

**JACKSON COUNTY
NORTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

List of Principal Officials

June 30, 2025

Board of Commissioners

Mark Letson, Chairperson

Todd Bryson

Jenny Lynn Hooper

John Smith

Michael Jennings

County Manager

Kevin King

Finance Director

Darlene Fox



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JACKSON COUNTY, NORTH CAROLINA

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

Board of County Commissioners
Jackson County
Sylva, North Carolina

Report on the 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Opioid Settlement 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%, 14% and 73%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2025. 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*.

Change in Accounting Principle

As discussed in Note 9 to the financial statements, in 2025 the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 January 30, 2026, 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
January 30, 2026



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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, 2025. 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

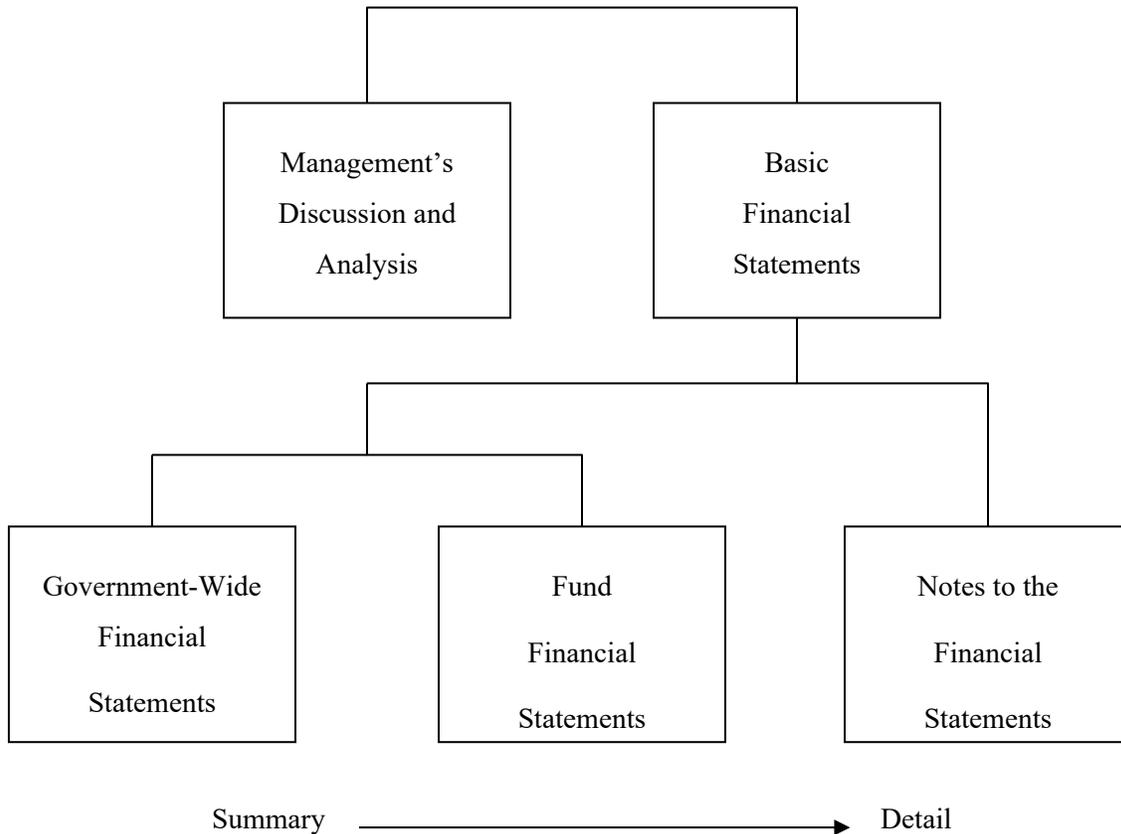
- The assets and deferred outflows of resources of Jackson County's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$107,808,016 and \$8,695,598, respectively.
- The government's total net position increased by \$14,388,098 of which \$8,878,373 was for an increase in governmental activities and \$5,509,725 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 \$75,643,194, a decrease of \$637,677 in comparison with the prior year. 49.47% (percent) of this total amount, or \$37,418,184, 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 \$37,418,184, or 36.19% (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 \$3,443,848 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 \$117,300 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 L) 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 L 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

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 84,277,914	\$ 3,355,812	\$ 87,633,726	\$ 90,056,577	\$ 2,236,148	\$ 92,292,725
Capital assets	125,725,479	8,543,542	134,269,021	119,581,679	4,085,236	123,666,915
Total assets	210,003,393	11,899,354	221,902,747	209,638,256	6,321,384	215,959,640
Deferred Outflows of Resources						
	15,074,567	403,573	15,478,140	19,131,097	518,602	19,649,699
Liabilities:						
Current liabilities	9,495,777	117,856	9,613,633	13,899,965	157,862	14,057,827
Long-term liabilities	94,148,477	3,097,346	97,245,823	97,986,953	3,023,224	101,010,177
Total liabilities	103,644,254	3,215,202	106,859,456	111,886,918	3,181,086	115,068,004
Deferred Inflows of Resources						
	13,625,690	392,127	14,017,817	14,952,037	449,862	15,401,899
Net Position:						
Net investment in capital assets	103,165,942	8,376,020	111,541,962	99,393,140	3,953,629	103,346,769
Restricted	12,222,554	-	12,222,554	12,606,654	-	12,606,654
Unrestricted	(7,580,480)	319,578	(7,260,902)	(10,069,396)	(744,591)	(10,813,987)
Total net position	\$ 107,808,016	\$ 8,695,598	\$ 116,503,614	\$ 101,930,398	\$ 3,209,038	\$ 105,139,436

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 \$116,503,614 as of June 30, 2025. The County's net position increased by \$14,388,098 for the fiscal year ended June 30, 2025, of which \$8,878,373 was for an increase in governmental activities and \$5,509,725 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 \$7,260,902 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 99.21 percent, constant with the statewide average of 98.90 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

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues						
Charges for services	\$ 7,270,272	\$ 5,128,135	\$ 12,398,407	\$ 6,153,031	\$ 5,089,254	\$ 11,242,285
Operating grants and contributions	13,068,259	8,832	13,077,091	10,187,392	3,397	10,190,789
General revenues:						
Property taxes	50,884,919	-	50,884,919	49,400,647	-	49,400,647
Local option sales tax	24,869,585	-	24,869,585	23,413,824	-	23,413,824
Other taxes	356,143	104,890	461,033	509,824	110,998	620,822
Other	-	-	-	-	-	-
Investment earnings	2,731,571	121,120	2,852,691	3,474,395	63,442	3,537,837
Total revenues	<u>99,180,749</u>	<u>5,362,977</u>	<u>104,543,726</u>	<u>93,139,113</u>	<u>5,267,091</u>	<u>98,406,204</u>
Expenses:						
General government	15,827,538	-	15,827,538	15,349,341	-	15,349,341
Public safety	25,111,989	-	25,111,989	24,257,349	-	24,257,349
Transportation	1,009,287	-	1,009,287	1,003,514	-	1,003,514
Environmental protection	1,570,674	-	1,570,674	525,732	-	525,732
Economic and physical development	2,124,816	-	2,124,816	1,627,188	-	1,627,188
Human services	16,812,991	-	16,812,991	16,282,714	-	16,282,714
Culture and recreation	5,465,166	-	5,465,166	4,691,948	-	4,691,948
Education	15,415,594	-	15,415,594	14,708,146	-	14,708,146
Interest and other charges	905,188	-	905,188	1,004,568	-	1,004,568
Landfill	-	5,435,697	5,435,697	-	5,171,613	5,171,613
Green Energy Park	-	326,186	326,186	-	245,541	245,541
Economic Development Commission	-	150,502	150,502	-	21,499	21,499
Total expenses	<u>84,243,243</u>	<u>5,912,385</u>	<u>90,155,628</u>	<u>79,450,500</u>	<u>5,438,653</u>	<u>84,889,153</u>
Change in net position before transfers	14,937,506	(549,408)	14,388,098	13,688,613	(171,562)	13,517,051
Transfers	<u>(6,059,133)</u>	<u>6,059,133</u>	<u>-</u>	<u>(296,400)</u>	<u>296,400</u>	<u>-</u>
Change in net position	<u>8,878,373</u>	<u>5,509,725</u>	<u>14,388,098</u>	<u>13,392,213</u>	<u>124,838</u>	<u>13,517,051</u>
Net Position:						
Beginning of year, July 1	101,930,398	3,209,038	105,139,436	88,538,185	3,084,200	91,622,385
Restatement	<u>(3,000,755)</u>	<u>(23,165)</u>	<u>(3,023,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position July 1, as restated	98,929,643	3,185,873	102,115,516	88,538,185	3,084,200	91,622,385
End of year, June 30	<u>\$ 107,808,016</u>	<u>\$ 8,695,598</u>	<u>\$ 116,503,614</u>	<u>\$ 101,930,398</u>	<u>\$ 3,209,038</u>	<u>\$ 105,139,436</u>

Governmental Activities - Governmental activities increased the County's net position by \$8,878,373. Key elements of this increase are as follows:

- Ad valorem tax increased by 2.81% 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 2.36% (percent) increase for the year.
- Public safety increases include a 2% 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, CEP lunches at all schools, and various school construction projects.

Business-Type Activities – Business-type activities increased Jackson County's net position by \$5,509,725. The key element of this increase is as follows:

- The Landfill Fund, Green Energy Park Fund, and the Economic Development Fund ended the year with additions 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 \$37,418,184, while total fund balance reached \$51,729,424. 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, \$7,762,229. Fund balance available for appropriation of \$37,418,184 represents 36.19% (percent) of total General Fund expenditures and transfers out, while total fund balance represents 50.03% (percent) of that same amount.

At June 30, 2025, the governmental funds of Jackson County reported a combined fund balance of \$75,643,194 a decrease of \$637,677. 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 \$3,532,609 which is 4%.

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 \$8,695,598. The total increase in net position for the funds was \$5,509,725. 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, 2025, totals \$134,269,021 (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 a Ford Transit Van for the Information Technology Department.
- Purchased a 2018 Ottawa 4x2 Off Road Terminal Tractor, a 2023 Bulldog Mulching implement, and a Code Cutting Key Machine for Maintenance
- Purchased a Scag Stand-On Mower, a Ford F350 Crew Cab Pickup, and a Jacobsen HR380 Front Deck Mower for Grounds.
- Purchased two 2024 Toyota Tacoma’s, one 2022 Dodge Charger, six 2025 Ford Explorers, A CVSA III Instrument, and a Belgian Malinois K-9 Dog for the Sherriff’s Office.
- Purchased a 2024 Ford Transit Van, a Surveillance and Intercom Upgrade for Jail.
- Purchased A EOC Viper Radio, 2 Thermal Drone Units, a Maverick Steel Storage Building, and a Portable Message Board for Emergency Management.
- Purchased a 2025 Ford F-150 and two 2025 Ford Ranger Pickups for Code Enforcement.
- Purchased two 2025 Nissan Pathfinders and a Camera System for Transportation.
- Purchased two 2025 Ford Escapes, a Hematology Analyzer, Speaker System, and Panic Buttons for the Health Department.
- Purchased a Foreverlawn K9 Classic Perimeter Board for Animal Control.
- Purchased a Ford Escape for the Department of Social Services.
- Purchased a Eastonmade Ultra Log Splitter for Aging.
- Purchased a Ford Transit Van, two Ford F-150 Pickups, A Kioti Tractor, and a Kioti Backhoe for the Recreation Department.
- Addition of construction in progress on the Dillsboro Complex, Domestic Violence Center, Greenway, Indoor Pool Facility, Whittier-Qualla Park and School Improvement projects.

Jackson County’s Capital Assets, Net of Accumulated Depreciation

Figure 4

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 16,083,121	\$ 3,913,185	\$ 19,996,306	\$ 16,083,121	\$ 146,368	\$ 16,229,489
Buildings and improvements	70,870,253	1,868,973	72,739,226	44,472,571	1,230,986	45,703,557
Machinery and equipment	2,854,232	2,514,480	5,368,712	2,893,154	2,592,880	5,486,034
Vehicles	2,890,032	79,363	2,969,395	2,566,761	102,958	2,669,719
Right-to-use assets	550,989	167,541	718,530	342,470	12,044	354,514
Construction in progress	32,476,852	-	32,476,852	53,223,602	-	53,223,602
Capital assets, net	<u>\$ 125,725,479</u>	<u>\$ 8,543,542</u>	<u>\$ 134,269,021</u>	<u>\$ 119,581,679</u>	<u>\$ 4,085,236</u>	<u>\$ 123,666,915</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, 2025, Jackson County had total debt outstanding of \$28,864,665, most of which is collateralized by capital assets. However, approximately \$5,866,665 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

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 15,998,000	\$ -	\$ 15,998,000	\$ 17,332,000	\$ -	\$ 17,332,000
Total installment purchases						
from direct placements	12,866,665	-	12,866,665	14,976,513	117,300	15,093,813
Total outstanding debt	<u>\$ 28,864,665</u>	<u>\$ -</u>	<u>\$ 28,864,665</u>	<u>\$ 32,308,513</u>	<u>\$ 117,300</u>	<u>\$ 32,425,813</u>

Jackson County’s debt, shown above, decreased \$3,561,148 (12.33 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 \$992,253,000.

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

Accounting Change

During fiscal year 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard requires governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is taken. The application of GASB 101 resulted in a restatement of \$3,000,755 and \$23,165 to the beginning net position of the governmental activities and business-type activities, respectively. As a result, amounts reported in Management’s Discussion and Analysis for fiscal year 2025 are not comparable to those reported for fiscal year 2024, which have not been restated in the prior year comparative information. See Note 9 for additional information regarding the impact of this standard on the current year’s 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 3.8 percent, slightly higher than the state and national average of 3.7 percent.
- Retail vacancy rates increased by 2.16%. The average vacancy rate for the year was in the 53 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, 2026

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 decrease to \$0.31 per \$100. Sales tax revenues continue to increase.

Budgeted expenditures in the General Fund are expected to increase 1.49 percent to \$103,176,104. 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 2.62 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 30.96 percent. The Economic Development Fund operational budget will increase by 25.48 percent due employment of Project Manager and 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, 2025

	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	\$ 69,155,087	\$ 2,867,119	\$ 72,022,206	\$ 3,089,326	\$ 328,652	\$ 1,276,085
Restricted cash and cash equivalents	2,901,908	-	2,901,908	-	1,000	-
Taxes receivable, net	117,741	-	117,741	-	-	-
Accounts receivable, net	434,484	435,235	869,719	-	139	-
Due from primary government	-	-	-	317,838	-	-
Due from other governments	7,781,116	53,458	7,834,574	2,156	111,531	-
Notes receivable, net	769,484	-	769,484	-	-	-
Inventory and prepaids	-	-	-	-	24,644	692,456
Total current assets	81,159,820	3,355,812	84,515,632	3,409,320	465,966	1,968,541
Non-current assets:						
Accounts receivable, non-current	3,053,355	-	3,053,355	-	-	-
Net pension asset (RODSPF)	64,739	-	64,739	-	-	-
Capital assets:						
Land and construction in progress	48,559,973	3,913,185	52,473,158	-	4,818,067	12,301
Depreciable capital assets, net of depreciation	76,614,517	4,462,816	81,077,333	7,049	397,254	704,856
Right-to-use assets, net of amortization	550,989	167,541	718,530	-	-	-
Total capital assets	125,725,479	8,543,542	134,269,021	7,049	5,215,321	717,157
Total non-current assets	128,843,573	8,543,542	137,387,115	7,049	5,215,321	717,157
Total assets	210,003,393	11,899,354	221,902,747	3,416,369	5,681,287	2,685,698
Deferred Outflows of Resources:						
Pension deferrals	8,802,504	209,593	9,012,097	76,243	-	187,312
OPEB deferrals	6,272,063	193,980	6,466,043	-	-	-
Total deferred outflows of resources	15,074,567	403,573	15,478,140	76,243	-	187,312
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	4,605,981	73,417	4,679,398	81,477	2,150	685,708
Liabilities to be paid from restricted assets:						
Customer deposits	-	-	-	-	1,000	-
Accrued interest payable	-	579	579	-	-	-
Due to component unit	317,838	-	317,838	-	-	-
Compensated absences, current	1,274,146	18,131	1,292,277	-	-	-
General obligation bond, current	1,334,000	-	1,334,000	-	-	-
Lease liabilities, current	137,210	25,729	162,939	-	-	-
IT subscriptions, current	59,936	-	59,936	-	-	-
Installment purchases, current	1,766,666	-	1,766,666	-	-	38,130
Total current liabilities	9,495,777	117,856	9,613,633	81,477	3,150	723,838

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2025

	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	-	1,489,557	1,489,557	-	-	-
Net pension liability - LGERS	14,037,301	385,401	14,422,702	146,694	-	292,850
Total pension liability - LEOSSA	2,495,848	-	2,495,848	-	-	-
Total OPEB liability	47,659,789	1,036,204	48,695,993	-	-	-
Compensated absences, non-current	3,822,439	44,391	3,866,830	-	-	-
General Obligation bond, non-current	14,664,000	-	14,664,000	-	-	-
Lease liabilities, non-current	309,733	141,793	451,526	-	-	-
IT subscriptions, non-current	59,368	-	59,368	-	-	-
Installment purchases, non-current	11,099,999	-	11,099,999	-	-	360,439
Total non-current liabilities	<u>94,148,477</u>	<u>3,097,346</u>	<u>97,245,823</u>	<u>146,694</u>	<u>-</u>	<u>653,289</u>
 Total liabilities	 <u>103,644,254</u>	 <u>3,215,202</u>	 <u>106,859,456</u>	 <u>228,171</u>	 <u>3,150</u>	 <u>1,377,127</u>
Deferred Inflows of Resources:						
Prepaid taxes	82,565	-	82,565	-	-	-
Pension deferrals	1,448,825	18,076	1,466,901	26,442	-	7,069
OPEB deferrals	12,094,300	374,051	12,468,351	-	-	-
Total deferred inflows of resources	<u>13,625,690</u>	<u>392,127</u>	<u>14,017,817</u>	<u>26,442</u>	<u>-</u>	<u>7,069</u>
Net Position:						
Net investment in capital assets	103,165,942	8,376,020	111,541,962	7,049	5,215,321	318,589
Restricted:						
Stabilization by state statute	7,792,746	-	7,792,746	319,994	-	-
Tourism promotion	-	-	-	2,910,956	-	-
Register of Deeds' pension plan	64,739	-	64,739	-	-	-
Register of Deeds	25,421	-	25,421	-	-	-
Public safety	3,256,255	-	3,256,255	-	-	-
Economic and physical development	983,941	-	983,941	-	-	-
Recreation	99,452	-	99,452	-	-	-
Working capital	-	-	-	-	-	220,898
Unrestricted	<u>(7,580,480)</u>	<u>319,578</u>	<u>(7,260,902)</u>	<u>-</u>	<u>462,816</u>	<u>949,327</u>
 Total net position	 <u>\$ 107,808,016</u>	 <u>\$ 8,695,598</u>	 <u>\$ 116,503,614</u>	 <u>\$ 3,237,999</u>	 <u>\$ 5,678,137</u>	 <u>\$ 1,488,814</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, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
General government	\$ 15,827,538	\$ 2,846,076	\$ 29,537	\$ -
Public safety	25,111,989	2,230,223	1,273,396	-
Transportation	1,009,287	48,433	1,100,620	-
Environmental protection	1,570,674	246,579	23,910	-
Economic and physical development	2,124,816	38,250	2,458,335	-
Human services	16,812,991	620,278	6,862,262	-
Cultural and recreation	5,465,166	1,240,433	745,000	-
Education	15,415,594	-	575,199	-
Interest on long-term debt	905,188	-	-	-
Total governmental activities	<u>84,243,243</u>	<u>7,270,272</u>	<u>13,068,259</u>	<u>-</u>
Business-type activities:				
Landfill	5,435,697	5,091,654	4,200	-
Green Energy Park	326,186	36,481	4,632	-
Economic Development Commission	150,502	-	-	-
Total business-type activities	<u>5,912,385</u>	<u>5,128,135</u>	<u>8,832</u>	<u>-</u>
Total primary government	<u>\$ 90,155,628</u>	<u>\$ 12,398,407</u>	<u>\$ 13,077,091</u>	<u>\$ -</u>
Component Units:				
Jackson County Tourism Development Authority				
	\$ 3,136,875	\$ 1,016	\$ -	\$ -
Jackson County Airport Authority	215,098	104,717	181,954	-
Jackson County ABC Board	7,790,362	7,577,707	-	-
Total component units	<u>\$ 11,142,335</u>	<u>\$ 7,683,440</u>	<u>\$ 181,954</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, 2025

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	\$ (12,951,925)	\$ -	\$ (12,951,925)			
Public safety	(21,608,370)	-	(21,608,370)			
Transportation	139,766	-	139,766			
Environmental protection	(1,300,185)	-	(1,300,185)			
Economic and physical development	371,769	-	371,769			
Human services	(9,330,451)	-	(9,330,451)			
Cultural and recreation	(3,479,733)	-	(3,479,733)			
Education	(14,840,395)	-	(14,840,395)			
Interest on long-term debt	(905,188)	-	(905,188)			
Total governmental activities	<u>(63,904,712)</u>	<u>-</u>	<u>(63,904,712)</u>			
Business-type activities:						
Landfill	-	(339,843)	(339,843)			
Green Energy Park	-	(285,073)	(285,073)			
Economic Development Commission	-	(150,502)	(150,502)			
Total business-type activities	<u>-</u>	<u>(775,418)</u>	<u>(775,418)</u>			
Total primary government	<u>(63,904,712)</u>	<u>(775,418)</u>	<u>(64,680,130)</u>			
Component Units:						
Jackson County Tourism Development Authority				\$ (3,135,859)	\$ -	\$ -
Jackson County Airport Authority				-	71,573	-
Jackson County ABC Board				-	-	(212,655)
Total component units				<u>(3,135,859)</u>	<u>71,573</u>	<u>(212,655)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purpose	50,884,919	-	50,884,919	-	-	-
Local option sales tax	24,869,585	-	24,869,585	-	-	-
Beer and wine tax distribution	162,995	-	162,995	-	-	-
Occupancy taxes	-	-	-	2,370,462	-	-
Other taxes	193,148	104,890	298,038	-	-	-
Investment earnings, unrestricted	<u>2,731,571</u>	<u>121,120</u>	<u>2,852,691</u>	<u>152,326</u>	<u>-</u>	<u>-</u>
Total general revenues, excluding transfers	78,842,218	226,010	79,068,228	2,522,788	-	-
Transfers	<u>(6,059,133)</u>	<u>6,059,133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>72,783,085</u>	<u>6,285,143</u>	<u>79,068,228</u>	<u>2,522,788</u>	<u>-</u>	<u>-</u>
Change in net position	<u>8,878,373</u>	<u>5,509,725</u>	<u>14,388,098</u>	<u>(613,071)</u>	<u>71,573</u>	<u>(212,655)</u>
Net Position:						
Beginning of year, July 1	101,930,398	3,209,038	105,139,436	3,851,070	5,606,564	1,701,469
Restatement	<u>(3,000,755)</u>	<u>(23,165)</u>	<u>(3,023,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, July 1, as restated	<u>98,929,643</u>	<u>3,185,873</u>	<u>102,115,516</u>	<u>3,851,070</u>	<u>5,606,564</u>	<u>1,701,469</u>
End of year, June 30	<u>\$ 107,808,016</u>	<u>\$ 8,695,598</u>	<u>\$ 116,503,614</u>	<u>\$ 3,237,999</u>	<u>\$ 5,678,137</u>	<u>\$ 1,488,814</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major			
	General Fund	Opioid Settlement Fund	Recreation Center Fund	County Capital Projects Fund
Assets:				
Cash and cash equivalents	\$ 49,998,335	\$ -	\$ 125,969	\$ 2,522,018
Restricted cash and cash equivalents	232	1,896,966	1,004,710	-
Taxes receivable, net	97,149	-	-	-
Accounts receivable, net	7,333	3,445,856	-	116
Due from other governments	7,754,896	-	26,220	-
Due from other funds	-	-	-	-
Notes receivable	769,484	-	-	-
Total assets	\$ 58,627,429	\$ 5,342,822	\$ 1,156,899	\$ 2,522,134
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,848,857	\$ -	\$ 52,737	\$ 143,919
Due to component unit	317,838	-	-	-
Due to other funds	2,551,659	-	-	-
Contract retainage	-	-	-	-
Total liabilities	6,718,354	-	52,737	143,919
Deferred Inflows of Resources:				
Prepaid taxes	82,502	-	-	-
Unavailable revenue	-	3,445,856	-	-
Property taxes receivable	97,149	-	-	-
Total deferred inflows of resources	179,651	3,445,856	-	-
Fund Balances:				
Non-spendable - note receivable	769,484	-	-	-
Restricted:				
Stabilization by state statute	7,762,229	-	-	-
Register of Deeds	25,421	-	-	-
Public safety	-	1,896,966	-	-
Economic and physical development	-	-	-	-
Recreation	-	-	1,104,162	-
Committed:				
Revaluation	2,375	-	-	-
Capital reserve	4,156,635	-	-	-
Conservation/preservation	1,389,389	-	-	-
Recreation	-	-	-	-
Education	-	-	-	-
General government	-	-	-	2,378,215
Assigned:				
Other post-employment benefits	205,707	-	-	-
Unassigned	37,418,184	-	-	-
Total fund balances	51,729,424	1,896,966	1,104,162	2,378,215
Total liabilities, deferred inflows of resources, and fund balances	\$ 58,627,429	\$ 5,342,822	\$ 1,156,899	\$ 2,522,134

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major			Nonmajor	Total
	School Improvements Fund	SCC Health Science Building Fund	Parks Project Fund	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 11,797,835	\$ -	\$ 1,261,670	\$ 3,449,260	\$ 69,155,087
Restricted cash and cash equivalents	-	-	-	-	2,901,908
Taxes receivable, net	-	-	-	20,592	117,741
Accounts receivable, net	1,706	-	-	32,828	3,487,839
Due from other governments	-	-	-	-	7,781,116
Due from other funds	2,387,455	-	164,204	-	2,551,659
Notes receivable, net	-	-	-	-	769,484
Total assets	<u>\$ 14,186,996</u>	<u>\$ -</u>	<u>\$ 1,425,874</u>	<u>\$ 3,502,680</u>	<u>\$ 86,764,834</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 320,338	\$ -	\$ 159,565	\$ 43,333	\$ 4,568,749
Due to component unit	-	-	-	-	317,838
Due to other funds	-	-	-	-	2,551,659
Contract retainage	-	-	37,232	-	37,232
Total liabilities	<u>320,338</u>	<u>-</u>	<u>196,797</u>	<u>43,333</u>	<u>7,475,478</u>
Deferred Inflows of Resources:					
Prepaid taxes	-	-	-	63	82,565
Unavailable receivable	-	-	-	-	3,445,856
Property taxes receivable	-	-	-	20,592	117,741
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,655</u>	<u>3,646,162</u>
Fund Balances:					
Non-spendable - note receivable	-	-	-	-	769,484
Restricted:					
Stabilization by state statute	-	-	-	30,517	7,792,746
Register of Deeds	-	-	-	-	25,421
Public safety	-	-	-	1,359,289	3,256,255
Economic and physical development	-	-	-	983,941	983,941
Recreation	-	-	-	-	1,104,162
Committed:					
Revaluation	-	-	-	-	2,375
Capital reserve	-	-	-	-	4,156,635
Conservation/preservation	-	-	-	-	1,389,389
Recreation	-	-	1,229,077	1,064,945	2,294,022
Education	13,866,658	-	-	-	13,866,658
General government	-	-	-	-	2,378,215
Assigned:					
Other post-employment benefits	-	-	-	-	205,707
Unassigned	-	-	-	-	37,418,184
Total fund balances	<u>13,866,658</u>	<u>-</u>	<u>1,229,077</u>	<u>3,438,692</u>	<u>75,643,194</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,186,996</u>	<u>\$ -</u>	<u>\$ 1,425,874</u>	<u>\$ 3,502,680</u>	<u>\$ 86,764,834</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Total fund balance for governmental funds	\$ 75,643,194
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	125,174,490
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.	550,989
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.	(34,527,497)
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.	3,563,597
Deferred outflows of resources related to pensions are not reported in the funds.	8,802,504
Deferred outflows of resources related to OPEB are not reported in the funds.	6,272,063
Total pension liability - LEOSSA	(2,495,848)
Net pension liability - LGERS	(14,037,301)
Total OPEB liability	(47,659,789)
Net pension asset	64,739
Deferred inflows of resources related to pensions are not reported in the funds.	(1,448,825)
Deferred inflows of resources related to OPEB are not reported in the funds.	<u>(12,094,300)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 107,808,016</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, 2025**

	Major			
	General Fund	Opioid Settlement Fund	Recreation Center Fund	County Capital Projects Fund
Revenues:				
Ad valorem taxes	\$ 48,762,220	\$ -	\$ -	\$ -
Other taxes	25,225,728	-	-	-
Unrestricted intergovernmental	1,001,098	-	-	-
Restricted intergovernmental	8,507,334	501,871	-	2,034,349
Other restricted revenues	9,589,267	-	-	-
Permits and fees	3,036,874	-	-	-
Sales and services	1,643,148	-	-	-
Investment earnings	1,861,530	64,973	116,720	186,673
Miscellaneous	403,048	-	-	-
Total revenues	100,030,247	566,844	116,720	2,221,022
Expenditures:				
Current:				
General government	16,609,958	-	-	2,157,550
Public safety	25,728,975	-	-	-
Transportation	1,152,093	-	-	-
Environmental protection	1,480,321	-	-	-
Economic and physical development	1,172,120	-	-	-
Human services	20,014,833	-	-	-
Culture and recreation	5,477,823	-	2,633,369	-
Intergovernmental:				
Education	14,947,146	-	-	-
Debt service:				
Principal retirement	3,664,746	-	-	-
Interest and other charges	905,188	-	-	-
Total expenditures	91,153,203	-	2,633,369	2,157,550
Revenues over (under) expenditures	8,877,044	566,844	(2,516,649)	63,472
Other Financing Sources (Uses):				
Transfers from other funds	854,633	-	-	(65,900)
Transfers to other funds	(12,242,807)	-	-	-
Lease liabilities issued	448,326	-	-	-
Proceeds from sale of capital assets	35,993	-	-	-
Total other financing sources (uses)	(10,903,855)	-	-	(65,900)
Net change in fund balances	(2,026,811)	566,844	(2,516,649)	(2,428)
Fund Balances:				
Beginning of year, July 1	53,756,235	1,330,122	3,620,811	2,380,643
End of year, June 30	\$ 51,729,424	\$ 1,896,966	\$ 1,104,162	\$ 2,378,215

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, 2025**

	Major			Nonmajor	Total
	School Improvements Fund	SCC Health Science Building Fund	Parks Project Fund	Other Governmental Funds	
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,195,264	\$ 50,957,484
Other taxes	-	-	-	-	25,225,728
Unrestricted intergovernmental	-	-	-	-	1,001,098
Restricted intergovernmental	-	-	-	1,139,289	12,182,843
Other restricted revenues	573,575	-	-	-	10,162,842
Permits and fees	-	-	-	-	3,036,874
Sales and services	-	-	-	-	1,643,148
Investment earnings	333,899	-	52,594	115,182	2,731,571
Miscellaneous	-	-	-	-	403,048
Total revenues	907,474	-	52,594	3,449,735	107,344,636
Expenditures:					
Current:					
General government	-	-	-	-	18,767,508
Public safety	-	-	-	2,291,970	28,020,945
Transportation	-	-	-	-	1,152,093
Environmental protection	-	-	-	-	1,480,321
Economic and physical development	-	-	-	1,013,093	2,185,213
Human services	-	-	-	-	20,014,833
Culture and recreation	-	-	802,240	1,887,626	10,801,058
Intergovernmental:					
Education	468,448	-	-	-	15,415,594
Debt service:					
Principal retirement	-	-	-	-	3,664,746
Interest and other charges	-	-	-	-	905,188
Total expenditures	468,448	-	802,240	5,192,689	102,407,499
Revenues over (under) expenditures	439,026	-	(749,646)	(1,742,954)	4,937,137
Other Financing Sources (Uses):					
Transfers from other funds	5,121,241	-	164,204	1,040,085	7,114,263
Transfers to other funds	(780,988)	(141,856)	-	(7,745)	(13,173,396)
Proceeds from installment obligation	-	-	-	-	448,326
Proceeds from sale of capital assets	-	-	-	-	35,993
Total other financing sources (uses)	4,340,253	(141,856)	164,204	1,032,340	(5,574,814)
Net change in fund balances	4,779,279	(141,856)	(585,442)	(710,614)	(637,677)
Fund Balances:					
Beginning of year, July 1	9,087,379	141,856	1,814,519	4,149,306	76,280,871
End of year, June 30	\$ 13,866,658	\$ -	\$ 1,229,077	\$ 3,438,692	\$ 75,643,194

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, 2025**

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) \$ (637,677)

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 (300,104)

Pension expense (1,079,537)

Right-to-use asset capital outlay expenditures which were capitalized 448,326

Amortization expense for right to use assets (239,807)

Expenses related to compensated absences, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement. 1,535,471

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. 9,258,409

Loss on capital asset disposed of during the year, not recognized on modified accrual basis (64,583)

The issuance of long-term debt is reported as revenue in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities. (448,326)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (3,258,545)

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. 3,664,746

Changes in net position of governmental activities (Exhibit B) \$ 8,878,373

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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 48,292,988	\$ 48,824,988	\$ 48,762,220	\$ (62,768)
Other taxes	26,479,863	26,479,863	25,225,728	(1,254,135)
Unrestricted intergovernmental	825,072	882,616	1,001,098	118,482
Restricted intergovernmental	10,141,679	11,702,477	8,507,334	(3,195,143)
Other restricted revenues	52,850	481,945	854,614	372,669
Permits and fees	3,407,448	3,812,488	3,036,874	(775,614)
Sales and services	1,530,970	1,901,363	1,643,148	(258,215)
Investment earnings	1,623,483	1,673,483	1,635,319	(38,164)
Miscellaneous	673,209	800,948	403,048	(397,900)
Total revenues	<u>93,027,562</u>	<u>96,560,171</u>	<u>91,069,383</u>	<u>(5,490,788)</u>
Expenditures:				
Current:				
General government	13,853,615	16,069,375	14,099,817	1,969,558
Public safety	24,803,273	25,987,274	23,493,048	2,494,226
Transportation	1,317,581	1,317,581	990,888	326,693
Environmental protection	136,785	136,785	93,978	42,807
Economic and physical development	1,253,991	1,356,070	996,840	359,230
Human services	19,110,361	20,341,835	17,380,082	2,961,753
Culture and recreation	5,480,533	5,968,289	5,150,949	817,340
Intergovernmental:				
Education	15,094,377	15,094,377	14,947,146	147,231
Debt service:				
Principal retirement	3,443,849	3,664,849	3,664,746	103
Interest and other charges	905,188	905,188	905,188	-
Contingency	3,053,997	1,570,332	-	1,570,332
Total expenditures	<u>88,453,550</u>	<u>92,411,955</u>	<u>81,722,682</u>	<u>10,689,273</u>
Revenues over (under) expenditures	<u>4,574,012</u>	<u>4,148,216</u>	<u>9,346,701</u>	<u>5,198,485</u>
Other Financing Sources (Uses):				
Transfers to other funds	(8,862,649)	(14,776,853)	(14,242,807)	534,046
Transfers from other funds	780,988	780,988	780,988	-
Proceeds from sale of capital assets	100,000	100,000	35,993	(64,007)
Lease liabilities issued		450,000	448,326	(1,674)
Appropriated fund balance	3,407,649	9,297,649	-	(9,297,649)
Total other financing sources (uses)	<u>(4,574,012)</u>	<u>(4,148,216)</u>	<u>(12,977,500)</u>	<u>(8,829,284)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(3,630,799)	<u>\$ (3,630,799)</u>
Fund Balance:				
Beginning of year, July 1			43,331,118	
End of year, June 30			<u>\$ 39,700,319</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, 2025**

	<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			\$ (542,803)	
Transfers from the General Fund			<u>500,000</u>	
Net change in fund balance			(42,803)	
Beginning fund balance			<u>45,178</u>	
Ending fund balance			<u>2,375</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenues			145,995	
Transfers from the General Fund			<u>1,000,000</u>	
Transfers from the County Capital Projects Fund			65,900	
Transfers from the Dillsboro Project Fund			<u>7,745</u>	
Net change in fund balance			1,219,640	
Beginning fund balance			<u>2,936,995</u>	
Ending fund balance			<u>4,156,635</u>	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Revenue			80,216	
Expenditures			(1,386,343)	
Transfers from the General Fund			<u>500,000</u>	
Net change in fund balance			(806,127)	
Beginning fund balance			<u>2,195,516</u>	
Ending fund balance			<u>1,389,389</u>	
A legally budgeted Health Insurance Fund is consolidated into the General Fund for reporting purposes:				
Revenues			8,734,653	
Expenditures			<u>(7,501,375)</u>	
Net change in fund balance			1,233,278	
Beginning fund balance			<u>5,247,428</u>	
Ending fund balance			<u>6,480,706</u>	
Ending fund balance - Combined General Fund			<u>\$ 51,729,424</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, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:				
Investment earnings	\$ 25,000	\$ 65,000	\$ 64,973	\$ (27)
Restricted intergovernmental	<u>-</u>	<u>500,767</u>	<u>501,871</u>	<u>1,104</u>
Total revenues	<u>25,000</u>	<u>565,767</u>	<u>566,844</u>	<u>1,077</u>
Expenditures:				
Public safety:				
Operating	<u>25,000</u>	<u>565,767</u>	<u>-</u>	<u>565,767</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	566,844	<u>\$ 566,844</u>
Fund Balance:				
Beginning balance, July 1			<u>1,330,122</u>	
Ending balance, June 30			<u>\$ 1,896,966</u>	

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>		
Assets:			
Current assets:			
Cash and cash equivalents	\$ 28,285	\$ 2,838,834	\$ 2,867,119
Accounts receivable, net	428,012	7,223	435,235
Due from other governments	53,458	-	53,458
Total current assets	<u>509,755</u>	<u>2,846,057</u>	<u>3,355,812</u>
Non-current assets:			
Capital assets:			
Land	146,368	3,766,817	3,913,185
Depreciable capital assets, net of depreciation	3,176,912	1,285,904	4,462,816
Right-to-use leased assets, net of amortization	167,541	-	167,541
Total capital assets	<u>3,490,821</u>	<u>5,052,721</u>	<u>8,543,542</u>
Total assets	<u>4,000,576</u>	<u>7,898,778</u>	<u>11,899,354</u>
Deferred Outflows of Resources:			
Pension deferrals	145,424	64,169	209,593
OPEB deferrals	129,320	64,660	193,980
Total deferred outflows of resources	<u>274,744</u>	<u>128,829</u>	<u>403,573</u>
Liabilities:			
Current liabilities:			
Accounts payable	57,148	16,269	73,417
Accrued interest payable	579	-	579
Compensated absences, current	9,061	9,070	18,131
Lease liabilities, current	25,729	-	25,729
Total current liabilities	<u>92,517</u>	<u>25,339</u>	<u>117,856</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	<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:			
Lease liabilities, non-current	141,793	-	141,793
Compensated absences, non-current	27,182	17,209	44,391
Net pension liability - LGERS	263,822	121,579	385,401
Total OPEB liability	752,675	283,529	1,036,204
Accrued landfill closure and post-closure care costs	1,489,557	-	1,489,557
Total non-current liabilities	<u>2,675,029</u>	<u>422,317</u>	<u>3,097,346</u>
Total liabilities	<u>2,767,546</u>	<u>447,656</u>	<u>3,215,202</u>
Deferred Inflows of Resources:			
Pension deferrals	12,048	6,028	18,076
OPEB deferrals	249,367	124,684	374,051
Total deferred inflows of resources	<u>261,415</u>	<u>130,712</u>	<u>392,127</u>
Net Position:			
Net investment in capital assets	3,323,299	5,052,721	8,376,020
Unrestricted	<u>(2,076,940)</u>	<u>2,396,518</u>	<u>319,578</u>
Total net position	<u>\$ 1,246,359</u>	<u>\$ 7,449,239</u>	<u>\$ 8,695,598</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, 2025

	<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	\$ 5,091,654	\$ 36,481	\$ 5,128,135
Operating Expenses:			
Landfill operations, closure and post-closure post-closure care costs	5,262,903	-	5,262,903
Park operations	-	324,243	324,243
Economic development operations	-	127,132	127,132
Depreciation and amortization	171,404	25,313	196,717
Total operating expenses	<u>5,434,307</u>	<u>476,688</u>	<u>5,910,995</u>
Operating income (loss)	<u>(342,653)</u>	<u>(440,207)</u>	<u>(782,860)</u>
Non-Operating Revenues (Expenses):			
Interest and investment revenues	21,126	99,994	121,120
Donations	-	4,632	4,632
Scrap tire tax	73,908	-	73,908
White goods tax	22,831	-	22,831
Electronics tax	6,122	-	6,122
Scrap tire grant	2,029	-	2,029
Miscellaneous revenue	4,200	-	4,200
Interest expense	<u>(1,390)</u>	<u>-</u>	<u>(1,390)</u>
Total non-operating revenues (expenses)	<u>128,826</u>	<u>104,626</u>	<u>233,452</u>
Income (loss) before transfers	(213,827)	(335,581)	(549,408)
Transfers:			
Transfers from other funds	<u>-</u>	<u>6,059,133</u>	<u>6,059,133</u>
Change in net position	<u>(213,827)</u>	<u>5,723,552</u>	<u>5,509,725</u>
Net Position:			
Beginning of year, July 1	1,473,536	1,735,502	3,209,038
Restatement	<u>(13,350)</u>	<u>(9,815)</u>	<u>(23,165)</u>
Beginning of year - July 1, restated	<u>1,460,186</u>	<u>1,725,687</u>	<u>3,185,873</u>
End of year, June 30	<u>\$ 1,246,359</u>	<u>\$ 7,449,239</u>	<u>\$ 8,695,598</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, 2025**

	Major	Nonmajor	
	Landfill	Other	
	Fund	Enterprise	Total
	Funds	Funds	Total
Cash Flows from Operating Activities:			
Cash received from customers	\$ 5,179,998	\$ 33,741	\$ 5,213,739
Cash paid for goods and services	(4,600,828)	(217,405)	(4,818,233)
Cash paid to employees for services	(630,541)	(233,174)	(863,715)
Net cash provided (used) by operating activities	(51,371)	(416,838)	(468,209)
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	-	11,623	11,623
Transfers from other funds	-	6,059,133	6,059,133
Net cash provided (used) by non-capital financing activities	-	6,070,756	6,070,756
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(4,483,213)	(4,483,213)
Principal paid on long-term debt	(135,895)	-	(135,895)
Interest paid on long-term debt	(1,390)	-	(1,390)
Net cash provided (used) by capital and related financing activities	(137,285)	(4,483,213)	(4,620,498)
Cash Flows from Investing Activities:			
Interest earned on investments	21,126	93,003	114,129
Net change in cash and cash equivalents	(167,530)	1,263,708	1,096,178
Cash and Cash Equivalents:			
Beginning of year, July 1	195,815	1,575,126	1,770,941
End of year, June 30	\$ 28,285	\$ 2,838,834	\$ 2,867,119

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, 2025

	Major	Nonmajor	
	Landfill	Other	
	Fund	Enterprise	Total
	Funds		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (342,653)	\$ (440,207)	\$ (782,860)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	171,404	25,313	196,717
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	31,730	15,866	47,596
Change in deferred inflow - OPEB	(50,114)	(25,056)	(75,170)
Change in other post-employment benefits	(15,977)	(7,989)	(23,966)
Change in deferred outflow - pensions	44,955	22,478	67,433
Change in deferred inflow - pensions	11,623	5,812	17,435
Change in pensions	(34,513)	(17,256)	(51,769)
Change in accounts receivable	(3,097)	(2,740)	(5,837)
Change in accounts payable and accrued liabilities	144,019	2,666	146,685
Change in compensated absences	5,069	4,275	9,344
Accrued landfill closure and post-closure care costs	(13,817)	-	(13,817)
Net cash provided (used) by operating activities	<u>\$ (51,371)</u>	<u>\$ (416,838)</u>	<u>\$ (468,209)</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, 2025**

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 328,973
Taxes receivables for other governments, net	<u>14,169</u>
Total assets	<u>343,142</u>
Liabilities:	
Accounts payable and accrued liabilities	<u>18,199</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 324,943</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, 2025**

	Custodial Funds
Additions:	
Ad valorem taxes for other governments	\$ 528,251
Collections on behalf of inmates	<u>195,668</u>
Total additions	<u>723,919</u>
Deductions:	
Tax distributions to other governments	528,251
Payments on behalf of inmates	<u>139,855</u>
Total deductions	<u>668,106</u>
Net increase (decrease) in fiduciary net position	55,813
Net position, beginning	<u>269,130</u>
Net position, ending	<u>\$ 324,943</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, 2025

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, 2025

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, 2025

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 reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

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, 2025

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. 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, 2025

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, 2025

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 mutual fund shares when the mutual fund is certified by the Local Government commission.

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

The North Carolina Capital Management Trust (NCCMT), Government Portfolio is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. 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 and is reported at fair value.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Cash and Cash Equivalents

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

Restricted Assets

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.

	Restricted	
	Cash Amount	Purpose
Governmental Activities:		
General Fund	\$ 232	Revaluation Fund
Recreation Center Fund	1,004,710	Unexpended debt proceeds
Opioid Fund	<u>1,896,966</u>	Unexpended settlement proceeds
Total governmental activities	<u>\$ 2,901,908</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, 2024.

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. While the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 20% of the outstanding receivable balance.

Inventories and Prepaid Items

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Capital Assets

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

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

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

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

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 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 – property taxes receivable, unavailable revenues, (reported only on the balance sheet of the Governmental Funds) and prepaid taxes, 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 County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave, with such leave being fully vested when earned.

Sick - The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

“Restricted by State Statute”. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories 35-J-56 and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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

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

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

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 \$64,739 and unexpended debt proceeds of \$1,004,710 as of June 30, 2025, for a net difference of \$939,971.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

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

Assigned Fund Balance

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

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

Unassigned Fund Balance

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

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

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

Defined Benefit Cost-Sharing Pension Plans

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

2. Detail Notes on All Funds

A. Assets

Deposits

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

At June 30, 2025, the County's deposits had a carrying amount of \$13,720,672 and a bank balance of \$15,263,990. Of the bank balance, \$343,575 was covered by federal depository insurance and \$14,920,415 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$2,930 cash on hand at June 30, 2025.

At June 30, 2025, the TDA's deposits had a carrying amount of \$189,326 and bank balance of \$221,064. Of the bank balance, \$221,064 was covered by federal depository insurance and \$0 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2025, the carrying amount of deposits and bank balance for the Airport was \$329,652, of which \$329,652 was covered by the Pooling Method. The Airport had \$0 in cash on hand at June 30, 2025.

At June 30, 2025, the carrying amount of the ABC Board's deposits was \$1,276,085, and the bank balance was \$1,405,814. \$1,051,671 of the bank balance was not covered by federal depository insurance.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Investments

At June 30, 2025, 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	\$ 21,236,320	\$ 21,236,320	\$ -	\$ -
Commercial Paper	Fair Value - Level 2	29,875,919	29,875,919	-	-
NCCMT - Government Portfolio	Fair Value - Level 1	10,417,246	10,417,246	-	-
	Total investments	<u>\$ 61,529,485</u>	<u>\$ 61,529,485</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025, the TDA's investments consisted of \$2,900,000 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, 2025. 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 MUFG Bank commercial paper, Agricultural BK China commercial paper, and U.S. Treasuries Bills. These investments are 11.4%, 35.0%, and 32.9% 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 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 32,894	\$ 568	\$ 33,462
2024	30,146	3,201	33,347
2023	30,130	5,911	36,041
2022	12,418	3,367	15,785
Total	<u>\$ 105,588</u>	<u>\$ 13,047</u>	<u>\$ 118,635</u>

Receivables

Receivables at the government-wide level at June 30, 2025, were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 7,333	\$ 874,149	\$ 7,754,896	\$ 8,636,378
Recreation Center Fund	-	-	26,220	26,220
Opioid Fund	4,307,320	-	-	4,307,320
County Capital Project Fund	116	-	-	116
School Improvements Fund	1,706	-	-	1,706
Other governmental	32,828	20,592	-	53,420
Allowance for doubtful accounts	(861,464)	(777,000)	-	(1,638,464)
Total governmental activities	<u>\$ 3,487,839</u>	<u>\$ 117,741</u>	<u>\$ 7,781,116</u>	<u>\$ 11,386,696</u>
Business-Type Activities:				
Landfill	\$ 519,230	\$ -	\$ 53,458	\$ 572,688
Green Energy Park	4,199	-	-	4,199
Allowance for doubtful accounts	(91,218)	-	-	(91,218)
Total business-type activities	<u>\$ 435,235</u>	<u>\$ -</u>	<u>\$ 53,458</u>	<u>\$ 488,693</u>

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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	\$ 7,402,515	\$ 352,381	\$ 7,754,896
Recreation Center Fund	<u>26,220</u>	<u>-</u>	<u>26,220</u>
Total governmental activities	<u>\$ 7,428,735</u>	<u>\$ 352,381</u>	<u>\$ 7,781,116</u>
Business-Type Activities:			
Landfill	<u>\$ 53,458</u>	<u>\$ -</u>	<u>\$ 53,458</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>\$ 769,484</u>

Due To/From Other Funds

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

Due To/From Other Funds:	
Due from General Fund to School Improvements	
Capital Reserve Fund for timing of funding	\$ 2,387,455
Due from General Fund to Parks Project	
Fund for timing of funding	<u>164,204</u>
Total	<u>\$ 2,551,659</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 16,083,121	\$ -	\$ -	\$ -	\$ 16,083,121
Construction in progress	<u>53,223,602</u>	<u>7,514,178</u>	<u>-</u>	<u>(28,260,928)</u>	<u>32,476,852</u>
Total non-depreciable capital assets	<u>69,306,723</u>	<u>7,514,178</u>	<u>-</u>	<u>(28,260,928)</u>	<u>48,559,973</u>
Depreciable Capital Assets:					
Buildings	74,088,114	84,100	-	28,260,928	102,433,142
Equipment	8,870,838	546,901	12,127	42,743	9,448,355
Vehicles	<u>7,826,061</u>	<u>1,113,230</u>	<u>353,689</u>	<u>(42,743)</u>	<u>8,542,859</u>
Total depreciable capital assets	<u>90,785,013</u>	<u>1,744,231</u>	<u>365,816</u>	<u>28,260,928</u>	<u>120,424,356</u>
Right-to-Use Assets:					
Leased equipment	282,175	448,326	82,034	-	648,467
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>448,326</u>	<u>82,034</u>	<u>-</u>	<u>1,126,190</u>
Less Accumulated Depreciation:					
Buildings	29,615,543	1,947,346	-	-	31,562,889
Equipment	5,977,684	573,696	-	42,743	6,594,123
Vehicles	<u>5,259,300</u>	<u>737,503</u>	<u>301,233</u>	<u>(42,743)</u>	<u>5,652,827</u>
Total accumulated depreciation	<u>40,852,527</u>	<u>3,258,545</u>	<u>301,233</u>	<u>-</u>	<u>43,809,839</u>
Less Accumulated Amortization:					
Leased equipment	186,321	120,157	82,034	-	224,444
IT subscriptions	<u>231,107</u>	<u>119,650</u>	<u>-</u>	<u>-</u>	<u>350,757</u>
Total accumulated amortization	<u>417,428</u>	<u>239,807</u>	<u>82,034</u>	<u>-</u>	<u>575,201</u>
Total capital assets being amortized, net	<u>342,470</u>				<u>550,989</u>
Total depreciable capital assets, net	<u>49,932,486</u>				<u>76,614,517</u>
Governmental activities capital assets, net	<u>\$ 119,581,679</u>				<u>\$ 125,725,479</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

General government	\$ 1,749,393
Public safety	818,117
Transportation	103,062
Economic and physical development	35,773
Human services	281,098
Culture and recreation	<u>510,909</u>
Total depreciation and amortization expense	<u><u>\$ 3,498,352</u></u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Landfill Fund:				
Non-Depreciable Capital Assets:				
Land	<u>\$ 146,368</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>1,237,808</u>	<u>-</u>	<u>-</u>	<u>1,237,808</u>
Total depreciable capital assets	<u>6,779,637</u>	<u>-</u>	<u>-</u>	<u>6,779,637</u>
Right-to-Use Assets:				
Leased equipment	<u>123,957</u>	<u>171,810</u>	<u>123,957</u>	<u>171,810</u>
Less Accumulated Depreciation:				
Buildings and improvements	1,315,964	60,586	-	1,376,550
Plant and distribution systems	996,820	70,910	-	1,067,730
Furniture and maintenance equipment	<u>1,134,850</u>	<u>23,595</u>	<u>-</u>	<u>1,158,445</u>
Total accumulated depreciation	<u>3,447,634</u>	<u>155,091</u>	<u>-</u>	<u>3,602,725</u>
Less Accumulated Amortization:				
Leased equipment	<u>111,913</u>	<u>16,313</u>	<u>123,957</u>	<u>4,269</u>
Total depreciable capital assets, net	<u>3,344,047</u>			<u>3,344,453</u>
Landfill Fund capital assets, net	<u><u>\$3,490,415</u></u>			<u><u>\$ 3,490,821</u></u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

	Beginning Balances	Increases	Decreases	Ending Balances
Economic Development Fund:				
Non-Depreciable Capital Assets:				
Land	\$ -	\$3,766,817	\$ -	\$ 3,766,817
Depreciable Capital Assets:				
Buildings	783,226	716,396	-	1,499,622
Equipment	54,110	-	-	54,110
Total depreciable capital assets	837,336	716,396	-	1,553,732
Less Accumulated Depreciation:				
Buildings	266,297	16,858	-	283,155
Equipment	16,668	6,512	-	23,180
Total accumulated depreciation	282,965	23,370	-	306,335
Total depreciable capital assets, net	554,371			1,247,397
Economic Development Fund capital assets, net	\$ 554,371			\$ 5,014,214
Green Energy Park Fund:				
Depreciable Capital Assets:				
Buildings	\$ 48,228	-	-	\$ 48,228
Equipment	86,331	-	-	86,331
Total depreciable capital assets	134,559	-	-	134,559
Less Accumulated Depreciation:				
Buildings	14,550	965	-	15,515
Equipment	79,559	978	-	80,537
Total accumulated depreciation	94,109	1,943	-	96,052
Total depreciable capital assets, net	40,450			38,507
Green Energy Park Fund capital assets, net	\$ 40,450			\$ 38,507

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

At June 20, 2025, the County has construction commitments as follows:

<u>Project:</u>	<u>Contractor:</u>	<u>Contract</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Aquatics Center	New Atlantic Contracting, Inc.	\$ 21,624,537	\$ 21,540,070	\$ 84,467
Blue Ridge School Security	Buchanan and Sons, Inc.	1,750,000	1,622,777	127,223
Center for Domestic Peace	RE Crawford Construction	4,887,146	3,180,730	1,706,416
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
Whitter-Qualla Park	Cherokee Enterprises, Inc.	1,974,098	707,412	1,266,686
		<u>\$ 35,454,849</u>	<u>\$ 31,563,556</u>	<u>\$ 3,891,293</u>

Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2025, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Non-Depreciable Capital Assets:				
Land	\$ 12,301	\$ -	\$ -	\$ 12,301
Depreciable Capital Assets:				
Buildings	871,337	-	-	871,337
Furniture and equipment	301,788	45,245	-	347,033
Total depreciable capital assets:	<u>1,173,125</u>	<u>45,245</u>	<u>-</u>	<u>1,218,370</u>
Less Accumulated Depreciation:				
Buildings	220,465	24,102	-	244,567
Furniture and equipment	256,940	12,007	-	268,947
Total accumulated depreciation	<u>477,405</u>	<u>36,109</u>	<u>-</u>	<u>513,514</u>
Total depreciable capital assets, net	<u>695,720</u>			<u>704,856</u>
ABC Board capital assets, net	<u>\$ 708,021</u>			<u>\$ 717,157</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2025, were as follows:

	<u>Vendors</u>	<u>Contact Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 2,660,223	\$ -	\$ 1,188,634	\$ 3,848,857
School Improvements Fund	1,695	318,643	-	320,338
Parks Project Fund	159,565	37,232	-	196,797
County Capital Projects Fund	16,500	127,419	-	143,919
Recreation Center Fund	12,737	40,000	-	52,737
Other governmental	43,333	-	-	43,333
Total governmental activities	<u>\$ 2,894,053</u>	<u>\$ 523,294</u>	<u>\$ 1,188,634</u>	<u>\$ 4,605,981</u>
Business-Type Activities:				
Landfill	\$ 57,148	\$ -	\$ -	\$ 57,148
Other proprietary	16,269	-	-	16,269
Total business-type activities	<u>\$ 73,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,417</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, local law enforcement officers (LEOs) of participating local governmental entities, firefighters and rescue squad workers. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the state Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement, disability 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. General employee plan members are

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

eligible to retire with unreduced 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. General employee plan members are eligible to retire with reduced 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 and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 workers 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced 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 reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. 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 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

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, 2025, was 15.04% of compensation for law enforcement officers and 13.65% 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 \$3,217,028 for the year ended June 30, 2025.

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 include interest (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. 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, 2025

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

At June 30, 2025, the County reported a liability of \$14,422,702 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, 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, 2025, the County's proportion was 0.21394% (measured as of June 30, 2024), which was an decrease of 0.02988% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$4,320,303. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,527,404	\$ 16,993
Net difference between projected and actual earnings on pension plan investments	1,960,758	-
Changes in proportion and differences between County contributions and proportionate share of contributions	584,023	602,916
County contributions subsequent to the measurement date	3,217,028	-
Total	\$ 8,289,213	\$ 619,909

\$3,217,028 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 1,519,998
2027	2,889,506
2028	264,478
2029	(221,706)
Total	\$ 4,452,276

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Actuarial Assumptions. The total pension liability in the December 31, 2023 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, 2023 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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic fixed income	7.0%	5.3%
Inflation sensitive	6.0%	4.3%
Total	100.0%	

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 2.38%. 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)	\$ 25,557,452	\$ 14,422,702	\$ 5,262,841

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, 2025

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	<u>55</u>
Total	<u>69</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, 2023 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	4.28 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, 2023 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, 2025

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 \$216,557 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, 2025, the County reported a total pension liability of \$2,495,848. The total pension liability was measured as of December 31, 2024, based on a December 31, 2023, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$323,576.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 457,561	\$ 587,138
Changes of assumptions	105,687	249,181
Benefit payments and administrative expense subsequent to the measurement date	127,231	-
Total	\$ 690,479	\$ 836,319

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

\$127,231 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, 2026. 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
2026	\$ 2,375
2027	(73,274)
2028	(54,615)
2029	(127,929)
2030	(19,628)
Total	<u>\$ (273,071)</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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Current (4.28%)	1% Increase (5.28%)
Total pension liability	<u>\$ 2,662,814</u>	<u>\$ 2,495,848</u>	<u>\$ 2,343,357</u>

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

	Pension Liability
Beginning balance	\$ 3,271,693
Changes for the year:	
Service cost	88,723
Interest on the total pension liability	126,537
Differences between expected and actual experience in the measurement of the total pension liability	(729,302)
Changes of assumption of other inputs	(45,246)
Benefit payments	<u>(216,557)</u>
Ending balance of total pension liability	<u>\$ 2,495,848</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00 percent at December 31, 2023 (measurement date) to 4.28 percent at December 31, 2024 (measurement date). 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, 2025, were \$254,813, which consisted of \$173,888 from the County and \$80,925 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 and has met the statutory eligibility requirements. 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, 2025

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. The plan does not provide for automatic post-retirement benefit increases.

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 \$4,247 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$64,739 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2024, 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, 2025, the County's proportion was 0.56182% (measured as of June 30, 2024), which was a increase of 0.08116% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$13,606. At June 30, 2025, 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	\$ 1,421	\$ 1,157
Net difference between projected and actual earnings on pension plan investments	25,001	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,736	9,516
County contributions subsequent to the measurement date	4,247	-
Total	<u>\$ 32,405</u>	<u>\$ 10,673</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

\$4,247 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, 2026. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2026	\$ 9,113
2027	6,012
2028	2,270
2029	90
Total	<u>\$ 17,485</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 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, 2023 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, 2024 is 2.4%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The information above is based on 30-year expectations developed with an investment consulting firm. 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 2.38%. Return projections do not include any excess return expectations over benchmarks averages for public markets. All rates of return and inflation are annual amounts.

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)	\$ (42,895)	\$ (64,739)	\$ (83,138)

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability for LEOSSA was measured as of December 31, 2024, with an actuarial valuation date of December 31, 2023. 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)	\$ 14,422,702	N/A	\$ (64,739)	\$ 14,357,963
Proportion of the net pension liability (asset)	0.21394%	N/A	-0.56182%	-
Total pension liability	-	2,495,848	-	2,495,848
Pension expense	4,320,303	323,576	13,606	4,657,485

At June 30, 2025, 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	\$ 2,527,404	\$ 457,561	\$ 1,421	\$ 2,986,386
Changes of assumptions	-	105,687	-	105,687
Net difference between projected and actual earnings on pension plan investments	1,960,758	-	25,001	1,985,759
Changes in proportion and differences between County contributions and proportionate share of contributions	584,023	-	1,736	585,759
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>3,217,028</u>	<u>127,231</u>	<u>4,247</u>	<u>3,348,506</u>
Totals	<u>\$ 8,289,213</u>	<u>\$ 690,479</u>	<u>\$ 32,405</u>	<u>\$ 9,012,097</u>

Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ 16,993	\$ 587,138	\$ 1,157	\$ 605,288
Changes of assumptions	-	249,181	-	249,181
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>602,916</u>	<u>-</u>	<u>9,516</u>	<u>612,432</u>
Totals	<u>\$ 619,909</u>	<u>\$ 836,319</u>	<u>\$ 10,673</u>	<u>\$ 1,466,901</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, were \$15,533 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 Self-insured health plan. Spouses are charged \$211 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, 2025

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>

Total OPEB Liability

The County's total OPEB liability of \$48,695,993 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

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, 2025**

Summary of Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Beginning balance, July 1, 2023	\$ 49,494,853
Changes for the year:	
Service cost	1,183,390
Interest on the total pension liability	1,805,125
Difference between expected and actual experience in the measurement of the total pension liability	791,075
Changes of assumption or other inputs	(2,110,781)
Benefit payments	<u>(2,467,669)</u>
Ending balance, June 30, 2024	<u><u>\$ 48,695,993</u></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, 2025, 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 (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Current (3.93%)	1% Increase (4.93%)
Total OPEB liability	<u>\$ 56,921,589</u>	<u>\$ 48,695,993</u>	<u>\$ 42,165,640</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, 2025, 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>\$ 41,393,325</u>	<u>\$ 48,695,993</u>	<u>\$ 58,043,704</u>

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.65% to 3.93%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

For the year ended June 30, 2025, the County recognized OPEB expense of \$717,062. At June 30, 2025, 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	\$ 687,454	\$ 3,697,315
Changes of assumptions	4,149,369	8,771,036
County contributions subsequent to the measurement date	1,629,220	-
Total	\$ 6,466,043	\$ 12,468,351

\$1,629,220 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2026	\$ (1,689,617)
2027	(1,259,253)
2028	(2,820,971)
2029	(1,643,571)
2030	(218,116)
Total	\$ (7,631,528)

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, 2025

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 \$1,489,557 reported as landfill post-closure care liability at June 30, 2025, 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.

As of June 30, 2025, Jackson County had eight active leases. The leases have payments that range from \$2,806 to \$44,646 and interest rates that range from 0.0010% to 3.0000%. As of June 30, 2025, the total combined value of the lease liability is \$614,465, and the total combined value of the short-term lease liability is \$162,939. The combined value of the right to use assets, as of June 30, 2025 of \$820,277 with accumulated amortization of \$228,713 is included in the County's capital assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Governmental Activities:

Year Ending	Principal	Interest	Total
June 30			
2026	\$ 137,210	\$ 827	\$ 138,037
2027	97,102	9	97,111
2028	93,391	-	93,391
2029	93,391	-	93,391
2030	25,849	-	25,849
Total	<u>\$ 446,943</u>	<u>\$ 836</u>	<u>\$ 447,779</u>

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Business-Type Activities:

Year Ending			
June 30	Principal	Interest	Total
2026	\$ 25,729	\$ -	\$ 25,729
2027	25,729	-	25,729
2028	25,729	-	25,729
2029	25,729	-	25,729
2030	64,606	-	64,606
Total	<u>\$ 167,522</u>	<u>\$ -</u>	<u>\$ 167,522</u>

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.

As of June 30, 2025, Jackson County had three active subscriptions. The subscriptions have payments that range from \$2,417 to \$105,173 and interest rates that range from 2.8710% to 3.0857%. As of June 30, 2025, the total combined value of the subscription liability is \$119,304, and the total combined value of the short-term subscription liability is \$59,936. The combined value of the right to use asset, as of June 30, 2025 of \$477,723 with accumulated amortization of \$350,757 is included in the County’s capital assets.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows for IT subscriptions:

Governmental Activities:

Year Ending			
June 30	Principal	Interest	Total
2026	\$ 59,936	\$ 6,609	\$ 66,545
2027	59,368	1,832	61,200
Total	<u>\$ 119,304</u>	<u>\$ 8,441</u>	<u>\$ 127,745</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The County's long-term debt for governmental activities at June 30, 2025, was comprised of the following:

Direct Placements

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.	\$1,666,665
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.	4,200,000
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.	<u>7,000,000</u>
Total	<u>\$ 12,866,665</u>

Repayment requirements of the notes payable for governmental activities as of June 30, 2025, are:

Year Ending June 30	Principal	Interest	Total
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	1,100,000	185,737	1,285,737
2031-2035	3,700,000	642,935	4,342,935
2036-2039	<u>2,000,000</u>	<u>171,448</u>	<u>2,171,448</u>
Total	<u>\$ 12,866,665</u>	<u>\$ 1,900,283</u>	<u>\$ 14,766,948</u>

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

The County’s general obligation bonds payable at June 30, 2025, 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%. \$ 15,998,000

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,333,000	344,234	1,677,234
2031-2035	6,665,000	1,075,731	7,740,731
2036-2037	<u>2,666,000</u>	<u>129,087</u>	<u>2,795,087</u>
Total	<u>\$ 15,998,000</u>	<u>\$ 3,356,376</u>	<u>\$ 19,354,376</u>

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 14,976,513	\$ -	\$ 2,109,848	\$ 12,866,665	\$ 1,766,666
General obligation bonds	17,332,000	-	1,334,000	15,998,000	1,334,000
Lease liabilities	98,189	448,326	99,572	446,943	137,210
IT subscriptions	240,630	-	121,326	119,304	59,936
Compensated absences	5,052,881	43,704	-	5,096,585	1,274,146
Net pension liability - LGERS	15,711,173	-	1,673,872	14,037,301	-
Total pension liability - LEOSSA	3,271,693	-	775,845	2,495,848	-
Total OPEB liability	<u>48,434,683</u>	<u>1,618,745</u>	<u>2,393,639</u>	<u>47,659,789</u>	<u>-</u>
Total governmental activities	<u>\$ 105,117,762</u>	<u>\$ 2,110,775</u>	<u>\$ 8,508,102</u>	<u>\$ 98,720,435</u>	<u>\$ 4,571,958</u>
Landfill Fund:					
Direct Placement -					
installment purchases	\$ 117,300	\$ -	\$ 117,300	\$ -	\$ -
Lease liabilities	14,307	171,810	18,595	167,522	25,729
Landfill closure and post-closure costs	1,503,374	16,719	30,536	1,489,557	-
Compensated absences	31,174	5,069	-	36,243	9,061
Net pension liability - LGERS	298,335	-	34,513	263,822	-
Total OPEB liability	<u>768,652</u>	<u>33,376</u>	<u>49,353</u>	<u>752,675</u>	<u>-</u>
Total business-type activities	<u>\$ 2,733,142</u>	<u>\$ 226,974</u>	<u>\$ 250,297</u>	<u>\$ 2,709,819</u>	<u>\$ 34,790</u>
Green Energy Park Fund:					
Compensated absences	\$ 22,004	\$ 4,275	\$ -	\$ 26,279	\$ 9,070
Net pension liability - LGERS	138,835	-	17,256	121,579	-
Total OPEB liability	<u>291,518</u>	<u>16,688</u>	<u>24,677</u>	<u>283,529</u>	<u>-</u>
Total business-type activities	<u>\$ 452,357</u>	<u>\$ 20,963</u>	<u>\$ 41,933</u>	<u>\$ 431,387</u>	<u>\$ 9,070</u>

At June 30, 2025, Jackson County had a legal debt margin of approximately \$992,253,000.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Deferred Inflows/Outflows of Resources:

At June 30, 2025, deferred inflows/outflows of resources for Jackson County consisted of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
LGERS	\$ 8,079,620	\$ 601,833
LEOSSA	690,479	836,319
RODSPF	32,405	10,673
OPEB	6,272,063	12,094,300
Prepaid taxes	-	82,565
Total governmental activities	\$ 15,074,567	\$ 13,625,690
 Business-Type Activities:		
Landfill Fund:		
LGERS	\$ 145,424	\$ 12,048
OPEB	129,320	249,367
Total Landfill Fund	274,744	261,415
 Green Energy Park Fund:		
LGERS	64,169	6,028
OPEB	64,660	124,684
Total Green Energy Park Fund	128,829	130,712
Total business-type activities	\$ 403,573	\$ 392,127

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2025, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net	\$ 125,725,479	\$ 8,543,542
Less capital debt:		
Gross debt	29,430,912	167,522
School debt related to assets to which the County does not hold title	(5,866,665)	-
Unexpended debt proceeds	(1,004,710)	-
Net capital debt	22,559,537	167,522
Net investment in capital assets	\$ 103,165,942	\$ 8,376,020

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

Interfund Balances and Activity

Transfers to/from Other Funds

Transfers to/from other funds for the year ended June 30, 2025, consist of the following:

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	252,085
From the General Fund to the School Capital Reserve Fund for future school construction projects	4,979,385
From the General Fund to the Revaluation Fund for operations	500,000
From the General Fund to the Economic Development Commission Enterprise Fund for operations	5,750,000
From the General Fund to the Green Energy Park Fund for operations	309,133
From the General Fund to the Conservation/Preservation Fund for conservation expenditures	500,000
From the General Fund to the Clean Water Revolving Loan Fund for grant operations	38,000
From Dillsboro Capital Project Fund to Capital Reserve Fund for future projects	7,745
From the School Capital Reserve Fund to the General Fund for debt service	780,988
From the General Fund to the Community Development Scattered Site Fund for for construction	750,000
From SCC Health Science Building Capital Project Fund to School Capital Reserve Fund for future projects	141,856
From the General Fund to the Major Capital Project Fund - Parks Project Fund for construction	164,204

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, 2025

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, 2025</u>
Total fund balance - General Fund	\$ 51,729,424
Amounts not available for appropriation:	
Stabilization by state statute	(7,762,229)
Register of Deeds	(25,421)
Commitments	(5,548,399)
Assigned	(205,707)
Non-spendable - note receivable	<u>(769,484)</u>
Fund balance available for appropriation	<u>\$ 37,418,184</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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

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

4. Joint Ventures

Fontana Regional Library

The County participates in a joint venture to operate the Fontana Regional Library (“Library”) with five other local governments. Each participating county may appoint three Board members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2025. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,382,364 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 \$2,914,266 and \$617,974 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2025. 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, 2025. 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.

Tuckaseegee Water and Sewer Authority

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

equity interest has been reflected in the financial statements at June 30, 2025. Complete financial statements for the TWSA can be obtained from the TWSA's administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

Mental Health

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Vaya Health Center, ("Vaya LME"), a local management entity. The fifteen counties participating in the Vaya Health LME are represented by a county commissioner. Within available resources, the County has an ongoing financial responsibility for the LME because it is legally obligated to provide mental health services either directly or jointly with other counties. None of the participating counties has any equity interest in the LME, so no equity interest has been reflected in the financial statements at June 30, 2025. The County contributed \$123,081 to the Vaya Health LME to fund operations during fiscal year June 30, 2025. 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 \$36,148 to the Commission during the fiscal year ended June 30, 2025.

6. Related Party Transactions

The County and its discretely presented component units engaged in the following transactions during the year ended June 30, 2025:

Jackson County ABC Board:

Payments to the County for alcohol education	\$ 50,371
Payments to the County for profit distributions	628,871
Payments to the County for law enforcement	<u>35,979</u>
Total	<u>\$ 715,221</u>

Jackson County Tourism Development Authority:

Payments of occupancy tax due to the Authority from the County	\$ 317,838
Payment to the County for Property Purchase to extend the Greenway	<u>745,000</u>
Total	<u>\$ 1,062,838</u>

Jackson County Airport Authority:

Revenue appropriations from Jackson County	<u>\$ 71,000</u>
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JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

7. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Contingent Liabilities

At June 30, 2025, 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, 2025, the County has received \$1,823,465 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, 2025.

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.

8. Stewardship, Compliance, and Accountability

Deficit Fund Balance of Individual Funds

Business-Type Activities:	
Green Energy Park Fund	<u>\$ 75,522</u>

The County plans to fully fund this enterprise fund in the subsequent year with additional transfers from the General Fund.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

9. Adjustments and Restatements of Beginning Balances

During the current year, Jackson County implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, Jackson County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net Position/Fund Balance 6/30/2024 as Previously Reported	Restatement GASB 101 Implementation	Net Position/Fund Balance 6/30/2024 as Restated
Government-wide:			
Government activities	\$ 101,930,398	\$ (3,000,755)	\$ 98,929,643
Business-type activities	3,209,038	(23,165)	3,185,873
Total government-wide	\$ 105,139,436	\$ (3,023,920)	\$ 102,115,516
Proprietary funds			
Enterprise funds:			
Solid Waste Fund	\$ 1,473,536	\$ (13,350)	\$ 1,460,186
Green Energy Fund	1,735,502	(9,815)	1,725,687
Total enterprise funds	\$ 3,209,038	\$ (23,165)	\$ 3,185,873



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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 Total OPEB Liability 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				
	2025	2024	2023	2022	2021
County's proportion of the net pension liability (asset)	0.21394%	0.24382%	0.21900%	0.21762%	0.22097%
County's proportionate share of the net pension liability (asset)	\$ 14,422,702	\$ 16,148,343	\$ 12,354,727	\$ 3,337,412	\$ 7,896,199
County's covered payroll	\$ 21,407,416	\$ 21,112,961	\$ 18,056,545	\$ 17,692,288	\$ 17,285,086
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.37%	76.49%	68.42%	18.86%	45.68%
Plan fiduciary net position as a percentage of total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%

* 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				
	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	0.22819%	0.23003%	0.24867%	0.23779%	0.23674%
County's proportionate share of the net pension liability (asset)	\$ 6,231,691	\$ 5,457,098	\$ 3,798,989	\$ 5,046,700	\$ 1,062,475
County's covered payroll	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.32%	33.60%	23.25%	32.90%	7.25%
Plan fiduciary net position as a percentage of total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

JACKSON COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contributions	\$ 3,217,028	\$ 2,786,287	\$ 2,589,492	\$ 2,069,273	\$ 1,814,755
Contributions in relation to the contractually required contribution	<u>3,217,028</u>	<u>2,786,287</u>	<u>2,589,492</u>	<u>2,069,273</u>	<u>1,814,755</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 23,287,817	\$ 21,407,416	\$ 21,112,961	\$ 18,056,545	\$ 17,692,288
Contributions as a percentage of covered payroll	13.81%	13.02%	12.26%	11.46%	10.26%

JACKSON COUNTY, NORTH CAROLINA

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

Local Governmental Employees' Retirement System					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 1,568,779	\$ 1,350,670	\$ 1,240,857	\$ 1,214,999	\$ 1,044,564
Contributions in relation to the contractually required contribution	<u>1,568,779</u>	<u>1,350,670</u>	<u>1,240,857</u>	<u>1,214,999</u>	<u>1,044,564</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109
Contributions as a percentage of covered payroll	9.08%	7.87%	7.64%	7.44%	6.81%

JACKSON COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 3,271,693	\$ 2,707,798	\$ 2,810,783	\$ 2,828,932
Service cost	88,723	97,762	125,881	121,759
Interest on the total pension liability	126,537	112,010	61,667	53,139
Differences between expected and actual experience in the measurement of the total pension liability	(729,302)	504,254	276,675	23,890
Changes of assumptions or other inputs	(45,246)	67,781	(427,112)	(65,749)
Benefit payments	(216,557)	(217,912)	(140,096)	(151,188)
Ending balance of the total pension liability	<u>\$ 2,495,848</u>	<u>\$ 3,271,693</u>	<u>\$ 2,707,798</u>	<u>\$ 2,810,783</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 NINE FISCAL YEARS**

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

JACKSON COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 2,495,848	\$ 3,271,693	\$ 2,707,798	\$ 2,810,783
Covered employee payroll	\$ 3,204,670	\$ 3,534,166	\$ 3,058,913	\$ 2,760,155
Total pension liability as a percentage of covered employee payroll	77.88%	92.57%	88.52%	101.83%

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 NINE FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,828,932	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570
Covered employee payroll	\$ 2,545,474	\$ 2,561,837	\$ 2,344,325	\$ 2,422,322	\$ 2,185,217
Total pension liability as a percentage of covered employee payroll	111.14%	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 EIGHT FISCAL YEARS**

	Health Retiree Plan			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Service cost	\$ 1,183,390	\$ 1,439,191	\$ 2,125,170	\$ 1,929,053
Interest	1,805,125	1,857,428	1,396,319	1,301,095
Differences between expected and actual experience	791,075	(3,955,844)	(314,650)	76,653
Changes of assumptions	(2,110,781)	(17,018)	(13,229,196)	3,317,636
Benefit payments	<u>(2,467,669)</u>	<u>(1,704,015)</u>	<u>(1,236,948)</u>	<u>(863,338)</u>
Net change in total OPEB liability	(798,860)	(2,380,258)	(11,259,305)	5,761,099
Total OPEB liability - beginning	49,494,853	51,875,111	63,134,416	57,373,317
Total OPEB liability - ending	<u>\$ 48,695,993</u>	<u>\$ 49,494,853</u>	<u>\$ 51,875,111</u>	<u>\$ 63,134,416</u>
Covered employee payroll	\$ 18,413,598	\$ 18,413,598	\$ 16,354,083	\$ 16,354,083
Total OPEB liability as a percentage of covered employee payroll	264.46%	268.80%	317.20%	386.05%

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:

<u>Fiscal Year</u>	<u>Rate</u>
2025	3.93%
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 EIGHT FISCAL YEARS**

	Health Retiree Plan			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,256,798	\$ 1,806,653	\$ 1,919,639	\$ 2,179,388
Interest	1,594,845	1,888,493	1,733,478	1,546,018
Differences between expected and actual experience	(509,796)	(6,958,626)	285,749	57,853
Changes of assumptions	11,115,752	(106,853)	(2,896,912)	(5,179,868)
Benefit payments	<u>(782,259)</u>	<u>(949,091)</u>	<u>(1,423,053)</u>	<u>(1,126,877)</u>
Net change in total OPEB liability	12,675,340	(4,319,424)	(381,099)	(2,523,486)
Total OPEB liability - beginning	<u>44,697,977</u>	<u>49,017,401</u>	<u>49,398,500</u>	<u>51,921,986</u>
Total OPEB liability - ending	<u>\$ 57,373,317</u>	<u>\$ 44,697,977</u>	<u>\$ 49,017,401</u>	<u>\$ 49,398,500</u>
Covered employee payroll	\$ 16,100,312	\$ 16,100,312	\$ 15,148,982	\$ 15,148,982
Total OPEB liability as a percentage of covered employee payroll	356.35%	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				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset) (%)	-0.56182%	-0.48066%	-0.50764%	-0.55121%	-0.60440%
County's proportionate share of the net pension liability (asset) (\$)	\$ (64,739)	\$ (57,761)	\$ (67,212)	\$ (105,904)	\$ (138,516)
Plan fiduciary net position as a percentage of total pension liability	133.61%	135.74%	139.04%	156.53%	173.62%

* 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				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) (%)	-0.56488%	-0.61492%	-0.67648%	-0.66058%	-0.47653%
County's proportionate share of the net pension liability (asset) (\$)	\$ (111,519)	\$ (101,849)	\$ (115,468)	\$ (123,502)	\$ (110,431)
Plan fiduciary net position as a percentage of total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%

JACKSON COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund					
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 4,247	\$ 4,834	\$ 4,290	\$ 5,820	\$ 6,615
Contributions in relation to the contractually required contribution	<u>4,247</u>	<u>4,834</u>	<u>4,290</u>	<u>5,820</u>	<u>6,615</u>
Contribution deficiency (excess)	<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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 5,787	\$ 5,369	\$ 5,262	\$ 5,878	\$ 5,397
Contributions in relation to the contractually required contribution	<u>5,787</u>	<u>5,369</u>	<u>5,262</u>	<u>5,878</u>	<u>5,397</u>
Contribution deficiency (excess)	<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.

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

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

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Current year and prior	\$ 48,427,988	\$ 48,398,111	\$ (29,877)
Penalties and interest	397,000	364,109	(32,891)
Total ad valorem taxes	<u>48,824,988</u>	<u>48,762,220</u>	<u>(62,768)</u>
Other Taxes:			
Local option sales tax	26,064,863	24,869,585	(1,195,278)
Beer and wine tax distribution	165,000	162,995	(2,005)
Tax refund - sales and gasoline	250,000	193,148	(56,852)
Total other taxes	<u>26,479,863</u>	<u>25,225,728</u>	<u>(1,254,135)</u>
Unrestricted Intergovernmental:			
Payments in lieu of taxes	115,872	267,245	151,373
ABC profit distribution	704,387	691,949	(12,438)
ABC 1 and 5 cent bottle charge	62,357	41,904	(20,453)
Total unrestricted governmental	<u>882,616</u>	<u>1,001,098</u>	<u>118,482</u>
Restricted Intergovernmental:			
School resource officers - Board of Education and community college	<u>477,853</u>	<u>444,853</u>	<u>(33,000)</u>
Federal and state grants:			
NC Department of Commerce - planning/zoning:			
Registration fees			
Home and Community Care Block grant	273,760	322,086	48,326
Nantahala Forest timber receipts	128,000	23,041	(104,959)
DARE grant	6,000	6,000	-
Civil defense	113,471	117,970	4,499
Soil conservation - matching	22,582	-	(22,582)
Tennessee Valley Authority	875	869	(6)
Older American Act Title III	33,831	28,537	(5,294)
Health department	1,439,121	1,253,898	(185,223)
Senior care	14,401	14,844	443
Smart Start	9,945	9,943	(2)
Governor's Crime Commission	24,500	-	(24,500)
Juvenile Crime Prevention Commission	156,317	156,316	(1)
Safe Roads Act	5,000	5,533	533
Veteran's service	3,174	1,000	(2,174)
Extension grant project	1,500	-	(1,500)
State Board of Education Technology Grant	-	1,624	1,624
SCAAP - State Criminal Alien grant	15,000	-	(15,000)
Social services	6,529,299	5,047,259	(1,482,040)

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Title XIX - Medicaid	227,725	258,950	31,225
Department of Transportation:			
Governor's Highway Safety program	25,000	-	(25,000)
Section 18 - administration	180,472	186,888	6,416
Section 18 - capital	215,256	68,656	(146,600)
Department of Justice grant	256,795	81,931	(174,864)
Contracts - EDTAP	260,270	246,006	(14,264)
FEMA Disaster Assistance grant	746,500	-	(746,500)
COVID-19	-	2,500	2,500
Resources	6,000	10,042	4,042
Emergency food and shelter	16,371	11,782	(4,589)
Cherokee Preservation grant	500	-	(500)
Department of Justice	457,369	152,252	(305,117)
Total	<u>11,169,034</u>	<u>8,007,927</u>	<u>(3,161,107)</u>
Court facilities fees	<u>55,590</u>	<u>54,554</u>	<u>(1,036)</u>
Total restricted intergovernmental	<u>11,702,477</u>	<u>8,507,334</u>	<u>(3,195,143)</u>
Other Restricted Revenues:			
Mckinsey Subdivision Opioid	-	30,007	30,007
Dogwood Health Trust Grant	429,095	799,215	370,120
Vocational rehabilitation	2,500	23	(2,477)
Transportation contracts	50,350	25,369	(24,981)
Total other restricted	<u>481,945</u>	<u>854,614</u>	<u>372,669</u>
Permits and Fees:			
ABC permit fees	600	750	150
Cashiers permit fees	3,500	900	(2,600)
Cullowhee permit fees	1,000	350	(650)
Board of Elections fees	2,000	-	(2,000)
Erosion control fees	74,700	78,719	4,019
Building permits and inspection fees	865,000	889,690	24,690
Environmental health fees	213,500	167,860	(45,640)
Sheriff's fees	602,588	66,367	(536,221)
Officers fees - court	35,110	20,353	(14,757)
Animal adoption fees	153,846	142,030	(11,816)
Road sign fees	59,850	45,110	(14,740)
Health and social services fees	387,300	367,895	(19,405)
Register of Deeds	428,000	261,766	(166,234)

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Real property transfer tax	900,000	896,647	(3,353)
Marriage licenses	7,500	8,900	1,400
Excise tax	15,000	16,833	1,833
Senior citizens fees	58,194	67,831	9,637
ABC fees	4,800	4,873	73
Total permits and fees	<u>3,812,488</u>	<u>3,036,874</u>	<u>(775,614)</u>
Sales and Services:			
Jail fees	50,000	37,648	(12,352)
Civil process fees	60,000	27,619	(32,381)
Ambulance fees	325,021	252,383	(72,638)
Ancillary services	40,000	43,312	3,312
Travel and tourism administrative fees	52,750	38,250	(14,500)
Video programming distribution	72,500	61,531	(10,969)
Telephone charges	43,000	4,362	(38,638)
Vending machines	1,000	320	(680)
Recreation department	1,189,592	1,116,551	(73,041)
Rents	35,500	56,051	20,551
Unclaimed property	25,000	-	(25,000)
Trolley fares	7,000	5,121	(1,879)
Total sales and services	<u>1,901,363</u>	<u>1,643,148</u>	<u>(258,215)</u>
Investment Earnings	<u>1,673,483</u>	<u>1,635,319</u>	<u>(38,164)</u>
Miscellaneous	<u>800,948</u>	<u>403,048</u>	<u>(397,900)</u>
Total revenues	<u>96,560,171</u>	<u>91,069,383</u>	<u>(5,490,788)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits	169,962	159,310	10,652
Operating	221,320	188,737	32,583
Capital outlay	28,365	14,268	14,097
Total	<u>419,647</u>	<u>362,315</u>	<u>57,332</u>
Administration:			
Salaries and employee benefits	470,004	422,333	47,671
Operating	50,540	25,389	25,151
Capital outlay	2,450	2,450	-
Total	<u>522,994</u>	<u>450,172</u>	<u>72,822</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Elections:			
Salaries and employee benefits	331,266	330,171	1,095
Operating	330,172	294,061	36,111
Capital outlay	29,619	6,483	23,136
Total	<u>691,057</u>	<u>630,715</u>	<u>60,342</u>
Finance:			
Salaries and employee benefits	873,376	873,220	156
Operating	47,767	42,646	5,121
Capital outlay	1,282	1,282	-
Total	<u>922,425</u>	<u>917,148</u>	<u>5,277</u>
Human resources:			
Salaries and employee benefits	198,875	198,070	805
Operating	55,281	40,492	14,789
Capital outlay	1,493	1,492	1
Total	<u>255,649</u>	<u>240,054</u>	<u>15,595</u>
Computer services:			
Salaries and employee benefits	493,327	457,055	36,272
Operating	1,214,220	1,159,181	55,039
Capital outlay	75,023	74,961	62
Total	<u>1,782,570</u>	<u>1,691,197</u>	<u>91,373</u>
Tax collections:			
Salaries and employee benefits	307,907	307,760	147
Operating	37,450	35,231	2,219
Capital outlay	36,887	16,579	20,308
Total	<u>382,244</u>	<u>359,570</u>	<u>22,674</u>
Tax assessments:			
Salaries and employee benefits	892,554	873,974	18,580
Operating	215,505	176,335	39,170
Total	<u>1,108,059</u>	<u>1,050,309</u>	<u>57,750</u>
GIS mapping:			
Salaries and employee benefits	78,344	70,117	8,227
Operating	33,500	24,714	8,786
Capital outlay	2,434	2,434	-
Total	<u>114,278</u>	<u>97,265</u>	<u>17,013</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Legal services	475,182	474,309	873
Register of Deeds:			
Salaries and employee benefits	455,962	453,195	2,767
Operating	149,230	132,583	16,647
Capital outlay	22,616	22,616	-
Total	<u>627,808</u>	<u>608,394</u>	<u>19,414</u>
Public Works:			
Salaries and employee benefits	73,384	72,944	440
Operating	1,103	946	157
Total	<u>74,487</u>	<u>73,890</u>	<u>597</u>
Maintenance:			
Salaries and employee benefits	4,139,952	3,905,705	234,247
Operating	3,544,911	2,340,275	1,204,636
Capital outlay	692,522	680,995	11,527
Total	<u>8,377,385</u>	<u>6,926,975</u>	<u>1,450,410</u>
Court facilities:			
Operating	57,090	57,059	31
Capital outlay	6,500	6,431	69
Total	<u>63,590</u>	<u>63,490</u>	<u>100</u>
Professional services	<u>55,000</u>	<u>21,325</u>	<u>33,675</u>
Central services:			
Operating	<u>197,000</u>	<u>132,689</u>	<u>64,311</u>
Total general government	<u>16,069,375</u>	<u>14,099,817</u>	<u>1,969,558</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	6,336,387	6,143,843	192,544
Operating	1,201,327	927,378	273,949
Capital outlay	992,975	860,281	132,694
Total	<u>8,530,689</u>	<u>7,931,502</u>	<u>599,187</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Jail:			
Salaries and employee benefits	2,395,646	1,992,461	403,185
Operating	1,065,726	1,046,348	19,378
Capital outlay	542,451	270,181	272,270
Total	<u>4,003,823</u>	<u>3,308,990</u>	<u>694,833</u>
Code enforcement:			
Salaries and employee benefits	1,806,191	1,805,936	255
Operating	144,593	144,238	355
Capital outlay	44,461	43,228	1,233
Total	<u>1,995,245</u>	<u>1,993,402</u>	<u>1,843</u>
Emergency management:			
Salaries and employee benefits	1,568,278	1,558,745	9,533
COVID-19	600,000	-	600,000
Operating	520,050	502,135	17,915
Capital outlay	494,914	323,999	170,915
Total	<u>3,183,242</u>	<u>2,384,879</u>	<u>798,363</u>
Fire:			
Salaries and employee benefits	639,154	619,096	20,058
Operating	3,111,281	3,059,856	51,425
Capital outlay	189,940	116,114	73,826
Total	<u>3,940,375</u>	<u>3,795,066</u>	<u>145,309</u>
Ambulance:			
Operating	3,531,887	3,335,959	195,928
Capital outlay	802,013	743,250	58,763
Total	<u>4,333,900</u>	<u>4,079,209</u>	<u>254,691</u>
Total public safety	<u>25,987,274</u>	<u>23,493,048</u>	<u>2,494,226</u>
Transportation:			
Salaries and employee benefits	747,916	695,248	52,668
Operating	255,401	145,636	109,765
Capital outlay	243,264	79,004	164,260
Total	<u>1,246,581</u>	<u>919,888</u>	<u>326,693</u>
Airport authority	<u>71,000</u>	<u>71,000</u>	<u>-</u>
Total transportation	<u>1,317,581</u>	<u>990,888</u>	<u>326,693</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental Protection:			
Forestry	136,785	93,978	42,807
Economic and Physical Development:			
Planning and zoning:			
Salaries and employee benefits	401,817	393,442	8,375
Operating	87,700	29,398	58,302
Capital outlay	2,079	2,079	-
Total	<u>491,596</u>	<u>424,919</u>	<u>66,677</u>
Community development	<u>375,492</u>	<u>173,618</u>	<u>201,874</u>
Agricultural extension:			
Salaries and employee benefits	202,705	136,702	66,003
Operating	45,246	38,182	7,064
Total	<u>247,951</u>	<u>174,884</u>	<u>73,067</u>
Conservation:			
Salaries and employee benefits	208,796	207,041	1,755
Operating	32,235	16,378	15,857
Total	<u>241,031</u>	<u>223,419</u>	<u>17,612</u>
Total economic and physical development	<u>1,356,070</u>	<u>996,840</u>	<u>359,230</u>
Human Services:			
Health:			
General health:			
Salaries and employee benefits	3,618,257	3,384,349	233,908
Operating	615,924	543,491	72,433
Capital outlay	160,221	97,227	62,994
Total	<u>4,394,402</u>	<u>4,025,067</u>	<u>369,335</u>
County health clinic:			
Salaries and employee benefits	215,492	159,357	56,135
Operating	49,050	38,148	10,902
Total	<u>264,542</u>	<u>197,505</u>	<u>67,037</u>
Health assurance:			
Salaries and employee benefits	26,079	25,265	814
Operating	40,040	23,299	16,741
Total	<u>66,119</u>	<u>48,564</u>	<u>17,555</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Maternal and child health:			
Salaries and employee benefits	113,289	76,571	36,718
Operating	47,016	25,791	21,225
Capital outlay	5,578	5,213	365
Total	<u>165,883</u>	<u>107,575</u>	<u>58,308</u>
WIC - administration and nutrition:			
Salaries and employee benefits	136,593	135,406	1,187
Operating	5,521	2,909	2,612
Total	<u>142,114</u>	<u>138,315</u>	<u>3,799</u>
Family planning:			
Salaries and employee benefits	145,096	118,022	27,074
Operating	73,187	62,198	10,989
Capital outlay	9,196	8,595	601
Total	<u>227,479</u>	<u>188,815</u>	<u>38,664</u>
Communicable diseases:			
Operating	<u>11,408</u>	<u>10,737</u>	<u>671</u>
WNC HIV/AIDS Consortium:			
Salaries and employee benefits	507,504	467,871	39,633
Operating	2,426	2,228	198
Total	<u>509,930</u>	<u>470,099</u>	<u>39,831</u>
NC healthy start:			
Operating	<u>70,000</u>	<u>56,883</u>	<u>13,117</u>
Immunization action program:			
Operating	<u>126,335</u>	<u>125,900</u>	<u>435</u>
Breastfeeding:			
Salaries and employee benefits	<u>25,866</u>	<u>25,786</u>	<u>80</u>
Child services coordinator:			
Salaries and employee benefits	78,059	77,414	645
Operating	3,661	22	3,639
Total	<u>81,720</u>	<u>77,436</u>	<u>4,284</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other health services:			
Operating	119,986	63,289	56,697
Capital outlay	21,136	-	21,136
Total	<u>141,122</u>	<u>63,289</u>	<u>77,833</u>
Total health	<u>6,226,920</u>	<u>5,535,971</u>	<u>690,949</u>
Environmental Health:			
Animal shelter:			
Salaries and employee benefits	457,532	417,703	39,829
Operating	158,938	104,456	54,482
Capital outlay	89,358	42,447	46,911
Total	<u>705,828</u>	<u>564,606</u>	<u>141,222</u>
Environmental health:			
Operating	16,000	13,863	2,137
Bioterrorism:			
Salaries and employee benefits	25,046	23,384	1,662
Operating	325,821	1,189	324,632
Total	<u>350,867</u>	<u>24,573</u>	<u>326,294</u>
Total environmental health	<u>1,072,695</u>	<u>603,042</u>	<u>469,653</u>
Mental health:			
Vaya health	123,081	123,081	-
Social Services:			
Administration:			
Salaries and employee benefits	6,778,160	6,100,088	678,072
Operating	1,188,246	881,288	306,958
Capital outlay	217,452	154,452	63,000
Total	<u>8,183,858</u>	<u>7,135,828</u>	<u>1,048,030</u>
Other services:			
Adult guardianship	20,935	2,065	18,870
Special assistance	154,969	118,982	35,987
Medical care	66,700	57,603	9,097
Foster care	935,000	934,484	516
Aid to the blind	4,769	4,769	-
Food stamp administration	7,734	6,885	849
Crisis intervention	87,948	39,757	48,191
Adult day care	10,663	4,439	6,224
Emergency assistance	23,452	5,700	17,752

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
IV-D	27,100	21,987	5,113
LIEAP	137,717	63,735	73,982
Child care services	80,000	80,000	-
Other	390,519	177,827	212,692
Total	<u>1,947,506</u>	<u>1,518,233</u>	<u>429,273</u>
Indian reservation:			
Salaries and employee benefits	140,195	46,564	93,631
Operating	69,051	19,561	49,490
Total	<u>209,246</u>	<u>66,125</u>	<u>143,121</u>
Emergency food and shelter	<u>13,504</u>	<u>13,499</u>	<u>5</u>
Focal point on aging:			
Salaries and employee benefits	731,570	673,437	58,133
Operating	225,220	193,313	31,907
Capital outlay	11,755	11,724	31
Total	<u>968,545</u>	<u>878,474</u>	<u>90,071</u>
Total social services	<u>11,322,659</u>	<u>9,612,159</u>	<u>1,710,500</u>
Eldercare coalition:			
Salaries and employee benefits	368,403	365,496	2,907
Operating	377,140	313,874	63,266
Total	<u>745,543</u>	<u>679,370</u>	<u>66,173</u>
Veteran's service officer:			
Salaries and employee benefits	149,968	149,272	696
Operating	37,092	27,007	10,085
Total	<u>187,060</u>	<u>176,279</u>	<u>10,781</u>
Other human services	<u>663,877</u>	<u>650,180</u>	<u>13,697</u>
Total human services	<u>20,341,835</u>	<u>17,380,082</u>	<u>2,961,753</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Culture and Recreation:			
Recreation:			
Salaries and employee benefits	1,657,531	1,522,816	134,715
Operating	1,191,014	836,388	354,626
Capital outlay	403,332	387,246	16,086
Total	<u>3,251,877</u>	<u>2,746,450</u>	<u>505,427</u>
Arts council	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Library	<u>1,382,364</u>	<u>1,382,364</u>	<u>-</u>
Swimming pool:			
Salaries and employee benefits	38,907	32,199	6,708
Operating	66,610	65,113	1,497
Capital outlay	125,613	4,912	120,701
Total	<u>231,130</u>	<u>102,224</u>	<u>128,906</u>
Cashiers recreation:			
Salaries and employee benefits	465,074	439,761	25,313
Operating	396,751	338,267	58,484
Capital outlay	231,093	131,883	99,210
Total	<u>1,092,918</u>	<u>909,911</u>	<u>183,007</u>
Total culture and recreation	<u>5,968,289</u>	<u>5,150,949</u>	<u>817,340</u>
Education:			
Public schools - current	8,985,687	8,985,687	-
Public schools - timber receipts	150,557	150,557	-
Public schools - capital outlay	1,455,700	1,440,047	15,653
Public schools - counselors	970,193	969,721	472
Community colleges - current	2,914,266	2,914,266	-
Community colleges - capital outlay	617,974	486,868	131,106
Total education	<u>15,094,377</u>	<u>14,947,146</u>	<u>147,231</u>
Debt Service:			
Principal retirement	3,664,849	3,664,746	103
Interest and other charges	905,188	905,188	-
Total debt service	<u>4,570,037</u>	<u>4,569,934</u>	<u>103</u>
Contingency	<u>1,570,332</u>	<u>-</u>	<u>(1,570,332)</u>
Total expenditures	<u>92,411,955</u>	<u>81,722,682</u>	<u>10,689,273</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	4,148,216	9,346,701	5,198,485
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,000,000)	(1,000,000)	-
Economic Development Commission Fund	(252,085)	(252,085)	-
School Capital Reserve Fund	(5,513,431)	(4,979,385)	534,046
Revaluation Fund	(500,000)	(500,000)	-
Community Development - Scattered Site	(750,000)	(750,000)	-
Parks Fund	(164,204)	(164,204)	-
Clean Water Revolving Loan Fund	(38,000)	(38,000)	-
Green Energy Park Fund	(309,133)	(309,133)	-
Economic Development Enterprise Fund	(5,750,000)	(5,750,000)	-
Conservation/Preservation Fund	(500,000)	(500,000)	-
School Capital Reserve Fund	780,988	780,988	-
Proceeds from sale of capital assets	100,000	35,993	(64,007)
Appropriated fund balance	9,297,649	-	(9,297,649)
Lease liabilities issued	450,000	448,326	(1,674)
Total other financing sources (uses)	<u>(4,148,216)</u>	<u>(12,977,500)</u>	<u>(8,829,284)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,630,799)</u>	<u>\$ (3,630,799)</u>
Fund Balance:			
Beginning of year, July 1		<u>43,331,118</u>	
End of year, June 30		<u>\$ 39,700,319</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General government:			
Tax listing	\$ 536,723	\$ 534,349	\$ 2,374
Capital outlay	8,455	8,454	1
Total expenditures	<u>545,178</u>	<u>542,803</u>	<u>2,375</u>
Revenues over (under) expenditures	<u>(545,178)</u>	<u>(542,803)</u>	<u>2,375</u>
Other Financing Sources (Uses):			
Transfers from General Fund	500,000	500,000	-
Fund balance appropriation	<u>45,178</u>	<u>-</u>	<u>(45,178)</u>
Total other financing sources (uses)	<u>545,178</u>	<u>500,000</u>	<u>(45,178)</u>
Net change in fund balance	<u>\$ -</u>	<u>(42,803)</u>	<u>\$ (42,803)</u>
Fund Balance:			
Beginning of year, July 1		<u>45,178</u>	
Ending of year, June 30		<u>\$ 2,375</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 145,000	\$ 145,995	\$ 995
Other Financing Sources (Uses):			
Transfer from General Fund	1,000,000	1,000,000	-
Transfer (to)/from Dillsboro Complex Project Fund	-	7,745	7,745
Transfer (to)/from County Capital Projects Fund	<u>(1,145,000)</u>	<u>65,900</u>	<u>1,210,900</u>
Total other financing sources (uses)	<u>(145,000)</u>	<u>1,073,645</u>	<u>1,218,645</u>
Net change in fund balance	<u>\$ -</u>	<u>1,219,640</u>	<u>\$ 1,219,640</u>
Fund Balance:			
Beginning of year, July 1		<u>2,936,995</u>	
End of year, June 30		<u>\$ 4,156,635</u>	

JACKSON COUNTY, NORTH CAROLINA

**CONSERVATION/PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 85,000	\$ 80,216	\$ (4,784)
Expenditures:			
Environmental protection:			
Conservation	<u>2,138,400</u>	<u>1,386,343</u>	<u>752,057</u>
Revenues over (under) expenditures	<u>(2,053,400)</u>	<u>(1,306,127)</u>	<u>747,273</u>
Other Financing Sources (Uses):			
Transfers from General Fund	500,000	500,000	-
Appropriated fund balance	<u>1,553,400</u>	<u>-</u>	<u>(1,553,400)</u>
Total other financing sources (uses)	<u>2,053,400</u>	<u>500,000</u>	<u>(1,553,400)</u>
Net change in fund balance	<u>\$ -</u>	<u>(806,127)</u>	<u>\$ (806,127)</u>
Fund Balance:			
Beginning of year, July 1		<u>2,195,516</u>	
End of year, June 30		<u>\$ 1,389,389</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Insurance contributions:			
General government	\$ 1,954,098	\$ 1,974,780	\$ 20,682
Public safety	2,354,425	2,379,344	24,919
Transportation	169,749	171,546	1,797
Economic and physical development	184,569	186,523	1,954
Human services	2,774,386	2,803,750	29,364
Recreation	344,197	347,840	3,643
Refunds	600,000	600,965	965
Investment earnings	245,000	269,905	24,905
Total revenues	<u>8,626,424</u>	<u>8,734,653</u>	<u>108,229</u>
Expenditures:			
Insurance claims:			
General government	2,131,572	1,855,749	275,823
Public safety	2,568,258	2,235,927	332,331
Transportation	185,166	161,205	23,961
Economic and physical development	201,332	175,280	26,052
Human services	3,026,360	2,634,751	391,609
Recreation	375,456	326,874	48,582
Contract services	88,280	87,520	760
Miscellaneous	50,000	24,069	25,931
Total expenditures	<u>8,626,424</u>	<u>7,501,375</u>	<u>1,125,049</u>
Net change in fund balance	<u>\$ -</u>	1,233,278	<u>\$ 1,233,278</u>
Fund Balance:			
Beginning of year, July 1		<u>5,247,428</u>	
End of year, June 30		<u>\$ 6,480,706</u>	

JACKSON COUNTY, NORTH CAROLINA

**MAJOR - SCHOOL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025**

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
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	573,575	692,135	573,575
Investment earnings	75,000	67,815	9,007	76,822	1,822
Total revenues	<u>1,482,267</u>	<u>1,475,082</u>	<u>582,582</u>	<u>2,057,664</u>	<u>575,397</u>
Expenditures:					
Education:					
Security upgrades	700,000	641,302	29,943	671,245	28,755
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	25,900	3,318,403	206,956
Fairview Elementary School	3,288,215	3,231,565	-	3,231,565	56,650
Smoky Mountain High	6,067,487	5,957,199	9,250	5,966,449	101,038
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	1,828,401	-	1,828,401	22,832
Capital outlay	877,185	469,373	403,355	872,728	4,457
Total expenditures	<u>19,233,444</u>	<u>18,260,964</u>	<u>468,448</u>	<u>18,729,412</u>	<u>504,032</u>
Revenues over (under) expenditures	<u>(17,751,177)</u>	<u>(16,785,882)</u>	<u>114,134</u>	<u>(16,671,748)</u>	<u>1,079,429</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Capital Reserve Fund	4,741,730	4,741,730	-	4,741,730	-
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>17,751,177</u>	<u>17,751,177</u>	<u>-</u>	<u>17,751,177</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 965,295</u>	<u>114,134</u>	<u>\$ 1,079,429</u>	<u>\$ 1,079,429</u>
Fund Balance:					
Beginning of year, July 1			<u>965,295</u>		
End of year, June 30			1,079,429		
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			324,892		
Transfers from the General Fund			4,979,385		
Transfers to General Fund			(780,988)		
Transfer to School Capital Projects Fund			141,856		
Fund balance, beginning (School Capital Reserve Fund)			<u>8,122,084</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 13,866,658</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 315,000	\$ 324,892	\$ 9,892
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	5,513,431	4,979,385	(534,046)
SCC Health Science Building Fund	(371,720)	141,856	513,576
Transfers to other funds:			
General Fund for debt service	(780,988)	(780,988)	-
Capital Projects	<u>(4,675,723)</u>	<u>-</u>	<u>4,675,723</u>
Total other financing sources (uses)	<u>(315,000)</u>	<u>4,340,253</u>	<u>4,655,253</u>
Net change in fund balance	<u>\$ -</u>	4,665,145	<u>\$ 4,665,145</u>
Fund Balance:			
Beginning of year, July 1		<u>8,122,084</u>	
End of year, June 30		<u>\$ 12,787,229</u>	

JACKSON COUNTY, NORTH CAROLINA

MAJOR - CAPITAL PROJECT FUND - SCC HEALTH SCIENCE BUILDING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
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	1,738,676	1,738,676	-	1,738,676	-
Engineering costs	194,511	194,511	-	194,511	-
Construction	33,399	33,398	-	33,398	1
Technology and security	18,588,768	18,588,768	-	18,588,768	-
Total expenditures	<u>20,555,354</u>	<u>20,555,353</u>	<u>-</u>	<u>20,555,353</u>	<u>1</u>
Revenues over (under) expenditures	<u>(13,078,307)</u>	<u>(13,078,307)</u>	<u>-</u>	<u>(13,078,307)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers to other funds:					
School Capital Reserve Fund	3,078,307	3,220,163	(141,856)	3,078,307	-
Installment purchase obligations issued	10,000,000	10,000,000	-	10,000,000	-
Total other financing sources (uses)	<u>13,078,307</u>	<u>13,220,163</u>	<u>(141,856)</u>	<u>13,078,307</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 141,856</u>	<u>(141,856)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>141,856</u>		
End of year, June 30			<u>\$ -</u>		

JACKSON COUNTY, NORTH CAROLINA

MAJOR - CAPITAL PROJECT FUND - PARKS PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 590,000	\$ 90,000	\$ -	\$ 90,000	\$ (500,000)
Investment earnings	112,039	92,038	52,594	144,632	32,593
Total revenues	<u>702,039</u>	<u>182,038</u>	<u>52,594</u>	<u>234,632</u>	<u>(467,407)</u>
Expenditures:					
Culture and recreation:					
Construction	<u>3,506,459</u>	<u>235,973</u>	<u>802,240</u>	<u>1,038,213</u>	<u>2,468,246</u>
Revenues over (under) expenditures	<u>(2,804,420)</u>	<u>(53,935)</u>	<u>(749,646)</u>	<u>(803,581)</u>	<u>2,000,839</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	2,032,658	1,868,454	164,204	2,032,658	-
School Capital Reserve Fund	<u>771,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(771,762)</u>
Total other financing sources (uses)	<u>2,804,420</u>	<u>1,868,454</u>	<u>164,204</u>	<u>2,032,658</u>	<u>(771,762)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,814,519</u>	<u>(585,442)</u>	<u>\$ 1,229,077</u>	<u>\$ 1,229,077</u>
Fund Balance:					
Beginning of year, July 1			<u>1,814,519</u>		
End of year, June 30			<u>\$ 1,229,077</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, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 390,000	\$ 233,616	\$ 186,673	\$ 420,289	\$ 30,289
Restricted intergovernmental	2,348,998	314,649	2,034,349	2,348,998	-
Total revenues	<u>2,738,998</u>	<u>548,265</u>	<u>2,221,022</u>	<u>2,769,287</u>	<u>30,289</u>
Expenditures:					
General government:					
Skyland Services Center:					
Architect fees	60,965	60,965	-	60,965	-
Construction	6,818,035	2,162,560	2,157,550	4,320,110	2,497,925
Site acquisition	458,725	458,688	-	458,688	37
Furnishings	139,655	139,656	-	139,656	(1)
Total Skyland Services Center	<u>7,477,380</u>	<u>2,821,869</u>	<u>2,157,550</u>	<u>4,979,419</u>	<u>2,497,961</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>
Total expenditures	<u>7,695,885</u>	<u>3,040,374</u>	<u>2,157,550</u>	<u>5,197,924</u>	<u>2,497,961</u>
Revenues over (under) expenditures	<u>(4,956,887)</u>	<u>(2,492,109)</u>	<u>63,472</u>	<u>(2,428,637)</u>	<u>2,528,250</u>
Other Financing Sources (Uses):					
Capital Reserve Fund	2,227,605	2,075,000	(65,900)	2,009,100	(218,505)
General Fund	2,729,282	2,574,498	-	2,574,498	(154,784)
Total other financing sources (uses)	<u>4,956,887</u>	<u>4,649,498</u>	<u>(65,900)</u>	<u>4,583,598</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>\$ 2,380,643</u>	<u>(2,428)</u>	<u>\$ 2,378,215</u>	<u>\$ 2,378,215</u>
Fund Balance:					
Beginning of year, July 1			<u>2,380,643</u>		
End of year, June 30			<u>\$ 2,378,215</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, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 1,395,000	\$ 1,267,078	\$ 116,720	\$ 1,383,798	\$ (11,202)
Expenditures:					
Culture and recreation:					
Savannah/Greens Creek Park	25,576,308	22,269,039	2,633,369	24,902,408	673,900
Revenues over (under) expenditures	(24,181,308)	(21,001,961)	(2,516,649)	(23,518,610)	662,698
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	\$ -	\$ 3,620,811	(2,516,649)	\$ 1,104,162	\$ 1,104,162
Fund Balance:					
Beginning of year, July 1			3,620,811		
End of year, June 30			\$ 1,104,162		

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 2,355,529	\$ 1,093,731	\$ 3,449,260
Accounts receivable, net	30,517	2,311	32,828
Taxes receivable	20,592	-	20,592
Total assets	<u>\$ 2,406,638</u>	<u>\$ 1,096,042</u>	<u>\$ 3,502,680</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 12,236	\$ 31,097	\$ 43,333
Deferred Inflows of Resources:			
Prepaid taxes	63	-	63
Property taxes receivable	20,592	-	20,592
Total deferred inflows of resources	<u>20,655</u>	<u>-</u>	<u>20,655</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	30,517	-	30,517
Public safety	1,359,289	-	1,359,289
Economic and physical development	983,941	-	983,941
Committed:			
Recreation	-	1,064,945	1,064,945
Total fund balances	<u>2,373,747</u>	<u>1,064,945</u>	<u>3,438,692</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,406,638</u>	<u>\$ 1,096,042</u>	<u>\$ 3,502,680</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2025

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues:			
Ad valorem taxes	\$ 2,195,264	\$ -	\$ 2,195,264
Restricted intergovernmental	394,289	745,000	1,139,289
Investment earnings	59,639	55,543	115,182
Total revenues	<u>2,649,192</u>	<u>800,543</u>	<u>3,449,735</u>
Expenditures:			
Current:			
Public safety	2,256,926	35,044	2,291,970
Economic and physical development	1,013,093	-	1,013,093
Culture and recreation	-	1,887,626	1,887,626
Total expenditures	<u>3,270,019</u>	<u>1,922,670</u>	<u>5,192,689</u>
Revenues over (under) expenditures	<u>(620,827)</u>	<u>(1,122,127)</u>	<u>(1,742,954)</u>
Other Financing Sources (Uses):			
Transfers from other funds	1,040,085	-	1,040,085
Transfers to other funds	-	(7,745)	(7,745)
Total other financing sources (uses)	<u>1,040,085</u>	<u>(7,745)</u>	<u>1,032,340</u>
Net change in fund balances	419,258	(1,129,872)	(710,614)
Fund Balances:			
Beginning of year, July 1	<u>1,954,489</u>	<u>2,194,817</u>	<u>4,149,306</u>
End of year, June 30	<u>\$ 2,373,747</u>	<u>\$ 1,064,945</u>	<u>\$ 3,438,692</u>

COMBINING STATEMENTS AND SCHEDULES FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Emergency Telephone System Fund** – This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.
- **Law Enforcement Block Grant Fund** – This fund accounts for state grants received and expended for software and equipment.
- **Fire Service'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, 2025

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Assets:				
Cash and cash equivalents	\$ 919,058	\$ 87,385	\$ 363,063	\$ 47,293
Accounts receivable, net	25,459	-	3,827	-
Taxes receivable	-	-	20,592	-
Total assets	<u>\$ 944,517</u>	<u>\$ 87,385</u>	<u>\$ 387,482</u>	<u>\$ 47,293</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 10,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	63	-
Taxes receivable	-	-	20,592	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>20,655</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	25,459	-	3,827	-
Public safety	908,904	87,385	363,000	-
Economic and physical development	-	-	-	47,293
Total fund balances	<u>934,363</u>	<u>87,385</u>	<u>366,827</u>	<u>47,293</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 944,517</u>	<u>\$ 87,385</u>	<u>\$ 387,482</u>	<u>\$ 47,293</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 16,842	\$ 719,904	\$ 201,984	\$ 2,355,529
Accounts receivable, net	-	-	1,231	30,517
Taxes receivable	-	-	-	20,592
Total assets	<u>\$ 16,842</u>	<u>\$ 719,904</u>	<u>\$ 203,215</u>	<u>\$ 2,406,638</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,082	\$ 12,236
Deferred Inflows of Resources:				
Prepaid taxes	-	-	-	63
Taxes receivable	-	-	-	20,592
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,655</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	-	1,231	30,517
Public safety	-	-	-	1,359,289
Economic and physical development	16,842	719,904	199,902	983,941
Total fund balances	<u>16,842</u>	<u>719,904</u>	<u>201,133</u>	<u>2,373,747</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,842</u>	<u>\$ 719,904</u>	<u>\$ 203,215</u>	<u>\$ 2,406,638</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, 2025

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 2,195,264	\$ -
Restricted intergovernmental	260,680	31,709	-	-
Investment earnings	<u>26,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>287,353</u>	<u>31,709</u>	<u>2,195,264</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	172,970	8,000	2,075,956	-
Economic and physical development	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Total expenditures	<u>172,970</u>	<u>8,000</u>	<u>2,075,956</u>	<u>750,000</u>
Revenues over (under) expenditures	114,383	23,709	119,308	(750,000)
Other Financing Sources (Uses):				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Net change in fund balances	114,383	23,709	119,308	-
Fund Balances:				
Beginning of year, July 1	<u>819,980</u>	<u>63,676</u>	<u>247,519</u>	<u>47,293</u>
End of year, June 30	<u>\$ 934,363</u>	<u>\$ 87,385</u>	<u>\$ 366,827</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, 2025

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,195,264
Restricted intergovernmental	-	-	101,900	394,289
Investment earnings	-	32,966	-	59,639
Total revenues	<u>-</u>	<u>32,966</u>	<u>101,900</u>	<u>2,649,192</u>
Expenditures:				
Current:				
Public safety	-	-	-	2,256,926
Economic and physical development	23,000	-	240,093	1,013,093
Total expenditures	<u>23,000</u>	<u>-</u>	<u>240,093</u>	<u>3,270,019</u>
Revenues over (under) expenditures	(23,000)	32,966	(138,193)	(620,827)
Other Financing Sources (Uses):				
Transfers from other funds	<u>38,000</u>	<u>-</u>	<u>252,085</u>	<u>1,040,085</u>
Net change in fund balances	15,000	32,966	113,892	419,258
Fund Balances:				
Beginning of year, July 1	<u>1,842</u>	<u>686,938</u>	<u>87,241</u>	<u>1,954,489</u>
End of year, June 30	<u>\$ 16,842</u>	<u>\$ 719,904</u>	<u>\$ 201,133</u>	<u>\$ 2,373,747</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Other taxes and licenses:			
Wireless 911 funds	\$ 228,779	\$ 260,680	\$ 31,901
Investment earnings	<u>30,000</u>	<u>26,673</u>	<u>(3,327)</u>
Total revenues	<u>258,779</u>	<u>287,353</u>	<u>28,574</u>
Expenditures:			
Public safety:			
Operating	205,304	156,214	49,090
Capital outlay	<u>53,475</u>	<u>16,756</u>	<u>36,719</u>
Total	<u>258,779</u>	<u>172,970</u>	<u>85,809</u>
Net change in fund balance	<u>\$ -</u>	114,383	<u>\$ 114,383</u>
Fund Balance:			
Beginning of year, July 1		<u>819,980</u>	
End of year, June 30		<u>\$ 934,363</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, 2025****PSAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2025**

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	\$ 819,980
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>(7,897)</u>
Beginning fund balance, PSAP revenue-expenditure report	<u>812,083</u>
Net change in fund balance, reported budget and actual	114,383
Current revenues and expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>(3,799)</u>
Net change in fund balance, PSAP report	<u>110,584</u>
Ending fund balance, PSAP revenue-expenditure report	<u>\$ 922,667</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 45,000	\$ 31,709	\$ (13,291)
Expenditures:			
Public safety:			
Capital outlay	<u>45,000</u>	<u>8,000</u>	<u>37,000</u>
Net change in fund balance	<u>\$ -</u>	<u>23,709</u>	<u>\$ 23,709</u>
Fund Balance:			
Beginning balance, July 1		<u>63,676</u>	
Ending balance, June 30		<u>\$ 87,385</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 2,179,484	\$ 2,186,495	\$ 7,011
Penalties and interest	8,800	8,769	(31)
Total revenues	<u>2,188,284</u>	<u>2,195,264</u>	<u>6,980</u>
Expenditures:			
Public safety:			
Fire districts:			
Cashiers-Glenville	2,216,612	1,991,956	224,656
Highlands	84,000	84,000	-
Total expenditures	<u>2,300,612</u>	<u>2,075,956</u>	<u>224,656</u>
Revenues over (under) expenditures	(112,328)	119,308	231,636
Other Financing Sources (Uses):			
Appropriated fund balance	<u>112,328</u>	<u>-</u>	<u>(112,328)</u>
Net change in fund balance	<u>\$ -</u>	119,308	<u>\$ 119,308</u>
Fund Balance:			
Beginning of year, July 1		<u>247,519</u>	
End of year, June 30		<u>\$ 366,827</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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
NC Economic Recovery					
Program project	\$ 13,105	\$ 56,961	\$ -	\$ 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>57,961</u>	<u>-</u>	<u>57,961</u>	<u>43,856</u>
Expenditures:					
Economic and physical development:					
Operating	<u>844,540</u>	<u>94,540</u>	<u>750,000</u>	<u>844,540</u>	<u>-</u>
Revenues over (under) expenditures	(830,435)	(36,579)	(750,000)	(786,579)	43,856
Other Financing Sources (Uses):					
Transfers from other funds	<u>830,435</u>	<u>83,872</u>	<u>750,000</u>	<u>833,872</u>	<u>3,437</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 47,293</u>	<u>-</u>	<u>\$ 47,293</u>	<u>\$ 47,293</u>
Fund Balance:					
Beginning of year, July 1			<u>47,293</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 38,000	\$ 23,000	\$ 15,000
Revenues over (under) expenditures	(38,000)	(23,000)	15,000
Other Financing Sources (Uses):			
Transfer from General Fund	38,000	38,000	-
Net change in fund balance	<u>\$ -</u>	15,000	<u>\$ 15,000</u>
Fund Balance:			
Beginning of year, July 1		<u>1,842</u>	
Ending of year, June 30		<u>\$ 16,842</u>	

JACKSON COUNTY, NORTH CAROLINA

**ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 27,000	\$ 32,966	\$ 5,966
Expenditures:			
Economic and physical development:			
Operating	2,918	-	2,918
Reserve for economic development	24,082	-	24,082
Total expenditures	<u>27,000</u>	<u>-</u>	<u>27,000</u>
Net change in fund balance	<u>\$ -</u>	32,966	<u>\$ 32,966</u>
Fund Balance:			
Beginning of year, July 1		<u>686,938</u>	
End of year, June 30		<u>\$ 719,904</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted Intergovernmental	\$ 104,900	\$ 101,900	\$ (3,000)
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	120,848	119,797	1,051
Operating	<u>244,026</u>	<u>120,296</u>	<u>123,730</u>
Total expenditures	<u>364,874</u>	<u>240,093</u>	<u>124,781</u>
Revenues over (under) expenditures	<u>(259,974)</u>	<u>(138,193)</u>	<u>121,781</u>
Other Financing Sources (Uses):			
Transfers in:			
Transfer from General Fund	252,085	252,085	-
Appropriated fund balance	<u>7,889</u>	<u>-</u>	<u>(7,889)</u>
Total other financing sources (uses)	<u>259,974</u>	<u>252,085</u>	<u>(7,889)</u>
Net change in fund balance	<u>\$ -</u>	<u>113,892</u>	<u>\$ 113,892</u>
Fund Balance:			
Beginning of year, July 1		<u>87,241</u>	
End of year, June 30		<u>\$ 201,133</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, 2025

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Assets:			
Cash and cash equivalents	\$ 28,786	\$ 1,064,945	\$ 1,093,731
Accounts receivable, net	<u>2,311</u>	<u>-</u>	<u>2,311</u>
Total assets	<u>\$ 31,097</u>	<u>\$ 1,064,945</u>	<u>\$ 1,096,042</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 31,097</u>	<u>\$ -</u>	<u>\$ 31,097</u>
Fund Balances:			
Committed:			
Recreation	<u>-</u>	<u>1,064,945</u>	<u>1,064,945</u>
Total liabilities and fund balances	<u>\$ 31,097</u>	<u>\$ 1,064,945</u>	<u>\$ 1,096,042</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, 2025**

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Revenues:			
Restricted intergovernmental	\$ -	\$ 745,000	\$ 745,000
Investment earnings	-	55,543	55,543
Total revenues	<u>-</u>	<u>800,543</u>	<u>800,543</u>
Expenditures:			
Current:			
Public safety	35,044	-	35,044
Culture and recreation	-	1,887,626	1,887,626
Total expenditures	<u>35,044</u>	<u>1,887,626</u>	<u>1,922,670</u>
Revenues over (under) expenditures	(35,044)	(1,087,083)	(1,122,127)
Other Financing Sources (Uses):			
Transfers to other funds	<u>(7,745)</u>	<u>-</u>	<u>(7,745)</u>
Net change in fund balances	(42,789)	(1,087,083)	(1,129,872)
Fund Balances:			
Beginning of year, July 1	<u>42,789</u>	<u>2,152,028</u>	<u>2,194,817</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 1,064,945</u>	<u>\$ 1,064,945</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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 10,000	\$ 9,805	\$ -	\$ 9,805	\$ (195)
Expenditures:					
Recreation:					
Construction cost	5,663,278	5,628,039	35,044	5,663,083	195
Revenues over (under) expenditures	(5,653,278)	(5,618,234)	(35,044)	(5,653,278)	-
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
General Fund	224,326	224,326		224,326	-
General Fund	(7,745)	-	(7,745)	(7,745)	-
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)	5,653,278	5,661,023	(7,745)	5,653,278	-
Net change in fund balance	\$ -	\$ 42,789	(42,789)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			42,789		
End of year, June 30			\$ -		

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, 2025

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 1,255,000	\$ 435,000	\$ 745,000	\$ 1,180,000	\$ (75,000)
Investment earnings	-	-	55,543	55,543	55,543
Gifts and donations	219,750	219,742	-	219,742	(8)
Total revenues	<u>1,474,750</u>	<u>654,742</u>	<u>800,543</u>	<u>1,455,285</u>	<u>(19,465)</u>
Expenditures:					
Culture and recreation:					
Construction	4,998,356	2,032,071	1,887,626	3,919,697	1,078,659
Engineering fees	95,415	89,664	-	89,664	5,751
Total expenditures	<u>5,093,771</u>	<u>2,121,735</u>	<u>1,887,626</u>	<u>4,009,361</u>	<u>1,084,410</u>
Revenues over (under) expenditures	(3,619,021)	(1,466,993)	(1,087,083)	(2,554,076)	1,064,945
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	<u>3,619,021</u>	<u>3,619,021</u>	<u>-</u>	<u>3,619,021</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,152,028</u>	<u>(1,087,083)</u>	<u>\$ 1,064,945</u>	<u>\$ 1,064,945</u>
Fund Balance:					
Beginning of year, July 1			<u>2,152,028</u>		
End of year, June 30			<u>\$ 1,064,945</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 5,406,770	\$ 5,091,654	\$ (315,116)
Non-operating revenues:			
Scrap tire disposal fee	81,000	73,908	(7,092)
White goods tax	22,000	22,831	831
Electronics tax	3,500	6,122	2,622
Scrap tire grant	1,500	2,029	529
Miscellaneous	9,000	4,200	(4,800)
Interest earned on investments	23,000	21,126	(1,874)
Total non-operating revenues	<u>140,000</u>	<u>130,216</u>	<u>(9,784)</u>
Total revenues	<u>5,546,770</u>	<u>5,221,870</u>	<u>(324,900)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	638,229	635,610	2,619
Operations	3,161,990	3,077,702	84,288
Supplies	40,065	39,993	72
Repairs and maintenance	174,400	157,518	16,882
Contracted services	1,393,396	1,373,124	20,272
Capital outlay	175,000	171,810	3,190
Total	<u>5,583,080</u>	<u>5,455,757</u>	<u>127,323</u>
Debt service:			
Debt principal	137,300	135,895	1,405
Interest and other charges	1,390	1,390	-
Total	<u>138,690</u>	<u>137,285</u>	<u>1,405</u>
Total expenditures	<u>5,721,770</u>	<u>5,593,042</u>	<u>128,728</u>
Revenues over (under) expenditures	(175,000)	(371,172)	(196,172)
Other Financing Sources (Uses):			
Lease liabilities issued	<u>175,000</u>	<u>171,810</u>	<u>(3,190)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (199,362)</u>	<u>\$ (199,362)</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, 2025

	<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		\$ (199,362)	
Lease liabilities issued		(171,810)	
Right to use leased assets		171,810	
Change in compensated absences		(5,069)	
Decrease in deferred outflow - OPEB		(31,730)	
Increase in deferred inflow - OPEB		50,114	
(Increase) decrease in other post-employment benefits		15,977	
Increase in deferred outflow - pensions		(44,955)	
Decrease in deferred inflow - pensions		(11,623)	
(Increase) decrease in pensions		34,513	
Debt principal payment		135,895	
Landfill closure and post-closure costs		13,817	
Depreciation and amortization		<u>(171,404)</u>	
Change in net position		<u>\$ (213,827)</u>	

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF FUND NET POSITION
JUNE 30, 2025

	<u>Green Energy Park Fund</u>	<u>Economic Development Commission Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 328,747	\$ 2,510,087	\$ 2,838,834
Accounts receivable, net	4,199	3,024	7,223
Total current assets	<u>332,946</u>	<u>2,513,111</u>	<u>2,846,057</u>
Non-current assets:			
Land	-	3,766,817	3,766,817
Depreciable assets, net of depreciation	38,507	1,247,397	1,285,904
Total non-current assets	<u>38,507</u>	<u>5,014,214</u>	<u>5,052,721</u>
Total assets	<u>371,453</u>	<u>7,527,325</u>	<u>7,898,778</u>
Deferred Outflows of Resources:			
Pension deferrals	64,169	-	64,169
OPEB deferrals	64,660	-	64,660
Total deferred outflows of resources	<u>128,829</u>	<u>-</u>	<u>128,829</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	13,705	2,564	16,269
Compensated absences, current	9,070	-	9,070
Total current liabilities	<u>22,775</u>	<u>2,564</u>	<u>25,339</u>
Non-current liabilities:			
Net pension liability - LGERS	121,579	-	121,579
Compensated absences, non-current	17,209	-	17,209
Total OPEB liability	283,529	-	283,529
Total non-current liabilities	<u>422,317</u>	<u>-</u>	<u>422,317</u>
Total liabilities	<u>445,092</u>	<u>2,564</u>	<u>447,656</u>
Deferred Inflows of Resources:			
Pension deferrals	6,028	-	6,028
OPEB deferrals	124,684	-	124,684
Total deferred inflows of resources	<u>130,712</u>	<u>-</u>	<u>130,712</u>
Net Position:			
Restricted for:			
Net investment in capital assets	38,507	5,014,214	5,052,721
Unrestricted	<u>(114,029)</u>	<u>2,510,547</u>	<u>2,396,518</u>
Total net position	<u>\$ (75,522)</u>	<u>\$ 7,524,761</u>	<u>\$ 7,449,239</u>

JACKSON COUNTY, NORTH CAROLINA

**NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2025**

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Charges for services	\$ 36,481	\$ -	\$ 36,481
Operating Expenses:			
Park operations	324,243	-	324,243
Economic development operations	-	127,132	127,132
Depreciation	1,943	23,370	25,313
Total expenses	<u>326,186</u>	<u>150,502</u>	<u>476,688</u>
Operating income (loss)	<u>(289,705)</u>	<u>(150,502)</u>	<u>(440,207)</u>
Non-Operating Revenues:			
Investment earnings	6,991	93,003	99,994
Donations	4,632	-	4,632
Total non-operating revenues	<u>11,623</u>	<u>93,003</u>	<u>104,626</u>
Income (loss) before transfers	(278,082)	(57,499)	(335,581)
Transfers (to) from other funds	<u>309,133</u>	<u>5,750,000</u>	<u>6,059,133</u>
Change in net position	<u>31,051</u>	<u>5,692,501</u>	<u>5,723,552</u>
Net Position:			
Beginning of year, July 1	(96,758)	1,832,260	1,735,502
Restatement	(9,815)	-	(9,815)
Beginning of year - July 1, restated	<u>(106,573)</u>	<u>1,832,260</u>	<u>1,725,687</u>
End of year, June 30	<u>\$ (75,522)</u>	<u>\$ 7,524,761</u>	<u>\$ 7,449,239</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Green Energy Park Fund</u>	<u>Economic Development Commission Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
Cash Flows from Operating Activities:			
Cash received from customers	\$ 36,765	\$ (3,024)	\$ 33,741
Cash paid for goods and services	(92,837)	(124,568)	(217,405)
Cash paid to employees for services	(233,174)	-	(233,174)
Net cash provided by (used for) operating activities	<u>(289,246)</u>	<u>(127,592)</u>	<u>(416,838)</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	11,623	-	11,623
Transfers from other funds	309,133	5,750,000	6,059,133
Net cash provided by non-capital financing activities	<u>320,756</u>	<u>5,750,000</u>	<u>6,070,756</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(4,483,213)	(4,483,213)
Cash Flows from Investing Activities:			
Interest earned on investments	-	93,003	93,003
Net increase in cash and cash equivalents	31,510	1,232,198	1,263,708
Cash and Cash Equivalents:			
Beginning of year, July 1	297,237	1,277,889	1,575,126
End of year, June 30	<u>\$ 328,747</u>	<u>\$ 2,510,087</u>	<u>\$ 2,838,834</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Uses) by Operating Activities:			
Operating income (loss)	\$ (289,705)	\$ (150,502)	\$ (440,207)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,943	23,370	25,313
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	15,866	-	15,866
Change in deferred inflow - OPEB	(25,056)	-	(25,056)
Change in other post-employment benefits	(7,989)	-	(7,989)
Change in deferred outflow - pensions	22,478	-	22,478
Change in deferred inflow - pensions	5,812	-	5,812
Change in pensions	(17,256)	-	(17,256)
Change in accounts receivable	284	(3,024)	(2,740)
Change in accounts payable and accrued liabilities	102	2,564	2,666
Change in compensated absences	4,275	-	4,275
Total adjustments	<u>459</u>	<u>22,910</u>	<u>23,369</u>
Net cash provided (used) by operating activities	<u>\$ (289,246)</u>	<u>\$ (127,592)</u>	<u>\$ (416,838)</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 23,000	\$ 23,319	\$ 319
Registration fees	15,000	11,017	(3,983)
Gallery commission	<u>2,500</u>	<u>2,145</u>	<u>(355)</u>
Total operating revenues	<u>40,500</u>	<u>36,481</u>	<u>(4,019)</u>
Non-operating revenues:			
Donations	4,015	4,632	617
Interest earned on investments	<u>7,000</u>	<u>6,991</u>	<u>(9)</u>
Total non-operating revenues	<u>11,015</u>	<u>11,623</u>	<u>608</u>
Total revenues	<u>51,515</u>	<u>48,104</u>	<u>(3,411)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	237,444	229,460	7,984
Operating	<u>123,204</u>	<u>105,203</u>	<u>18,001</u>
Total	<u>360,648</u>	<u>334,663</u>	<u>25,985</u>
Revenues over (under) expenditures	(309,133)	(286,559)	22,574
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>309,133</u>	<u>309,133</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	22,574	<u>\$ 22,574</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Decrease in deferred outflow - OPEB		(15,866)	
Increase in deferred inflow - OPEB		25,056	
(Increase) decrease in other post-employment benefits		7,989	
Increase in deferred outflow - pensions		(22,478)	
Decrease in deferred inflow - pensions		(5,812)	
(Increase) decrease in pensions		17,256	
Increase in compensated absences		4,275	
Depreciation		<u>(1,943)</u>	
Change in net position		<u>\$ 31,051</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, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Non-operating revenues:			
Interest earned on investments	\$ 100,000	\$ 93,003	\$ (6,997)
Expenditures:			
Economic development operations:			
Operating	399,000	117,132	281,868
Insurance	10,000	10,000	-
Capital outlay	<u>5,796,000</u>	<u>4,483,213</u>	<u>1,312,787</u>
Total expenditures	<u>6,205,000</u>	<u>4,610,345</u>	<u>1,594,655</u>
Revenues over (under) expenditures	<u>(6,105,000)</u>	<u>(4,517,342)</u>	<u>1,587,658</u>
Other Financing Sources (Uses):			
Transfer from General Fund	5,750,000	5,750,000	-
Appropriated fund balance	<u>355,000</u>	<u>-</u>	<u>(355,000)</u>
Total other financing sources (uses)	<u>6,105,000</u>	<u>5,750,000</u>	<u>(355,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	1,232,658	<u>\$ 1,232,658</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Capital outlay		4,483,213	
Depreciation		<u>(23,370)</u>	
Change in net position		<u>\$ 5,692,501</u>	



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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, 2025

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 621	\$ 328,352	\$ 328,973
Taxes receivables for other governments, net	13,790	379	14,169
Total assets	<u>14,411</u>	<u>328,731</u>	<u>343,142</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>7,572</u>	<u>10,627</u>	<u>18,199</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 6,839</u>	<u>\$ 318,104</u>	<u>\$ 324,943</u>

JACKSON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Ad valorem taxes for other governments	\$ 528,251	\$ -	\$ 528,251
Collections on behalf of inmates	-	195,668	195,668
Total additions	<u>528,251</u>	<u>195,668</u>	<u>723,919</u>
Deductions:			
Tax distributions to other governments	528,251	-	528,251
Payments on behalf of inmates	-	139,855	139,855
Total deductions	<u>528,251</u>	<u>139,855</u>	<u>668,106</u>
Change in fiduciary net position	-	55,813	55,813
Net position, beginning	<u>6,839</u>	<u>262,291</u>	<u>269,130</u>
Net position, ending	<u>\$ 6,839</u>	<u>\$ 318,104</u>	<u>\$ 324,943</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, 2025**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2024</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 48,503,101	\$ 48,119,577	\$ 383,524
2023-2024	406,513	-	223,091	183,422
2022-2023	127,767	-	53,551	74,216
2021-2022	69,992	-	24,395	45,597
2020-2021	49,505	-	13,404	36,101
2019-2020	46,958	-	14,385	32,573
2018-2019	39,088	-	13,136	25,952
2017-2018	40,711	-	11,550	29,161
2016-2017	29,938	-	9,104	20,834
2015-2016	72,378	-	29,609	42,769
2014-2015	67,095	-	67,095	-
Total	<u>\$ 949,945</u>	<u>\$ 48,503,101</u>	<u>\$ 48,578,897</u>	<u>\$ 874,149</u>
Less: allowance for uncollectible accounts				<u>(777,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 97,149</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				<u>\$ 48,762,220</u>
Reconciling items:				
Penalties and interest collected				(364,109)
Amounts written off for tax year 2014-2015				67,095
Rental vehicle tax				(20,871)
Prior year releases, refunds, and other adjustments				77,876
Other reconciling items				56,686
Total reconciling items				<u>(183,323)</u>
Total collections and credits				<u>\$ 48,578,897</u>

JACKSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2025

	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	\$12,371,087,941	\$ 0.38	\$ 47,010,134	\$ 44,717,280	\$ 2,292,854
Utilities at current year's rate	<u>371,611,685</u>	0.38	<u>1,412,124</u>	<u>1,412,124</u>	<u>-</u>
Total	12,742,699,626		48,422,258	46,129,404	2,292,854
Discoveries:					
Current year taxes	27,786,495	0.38	105,589	105,589	0
Abatements/releases	<u>(6,512,279)</u>	0.38	<u>(24,746)</u>	<u>(7,275)</u>	<u>(17,471)</u>
Total property valuation	<u>\$12,763,973,842</u>				
Net levy			48,503,101	46,227,718	2,275,383
Uncollected taxes at June 30, 2025			<u>383,524</u>	<u>375,959</u>	<u>7,565</u>
Current year's taxes collected			<u>\$ 48,119,577</u>	<u>\$ 45,851,759</u>	<u>\$ 2,267,818</u>
Current levy collection percentage			99.21%	99.19%	99.67%

JACKSON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2025****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	100%
Real property	\$ 11,904,843,585
Personal property	<u>859,130,257</u>
Total assessed valuation	<u>\$ 12,763,973,842</u>
Tax rate per \$100 (2)	<u>\$ 0.3800</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 48,503,101</u>
In addition to the County-wide rate, the County levies taxes on behalf of two fire districts:	
Fire districts	<u>\$ 2,142,571</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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