

**JACKSON COUNTY
NORTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

List of Principal Officials

June 30, 2024

Board of Commissioners

Mark Letson, Chairperson

Todd Bryson

Mark Jones

John Smith

Tom Stribling

County Manager

Kevin King

Finance Director

Darlene Fox



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JACKSON COUNTY, NORTH CAROLINA

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

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Independent Auditor's Report

Board of County Commissioners
Jackson County
Sylva, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Opioid Settlement Fund, and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board, which represents 23%, 15% and 73%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Jackson County Alcoholic Beverage Control Board and the Jackson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Governmental 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 Employee 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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit 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 25, 2024, 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 25, 2024



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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, 2024. 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

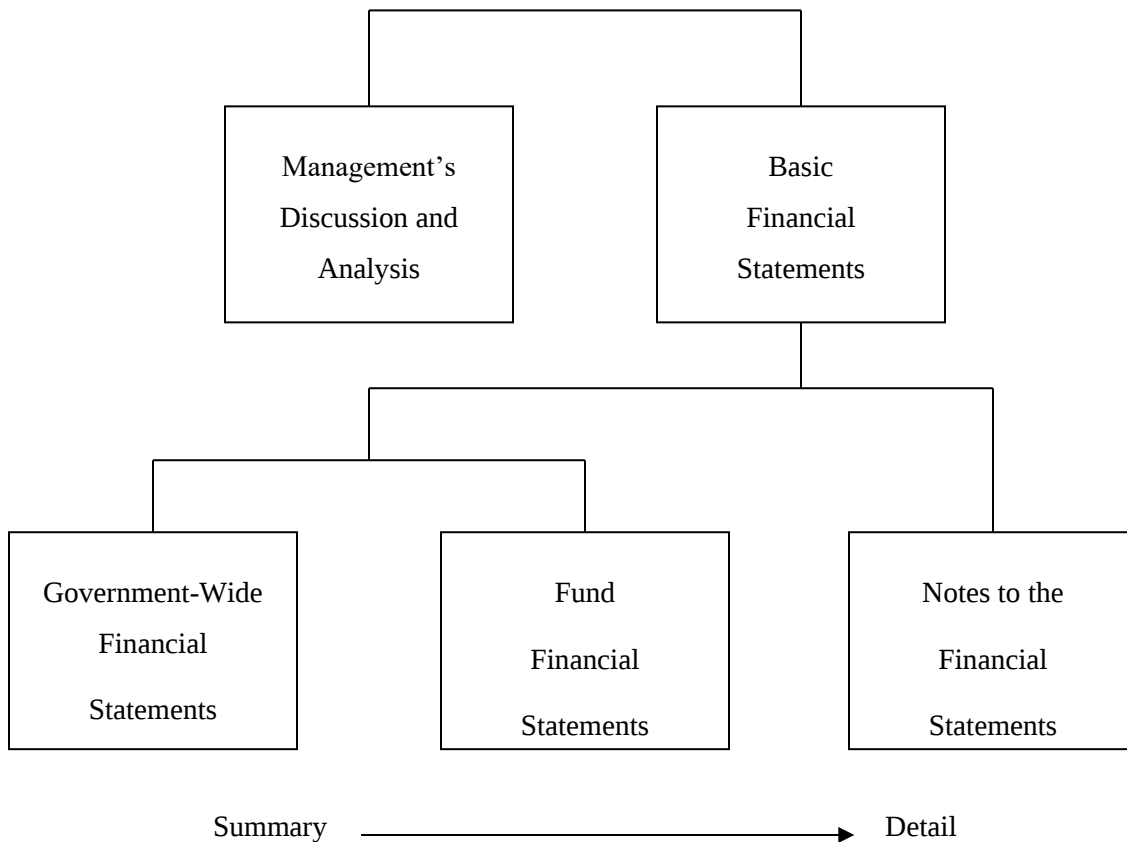
- The assets and deferred outflows of resources of Jackson County's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$101,930,398 and \$3,209,038, respectively.
- The government's total net position increased by \$13,517,051 of which \$13,392,213 was for an increase in governmental activities and \$124,838 was for an increase in business-type activities.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$76,280,871, a decrease of \$766,452 in comparison with the prior year. 51.03% (percent) of this total amount, or \$38,927,464, 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 \$40,639,124, or 43.34% (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, lease liabilities, OPEB, and pension related liabilities) decreased by \$3,926,063 during the current fiscal year. This is due to the regularly scheduled debt service repayments in the fiscal year. Jackson County's business-type activities long-term debt (excluding compensated absences, lease liabilities, OPEB, and pension related liabilities) decreased by \$234,600 during the current year due to regularly scheduled debt service repayments in the fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 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

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 90,056,577	\$ 2,236,148	\$ 92,292,725	\$ 89,745,286	\$ 2,316,744	\$ 92,062,030
Capital assets	119,581,679	4,085,236	123,666,915	107,469,900	4,263,332	111,733,232
Total assets	209,638,256	6,321,384	215,959,640	197,215,186	6,580,076	203,795,262
Deferred Outflows of Resources	19,131,097	518,602	19,649,699	19,424,527	533,478	19,958,005
Liabilities:						
Current liabilities	13,899,965	157,862	14,057,827	12,500,369	378,778	12,879,147
Long-term liabilities	97,986,953	3,023,224	101,010,177	99,540,791	3,169,573	102,710,364
Total liabilities	111,886,918	3,181,086	115,068,004	112,041,160	3,548,351	115,589,511
Deferred Inflows of Resources	14,952,037	449,862	15,401,899	16,060,368	481,003	16,541,371
Net Position:						
Net investment in capital assets	99,393,140	3,953,629	103,346,769	94,341,793	3,821,430	98,163,223
Restricted	12,606,654	-	12,606,654	11,052,214	-	11,052,214
Unrestricted	(10,069,396)	(744,591)	(10,813,987)	(16,855,822)	(737,230)	(17,593,052)
Total net position	\$ 101,930,398	\$ 3,209,038	\$ 105,139,436	\$ 88,538,185	\$ 3,084,200	\$ 91,622,385

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 \$105,139,436 as of June 30, 2024. The County's net position increased by \$13,517,051 for the fiscal year ended June 30, 2024, of which \$13,392,213 was for an increase in governmental activities and \$124,838 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 \$10,813,987 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 99.14 percent, constant with the statewide average of 99.20 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

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues						
Charges for services	\$ 6,153,031	\$ 5,089,254	\$ 11,242,285	\$ 5,930,464	\$ 4,796,913	\$ 10,727,377
Operating grants and contributions	10,187,392	3,397	10,190,789	21,212,679	8,587	21,221,266
General revenues:						
Property taxes	49,400,647	-	49,400,647	47,638,839	-	47,638,839
Local option sales tax	23,413,824	-	23,413,824	23,293,228	-	23,293,228
Other taxes	509,824	110,998	620,822	243,963	116,256	360,219
Other	-	-	-	-	303,018	303,018
Investment earnings	3,474,395	63,442	3,537,837	1,808,812	42,577	1,851,389
Total revenues	<u>93,139,113</u>	<u>5,267,091</u>	<u>98,406,204</u>	<u>100,127,985</u>	<u>5,267,351</u>	<u>105,395,336</u>
Expenses:						
General government	15,349,341	-	15,349,341	12,362,578	-	12,362,578
Public safety	24,257,349	-	24,257,349	24,595,620	-	24,595,620
Transportation	1,003,514	-	1,003,514	919,525	-	919,525
Environmental protection	525,732	-	525,732	286,404	-	286,404
Economic and physical development	1,627,188	-	1,627,188	1,238,548	-	1,238,548
Human services	16,282,714	-	16,282,714	15,260,816	-	15,260,816
Culture and recreation	4,691,948	-	4,691,948	2,668,828	-	2,668,828
Education	14,708,146	-	14,708,146	17,547,803	-	17,547,803
Interest and other charges	1,004,568	-	1,004,568	1,085,396	-	1,085,396
Landfill	-	5,171,613	5,171,613	-	4,593,480	4,593,480
Green Energy Park	-	245,541	245,541	-	297,491	297,491
Economic Development Commission	-	21,499	21,499	-	73,545	73,545
Total expenses	<u>79,450,500</u>	<u>5,438,653</u>	<u>84,889,153</u>	<u>75,965,518</u>	<u>4,964,516</u>	<u>80,930,034</u>
Change in net position before transfers	13,688,613	(171,562)	13,517,051	24,162,467	302,835	24,465,302
Transfers	<u>(296,400)</u>	<u>296,400</u>	<u>-</u>	<u>(275,000)</u>	<u>275,000</u>	<u>-</u>
Change in net position	13,392,213	124,838	13,517,051	23,887,467	577,835	24,465,302
Net Position:						
Beginning of year, July 1	<u>88,538,185</u>	<u>3,084,200</u>	<u>91,622,385</u>	<u>64,650,718</u>	<u>2,506,365</u>	<u>67,157,083</u>
End of year, June 30	<u>\$ 101,930,398</u>	<u>\$ 3,209,038</u>	<u>\$ 105,139,436</u>	<u>\$ 88,538,185</u>	<u>\$ 3,084,200</u>	<u>\$ 91,622,385</u>

Governmental Activities - Governmental activities increased the County's net position by \$13,392,213. Key elements of this increase are as follows:

- Ad valorem tax increased by 3.25% due increased tax values for new construction. The tax rate remained at \$0.38.
- Other taxes (primarily sales tax) increased as the County's current economic conditions improve. Overall, the County realized a 4.52% (percent) increase for the year.
- Public safety increases include a 4% increase for fire departments and rescue squads.
- The increase in human service expenses is related increased foster care and Medicare Expansion expenses.
- The increase in the education expenses is related to increased salary expenses and various school construction projects.

Business-Type Activities – Business-type activities increased Jackson County's net position by \$124,838. The key element of this increase is as follows:

- The Landfill Fund ended the year with an addition to net position while the Green Energy Park Fund, and the Economic Development Fund ended the year also with an addition to net position. The 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 \$40,639,124, while total fund balance reached \$53,756,235. 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, \$7,045,167. Fund balance available for appropriation of \$46,052,122 represents 49.11% (percent) of total General Fund expenditures and transfers out, while total fund balance represents 57.32% (percent) of that same amount.

At June 30, 2024, the governmental funds of Jackson County reported a combined fund balance of \$76,280,871 a decrease of \$766,452. The primary reason for this decrease in fund balance is the increased expenditures for capital projects.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund increased revenues by \$4,865,590, which is 6%.

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 \$3,209,038. The total increase in net position for the funds was \$124,838. 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, 2024, totals \$123,666,915 (net of accumulated depreciation and amortization). These assets include buildings and improvements, land, machinery and equipment, vehicles, plant and distribution systems, right to use assets and construction in progress.

Major capital asset transactions during the year include:

- Purchased three Ford Escapes for Tax Administration and Real Property Revaluation.
- Purchased an AC Recovery Machine for the Garage.
- Purchased a Komatsu Excavator and a Trash Compaction Knuckle boom for Maintenance.
- Purchased two 2024 Ford F150 Trucks for Housekeeping.
- Purchased a Kawasaki 61" V Ride Mower, an electric spreader, a Power Turbine Blower, a 48" Snow Blower, a 52" Ferris Walk Behind Mower and a John Deere Gator for Grounds.
- Purchased eight Dodge Durango's, a Camera System, an Idemia Fingerprint Scanner, a Speed Alert Trailer, and a portable Drug Incinerator for the Sheriff's Office.
- Purchased seven Plum Pathfinder Modems and four Kenwood Portable Radios for Emergency Management.
- Purchased a 2023 Ford Escape for Code Enforcement.
- Purchased a 2024 Ford Mobility Van for Transportation.
- Purchased a 2023 Ford Explorer for Planning.
- Purchased a 2023 Ford F150 for Cooperative Extension.
- Purchased an Inflatable Shelter Bundle for the Health Department.
- Purchased a 2024 Ford Escape, a PowerEdge server, a Children's Services Building and a Door Access System bundle for the Department of Social Services.
- Purchased a 2023 Ford F150 truck for Aging.
- Purchased three Ford F150 trucks, a Playground at Charley's Creek, an all-inclusive Playground at Webster Park, a pool lift and a Group Fitness Stereo System the Recreation Department.
- Purchased a 2024 Ford Explorer for the Economic Development Department.
- Addition of construction in progress on the Dillsboro Complex, Domestic Violence, Greenway, Indoor Pool Facility and School Improvement projects.

Jackson County's Capital Assets, Net of Accumulated Depreciation

Figure 4

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 16,083,121	\$ 146,368	\$ 16,229,489	\$ 16,083,121	\$ 146,368	\$ 16,229,489
Buildings and improvements	44,472,571	1,230,986	45,703,557	45,424,619	1,307,691	46,732,310
Machinery and equipment	2,893,154	2,592,880	5,486,034	2,250,797	2,627,371	4,878,168
Vehicles	2,566,761	102,958	2,669,719	2,162,434	94,837	2,257,271
Righ-to-use assets	342,470	12,044	354,514	527,446	87,065	614,511
Construction in progress	53,223,602	-	53,223,602	41,021,483	-	41,021,483
Capital assets, net	<u>\$ 119,581,679</u>	<u>\$ 4,085,236</u>	<u>\$ 123,666,915</u>	<u>\$ 107,469,900</u>	<u>\$ 4,263,332</u>	<u>\$ 111,733,232</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, 2024, Jackson County had total debt outstanding of \$32,425,813, most of which is collateralized by capital assets. However, approximately \$7,133,331 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

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 17,332,000	\$ -	\$ 17,332,000	\$ 18,666,000	\$ -	\$ 18,666,000
Total installment purchases from direct placements	14,976,513	117,300	15,093,813	17,568,576	351,900	17,920,476
Total outstanding debt	<u>\$ 32,308,513</u>	<u>\$ 117,300</u>	<u>\$ 32,425,813</u>	<u>\$ 36,234,576</u>	<u>\$ 351,900</u>	<u>\$ 36,586,476</u>

Jackson County's debt, shown above, decreased \$4,160,663 (23.22 percent) during the past fiscal year. The decrease is primarily due regularly scheduled debt service payments during 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 \$958,323,000.

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 4.1 percent, slightly higher than the state and national average of 3.7 percent.
- Retail vacancy rates increased by 5.40%. The average vacancy rate for the year was in the 61 percent range. The prior year rate was 55.6%. The County experienced an increase overall in room occupancy tax fees.
- Construction for new homes and businesses is increasing.

Budget Highlights for the Fiscal Year Ending June 30, 2025

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. The Ad valorem tax rate will remain at \$0.38 per \$100. Sales tax revenues continue to increase.

Budgeted expenditures in the General Fund are expected to increase 8.45 percent to \$93,803,495. The largest increments are in the salary costs and increased operational expenses. The public schools, community college, and library expenses were increased.

Business-Type Activities. General operating expenses of the Solid Waste Fund will increase by 2.78 percent. 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 remained the same. The Green Energy Park Fund operational budget will increase by 1.94 percent. The Economic Development Fund operational budget will increase by 4.88 percent due additional contracted services for property development.

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, 2024

	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	\$ 69,563,037	\$ 1,770,941	\$ 71,333,978	\$ 3,729,055	\$ 285,108	\$ 1,412,219
Restricted cash and cash equivalents	8,733,791	-	8,733,791	-	-	-
Taxes receivable, net	190,306	-	190,306	-	-	-
Accounts receivable, net	561,906	429,398	991,304	-	484	-
Due from primary government	-	-	-	292,892	-	-
Due from other governments	7,043,832	35,809	7,079,641	3,140	51,592	-
Notes receivable, net	658,946	-	658,946	-	-	-
Inventory and prepaids	-	-	-	-	25,877	773,872
Total current assets	<u>86,751,818</u>	<u>2,236,148</u>	<u>88,987,966</u>	<u>4,025,087</u>	<u>363,061</u>	<u>2,186,091</u>
Non-current assets:						
Accounts receivable, non-current	3,246,998	-	3,246,998	-	-	-
Net pension asset (RODSPF)	<u>57,761</u>	<u>-</u>	<u>57,761</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:						
Land and construction in progress	69,306,723	146,368	69,453,091	-	4,818,067	12,301
Depreciable capital assets, net of depreciation	49,932,486	3,926,824	53,859,310	8,133	425,436	695,720
Right-to-use assets, net of amortization	<u>342,470</u>	<u>12,044</u>	<u>354,514</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>119,581,679</u>	<u>4,085,236</u>	<u>123,666,915</u>	<u>8,133</u>	<u>5,243,503</u>	<u>708,021</u>
Total non-current assets	<u>122,886,438</u>	<u>4,085,236</u>	<u>126,971,674</u>	<u>8,133</u>	<u>5,243,503</u>	<u>708,021</u>
Total assets	<u>209,638,256</u>	<u>6,321,384</u>	<u>215,959,640</u>	<u>4,033,220</u>	<u>5,606,564</u>	<u>2,894,112</u>
Deferred Outflows of Resources:						
Pension deferrals	11,320,147	277,026	11,597,173	95,613	-	197,353
OPEB deferrals	<u>7,810,950</u>	<u>241,576</u>	<u>8,052,526</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>19,131,097</u>	<u>518,602</u>	<u>19,649,699</u>	<u>95,613</u>	<u>-</u>	<u>197,353</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	7,442,670	18,173	7,460,843	95,491	-	678,458
Advance from grantors	2,034,349	-	2,034,349	-	-	-
Accrued interest payable	-	579	579	-	-	-
Due to component unit	292,892	-	292,892	-	-	-
Compensated absences, current	513,032	7,503	520,535	-	-	-
General obligation bond, current	1,334,000	-	1,334,000	-	-	-
Lease liabilities, current	51,846	14,307	66,153	-	-	-
IT subscriptions, current	121,328	-	121,328	-	-	-
Installment purchases, current	<u>2,109,848</u>	<u>117,300</u>	<u>2,227,148</u>	<u>-</u>	<u>-</u>	<u>36,578</u>
Total current liabilities	<u>13,899,965</u>	<u>157,862</u>	<u>14,057,827</u>	<u>95,491</u>	<u>-</u>	<u>715,036</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Non-current liabilities:						
Accrued landfill closure and post-closure care costs	-	1,503,374	1,503,374	-	-	-
Net pension liability - LGERS	15,711,173	437,170	16,148,343	179,353	-	247,240
Total pension liability - LEOSA	3,271,693	-	3,271,693	-	-	-
Total OPEB liability	48,434,683	1,060,170	49,494,853	-	-	-
Compensated absences, non-current	1,539,094	22,510	1,561,604	-	-	-
General Obligation bond, non-current	15,998,000	-	15,998,000	-	-	-
Lease liabilities, non-current	46,343	-	46,343	-	-	-
IT subscriptions, non-current	119,302	-	119,302	-	-	-
Installment purchases, non-current	12,866,665	-	12,866,665	-	-	398,569
Total non-current liabilities	97,986,953	3,023,224	101,010,177	179,353	-	645,809
Total liabilities	111,886,918	3,181,086	115,068,004	274,844	-	1,360,845
Deferred Inflows of Resources:						
Prepaid taxes	84,333	-	84,333	-	-	-
Pension deferrals	342,885	641	343,526	2,919	-	29,151
OPEB deferrals	14,524,819	449,221	14,974,040	-	-	-
Total deferred inflows of resources	14,952,037	449,862	15,401,899	2,919	-	29,151
Net Position:						
Net investment in capital assets	99,393,140	3,953,629	103,346,769	8,133	5,243,503	272,874
Restricted:						
Stabilization by state statute	9,112,911	-	9,112,911	296,032	-	-
Tourism promotion	-	-	-	3,546,905	-	-
Register of Deeds' pension plan	57,761	-	57,761	-	-	-
Register of Deeds	29,602	-	29,602	-	-	-
Education	141,856	-	141,856	-	-	-
Public safety	2,441,320	-	2,441,320	-	-	-
Economic and physical development	823,204	-	823,204	-	-	-
Working capital	-	-	-	-	-	218,497
Unrestricted	(10,069,396)	(744,591)	(10,813,987)	-	363,061	1,210,098
Total net position	\$ 101,930,398	\$ 3,209,038	\$ 105,139,436	\$ 3,851,070	\$ 5,606,564	\$ 1,701,469

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 15,349,341	\$ 2,677,390	\$ 35,110	\$ -
Public safety	24,257,349	1,790,762	2,032,616	-
Transportation	1,003,514	45,249	529,081	-
Environmental protection	525,732	263,776	120,400	-
Economic and physical development	1,627,188	39,084	686,239	-
Human services	16,282,714	485,438	6,693,946	-
Cultural and recreation	4,691,948	851,332	90,000	-
Education	14,708,146	-	-	-
Interest on long-term debt	1,004,568	-	-	-
Total governmental activities	<u>79,450,500</u>	<u>6,153,031</u>	<u>10,187,392</u>	<u>-</u>
Business-type activities:				
Landfill	5,171,613	5,064,424	2,377	-
Green Energy Park	245,541	24,830	1,020	-
Economic Development Commission	<u>21,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>5,438,653</u>	<u>5,089,254</u>	<u>3,397</u>	<u>-</u>
Total primary government	<u>\$ 84,889,153</u>	<u>\$ 11,242,285</u>	<u>\$ 10,190,789</u>	<u>\$ -</u>
Component Units:				
Jackson County Tourism Development Authority	\$ 2,439,040	\$ 1,053	\$ -	\$ -
Jackson County Airport Authority	183,536	94,841	89,712	-
Jackson County ABC Board	<u>7,633,958</u>	<u>7,585,251</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 10,256,534</u>	<u>\$ 7,681,145</u>	<u>\$ 89,712</u>	<u>\$ -</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, 2024**

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	\$ (12,636,841)	\$ -	\$ (12,636,841)			
Public safety	(20,433,971)	-	(20,433,971)			
Transportation	(429,184)	-	(429,184)			
Environmental protection	(141,556)	-	(141,556)			
Economic and physical development	(901,865)	-	(901,865)			
Human services	(9,103,330)	-	(9,103,330)			
Cultural and recreation	(3,750,616)	-	(3,750,616)			
Education	(14,708,146)	-	(14,708,146)			
Interest on long-term debt	(1,004,568)	-	(1,004,568)			
Total governmental activities	(63,110,077)	-	(63,110,077)			
Business-type activities:						
Landfill	-	(104,812)	(104,812)			
Green Energy Park	-	(219,691)	(219,691)			
Economic Development Commission	-	(21,499)	(21,499)			
Total business-type activities	-	(346,002)	(346,002)			
Total primary government	(63,110,077)	(346,002)	(63,456,079)			
Component Units:						
Jackson County Tourism Development Authority				\$ (2,437,987)	\$ -	\$ -
Jackson County Airport Authority				-	1,017	-
Jackson County ABC Board				-	-	(48,707)
Total component units				(2,437,987)	1,017	(48,707)
General Revenues:						
Taxes:						
Property taxes, levied for						
general purpose	49,400,647	-	49,400,647	-	-	-
Local option sales tax	23,413,824	-	23,413,824	-	-	-
Beer and wine tax distribution	193,754	-	193,754	-	-	-
Occupancy taxes	-	-	-	2,486,088	-	-
Other taxes	316,070	110,998	427,068	-	-	-
Investment earnings, unrestricted	3,474,395	63,442	3,537,837	186,227	-	-
Total general revenues, excluding transfers	76,798,690	174,440	76,973,130	2,672,315	-	-
Transfers	(296,400)	296,400	-	-	-	-
Total general revenues and transfers	76,502,290	470,840	76,973,130	2,672,315	-	-
Change in net position	13,392,213	124,838	13,517,051	234,328	1,017	(48,707)
Net Position:						
Beginning of year, July 1	88,538,185	3,084,200	91,622,385	3,616,742	5,605,547	1,750,176
End of year, June 30	\$ 101,930,398	\$ 3,209,038	\$ 105,139,436	\$ 3,851,070	\$ 5,606,564	\$ 1,701,469

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major				
	General Fund	Opioid Settlement Fund	American Rescue Plan Fund	Recreation Center Fund	County Capital Projects Fund
Assets:					
Cash and cash equivalents	\$ 52,950,053	\$ -	\$ -	\$ 277,397	\$ 2,844,369
Restricted cash and cash equivalents	43,858	1,330,122	-	5,325,462	2,034,349
Taxes receivable, net	164,945	-	-	-	-
Accounts receivable, net	8,344	3,673,395	-	-	1,255
Due from other governments	7,036,823	-	-	7,009	-
Due from other funds	-	-	-	-	-
Notes receivable	658,946	-	-	-	-
Total assets	<u>\$ 60,862,969</u>	<u>\$ 5,003,517</u>	<u>\$ -</u>	<u>\$ 5,609,868</u>	<u>\$ 4,879,973</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,631,290	\$ -	\$ -	\$ 1,989,057	\$ 464,981
Due to component unit	292,892	-	-	-	-
Due to other funds	1,933,570	-	-	-	-
Advance from grantors	-	-	-	-	2,034,349
Total liabilities	<u>6,857,752</u>	<u>-</u>	<u>-</u>	<u>1,989,057</u>	<u>2,499,330</u>
Deferred Inflows of Resources:					
Prepaid taxes	84,037	-	-	-	-
Unavailable revenue	-	3,673,395	-	-	-
Property taxes receivable	164,945	-	-	-	-
Total deferred inflows of resources	<u>248,982</u>	<u>3,673,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Non-spendable - note receivable	658,946	-	-	-	-
Restricted:					
Stabilization by state statute	7,045,167	-	-	7,009	1,255
Register of Deeds	29,602	-	-	-	-
Education	-	-	-	-	-
Public safety	-	1,330,122	-	-	-
Economic and physical development	-	-	-	-	-
Recreation	-	-	-	5,325,462	-
Committed:					
Revaluation	45,178	-	-	-	-
Capital reserve	2,936,995	-	-	-	-
Conservation/preservation	2,195,516	-	-	-	-
Recreation	-	-	-	-	-
Education	-	-	-	-	-
General government	-	-	-	-	2,379,388
Assigned:					
Other post-employment benefits	205,707	-	-	-	-
Unassigned	40,639,124	-	-	(1,711,660)	-
Total fund balances	<u>53,756,235</u>	<u>1,330,122</u>	<u>-</u>	<u>3,620,811</u>	<u>2,380,643</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 60,862,969</u>	<u>\$ 5,003,517</u>	<u>\$ -</u>	<u>\$ 5,609,868</u>	<u>\$ 4,879,973</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Major			Nonmajor	
	School	SCC	Parks	Other	
	Improvements	Health	Project	Governmental	
	Fund	Science	Fund	Funds	Total
		Building	Fund		
		Fund			
Assets:					
Cash and cash equivalents	\$ 7,479,326	\$ 141,856	\$ 1,721,840	\$ 4,148,196	\$ 69,563,037
Restricted cash and cash equivalents	-	-	-	-	8,733,791
Taxes receivable, net	-	-	-	25,361	190,306
Accounts receivable, net	-	-	93,547	32,363	3,808,904
Due from other governments	-	-	-	-	7,043,832
Due from other funds	1,933,570	-	-	-	1,933,570
Notes receivable, net	-	-	-	-	658,946
Total assets	<u>\$ 9,412,896</u>	<u>\$ 141,856</u>	<u>\$ 1,815,387</u>	<u>\$ 4,205,920</u>	<u>\$ 91,932,386</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 325,517	\$ -	\$ 868	\$ 30,957	\$ 7,442,670
Due to component unit	-	-	-	-	292,892
Due to other funds	-	-	-	-	1,933,570
Advance from grantors	-	-	-	-	2,034,349
Total liabilities	<u>325,517</u>	<u>-</u>	<u>868</u>	<u>30,957</u>	<u>11,703,481</u>
Deferred Inflows of Resources:					
Prepaid taxes	-	-	-	296	84,333
Unavaible receivable	-	-	-	-	3,673,395
Property taxes receivable	-	-	-	25,361	190,306
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,657</u>	<u>3,948,034</u>
Fund Balances:					
Non-spendable - note receivable	-	-	-	-	658,946
Restricted:					
Stabilization by state statute	1,933,570	-	93,547	32,363	9,112,911
Register of Deeds	-	-	-	-	29,602
Education	-	141,856	-	-	141,856
Public safety	-	-	-	1,111,198	2,441,320
Economic and physical development	-	-	-	823,204	823,204
Recreation	-	-	-	-	5,325,462
Committed:					
Revaluation	-	-	-	-	45,178
Capital reserve	-	-	-	-	2,936,995
Conservation/preservation	-	-	-	-	2,195,516
Recreation	-	-	1,720,972	2,182,541	3,903,513
Education	7,153,809	-	-	-	7,153,809
General government	-	-	-	-	2,379,388
Assigned:					
Other post-employment benefits	-	-	-	-	205,707
Unassigned	-	-	-	-	38,927,464
Total fund balances	<u>9,087,379</u>	<u>141,856</u>	<u>1,814,519</u>	<u>4,149,306</u>	<u>76,280,871</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,412,896</u>	<u>\$ 141,856</u>	<u>\$ 1,815,387</u>	<u>\$ 4,205,920</u>	<u>\$ 91,932,386</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

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

Total fund balance for governmental funds	\$ 76,280,871
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	119,239,209
Right-to-use assets, net of accumulated amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	342,470
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.	(34,699,458)
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.	3,863,701
Deferred outflows of resources related to pensions are not reported in the funds.	11,320,147
Deferred outflows of resources related to OPEB are not reported in the funds.	7,810,950
Total pension liability - LEOSSA	(3,271,693)
Net pension liability - LGERS	(15,711,173)
Total OPEB liability	(48,434,683)
Net pension asset	57,761
Deferred inflows of resources related to pensions are not reported in the funds.	(342,885)
Deferred inflows of resources related to OPEB are not reported in the funds.	<u>(14,524,819)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 101,930,398</u>

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



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JACKSON COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Major				
	General Fund	Opioid Settlement Fund	American Rescue Plan Fund	Recreation Center Fund	County Capital Projects Fund
Revenues:					
Ad valorem taxes	\$ 47,328,037	\$ -	\$ -	\$ -	\$ -
Other taxes	23,923,648	-	-	-	-
Unrestricted intergovernmental	902,417	-	-	-	-
Restricted intergovernmental	8,751,934	897,651	600,000	-	174,500
Other restricted revenues	8,336,734	-	-	-	-
Permits and fees	2,822,538	-	-	-	-
Sales and services	1,189,838	-	-	-	-
Investment earnings	2,366,204	8,528	-	549,129	233,616
Miscellaneous	424,214	-	-	-	-
Total revenues	<u>96,045,564</u>	<u>906,179</u>	<u>600,000</u>	<u>549,129</u>	<u>408,116</u>
Expenditures:					
Current:					
General government	17,198,217	-	-	-	700,985
Public safety	23,240,925	-	-	-	-
Transportation	1,164,899	-	-	-	-
Environmental protection	341,675	-	-	-	-
Economic and physical development	1,331,327	-	-	-	-
Human services	18,824,072	-	-	-	-
Culture and recreation	4,953,438	-	-	10,824,715	-
Intergovernmental:					
Education	13,878,796	-	-	-	-
Debt service:					
Principal retirement	4,107,107	-	-	-	-
Interest and other charges	1,004,568	-	-	-	-
Total expenditures	<u>86,045,024</u>	<u>-</u>	<u>-</u>	<u>10,824,715</u>	<u>700,985</u>
Revenues over (under) expenditures	<u>10,000,540</u>	<u>906,179</u>	<u>600,000</u>	<u>(10,275,586)</u>	<u>(292,869)</u>
Other Financing Sources (Uses):					
Transfers from other funds	1,400,038	-	-	-	400,000
Transfers to other funds	(7,732,315)	-	(600,000)	-	-
Proceeds from sale of capital assets	93,830	-	-	-	-
Total other financing sources (uses)	<u>(6,238,447)</u>	<u>-</u>	<u>(600,000)</u>	<u>-</u>	<u>400,000</u>
Net change in fund balances	3,762,093	906,179	-	(10,275,586)	107,131
Fund Balances:					
Beginning of year, July 1	49,994,142	423,943	-	13,896,397	2,273,512
End of year, June 30	<u>\$ 53,756,235</u>	<u>\$ 1,330,122</u>	<u>\$ -</u>	<u>\$ 3,620,811</u>	<u>\$ 2,380,643</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, 2024**

	Major			Nonmajor	
	SCC				
	School	Health	Parks	Other	
	Improvements	Science	Project	Governmental	Total
	Fund	Building	Fund	Funds	
		Fund			
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,112,433	\$ 49,440,470
Other taxes	-	-	-	-	23,923,648
Unrestricted intergovernmental	-	-	-	-	902,417
Restricted intergovernmental	-	-	90,000	363,903	10,877,988
Other restricted revenues	-	-	-	-	8,336,734
Permits and fees	-	-	-	-	2,822,538
Sales and services	-	-	-	834	1,190,672
Investment earnings	177,881	-	92,038	46,999	3,474,395
Miscellaneous	-	-	-	-	424,214
Total revenues	<u>177,881</u>	<u>-</u>	<u>182,038</u>	<u>2,524,169</u>	<u>101,393,076</u>
Expenditures:					
Current:					
General government	-	-	-	-	17,899,202
Public safety	-	-	-	2,774,579	26,015,504
Transportation	-	-	-	-	1,164,899
Environmental protection	-	-	-	-	341,675
Economic and physical development	-	-	-	329,130	1,660,457
Human services	-	-	-	-	18,824,072
Culture and recreation	-	-	149,898	303,277	16,231,328
Intergovernmental:					
Education	829,350	-	-	-	14,708,146
Debt service:					
Principal retirement	-	-	-	-	4,107,107
Interest and other charges	-	-	-	-	1,004,568
Total expenditures	<u>829,350</u>	<u>-</u>	<u>149,898</u>	<u>3,406,986</u>	<u>101,956,958</u>
Revenues over (under) expenditures	<u>(651,469)</u>	<u>-</u>	<u>32,140</u>	<u>(882,817)</u>	<u>(563,882)</u>
Other Financing Sources (Uses):					
Transfers from other funds	4,501,207	-	-	2,534,708	8,835,953
Transfers to other funds	(800,038)	-	-	-	(9,132,353)
Proceeds from sale of capital assets	-	-	-	-	93,830
Total other financing sources (uses)	<u>3,701,169</u>	<u>-</u>	<u>-</u>	<u>2,534,708</u>	<u>(202,570)</u>
Net change in fund balances	3,049,700	-	32,140	1,651,891	(766,452)
Fund Balances:					
Beginning of year, July 1	<u>6,037,679</u>	<u>141,856</u>	<u>1,782,379</u>	<u>2,497,415</u>	<u>77,047,323</u>
End of year, June 30	<u>\$ 9,087,379</u>	<u>\$ 141,856</u>	<u>\$ 1,814,519</u>	<u>\$ 4,149,306</u>	<u>\$ 76,280,871</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, 2024

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)	\$ (766,452)
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	(754,467)
Pension expense	(1,967,235)
Amortization expense for right to use assets	(184,976)
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.	661,481
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.	15,255,158
Loss on capital asset disposed of during the year, not recognized on modified accrual basis	(105,917)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,852,486)
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>4,107,107</u>
Changes in net position of governmental activities (Exhibit B)	<u>\$ 13,392,213</u>

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



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JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 46,719,538	\$ 47,524,536	\$ 47,328,037	\$ (196,499)
Other taxes	25,734,868	25,672,193	23,923,648	(1,748,545)
Unrestricted intergovernmental	748,072	893,138	902,417	9,279
Restricted intergovernmental	9,108,605	9,930,557	8,751,934	(1,178,623)
Other restricted revenues	52,850	991,859	265,310	(726,549)
Permits and fees	3,041,310	3,616,720	2,822,538	(794,182)
Sales and services	1,302,800	1,411,141	1,189,838	(221,303)
Investment earnings	750,000	2,126,007	2,155,361	29,354
Miscellaneous	548,385	705,867	424,214	(281,653)
Total revenues	<u>88,006,428</u>	<u>92,872,018</u>	<u>87,763,297</u>	<u>(5,108,721)</u>
Expenditures:				
Current:				
General government	14,425,759	15,865,854	14,778,183	1,087,671
Public safety	22,166,775	23,694,444	21,135,222	2,559,222
Transportation	1,138,990	1,144,704	1,013,082	131,622
Environmental protection	99,656	99,656	96,070	3,586
Economic and physical development	1,112,815	1,328,284	1,166,256	162,028
Human services	17,726,175	19,077,195	16,342,773	2,734,422
Culture and recreation	4,425,462	5,041,222	4,645,602	395,620
Intergovernmental:				
Education	13,843,920	13,879,196	13,878,796	400
Debt service:				
Principal retirement	3,926,063	4,107,107	4,107,107	-
Interest and other charges	1,004,567	1,004,568	1,004,568	-
Contingency	1,515,658	2,132,615	-	2,132,615
Total expenditures	<u>81,385,840</u>	<u>87,374,845</u>	<u>78,167,659</u>	<u>9,207,186</u>
Revenues over (under) expenditures	<u>6,620,588</u>	<u>5,497,173</u>	<u>9,595,638</u>	<u>4,098,465</u>
Other Financing Sources (Uses):				
Transfers to other funds	(10,630,747)	(10,257,333)	(9,582,815)	674,518
Transfers from other funds	800,037	1,400,038	1,400,038	-
Proceeds from sale of capital assets	100,000	100,000	93,830	(6,170)
Appropriated fund balance	3,110,122	3,260,122	-	(3,260,122)
Total other financing sources (uses)	<u>(6,620,588)</u>	<u>(5,497,173)</u>	<u>(8,088,947)</u>	<u>(2,591,774)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,506,691	<u>\$ 1,506,691</u>
Fund Balance:				
Beginning of year, July 1			41,824,427	
End of year, June 30			<u>\$ 43,331,118</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, 2024**

	<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			\$ (591,639)	
Transfers from the General Fund			<u>350,500</u>	
Net change in fund balance			(241,139)	
Beginning fund balance			<u>286,317</u>	
Ending fund balance			<u>45,178</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenues			121,832	
Transfers from the General Fund			<u>1,000,000</u>	
Net change in fund balance			1,121,832	
Beginning fund balance			<u>1,815,163</u>	
Ending fund balance			<u>2,936,995</u>	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Revenue			89,011	
Expenditures			(245,605)	
Transfers from the General Fund			<u>500,000</u>	
Net change in fund balance			343,406	
Beginning fund balance			<u>1,852,110</u>	
Ending fund balance			<u>2,195,516</u>	
A legally budgeted Health Insurance Fund is consolidated into the General Fund for reporting purposes:				
Revenues			8,071,424	
Expenditures			<u>(7,040,121)</u>	
Net change in fund balance			1,031,303	
Beginning fund balance			<u>4,216,125</u>	
Ending fund balance			<u>5,247,428</u>	
Ending fund balance - Combined General Fund			<u>\$ 53,756,235</u>	

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

JACKSON COUNTY, NORTH CAROLINA

ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND - OPIOID SETTLEMENT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 8,528	\$ 8,528
Restricted intergovernmental	<u>-</u>	<u>-</u>	<u>897,651</u>	<u>897,651</u>
Total revenues	<u>-</u>	<u>-</u>	<u>906,179</u>	<u>906,179</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 906,179	 <u>\$ 906,179</u>
 Fund Balance:				
Beginning balance, July 1			<u>423,943</u>	
 Ending balance, June 30			<u>\$ 1,330,122</u>	

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

JACKSON COUNTY, NORTH CAROLINA

ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND - AMERICAN RESCUE PLAN FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Restricted intergovernmental	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Other Financing Sources (Uses):				
Transfers to General Fund	<u>(600,000)</u>	<u>(600,000)</u>	<u>(600,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:				
Beginning balance, July 1			<u>-</u>	
Ending balance, June 30			<u>\$ -</u>	

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2024

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 195,815	\$ 1,575,126	\$ 1,770,941
Accounts receivable, net	424,915	4,483	429,398
Due from other governments	35,809	-	35,809
Total current assets	<u>656,539</u>	<u>1,579,609</u>	<u>2,236,148</u>
Non-current assets:			
Capital assets:			
Land	146,368	-	146,368
Depreciable capital assets, net of depreciation	3,332,003	594,821	3,926,824
Right-to-use leased assets, net of amortization	12,044	-	12,044
Total capital assets	<u>3,490,415</u>	<u>594,821</u>	<u>4,085,236</u>
Total assets	<u>4,146,954</u>	<u>2,174,430</u>	<u>6,321,384</u>
Deferred Outflows of Resources:			
Pension deferrals	190,379	86,647	277,026
OPEB deferrals	161,050	80,526	241,576
Total deferred outflows of resources	<u>351,429</u>	<u>167,173</u>	<u>518,602</u>
Liabilities:			
Current liabilities:			
Accounts payable	4,570	13,603	18,173
Accrued interest payable	579	-	579
Compensated absences, current	4,456	3,047	7,503
Lease liabilities, current	14,307	-	14,307
Installment purchases, current	117,300	-	117,300
Total current liabilities	<u>141,212</u>	<u>16,650</u>	<u>157,862</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>		
Liabilities (continued):			
Non-current liabilities:			
Compensated absences, non-current	13,368	9,142	22,510
Net pension liability - LGERS	298,335	138,835	437,170
Total OPEB liability	768,652	291,518	1,060,170
Accrued landfill closure and post-closure care costs	1,503,374	-	1,503,374
Total non-current liabilities	<u>2,583,729</u>	<u>439,495</u>	<u>3,023,224</u>
Total liabilities	<u>2,724,941</u>	<u>456,145</u>	<u>3,181,086</u>
Deferred Inflows of Resources:			
Pension deferrals	425	216	641
OPEB deferrals	299,481	149,740	449,221
Total deferred inflows of resources	<u>299,906</u>	<u>149,956</u>	<u>449,862</u>
Net Position:			
Net investment in capital assets	3,358,808	594,821	3,953,629
Unrestricted	<u>(1,885,272)</u>	<u>1,140,681</u>	<u>(744,591)</u>
Total net position	<u>\$ 1,473,536</u>	<u>\$ 1,735,502</u>	<u>\$ 3,209,038</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, 2024

	<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	\$ 5,064,424	\$ 24,830	\$ 5,089,254
Operating Expenses:			
Landfill operations, closure and post-closure post-closure care costs	4,915,014	-	4,915,014
Park operations	-	243,598	243,598
Economic development operations	-	4,207	4,207
Depreciation and amortization	250,806	19,235	270,041
Total operating expenses	5,165,820	267,040	5,432,860
Operating income (loss)	(101,396)	(242,210)	(343,606)
Non-Operating Revenues (Expenses):			
Interest and investment revenues	22,383	41,059	63,442
Donations	-	1,020	1,020
Scrap tire tax	82,900	-	82,900
White goods tax	25,165	-	25,165
Electronics tax	1,613	-	1,613
Scrap tire grant	1,320	-	1,320
Miscellaneous revenue	2,377	-	2,377
Interest expense	(5,793)	-	(5,793)
Total non-operating revenues (expenses)	129,965	42,079	172,044
Income (loss) before transfers	28,569	(200,131)	(171,562)
Transfers:			
Transfers from other funds	-	296,400	296,400
Change in net position	28,569	96,269	124,838
Net Position:			
Beginning of year, July 1	1,444,967	1,639,233	3,084,200
End of year, June 30	\$ 1,473,536	\$ 1,735,502	\$ 3,209,038

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, 2024

	<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	\$ 5,147,034	\$ 23,573	\$ 5,170,607
Cash paid for goods and services	(4,447,059)	(94,877)	(4,541,936)
Cash paid to employees for services	(549,677)	(144,441)	(694,118)
Net cash provided (used) by operating activities	<u>150,298</u>	<u>(215,745)</u>	<u>(65,447)</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	-	9,155	9,155
Transfers from other funds	-	296,400	296,400
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>305,555</u>	<u>305,555</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(52,875)	(39,070)	(91,945)
Principal paid on long-term debt	(310,295)	-	(310,295)
Interest paid on long-term debt	(5,793)	-	(5,793)
Net cash provided (used) by capital and related financing activities	<u>(368,963)</u>	<u>(39,070)</u>	<u>(408,033)</u>
Cash Flows from Investing Activities:			
Interest earned on investments	<u>22,383</u>	<u>32,924</u>	<u>55,307</u>
Net change in cash and cash equivalents	(196,282)	83,664	(112,618)
Cash and Cash Equivalents:			
Beginning of year, July 1	<u>392,097</u>	<u>1,491,462</u>	<u>1,883,559</u>
End of year, June 30	<u>\$ 195,815</u>	<u>\$ 1,575,126</u>	<u>\$ 1,770,941</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, 2024

	<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 income (loss)	\$ (101,396)	\$ (242,210)	\$ (343,606)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	250,806	19,235	270,041
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	45,290	22,645	67,935
Change in deferred inflow - OPEB	(20,491)	(10,246)	(30,737)
Change in other post-employment benefits	(47,605)	(23,802)	(71,407)
Change in deferred outflow - pensions	(35,373)	(17,686)	(53,059)
Change in deferred inflow - pensions	(269)	(135)	(404)
Change in pensions	75,872	37,936	113,808
Change in accounts receivable	(37,629)	(1,257)	(38,886)
Change in accounts payable and accrued liabilities	51,765	(942)	50,823
Change in compensated absences	(2,226)	717	(1,509)
Accrued landfill closure and post-closure care costs	<u>(28,446)</u>	<u>-</u>	<u>(28,446)</u>
Net cash provided (used) by operating activities	<u>\$ 150,298</u>	<u>\$ (215,745)</u>	<u>\$ (65,447)</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, 2024**

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 273,101
Taxes receivables for other governments, net	<u>13,316</u>
Total assets	<u>286,417</u>
Liabilities:	
Accounts payable and accrued liabilities	<u>17,287</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 269,130</u>

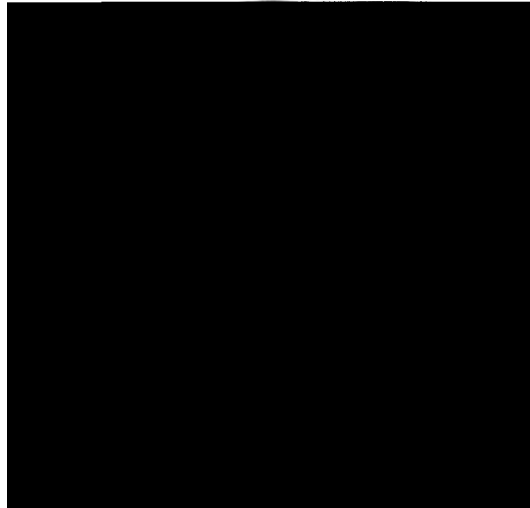
The accompanying notes are an integral part of the financial statements.

JACKSON COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Funds
Additions:	
Ad valorem taxes for other governments	\$ 509,072
Collections on behalf of inmates	<u>210,210</u>
Total additions	<u>719,282</u>
Deductions:	
Tax distributions to other governments	509,072
Payments on behalf of inmates	<u>163,643</u>
Total deductions	<u>672,715</u>
Net increase (decrease) in fiduciary net position	46,567
Net position, beginning	<u>222,563</u>
Net position, ending	<u><u>\$ 269,130</u></u>

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

NOTES TO FINANCIAL STATEMENTS



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JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024

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, 2024

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.

Recreation Center Fund. This fund is used for the capital related needs for the recreation department. These funds are restricted for recreational expenditures.

County Capital Projects Fund. This fund is used for the capital related needs for the general government departments. These funds are restricted for general government expenditures.

Opioid Settlement Fund. This fund is used to account for settlement proceeds that are restricted for use for a particular purpose. This fund tracks the activities of that funding which will occur at least over 18 years.

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 funded from proceeds from state grants, loan, and bond proceeds. Additionally, the County has a legally adopted budget for the SCC Health Science Building Fund.

Parks Project Fund. This fund is used for the construction of new recreational park facilities and park equipment. Additionally, the County has a legally adopted budget for the Parks 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 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 11 legally budgeted nonmajor funds. The Emergency Telephone System 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 Dillsboro Complex Project 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/amortization 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, 2024

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 leases and IT subscriptions 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 Fund, 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, 2024

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. 159-30] 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. The Government Portfolio is a 2a7 money market mutual fund, which invests in treasuries, government agencies and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAA-mf by Moody Investor Service. The Government Portfolio is reported at fair value.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Restricted Assets

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The unexpended debt proceeds of the Recreation Center Fund is classified as restricted to the purpose for which the bonds were originally issued. Money in the Opioid Fund is restricted for specific related eligible expenditures. The unexpended grant proceeds of the County Capital Project Fund is classified as restricted to the purpose for which the grants were originally issued.

	Restricted Cash Amount	Purpose
Governmental Activities:		
General Fund	\$ 43,858	Revaluation Fund
Recreation Center Fund	5,325,462	Unexpended debt proceeds
County Capital Project Fund	2,034,349	Unexpended grant proceeds
Opioid Fund	1,330,122	Unexpended settlement proceeds
Total governmental activities	<u>\$ 8,733,791</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, 2023.

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.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Right-to-Use Assets

The County’s capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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 assets 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 criteria 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 assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, property taxes receivable, unavailable revenues, (reported only on the balance sheet of the Governmental Funds) and other OPEB and pension related deferrals.

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 another financing source.

Compensated Absences

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

Note receivable - portion of fund balance that is not an available resource because it represents the amount not expected to be converted to cash during the subsequent fiscal year.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

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

Restricted for Education – portion of fund balance restricted by revenue sources to be used for education activities, such as health science building or related capital projects.

Restricted for Recreation – portion of fund balance restricted by revenue sources to be used for recreation activities or related capital projects.

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A by the amount of Register of Deeds Pension Plan of \$57,761 and unexpended debt proceeds of \$5,325,462 as of June 30, 2024, for a net difference of \$5,267,701.

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.

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 and a portion from the Recreation Center 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, the County's deposits had a carrying amount of \$9,169,316 and a bank balance of \$11,832,521. Of the bank balance, \$427,091 was covered by federal depository insurance and \$11,405,430 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$2,830 cash on hand at June 30, 2024.

At June 30, 2024, the TDA's deposits had a carrying amount of \$279,055 and bank balance of \$341,188. Of the bank balance, \$250,000 was covered by federal depository insurance and \$91,188 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2024, the carrying amount of deposits and bank balance for the Airport was \$285,108, of which \$285,108 was covered by the Pooling Method. The Airport had \$0 in cash on hand at June 30, 2023.

At June 30, 2024, the carrying amount of the ABC Board's deposits was \$1,412,219, and the bank balance was \$1,906,499. \$1,406,499 of the bank balance was not covered by federal depository insurance.

Investments

At June 30, 2024, the County had the following investments and maturities:

Investment Type	Valuation		Less than 6 Months	6-12 Months	1-3 Years
	Measurement Method	Fair Value			
US Treasury Bills	Fair Value - Level 1	\$ 10,426,806	\$ 10,426,806	\$ -	\$ -
Commercial Paper	Fair Value - Level 2	32,970,383	32,970,383	-	-
Federal Home Loan Bank	Fair Value - Level 1	645,368	645,368	-	-
NCCMT - Government Portfolio	Fair Value - Level 1	27,126,167	27,126,167	-	-
	Total investments	<u>\$ 71,168,724</u>	<u>\$ 71,168,724</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

All investments of the County are measured using the market approach; using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

At June 30, 2024, the TDA's investments consisted of \$3,450,000 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.

Level of Fair Value Hierarchy: Level 2: Debt securities valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. The County has not adopted a formal investment policy addressing interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's internal investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County has no formal policy regarding credit risk but limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County's investments in the N.C. Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2024. The County's investments in US Treasury Bills, Commercial Paper and Federal Home Loans are rated AA- by Standard and Poor's and Aa3 by Moody's Investor Services.

Concentration of Credit Risk. The County's Board places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in First Abu Dhabi commercial paper, MUFG Bank commercial paper, Agricultural BK China commercial paper, Sumitomo Mitsui Trust commercial paper, IND & COMM commercial paper and U.S. Treasuries Bills. These investments are 9.1%, 9.1%, 20.2%, 12.1%, 8.4% and 14.7% respectively of the County's total investments.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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
2024	\$ 62,648	\$ 942	\$ 63,590
2023	59,905	6,510	66,415
2022	56,090	11,163	67,253
2021	31,612	8,651	40,263
Total	<u>\$ 210,255</u>	<u>\$ 27,266</u>	<u>\$ 237,521</u>

Receivables

Receivables at the government-wide level at June 30, 2024, were as follows:

	Accounts Receivable	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 8,344	\$ 949,945	\$ 7,036,823	\$ 7,995,112
Recreation Center Fund	-	-	7,009	7,009
Opioid Fund	3,673,395	-	-	3,673,395
County Capital Project Fund	1,255	-	-	1,255
Parks Capital Project Fund	93,547	-	-	93,547
Other governmental	32,363	25,361	-	57,724
Allowance for doubtful accounts	-	(785,000)	-	(785,000)
Total governmental activities	<u>\$ 3,808,904</u>	<u>\$ 190,306</u>	<u>\$ 7,043,832</u>	<u>\$ 11,043,042</u>
Business-Type Activities:				
Landfill	\$ 503,614	\$ -	\$ 35,809	\$ 539,423
Green Energy Park	4,483	-	-	4,483
Allowance for doubtful accounts	(78,699)	-	-	(78,699)
Total business-type activities	<u>\$ 429,398</u>	<u>\$ -</u>	<u>\$ 35,809</u>	<u>\$ 465,207</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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>Total</u>
Governmental Activities:			
General	\$ 6,649,368	\$ 387,455	\$ 7,036,823
Recreation Center Fund	7,009	-	7,009
Total governmental activities	<u>\$ 6,656,377</u>	<u>\$ 387,455</u>	<u>\$ 7,043,832</u>
Business-Type Activities:			
Landfill	<u>\$ 35,809</u>	<u>\$ -</u>	<u>\$ 35,809</u>

Note Receivable

The County has made loans to one company from General Fund revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The note receivable is at interest rates that vary from 0 to 2 percent and are repaid monthly and yearly over a period of one to 15 years. Notes receivable are collateralized by a deed of trust on the company's property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Note receivable balances and corresponding fund is as follows:

	<u>Balance</u>
Governmental Activities:	
General Fund	<u>\$ 658,946</u>

Due To/From Other Funds

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

Due from General Fund to School Improvements	
Capital Reserve Fund for timing of funding	<u>\$ 1,933,570</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 16,083,121	\$ -	\$ -	\$ -	\$ 16,083,121
Construction in progress	<u>41,021,483</u>	<u>12,202,119</u>	<u>-</u>	<u>-</u>	<u>53,223,602</u>
Total non-depreciable capital assets	<u>57,104,604</u>	<u>12,202,119</u>	<u>-</u>	<u>-</u>	<u>69,306,723</u>
Depreciable Capital Assets:					
Buildings	73,478,114	610,000	-	-	74,088,114
Equipment	9,046,144	1,249,988	1,402,389	(22,905)	8,870,838
Vehicles	<u>7,149,382</u>	<u>1,193,051</u>	<u>516,372</u>	<u>-</u>	<u>7,826,061</u>
Total depreciable capital assets	<u>89,673,640</u>	<u>3,053,039</u>	<u>1,918,761</u>	<u>(22,905)</u>	<u>90,785,013</u>
Right-to-Use Assets:					
Leased equipment	282,175	-	-	-	282,175
IT subscriptions	<u>477,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>477,723</u>
Total capital assets being amortized	<u>759,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,898</u>
Less Accumulated Depreciation:					
Buildings	28,053,495	1,562,048	-	-	29,615,543
Equipment	6,795,347	511,760	1,306,518	(22,905)	5,977,684
Vehicles	<u>4,986,948</u>	<u>778,678</u>	<u>506,326</u>	<u>-</u>	<u>5,259,300</u>
Total accumulated depreciation	<u>39,835,790</u>	<u>2,852,486</u>	<u>1,812,844</u>	<u>(22,905)</u>	<u>40,852,527</u>
Less Accumulated Amortization:					
Leased equipment	120,994	65,327	-	-	186,321
IT subscriptions	<u>111,458</u>	<u>119,649</u>	<u>-</u>	<u>-</u>	<u>231,107</u>
Total accumulated amortization	<u>232,452</u>	<u>184,976</u>	<u>-</u>	<u>-</u>	<u>417,428</u>
Total capital assets being amortized, net	<u>527,446</u>				<u>342,470</u>
Total depreciable capital assets, net	<u>49,837,850</u>				<u>49,932,486</u>
Governmental activities					
capital assets, net	<u>\$ 107,469,900</u>				<u>\$ 119,581,679</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

General government	\$ 1,243,846
Public safety	896,791
Transportation	95,384
Economic and physical development	34,829
Human services	195,748
Culture and recreation	<u>570,864</u>
Total depreciation and amortization expense	<u>\$ 3,037,462</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Landfill Fund:					
Non-Depreciable Capital Assets:					
Land	<u>\$ 146,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,368</u>
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	<u>1,162,028</u>	<u>52,875</u>	<u>-</u>	<u>22,905</u>	<u>1,237,808</u>
Total depreciable capital assets	<u>6,703,857</u>	<u>52,875</u>	<u>-</u>	<u>22,905</u>	<u>6,779,637</u>
Right-to-Use Assets:					
Leased equipment	<u>223,578</u>	<u>-</u>	<u>99,621</u>	<u>-</u>	<u>123,957</u>
Less Accumulated Depreciation:					
Buildings and improvements	1,255,888	60,076	-	-	1,315,964
Plant and distribution systems	925,865	70,955	-	-	996,820
Furniture and maintenance equipment	<u>1,067,191</u>	<u>44,754</u>	<u>-</u>	<u>22,905</u>	<u>1,134,850</u>
Total accumulated depreciation	<u>3,248,944</u>	<u>175,785</u>	<u>-</u>	<u>22,905</u>	<u>3,447,634</u>
Less Accumulated Amortization:					
Leased equipment	<u>136,513</u>	<u>75,021</u>	<u>99,621</u>	<u>-</u>	<u>111,913</u>
Total depreciable capital assets, net	<u>3,541,978</u>				<u>3,344,047</u>
Landfill Fund capital assets, net	<u>\$ 3,688,346</u>				<u>\$ 3,490,415</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Economic Development Fund:					
Depreciable Capital Assets:					
Buildings	\$ 783,226	\$ -	\$ -	\$ -	\$ 783,226
Equipment	<u>15,040</u>	<u>39,070</u>	<u>-</u>	<u>-</u>	<u>54,110</u>
Total depreciable capital assets	<u>798,266</u>	<u>39,070</u>	<u>-</u>	<u>-</u>	<u>837,336</u>
Less Accumulated Depreciation:					
Buildings	250,633	15,664	-	-	266,297
Equipment	<u>15,040</u>	<u>1,628</u>	<u>-</u>	<u>-</u>	<u>16,668</u>
Total accumulated depreciation	<u>265,673</u>	<u>17,292</u>	<u>-</u>	<u>-</u>	<u>282,965</u>
Total depreciable capital assets, net	<u>532,593</u>				<u>554,371</u>
Economic Development Fund capital assets, net	<u>\$ 532,593</u>				<u>\$ 554,371</u>
Green Energy Park Fund:					
Depreciable Capital Assets:					
Buildings	\$ 48,228	-	-	-	\$ 48,228
Equipment	<u>70,661</u>	<u>-</u>	<u>(15,670)</u>	<u>-</u>	<u>86,331</u>
Total depreciable capital assets	<u>118,889</u>	<u>-</u>	<u>(15,670)</u>	<u>-</u>	<u>134,559</u>
Less Accumulated Depreciation:					
Buildings	13,585	965	-	-	14,550
Equipment	<u>62,911</u>	<u>978</u>	<u>(15,670)</u>	<u>-</u>	<u>79,559</u>
Total accumulated depreciation	<u>76,496</u>	<u>1,943</u>	<u>(15,670)</u>	<u>-</u>	<u>94,109</u>
Total depreciable capital assets, net	<u>42,393</u>				<u>40,450</u>
Green Energy Park Fund capital assets, net	<u>\$ 42,393</u>				<u>\$ 40,450</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

At June 20, 2024, the County has constructions commitments as follows:

Project:	Contractor:	Contract	Spent-to-Date	Remaining Commitment
Aquatics Center	New Atlantic Contracting, Inc.	\$ 21,599,684	\$ 18,947,232	\$ 2,652,452
Blue Ridge School Security	Buchanan and Sons, Inc.	1,750,000	1,622,777	127,223
Center for Domestic Peace	RE Crawford Construction	4,861,946	433,847	4,428,099
Fairview Elementary School Security	Buchanan and Sons, Inc.	1,877,890	1,684,518	193,372
Smokey Mtn Elem School Security	Buchanan and Sons, Inc.	793,178	701,704	91,474
Smoky Mtn High School Security	Buchanan and Sons, Inc.	2,548,000	2,126,345	421,655
		<u>\$ 33,430,698</u>	<u>\$ 25,516,423</u>	<u>\$ 7,914,275</u>

Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Non-Depreciable Capital Assets:				
Land	\$ 12,301	\$ -	\$ -	\$ 12,301
Depreciable Capital Assets:				
Buildings	874,888	-	3,551	871,337
Furniture and equipment	300,088	1,700	-	301,788
Total depreciable capital assets:	<u>1,174,976</u>	<u>1,700</u>	<u>3,551</u>	<u>1,173,125</u>
Less Accumulated Depreciation:				
Buildings	196,363	24,102	-	220,465
Furniture and equipment	227,309	29,631	-	256,940
Total accumulated depreciation	<u>423,672</u>	<u>53,733</u>	<u>-</u>	<u>477,405</u>
Total depreciable capital assets, net	<u>751,304</u>			<u>695,720</u>
ABC Board capital assets, net	<u>\$ 763,605</u>			<u>\$ 708,021</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2024, were as follows:

	<u>Vendors</u>	<u>Contact Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 3,442,656	\$ -	\$ 1,188,634	\$ 4,631,290
School Improvements Fund	6,874	318,643	-	325,517
Parks Project Fund	868	-	-	868
County Capital Projects Fund	442,147	22,834	-	464,981
Recreation Center Fund	991,834	997,223	-	1,989,057
Other governmental	30,957	-	-	30,957
Total governmental activities	<u>\$ 4,915,336</u>	<u>\$ 1,338,700</u>	<u>\$ 1,188,634</u>	<u>\$ 7,442,670</u>
Business-Type Activities:				
Landfill	\$ 4,570	\$ -	\$ -	\$ 4,570
Other proprietary	13,603	-	-	13,603
Total business-type activities	<u>\$ 18,173</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,173</u>

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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.

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, 2024, was 14.04% of compensation for law enforcement officers and 12.91% 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 \$2,786,287 for the year ended June 30, 2024.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

At June 30, 2024, the County reported a liability of \$16,148,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024, the County's proportion was 0.24382% (measured as of June 30, 2023), which was an increase of 0.02482% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$4,797,811. At June 30, 2024, 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	\$ 1,799,404	\$ 38,738
Changes of assumptions	686,212	-
Net difference between projected and actual earnings on pension plan investments	4,322,004	-
Changes in proportion and differences between County contributions and proportionate share of contributions	943,052	-
County contributions subsequent to the measurement date	2,786,287	-
Total	<u>\$ 10,536,959</u>	<u>\$ 38,738</u>

\$2,786,287 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 2,822,715
2026	1,567,125
2027	3,139,336
2028	182,758
Total	<u>\$ 7,711,934</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Actuarial Assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2022, valuation was based on the results of an actuarial experience prepared as of December 31, 2019, and adopted by the Board of Trustees on January 28, 2021.

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 returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6%	2.7%
Total	100.0%	

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. 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 2.25%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 27,976,372</u>	<u>\$ 16,148,343</u>	<u>\$ 6,410,404</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.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	<u>58</u>
Total	<u><u>72</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, 2022 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	4.00 percent

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, 2022, valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 \$217,912 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, 2024, the County reported a total pension liability of \$3,271,693. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$480,393.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 663,440	\$ -
Changes of assumptions	247,750	302,231
Benefit payments and administrative expense subsequent to the measurement date	108,397	-
Total	<u>\$ 1,019,587</u>	<u>\$ 302,231</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$108,397 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, 2025. 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
2025	\$ 258,466
2026	153,359
2027	77,710
2028	96,369
2029	23,055
Thereafter	-
Total	<u>\$ 608,959</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 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Current (4.00%)	1% Increase (5.00%)
Total pension liability	<u>\$ 3,518,878</u>	<u>\$ 3,271,693</u>	<u>\$ 3,045,819</u>

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

	Pension Liability
Beginning balance	\$ 2,707,798
Changes for the year:	
Service cost	97,762
Interest on the total pension liability	112,010
Differences between expected and actual experience in the measurement of the total pension liability	504,254
Changes of assumption of other inputs	67,781
Benefit payments	(217,912)
Ending balance of total pension liability	<u>\$ 3,271,693</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.31 percent at December 31, 2022 to 4.00 percent at December 31, 2023.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, were \$249,348, which consisted of \$171,248 from the County and \$78,100 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 Governmental 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,834 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$57,761 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2024, the County's proportion was 0.48066% (measured as of June 30, 2023), which was a decrease of 0.02698% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$20,889. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,557
Net difference between projected and actual earnings on pension plan investments	29,339	-
Changes in proportion and differences between County contributions and proportionate share of contributions	6,454	-
County contributions subsequent to the measurement date	4,834	-
Total	<u>\$ 40,627</u>	<u>\$ 2,557</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

\$4,834 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, 2025. 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
2025	\$ 11,451
2026	11,417
2027	8,517
2028	1,851
Total	<u>\$ 33,236</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, 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, 2022, valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.8% 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, 2023 is 0.9%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy study for the North Carolina Retirement Systems. 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 2.25%. Return projections do not include any excess return expectations over benchmarks averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 benefits 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 3.00%, 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 (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (39,429)	\$ (57,761)	\$ (73,219)

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022. 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)	\$ 16,148,343	N/A	\$ (57,761)	\$ 16,090,582
Proportion of the net pension liability (asset)	0.24382%	N/A	-0.48066%	-
Total pension liability	-	3,271,693	-	3,271,693
Pension expense	4,797,811	480,393	20,889	5,299,093

At June 30, 2024, 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	\$ 1,799,404	\$ 663,440	\$ -	\$ 2,462,844
Changes of assumptions	686,212	247,750	-	933,962
Net difference between projected and actual earnings on pension plan investments	4,322,004	-	29,339	4,351,343
Changes in proportion and differences between County contributions and proportionate share of contributions	943,052	-	6,454	949,506
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,786,287</u>	<u>108,397</u>	<u>4,834</u>	<u>2,899,518</u>
Totals	<u>\$ 10,536,959</u>	<u>\$ 1,019,587</u>	<u>\$ 40,627</u>	<u>\$ 11,597,173</u>

Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 38,738	\$ -	\$ 2,557	\$ 41,295
Changes of assumptions	-	302,231	-	302,231
Totals	<u>\$ 38,738</u>	<u>\$ 302,231</u>	<u>\$ 2,557</u>	<u>\$ 343,526</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, were \$5,540 from the employees.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Plan Membership. At June 30, 2023, the HCB Plan membership consisted of the following:

Inactive plan members or beneficiaries	
currently receiving benefits	151
Active plan members	<u>378</u>
Total	<u><u>529</u></u>

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	3.25 to 8.41 percent for general employees, including inflation and productivity factor 3.25 to 7.90 percent for law enforcement officers, including inflation and productivity factor
Healthcare cost trend rates	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033 for Pre-Medicare 5.125% for 2023 decreasing to an ultimate rate of 4.50% by 2026 for Medicare
Dental	3.50 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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023, valuation were based on a review of recent plan experience done concurrently with the June 30, 2023, valuation.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Summary of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balance, July 1, 2022	\$ 51,875,111
Changes for the year:	
Service cost	1,439,191
Interest on the total pension liability	1,857,428
Difference between expected and actual experience in the measurement of the total pension liability	(3,955,844)
Changes of assumption or other inputs	(17,018)
Benefit payments	(1,704,015)
Ending balance, June 30, 2023	<u>\$ 49,494,853</u>

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, 2024, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	Current (3.65%)	1% Increase (4.65%)
Total OPEB liability	<u>\$ 58,126,925</u>	<u>\$ 49,494,853</u>	<u>\$ 42,673,132</u>

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, 2024, 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:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 42,281,411</u>	<u>\$ 49,494,853</u>	<u>\$ 58,731,812</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.54% to 3.65%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

For the year ended June 30, 2024, the County recognized OPEB expense of \$521,425. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,264	\$ 5,459,582
Changes of assumptions	6,310,501	9,514,458
County contributions subsequent to the measurement date	1,661,761	-
Total	<u>\$ 8,052,526</u>	<u>\$ 14,974,040</u>

\$1,661,761 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2025	\$ (2,051,135)
2026	(1,469,299)
2027	(1,038,935)
2028	(2,600,653)
2029	(1,423,253)
Thereafter	-
Total	<u>\$ (8,583,275)</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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 30 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 \$1,503,374 reported as landfill post-closure care liability at June 30, 2024, represents estimated future post-closure costs based on engineering estimates prepared at and shortly after closure. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Long-Term Debt

Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On July 1, 2021, Jackson County, North Carolina, entered into a 40-month lease as lessee for the use of gym equipment. An initial lease liability was recorded in the amount of \$39,520. As of June 30, 2024, the value of the lease liability is \$4,954. Jackson County is required to make monthly payments of \$991. There are no variable payment components of the lease. The lease has an interest rate of 1.7%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$4,513 at June 30, 2024. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On July 1, 2022, Jackson County, North Carolina, entered into a 39-month lease as lessee for the use of gym equipment. An initial lease liability was recorded in the amount of \$42,516. As of June 30, 2024, the value of the lease liability is \$4,366. Jackson County is required to make monthly payments of \$1,092. There are no variable payment components of the lease. The lease has an interest rate of 1.7%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$7,948 at June 30, 2024. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On 7/1/2021, Jackson County, North Carolina, entered into a 37-month lease as lessee for the use of solid waste equipment. An initial lease liability was recorded in the amount of \$52,108. As of 6/30/2024, the value of the lease liability of \$2,806. Jackson County is required to make monthly

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

payments of \$1,403. There are no variable payment components of the lease. The lease has an interest rate of 0%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$1,903 at June 30, 2024. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On July 1, 2021, Jackson County, North Carolina, entered into a 42-month lease as lessee for the use of solid waste equipment. An initial lease liability was recorded in the amount of \$97,257. As of June 30, 2024, the value of the lease liability of \$11,501. Jackson County is required to make monthly payments of \$1,643. There are no variable payment components of the lease. The lease has an interest rate of 1.3%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$10,142 at June 30, 2024. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On August 1, 2021, Jackson County, North Carolina, entered into a 60-month lease as lessee for the use of Copiers for all General Fund departments. An initial lease liability was recorded in the amount of \$200,141. As of June 30, 2024, the value of the lease liability is \$88,869. Jackson County is required to make monthly payments of \$3,720. There are no variable payment components of the lease. The lease has an interest rate of 3.0%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$83,392 at June 30, 2024. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2025	\$ 51,846	\$ 2,120	\$ 53,966
2026	43,819	827	44,646
2027	2,524	9	2,533
Total	<u>\$ 98,189</u>	<u>\$ 2,956</u>	<u>\$ 101,145</u>

Business-Type Activities:

Year Ending June 30	Principal	Interest	Total
2025	<u>\$ 14,307</u>	<u>\$ -</u>	<u>\$ 14,307</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Subscriptions

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On July 1, 2022, Jackson County, North Carolina, entered into a 60-month subscription for the use of Office Software Project. An initial subscription liability was recorded in the amount of \$288,221. As of June 30, 2024, the value of the subscription liability is \$172,826. Jackson County, North Carolina, is required to make annual fixed payments of \$65,484. The subscription has an interest rate of 3.0857%. The value of the right to use asset as of June 30, 2024, of \$288,221 with accumulated amortization of \$115,288 is included with IT Subscription Class activities in the capital assets table.

On August 20, 2022, Jackson County, North Carolina, entered into a 36-month subscription for the use of Google - Workspace. An initial subscription liability was recorded in the amount of \$180,508. As of June 30, 2024, the value of the subscription liability is \$63,185. Jackson County, North Carolina, is required to make annual fixed payments of \$58,938. The subscription has an interest rate of 2.8710%. The value of the right to use asset as of June 30, 2024, of \$180,508 with accumulated amortization of \$112,147 is included with IT Subscription Class activities in the capital assets table.

On July 1, 2022, Jackson County, North Carolina, entered into a 58-month subscription for the use of VMware vSphere Software. An initial subscription liability was recorded in the amount of \$8,994. As of June 30, 2024, the value of the subscription liability is \$4,619. Jackson County, North Carolina, is required to make annual fixed payments of \$2,587. The subscription has an interest rate of 3.0857%. The value of the right to use asset as of June 30, 2024, of \$8,994 with accumulated amortization of \$3,672 is included with IT Subscription Class activities in the capital assets table.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows for IT subscriptions:

Governmental Activities:

Year Ending June 30	Principal	Interest	Total
2025	\$ 121,328	\$ 7,289	\$ 128,617
2026	59,936	3,681	63,617
2027	59,366	1,832	61,198
Total	<u>\$ 240,630</u>	<u>\$ 12,802</u>	<u>\$ 253,432</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The County's long-term debt for governmental activities at June 30, 2024, was comprised of the following:

Direct Placements

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.

\$ 343,182

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.

2,333,331

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.

4,800,000

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.

7,500,000

Total \$ 14,976,513

Repayment requirements of the notes payable for governmental activities as of June 30, 2024, are:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,109,848	\$ 349,382	\$ 2,459,230
2026	1,766,666	303,787	2,070,453
2027	1,766,666	266,137	2,032,803
2028	1,433,333	228,487	1,661,820
2029	1,100,000	101,752	1,201,752
2030-2034	4,300,000	738,185	5,038,185
2035-2039	2,500,000	261,935	2,761,935
Total	<u>\$ 14,976,513</u>	<u>\$ 2,249,665</u>	<u>\$ 17,226,178</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

The County's general obligation bonds payable at June 30, 2024, are comprised of the following issues:

A \$20,000,000 general obligation bond was executed on June 16, 2022, for the indoor pool facilities Series 2022 and is payable in 15 annual principal payments of \$1,334,000 and semi annual interest payments at 3.228%.

\$ 17,332,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,334,000	\$ 559,477	\$ 1,893,477
2026	1,334,000	516,415	1,850,415
2027	1,334,000	473,354	1,807,354
2028	1,333,000	430,292	1,763,292
2029	1,333,000	387,263	1,720,263
2030-2034	6,665,000	1,290,877	7,955,877
2035-2038	3,999,000	258,175	4,257,175
Total	<u>\$ 17,332,000</u>	<u>\$ 3,915,853</u>	<u>\$ 21,247,853</u>

The County's long-term debt for business-type activities at June 30, 2024, was comprised of the following:

Direct Placement

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.

\$ 117,300

Repayment requirements of the note payable for business-type activities as of June 30, 2024, are:

Year Ending June 30	Principal	Interest	Total
2025	<u>\$ 117,300</u>	<u>\$ 1,390</u>	<u>\$ 118,690</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

All notes' payables held by the County for both governmental activities and business-type activities are classified as installment purchases resulting from direct placements. General obligation bonds issued to finance the construction of facilities utilized in the operations of the governmental funds which are being retired by resources from users are reported as long-term debt in the governmental funds. 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.

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	\$ 17,568,576	\$ -	\$ 2,592,063	\$ 14,976,513	\$ 2,109,848
General obligation bonds	18,666,000	-	1,334,000	17,332,000	1,334,000
Lease liabilities	164,446	-	66,257	98,189	51,846
IT subscriptions	355,417	-	114,787	240,630	121,328
Compensated absences	1,882,015	1,480,148	1,310,037	2,052,126	513,032
Net pension liability - LGERS	12,031,365	3,679,808	-	15,711,173	-
Total pension liability - LEOSSA	2,707,798	781,807	217,912	3,271,693	-
Total OPEB liability	50,743,534	-	2,308,851	48,434,683	-
Total governmental activities	<u>\$ 104,119,151</u>	<u>\$ 5,941,763</u>	<u>\$ 7,943,907</u>	<u>\$ 102,117,007</u>	<u>\$ 4,130,054</u>
Landfill Fund:					
Direct Placement -					
installment purchases	\$ 351,900	\$ -	\$ 234,600	\$ 117,300	\$ 117,300
Lease liabilities	90,002	-	75,695	14,307	14,307
Landfill closure and					
post-closure costs	1,531,820	16,200	44,646	1,503,374	-
Compensated absences	20,050	16,048	18,274	17,824	4,456
Net pension liability - LGERS	222,463	75,872	-	298,335	-
Total OPEB liability	816,257	-	47,605	768,652	-
Total business-type activities	<u>\$ 3,032,492</u>	<u>\$ 108,120</u>	<u>\$ 420,820</u>	<u>\$ 2,719,792</u>	<u>\$ 136,063</u>
Green Energy Park Fund:					
Compensated absences	\$ 11,472	\$ 4,305	\$ 3,588	\$ 12,189	\$ 3,047
Net pension liability - LGERS	100,899	37,936	-	138,835	-
Total OPEB liability	315,320	-	23,802	291,518	-
Total business-type activities	<u>\$ 427,691</u>	<u>\$ 42,241</u>	<u>\$ 27,390</u>	<u>\$ 442,542</u>	<u>\$ 3,047</u>

At June 30, 2024, Jackson County had a legal debt margin of approximately \$958,323,000.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Deferred Inflows/Outflows of Resources:

At June 30, 2024, deferred inflows/outflows of resources for Jackson County consisted of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
LGERS	\$ 10,259,934	\$ 38,097
LEOSSA	1,019,587	302,231
RODSPF	40,626	2,557
OPEB	7,810,950	14,524,819
Prepaid taxes	-	84,333
Total governmental activities	<u>\$ 19,131,097</u>	<u>\$ 14,952,037</u>
 Business-Type Activities:		
Landfill Fund:		
LGERS	\$ 190,379	\$ 425
OPEB	161,050	299,481
Total Landfill Fund	<u>351,429</u>	<u>299,906</u>
 Green Energy Park Fund:		
LGERS	86,647	216
OPEB	80,526	149,740
Total Green Energy Park Fund	<u>167,173</u>	<u>149,956</u>
 Total business-type activities	<u>\$ 518,602</u>	<u>\$ 449,862</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2024, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net	\$ 119,581,679	\$ 4,085,236
Less capital debt:		
Gross debt	32,647,332	131,607
School debt related to assets to which the the County does not hold title	(7,133,331)	-
Unexpended debt proceeds	(5,325,462)	-
Net capital debt	<u>20,188,539</u>	<u>131,607</u>
 Net investment in capital assets	<u>\$ 99,393,140</u>	<u>\$ 3,953,629</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Interfund Balances and Activity

Transfers to/from Other Funds

Transfers to/from other funds for the year ended June 30, 2024, 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	175,000
From the General Fund to the School Capital Reserve Fund for future school construction projects	4,501,207
From the General Fund to the Revaluation Fund for operations	350,500
From the General Fund to the Green Energy Park Fund for operations	296,400
From the General Fund to the County Capital Projects Fund for future capital improvements	400,000
From the General Fund to the Conservation/Preservation Fund for conservation expenditures	500,000
From the General Fund to the Greenways Project Fund for future projects	2,336,708
From the General Fund to the Clean Water Revolving Loan Fund for grant operations	23,000
From American Rescue Plan Fund to General Fund for revenue replacement	600,000
From the School Capital Reserve Fund to the General Fund for debt service	800,038

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, 2024

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:

	<u>June 30, 2024</u>
Total fund balance - General Fund	\$ 53,756,235
Amounts not available for appropriation:	
Stabilization by state statute	(7,045,167)
Non-spendable - note receivable	(658,946)
Fund balance available for appropriation	<u>\$ 46,052,122</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, are each individually bonded for \$1,000,000 and the Tax Collector is individually bonded for \$250,000. The Register of Deeds and Sheriff are bonded for \$50,000 and \$25,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000 for public employee dishonesty and \$75,000 for theft.

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,342,101 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 \$2,635,757 and \$240,126 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2024. 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, 2024. Complete financial statements for the community college may be obtained from the Community College’s administrative offices at 275 Webster Road, Sylva, North Carolina 28779.

Tuckasegee Water and Sewer Authority

The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckasegee Water and Sewer Authority (the “TWSA”). The chairman of the TWSA appoints one member from each participating government and three members at large. The TWSA is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The TWSA has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the TWSA. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the TWSA can be obtained from the TWSA’s administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024. The County contributed \$123,081 to the Vaya Health LME to fund operations during fiscal year June 30, 2024. Complete financial statements for the Vaya Health LME may be obtained from the Vaya Health LME’s offices at 128 Sylva Plaza, Sylva, North Carolina 28779.

5. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

The County, in conjunction with seven other counties and 15 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 22-member governing board. The County paid membership fees of \$34,505 to the Commission during the fiscal year ended June 30, 2024.

6. Related Party Transactions

The County and its discretely presented component units engaged in the following transactions during the year ended June 30, 2024:

Jackson County ABC Board:

Payments to the County for alcohol education	\$ 49,717
Payments to the County for profit distributions	528,704
Payments to the County for law enforcement	<u>35,512</u>
Total	<u>\$ 613,933</u>

Jackson County Tourism Development Authority:

Payments of occupancy tax due to the Authority from the County	<u>\$ 292,892</u>
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Jackson County Airport Authority:

Revenue appropriations from Jackson County	<u>\$ 31,000</u>
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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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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, 2024, 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.

Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

As of June 30, 2024, the County has received \$1,321,594 as part of this settlement. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. None of these funds have been expended as of June 30, 2024.

The MOA offered the County two options of expending the funds. The County opted for Option B which allows a wide array of strategies to address the impact of the opioid epidemic.

Reimbursement for Pandemic-Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the coronavirus state and local fiscal recovery funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$8,534,441 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,267,221 was received in June 2021. The second installment of \$4,267,220 was received in June 2022. County staff and the Board of Commissioners elected to use \$184,128 of the ARPA funds for public safety equipment and \$36,466 for the beginning of capital project needs in the 2022 fiscal year, and used \$7,713,847 in fiscal year 2023, for revenue replacement. The remaining funds of \$600,000 were spent in fiscal year 2024 for revenue replacement. All ARPA funds have been expended as of June 30, 2024.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

8. Subsequent Event

Damage in certain areas of the State of North Carolina resulting from Hurricane Helene beginning on September 27, 2024, and continuing, was of sufficient severity and magnitude to warrant a major disaster declaration by the President. Hurricane Helene struck North Carolina and caused serious flooding and wind damage in several counties including areas of Jackson County. While there has been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

9. Stewardship, Compliance, and Accountability

Deficit Fund Balance of Individual Funds

Business-Type Activities:

Green Energy Park Fund	<u>\$ 96,758</u>
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The County plans to fully fund this enterprise fund in the subsequent year with additional transfers from the General Fund.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) – Local Governmental Employees' Retirement System
- Schedule of the County's Contributions – Local Governmental 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-Employee 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 TEN FISCAL YEARS***

Local Governmental Employees' Retirement System					
	2024	2023	2022	2021	2020
County's proportion of the net pension liability (asset)	0.24382%	0.21900%	0.21762%	0.22097%	0.22819%
County's proportionate share of the net pension liability (asset)	\$ 16,148,343	\$ 12,354,727	\$ 3,337,412	\$ 7,896,199	\$ 6,231,691
County's covered payroll	\$ 21,112,961	\$ 18,056,545	\$ 17,692,288	\$ 17,285,086	\$ 17,156,591
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.49%	68.42%	18.86%	45.68%	36.32%
Plan fiduciary net position as a percentage of total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%

* 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.

JACKSON COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.23003%	0.24867%	0.23779%	0.23674%	0.33193%
County's proportionate share of the net pension liability (asset)	\$ 5,457,098	\$ 3,798,989	\$ 5,046,700	\$ 1,062,475	\$ (1,403,478)
County's covered payroll	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.60%	23.25%	32.90%	7.25%	-9.62%
Plan fiduciary net position as a percentage of total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

JACKSON COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System					
	2024	2023	2022	2021	2020
Contractually required contributions	\$ 2,786,287	\$ 2,589,492	\$ 2,069,273	\$ 1,814,755	\$ 1,568,779
Contributions in relation to the contractually required contribution	<u>2,786,287</u>	<u>2,589,492</u>	<u>2,069,273</u>	<u>1,814,755</u>	<u>1,568,779</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,407,416	\$ 21,112,961	\$ 18,056,545	\$ 17,692,288	\$ 17,285,086
Contributions as a percentage of covered payroll	13.02%	12.26%	11.46%	10.26%	9.08%

JACKSON COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System					
	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,350,670	\$ 1,240,857	\$ 1,214,999	\$ 1,044,564	\$ 1,040,014
Contributions in relation to the contractually required contribution	<u>1,350,670</u>	<u>1,240,857</u>	<u>1,214,999</u>	<u>1,044,564</u>	<u>1,040,014</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544
Contributions as a percentage of covered payroll	7.87%	7.64%	7.44%	6.81%	7.09%

JACKSON COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS

Law Enforcement Officers' Special Separation Allowance				
	2024	2023	2022	2021
Beginning balance	\$ 2,707,798	\$ 2,810,783	\$ 2,828,932	\$ 2,007,304
Service cost	97,762	125,881	121,759	74,189
Interest on the total pension liability	112,010	61,667	53,139	63,028
Differences between expected and actual experience in the measurement of the total pension liability	504,254	276,675	23,890	153,664
Changes of assumptions or other inputs	67,781	(427,112)	(65,749)	678,601
Benefit payments	(217,912)	(140,096)	(151,188)	(147,854)
Ending balance of the total pension liability	<u>\$ 3,271,693</u>	<u>\$ 2,707,798</u>	<u>\$ 2,810,783</u>	<u>\$ 2,828,932</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 CHANGES IN TOTAL PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
LAST EIGHT FISCAL YEARS**

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

JACKSON COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	2024	2023	2022	2021
Total pension liability	\$ 3,271,693	\$ 2,707,798	\$ 2,810,783	\$ 2,828,932
Covered employee payroll	\$ 3,534,166	\$ 3,058,913	\$ 2,760,155	\$ 2,545,474
Total pension liability as a percentage of covered employee payroll	92.57%	88.52%	101.83%	111.14%

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

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

JACKSON COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS*

	Health Retiree Plan			
	2024	2023	2022	2021
Service cost	\$ 1,439,191	\$ 2,125,170	\$ 1,929,053	\$ 1,256,798
Interest	1,857,428	1,396,319	1,301,095	1,594,845
Differences between expected and actual experience	(3,955,844)	(314,650)	76,653	(509,796)
Changes of assumptions	(17,018)	(13,229,196)	3,317,636	11,115,752
Benefit payments	(1,704,015)	(1,236,948)	(863,338)	(782,259)
Net change in total OPEB liability	(2,380,258)	(11,259,305)	5,761,099	12,675,340
Total OPEB liability - beginning	51,875,111	63,134,416	57,373,317	44,697,977
Total OPEB liability - ending	<u>\$ 49,494,853</u>	<u>\$ 51,875,111</u>	<u>\$ 63,134,416</u>	<u>\$ 57,373,317</u>
Covered employee payroll	\$ 18,413,598	\$ 16,354,083	\$ 16,354,083	\$ 16,100,312
Total OPEB liability as a percentage of covered employee payroll	268.80%	317.20%	386.05%	356.35%

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
2024	3.65%
2023	3.54%
2022	2.16%
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.

JACKSON COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS*

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

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

	Register of Deeds' Supplemental Pension Fund				
	2024	2023	2022	2021	2020
County's proportion of the net pension liability (asset) (%)	-0.48066%	-0.50764%	-0.55121%	-0.60440%	-0.56488%
County's proportionate share of the net pension liability (asset) (\$)	\$ (57,761)	\$ (67,212)	\$ (105,904)	\$ (138,516)	\$ (111,519)
Plan fiduciary net position as a percentage of total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%

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

JACKSON COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset) (%)	-0.61492%	-0.67648%	-0.66058%	-0.47653%	-0.46101%
County's proportionate share of the net pension liability (asset) (\$)	\$ (101,849)	\$ (115,468)	\$ (123,502)	\$ (110,431)	\$ (104,937)
Plan fiduciary net position as a percentage of total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

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

	Register of Deeds' Supplemental Pension Fund				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 4,834	\$ 4,290	\$ 5,820	\$ 6,615	\$ 5,787
Contributions in relation to the contractually required contribution	<u>4,834</u>	<u>4,290</u>	<u>5,820</u>	<u>6,615</u>	<u>5,787</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JACKSON COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,369	\$ 5,262	\$ 5,878	\$ 5,397	\$ 3,813
Contributions in relation to the contractually required contribution	<u>5,369</u>	<u>5,262</u>	<u>5,878</u>	<u>5,397</u>	<u>3,813</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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.*

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.

PARKS PROJECT FUND: The Parks Project Fund is a capital project fund establish for the construction of a new park within the County.

RECREATION CENTER FUND – This fund is used to account for various recreation projects.

COUNTY CAPITAL PROJECTS FUND: This fund was established to account for the construction of various County administration projects.

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

OPIOID FUND: This fund accounts for federal money received from an opioid settlement and is restricted for its intended use.

*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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Current year and prior	\$ 47,129,536	\$ 46,951,578	\$ (177,958)
Penalties and interest	395,000	376,459	(18,541)
Total ad valorem taxes	<u>47,524,536</u>	<u>47,328,037</u>	<u>(196,499)</u>
Other Taxes:			
Local option sales tax	25,162,368	23,413,824	(1,748,544)
Beer and wine tax distribution	193,755	193,754	(1)
Tax refund - sales and gasoline	316,070	316,070	-
Total other taxes	<u>25,672,193</u>	<u>23,923,648</u>	<u>(1,748,545)</u>
Unrestricted Intergovernmental:			
Payments in lieu of taxes	115,872	258,745	142,873
ABC profit distribution	680,769	549,701	(131,068)
ABC 1 and 5 cent bottle charge	96,497	93,971	(2,526)
Total unrestricted governmental	<u>893,138</u>	<u>902,417</u>	<u>9,279</u>
Restricted Intergovernmental:			
School resource officers - Board of Education and community college	<u>501,966</u>	<u>495,174</u>	<u>(6,792)</u>
Federal and state grants:			
NC Department of Commerce - planning/zoning:			
Registration fees			
Home and Community Care Block grant	270,000	361,965	91,965
Nantahala Forest timber receipts	128,000	96,946	(31,054)
DARE grant	6,000	6,000	-
Civil defense	76,000	39,698	(36,302)
Soil conservation - matching	33,563	22,582	(10,981)
Tennessee Valley Authority	873	872	(1)
Older American Act Title III	30,058	32,654	2,596
Health department	1,554,726	1,257,168	(297,558)
Senior care	15,151	14,989	(162)
Smart Start	71,726	88,481	16,755
Governor's Crime Commission	24,500	-	(24,500)
Juvenile Crime Prevention Commission	128,439	128,366	(73)
Safe Roads Act	4,000	3,779	(221)
Veteran's service	2,084	2,174	90
Extension grant project	1,500	282	(1,218)
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, 2024

	Budget	Actual	Variance Over/Under
Social services	5,788,695	4,864,390	(924,305)
Title XIX - Medicaid	142,000	153,925	11,925
Department of Transportation:			
Governor's Highway Safety program	25,000	-	(25,000)
Section 18 - administration	171,878	170,568	(1,310)
Section 18 - capital	133,545	130,826	(2,719)
Department of Justice grant	256,795	27,300	(229,495)
Contracts - EDTAP	257,937	263,771	5,834
COVID-19	134,289	220,773	86,484
Resources	5,000	6,929	1,929
Emergency food and shelter	18,500	6,670	(11,830)
Cherokee Preservation grant	500	-	(500)
Department of Justice	77,242	321,739	244,497
Total	<u>9,373,001</u>	<u>8,222,847</u>	<u>(1,150,154)</u>
Court facilities fees	<u>55,590</u>	<u>33,913</u>	<u>(21,677)</u>
Total restricted intergovernmental	<u>9,930,557</u>	<u>8,751,934</u>	<u>(1,178,623)</u>
Other Restricted Revenues:			
Dogwood Health Trust Grant	939,009	204,795	(734,214)
Vocational rehabilitation	2,500	525	(1,975)
Transportation contracts	<u>50,350</u>	<u>59,990</u>	<u>9,640</u>
Total other restricted	<u>991,859</u>	<u>265,310</u>	<u>(726,549)</u>
Permits and Fees:			
ABC permit fees	2,000	2,110	110
Cashiers permit fees	3,500	2,050	(1,450)
Cullowhee permit fees	1,000	300	(700)
Board of Elections fees	2,000	753	(1,247)
Erosion control fees	70,700	67,276	(3,424)
Building permits and inspection fees	700,000	717,491	17,491
Environmental health fees	213,500	196,500	(17,000)
Sheriff's fees	609,588	67,682	(541,906)
Officers fees - court	35,110	33,949	(1,161)
Animal adoption fees	32,500	21,721	(10,779)
Road sign fees	60,400	38,400	(22,000)
Health and social services fees	399,300	258,789	(140,511)
Register of Deeds	428,000	303,672	(124,328)
Real property transfer tax	970,000	1,010,609	40,609
Marriage licenses	7,500	7,750	250

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Excise tax	15,000	20,222	5,222
Senior citizens fees	61,822	67,654	5,832
ABC fees	4,800	5,610	810
Total permits and fees	<u>3,616,720</u>	<u>2,822,538</u>	<u>(794,182)</u>
Sales and Services:			
Jail fees	50,000	26,759	(23,241)
Civil process fees	60,000	23,669	(36,331)
Ambulance fees	218,401	226,649	8,248
Ancillary services	44,000	40,238	(3,762)
Travel and tourism administrative fees	52,750	38,250	(14,500)
Video programming distribution	72,500	32,148	(40,352)
Telephone charges	43,000	12,958	(30,042)
Vending machines	1,000	478	(522)
Recreation department	790,050	737,520	(52,530)
Rents	47,440	46,158	(1,282)
Unclaimed property	25,000	-	(25,000)
Trolley fares	7,000	5,011	(1,989)
Total sales and services	<u>1,411,141</u>	<u>1,189,838</u>	<u>(221,303)</u>
Investment Earnings	<u>2,126,007</u>	<u>2,155,361</u>	<u>29,354</u>
Miscellaneous	<u>705,867</u>	<u>424,214</u>	<u>(281,653)</u>
Total revenues	<u>92,872,018</u>	<u>87,763,297</u>	<u>(5,108,721)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits	167,408	162,740	4,668
Operating	212,651	168,269	44,382
Total	<u>380,059</u>	<u>331,009</u>	<u>49,050</u>
Administration:			
Salaries and employee benefits	615,339	610,285	5,054
Operating	31,494	20,345	11,149
Capital outlay	5,109	3,792	1,317
Total	<u>651,942</u>	<u>634,422</u>	<u>17,520</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, 2024**

	Budget	Actual	Variance Over/Under
Elections:			
Salaries and employee benefits	369,678	328,375	41,303
Operating	323,683	257,828	65,855
Capital outlay	12,590	4,009	8,581
Total	705,951	590,212	115,739
Finance:			
Salaries and employee benefits	839,934	839,371	563
Operating	48,735	37,118	11,617
Total	892,901	880,714	12,187
Human resources:			
Salaries and employee benefits	192,990	190,769	2,221
Operating	51,171	33,710	17,461
Capital outlay	4,053	3,806	247
Total	248,214	228,285	19,929
Computer services:			
Salaries and employee benefits	473,483	473,201	282
Operating	768,650	582,175	186,475
Capital outlay	82,592	46,390	36,202
Total	1,324,725	1,101,766	222,959
Tax collections:			
Salaries and employee benefits	304,881	304,877	4
Operating	37,422	33,984	3,438
Capital outlay	38,652	23,646	15,006
Total	380,955	362,507	18,448
Tax assessments:			
Salaries and employee benefits	769,519	738,526	30,993
Operating	181,077	147,959	33,118
Capital outlay	62,684	58,659	4,025
Total	1,013,280	945,144	68,136
GIS mapping:			
Salaries and employee benefits	74,863	74,834	29
Operating	29,083	23,361	5,722
Total	103,946	98,195	5,751

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Legal services	379,712	364,711	15,001
Register of Deeds:			
Salaries and employee benefits	423,584	422,017	1,567
Operating	112,675	102,544	10,131
Capital outlay	56,396	55,881	515
Total	<u>592,655</u>	<u>580,442</u>	<u>12,213</u>
Public Works:			
Salaries and employee benefits	70,622	70,448	174
Operating	1,100	1,047	53
Total	<u>71,722</u>	<u>71,495</u>	<u>227</u>
Maintenance:			
Salaries and employee benefits	3,695,655	3,580,306	115,349
Operating	3,632,001	3,370,679	261,322
Capital outlay	1,322,017	1,282,886	39,131
Total	<u>8,649,673</u>	<u>8,233,871</u>	<u>415,802</u>
Court facilities:			
Operating	85,325	65,326	19,999
Capital outlay	132,794	131,055	1,739
Total	<u>218,119</u>	<u>196,381</u>	<u>21,738</u>
Professional services	<u>55,000</u>	42,800	12,200
Central services:			
Operating	<u>197,000</u>	116,229	80,771
Total general government	<u>15,865,854</u>	<u>14,778,183</u>	<u>1,087,671</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	6,429,411	5,573,217	856,194
Operating	1,112,321	861,606	250,715
Capital outlay	671,177	895,904	(224,727)
Total	<u>8,212,909</u>	<u>7,330,727</u>	<u>882,182</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, 2024**

	Budget	Actual	Variance Over/Under
Jail:			
Salaries and employee benefits	2,349,219	1,658,820	690,399
Operating	937,803	867,963	69,840
Capital outlay	8,503	8,243	260
Total	3,295,525	2,535,026	760,499
Code enforcement:			
Salaries and employee benefits	1,651,993	1,648,527	3,466
Operating	134,007	119,398	14,609
Capital outlay	42,789	42,774	15
Total	1,828,789	1,810,699	18,090
Emergency management:			
Salaries and employee benefits	1,497,542	1,495,518	2,024
Operating	198,344	192,435	5,909
Capital outlay	116,777	115,237	1,540
Total	2,412,663	1,803,190	609,473
Fire:			
Salaries and employee benefits	623,454	598,105	25,349
Operating	3,041,534	2,943,733	97,801
Capital outlay	57,612	57,611	1
Total	3,722,600	3,599,449	123,151
Ambulance:			
Operating	3,528,295	3,378,630	149,665
Capital outlay	693,663	677,501	16,162
Total	4,221,958	4,056,131	165,827
Total public safety	23,694,444	21,135,222	2,559,222
Transportation:			
Salaries and employee benefits	699,052	677,881	21,171
Operating	260,554	153,122	107,432
Capital outlay	154,098	151,079	3,019
Total	1,113,704	982,082	131,622
Airport authority	31,000	31,000	-
Total transportation	1,144,704	1,013,082	131,622

JACKSON COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget	Actual	Variance Over/Under
Environmental Protection:			
Forestry	99,656	96,070	3,586
Economic and Physical Development:			
Planning and zoning:			
Salaries and employee benefits	385,090	384,344	746
Operating	143,600	115,790	27,810
Capital outlay	38,072	38,072	-
Total	566,762	538,206	28,556
Community development	248,518	209,480	39,038
Agricultural extension:			
Salaries and employee benefits	201,056	127,490	73,566
Operating	42,860	38,363	4,497
Capital outlay	36,200	36,200	-
Total	280,116	202,053	78,063
Conservation:			
Salaries and employee benefits	201,330	200,160	1,170
Operating	31,558	16,357	15,201
Total	232,888	216,517	16,371
Total economic and physical development	1,328,284	1,166,256	162,028
Human Services:			
Health:			
General health:			
Salaries and employee benefits	3,482,678	3,337,009	145,669
Operating	887,411	547,991	339,420
Capital outlay	126,950	68,206	58,744
Total	4,497,039	3,953,206	543,833
County health clinic:			
Salaries and employee benefits	200,402	192,708	7,694
Operating	48,750	29,752	18,998
Total	249,152	222,460	26,692

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget	Actual	Variance Over/Under
Health assurance:			
Salaries and employee benefits	35,128	35,126	2
Operating	49,243	25,844	23,399
Total	84,371	60,970	23,401
Maternal and child health:			
Salaries and employee benefits	108,675	98,147	10,528
Operating	53,769	37,351	16,418
Total	162,444	135,498	26,946
WIC - administration and nutrition:			
Salaries and employee benefits	176,362	148,345	28,017
Operating	4,500	1,627	2,873
Total	180,862	149,972	30,890
Family planning:			
Salaries and employee benefits	157,196	132,963	24,233
Operating	64,093	56,360	7,733
Total	221,289	189,323	31,966
Communicable diseases:			
Operating	11,408	8,459	2,949
WNC HIV/AIDS Consortium:			
Salaries and employee benefits	71,290	65,427	5,863
Operating	747	698	49
Total	72,037	66,125	5,912
NC healthy start:			
Operating	40,000	38,987	1,013
Immunization action program:			
Operating	79,014	71,227	7,787
Breastfeeding:			
Salaries and employee benefits	23,642	23,538	104
Operating	820	557	263
Total	24,462	24,095	367

JACKSON COUNTY, NORTH CAROLINA**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget	Actual	Variance Over/Under
Child services coordinator:			
Salaries and employee benefits	70,576	67,460	3,116
Operating	3,890	81	3,809
Total	74,466	67,541	6,925
Smart start:			
Salaries and employee benefits	73,473	9,738	63,735
Operating	3,000	366	2,634
Total	76,473	10,104	66,369
Other health services:			
Operating	155,352	154,339	1,013
Capital outlay	1,663	-	1,663
Total	157,015	154,339	2,676
Total health	5,930,032	5,152,306	777,726
Environmental Health:			
Animal shelter:			
Salaries and employee benefits	389,736	289,453	100,283
Operating	120,048	99,105	20,943
Capital outlay	50,492	49,948	544
Total	560,276	438,506	121,770
Environmental health:			
Operating	16,000	7,584	8,416
Bioterrorism:			
Salaries and employee benefits	32,579	32,576	3
Operating	10,600	3,752	6,848
Total	43,179	36,328	6,851
Total environmental health	619,455	482,418	137,037
Mental health:			
Vaya health	123,081	123,081	-

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Social Services:			
Administration:			
Salaries and employee benefits	6,238,592	5,857,323	381,269
Operating	870,290	523,628	346,662
Capital outlay	239,460	215,824	23,636
Total	<u>7,348,342</u>	<u>6,596,775</u>	<u>751,567</u>
Other services:			
Adult guardianship	10,000	4,003	5,997
Special assistance	201,000	136,928	64,072
Medical care	65,000	54,084	10,916
Foster care	852,500	852,189	311
Aid to the blind	4,407	-	4,407
Food stamp administration	7,734	6,842	892
Crisis intervention	128,207	60,895	67,312
Adult day care	10,663	3,050	7,613
Emergency assistance	23,452	8,107	15,345
IV-D	34,000	24,814	9,186
LIEAP	512,567	128,845	383,722
Child care services	81,490	81,490	-
Other	453,733	246,202	207,531
Total	<u>2,384,753</u>	<u>1,607,449</u>	<u>777,304</u>
Indian reservation:			
Salaries and employee benefits	180,026	43,579	136,447
Operating	34,635	18,517	16,118
Capital outlay	3,600	-	3,600
Total	<u>218,261</u>	<u>62,096</u>	<u>156,165</u>
Emergency food and shelter	<u>11,871</u>	<u>1,000</u>	<u>10,871</u>
Focal point on aging:			
Salaries and employee benefits	678,646	635,643	43,003
Operating	232,862	194,508	38,354
Capital outlay	65,681	65,681	-
Total	<u>977,189</u>	<u>895,832</u>	<u>81,357</u>
Total social services	<u>10,940,416</u>	<u>9,163,152</u>	<u>1,777,264</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Eldercare coalition:			
Salaries and employee benefits	349,400	349,393	7
Operating	342,463	325,696	16,767
Total	<u>691,863</u>	<u>675,089</u>	<u>16,774</u>
 Veteran's service officer:			
Salaries and employee benefits	143,157	127,653	15,504
Operating	19,160	16,108	3,052
Total	<u>162,317</u>	<u>143,761</u>	<u>18,556</u>
 Other human services	<u>610,031</u>	<u>602,966</u>	<u>7,065</u>
 Total human services	<u>19,077,195</u>	<u>16,342,773</u>	<u>2,734,422</u>
 Culture and Recreation:			
Recreation:			
Salaries and employee benefits	1,254,414	1,156,279	98,135
Operating	726,246	644,943	81,303
Capital outlay	603,033	574,982	28,051
Total	<u>2,583,693</u>	<u>2,376,204</u>	<u>207,489</u>
 Arts council	<u>10,000</u>	<u>10,000</u>	<u>-</u>
 Library	<u>1,342,101</u>	<u>1,342,101</u>	<u>-</u>
 Swimming pool:			
Salaries and employee benefits	54,912	48,659	6,253
Operating	59,900	59,207	693
Capital outlay	27,100	14,664	12,436
Total	<u>141,912</u>	<u>122,530</u>	<u>19,382</u>
 Cashiers recreation:			
Salaries and employee benefits	508,240	438,269	69,971
Operating	345,670	292,973	52,697
Capital outlay	109,606	63,525	46,081
Total	<u>963,516</u>	<u>794,767</u>	<u>168,749</u>
 Cashiers swimming pool:			
Total culture and recreation	<u>5,041,222</u>	<u>4,645,602</u>	<u>395,620</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Education:			
Public schools - current	8,809,497	8,809,497	-
Public schools - timber receipts	147,605	147,605	-
Public schools - capital outlay	1,585,700	1,585,300	400
Public schools - counselors	460,511	460,511	-
Community colleges - current	2,635,757	2,635,757	-
Community colleges - capital outlay	240,126	240,126	-
Total education	<u>13,879,196</u>	<u>13,878,796</u>	<u>400</u>
Debt Service:			
Principal retirement	4,107,107	4,107,107	-
Interest and other charges	<u>1,004,568</u>	<u>1,004,568</u>	<u>-</u>
Total debt service	<u>5,111,675</u>	<u>5,111,675</u>	<u>-</u>
Contingency	<u>2,132,615</u>	<u>-</u>	<u>(2,132,615)</u>
Total expenditures	<u>87,374,845</u>	<u>78,167,659</u>	<u>9,207,186</u>
Revenues over (under) expenditures	<u>5,497,173</u>	<u>9,595,638</u>	<u>4,098,465</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,000,000)	(1,000,000)	-
ARPA Fund	600,000	600,000	-
Economic Development Commission Fund	(175,000)	(175,000)	-
School Capital Reserve Fund	(5,175,725)	(4,501,207)	674,518
Revaluation Fund	(350,500)	(350,500)	-
County Capital Projects Fund	(400,000)	(400,000)	-
Greenways Project Fund	(2,336,708)	(2,336,708)	-
Clean Water Revolving Loan Fund	(23,000)	(23,000)	-
Green Energy Park Fund	(296,400)	(296,400)	-
Conservation/Preservation Fund	(500,000)	(500,000)	-
School Capital Reserve Fund	800,038	800,038	-
Proceeds from sale of capital assets	100,000	93,830	(6,170)
Appropriated fund balance	<u>3,260,122</u>	<u>-</u>	<u>(3,260,122)</u>
Total other financing sources (uses)	<u>(5,497,173)</u>	<u>(8,088,947)</u>	<u>(2,591,774)</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Net change in fund balance	\$ -	1,506,691	\$ 1,506,691
Fund Balance:			
Beginning of year, July 1		<u>41,824,427</u>	
End of year, June 30		<u>\$ 43,331,118</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General government:			
Tax listing	\$ 570,063	\$ 561,843	\$ 8,220
Capital outlay	30,437	29,796	641
Total expenditures	<u>600,500</u>	<u>591,639</u>	<u>8,861</u>
Revenues over (under) expenditures	<u>(600,500)</u>	<u>(591,639)</u>	<u>(8,861)</u>
Other Financing Sources (Uses):			
Transfers from General Fund	350,500	350,500	-
Fund balance appropriation	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Total other financing sources (uses)	<u>600,500</u>	<u>350,500</u>	<u>(250,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(241,139)</u>	<u>\$ (241,139)</u>
Fund Balance:			
Beginning of year, July 1		<u>286,317</u>	
Ending of year, June 30		<u>\$ 45,178</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 118,428	\$ 121,832	\$ 3,404
Other Financing Sources (Uses):			
Transfer from General Fund	1,000,000	1,000,000	-
Transfer to County Capital Projects Fund	(1,118,428)	-	1,118,428
Total other financing sources (uses)	(118,428)	1,000,000	1,118,428
Net change in fund balance	\$ -	1,121,832	\$ 1,121,832
Fund Balance:			
Beginning of year, July 1		1,815,163	
End of year, June 30		\$ 2,936,995	

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 89,011	\$ 89,011	\$ -
Expenditures:			
Environmental protection:			
Conservation	589,011	245,605	343,406
Revenues over (under) expenditures	(500,000)	(156,594)	(343,406)
Other Financing Sources (Uses):			
Transfers from General Fund	500,000	500,000	-
Net change in fund balance	\$ -	343,406	\$ 343,406
Fund Balance:			
Beginning of year, July 1		1,852,110	
End of year, June 30		<u>\$ 2,195,516</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Insurance contributions:			
General government	\$ 1,924,597	\$ 1,883,299	\$ (41,298)
Public safety	2,318,880	2,269,122	(49,758)
Transportation	167,186	163,599	(3,587)
Economic and physical development	181,783	177,882	(3,901)
Human services	2,732,500	2,673,867	(58,633)
Recreation	339,001	331,727	(7,274)
Refunds	400,000	409,064	9,064
Investment earnings	20,000	162,864	142,864
Total revenues	<u>8,083,947</u>	<u>8,071,424</u>	<u>(12,523)</u>
Expenditures:			
Insurance claims:			
General government	2,000,918	1,747,667	253,251
Public safety	2,410,837	2,105,703	305,134
Transportation	173,816	151,817	21,999
Economic and physical development	188,991	165,071	23,920
Human services	2,840,860	2,481,299	359,561
Recreation	352,445	307,836	44,609
Contract services	81,080	80,728	352
Miscellaneous	35,000	-	35,000
Total expenditures	<u>8,083,947</u>	<u>7,040,121</u>	<u>1,043,826</u>
Net change in fund balance	<u>\$ -</u>	1,031,303	<u>\$ 1,031,303</u>
Fund Balance:			
Beginning of year, July 1		<u>4,216,125</u>	
End of year, June 30		<u>\$ 5,247,428</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, 2024**

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
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	235,155	50,068	17,747	67,815	(167,340)
Total revenues	<u>1,642,422</u>	<u>1,457,335</u>	<u>17,747</u>	<u>1,475,082</u>	<u>(167,340)</u>
Expenditures:					
Education:					
Security upgrades	700,000	504,753	136,549	641,302	58,698
Water and sewer	1,441,207	1,424,596	-	1,424,596	16,611
Water infrastructure	68,400	11,383	-	11,383	57,017
Blue Ridge School	3,525,359	3,292,503	-	3,292,503	232,856
Fairview Elementary School	3,288,215	3,028,015	203,550	3,231,565	56,650
Smoky Mountain High	6,317,487	5,665,301	291,898	5,957,199	360,288
Cullowhee Valley School	1,393,615	1,392,260	-	1,392,260	1,355
Scotts Creek School	20,743	12,382	-	12,382	8,361
Smoky Mountain Elementary	1,851,233	1,631,048	197,353	1,828,401	22,832
Capital outlay	855,947	469,373	-	469,373	386,574
Total expenditures	<u>19,462,206</u>	<u>17,431,614</u>	<u>829,350</u>	<u>18,260,964</u>	<u>1,201,242</u>
Revenues over (under) expenditures	<u>(17,819,784)</u>	<u>(15,974,279)</u>	<u>(811,603)</u>	<u>(16,785,882)</u>	<u>1,033,902</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Capital Reserve Fund	4,810,337	4,741,730	-	4,741,730	(68,607)
General Fund	2,050,000	2,050,000	-	2,050,000	-
School Capital Project Fund	1,959,447	1,959,447	-	1,959,447	-
Proceeds from installment obligation	9,000,000	9,000,000	-	9,000,000	-
Total other financing sources (uses)	<u>17,819,784</u>	<u>17,751,177</u>	<u>-</u>	<u>17,751,177</u>	<u>(68,607)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,776,898</u>	<u>(811,603)</u>	<u>\$ 965,295</u>	<u>\$ 965,295</u>
Fund Balance:					
Beginning of year, July 1			<u>1,776,898</u>		
End of year, June 30			965,295		
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:					
Revenues			160,134		
Transfers from the General Fund			4,501,207		
Transfers to General Fund			(800,038)		
Fund balance, beginning (School Capital Reserve Fund)			<u>4,260,781</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 9,087,379</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 160,155	\$ 160,134	\$ (21)
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	5,175,726	4,501,207	(674,519)
Transfers to other funds:			
General Fund for debt service	(5,335,881)	(800,038)	4,535,843
Total other financing sources (uses)	(160,155)	3,701,169	3,861,324
Net change in fund balance	\$ -	3,861,303	\$ 3,861,303
Fund Balance:			
Beginning of year, July 1		4,260,781	
End of year, June 30		\$ 8,122,084	

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, 2024**

		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	2,015,395	-	2,015,395	-
Investment earnings	16,055	16,054	-	16,054	(1)
Total revenues	<u>7,477,047</u>	<u>7,477,046</u>	<u>-</u>	<u>7,477,046</u>	<u>(1)</u>
Expenditures:					
Education:					
Architect fees	1,738,732	1,738,676	-	1,738,676	56
Engineering costs	194,785	194,511	-	194,511	274
Construction	33,400	33,398	-	33,398	2
Technology and security	18,719,238	18,588,768	-	18,588,768	130,470
Contingency	11,055	-	-	-	11,055
Total expenditures	<u>20,697,210</u>	<u>20,555,353</u>	<u>-</u>	<u>20,555,353</u>	<u>141,857</u>
Revenues over (under) expenditures	<u>(13,220,163)</u>	<u>(13,078,307)</u>	<u>-</u>	<u>(13,078,307)</u>	<u>141,856</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>\$ 141,856</u>	<u>-</u>	<u>\$ 141,856</u>	<u>\$ 141,856</u>
Fund Balance:					
Beginning of year, July 1			141,856		
End of year, June 30			<u>\$ 141,856</u>		

JACKSON COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - PARKS PROJECT FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 590,000	\$ -	\$ 90,000	\$ 90,000	\$ (500,000)
Investment earnings	92,039	-	92,038	92,038	(1)
Total revenues	<u>682,039</u>	<u>-</u>	<u>182,038</u>	<u>182,038</u>	<u>(500,001)</u>
Expenditures:					
Culture and recreation:					
Construction	<u>3,322,255</u>	<u>86,075</u>	<u>149,898</u>	<u>235,973</u>	<u>3,086,282</u>
Revenues over (under) expenditures	<u>(2,640,216)</u>	<u>(86,075)</u>	<u>32,140</u>	<u>(53,935)</u>	<u>2,586,281</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	1,868,454	1,868,454	-	1,868,454	-
School Capital Reserve Fund	<u>771,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(771,762)</u>
Total other financing sources (uses)	<u>2,640,216</u>	<u>1,868,454</u>	<u>-</u>	<u>1,868,454</u>	<u>(771,762)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,782,379</u>	32,140	<u>\$ 1,814,519</u>	<u>\$ 1,814,519</u>
Fund Balance:					
Beginning of year, July 1			<u>1,782,379</u>		
End of year, June 30			<u>\$ 1,814,519</u>		

JACKSON COUNTY, NORTH CAROLINA

MAJOR 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, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 300,000	\$ -	\$ 233,616	\$ 233,616	\$ (66,384)
Restricted intergovernmental	2,348,997	140,149	174,500	314,649	(2,034,348)
Total revenues	<u>2,648,997</u>	<u>140,149</u>	<u>408,116</u>	<u>548,265</u>	<u>(2,100,732)</u>
Expenditures:					
General government:					
Skyland Services Center:					
Architect fees	72,000	60,965	-	60,965	11,035
Construction	6,773,963	1,519,299	643,261	2,162,560	4,611,403
Site acquisition	458,625	408,625	50,063	458,688	(63)
Furnishings	141,980	131,995	7,661	139,656	2,324
Total Skyland Services Center	<u>7,446,568</u>	<u>2,120,884</u>	<u>700,985</u>	<u>2,821,869</u>	<u>4,624,699</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>6,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,711</u>
Total expenditures	<u>7,671,784</u>	<u>2,339,389</u>	<u>700,985</u>	<u>3,040,374</u>	<u>4,631,410</u>
Revenues over (under) expenditures	<u>(5,022,787)</u>	<u>(2,199,240)</u>	<u>(292,869)</u>	<u>(2,492,109)</u>	<u>2,530,678</u>
Other Financing Sources (Uses):					
Operating transfers in:					
Capital Reserve Fund	2,293,505	2,075,000	-	2,075,000	(218,505)
General Fund	2,729,282	2,174,498	400,000	2,574,498	(154,784)
Total other financing sources (uses)	<u>5,022,787</u>	<u>4,249,498</u>	<u>400,000</u>	<u>4,649,498</u>	<u>(373,289)</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>\$ 2,273,512</u>	107,131	<u>\$ 2,380,643</u>	<u>\$ 2,380,643</u>
Fund Balance:					
Beginning of year, July 1			<u>2,273,512</u>		
End of year, June 30			<u>\$ 2,380,643</u>		

JACKSON COUNTY, NORTH CAROLINA

MAJOR 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, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 1,170,000	\$ 717,949	\$ 549,129	\$ 1,267,078	\$ 97,078
Expenditures:					
Culture and recreation:					
Savannah/Greens Creek Park	25,351,308	11,444,324	10,824,715	22,269,039	3,082,269
Revenues over (under) expenditures	(24,181,308)	(10,726,375)	(10,275,586)	(21,001,961)	3,179,347
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	4,181,308	4,622,772	-	4,622,772	441,464
Installment purchase obligations issued	20,000,000	20,000,000	-	20,000,000	-
Total other financing sources (uses)	24,181,308	24,622,772	-	24,622,772	441,464
Net change in fund balance	\$ -	\$ 13,896,397	(10,275,586)	\$ 3,620,811	\$ 3,620,811
Fund Balance:					
Beginning of year, July 1			13,896,397		
End of year, June 30			\$ 3,620,811		

JACKSON COUNTY, NORTH CAROLINA
**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2024**

	Special Revenue Funds	Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,936,953	\$ 2,211,243	\$ 4,148,196
Accounts receivable, net	20,087	12,276	32,363
Taxes receivable	25,361	-	25,361
Total assets	<u>\$ 1,982,401</u>	<u>\$ 2,223,519</u>	<u>\$ 4,205,920</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 2,255</u>	<u>\$ 28,702</u>	<u>\$ 30,957</u>
Deferred Inflows of Resources:			
Prepaid taxes	296	-	296
Property taxes receivable	25,361	-	25,361
Total deferred inflows of resources	<u>25,657</u>	<u>-</u>	<u>25,657</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	20,087	12,276	32,363
Public safety	1,111,198	-	1,111,198
Economic and physical development	823,204	-	823,204
Committed:			
Recreation	-	2,182,541	2,182,541
Total fund balances	<u>1,954,489</u>	<u>2,194,817</u>	<u>4,149,306</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,982,401</u>	<u>\$ 2,223,519</u>	<u>\$ 4,205,920</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Ad valorem taxes	\$ 2,112,433	\$ -	\$ 2,112,433
Restricted intergovernmental	363,903	-	363,903
Sales and services	834	-	834
Investment earnings	46,999	-	46,999
Total revenues	<u>2,524,169</u>	<u>-</u>	<u>2,524,169</u>
Expenditures:			
Current:			
Public safety	2,551,333	223,246	2,774,579
Economic and physical development	329,130	-	329,130
Culture and recreation	-	303,277	303,277
Total expenditures	<u>2,880,463</u>	<u>526,523</u>	<u>3,406,986</u>
Revenues over (under) expenditures	(356,294)	(526,523)	(882,817)
Other Financing Sources (Uses):			
Transfers from other funds	<u>198,000</u>	<u>2,336,708</u>	<u>2,534,708</u>
Net change in fund balances	(158,294)	1,810,185	1,651,891
Fund Balances:			
Beginning of year, July 1	<u>2,112,783</u>	<u>384,632</u>	<u>2,497,415</u>
End of year, June 30	<u>\$ 1,954,489</u>	<u>\$ 2,194,817</u>	<u>\$ 4,149,306</u>



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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's 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, 2024**

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Assets:				
Cash and cash equivalents	\$ 808,848	\$ 58,958	\$ 244,422	\$ 47,293
Accounts receivable, net	11,866	4,718	3,393	-
Taxes receivable	-	-	25,361	-
Total assets	<u>\$ 820,714</u>	<u>\$ 63,676</u>	<u>\$ 273,176</u>	<u>\$ 47,293</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	296	-
Taxes receivable	-	-	25,361	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>25,657</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	11,866	4,718	3,393	-
Public safety	808,114	58,958	244,126	-
Economic and physical development	-	-	-	47,293
Total fund balances	<u>819,980</u>	<u>63,676</u>	<u>247,519</u>	<u>47,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 820,714</u>	<u>\$ 63,676</u>	<u>\$ 273,176</u>	<u>\$ 47,293</u>

JACKSON COUNTY, NORTH CAROLINA**NONMAJOR SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET****JUNE 30, 2024**

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 1,842	\$ 686,938	\$ 88,652	\$ 1,936,953
Accounts receivable, net	-	-	110	20,087
Taxes receivable	-	-	-	25,361
Total assets	<u>\$ 1,842</u>	<u>\$ 686,938</u>	<u>\$ 88,762</u>	<u>\$ 1,982,401</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,521</u>	<u>\$ 2,255</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	-	296
Taxes receivable	-	-	-	25,361
Total deferred inflows of resources	-	-	-	25,657
Fund Balances:				
Restricted:				
Stabilization by state statute	-	-	110	20,087
Public safety	-	-	-	1,111,198
Economic and physical development	<u>1,842</u>	<u>686,938</u>	<u>87,131</u>	<u>823,204</u>
Total fund balances	<u>1,842</u>	<u>686,938</u>	<u>87,241</u>	<u>1,954,489</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,842</u>	<u>\$ 686,938</u>	<u>\$ 88,762</u>	<u>\$ 1,982,401</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, 2024

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 2,112,433	\$ -
Restricted intergovernmental	207,349	6,780	-	8,385
Sales and services	-	-	-	-
Investment earnings	22,742	-	-	-
Total revenues	<u>230,091</u>	<u>6,780</u>	<u>2,112,433</u>	<u>8,385</u>
Expenditures:				
Current:				
Public safety	268,910	34,119	2,248,304	-
Economic and physical development	-	-	-	-
Total expenditures	<u>268,910</u>	<u>34,119</u>	<u>2,248,304</u>	<u>-</u>
Revenues over (under) expenditures	(38,819)	(27,339)	(135,871)	8,385
Other Financing Sources (Uses):				
Transfers from other funds	-	-	-	-
Net change in fund balances	(38,819)	(27,339)	(135,871)	8,385
Fund Balances:				
Beginning of year, July 1	<u>858,799</u>	<u>91,015</u>	<u>383,390</u>	<u>38,908</u>
End of year, June 30	<u>\$ 819,980</u>	<u>\$ 63,676</u>	<u>\$ 247,519</u>	<u>\$ 47,293</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, 2024

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,112,433
Restricted intergovernmental	-	-	141,389	363,903
Sales and services	-	834	-	834
Investment earnings	-	24,257	-	46,999
Total revenues	-	25,091	141,389	2,524,169
Expenditures:				
Current:				
Public safety	-	-	-	2,551,333
Economic and physical development	23,000	2,918	303,212	329,130
Total expenditures	23,000	2,918	303,212	2,880,463
Revenues over (under) expenditures	(23,000)	22,173	(161,823)	(356,294)
Other Financing Sources (Uses):				
Transfers from other funds	23,000	-	175,000	198,000
Net change in fund balances	-	22,173	13,177	(158,294)
Fund Balances:				
Beginning of year, July 1	1,842	664,765	74,064	2,112,783
End of year, June 30	\$ 1,842	\$ 686,938	\$ 87,241	\$ 1,954,489

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Other taxes and licenses:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 244,873	\$ 207,349	\$ (37,524)
Investment earnings	22,170	22,742	572
Total revenues	<u>267,043</u>	<u>230,091</u>	<u>(36,952)</u>
Expenditures:			
Public safety:			
Operating	264,700	154,968	109,732
Capital outlay	294,243	113,942	180,301
Total	<u>558,943</u>	<u>268,910</u>	<u>290,033</u>
Revenues over (under) expenditures	(291,900)	(38,819)	253,081
Other Financing Sources (Uses):			
Transfer in:			
Appropriated fund balance	<u>291,900</u>	<u>-</u>	<u>(291,900)</u>
Net change in fund balance	<u>\$ -</u>	<u>(38,819)</u>	<u>\$ (38,819)</u>
Fund Balance:			
Beginning of year, July 1		<u>858,799</u>	
End of year, June 30		<u>\$ 819,980</u>	

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, 2024**

**PSAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2024**

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	\$ 858,799
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>(58,655)</u>
Beginning fund balance, PSAP revenue-expenditure report	<u>800,144</u>
Net change in fund balance, reported budget and actual	(38,819)
Current revenues and expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>50,428</u>
Net change in fund balance, PSAP report	<u>11,609</u>
Ending fund balance, PSAP revenue-expenditure report	<u><u>\$ 811,753</u></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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 15,000	\$ 6,780	\$ (8,220)
Expenditures:			
Public safety:			
Capital outlay	<u>35,000</u>	<u>34,119</u>	<u>881</u>
Net change in fund balance	<u>\$ -</u>	<u>(27,339)</u>	<u>\$ (27,339)</u>
Fund Balance:			
Beginning balance, July 1		<u>91,015</u>	
Ending balance, June 30		<u><u>\$ 63,676</u></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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 2,023,659	\$ 2,106,366	\$ 82,707
Penalties and interest	6,700	6,067	(633)
Total revenues	<u>2,030,359</u>	<u>2,112,433</u>	<u>82,074</u>
Expenditures:			
Public safety:			
Fire districts:			
Cashiers-Glenville	2,164,304	2,164,304	-
Highlands	84,000	84,000	-
Contingency	42,055	-	42,055
Total expenditures	<u>2,290,359</u>	<u>2,248,304</u>	<u>42,055</u>
Revenues over (under) expenditures	(260,000)	(135,871)	124,129
Other Financing Sources (Uses):			
Appropriated fund balance	<u>260,000</u>	<u>-</u>	<u>(260,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(135,871)</u>	<u>\$ (135,871)</u>
Fund Balance:			
Beginning of year, July 1		<u>383,390</u>	
End of year, June 30		<u>\$ 247,519</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, 2024

		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:					
NC Economic Recovery					
Program project	\$ 13,105	\$ 48,576	\$ 8,385	\$ 56,961	\$ 43,856
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total revenues	<u>14,105</u>	<u>49,576</u>	<u>8,385</u>	<u>57,961</u>	<u>43,856</u>
Expenditures:					
Economic and physical development:					
Operating	<u>94,540</u>	<u>94,540</u>	<u>-</u>	<u>94,540</u>	<u>-</u>
Revenues over (under) expenditures	(80,435)	(44,964)	8,385	(36,579)	43,856
Other Financing Sources (Uses):					
Transfers from other funds	<u>80,435</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>3,437</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 38,908</u>	8,385	<u>\$ 47,293</u>	<u>\$ 47,293</u>
Fund Balance:					
Beginning of year, July 1			<u>38,908</u>		
End of year, June 30			<u>\$ 47,293</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 23,000	\$ 23,000	\$ -
Revenues over (under) expenditures	(23,000)	(23,000)	-
Other Financing Sources (Uses):			
Transfer from General Fund	23,000	23,000	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year, July 1		1,842	
Ending of year, June 30		\$ 1,842	

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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and services	\$ 2,918	\$ 834	\$ (2,084)
Investment earnings	<u>25,099</u>	<u>24,257</u>	<u>(842)</u>
Total revenues	<u>28,017</u>	<u>25,091</u>	<u>(2,926)</u>
Expenditures:			
Economic and physical development:			
Operating	2,918	2,918	-
Reserve for economic development	<u>25,099</u>	<u>-</u>	<u>25,099</u>
Total expenditures	<u>28,017</u>	<u>2,918</u>	<u>25,099</u>
Net change in fund balance	<u>\$ -</u>	22,173	<u>\$ 22,173</u>
Fund Balance:			
Beginning of year, July 1		<u>664,765</u>	
End of year, June 30		<u>\$ 686,938</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted Intergovernmental	\$ 120,500	\$ 141,389	\$ 20,889
Investment earnings	50	-	(50)
Total revenues	<u>120,550</u>	<u>141,389</u>	<u>20,839</u>
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	116,317	115,520	797
Operating	159,791	136,803	22,988
Loans, development, and capital improvement	40,000	50,889	(10,889)
Total expenditures	<u>316,108</u>	<u>303,212</u>	<u>12,896</u>
Revenues over (under) expenditures	<u>(195,558)</u>	<u>(161,823)</u>	<u>33,735</u>
Other Financing Sources (Uses):			
Transfers in:			
Transfer from General Fund	175,000	175,000	-
Appropriated fund balance	20,558	-	(20,558)
Total other financing sources (uses)	<u>195,558</u>	<u>175,000</u>	<u>(20,558)</u>
Net change in fund balance	<u>\$ -</u>	13,177	<u>\$ 13,177</u>
Fund Balance:			
Beginning of year, July 1		<u>74,064</u>	
End of year, June 30		<u>\$ 87,241</u>	



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CAPITAL PROJECT FUNDS

- **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.
- **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, 2024

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Assets:			
Cash and cash equivalents	\$ 59,215	\$ 2,152,028	\$ 2,211,243
Accounts receivable, net	<u>12,276</u>	<u>-</u>	<u>12,276</u>
Total assets	<u><u>\$ 71,491</u></u>	<u><u>\$ 2,152,028</u></u>	<u><u>\$ 2,223,519</u></u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 28,702</u>	<u>\$ -</u>	<u>\$ 28,702</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	12,276	-	12,276
Committed:			
Recreation	<u>30,513</u>	<u>2,152,028</u>	<u>2,182,541</u>
Total fund balances	<u><u>42,789</u></u>	<u><u>2,152,028</u></u>	<u><u>2,194,817</u></u>
Total liabilities and fund balances	<u><u>\$ 71,491</u></u>	<u><u>\$ 2,152,028</u></u>	<u><u>\$ 2,223,519</u></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, 2024

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Expenditures:			
Current:			
Public safety	\$ 223,246	\$ -	\$ 223,246
Culture and recreation	-	303,277	303,277
Total expenditures	<u>223,246</u>	<u>303,277</u>	<u>526,523</u>
Revenues over (under) expenditures	(223,246)	(303,277)	(526,523)
Other Financing Sources (Uses):			
Transfers from other funds	<u>-</u>	<u>2,336,708</u>	<u>2,336,708</u>
Net change in fund balances	(223,246)	2,033,431	1,810,185
Fund Balances:			
Beginning of year, July 1	<u>266,035</u>	<u>118,597</u>	<u>384,632</u>
End of year, June 30	<u>\$ 42,789</u>	<u>\$ 2,152,028</u>	<u>\$ 2,194,817</u>

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, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 10,000	\$ 9,805	\$ -	\$ 9,805	\$ (195)
Expenditures:					
Recreation:					
Construction cost	5,671,023	5,404,793	223,246	5,628,039	42,984
Revenues over (under) expenditures	(5,661,023)	(5,394,988)	(223,246)	(5,618,234)	42,789
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	224,326	224,326	-	224,326	-
Health department	46,697	46,697	-	46,697	-
Capital Reserve Fund	5,390,000	5,390,000	-	5,390,000	-
Total other financing sources (uses)	5,661,023	5,661,023	-	5,661,023	-
Net change in fund balance	\$ -	\$ 266,035	(223,246)	\$ 42,789	\$ 42,789
Fund Balance:					
Beginning of year, July 1			266,035		
End of year, June 30			\$ 42,789		

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, 2024

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 435,000	\$ 435,000	\$ -	\$ 435,000	\$ -
Gifts and donations	219,750	219,742	-	219,742	(8)
Total revenues	654,750	654,742	-	654,742	(8)
Expenditures:					
Culture and recreation:					
Construction	4,178,356	1,728,794	303,277	2,032,071	2,146,285
Engineering fees	95,415	89,664	-	89,664	5,751
Total expenditures	4,273,771	1,818,458	303,277	2,121,735	2,152,036
Revenues over (under) expenditures	(3,619,021)	(1,163,716)	(303,277)	(1,466,993)	2,152,028
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	3,619,021	1,282,313	2,336,708	3,619,021	-
Net change in fund balance	\$ -	\$ 118,597	2,033,431	\$ 2,152,028	\$ 2,152,028
Fund Balance:					
Beginning of year, July 1			118,597		
End of year, June 30			<u>\$ 2,152,028</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 5,170,072	\$ 5,064,424	\$ (105,648)
Non-operating revenues:			
Scrap tire disposal fee	75,000	82,900	7,900
White goods tax	20,000	25,165	5,165
Electronics tax	4,000	1,613	(2,387)
Scrap tire grant	25,121	1,320	(23,801)
Miscellaneous	4,500	2,377	(2,123)
Interest earned on investments	24,325	22,383	(1,942)
Total non-operating revenues	<u>152,946</u>	<u>135,758</u>	<u>(17,188)</u>
Total revenues	<u>5,323,018</u>	<u>5,200,182</u>	<u>(122,836)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	578,171	575,718	2,453
Operations	2,926,940	2,916,371	10,569
Supplies	46,550	48,335	(1,785)
Repairs and maintenance	68,410	64,759	3,651
Contracted services	1,332,700	1,323,079	9,621
Capital outlay	53,000	52,875	125
Total	<u>5,005,771</u>	<u>4,981,137</u>	<u>24,634</u>
Debt service:			
Debt principal	310,296	310,295	1
Interest and other charges	6,951	5,793	1,158
Total	<u>317,247</u>	<u>316,088</u>	<u>1,159</u>
Total expenditures	<u>5,323,018</u>	<u>5,297,225</u>	<u>25,793</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (97,043)</u>	<u>\$ (97,043)</u>

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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (97,043)	
Change in compensated absences		2,226	
Decrease in deferred outflow - OPEB		(45,290)	
Increase in deferred inflow - OPEB		20,491	
(Increase) decrease in other post-employment benefits		47,605	
Increase in deferred outflow - pensions		35,373	
Decrease in deferred inflow - pensions		269	
(Increase) decrease in pensions		(75,872)	
Debt principal payment		310,295	
Landfill closure and post-closure costs		28,446	
Capital outlay		52,875	
Depreciation and amortization		<u>(250,806)</u>	
Change in net position		<u>\$ 28,569</u>	

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF FUND NET POSITION
 JUNE 30, 2024

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 297,237	\$ 1,277,889	\$ 1,575,126
Accounts receivable, net	4,483	-	4,483
Total current assets	301,720	1,277,889	1,579,609
Non-current assets:			
Depreciable assets, net of depreciation	40,450	554,371	594,821
Total assets	342,170	1,832,260	2,174,430
Deferred Outflows of Resources:			
Pension deferrals	86,647	-	86,647
OPEB deferrals	80,526	-	80,526
Total deferred outflows of resources	167,173	-	167,173
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	13,603	-	13,603
Compensated absences, current	3,047	-	3,047
Total current liabilities	16,650	-	16,650
Non-current liabilities:			
Net pension liability - LGERS	138,835	-	138,835
Compensated absences, non-current	9,142	-	9,142
Total OPEB liability	291,518	-	291,518
Total non-current liabilities	439,495	-	439,495
Total liabilities	456,145	-	456,145
Deferred Inflows of Resources:			
Pension deferrals	216	-	216
OPEB deferrals	149,740	-	149,740
Total deferred inflows of resources	149,956	-	149,956
Net Position:			
Restricted for:			
Net investment in capital assets	40,450	554,371	594,821
Unrestricted	(137,208)	1,277,889	1,140,681
Total net position	\$ (96,758)	\$ 1,832,260	\$ 1,735,502

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Charges for services	\$ 24,830	\$ -	\$ 24,830
Operating Expenses:			
Park operations	243,598	-	243,598
Economic development operations	-	4,207	4,207
Depreciation	1,943	17,292	19,235
Total expenses	245,541	21,499	267,040
Operating income (loss)	(220,711)	(21,499)	(242,210)
Non-Operating Revenues:			
Investment earnings	8,135	32,924	41,059
Donations	1,020	-	1,020
Total non-operating revenues	9,155	32,924	42,079
Income (loss) before transfers	(211,556)	11,425	(200,131)
Transfers (to) from other funds	296,400	-	296,400
Change in net position	84,844	11,425	96,269
Net Position:			
Beginning of year, July 1	(181,602)	1,820,835	1,639,233
End of year, June 30	\$ (96,758)	\$ 1,832,260	\$ 1,735,502

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 23,573	\$ -	\$ 23,573
Cash paid for goods and services	(90,670)	(4,207)	(94,877)
Cash paid to employees for services	(144,441)	-	(144,441)
Net cash provided by (used for) operating activities	(211,538)	(4,207)	(215,745)
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	9,155	-	9,155
Transfers from other funds	296,400	-	296,400
Net cash provided by non-capital financing activities	305,555	-	305,555
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(39,070)	(39,070)
Cash Flows from Investing Activities:			
Interest earned on investments	-	32,924	32,924
Net increase in cash and cash equivalents	94,017	(10,353)	83,664
Cash and Cash Equivalents:			
Beginning of year, July 1	203,220	1,288,242	1,491,462
End of year, June 30	<u>\$ 297,237</u>	<u>\$ 1,277,889</u>	<u>\$ 1,575,126</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Uses) by Operating Activities:			
Operating income (loss)	\$ (220,711)	\$ (21,499)	\$ (242,210)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,943	17,292	19,235
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	22,645	-	22,645
Change in deferred inflow - OPEB	(10,246)	-	(10,246)
Change in other post-employment benefits	(23,802)	-	(23,802)
Change in deferred outflow - pensions	(17,686)	-	(17,686)
Change in deferred inflow - pensions	(135)	-	(135)
Change in pensions	37,936	-	37,936
Change in accounts receivable	(1,257)	-	(1,257)
Change in accounts payable and accrued liabilities	(942)	-	(942)
Change in compensated absences	717	-	717
Total adjustments	9,173	17,292	26,465
Net cash provided (used) by operating activities	<u>\$ (211,538)</u>	<u>\$ (4,207)</u>	<u>\$ (215,745)</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, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 18,000	\$ 15,291	\$ (2,709)
Registration fees	15,000	7,460	(7,540)
Gallery commission	2,000	2,079	79
Total operating revenues	<u>35,000</u>	<u>24,830</u>	<u>(10,170)</u>
Non-operating revenues:			
Donations	1,116	1,020	(96)
Interest earned on investments	<u>8,000</u>	<u>8,135</u>	<u>135</u>
Total non-operating revenues	<u>9,116</u>	<u>9,155</u>	<u>39</u>
Total revenues	<u>44,116</u>	<u>33,985</u>	<u>(10,131)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	225,166	121,356	103,810
Operating	<u>115,350</u>	<u>113,530</u>	<u>1,820</u>
Total	<u>340,516</u>	<u>234,886</u>	<u>105,630</u>
Revenues over (under) expenditures	<u>(296,400)</u>	<u>(200,901)</u>	<u>95,499</u>
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>296,400</u>	<u>296,400</u>	<u>-</u>
Total expenditures and other financing sources (uses)	<u>44,116</u>	<u>(61,514)</u>	<u>105,630</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>95,499</u>	<u>\$ 95,499</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Decrease in deferred outflow - OPEB		(22,645)	
Increase in deferred inflow - OPEB		10,246	
(Increase) decrease in other post-employment benefits		23,802	
Increase in deferred outflow - pensions		17,686	
Decrease in deferred inflow - pensions		135	
(Increase) decrease in pensions		(37,936)	
Depreciation		<u>(1,943)</u>	
Change in net position		<u>\$ 84,844</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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Rents	\$ 15,000	\$ -	\$ (15,000)
Non-operating revenues:			
Interest earned on investments	33,000	32,924	(76)
Total revenues	48,000	32,924	(15,076)
Expenditures:			
Economic development operations:			
Operating	38,930	-	38,930
Insurance	5,000	4,207	793
Capital outlay	39,070	39,070	-
Total expenditures	83,000	43,277	39,723
Other Financing Sources (Uses):			
Appropriated fund balance	35,000	-	(35,000)
Total expenditures and other financing sources (uses)	48,000	43,277	4,723
Revenues over (under) expenditures	\$ -	(10,353)	\$ (10,353)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Capital outlay		39,070	
Depreciation		(17,292)	
Change in net position		\$ 11,425	



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FIDUCIARY FUND SCHEDULES

The custodial funds are 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, 2024**

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Assets:			
Cash and cash equivalents	\$ 562	\$ 272,539	\$ 273,101
Taxes receivables for other governments, net	11,754	1,562	13,316
Total assets	<u>12,316</u>	<u>274,101</u>	<u>286,417</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>5,477</u>	<u>11,810</u>	<u>17,287</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 6,839</u>	<u>\$ 262,291</u>	<u>\$ 269,130</u>

JACKSON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions:			
Ad valorem taxes for other governments	\$ 509,072	\$ -	\$ 509,072
Collections on behalf of inmates	-	210,210	210,210
Total additions	<u>509,072</u>	<u>210,210</u>	<u>719,282</u>
Deductions:			
Tax distributions to other governments	509,072	-	509,072
Payments on behalf of inmates	-	163,643	163,643
Total deductions	<u>509,072</u>	<u>163,643</u>	<u>672,715</u>
Change in fiduciary net position	-	46,567	46,567
Net position, beginning	<u>6,839</u>	<u>215,724</u>	<u>222,563</u>
Net position, ending	<u>\$ 6,839</u>	<u>\$ 262,291</u>	<u>\$ 269,130</u>

OTHER SCHEDULES

This section includes 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, 2024**

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 47,060,559	\$ 46,654,046	\$ 406,513
2022-2023	337,446	-	209,679	127,767
2021-2022	139,767	-	69,775	69,992
2020-2021	92,032	-	42,527	49,505
2019-2020	69,200	-	22,242	46,958
2018-2019	55,118	-	16,030	39,088
2017-2018	52,022	-	11,311	40,711
2016-2017	37,492	-	7,554	29,938
2015-2016	79,385	-	7,007	72,378
2014-2015	71,985	-	4,890	67,095
2013-2014	73,670	-	73,670	-
Total	\$ 1,008,117	\$ 47,060,559	\$ 47,118,731	\$ 949,945
Less: allowance for uncollectible accounts				<u>(785,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 164,945</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				<u>\$ 47,328,037</u>
Reconciling items:				
Penalties and interest collected				(376,459)
Amounts written off for tax year 2013-2014				73,670
Rental vehicle tax				(16,762)
Prior year releases, refunds, and other adjustments				74,467
Other reconciling items				<u>35,778</u>
Total reconciling items				<u>(209,306)</u>
Total collections and credits				<u>\$ 47,118,731</u>

JACKSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2024

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$11,992,216,895	\$ 0.38	\$ 45,570,424	\$ 43,503,476	\$ 2,066,948
Utilities at current year's rate	<u>340,671,012</u>	0.38	<u>1,294,550</u>	<u>1,294,550</u>	<u>-</u>
Total	<u>12,332,887,907</u>		<u>46,864,974</u>	<u>44,798,026</u>	<u>2,066,948</u>
Discoveries:					
Current year taxes	<u>55,382,655</u>	0.38	<u>210,454</u>	<u>210,454</u>	<u>-</u>
Abatements/releases	<u>(3,912,882)</u>	0.38	<u>(14,869)</u>	<u>(6,448)</u>	<u>(8,421)</u>
Total property valuation	<u>\$12,384,357,680</u>				
Net levy			47,060,559	45,002,032	2,058,527
Uncollected taxes at June 30, 2024			<u>406,513</u>	<u>404,120</u>	<u>2,393</u>
Current year's taxes collected			<u>\$ 46,654,046</u>	<u>\$ 44,597,912</u>	<u>\$ 2,056,134</u>
Current levy collection percentage			99.14%	99.10%	99.88%

JACKSON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2024****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	100%
Real property	\$ 11,672,074,984
Personal property	<u>712,282,696</u>
Total assessed valuation	<u>\$ 12,384,357,680</u>
Tax rate per \$100 (2)	<u>\$ 0.3800</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 47,060,559</u>
In addition to the County-wide rate, the County levies taxes on behalf of two fire districts:	
Fire districts	<u>\$ 1,985,824</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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