1,055,703	\$ -	\$ 234,601	\$ 821,102	\$ 234,601
Landfill closure and					
post closure costs	1,558,370	16,543	4,793	1,570,120	-
Compensated absences	22,387	13,587	17,173	18,801	4,700
Net pension liability - LGERS	100,003	33,290	-	133,293	-
Total OPEB liability	<u>672,714</u>	<u>253,507</u>	<u>-</u>	<u>926,221</u>	<u>-</u>
Total business-type activities	<u>\$ 3,409,177</u>	<u>\$ 316,927</u>	<u>\$ 256,567</u>	<u>\$ 3,469,537</u>	<u>\$ 239,301</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Green Energy Park Fund:					
Compensated absences	\$ 17,741	\$ 9,815	\$ 8,909	\$ 18,647	\$ 4,662
Net pension liability - LGERS	39,669	16,645	-	56,314	-
Total OPEB liability	<u>243,549</u>	<u>126,753</u>	<u>-</u>	<u>370,302</u>	<u>-</u>
Total business-type activities	<u>\$ 300,959</u>	<u>\$ 153,213</u>	<u>\$ 8,909</u>	<u>\$ 445,263</u>	<u>\$ 4,662</u>

At June 30, 2021, Jackson County had a legal debt margin of approximately \$772,140,000.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Deferred Inflows/Outflows of Resources:

At June 30, 2021, deferred inflows/outflows of resources for Jackson County consisted of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
LGERS	\$ 4,537,496	\$ 24,511
LEOSSA	1,027,693	38,483
RODSPF	11,462	19,679
OPEB	10,207,358	8,767,178
Prepaid taxes	-	83,054
Total governmental activities	<u>\$ 15,784,009</u>	<u>\$ 8,932,905</u>
Business-Type Activities:		
Landfill Fund:		
LGERS	\$ 72,390	\$ 145
OPEB	210,460	180,763
Total Landfill Fund	<u>282,850</u>	<u>180,908</u>
Green Energy Park Fund:		
LGERS	27,654	76
OPEB	105,231	90,230
Total Green Energy Park Fund	<u>132,885</u>	<u>90,306</u>
Total business-type activities	<u>\$ 415,735</u>	<u>\$ 271,214</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2021, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	<u>\$ 93,100,822</u>	<u>\$ 4,911,130</u>
Less capital debt:		
Gross debt	24,021,270	821,102
School debt related to assets to which the the County does not hold title	<u>(11,260,198)</u>	<u>-</u>
Net capital debt	<u>12,761,072</u>	<u>821,102</u>
Net investment in capital assets	<u>\$ 80,339,750</u>	<u>\$ 4,090,028</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Interfund Balances and Activity

Transfers to/from Other Funds

Transfers to/from other funds for the year ended June 30, 2021, consist of the following:

Transfers:

From the General Fund to the Capital Reserve Fund for future construction projects	\$ 1,000,000
From the General Fund to the Economic Development Commission Special Revenue Fund for operations	100,960
From the General Fund to the School Capital Reserve Fund for future school construction projects	3,380,976
From the General Fund to the Revaluation Fund for operations	352,834
From the General Fund to the Green Energy Park Fund for operations	216,434
From the General Fund to the Conservation/Preservation Fund for conservation expenditures	1,000,000
From the General Fund to the Solid Waste fund for operations	353,559
From the General Fund to the Recreation Fund for architectural services for the Indoor Pool Facility	1,487,488
From the General Fund to the Health Department Project Fund for Construction	200,000
From the General Fund to the Dillsboro Complex Project Fund for construction	224,326
From the General Fund to the Clean water revolving loan fund for grant operations	15,000
From Coronavirus Relief Fund to General Fund for public safety and public health operations	1,220,614
From the School Capital Reserve Fund to the General Fund for debt service	857,189
From the Capital Reserve Fund to the Dillsboro Complex Project Fund for construction	1,000,000
From the School Capital Reserve Fund to the School Improvements Fund for current school construction and projects	182,293

Fund Balance – General Fund

The County does not have a formal revenue spending policy. However, it is the County's practice to use resources in the following hierarchy: installment loan proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this practice if it is in the best interest of the County.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County formal fund balance policy is to maintain an unrestricted fund balance in the General Fund of no less than 25% of the total projected of the total project expenditures. Unrestricted fund balance in excess of 25% is available for general appropriation during the budget year as approved by the Commissioners. The following schedule provides management and citizens with information on the portion of fund balance, in the General Fund, that is available for appropriation:

	Balance at June 30, 2021
Total fund balance - General Fund	\$ 35,221,830
Amounts not available for appropriation:	
Stabilization by state statute	<u>(6,563,806)</u>
Fund balance available for appropriation	<u>\$ 28,658,024</u>

3. Risk Management

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

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

The County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Chairman of the Board, County Manager, Director of Finance and the Tax Collector are each individually bonded for \$250,000. The Register of Deeds and Sheriff are bonded for \$50,000 and \$25,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000 for public employee dishonesty and \$75,000 for theft.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The JCTDA and the Airport are exposed to various risks related to torts; theft of or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport Authority and the JCTDA carry commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

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, 2021. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,178,006 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at Post Office Box 460, Bryson City, North Carolina, 28713.

Southwestern Community College

The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College (“Community College”). The County appoints five members and the state and the Board of Education each appoint four members of the thirteen-member Board of Trustees of the Community College. The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college’s operations. The County contributed \$2,092,010 and \$6 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2021. 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, 2021. 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.

Tuckasee Water and Sewer Authority

The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckasee Water and Sewer Authority (the “TWSA”). The chairman of the TWSA appoints one member from each participating government and three members at large. The TWSA is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The TWSA has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the TWSA. The participating governments do not have any equity interest in the joint venture, so no

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the TWSA can be obtained from the TWSA's administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

Mental Health

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Vaya Health Center, ("Vaya LME"), a local management entity. The fifteen counties participating in the Vaya Health 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, 2021. The County contributed \$123,082 to the Vaya Health LME to fund operations during fiscal year June 30, 2021. Complete financial statements for the Vaya Health LME may be obtained from the Vaya Health LME's offices at 128 Sylva Plaza, Sylva, NC 28779.

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 \$30,988 to the Commission during the fiscal year ended June 30, 2021.

6. Related Party Transactions

The County and its discretely presented component units engaged in the following transactions during the year ended June 30, 2021:

Jackson County ABC Board:

Payments to the City for profit distributions	\$ 360,830
Payments to the City for law enforcement	<u>45,237</u>
Total	<u>\$ 406,067</u>

Jackson County Tourism Development Authority:

Payments of occupancy tax due to the Authority from the County	<u>\$ 308,131</u>
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Jackson County Airport Authority:

Revenue appropriations from Jackson County	\$ 31,000
Account receivables due from Jackson County	<u>11,688</u>
Total	<u>\$ 42,688</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

7. Summary Disclosure of Significant Commitments and 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 monies 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 monies.

Contingent Liabilities

At June 30, 2021, the County was defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate effect of these legal matters will not have a materially adverse effect on the County's financial position.

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Significant Effects of Subsequent Events

As part of pandemic relief provided by the federal government, the County was awarded \$8,534,442 from the American Rescue Plan (ARP.) The County received the first installment of \$4,267,221 prior to year end, with the remaining \$4,267,221 expected to be received within the next 12 months.

8. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ 49,168	\$ 49,168	\$ -	Cash related to funds held on behalf of DSS was reclassified from the DSS Trust Custodial Fund into General Fund as a restatement of fund balance.
-	-	138,702	Cash related to funds held on behalf of incarcerated inmates was reclassified from the Agency Fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund.
-	-	10,224	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund.
56,279	56,279	-	Cash and liabilities from State of North Carolina was reclassified out of the Agency Fund into the General Fund as a restatement of fund balance.
7,317	7,317	-	Cash, receivables and liabilities related to 4H Club extensions were reclassified out Agency Fund into the General Fund as a restatement of fund balance.
<u>\$ 112,764</u>	<u>\$ 112,764</u>	<u>\$ 148,926</u>	



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REQUIRED SUPPLEMENTAL FINANCIAL DATA

- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) – Local Government Employees' Retirement System
- Schedule of the County's Contributions – Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in Other Post-Employment Benefits and Related Ratios
- Notes to the Required Schedules for the Other Post-Employment Benefits
- Register of Deeds' Supplemental Pension Fund – Net Pension Liability (Asset)
- Register of Deeds' Supplemental Pension Fund - Contributions

JACKSON COUNTY, NORTH CAROLINA

JACKSON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS*

Local Government Employees' Retirement System				
	2021	2020	2019	2018
Jackson County's proportion of the net pension liability (asset)	0.22097%	0.22819%	0.23003%	0.24867%
Jackson County's proportionate share of the net pension liability (asset)	\$ 7,896,199	\$ 6,231,691	\$ 5,457,098	\$ 3,798,989
County's covered payroll	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	45.68%	36.32%	33.60%	23.25%
Plan fiduciary net position as a percentage of total pension liability**	88.61%	90.86%	91.63%	94.18%

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

** This will be the same percentage for all participant employers in the LGERS plan.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

JACKSON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS*

	Local Government Employees' Retirement System			
	2017	2016	2015	2014
Jackson County's proportion of the net pension liability (asset)	0.23779%	0.23674%	0.33193%	0.33680%
Jackson County's proportionate share of the net pension liability (asset)	\$ 5,046,700	\$ 1,062,475	\$ (1,403,478)	\$ 2,984,531
County's covered payroll	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534	\$ 14,386,674
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.90%	7.25%	-9.62%	20.75%
Plan fiduciary net position as a percentage of total pension liability**	91.47%	98.09%	102.64%	94.35%

JACKSON COUNTY, NORTH CAROLINA

JACKSON COUNTY'S CONTRIBUTIONS REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS

	Local Government Employees' Retirement System			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 1,814,755	\$ 1,568,779	\$ 1,350,670	\$ 1,240,857
Contributions in relation to the contractually required contribution	<u>1,814,755</u>	<u>1,568,779</u>	<u>1,350,670</u>	<u>1,240,857</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,692,288	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520
Contributions as a percentage of covered payroll	10.26%	9.08%	7.87%	7.64%

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

	Local Government Employees' Retirement System			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,214,999	\$ 1,044,564	\$ 1,040,014	\$ 1,035,268
Contributions in relation to the contractually required contribution	<u>1,214,999</u>	<u>1,044,564</u>	<u>1,040,014</u>	<u>1,035,268</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534
Contributions as a percentage of covered payroll	7.44%	6.81%	7.09%	7.09%

JACKSON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Beginning balance	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570	\$ 1,457,331
Service cost	74,189	66,976	64,455	59,012	57,251
Interest on the total pension liability	63,028	60,183	53,912	54,527	50,569
Differences between expected and actual experience in the measurement of the total pension liability	153,664	234,536	(8,347)	162,075	-
Changes of assumptions or other inputs	678,601	53,908	(60,795)	96,079	(32,913)
Benefit payments	(147,854)	(123,340)	(80,529)	(75,918)	(81,668)
Ending balance of the total pension liability	<u>\$ 2,828,932</u>	<u>\$ 2,007,304</u>	<u>\$ 1,715,041</u>	<u>\$ 1,746,345</u>	<u>\$ 1,450,570</u>

The amounts presented for each fiscal year were determined as of the prior December 31.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance				
	2021	2020	2019	2018	2017
Total pension liability	\$ 2,828,932	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570
Covered payroll	\$ 2,545,474	\$ 2,561,837	\$ 2,344,325	\$ 2,422,322	\$ 2,185,217
Total pension liability as a percentage of covered payroll	111.14%	78.35%	73.16%	72.09%	66.38%

Notes to the Schedules:

Jackson County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS****REQUIRED SUPPLEMENTARY INFORMATION****LAST FOUR FISCAL YEARS***

	Health Retiree Plan			
	2021	2020	2019	2018
Service cost	\$ 1,256,798	\$ 1,806,653	\$ 1,919,639	\$ 2,179,388
Interest	1,594,845	1,888,493	1,733,478	1,546,018
Differences between expected and actual experience	(509,796)	(6,958,626)	285,749	57,853
Changes of assumptions	11,115,752	(106,853)	(2,896,912)	(5,179,868)
Benefit payments	(782,259)	(949,091)	(1,423,053)	(1,126,877)
Net change in total OPEB liability	12,675,340	(4,319,424)	(381,099)	(2,523,486)
Total OPEB liability - beginning	44,697,977	49,017,401	49,398,500	51,921,986
Total OPEB liability - ending	<u>\$ 57,373,317</u>	<u>\$ 44,697,977</u>	<u>\$ 49,017,401</u>	<u>\$ 49,398,500</u>
Covered payroll	\$ 16,100,312	\$ 16,100,312	\$ 15,148,982	\$ 15,148,982
Total OPEB liability as a percentage of covered payroll	356.35%	277.62%	323.57%	326.08%

Notes to the Required Schedules:

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

Fiscal Year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

Note: The OPEB schedule in the required supplementary information is intended to show information for ten years. Additional information will be displayed as it becomes available.



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JACKSON COUNTY, NORTH CAROLINA

JACKSON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS*

Register of Deeds' Supplemental Pension Fund				
	2021	2020	2019	2018
Jackson County's proportion of the net pension liability (asset) (%)	-0.60440%	-0.56488%	-0.61492%	-0.67648%
Jackson County's proportionate share of the net pension liability (asset) (\$)	\$ (138,516)	\$ (111,519)	\$ (101,849)	\$ (115,468)
Plan fiduciary net position as a percentage of total pension liability	173.62%	164.11%	153.31%	153.77%

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

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund				
	2017	2016	2015	2014
Jackson County's proportion of the net pension liability (asset) (%)	-0.66058%	-0.47653%	-0.46101%	-0.45802%
Jackson County's proportionate share of the net pension liability (asset) (\$)	\$ (123,502)	\$ (110,431)	\$ (104,937)	\$ (97,833)
Plan fiduciary net position as a percentage of total pension liability	160.17%	197.29%	193.88%	190.50%

JACKSON COUNTY, NORTH CAROLINA**JACKSON COUNTY'S SCHEDULE
OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 6,615	\$ 5,787	\$ 5,369	\$ 5,262
Contributions in relation to the contractually required contribution	<u>6,615</u>	<u>5,787</u>	<u>5,369</u>	<u>5,262</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S SCHEDULE
OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,878	\$ 5,397	\$ 3,813	\$ 3,764
Contributions in relation to the contractually required contribution	<u>5,878</u>	<u>5,397</u>	<u>3,813</u>	<u>3,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



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MAJOR GOVERNMENTAL FUNDS

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

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

Coronavirus Relief Fund: This fund is used to account for the CARES ACT funding received and is restricted for public safety.

SCHOOL IMPROVEMENTS FUND

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

SCC HEALTH SCIENCE BUILDING FUND: The SCC Health Science Building Fund is a capital project fund establish for the construction of the health science building on Southwestern Community College’s (“SCC”) campus.

HEALTH DEPARTMENT PROJECT FUND: The Health Department Project Fund is a capital project fund establish for the construction of a new Health Department building.

CORONAVIRUS RELIEF FUND: This fund accounts for federal funds received from the Federal Government in the form of Coronavirus Relief Aid.

AMERICAN RESCUE PLAN FUND: This fund accounts for federal funds received from the Federal Government in the form of American Rescue Plan Fund.

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

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



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JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Revenues:			
Ad Valorem Taxes:			
Current year and prior	\$ 38,138,920	\$ 38,162,391	\$ 23,471
Penalties and interest	392,200	416,856	24,656
Total ad valorem taxes	38,531,120	38,579,247	48,127
Other Taxes:			
Local option sales tax	18,270,632	19,696,308	1,425,676
Beer and wine tax distribution	165,000	168,261	3,261
Tax refund - sales and gasoline	194,800	194,799	(1)
Total other taxes	18,630,432	20,059,368	1,428,936
Unrestricted Intergovernmental:			
Payments in lieu of taxes	115,872	222,547	106,675
ABC profit distribution	335,000	360,830	25,830
ABC 1 and 5 cent bottle charge	23,700	45,237	21,537
Total unrestricted governmental	474,572	628,614	154,042
Restricted Intergovernmental:			
School resource officers - Board of Education and Community College	772,398	349,887	(422,511)
Federal and state grants:			
NC Department of Commerce - Planning/Zoning:			
Registration fees			
Home and Community Care Block Grant	310,960	316,066	5,106
Nantahala Forest timber receipts	128,000	91,805	(36,195)
DARE grant	6,000	6,060	60
Civil defense	53,646	53,145	(501)
Soil conservation - matching	33,563	13,113	(20,450)
Tennessee Valley Authority	773	772	(1)
Older American Act Title III	28,387	6,797	(21,590)
Health department	1,279,416	967,608	(311,808)
Senior care	18,574	13,431	(5,143)
Smart Start	120,000	127,134	7,134
Governor's Crime Commission	56,970	56,433	(537)
Juvenile Crime Prevention Commission	155,639	155,377	(262)
Safe Roads Act	4,000	2,263	(1,737)
Veteran's service	2,217	2,084	(133)
Erosion control	-	840	840
Extension grant project	1,750	915	(835)
State Board of Education Technology Grant	-	49,741	49,741
SCAAP - State Criminal Alien Grant	15,000	-	(15,000)

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Social services	4,449,168	3,934,553	(514,615)
Title XIX - Medicaid	176,500	180,834	4,334
Department of Transportation:			
Governor's Highway Safety Program	25,000	8,727	(16,273)
Section 18 - administration	188,859	147,293	(41,566)
Section 18 - capital	281,295	164,328	(116,967)
Department of Justice Grant	256,795	-	(256,795)
Contracts - EDTAP	261,098	59,383	(201,715)
FEMA Disaster Assistance Grant	100,000	-	(100,000)
COVID-19	989,953	715,586	(274,367)
Resources	6,200	850	(5,350)
Emergency food and shelter	17,566	19,045	1,479
Cherokee Preservation Grant	500	-	(500)
Department of Justice	322,169	302,233	(19,936)
Total	9,289,998	7,396,416	(1,893,582)
Court facilities fees	55,340	31,408	(23,932)
Total restricted intergovernmental	10,117,736	7,777,711	(2,340,025)
Other Restricted Revenues:			
Dogwood Health Trust Grant	39,800	39,800	-
Vocational rehabilitation	2,500	1,449	(1,051)
Transportation contracts	58,200	21,763	(36,437)
Total other restricted	100,500	63,012	(37,488)
Permits and Fees:			
ABC permit fees	1,600	2,400	800
Cashiers permit fees	3,500	4,450	950
Cullowhee permit fees	3,000	350	(2,650)
Board of Elections fees	4,660	5	(4,655)
Erosion control fees	110,200	85,988	(24,212)
Building permits and inspection fees	745,000	752,737	7,737
Environmental health fees	268,500	275,466	6,966
Sheriff's fees	124,300	95,457	(28,843)
Officers fees - court	35,110	21,791	(13,319)
Animal adoption fees	21,000	23,784	2,784
Road sign fees	74,600	49,600	(25,000)
Health and Social Services fees	350,007	276,847	(73,160)
Register of Deeds	428,000	422,365	(5,635)
Real property transfer tax	1,200,000	1,264,012	64,012
Marriage licenses	7,800	7,550	(250)
Excise tax	25,500	25,292	(208)

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Senior citizens fees	77,000	49,506	(27,494)
ABC fees	4,600	5,970	1,370
Total permits and fees	<u>3,484,377</u>	<u>3,363,570</u>	<u>(120,807)</u>
Sales and Services:			
Jail fees	56,395	51,474	(4,921)
Civil process fees	60,000	14,805	(45,195)
Ambulance fees	200,000	186,661	(13,339)
Ancillary services	70,000	76,334	6,334
Travel and tourism administrative fees	52,750	38,250	(14,500)
Video programming distribution	72,500	57,504	(14,996)
Telephone charges	42,000	26,090	(15,910)
Vending machines	1,000	344	(656)
Recreation department	693,575	283,827	(409,748)
Rents	29,000	48,850	19,850
Unclaimed property	25,000	-	(25,000)
Trolley fares	14,000	2,982	(11,018)
Total sales and services	<u>1,316,220</u>	<u>787,121</u>	<u>(529,099)</u>
Investment Earnings	<u>200,000</u>	<u>9,753</u>	<u>(190,247)</u>
Miscellaneous	<u>1,076,668</u>	<u>473,020</u>	<u>(603,648)</u>
Total revenues	<u>73,931,625</u>	<u>71,741,416</u>	<u>(2,190,209)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits	157,780	134,315	23,465
Operating	229,610	204,259	25,351
Capital outlay	79,311	25,180	54,131
Total	<u>466,701</u>	<u>363,754</u>	<u>102,947</u>
Administration:			
Salaries and employee benefits	319,452	311,517	7,935
Operating	31,000	17,805	13,195
Total	<u>350,452</u>	<u>329,322</u>	<u>21,130</u>
Elections:			
Salaries and employee benefits	280,621	268,435	12,186
Operating	417,032	402,281	14,751
Capital outlay	11,926	37,581	(25,655)
Total	<u>709,579</u>	<u>708,297</u>	<u>1,282</u>

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Finance:			
Salaries and employee benefits	713,282	713,002	280
Operating	44,276	38,945	5,331
Capital outlay	6,479	6,306	173
Total	<u>764,037</u>	<u>758,253</u>	<u>5,784</u>
Human resources:			
Salaries and employee benefits	153,801	153,796	5
Operating	48,331	30,033	18,298
Capital outlay	1,881	1,762	119
Total	<u>204,013</u>	<u>185,591</u>	<u>18,422</u>
Computer services:			
Salaries and employee benefits	384,182	383,974	208
Operating	321,512	288,026	33,486
Capital outlay	6,039	6,025	14
Total	<u>711,733</u>	<u>678,025</u>	<u>33,708</u>
Tax collections:			
Salaries and employee benefits	291,213	279,141	12,072
Operating	42,322	33,841	8,481
Capital outlay	2,487	1,287	1,200
Total	<u>336,022</u>	<u>314,269</u>	<u>21,753</u>
Tax assessments:			
Salaries and employee benefits	685,359	592,291	93,068
Operating	140,110	77,668	62,442
Capital outlay	4,326	4,326	-
Total	<u>829,795</u>	<u>674,285</u>	<u>155,510</u>
GIS mapping:			
Salaries and employee benefits	143,710	137,744	5,966
Operating	19,415	17,600	1,815
Capital outlay	16,746	16,170	576
Total	<u>179,871</u>	<u>171,514</u>	<u>7,781</u>
Legal services	<u>371,652</u>	<u>345,753</u>	<u>25,899</u>
Register of Deeds:			
Salaries and employee benefits	365,094	364,009	1,085
Operating	138,046	115,145	22,901
Capital outlay	4,590	4,590	-
Total	<u>507,730</u>	<u>483,744</u>	<u>23,986</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Public Works:			
Salaries and employee benefits	58,971	58,940	31
Operating	1,100	871	229
Total	60,071	59,811	260
Maintenance:			
Salaries and employee benefits	3,078,962	2,868,763	210,199
Operating	1,959,042	1,733,328	225,714
Capital outlay	28,454	26,374	2,080
Total	5,066,458	4,628,465	437,993
Court facilities:			
Operating	55,340	49,729	5,611
Total	55,340	49,729	5,611
Professional services	97,000	95,500	1,500
Central services:			
Operating	187,000	137,049	49,951
Total	187,000	137,049	49,951
Total general government	10,897,454	9,983,361	913,517
Public Safety:			
Sheriff:			
Salaries and employee benefits	4,835,332	4,818,271	17,061
Operating	962,601	669,971	292,630
Capital outlay	413,113	417,768	(4,655)
Total	6,211,046	5,906,010	305,036
Jail:			
Salaries and employee benefits	1,473,050	1,413,365	59,685
Operating	872,161	747,021	125,140
Capital outlay	113,976	113,966	10
Total	2,459,187	2,274,352	184,835
Code enforcement:			
Salaries and employee benefits	1,431,964	1,368,988	62,976
Operating	137,875	118,151	19,724
Capital outlay	39,530	39,530	-
Total	1,609,369	1,526,669	82,700

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Emergency management:			
Salaries and employee benefits	1,016,953	1,008,431	8,522
COVID-19	126,690	106,024	20,666
Operating	179,913	165,341	14,572
Capital outlay	54,271	54,270	1
Total	1,377,827	1,334,066	43,761
Fire:			
Salaries and employee benefits	371,327	357,013	14,314
Operating	891,000	869,821	21,179
Capital outlay	409,522	368,734	40,788
Total	1,671,849	1,595,568	76,281
Ambulance:			
Operating	2,573,868	2,556,533	17,335
Capital outlay	458,912	310,024	148,888
Total	3,032,780	2,866,557	166,223
Total public safety	16,362,058	15,503,222	858,836
Transportation:			
Salaries and employee benefits	591,837	540,836	51,001
Operating	881,964	117,365	764,599
Capital outlay	281,295	182,716	98,579
Total	1,755,096	840,917	914,179
Airport authority	31,000	31,000	-
Total transportation	1,786,096	871,917	914,179
Environmental Protection:			
Forestry	85,408	53,199	32,209
Economic and Physical Development:			
Planning and zoning:			
Salaries and employee benefits	321,563	302,423	19,140
Operating	56,295	44,142	12,153
Capital outlay	18,260	18,249	11
Total	396,118	364,814	31,304
Community development	221,023	206,770	14,253

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
Agricultural extension:			
Salaries and employee benefits	179,580	146,479	33,101
Operating	37,000	32,395	4,605
Total	216,580	178,874	37,706
Conservation:			
Salaries and employee benefits	163,492	162,274	1,218
Operating	31,438	9,830	21,608
Total	194,930	172,104	22,826
Total economic and physical development	1,028,651	922,562	106,089
Human Services:			
Health:			
General health:			
Salaries and employee benefits	2,945,246	2,839,764	105,482
Operating	966,838	483,260	483,578
Capital outlay	242,991	76,964	166,027
Total	4,155,075	3,399,988	755,087
County health clinic:			
Salaries and employee benefits	174,970	152,459	22,511
Operating	39,400	33,007	6,393
Total	214,370	185,466	28,904
Health assurance:			
Salaries and employee benefits	31,922	13,330	18,592
Operating	119,923	89,798	30,125
Total	151,845	103,128	48,717
Maternal and child health:			
Salaries and employee benefits	137,759	130,283	7,476
Operating	23,309	20,200	3,109
Total	161,068	150,483	10,585
WIC - administration and nutrition:			
Salaries and employee benefits	144,397	132,757	11,640
Operating	4,163	918	3,245
Total	148,560	133,675	14,885

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Family planning:			
Salaries and employee benefits	201,806	199,409	2,397
Operating	<u>38,163</u>	<u>36,231</u>	<u>1,932</u>
Total	<u>239,969</u>	<u>235,640</u>	<u>4,329</u>
Mothers Too:			
Salaries and employee benefits	79,129	78,827	302
Operating	<u>20,407</u>	<u>19,775</u>	<u>632</u>
Total	<u>99,536</u>	<u>98,602</u>	<u>934</u>
Communicable diseases:			
Salaries and employee benefits	8,138	2,908	5,230
Operating	<u>3,221</u>	<u>2,086</u>	<u>1,135</u>
Total	<u>11,359</u>	<u>4,994</u>	<u>6,365</u>
WNC HIV/AIDS Consortium:			
Salaries and employee benefits	64,877	64,686	191
Operating	<u>2,413</u>	<u>1,254</u>	<u>1,159</u>
Total	<u>67,290</u>	<u>65,940</u>	<u>1,350</u>
NC healthy start:			
Salaries and employee benefits	77,358	55,201	22,157
Operating	<u>90,000</u>	<u>74,607</u>	<u>15,393</u>
Total	<u>167,358</u>	<u>129,808</u>	<u>37,550</u>
Immunization action program:			
Operating	<u>15,899</u>	<u>13,803</u>	<u>2,096</u>
Total	<u>15,899</u>	<u>13,803</u>	<u>2,096</u>
Breastfeeding:			
Salaries and employee benefits	11,041	9,017	2,024
Operating	<u>1,401</u>	<u>1,084</u>	<u>317</u>
Total	<u>12,442</u>	<u>10,101</u>	<u>2,341</u>
Child services coordinator:			
Salaries and employee benefits	73,537	68,814	4,723
Operating	<u>3,950</u>	<u>1,388</u>	<u>2,562</u>
Total	<u>77,487</u>	<u>70,202</u>	<u>7,285</u>
Smart start:			
Salaries and employee benefits	120,152	120,076	76
Operating	<u>17,949</u>	<u>9,074</u>	<u>8,875</u>
Capital outlay	<u>18,000</u>	<u>5,882</u>	<u>12,118</u>
Total	<u>156,101</u>	<u>135,032</u>	<u>21,069</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Other health services:			
Operating	50,000	46,155	3,845
Total	50,000	46,155	3,845
Total health	5,728,359	4,783,017	945,342
Environmental Health:			
Animal shelter:			
Salaries and employee benefits	282,881	279,056	3,825
Operating	77,969	57,486	20,483
Total	360,850	336,542	24,308
Environmental health:			
Operating	12,000	11,075	925
Total	12,000	11,075	925
Bioterrorism:			
Salaries and employee benefits	26,095	25,251	844
Operating	6,241	841	5,400
Total	32,336	26,092	6,244
Total environmental health	405,186	373,709	31,477
Mental health:			
Vaya Health	123,081	123,082	(1)
Social Services:			
Administration:			
Salaries and employee benefits	5,031,799	4,884,115	147,684
Operating	426,731	255,270	171,461
Capital outlay	120,688	118,426	2,262
Total	5,579,218	5,257,811	321,407
Other services:			
Adult guardianship	10,500	3,925	6,575
Special assistance	201,000	157,216	43,784
Medical care	132,775	51,975	80,800
Foster care	781,600	699,698	81,902
Aid to the blind	4,116	4,115	1
Food stamp administration	9,280	5,503	3,777
Crisis intervention	155,759	55,514	100,245
Adult day care	10,663	6,200	4,463
Emergency assistance	23,452	900	22,552
IV-D	28,800	16,103	12,697

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
LIEAP	194,419	194,319	100
Child care services	82,771	80,000	2,771
Other	247,400	118,427	128,973
Total	<u>1,882,535</u>	<u>1,393,895</u>	<u>488,640</u>
Indian reservation:			
Salaries and employee benefits	176,284	153,683	22,601
Operating	117,993	63,642	54,351
Capital outlay	1,778	1,778	-
Total	<u>296,055</u>	<u>219,103</u>	<u>76,952</u>
Emergency food and shelter	<u>11,871</u>	<u>4,322</u>	<u>7,549</u>
Focal point on aging:			
Salaries and employee benefits	558,811	557,232	1,579
Operating	202,580	157,565	45,015
Capital outlay	54,861	54,856	5
Total	<u>816,252</u>	<u>769,653</u>	<u>46,599</u>
Total social services	<u>8,585,931</u>	<u>7,644,784</u>	<u>941,147</u>
Eldercare coalition:			
Salaries and employee benefits	307,602	306,679	923
Operating	360,834	308,435	52,399
Total	<u>668,436</u>	<u>615,114</u>	<u>53,322</u>
Veteran's service officer:			
Salaries and employee benefits	116,866	116,489	377
Operating	11,810	9,158	2,652
Capital outlay	1,187	1,187	-
Total	<u>129,863</u>	<u>126,834</u>	<u>3,029</u>
Other human services	<u>589,116</u>	<u>519,258</u>	<u>69,858</u>
Total human services	<u>16,229,972</u>	<u>14,185,798</u>	<u>2,044,174</u>
Culture and Recreation:			
Recreation:			
Salaries and employee benefits	982,060	945,595	36,465
Operating	681,487	463,787	217,700
Capital outlay	115,142	53,748	61,394
Total	<u>1,778,689</u>	<u>1,463,130</u>	<u>315,559</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Arts council	10,000	-	10,000
Library	1,178,006	1,178,006	-
Swimming pool:			
Salaries and employee benefits	40,297	40,260	37
Operating	35,250	31,741	3,509
Capital outlay	19,008	16,804	2,204
Total	94,555	88,805	5,750
Cashiers recreation:			
Salaries and employee benefits	422,465	366,889	55,576
Operating	322,385	163,891	158,494
Capital outlay	104,014	83,581	20,433
Total	848,864	614,361	234,503
Cashiers swimming pool:			
Salaries and employee benefits	25,373	15,092	10,281
Operating	17,000	5,459	11,541
Total	42,373	20,551	21,822
Total culture and recreation	3,952,487	3,364,853	587,634
Education:			
Public schools - current	7,691,896	7,691,896	-
Public schools - timber receipts	141,928	141,928	-
Public schools - capital outlay	1,356,200	1,380,126	(23,926)
Public schools - Counselors	434,117	434,117	-
Community colleges - current	2,092,010	2,092,010	-
Community colleges - capital outlay	998,614	694,488	304,126
Total education	12,714,765	12,434,565	280,200
Debt Service:			
Principal retirement	3,708,346	3,708,343	3
Interest and other charges	621,151	621,148	3
Total debt service	4,329,497	4,329,491	6
Total expenditures	67,386,388	61,648,968	5,737,420
Revenues over (under) expenditures	6,545,237	10,092,448	3,547,211

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,000,000)	(1,000,000)	-
Corona Virus Relief Fund	1,220,614	1,220,614	-
Economic Development Commission Fund	(100,960)	(100,960)	-
School Capital Reserve Fund	(3,759,276)	(3,380,976)	378,300
Revaluation Fund	(352,834)	(352,834)	-
Solid Waste	(353,559)	(353,559)	-
Emergency Telephone	(1,762)	-	1,762
Dillsboro Complex Project Fund	(224,326)	(224,326)	-
School Capital Reserve Fund			-
Recreation Fund	(1,487,488)	(1,487,488)	-
Health Department Project Fund	(200,000)	(200,000)	-
Clean Water Revolving Loan Fund	(15,000)	(15,000)	-
Green Energy Park Fund	(216,434)	(216,434)	-
Conservation/Preservation Fund	(1,000,000)	(1,000,000)	-
School Capital Reserve Fund	857,188	857,188	-
Proceeds from sale of capital assets	88,600	55,664	(32,936)
Total other financing sources (uses)	<u>(6,545,237)</u>	<u>(6,198,111)</u>	<u>347,126</u>
Net change in fund balance	\$ <u>-</u>	3,894,337	\$ <u>3,894,337</u>
Fund Balance:			
Beginning of year, July 1		24,789,676	
Prior period restatement - change in accounting principle		<u>112,764</u>	
Beginning of year, July 1, as restated		<u>24,902,440</u>	
End of year, June 30		<u>\$ 28,796,777</u>	

JACKSON COUNTY, NORTH CAROLINA**REVALUATION FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General government:			
Tax listing	\$ 432,989	\$ 392,981	\$ 40,008
Capital outlay	1,125	1,125	-
Total expenditures	<u>434,114</u>	<u>394,106</u>	<u>40,008</u>
Revenues over (under) expenditures	<u>(434,114)</u>	<u>(394,106)</u>	<u>(40,008)</u>
Other Financing Sources (Uses):			
Transfers from General Fund	352,834	352,834	-
Fund balance appropriation	<u>81,280</u>	<u>-</u>	<u>(81,280)</u>
Total other financing sources (uses)	<u>434,114</u>	<u>352,834</u>	<u>(81,280)</u>
Net change in fund balance	<u>\$ -</u>	<u>(41,272)</u>	<u>\$ (41,272)</u>
Fund Balance:			
Beginning of year, July 1		<u>336,378</u>	
Ending of year, June 30		<u>\$ 295,106</u>	

JACKSON COUNTY, NORTH CAROLINA**CAPITAL RESERVE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 500	\$ 993	\$ 493
Revenues over (under) expenditures	500	993	493
Other Financing Sources (Uses):			
Transfer from General Fund	1,000,000	1,000,000	-
Transfer to Dillsboro Complex Project Fund	(1,000,000)	(1,000,000)	-
Transfer to County Capital Projects Fund	(500)	-	500
Total other financing sources (uses)	(500)	-	500
Net change in fund balance	\$ -	993	\$ 993
Fund Balance:			
Beginning of year, July 1		3,169,017	
End of year, June 30		<u>\$ 3,170,010</u>	

JACKSON COUNTY, NORTH CAROLINA

CONSERVATION/PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Environmental protection:			
Conservation	\$ 1,750,000	\$ 174,322	\$ 1,575,678
Revenues over (under) expenditures	<u>(1,750,000)</u>	<u>(174,322)</u>	<u>1,575,678</u>
Other Financing Sources (Uses):			
Transfers from General Fund	1,000,000	1,000,000	-
Appropriated fund balance	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>
Total other financing sources (uses)	<u>1,750,000</u>	<u>1,000,000</u>	<u>(750,000)</u>
Net change in fund balance	\$ <u>-</u>	825,678	\$ <u>825,678</u>
Fund Balance:			
Beginning of year, July 1		<u>975,211</u>	
End of year, June 30		<u>\$ 1,800,889</u>	

JACKSON COUNTY, NORTH CAROLINA**HEALTH INSURANCE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Insurance contributions:			
General government	\$ 1,834,979	\$ 1,862,498	\$ 27,519
Public safety	2,210,904	2,244,060	33,156
Transportation	159,401	161,792	2,391
Economic and physical development	173,318	175,917	2,599
Human services	2,605,265	2,644,334	39,069
Recreation	323,216	328,063	4,847
Stop loss reimbursement	400,000	-	(400,000)
Refunds	-	9,814	9,814
Total revenues	<u>7,707,083</u>	<u>7,426,478</u>	<u>(280,605)</u>
Expenditures:			
Insurance claims:			
General government	1,918,206	1,579,623	338,583
Public safety	2,311,181	1,903,233	407,948
Transportation	166,631	137,219	29,412
Economic and physical development	181,179	149,199	31,980
Human services	2,723,427	2,242,714	480,713
Recreation	337,875	278,237	59,638
Contract services	53,584	49,439	4,145
Miscellaneous	15,000	10,574	4,426
Total expenditures	<u>7,707,083</u>	<u>6,350,238</u>	<u>1,356,845</u>
Net change in fund balance	<u>\$ -</u>	<u>1,076,240</u>	<u>\$ 1,076,240</u>
Fund Balance:			
Beginning of year, July 1		<u>82,808</u>	
End of year, June 30		<u>\$ 1,159,048</u>	

JACKSON COUNTY, NORTH CAROLINA
**SCHOOL IMPROVEMENTS FUND - MAJOR
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
State grants:					
NC Division of Water infrastructure	\$ 1,288,707	\$ -	\$ 1,288,707	\$ 1,288,707	\$ -
Other restricted revenues:					
Eastern Band Cherokee Indians	118,560	118,560	-	118,560	-
Investment earnings	1,500	1,096	-	1,096	(404)
Total revenues	<u>1,408,767</u>	<u>119,656</u>	<u>1,288,707</u>	<u>1,408,363</u>	<u>(404)</u>
Expenditures:					
Education:					
Security upgrades	276,600	-	148,078	148,078	128,522
Water and sewer	1,441,207	3,368	1,383,665	1,387,033	54,174
Water infrastructure	68,400	7,383	4,000	11,383	57,017
Blue Ridge School	1,775,359	1,775,315	-	1,775,315	44
Fairview Elementary School	1,353,760	1,352,924	750	1,353,674	86
Smoky Mountain High	3,919,487	3,915,495	3,827	3,919,322	165
Cullowhee Valley School	1,393,615	1,392,260	-	1,392,260	1,355
Scotts Creek School	20,743	3,025	6,450	9,475	11,268
Smoky Mountain Elementary	1,001,233	974,002	26,791	1,000,793	440
Capital outlay	468,800	459,860	8,790	468,650	150
Contingency	31,293	-	-	-	31,293
Total expenditures	<u>11,750,497</u>	<u>9,883,632</u>	<u>1,582,351</u>	<u>11,465,983</u>	<u>284,514</u>
Revenues over (under) expenditures	<u>(10,341,730)</u>	<u>(9,763,976)</u>	<u>(293,644)</u>	<u>(10,057,620)</u>	<u>284,110</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Capital Reserve Fund	1,341,730	1,159,437	182,293	1,341,730	-
General Fund	-	2,050,000	-	2,050,000	2,050,000
General Fund	-	(2,050,000)	-	(2,050,000)	(2,050,000)
Proceeds from installment obligation	9,000,000	9,000,000	-	9,000,000	-
Total other financing sources (uses)	<u>10,341,730</u>	<u>10,159,437</u>	<u>182,293</u>	<u>10,341,730</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 395,461</u>	<u>(111,351)</u>	<u>\$ 284,110</u>	<u>\$ 284,110</u>
Fund Balance:					
Beginning of year, July 1			<u>395,461</u>		
End of year, June 30			284,110		
Amounts reported for Revenue, Expenditures and Changes in Fund					
Balance are different from the Budget/Actual Statement due to					
consolidation of the School Capital Reserve Fund:					
Transfers from the General Fund			3,380,976		
Transfers to General Fund			(857,188)		
Transfer to School Capital Projects Fund			(182,293)		
Fund balance, beginning (School Capital Reserve Fund)			<u>2,544,862</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 5,170,467</u>		

JACKSON COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	\$ 1,039,481	\$ 3,380,976	\$ 2,341,495
Transfers to other funds:			
General Fund for debt service	(857,188)	(857,188)	-
School Improvements Fund	<u>(182,293)</u>	<u>(182,293)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,341,495</u>	<u>2,341,495</u>
Net change in fund balance	<u>\$ -</u>	<u>2,341,495</u>	<u>\$ 2,341,495</u>
Fund Balance:			
Beginning of year, July 1		<u>2,544,862</u>	
End of year, June 30		<u>\$ 4,886,357</u>	

JACKSON COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - SCC HEALTH SCIENCE BUILDING FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC Connect bonds	\$ 5,445,597	\$ 5,445,597	\$ -	\$ 5,445,597	\$ -
Economic Development Grant	2,015,395	-	1,826,512	1,826,512	(188,883)
Investment earnings	5,000	14,273	1,781	16,054	11,054
Total revenues	<u>7,465,992</u>	<u>5,459,870</u>	<u>1,828,293</u>	<u>7,288,163</u>	<u>(177,829)</u>
Expenditures:					
Education:					
Architect fees	1,623,832	1,373,380	249,573	1,622,953	879
Engineering costs	374,785	186,556	7,955	194,511	180,274
Construction	30,000	9,398	18,000	27,398	2,602
Technology and security	18,308,342	10,096,339	8,211,235	18,307,574	768
Furnishing and fixtures	121,238	-	-	-	121,238
Contingency	227,958	-	-	-	227,958
Total expenditures	<u>20,686,155</u>	<u>11,665,673</u>	<u>8,486,763</u>	<u>20,152,436</u>	<u>533,719</u>
Revenues over (under) expenditures	<u>(13,220,163)</u>	<u>(6,205,803)</u>	<u>(6,658,470)</u>	<u>(12,864,273)</u>	<u>355,890</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
School Capital Reserve Fund	3,220,163	3,220,163	-	3,220,163	-
Installment purchase obligations issued	10,000,000	10,000,000	-	10,000,000	-
Total other financing sources (uses)	<u>13,220,163</u>	<u>13,220,163</u>	<u>-</u>	<u>13,220,163</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 7,014,360</u>	<u>(6,658,470)</u>	<u>\$ 355,890</u>	<u>\$ 355,890</u>
Fund Balance:					
Beginning of year, July 1			<u>7,014,360</u>		
End of year, June 30			<u>\$ 355,890</u>		

JACKSON COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - HEALTH DEPARTMENT PROJECT FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Miscellaneous	\$ 15,000	\$ -	\$ 15,000	\$ 15,000	\$ -
Investment earnings	70,000	67,442	477	67,919	(2,081)
Total revenues	85,000	67,442	15,477	82,919	(2,081)
Expenditures:					
Human services:					
Architect fees	534,438	473,671	60,717	534,388	50
Engineering costs	6,225	17,795	863	18,658	(12,433)
Construction	6,589,156	5,090,325	1,464,202	6,554,527	34,629
Technology and security	306,365	1,985	293,175	295,160	11,205
Furnishing and fixtures	490,000	-	464,207	464,207	25,793
Displacement expenditures	288,308	215,172	71,487	286,659	1,649
Contingency	20,000	-	-	-	20,000
Total expenditures	8,234,492	5,798,948	2,354,651	8,153,599	80,893
Revenues over (under) expenditures	(8,149,492)	(5,731,506)	(2,339,174)	(8,070,680)	(82,974)
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	7,800,000	7,600,000	200,000	7,800,000	-
School Capital Reserve Fund	349,492	349,492	-	349,492	-
Total other financing sources (uses)	8,149,492	7,949,492	200,000	8,149,492	-
Net change in fund balance	\$ -	\$ 2,217,986	(2,139,174)	\$ 78,812	\$ 78,812
Fund Balance:					
Beginning of year, July 1			2,217,986		
End of year, June 30			\$ 78,812		

JACKSON COUNTY, NORTH CAROLINA**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

	Special Revenue Funds	Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,536,862	\$ 2,729,276	\$ 4,266,138
Accounts receivable, net	34,239	-	34,239
Taxes receivable	24,085	-	24,085
Due from other governments	8,816	2,490	11,306
Notes receivable, net	8,334	-	8,334
Total assets	<u>\$ 1,612,336</u>	<u>\$ 2,731,766</u>	<u>\$ 4,344,102</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 1,277</u>	<u>\$ 311,842</u>	<u>\$ 313,119</u>
Deferred Inflows of Resources:			
Prepaid taxes	692	-	692
Property taxes receivable	<u>24,085</u>	<u>-</u>	<u>24,085</u>
Total deferred inflows of resources	<u>24,777</u>	<u>-</u>	<u>24,777</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	51,389	2,490	53,879
Public safety	689,381	-	689,381
Economic and physical development	845,512	-	845,512
Committed:			
Recreation	-	2,282,307	2,282,307
General government	<u>-</u>	<u>135,127</u>	<u>135,127</u>
Total fund balances	<u>1,586,282</u>	<u>2,419,924</u>	<u>4,006,206</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,612,336</u>	<u>\$ 2,731,766</u>	<u>\$ 4,344,102</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Ad valorem taxes	\$ 1,352,973	\$ -	\$ 1,352,973
Restricted intergovernmental	429,991	-	429,991
Investment earnings	649	-	649
Total revenues	<u>1,783,613</u>	<u>-</u>	<u>1,783,613</u>
Expenditures:			
Current:			
General government	-	108,475	108,475
Public safety	1,683,184	1,083,260	2,766,444
Economic and physical development	166,362	-	166,362
Culture and recreation	-	292,000	292,000
Total expenditures	<u>1,849,546</u>	<u>1,483,735</u>	<u>3,333,281</u>
Revenues over (under) expenditures	(65,933)	(1,483,735)	(1,549,668)
Other Financing Sources (Uses):			
Transfers from other funds	<u>115,960</u>	<u>2,711,814</u>	<u>2,827,774</u>
Net change in fund balances	50,027	1,228,079	1,278,106
Fund Balances:			
Beginning of year, July 1	<u>1,536,255</u>	<u>1,191,845</u>	<u>2,728,100</u>
End of year, June 30	<u>\$ 1,586,282</u>	<u>\$ 2,419,924</u>	<u>\$ 4,006,206</u>

COMBINING STATEMENTS AND SCHEDULES FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Assets:				
Cash and cash equivalents	\$ 409,674	\$ 51,544	\$ 229,631	\$ 18,077
Accounts receivable, net	34,239	-	-	-
Taxes receivable	-	-	24,085	-
Due from other governments	4,741	1,681	2,302	-
Notes receivable, net	-	-	-	-
Total assets	<u>\$ 448,654</u>	<u>\$ 53,225</u>	<u>\$ 256,018</u>	<u>\$ 18,077</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	692	-
Taxes receivable	-	-	24,085	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>24,777</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	38,980	1,681	2,302	-
Public safety	408,898	51,544	228,939	-
Economic and physical development	-	-	-	18,077
Total fund balances	<u>447,878</u>	<u>53,225</u>	<u>231,241</u>	<u>18,077</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 448,654</u>	<u>\$ 53,225</u>	<u>\$ 256,018</u>	<u>\$ 18,077</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 1,842	\$ 659,716	\$ 166,378	\$ 1,536,862
Accounts receivable, net	-	-	-	34,239
Taxes receivable	-	-	-	24,085
Due from other governments	-	-	92	8,816
Notes receivable, net	-	8,334	-	8,334
	<u>-</u>	<u>8,334</u>	<u>-</u>	<u>8,334</u>
Total assets	<u>\$ 1,842</u>	<u>\$ 668,050</u>	<u>\$ 166,470</u>	<u>\$ 1,612,336</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 501	\$ 1,277
	<u>-</u>	<u>-</u>	<u>501</u>	<u>1,277</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	-	692
Taxes receivable	-	-	-	24,085
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,777</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	8,334	92	51,389
Public safety	-	-	-	689,381
Economic and physical development	1,842	659,716	165,877	845,512
Total fund balances	<u>1,842</u>	<u>668,050</u>	<u>165,969</u>	<u>1,586,282</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,842</u>	<u>\$ 668,050</u>	<u>\$ 166,470</u>	<u>\$ 1,612,336</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2021

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 1,352,973	\$ -
Restricted intergovernmental	410,869	19,122	-	-
Investment earnings	-	-	-	-
Total revenues	<u>410,869</u>	<u>19,122</u>	<u>1,352,973</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	374,004	29,301	1,279,879	-
Economic and physical development	-	-	-	14,279
Total expenditures	<u>374,004</u>	<u>29,301</u>	<u>1,279,879</u>	<u>14,279</u>
Revenues over (under) expenditures	36,865	(10,179)	73,094	(14,279)
Other Financing Sources (Uses):				
Transfers from other funds	-	-	-	-
Net change in fund balances	36,865	(10,179)	73,094	(14,279)
Fund Balances:				
Beginning of year, July 1	<u>411,013</u>	<u>63,404</u>	<u>158,147</u>	<u>32,356</u>
End of year, June 30	<u>\$ 447,878</u>	<u>\$ 53,225</u>	<u>\$ 231,241</u>	<u>\$ 18,077</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2021

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,352,973
Restricted intergovernmental	-	-	-	429,991
Investment earnings	-	505	144	649
Total revenues	-	505	144	1,783,613
Expenditures:				
Current:				
Public safety	-	-	-	1,683,184
Economic and physical development	15,000	2,399	134,684	166,362
Total expenditures	15,000	2,399	134,684	1,849,546
Revenues over (under) expenditures	(15,000)	(1,894)	(134,540)	(65,933)
Other Financing Sources (Uses):				
Transfers from other funds	15,000	-	100,960	115,960
Net change in fund balances	-	(1,894)	(33,580)	50,027
Fund Balances:				
Beginning of year, July 1	1,842	669,944	199,549	1,536,255
End of year, June 30	\$ 1,842	\$ 668,050	\$ 165,969	\$ 1,586,282

JACKSON COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 410,869	\$ 410,869	\$ -
Investment earnings	500	-	(500)
Total revenues	<u>411,369</u>	<u>410,869</u>	<u>(500)</u>
Expenditures:			
Public safety:			
Implementation services	206,601	190,331	16,270
Operating	215,923	179,018	36,905
Capital outlay	4,655	4,655	-
Total	<u>427,179</u>	<u>374,004</u>	<u>53,175</u>
Total expenditures	<u>427,179</u>	<u>374,004</u>	<u>53,175</u>
Revenues over (under) expenditures	<u>(15,810)</u>	<u>36,865</u>	<u>52,675</u>
Other Financing Sources (Uses):			
Transfer in:			
General Fund	1,762	-	(1,762)
Appropriated fund balance	14,048	-	(14,048)
Total other financing sources (uses)	<u>1,762</u>	<u>-</u>	<u>(15,810)</u>
Net change in fund balance	<u>\$ -</u>	<u>36,865</u>	<u>\$ 36,865</u>
Fund Balance:			
Beginning of year, July 1		<u>411,013</u>	
End of year, June 30		<u>\$ 447,878</u>	

PSAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported on the Emergency Telephone System Fund budget and actual are different from the PSAP revenue-expenditure report because:

Beginning fund balance, budget and actual schedule	\$ 411,013
Cumulative prior period revenues and expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>577,950</u>
Beginning fund balance, PSAP revenue-expenditure report	<u>988,963</u>
Net change in fund balance, reported budget and actual	36,865
Current expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>180,616</u>
Net change in fund balance, PSAP report	<u>217,481</u>
Ending fund balance, PSAP revenue-expenditure report	<u>\$ 1,206,444</u>

JACKSON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 10,000	\$ 19,122	\$ 9,122
Expenditures:			
Public safety:			
Capital outlay	30,000	29,301	699
Revenues over (under) expenditures	(20,000)	(10,179)	9,821
Other Financing Sources (Uses):			
Appropriated fund balance	20,000	-	(20,000)
Net change in fund balance	<u>\$ -</u>	(10,179)	<u>\$ (10,179)</u>
Fund Balance:			
Beginning balance, July 1		63,404	
Ending balance, June 30		<u>\$ 53,225</u>	

JACKSON COUNTY, NORTH CAROLINA

FIRE SERVICES DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 1,275,629	\$ 1,346,439	\$ 70,810
Penalties and interest	4,250	6,534	2,284
Total revenues	<u>1,279,879</u>	<u>1,352,973</u>	<u>73,094</u>
Expenditures:			
Public safety:			
Fire districts:			
Cashiers-Glenville	1,207,100	1,207,100	-
Highlands	<u>72,779</u>	<u>72,779</u>	<u>-</u>
Total expenditures	<u>1,279,879</u>	<u>1,279,879</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	73,094	<u>\$ 73,094</u>
Fund Balance:			
Beginning of year, July 1		<u>158,147</u>	
End of year, June 30		<u>\$ 231,241</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 YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Federal grants:					
NC Economic Recovery					
Program Project	\$ 13,105	\$ 13,105	\$ -	\$ 13,105	\$ -
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total revenues	<u>14,105</u>	<u>14,105</u>	<u>-</u>	<u>14,105</u>	<u>-</u>
Expenditures:					
Economic and physical development:					
Operating	<u>79,900</u>	<u>65,621</u>	<u>14,279</u>	<u>79,900</u>	<u>-</u>
Revenues over (under) expenditures	<u>(65,795)</u>	<u>(51,516)</u>	<u>(14,279)</u>	<u>(65,795)</u>	<u>-</u>
Other Financing Sources (Uses):					
Appropriated fund balance	14,279	-	-	-	(14,279)
Transfers from other funds	<u>51,516</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>32,356</u>
Total other financing sources (uses)	<u>65,795</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>18,077</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 32,356</u>	<u>(14,279)</u>	<u>\$ 18,077</u>	<u>\$ 18,077</u>
Fund Balance:					
Beginning of year, July 1			<u>32,356</u>		
End of year, June 30			<u>\$ 18,077</u>		

JACKSON COUNTY, NORTH CAROLINA

CLEAN WATER REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 15,000	\$ 15,000	\$ -
Revenues over (under) expenditures	(15,000)	(15,000)	-
Other Financing Sources (Uses):			
Transfer from General Fund	15,000	15,000	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		<u>1,842</u>	
Ending of year, June 30		<u>\$ 1,842</u>	

JACKSON COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and services	\$ 10,000	\$ -	\$ (10,000)
Investment earnings	<u>1,200</u>	<u>505</u>	<u>(695)</u>
Total revenues	<u>11,200</u>	<u>505</u>	<u>(10,695)</u>
Expenditures:			
Economic and physical development:			
Operating	<u>11,200</u>	<u>2,399</u>	<u>8,801</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,894)</u>	<u>\$ (1,894)</u>
Fund Balance:			
Beginning of year, July 1		<u>669,944</u>	
End of year, June 30		<u>\$ 668,050</u>	

JACKSON COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 300	\$ 144	\$ (156)
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	111,655	86,114	25,541
Operating	86,004	48,570	37,434
Loans, development, and capital improvement	3,750	-	3,750
Total expenditures	<u>201,409</u>	<u>134,684</u>	<u>66,725</u>
Revenues over (under) expenditures	<u>(201,109)</u>	<u>(134,540)</u>	<u>66,569</u>
Other Financing Sources (Uses):			
Transfers in:			
Transfer from General Fund	100,960	100,960	-
Appropriated fund balance	<u>100,149</u>	<u>-</u>	<u>(100,149)</u>
Total other financing sources (uses)	<u>201,109</u>	<u>100,960</u>	<u>(100,149)</u>
Net change in fund balance	<u>\$ -</u>	<u>(33,580)</u>	<u>\$ (33,580)</u>
Fund Balance:			
Beginning of year, July 1		<u>199,549</u>	
End of year, June 30		<u>\$ 165,969</u>	

CAPITAL PROJECT FUNDS

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



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JACKSON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2021

	Recreation Center Fund	Dillsboro Complex Project Fund	County Capital Projects Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Assets:					
Cash and cash equivalents	\$ 1,224,688	\$ 1,145,059	\$ 219,064	\$ 140,465	\$ 2,729,276
Due from other governments	-	2,137	353	-	2,490
Total assets	<u>\$ 1,224,688</u>	<u>\$ 1,147,196</u>	<u>\$ 219,417</u>	<u>\$ 140,465</u>	<u>\$ 2,731,766</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ 29,200</u>	<u>\$ 198,705</u>	<u>\$ 83,937</u>	<u>\$ -</u>	<u>\$ 311,842</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	2,137	353	-	2,490
Committed:					
Recreation	1,195,488	946,354	-	140,465	2,282,307
General government	-	-	135,127	-	135,127
Total fund balances	<u>1,195,488</u>	<u>948,491</u>	<u>135,480</u>	<u>140,465</u>	<u>2,419,924</u>
Total liabilities and fund balances	<u>\$ 1,224,688</u>	<u>\$ 1,147,196</u>	<u>\$ 219,417</u>	<u>\$ 140,465</u>	<u>\$ 2,731,766</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021

	Recreation Center Fund	Dillsboro Complex Project Fund	County Capital Projects Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Expenditures:					
Current:					
General government	\$ -	\$ -	\$ 108,475	\$ -	\$ 108,475
Public safety	-	1,083,260	-	-	1,083,260
Culture and recreation	<u>292,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,000</u>
Total expenditures	<u>292,000</u>	<u>1,083,260</u>	<u>108,475</u>	<u>-</u>	<u>1,483,735</u>
Revenues over (under) expenditures	(292,000)	(1,083,260)	(108,475)	-	(1,483,735)
Other Financing Sources (Uses):					
Transfers from other funds	<u>1,487,488</u>	<u>1,224,326</u>	<u>-</u>	<u>-</u>	<u>2,711,814</u>
Net change in fund balances	1,195,488	141,066	(108,475)	-	1,228,079
Fund Balances:					
Beginning of year, July 1	<u>-</u>	<u>807,425</u>	<u>243,955</u>	<u>140,465</u>	<u>1,191,845</u>
End of year, June 30	<u>\$ 1,195,488</u>	<u>\$ 948,491</u>	<u>\$ 135,480</u>	<u>\$ 140,465</u>	<u>\$ 2,419,924</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 YEAR ENDED JUNE 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Savannah/Greens Creek Park	\$ 1,487,488	\$ 441,464	\$ 292,000	\$ 733,464	\$ 754,024
Revenues over (under) expenditures	(1,487,488)	(441,464)	(292,000)	(733,464)	754,024
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	1,487,488	441,464	1,487,488	1,928,952	441,464
Total other financing sources (uses)	1,487,488	441,464	1,487,488	1,928,952	441,464
Net change in fund balance	\$ -	\$ -	1,195,488	\$ 1,195,488	\$ 1,195,488
Fund Balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 1,195,488		

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - DILLSBORO COMPLEX PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Recreation:					
Construction cost	\$ 5,614,326	\$ 192,575	\$ 1,083,260	\$ 1,275,835	\$ 4,338,491
Revenues over (under) expenditures	(5,614,326)	(192,575)	(1,083,260)	(1,275,835)	4,338,491
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	224,326	-	224,326	224,326	-
Capital Reserve Fund	5,390,000	1,000,000	1,000,000	2,000,000	(3,390,000)
Total other financing sources (uses)	5,614,326	1,000,000	1,224,326	2,224,326	(3,390,000)
Net change in fund balance	\$ -	\$ 807,425	141,066	\$ 948,491	\$ 948,491
Fund Balance:					
Beginning of year, July 1			807,425		
End of year, June 30			\$ 948,491		

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - COUNTY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
General government:					
Skyland Services Center:					
Architect fees	\$ 72,000	\$ 60,965	\$ -	\$ 60,965	\$ 11,035
Construction	1,345,684	1,234,209	108,475	1,342,684	3,000
Site acquisition	408,625	408,625	-	408,625	-
Furnishings	141,980	131,995	-	131,995	9,985
Total Skyland Services Center	<u>1,968,289</u>	<u>1,835,794</u>	<u>108,475</u>	<u>1,944,269</u>	<u>24,020</u>
Cashiers Code Enforcement:					
Construction	211,505	211,505	-	211,505	-
Equipment	7,000	7,000	-	7,000	-
Total Cashiers Code Enforcement	<u>218,505</u>	<u>218,505</u>	<u>-</u>	<u>218,505</u>	<u>-</u>
Contingency	<u>106,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,711</u>
Total expenditures	<u>2,293,505</u>	<u>2,054,299</u>	<u>108,475</u>	<u>2,162,774</u>	<u>130,731</u>
Revenues over (under) expenditures	<u>(2,293,505)</u>	<u>(2,054,299)</u>	<u>(108,475)</u>	<u>(2,162,774)</u>	<u>(130,731)</u>
Other Financing Sources (Uses):					
Operating transfers in:					
Capital Reserve Fund	<u>2,293,505</u>	<u>2,075,000</u>	<u>-</u>	<u>2,075,000</u>	<u>(218,505)</u>
Closed out projects	<u>-</u>	<u>223,254</u>	<u>-</u>	<u>223,254</u>	<u>223,254</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 243,955</u>	<u>(108,475)</u>	<u>\$ 135,480</u>	<u>\$ 135,480</u>
Fund Balance:					
Beginning of year, July 1			<u>243,955</u>		
End of year, June 30			<u>\$ 135,480</u>		

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - GREENWAYS PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental	\$ 435,000	\$ 435,000	\$ -	\$ 435,000	\$ -
Gifts and donations	<u>227,500</u>	<u>219,742</u>	<u>-</u>	<u>219,742</u>	<u>(7,758)</u>
Total revenues	<u>662,500</u>	<u>654,742</u>	<u>-</u>	<u>654,742</u>	<u>(7,758)</u>
Expenditures:					
Culture and recreation:					
Construction	1,849,398	1,706,926	-	1,706,926	142,472
Engineering fees	<u>95,415</u>	<u>89,664</u>	<u>-</u>	<u>89,664</u>	<u>5,751</u>
Total expenditures	<u>1,944,813</u>	<u>1,796,590</u>	<u>-</u>	<u>1,796,590</u>	<u>148,223</u>
Revenues over (under) expenditures	(1,282,313)	(1,141,848)	-	(1,141,848)	140,465
Other Financing Sources (Uses):					
Transfers from other funds:					
Conservation/Preservation Fund	<u>1,282,313</u>	<u>1,282,313</u>	<u>-</u>	<u>1,282,313</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 140,465</u>	<u>-</u>	<u>\$ 140,465</u>	<u>\$ 140,465</u>
Fund Balance:					
Beginning of year, July 1			<u>140,465</u>		
End of year, June 30			<u>\$ 140,465</u>		

COMBINING STATEMENTS AND SCHEDULES FOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

- **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 Commission 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.



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JACKSON COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

LANDFILL FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services	\$ 3,730,465	\$ 3,502,885	\$ (227,580)
Non-operating revenues:			
Scrap tire disposal fee	65,000	63,595	(1,405)
White goods tax	21,800	23,340	1,540
Electronics tax	3,200	3,123	(77)
Scrap tire grant	710	709	(1)
Miscellaneous	10,022	2,515	(7,507)
Interest earned on investments	25,650	15,335	(10,315)
Total non-operating revenues	126,382	108,617	(17,765)
Total revenues	3,856,847	3,611,502	(245,345)
Expenditures:			
Landfill operations:			
Salaries and employee benefits	538,272	573,137	(34,865)
Operations	2,239,098	2,155,814	83,284
Supplies	30,085	28,477	1,608
Repairs and maintenance	194,000	99,940	94,060
Contracted services	950,720	933,480	17,240
Total	3,952,175	3,790,848	161,327
Debt service:			
Debt principal	234,601	234,601	-
Interest and other charges	23,630	23,630	-
Total	258,231	258,231	-
Total expenditures	4,210,406	4,049,079	161,327
Revenues over (under) expenditures	(353,559)	(437,577)	(84,018)
Other Financing Sources (Uses):			
Transfer from General Fund	353,559	353,559	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (84,018)	\$ (84,018)

JACKSON COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

LANDFILL FUND

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Over/Under
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (84,018)	
Change in accrued interest receivable		4,234	
Change in compensated absences		44,155	
Decrease in deferred outflow - OPEB		135,662	
Increase in deferred inflow - OPEB		34,735	
(Increase) decrease in other post-employment benefits		(253,507)	
Increase in deferred outflow - pensions		72,390	
Increase in deferred inflow - pensions		(145)	
(Increase) decrease in pensions		(33,290)	
Debt principal payment		234,601	
Depreciation		<u>(147,769)</u>	
Change in net position		<u>\$ 7,048</u>	

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF FUND NET POSITION
 JUNE 30, 2021

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 178,219	\$ 565,884	\$ 744,103
Accounts receivable, net	1,216	-	1,216
Notes receivable, net	-	24,811	24,811
Total current assets	<u>179,435</u>	<u>590,695</u>	<u>770,130</u>
Non-current assets:			
Depreciable assets, net of depreciation	<u>46,522</u>	<u>1,012,035</u>	<u>1,058,557</u>
Total assets	<u>225,957</u>	<u>1,602,730</u>	<u>1,828,687</u>
Deferred Outflows of Resources:			
Pension deferrals	27,654	-	27,654
OPEB deferrals	<u>105,231</u>	<u>-</u>	<u>105,231</u>
Total deferred outflows of resources	<u>132,885</u>	<u>-</u>	<u>132,885</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	14,162	-	14,162
Compensated absences, current	<u>4,662</u>	<u>-</u>	<u>4,662</u>
Total current liabilities	<u>18,824</u>	<u>-</u>	<u>18,824</u>
Non-current liabilities:			
Net pension liability - LGERS	56,314	-	56,314
Compensated absences, non-current	13,985	-	13,985
Total OPEB liability	<u>370,302</u>	<u>-</u>	<u>370,302</u>
Total non-current liabilities	<u>440,601</u>	<u>-</u>	<u>440,601</u>
Total liabilities	<u>459,425</u>	<u>-</u>	<u>459,425</u>
Deferred Inflows of Resources:			
Pension deferrals	76	-	76
OPEB deferrals	<u>90,230</u>	<u>-</u>	<u>90,230</u>
Total deferred inflows of resources	<u>90,306</u>	<u>-</u>	<u>90,306</u>
Net Position:			
Restricted for:			
Net investment in capital assets	46,522	1,012,035	1,058,557
Unrestricted	<u>(237,411)</u>	<u>590,695</u>	<u>353,284</u>
Total net position	<u>\$ (190,889)</u>	<u>\$ 1,602,730</u>	<u>\$ 1,411,841</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Charges for services	\$ 8,262	\$ 111,090	\$ 119,352
Operating Expenses:			
Park operations	250,863	-	250,863
Economic development operations	-	20,623	20,623
Depreciation	2,883	29,580	32,463
Total expenses	253,746	50,203	303,949
Operating income (loss)	(245,484)	60,887	(184,597)
Non-Operating Revenues:			
Investment earnings	-	713	713
Donations	111	-	111
Total non-operating revenues	111	713	824
Income (loss) before transfers	(245,373)	61,600	(183,773)
Transfers (to) from other funds	216,434	-	216,434
Change in net position	(28,939)	61,600	32,661
Net Position:			
Beginning of year, July 1	(161,950)	1,541,130	1,379,180
End of year, June 30	\$ (190,889)	\$ 1,602,730	\$ 1,411,841

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 8,806	\$ 111,090	\$ 119,896
Cash paid for goods and services	(174,162)	(20,623)	(194,785)
Cash paid to employees for services	(53,060)	-	(53,060)
Net cash provided by (used for) operating activities	(218,416)	90,467	(127,949)
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	111	-	111
Transfers from other funds	216,434	-	216,434
Net cash provided by non-capital financing activities	216,545	-	216,545
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(9,788)	-	(9,788)
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	18,645	18,645
Interest earned on investments	-	713	713
Net cash provided by investing activities	-	19,358	19,358
Net increase in cash and cash equivalents	(11,659)	109,825	98,166
Cash and Cash Equivalents:			
Beginning of year, July 1	189,878	456,059	645,937
End of year, June 30	<u>\$ 178,219</u>	<u>\$ 565,884</u>	<u>\$ 744,103</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Uses) by Operating Activities:			
Operating income (loss)	\$ (245,484)	\$ 60,887	\$ (184,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,883	29,580	32,463
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	(76,373)	-	(76,373)
Change in deferred inflow - OPEB	(17,219)	-	(17,219)
Change in other post-employment benefits	126,753	-	126,753
Change in deferred outflow - pensions	(27,654)	-	(27,654)
Change in deferred inflow - pensions	(76)	-	(76)
Change in pensions	16,645	-	16,645
Change in accounts receivable	433	-	433
Change in accounts payable and accrued liabilities	770	-	770
Change in compensated absences	906	-	906
Total adjustments	27,068	29,580	56,648
Net cash provided (used) by operating activities	<u>\$ (218,416)</u>	<u>\$ 90,467</u>	<u>\$ (127,949)</u>

JACKSON COUNTY, NORTH CAROLINA

GREEN ENERGY PARK FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - NON-GAAP
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 12,000	\$ 7,884	\$ (4,116)
Registration fees	15,000	125	(14,875)
Gallery commission	2,500	253	(2,247)
Total operating revenues	<u>29,500</u>	<u>8,262</u>	<u>(21,238)</u>
Non-operating revenues:			
Donations	<u>1,000</u>	<u>111</u>	<u>(889)</u>
Total revenues	<u>30,500</u>	<u>8,373</u>	<u>(22,127)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	180,244	180,719	(475)
Operating	66,690	48,068	18,622
Capital outlay	-	9,788	(9,788)
Total	<u>246,934</u>	<u>238,575</u>	<u>8,359</u>
Revenues over (under) expenditures	<u>(216,434)</u>	<u>(230,202)</u>	<u>(13,768)</u>
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>216,434</u>	<u>216,434</u>	<u>-</u>
Total other financing sources (uses)	<u>216,434</u>	<u>216,434</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(13,768)</u>	<u>\$ (13,768)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Increase in deferred outflow - OPEB		76,373	
Increase in deferred inflow - OPEB		17,219	
(Increase) decrease in other post-employment benefits		(126,753)	
Increase in deferred outflow - pensions		27,654	
Increase in deferred inflow - pensions		76	
(Increase) decrease in pensions		(16,645)	
Capital outlay		9,788	
Depreciation		<u>(2,883)</u>	
Change in net position		<u>\$ (28,939)</u>	

JACKSON COUNTY, NORTH CAROLINA
**ECONOMIC DEVELOPMENT COMMISSION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL - NON-GAAP
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Rents	\$ 144,718	\$ 111,090	\$ (33,628)
Non-operating revenues:			
Interest earned on investments	732	713	(19)
Total revenues	<u>145,450</u>	<u>111,803</u>	<u>(33,647)</u>
Expenditures:			
Economic development operations:			
Operating	125,450	623	124,827
Insurance	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>145,450</u>	<u>20,623</u>	<u>124,827</u>
Revenues over (under) expenditures	<u>\$ -</u>	91,180	<u>\$ 91,180</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation		<u>(29,580)</u>	
Change in net position		<u>\$ 61,600</u>	



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FIDUCIARY FUND SCHEDULES

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



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JACKSON COUNTY, NORTH CAROLINA**CUSTODIAL FUNDS****COMBINING STATEMENT OF FIDUCIARY NET POSITION****JUNE 30, 2021**

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Assets:			
Cash and cash equivalents	\$ 18,281	\$ 185,409	\$ 203,690
Taxes receivables for other governments, net	11,429	1,726	13,155
Total assets	<u>29,710</u>	<u>187,135</u>	<u>216,845</u>
Liabilities:			
Accounts payable and accrued liabilities	7,848	2,891	10,739
Due to other governments	56	-	56
Total liabilities	<u>7,904</u>	<u>2,891</u>	<u>10,795</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	21,806	184,244	206,050
Total net position	<u>\$ 21,806</u>	<u>\$ 184,244</u>	<u>\$ 206,050</u>

JACKSON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions:			
Ad valorem taxes for other governments	\$ 534,599	\$ -	\$ 534,599
Collections on behalf of inmates	-	180,296	180,296
Total additions	<u>534,599</u>	<u>180,296</u>	<u>714,895</u>
Deductions:			
Tax distributions to other governments	523,017	-	523,017
Payments on behalf of inmates	-	134,754	134,754
Total deductions	<u>523,017</u>	<u>134,754</u>	<u>657,771</u>
Net increase (decrease) in fiduciary net position	<u>11,582</u>	<u>45,542</u>	<u>57,124</u>
Net position, beginning, a previously reported	-	-	-
Prior period restatement - change in accounting principle	<u>10,224</u>	<u>138,702</u>	<u>148,926</u>
Net position, beginning, as restated	<u>10,224</u>	<u>138,702</u>	<u>148,926</u>
Net position, ending	<u>\$ 21,806</u>	<u>\$ 184,244</u>	<u>\$ 206,050</u>

OTHER SCHEDULES

This section included additional information on property taxes.

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



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JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 37,856,649	\$ 37,413,708	\$ 442,941
2019-2020	682,412	-	403,359	279,053
2018-2019	342,065	-	168,115	173,950
2017-2018	225,682	-	97,603	128,079
2016-2017	137,200	-	53,321	83,879
2015-2016	154,390	-	41,358	113,032
2014-2015	123,903	-	26,767	97,136
2013-2014	116,045	-	20,574	95,471
2012-2013	100,556	-	13,533	87,023
2011-2012	72,715	-	10,758	61,957
2010-2011	54,997	-	54,997	-
Total	<u>\$ 2,009,965</u>	<u>\$ 37,856,649</u>	<u>\$ 38,304,093</u>	\$ 1,562,521
Less: allowance for uncollectible accounts				<u>(863,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 699,521</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				<u>\$ 38,579,247</u>
Reconciling items:				
Penalties and interest collected				(419,320)
Amounts written off for tax year 2010-2011				54,997
Rental vehicle tax				(8,095)
Prior year releases, refunds, and other adjustments				66,793
NCVTS fees				102,012
Other reconciling items				<u>(71,541)</u>
Total reconciling items				<u>(275,154)</u>
Total collections and credits				<u>\$ 38,304,093</u>

JACKSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ 9,633,079,669	\$ 0.38	\$ 36,605,702	\$ 34,875,518	\$ 1,730,184
Utilities at current year's rate	<u>229,263,684</u>	0.38	<u>871,202</u>	<u>871,202</u>	<u>-</u>
Total	<u>9,862,343,353</u>		<u>37,476,904</u>	<u>35,746,720</u>	<u>1,730,184</u>
Discoveries:					
Current year taxes	<u>109,497,339</u>	0.38	<u>416,090</u>	<u>416,090</u>	<u>-</u>
Abatements/releases	<u>(9,564,500)</u>	0.38	<u>(36,345)</u>	<u>(28,573)</u>	<u>(7,772)</u>
Total property valuation	<u>\$ 9,962,276,192</u>				
Net levy			37,856,649	36,134,237	1,722,412
Uncollected taxes at June 30, 2021			<u>442,941</u>	<u>440,290</u>	<u>2,651</u>
Current year's taxes collected			<u>\$ 37,413,708</u>	<u>\$ 35,693,947</u>	<u>\$ 1,719,761</u>
Current levy collection percentage			98.83%	98.78%	99.85%

JACKSON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	100%
Real property	\$ 9,708,034,857
Personal property	<u>254,241,335</u>
Total assessed valuation	<u>\$ 9,962,276,192</u>
Tax rate per \$100 (2)	<u>\$ 0.3800</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 37,856,649</u>
In addition to the County-wide rate, the County levies taxes on behalf of two fire districts:	
Fire districts	<u>\$ 1,319,270</u>

(1) *Percentage of appraised value has been established by statute.*

(2) *Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.*

(3) *The levy includes interest and penalties*



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