

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

Financial Statements

June 30, 2009

(with Independent Auditors' Report thereon)

JACKSON COUNTY, NORTH CAROLINA
Sylva, North Carolina

Board of County Commissioners

June 30, 2009

Board of County Commissioners

Brian T. McMahan, Chairperson

Joe Cowan

Mark Jones

Tom Massie

William Shelton

County Manager

Kenneth L. Westmoreland

JACKSON COUNTY, NORTH CAROLINA

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FINANCIAL SECTION

- Independent Auditors' Report -

Jackson County Board of Commissioners
Sylva, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County, North Carolina, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of June 30, 2009, and the respective changes in financial position, and, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund and the economic development special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditors' Report
Page Two

In accordance with Government Auditing Standards, we have also issued a report dated December 7, 2009, on our consideration of Jackson County, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Jackson County, North Carolina. The combining and individual non-major fund financial statements and schedules, as well as the financial data schedule as required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended June 30, 2009, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

December 7, 2009

Dixon Hughes PLLC

JACKSON COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2009

As management of Jackson County, we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

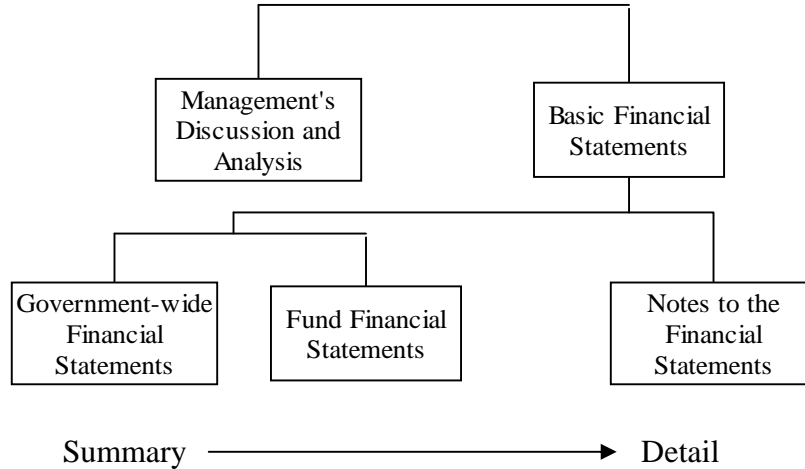
Financial Highlights

- The assets of Jackson County exceeded its liabilities at the close of the fiscal year by \$49,147,160 (*net assets*).
- The government's total net assets increased by \$1,612,605, primarily due to increased net assets in the Governmental Funds.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$28,699,054 a decrease of \$3,550,986 in comparison with the prior year. 80 percent of this total amount, or \$23,003,795, is available for spending at the government's discretion (*unreserved fund balance*.)
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$17,224,571, or 37 percent of total general fund expenditures for the fiscal year.
- Jackson County's total long-term debt increased by \$3,587,059 during the current fiscal year. This is due to the implementation of GASB 45, which required recognition of other postemployment benefit liabilities of \$3,443,941.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Jackson County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Jackson County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County’s financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County’s non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in that part of the statements.

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes the landfill services offered by Jackson County, the Green Energy Park, and the Economic Development Commission. The final category is the component units. The Jackson County Travel and Tourism Authority and the Cashiers Area Travel and Tourism Authority were established by the Jackson County Board of Commissioners for the purpose of using occupancy tax funds collected to promote travel and tourism within Jackson County. The Jackson County Board of Commissioners appoints five of the eleven voting members of the Jackson Travel and Tourism Authority and two of the five voting members of the Cashiers Area Travel and Tourism Authority. The Board adopts a budget to be used by each Authority and approves amendments to the approved budget.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

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

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

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

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jackson County has eight fiduciary funds, one of which is a pension trust fund and seven of which are agency funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on Page 27 of this report.

Government-Wide Financial Analysis

Jackson County's Net Assets
Figure 2

	2009			2008		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 37,678,961	\$ 347,837	\$ 38,026,798	\$ 39,881,127	\$ (166,539)	\$ 39,714,588
Capital assets	<u>54,704,004</u>	<u>2,849,522</u>	<u>57,553,526</u>	<u>46,686,301</u>	<u>2,889,770</u>	<u>49,576,071</u>
Total assets	<u>92,382,965</u>	<u>3,197,359</u>	<u>95,580,324</u>	<u>86,567,428</u>	<u>2,723,231</u>	<u>89,290,659</u>
Long-term liabilities						
outstanding	39,262,108	189,807	39,451,915	35,813,233	51,623	35,864,856
Other liabilities	<u>6,116,223</u>	<u>865,026</u>	<u>6,981,249</u>	<u>4,998,856</u>	<u>892,392</u>	<u>5,891,248</u>
Total liabilities	<u>45,378,331</u>	<u>1,054,833</u>	<u>46,433,164</u>	<u>40,812,089</u>	<u>944,015</u>	<u>41,756,104</u>
Net assets:						
Invested in capital assets, net of related debt	40,804,309	2,849,522	43,653,831	38,569,224	2,868,364	41,437,588
Restricted	2,612,254	-	2,612,254	737,555	-	737,555
Unrestricted	<u>3,588,071</u>	<u>(706,996)</u>	<u>2,881,075</u>	<u>6,448,560</u>	<u>(1,089,148)</u>	<u>5,359,412</u>
Total net assets	<u>\$ 47,004,634</u>	<u>\$ 2,142,526</u>	<u>\$ 49,147,160</u>	<u>\$ 45,755,339</u>	<u>\$ 1,779,216</u>	<u>\$ 47,534,555</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Jackson County exceeded liabilities by \$49,147,160 as of June 30, 2009. The County's net assets increased by \$1,612,605 for the fiscal year ended June 30, 2009, of which \$1,249,295 was for governmental activities and \$363,310 was for business-type activities. One of the largest portions of net assets (89 percent) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Jackson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Jackson County's net assets (less than 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,881,075 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 95.16, slightly below the statewide average of 96.23 percent.
- Increased revenue in property taxes due to growth within the County.

Jackson County's Changes in Net Assets
Figure 3

	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,109,132	\$ 3,337,308	\$ 5,446,440	\$ 2,550,373	\$ 3,415,952	\$ 5,966,325
Operating grants and contributions	8,121,146	11,389	8,132,535	8,206,611	167,492	8,374,103
Capital grants and contributions	817,896	-	817,896	132,501	-	132,501
General revenues:						
Property taxes	30,344,063	-	30,344,063	25,302,261	-	25,302,261
Other taxes	10,044,276	11,573	10,055,849	12,368,500	13,991	12,382,491
Grants and contributions not restricted to specific programs	71,890	34,286	106,176	156,640	19,355	175,995
Other	<u>1,598,043</u>	<u>-</u>	<u>1,598,043</u>	<u>1,679,375</u>	<u>-</u>	<u>1,679,375</u>
Total revenues	<u>53,106,446</u>	<u>3,394,556</u>	<u>56,501,002</u>	<u>50,396,261</u>	<u>3,616,790</u>	<u>54,013,051</u>
Expenses:						
General government	1,463,346	-	1,463,346	6,133,442	-	6,133,442
Public safety	10,791,433	-	10,791,433	8,469,393	-	8,469,393
Transportation	820,720	-	820,720	617,232	-	617,232
Environmental protection	829,827	-	829,827	99,428	-	99,428
Economic and physical development	1,639,361	-	1,639,361	2,009,453	-	2,009,453
Human services	19,042,231	-	19,042,231	12,221,948	-	12,221,948
Cultural and recreation	3,801,034	-	3,801,034	3,442,223	-	3,442,223
Education	11,566,435	-	11,566,435	14,383,349	-	14,383,349
Interest on long-term debt	1,425,381	-	1,425,381	1,317,505	-	1,317,505
Landfill	-	3,255,950	3,255,950	-	3,146,649	3,146,649
Green Energy Park	-	223,157	223,157	-	427,260	427,260
Economic Development Commission	-	<u>29,522</u>	<u>29,522</u>	-	<u>68,426</u>	<u>68,426</u>
Total expenses	<u>51,379,768</u>	<u>3,508,629</u>	<u>54,888,397</u>	<u>48,693,973</u>	<u>3,642,335</u>	<u>52,336,308</u>
Increase in net assets before transfers	1,726,678	(114,073)	1,612,605	1,702,288	(25,545)	1,676,743
Transfers	<u>(477,383)</u>	<u>477,383</u>	<u>-</u>	<u>(1,094,267)</u>	<u>1,094,267</u>	<u>-</u>
Increase in net assets	1,249,295	363,310	1,612,605	608,021	1,068,722	1,676,743
Net assets, July 1	<u>45,755,339</u>	<u>1,779,216</u>	<u>47,534,555</u>	<u>45,147,318</u>	<u>710,494</u>	<u>45,857,812</u>
Net assets, June 30	<u>\$47,004,634</u>	<u>\$ 2,142,526</u>	<u>\$49,147,160</u>	<u>\$45,755,339</u>	<u>\$ 1,779,216</u>	<u>\$47,534,555</u>

Governmental Activities - Governmental activities increased the County's net assets by \$1,249,295, thereby accounting for 77 percent of the total growth in the net assets of Jackson County. Key elements of this increase are as follows:

- Solicitation of additional grant revenues
- Increase in property values

Business-Type Activities - Business-type activities increased Jackson County's net assets by \$363,310, accounting for 23 percent of the total growth in the government's net assets. Key element of this increase was the new Economic Development Enterprise Fund.

Financial Analysis of the County's Funds

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

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

The general fund is the chief operating fund of Jackson County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,224,571 while total fund balance reached \$21,009,820. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 33 percent of total General Fund expenditures, while total fund balance represents 46 percent of that same amount.

At June 30, 2009, the governmental funds of Jackson County reported a combined fund balance of \$28,699,054. The primary reason for this decrease in fund balance is additional funding for a property purchase and a decrease in sales tax revenue and permits and fees.

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 \$13,641.

Proprietary Funds - Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net assets of the Landfill, Green Energy Park, and Economic Development Commission Funds at the end of the fiscal year amounted to \$2,142,526. The total increase in net assets for the funds was \$363,310. The net loss from operations was offset by a transfer in from the governmental funds. Other factors concerning the finances of the fund have already been addressed in the discussion of Jackson County's business-type activities.

Capital Asset and Debt Administration

Capital Assets - Jackson County's capital assets for its governmental and business-type activities as of June 30, 2009, totals \$57,553,526 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchased a mobile filing system for the Clerk of Courts Office
- Purchased a new vehicle for the Housekeeping Department
- Purchased a Bobcat Track Loader, a Kubota Turfcut mower, and a bat wing mower for the Grounds Department
- Purchased seven new vehicles for the Sheriff's Department
- Purchased a new 4x4 vehicle and generator for Emergency Management
- Purchased a new 4x4 vehicle for the Fire Marshal Department
- Purchased two new vehicles for the Building Inspection Department
- Purchased a new vehicle for the Department of Social Service
- Purchased a new 4x4 vehicle, a treadmill, and a Toro mower for the Recreation Department
- Purchased one aluminum ramp for the Department on Aging
- Addition of construction in progress on the Webster Complex, Courthouse Renovation, Recreation, and School Improvements Projects

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

	2009			2008		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 11,923,984	\$ 171,014	\$ 12,094,998	\$ 9,274,978	\$ 171,014	\$ 9,445,992
Buildings and system	29,132,536	2,396,097	31,528,633	29,869,504	2,396,628	32,266,132
Machinery and equipment	1,290,636	282,411	1,573,047	1,171,181	322,128	1,493,309
Vehicles and motorized equipment	1,226,996	-	1,226,996	1,274,049	-	1,274,049
Construction in progress	<u>11,129,852</u>	<u>-</u>	<u>11,129,852</u>	<u>5,096,589</u>	<u>-</u>	<u>5,096,589</u>
Total	<u>\$ 54,704,004</u>	<u>\$ 2,849,522</u>	<u>\$ 57,553,526</u>	<u>\$ 46,686,301</u>	<u>\$ 2,889,770</u>	<u>\$ 49,576,071</u>

Additional information on the County’s capital assets can be found in Note 3 of the Basic Financial Statements.

Long-Term Debt - As of June 30, 2009, Jackson County had total debt outstanding of \$39,451,915, most of which is collateralized by capital assets. However, \$18 million of the debt is collateralized by capital assets held by the Jackson County Board of Education under capital lease agreements. Those assets are not included in the County’s capital assets.

Jackson County’s Outstanding Debt
Installment Purchase Obligations and Capitalized Leases
Figure 5

	2009			2008		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Total	<u>\$ 34,282,835</u>	<u>\$ -</u>	<u>\$ 34,282,835</u>	<u>\$ 34,349,191</u>	<u>\$ 21,405</u>	<u>\$ 34,370,596</u>

Jackson County’s debt shown above decreased by \$87,761 (.25 percent) during the past fiscal year. The decrease is due to new debt issuance for the Aging Complex capital project, less the regularly scheduled debt service payments.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Jackson County is approximately \$868,806,582.

Additional information regarding Jackson County’s long-term debt can be found on Pages 47 - 50 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate is 9.1 percent, lower than the state average of 11 percent.
- Retail vacancy rates are higher, having stayed in the 18-23 percent range all year. The County realized a 15.1% decrease in room occupancy tax fees.

Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities: Property taxes (benefiting from the economic growth) are expected to lead the increase in revenue projections by 5.3 percent. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to rise 3 percent to \$54,498,640. The largest increments are in employee compensation, including funding compensation and benefits adjustments.

Business-type Activities: General operating expenses will decrease by 6.1 percent. Revenues from the sales of materials and volumes for tipping fees have decreased. Reductions have been factored in the cost of transportation, disposal fees, and other operating expenses. Rates for landfill services will remain the same.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, NORTH CAROLINA

Statement of Net Assets

June 30, 2009

	<u>Primary Government</u>			<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Jackson County Travel and Tourism Authority</u>	<u>Cashiers Area Travel and Tourism Authority</u>
Assets:					
Cash and cash equivalents	\$ 25,719,565	\$ 32,548	\$ 25,752,113	\$ 130,745	\$ 76,527
Taxes receivable, net	1,862,858	-	1,862,858	-	-
Accounts receivable, net	1,854,445	415,839	2,270,284	19,750	26,058
Accrued interest receivable	96,411	34,075	130,486	-	-
Internal balances	180,500	(180,500)	-	36,391	(36,391)
Due from other governments	2,815,405	45,875	2,861,280	-	-
Notes receivable, net	1,010,648	-	1,010,648	-	-
Restricted cash and cash equivalents	4,139,129	-	4,139,129	-	-
Capital assets:					
Land and construction in progress	23,053,836	171,014	23,224,850	-	-
Other capital assets, net of depreciation	31,650,168	2,678,508	34,328,676	-	-
Total capital assets	54,704,004	2,849,522	57,553,526	-	-
Total assets	92,382,965	3,197,359	95,580,324	186,886	66,194
Liabilities:					
Accounts payable and accrued expenses	5,695,186	153,184	5,848,370	984	740
Unearned revenue	76,632	592	77,224	-	-
Accrued interest payable	133,205	-	133,205	-	-
Deposits held for others	211,200	-	211,200	-	-
Accrued landfill closure and post-closure care costs	-	711,250	711,250	-	-
Long-term liabilities:					
Due within one year	4,429,193	-	4,429,193	-	-
Due in more than one year	34,832,915	189,807	35,022,722	-	-
Total liabilities	45,378,331	1,054,833	46,433,164	984	740
Net assets:					
Invested in capital assets, net of related debt	40,804,309	2,849,522	43,653,831	-	-
Restricted for:					
Register of Deeds	36,073	-	36,073	-	-
Public safety	181,333	-	181,333	-	-
Education	409,623	-	409,623	-	-
Cultural and recreation	1,638,218	-	1,638,218	-	-
Human services	347,007	-	347,007	-	-
Unrestricted (deficit)	3,588,071	(706,996)	2,881,075	185,902	65,454
Total net assets	\$ 47,004,634	\$ 2,142,526	\$ 49,147,160	\$ 185,902	\$ 65,454

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

JACKSON COUNTY, NORTH CAROLINA

Statement of Activities

For the Fiscal Year Ended June 30, 2009

<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	\$ 1,463,346	\$ 245,439	\$ -	\$ -
Public safety	10,791,433	689,852	1,059,196	-
Transportation	820,720	92,164	274,197	145,721
Environmental protection	829,827	204,948	82,725	-
Economic and physical development	1,639,361	178,066	-	-
Human services	19,042,231	386,298	6,550,588	-
Cultural and recreation	3,801,034	312,365	-	5,904
Education	11,566,435	-	154,440	666,271
Interest on long-term debt	1,425,381	-	-	-
Total governmental activities	51,379,768	2,109,132	8,121,146	817,896
Business-type activities:				
Landfill	3,255,950	3,264,692	9,059	-
Green Energy Park	223,157	16,116	2,330	-
Economic Development Commission	29,522	56,500	-	-
Total business-type activities	3,508,629	3,337,308	11,389	-
Total government-wide	\$ 54,888,397	\$ 5,446,440	\$ 8,132,535	\$ 817,896
Component units:				
Jackson County Travel and Tourism	\$ 271,318	\$ -	\$ -	\$ -
Cashiers Area Travel and Tourism	158,781	-	-	-
Total component units	\$ 430,099	\$ -	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Other taxes				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets-beginning				
Net assets-ending				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Jackson County Travel and Tourism Authority	Cashiers Area Tourism Development Authority
\$ (1,217,907)	\$ -	\$ (1,217,907)		
(9,042,385)	-	(9,042,385)		
(308,638)	-	(308,638)		
(542,154)	-	(542,154)		
(1,461,295)	-	(1,461,295)		
(12,105,345)	-	(12,105,345)		
(3,482,765)	-	(3,482,765)		
(10,745,724)	-	(10,745,724)		
(1,425,381)	-	(1,425,381)		
<u>(40,331,594)</u>	<u>-</u>	<u>(40,331,594)</u>		
-	17,801	17,801		
-	(204,711)	(204,711)		
-	26,978	26,978		
<u>-</u>	<u>(159,932)</u>	<u>(159,932)</u>		
<u>(40,331,594)</u>	<u>(159,932)</u>	<u>(40,491,526)</u>		
			\$ (271,318)	\$ -
			<u>-</u>	<u>(158,781)</u>
			<u>(271,318)</u>	<u>(158,781)</u>
30,344,063	-	30,344,063	-	-
9,148,788	-	9,148,788	-	-
895,488	11,573	907,061	252,123	186,916
71,890	-	71,890	-	-
552,219	34,286	586,505	543	411
1,045,824	-	1,045,824	-	-
(477,383)	477,383	-	-	-
<u>41,580,889</u>	<u>523,242</u>	<u>42,104,131</u>	<u>252,666</u>	<u>187,327</u>
1,249,295	363,310	1,612,605	(18,652)	28,546
<u>45,755,339</u>	<u>1,779,216</u>	<u>47,534,555</u>	<u>204,554</u>	<u>36,908</u>
<u>\$ 47,004,634</u>	<u>\$ 2,142,526</u>	<u>\$ 49,147,160</u>	<u>\$ 185,902</u>	<u>\$ 65,454</u>

JACKSON COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds

June 30, 2009

	<u>Major Funds</u>			<u>Other Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Webster Complex Fund</u>		
Assets:					
Cash and cash equivalents	\$ 21,097,785	\$ 692,858	\$ 197,784	\$ 3,731,138	\$ 25,719,565
Taxes receivable, net	1,862,858	-	-	-	1,862,858
Accounts receivable, net	206,838	-	1,381,556	266,051	1,854,445
Due from other governments	2,761,406	-	-	53,999	2,815,405
Due from other funds	780,939	-	-	27,077	808,016
Restricted assets-cash and cash equivalents	-	-	1,938,493	2,200,636	4,139,129
Notes receivable, net	-	1,004,795	-	5,853	1,010,648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 26,709,826</u>	<u>\$ 1,697,653</u>	<u>\$ 3,517,833</u>	<u>\$ 6,284,754</u>	<u>\$ 38,210,066</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,522,239	\$ -	\$ 1,313,957	\$ 422,115	\$ 5,258,311
Due to other funds	27,077	-	-	600,439	627,516
Contract retainage	-	-	277,529	159,346	436,875
Deferred revenues	1,939,490	1,004,795	-	32,825	2,977,110
Deposits held for others	211,200	-	-	-	211,200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>5,700,006</u>	<u>1,004,795</u>	<u>1,591,486</u>	<u>1,214,725</u>	<u>9,511,012</u>
Fund balances:					
Reserved for:					
State statute	3,749,176	-	1,381,556	347,121	5,477,853
Register of Deeds	36,073	-	-	-	36,073
911 Wireless	-	-	-	181,333	181,333
Unreserved:					
Designated for other postemployment benefits	100,000	-	-	-	100,000
Undesignated	17,124,571	-	-	-	17,124,571
Unreserved, reported in non-major:					
Special revenue funds	-	692,858	-	2,854,985	3,547,843
Capital projects funds	-	-	544,791	1,686,590	2,231,381
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>21,009,820</u>	<u>692,858</u>	<u>1,926,347</u>	<u>5,070,029</u>	<u>28,699,054</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 26,709,826</u>	<u>\$ 1,697,653</u>	<u>\$ 3,517,833</u>	<u>\$ 6,284,754</u>	

(continued)

JACKSON COUNTY, NORTH CAROLINA

**Balance Sheet
Governmental Funds, Continued**

June 30, 2009

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Total capital assets on government-wide statement	\$ 69,363,963
Accumulated depreciation	(14,659,959)
Accrued interest receivable	96,411

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

Notes receivable	1,010,648
Liabilities for earned but deferred revenues in fund statements	1,889,830

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

Accrued interest payable	(133,205)
Compensated absences	(1,474,264)
Net pension obligation	(209,204)
Other post employment benefits liability	(3,295,802)
Long-term obligations	<u>(34,282,838)</u>
Net assets of governmental activities	<u><u>\$ 47,004,634</u></u>

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

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009

	<u>Major Funds</u>			<u>Other Non- major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Webster Complex Fund</u>		
Revenues:					
Ad valorem taxes	\$ 29,870,322	\$ -	\$ -	\$ -	\$ 29,870,322
Other taxes	9,401,680	-	-	-	9,401,680
Unrestricted intergovernmental	337,714	-	-	-	337,714
Restricted intergovernmental	6,237,030	202,513	-	2,798,807	9,238,350
Other restricted revenues	92,164	-	-	-	92,164
Permits and fees	1,741,128	-	-	-	1,741,128
Sales and services	585,923	-	-	-	585,923
Investment earnings	416,061	43,959	18,224	73,975	552,219
Miscellaneous	1,064,099	-	-	5,904	1,070,003
Total revenues	<u>49,746,121</u>	<u>246,472</u>	<u>18,224</u>	<u>2,878,686</u>	<u>52,889,503</u>
Expenditures:					
Current:					
General government	6,817,305	-	-	212,579	7,029,884
Public safety	9,162,529	-	-	634,551	9,797,080
Transportation	674,539	-	-	-	674,539
Environmental protection	65,168	-	-	764,659	829,827
Economic and physical development	1,075,477	-	-	372,278	1,447,755
Human services	10,975,801	-	5,273,849	1,514,817	17,764,467
Cultural and recreational	1,904,453	-	-	3,442,421	5,346,874
Intergovernmental:					
Education	9,749,507	-	-	1,816,928	11,566,435
Debt service:					
Principal retirement	4,237,354	-	-	-	4,237,354
Interest and other charges	1,440,391	-	-	-	1,440,391
Total expenditures	<u>46,102,524</u>	<u>-</u>	<u>5,273,849</u>	<u>8,758,233</u>	<u>60,134,606</u>
Revenues over (under) expenditures	<u>3,643,597</u>	<u>246,472</u>	<u>(5,255,625)</u>	<u>(5,879,547)</u>	<u>(7,245,103)</u>
Other financing sources (uses):					
Transfers in	-	-	-	4,325,843	4,325,843
Transfers out	(4,654,416)	-	-	(148,810)	(4,803,226)
Proceeds from installment obligation	-	-	4,171,000	-	4,171,000
Sale of capital assets	500	-	-	-	500
Total other financing sources (uses)	<u>(4,653,916)</u>	<u>-</u>	<u>4,171,000</u>	<u>4,177,033</u>	<u>3,694,117</u>
Net change in fund balances	(1,010,319)	246,472	(1,084,625)	(1,702,514)	(3,550,986)
Fund balances:					
Beginning of year, July 1	<u>22,020,139</u>	<u>446,386</u>	<u>3,010,972</u>	<u>6,772,543</u>	<u>32,250,040</u>
End of year, June 30	<u>\$ 21,009,820</u>	<u>\$ 692,858</u>	<u>\$ 1,926,347</u>	<u>\$ 5,070,029</u>	<u>\$ 28,699,054</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009

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

Net changes in fund balances--total governmental funds	\$ (3,550,986)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	9,438,618
Depreciation	(1,420,915)

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

Change in ad valorem taxes receivable	473,741
Payments received on notes receivable	(257,298)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds	(4,171,000)
Repayments	4,237,354

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

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

Compensated absences	(217,730)
Other postemployment benefits	(3,295,802)
Net pension obligation	(1,697)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	15,010

Total changes in net assets of governmental activities	<u>\$ 1,249,295</u>
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The notes to the basic financial statements are an integral part of this statement.

JACKSON COUNTY, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances-- Budget and Actual--General Fund and Annually Budgeted Major Special Revenue Funds

For the Fiscal Year Ended June 30, 2009

	General Fund			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>With Final</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Ad valorem taxes	\$ 30,107,403	\$ 30,186,403	\$ 29,870,322	\$ (316,081)
Other taxes	9,383,738	9,482,728	9,401,680	(81,048)
Unrestricted intergovernmental	229,872	371,693	337,714	(33,979)
Restricted intergovernmental	6,159,827	6,880,129	6,237,030	(643,099)
Other restricted revenues	73,500	95,233	92,164	(3,069)
Permits and fees	3,310,952	1,984,574	1,741,128	(243,446)
Sales and services	605,984	709,889	585,923	(123,966)
Investment earnings	609,500	422,216	416,061	(6,155)
Miscellaneous	734,574	1,096,126	1,064,099	(32,027)
Total revenues	51,215,350	51,228,991	49,746,121	(1,482,870)
Expenditures:				
Current:				
General government	6,983,075	7,112,637	6,817,305	295,332
Public safety	9,014,471	9,269,572	9,162,529	107,043
Transportation	595,734	710,534	674,539	35,995
Environmental protection	80,372	85,452	65,168	20,284
Economic and physical development	1,112,716	1,137,875	1,075,477	62,398
Human services	12,254,541	12,169,469	10,975,801	1,193,668
Cultural and recreational	2,147,924	2,149,604	1,904,453	245,151
Intergovernmental:				
Education	9,705,806	9,749,511	9,749,507	4
Debt service:				
Principal retirement	4,524,610	4,237,362	4,237,354	8
Interest and other charges	1,643,857	1,440,398	1,440,391	7
Total expenditures	48,063,106	48,062,414	46,102,524	1,959,890
Revenues over (under) expenditures	3,152,244	3,166,577	3,643,597	477,020
Other financing sources (uses):				
Transfers out	(4,506,681)	(4,639,518)	(4,654,416)	(14,898)
Sale of capital assets	11,000	11,000	500	(10,500)
Appropriated fund balance	1,512,500	1,512,500	-	(1,512,500)
Contingency	(169,063)	(50,559)	-	50,559
Total other financing sources (uses)	(3,152,244)	(3,166,577)	(4,653,916)	(1,487,339)
Net change in fund balances	\$ -	\$ -	(1,010,319)	\$ (1,010,319)
Fund balances:				
Beginning of year, July 1			22,020,139	
End of year, June 30			\$ 21,009,820	

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

Economic Development Fund			
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
274,734	257,842	202,513	(55,329)
-	-	-	-
-	-	-	-
-	-	-	-
52,770	69,662	43,959	(25,703)
-	-	-	-
<u>327,504</u>	<u>327,504</u>	<u>246,472</u>	<u>(81,032)</u>
-	-	-	-
-	-	-	-
-	-	-	-
327,504	327,504	-	327,504
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>327,504</u>	<u>327,504</u>	<u>-</u>	<u>327,504</u>
<u>-</u>	<u>-</u>	<u>246,472</u>	<u>246,472</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>246,472</u>	<u>\$ 246,472</u>
		<u>446,386</u>	
		<u>\$ 692,858</u>	

JACKSON COUNTY, NORTH CAROLINA

Statement of Fund Net Assets Proprietary Funds

June 30, 2009

	Major Fund		Total
	Landfill Fund	Non-major Funds	Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 6,571	\$ 25,977	\$ 32,548
Accounts receivable, net	409,161	6,678	415,839
Accrued interest receivable	34,075	-	34,075
Due from other governments	45,875	-	45,875
Total current assets	495,682	32,655	528,337
Non-current assets:			
Capital assets, net of depreciation	1,886,198	963,324	2,849,522
Total noncurrent assets	1,886,198	963,324	2,849,522
Total assets	2,381,880	995,979	3,377,859
Liabilities:			
Current liabilities:			
Accounts payable	150,721	2,463	153,184
Due to other funds	180,500	-	180,500
Unearned revenue	592	-	592
Total current liabilities	331,813	2,463	334,276
Non-current liabilities:			
Compensated absences	31,500	10,168	41,668
Other postemployment benefits	131,046	17,093	148,139
Accrued landfill closure and postclosure care costs	711,250	-	711,250
Total non-current liabilities	873,796	27,261	901,057
Total liabilities	1,205,609	29,724	1,235,333
Net assets:			
Invested in capital assets, net of related debt	1,886,198	963,324	2,849,522
Unrestricted	(709,927)	2,931	(706,996)
Total net assets	\$ 1,176,271	\$ 966,255	\$ 2,142,526

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

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009

	<u>Major Fund</u>		<u>Total Proprietary Funds</u>
	<u>Landfill Fund</u>	<u>Non-major Funds</u>	
Operating revenues:			
Charges for services	\$ 3,074,085	\$ 67,086	\$ 3,141,171
Miscellaneous	125,604	5,530	131,134
Total operating revenues	<u>3,199,689</u>	<u>72,616</u>	<u>3,272,305</u>
Operating expenses:			
Landfill operations, closure and post-closure care costs	3,129,350	-	3,129,350
Park operations	-	222,677	222,677
Economic development operations	-	10,697	10,697
Depreciation	126,311	19,305	145,616
Total operating expenses	<u>3,255,661</u>	<u>252,679</u>	<u>3,508,340</u>
Operating income (loss)	<u>(55,972)</u>	<u>(180,063)</u>	<u>(236,035)</u>
Non-operating revenues (expenses):			
Interest and investment revenues	34,286	-	34,286
ARC grant	-	2,330	2,330
Scrap tire disposal fee	65,003	-	65,003
White goods tax	11,573	-	11,573
Recycling assistance grant	9,059	-	9,059
Interest expense	(289)	-	(289)
Total non-operating revenue (expenses)	<u>119,632</u>	<u>2,330</u>	<u>121,962</u>
Income (loss) before transfers	63,660	(177,733)	(114,073)
Transfers in	<u>-</u>	<u>477,383</u>	<u>477,383</u>
Change in net assets	63,660	299,650	363,310
Net assets:			
Beginning of year, July 1	<u>1,112,611</u>	<u>666,605</u>	<u>1,779,216</u>
End of year, June 30	<u>\$ 1,176,271</u>	<u>\$ 966,255</u>	<u>\$ 2,142,526</u>

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

JACKSON COUNTY, NORTH CAROLINA

Statement of Cash Flows Proprietary Funds

For the Fiscal Year Ended June 30, 2009

	Major Fund	Non-major	Total
	Landfill	Funds	Proprietary
	Fund	Funds	Funds
Cash flows from operating activities:			
Cash received from customers	\$ 3,164,786	\$ 71,522	\$ 3,236,308
Cash paid for goods and services	(2,497,348)	(70,149)	(2,567,497)
Cash paid to employees for services	(518,053)	(144,950)	(663,003)
Net cash provided (used) by operating activities	149,385	(143,577)	5,808
Cash flows from non-capital financing activities:			
Scrap tire disposal fee	65,003	-	65,003
White goods tax	11,573	-	11,573
Recycling assistance grant	9,059	-	9,059
Tipping fees	(15,472)	-	(15,472)
ARC grant	-	2,330	2,330
Cash received from other funds	(165,729)	222,961	57,232
Net cash provided (used) by non-capital financing activities	(95,566)	225,291	129,725
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(45,140)	(60,228)	(105,368)
Principal paid on equipment contracts	(21,406)	-	(21,406)
Interest paid on equipment contracts	(289)	-	(289)
Net cash used by capital and related financing activities	(66,835)	(60,228)	(127,063)
Cash flows from investing activities:			
Interest earned on investments	19,587	-	19,587
Net increase in cash and cash equivalents	6,571	21,486	28,057
Cash and cash equivalents, July 1	-	4,491	4,491
Cash and cash equivalents, June 30	\$ 6,571	\$ 25,977	\$ 32,548
Reconciliation of operating income to net cash provided (used)			
by operating activities:			
Operating income (loss)	\$ (55,972)	\$ (180,063)	\$ (236,035)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	126,311	19,305	145,616
Changes in assets and liabilities:			
Accounts receivable	(34,903)	(1,094)	(35,997)
Accounts payable and accrued liabilities	6,355	(71)	6,284
Compensated absences	10,198	1,253	11,451
Accrued landfill closure and postclosure care costs	(33,650)	-	(33,650)
Increase in OPEB payable	131,046	17,093	148,139
Net cash provided (used) by operating activities	\$ 149,385	\$ (143,577)	\$ 5,808

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

JACKSON COUNTY, NORTH CAROLINAStatement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2009

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
Assets:		
Cash and cash equivalents	\$ 85,151	\$ 222,363
Accounts receivable	-	172,981
	<hr/>	<hr/>
Total assets	85,151	\$ 395,344
	<hr/>	<hr/>
Liabilities:		
Amounts held for others	-	\$ 393,647
Intergovernmental payable	-	1,697
	<hr/>	<hr/>
Total liabilities	-	\$ 395,344
	<hr/>	<hr/>
Net assets:		
Held in trust for pension benefits	\$ 85,151	
	<hr/>	

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

JACKSON COUNTY, NORTH CAROLINAStatement of Changes in Fiduciary Net Assets
Fiduciary Funds

For the Fiscal Year Ended June 30, 2009

	Pension Trust Fund
Additions:	
Employer contributions	\$ 43,416
Deletions:	
Payouts	29,605
Change in net assets	13,811
Net assets:	
Beginning of year, July 1	71,340
End of year, June 30	\$ 85,151

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

NOTES TO FINANCIAL STATEMENTS

JACKSON COUNTY, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2009

1. Summary of Significant Accounting Policies

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

- A. **Reporting Entity** - The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, legally separate entities for which the County is financially accountable. The first component unit of the County discussed below had no financial transactions or account balances; therefore it is not presented in the basic financial statements. The two discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

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

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

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

B. Basis of Presentation--Fund Accounting

Government-wide Statements. The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental 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.
- **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.
- **Webster Complex Fund.** This fund is used to account for the construction on the Webster Complex and Aging Facility, which will be financed primarily with loan proceeds.

The County reports the following major enterprise fund:

- **Landfill Fund.** This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Additionally, the County reports the following fund types:

- **Pension Trust Fund.** The County has a Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.
- **Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains seven agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Property Tax Fund, which accounts for property taxes that are billed and collected by the County for various municipalities within the County; the Extension Agency Fund, which accounts for moneys collected and disbursed for the operation of the Jackson County 4-H Club; the State of North Carolina Fund, which accounts for moneys held for the benefit of certain individuals; the Motor Vehicle Tax Fund which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; the Airport Agency Fund, which accounts for moneys to operate and promote the airport facilities and aviation for county residents; and the Community Health Link Fund, which accounts for moneys to fund health-related programs in the community.

- C. **Measurement Focus, Basis of Accounting** - In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Jackson County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2006 registration renewals will vary from 7 to 18 months after December 31, 2005. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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

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

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

D. **Budgetary Data** - The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, Special Revenue (excluding funds with multi-year budgets) and the Enterprise Funds. All annual appropriations lapse at fiscal year end. Project ordinances are adopted for the Capital Project Funds and for certain Special Revenue Fund types. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and Enterprise Funds, and at the object level for the Capital Projects Funds. The County budget officer is authorized by the budget ordinance to transfer appropriations within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. **Assets, Liabilities, and Net Assets/Fund Balances**

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

State law [G.S. 159-30(c)] authorizes the County and the Authorities to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC registered (2a-7) money market mutual fund. The Authorities consider demand deposits and investments purchased with an original maturity three months or less, that are not limited to use, to be cash and cash equivalents.

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

Cash and Cash Equivalents. The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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, 2008.

Allowances for Doubtful Accounts. All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

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

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

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

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

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

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

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

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

F. **Net Assets/Fund Balances**

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

Fund Balances. In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

The governmental fund types classify fund balances as follows:

Reserved

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

Reserved for Register of Deeds - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds office.

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

Unreserved

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

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

2. **Stewardship, Compliance, and Accountability**

Deficit Fund Balances - The Library Project Fund had a deficit fund balance of \$825,494 at June 30, 2009. The County anticipates that loan proceeds in the 2010 fiscal year will fund the deficit.

3. **Detail Notes on All Funds**

A. **Assets**

Deposits. All of the County's and the Authorities' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits

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

At June 30, 2009, the County's deposits had a carrying amount of \$24,071,421 and a bank balance of \$22,252,872. Of the bank balance, \$891,682 was covered by federal depository insurance and \$21,361,190 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2009, Jackson County had \$1,807 cash on hand.

At June 30, 2009, the carrying amount of deposits for the Jackson County Travel and Tourism Authority was \$130,695 and the bank balances were \$130,695, all of which was covered by federal depository insurance. The Authority also had \$50 in cash on hand at June 30, 2009.

At June 30, 2009, the carrying amount of deposits for the Cashiers Area Travel and Tourism Authority was \$76,527 and the bank balances were \$76,527, all of which was covered by federal depository insurance. The Authority also had no cash on hand at June 30, 2009.

Investments. At June 30, 2009, the County's investment balances in the NC Capital Management Trust – cash portfolio were \$6,125,528 with an AAAM rating.

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's \$876 in bank short-term money market accounts are uninsured and unregistered investments for which the securities are held by the counterparty, or by its

trust department, but not in the County’s name. The County has no policy on custodial credit risk.

Receivables. Receivables at the government-wide level at June 30, 2009, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Notes Receivable</u>	<u>Total</u>
Governmental activities:					
General	\$ 206,838	\$ 2,859,269	\$ 2,761,406	\$ -	\$ 5,827,513
Other governmental	1,647,607	-	53,999	1,043,507	2,745,113
Allowance for doubtful accounts	-	(900,000)	-	(32,859)	(932,859)
Total governmental activities	<u>\$ 1,854,445</u>	<u>\$ 1,959,269</u>	<u>\$ 2,815,405</u>	<u>\$ 1,010,648</u>	<u>\$ 7,639,767</u>
Business-type activities:					
Landfill	\$ 533,808	\$ 34,075	\$ 45,875	\$ -	\$ 613,758
Green Energy Park	1,636	-	-	-	1,636
Economic Development	5,042	-	-	-	5,042
Allowance for doubtful accounts	(124,647)	-	-	-	(124,647)
Total business-type activities	<u>\$ 415,839</u>	<u>\$ 34,075</u>	<u>\$ 45,875</u>	<u>\$ -</u>	<u>\$ 495,789</u>

Notes Receivable. The County has made loans to seven companies from Community Development Block Grant revenues. The major criteria for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from four to six percent and are repaid monthly and yearly over a period of three to seventeen years. Notes receivable are collateralized by a deed of trust on the Company’s property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. At June 30, 2009, the outstanding balances totaled \$1,004,795.

On January 11, 2005, Jackson County and the Town of Sylva (“Town”) entered into a cooperative agreement in which the Town agreed to contribute \$105,000 to be used to purchase land on which to build a library, with payment scheduled for a five year period. The Town will pay to the County five equal annual payments of \$21,000 through 2010. During the year ended June 30, 2009, the location of the library was moved and the County refunded the Town \$42,000 for the amounts already paid on the agreement.

Capital Assets. Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,274,978	\$ 2,649,006	\$ -	\$ 11,923,984
Construction in progress	5,096,589	6,033,263	-	11,129,852
Total capital assets not being depreciated	<u>14,371,567</u>	<u>8,682,269</u>	<u>-</u>	<u>23,053,836</u>
Capital assets being depreciated:				
Buildings	37,819,243	-	-	37,819,243
Equipment	4,039,514	359,955	-	4,399,469
Vehicles	3,764,562	396,394	69,541	4,091,415
Total capital assets being depreciated	<u>45,623,319</u>	<u>756,349</u>	<u>69,541</u>	<u>46,310,127</u>
Less accumulated depreciation for:				
Buildings	7,949,739	736,968	-	8,686,707
Equipment	2,868,333	240,500	-	3,108,833
Vehicles	2,490,513	443,447	69,541	2,864,419
Total accumulated depreciation	<u>13,308,585</u>	<u>1,420,915</u>	<u>69,541</u>	<u>14,659,959</u>
Total capital assets being depreciated, net	<u>32,314,734</u>			<u>31,650,168</u>
Governmental activity capital assets, net	<u>\$ 46,686,301</u>			<u>\$ 54,704,004</u>

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

General government	\$ 675,900
Public safety	508,047
Transportation	27,965
Economic and physical development	32,917
Human Services	97,859
Cultural and recreational	78,227
Total depreciation expense	<u>\$ 1,420,915</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 171,014	\$ -	\$ -	\$ 171,014
Capital assets being depreciated:				
Land improvements	968,942	45,140	-	1,014,082
Buildings	941,226	48,228	-	989,454
Plant and distribution systems	1,097,011	-	-	1,097,011
Furniture and maintenance equipment	845,974	12,000	-	857,974
Total capital assets being depreciated	<u>3,853,153</u>	<u>105,368</u>	<u>-</u>	<u>3,958,521</u>
Less accumulated depreciation for:				
Land improvements	440,471	38,452	-	478,923
Buildings	18,825	18,754	-	37,579
Plant and distribution systems	151,257	36,689	-	187,946
Furniture and maintenance equipment	523,844	51,721	-	575,565
Total accumulated depreciation	<u>1,134,397</u>	<u>145,616</u>	<u>-</u>	<u>1,280,013</u>
Total capital assets being depreciated, net	<u>2,718,756</u>			<u>2,678,508</u>
Business-type activities capital assets, net	<u>\$ 2,889,770</u>			<u>\$ 2,849,522</u>

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

Landfill	\$ 126,311
Economic Development Commission	<u>19,305</u>
Total depreciation expense	<u>\$ 145,616</u>

Construction Commitments. The government has active construction projects as of June 30, 2009. At year-end, the government’s commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Project:		
Webster Complex Phase II	\$ 2,108,044	\$ 799,503
Jackson County Aging Complex	3,165,001	1,015,349
Jackson County Library	287,023	5,780,146
Smoky Mountain High School-- Science Building	3,649,979	7,000
Fairview Kindergarten	2,565,745	30,000
Cashiers Recreation Site	814,098	1,751,104
	<u>\$ 12,589,890</u>	<u>\$ 9,383,102</u>

B. Liabilities

Payables. Payables at the government-wide level at June 30, 2009, were as follows:

	<u>Vendors</u>	<u>Contract Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:				
General	\$ 757,104	\$ -	\$ 2,765,135	\$ 3,522,239
Other governmental	1,736,072	436,875	-	2,172,947
Total governmental activities	<u>\$ 2,493,176</u>	<u>\$ 436,875</u>	<u>\$ 2,765,135</u>	<u>\$ 5,695,186</u>
Business-type activities:				
Landfill	<u>\$ 153,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,184</u>

Pension Plan Obligations.

Local Governmental Employees' Retirement System

➤ **Plan Description.** Jackson County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

- **Funding Policy.** Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.92% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of Jackson County are established and may be amended by the North Carolina General Assembly. The County’s contributions to LGERS for the years ended June 30, 2009, 2008 and 2007, were \$699,656, \$621,876, and \$544,760, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

- **Plan Description.** Jackson County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County’s report as a pension trust fund.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance’s membership consisted of:

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

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

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

- **Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations beginning in the 2005 fiscal year. For the current year, the County contributed \$42,321, or 95.99% of annual covered payroll. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

3-Year Trend Information

<u>For Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2007	\$ 40,523	65.35%	\$ 216,159
2008	31,972	89.70%	207,507
2009	42,321	95.99%	209,204

The annual pension cost and change in net pension obligation as of June 30, 2009, is as follows:

Employer annual required contribution	\$ 40,391
Interest on net pension obligation	15,044
Adjustment to annual required contribution	(13,114)
Annual pension cost	42,321
Employer contributions made for year ending June 30, 2009	40,624
Increase in net pension obligation	1,697
Net pension obligation beginning of fiscal year	207,507
Net pension obligation end of fiscal year	<u>\$ 209,204</u>

- **Funded Status and Funding Progress.** As of December 31, 2008, the most recent actuarial valuation date, the plan was 17.83 percent funded. The actuarial accrued liability for benefits was \$479,997, and the actuarial value of assets was \$85,593, resulting in an unfunded actuarial accrued liability (UAAL) of \$394,404. The covered payroll (annual payroll of active employees covered by the plan) was \$1,798,245, and the ratio of the UAAL to the covered payroll was 21.93%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information

about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Supplemental Retirement Income Plan for Law Enforcement Officers

- **Plan Description.** The County contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.
- **Funding Policy.** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2009, were \$94,839, which consisted of \$94,839 from the County and \$-0- from the law enforcement officers.

Register of Deeds’ Supplemental Pension Fund.

- **Plan Description.** Jackson County also contributes to the Registers of Deeds’ Supplemental Pension Fund (“Fund”), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees’ Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds’ Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Registers of Deeds’ Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

➤ **Funding Policy.** On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund’s assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2009, the County’s required and actual contributions were \$4,533.

➤ **Other Post-employment Benefits.**

Healthcare Benefits

Plan Description. Under the terms of a county resolution, the County administers a single employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). The County provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (“System”) and have at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, the County’s retirees can purchase coverage for their dependents at the County’s group rates. The Board may amend the benefit provisions. A separate report was not issued for the HCB Plan.

Membership of the HCB Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	58	5
Active Plan members	340	48
	<hr/>	<hr/>
Total	398	53
	<hr/> <hr/>	<hr/> <hr/>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a county resolution that can be amended by the Board. The County’s members pay \$125 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 28.35% of annual covered payroll. For the current year, the County contributed \$410,641 or 3.02% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County’s required contributions, under a county resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.3% and 0.03% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$479,380. The County’s obligation to contribute to the HCB Plan is established and may be amended by the County’s Board.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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

Annual required contribution	\$ 3,854,582
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>3,854,582</u>
Contributions made	<u>410,641</u>
Increase (decrease) in net OPEB obligation	3,443,941
Net OPEB obligation beginning of year	<u>-</u>
Net OPEB obligation end of year	<u><u>\$ 3,443,941</u></u>

The County’s net OPEB obligation is comprised of \$3,295,802 and \$148,139 for governmental activities and business-type activities, respectively. The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 3,854,582	3.02%	\$ 3,443,941

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$36,510,589. The covered payroll (annual payroll of active employees covered by the plan) was \$13,597,013, and the ratio of the UAAL to the covered payroll was 268.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probably of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level

percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

- **Other Post-employment Benefits.** The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2009, the County made contributions to the State for death benefits of \$17,477. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .12% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.
- **Supplemental Retirement Plan.** Full time employees of the County are also eligible for the supplemental retirement plan under Internal Revenue Code Section 401(k). Under this plan, an employee may contribute a percentage of their annual gross salary as limited by federal tax laws. The County does not make any contributions to the supplemental retirement plan. The employees' contribution to the 401(k) plan for the fiscal year ended June 30, 2009 was \$247,741.
- **Closure and Postclosure Care Costs--Landfill Facility.** State and federal laws and regulations required the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill has been closed, but will be monitored for the next 25 years. Postclosure costs are included in operating expenses of the current year. The \$710,180 reported as landfill postclosure care liability at June 30, 2009, represents estimated future postclosure costs based on engineering estimates prepared at and shortly after closure. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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

	<u>Deferred/ Unearned Revenue</u>	<u>Full Accrual Unearned Revenue</u>
Governmental activities:		
Prepaid taxes not yet earned (General)	\$ 62,178	\$ 62,178
Taxes receivable, net (General)	1,862,858	-
Notes receivable (Economic Development)	1,004,795	-
Notes receivable (Clean Water)	5,853	-
Other (Economic Development)	26,972	-
Other (General)	<u>14,454</u>	<u>14,454</u>
Total governmental activities	<u>\$ 2,977,110</u>	<u>\$ 76,632</u>
Business-type activities:		
Landfill donations collected in advance	<u>\$ 592</u>	<u>\$ 592</u>

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

The County carries commercial coverage equal to replacement cost values of owned property subject to a limit of \$127.5 million for any one occurrence, general, auto, and professional liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and health insurance for County employees. The County carries commercial coverage for single occurrences losses in excess of \$500,000 up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence for property, auto physical damage, and crime coverage.

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

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

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

➤ **Contingent Liabilities.** At June 30, 2009, the County was a defendant to various lawsuits. In the opinion of the County’s management and the county attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County’s financial position.

➤ **Long-Term Debt.** The County’s long-term debt at June 30, 2009, comprised of the following:

The first note was executed February 28, 1997, and refinanced on December 17, 1998, for construction of a school, payable in 30 semi-annual payments of \$365,343 including interest of 4.56%. Principal and interest payments are appropriated when due. \$ 1,708,128

The second note was executed on April 13, 1999, for the construction of a school addition and the installation of water and sewer lines, payable in 24 semi-annual payments of \$222,555 including interest of 4.56%. Principal and interest payments are appropriated when due. 1,235,946

(continued)

The third note was executed on August 11, 1999, and refinanced on May 3, 2002, for improvements to the County's elementary schools and is payable in 25 semi-annual payments of \$86,666 including interest of 4.91%. Principal and interest payments are appropriated when due. \$ 826,649

The fourth note was executed December 1, 1999, and refinanced on May 3, 2002, for renovations to various County buildings and is payable in 26 semi-annual payments of \$120,678. In addition, interest of 4.91%. interest is payable semi-annually. Principal and interest payments are appropriated when due. 1,327,462

The fifth note was executed on April 28, 2000, and refinanced on May 3, 2002, for the purchase of property for several County buildings and is payable in 26 semi-annual payments of \$331,617. In addition, 4.91%. interest is payable semi-annually. Principal and interest payments are appropriated when due. 3,979,400

The sixth note was executed on October 23, 2003, for construction of various properties and is payable in 24 semi-annual payments of \$382,292. In addition, 3.49% interest is payable semi-annually. Principal and interest payments are appropriated when due. 4,969,792

The seventh note was executed on December 29, 2005, for the construction of a library (42% of the proceeds) and a school addition (58% of the proceeds) and is payable in 30 semi-annual payments of \$316,913. In addition, 3.84% interest is payable semi-annually. Principal and interest are appropriated when due. 7,288,996

The eighth note was executed on December 20, 2007, for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 30 semi-annual payments of \$330,167. In addition, 3.72% interest is payable semi-annually. Principal and interest payments are appropriated when due. 8,914,500

(continued)

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

\$ 4,031,965

\$ 34,282,838

Repayment requirements of the notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 4,429,193	\$ 1,349,230	\$ 5,778,423
2011	4,484,455	1,161,870	5,646,324
2012	4,178,110	970,773	5,148,883
2013	3,396,821	809,510	4,206,332
2014	3,404,546	669,687	4,074,233
2015-2019	9,876,505	1,792,805	11,669,310
2020-2024	4,513,208	344,538	4,857,746
	<u>\$ 34,282,838</u>	<u>\$ 7,098,413</u>	<u>\$ 41,381,251</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental activities:			\$		
Installment purchases	\$ 34,349,192	\$ 4,171,000	\$ 4,237,354	\$ 34,282,838	\$ 4,429,193
Compensated absences	1,256,534	957,123	739,393	1,474,264	-
Net pension obligation	207,507	1,697	-	209,204	-
Other postemployment benefits	-	3,295,802	-	3,295,802	-
Total governmental activities	<u>\$ 35,813,233</u>	<u>\$ 8,425,622</u>	<u>\$ 4,976,747</u>	<u>\$ 39,262,108</u>	<u>\$ 4,429,193</u>
Business-type activities:					
Capitalized leases	\$ 21,406	\$ -	\$ 21,406	\$ -	\$ -
Compensated absences	30,217	11,451	-	41,668	-
Other postemployment benefits	-	148,139	-	148,139	-
Total business-type activities	<u>\$ 51,623</u>	<u>\$ 159,590</u>	<u>\$ 21,406</u>	<u>\$ 189,807</u>	<u>\$ -</u>

At June 30, 2009, Jackson County had a legal debt margin of approximately \$834,523,762.

➤ **Capital Assets Net of Related Debt.** Capital assets net of related debt at June 30, 2009, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 54,704,004	\$ 2,849,522
Less capital debt:		
Gross debt	34,282,838	-
Less:		
School debt related to assets to which the County does not hold title.	16,244,013	-
Unexpended debt proceeds	4,139,130	-
Net capital debt	<u>13,899,695</u>	<u>-</u>
Capital assets net of related debt	<u>\$ 40,804,309</u>	<u>\$ 2,849,522</u>

Interfund Balances and Activity

➤ **Due to/from Other Funds.** Due to/from other funds at June 30, 2009, consists of the following:

From the Jackson Library Fund to the General Fund for the library project	\$ 600,439
From the Solid Waste Fund to the General Fund for operating purposes	180,500
From the General Fund to the Public Housing Fund for operating purposes	<u>27,077</u>
	<u>\$ 808,016</u>

➤ **Transfer to/from Other Funds.** Transfers to/from other funds at June 30, 2009, consists of the following:

From the General Fund to the Real Property Revaluation Fund for operating purposes	\$ 250,000
From the General Fund to the Community Development Fund for operating purposes	244,884
From the General Fund to the Capital Reserve Fund for operating purposes	1,250,000
From the General Fund to the Economic Development Commission Fund for operating purposes-per capita share	105,987
From the General Fund to the School Improvement Fund for school projects	181,625
From the General Fund to the Green Energy Park Fund for operating purposes	447,383
From the General Fund to the Emergency Watershed Fund for operating purposes	400,000
From the General Fund to the County Administrative Building Fund for various projects	1,717,460
From Library Fund to the County Administrative Building Fund for various projects	148,810
From the General Fund to the Economic Development Commission Enterprise Fund for operating purposes	30,000
From the General Fund to the Public Housing Fund for operating purposes	<u>27,077</u>
	<u>\$ 4,803,226</u>

4. **Related Organizations**

Jackson County Airport Authority - During the fiscal year ended June 30, 2008, the County agreed to serve as the Airport Authority’s fiscal agent and began reporting the Airport Authority as an agency fund as of July 1, 2007. The Jackson County Board of Commissioners is also responsible for appointing the majority of the six-member board of commissioners of the Jackson County Airport Authority (the Authority). The County is not able to significantly influence the programs, projects or activities of the Authority. The Authority is a non-profit organization that exists to operate, promote, and to further improve the airport facilities and aviation for County residents.

Jackson Economic Development Commission - As of July 1, 2007, the Jackson Economic Development Commission was taken over by the County, as well as the assets of Jackson Development Corporation. For fiscal year ending June 30, 2009, the Economic Development Commission is reported as a Special Revenue Fund of the County and the assets of the Jackson Development Corporation are held in an enterprise fund of the County.

5. **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, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$466,604 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at Post Office Box 460, Bryson City, North Carolina 28713.

Southwestern Community College - The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College. The County appoints five members and the State and the Board of Education each appoint four members of the thirteen-member board of trustees of the community college. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County contributed \$1,349,357 and \$753,322 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2009. 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, 2009. Complete financial statements for the community college may be obtained from the community college's administrative offices at 275 Webster Road, Sylva, North Carolina 28779.

Tuckasegee Water and Sewer Authority - The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckasegee Water and Sewer Authority. The chairman of the Authority appoints one member from each participating government and three members at large. The Authority is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The Authority has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the Authority. The participating governments do not have any equity interest in

the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2009. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at East Main Street, Sylva, North Carolina.

6. **Jointly Governed Organizations**

Southwestern North Carolina Planning and Economic Development Commission - The County, in conjunction with seven other counties and fifteen municipalities, established the Southwestern North Carolina Planning and Economic Development Commission (Commission). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's forty-four member governing board. The County paid membership fees of \$28,476 to the Commission during the fiscal year ended June 30, 2009.

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

The twelve counties participating in the Smoky Mountain Center LME are represented by a county commissioner. Within available resources, the County has an ongoing financial responsibility for the LME because it is legally obligated to provide mental health services either directly or jointly with other counties. None of the participating counties has any equity interest in the LME, so no equity interest has been reflected in the financial statements at June 30, 2009. The County contributed \$123,081 to the LME to fund operations during fiscal year June 30, 2009. Complete financial statements for the LME may be obtained from the LME's offices at 44 Bonnie Lane, Sylva, NC 28779.

7. **Benefit Payments Issued by the State**

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

<u>Benefit Payments Issued</u>		<u>Federal</u>	<u>State</u>
Adult Care Home Case Management	93.778	\$ 3,569	\$ 2,197
Adult Day Care	93.667	2,382	2,016
Crisis Intervention	93.568	201,204	-
In-Home Services	93.667	18,889	-
CSE Incentive Recovery	93.563	2,643	-
IV-D Administration	93.563	211,819	-
LINKS	93.674	4,967	1,242
Energy Assistance	93.568	223,935	-
Energy Assistance Private Grants	N/A	-	16,681
Family Preservation	93.556	1,391	-
Food and Nutrition SVCS Recovery	10.561	16,524	-
NC Health Choice	93.767	38,899	3,098
Refugee Assistance	93.566	543	-
SFHF Maximization	93.667	-	2,966
Social Services Block Grant	93.667	122,057	18,631
Work First Demonstration Grant	93.558	15,100	-
Work First Service	93.558	416,168	-
TANF	93.558	103,363	-
TANF--Domestic Violence	93.558	11,576	-
CWS Adoption Subsidy	N/A	-	89,988
Foster Care At Risk	N/A	-	1,299
Foster Care Special Provision	N/A	-	6,867
IV-E Adoption	93.658	73,945	16,814
IV-E Foster Care	93.658	38,478	7,677
IV-E Foster Care In Excess	93.658	4,287	139
IV-E Foster Care/Off Trn	93.658	98,148	1,264
Special Children Adoption	93.558	60,000	-
Medicaid	93.778	23,611,713	8,778,124
Food Stamps	10.561	4,496,618	-
SC/SA Domiciliary Care	N/A	-	164,537
State Foster Home	N/A	-	26,228
WIC	10.557	868,897	-
		<u>\$ 30,647,115</u>	<u>\$ 9,139,768</u>

8. **Summary Disclosure of Significant Contingencies**

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

9. Subsequent Events

Subsequent to year-end, the County was approved to finance the renovation of the historic Jackson County Courthouse and construction of 20,251 of new square footage to comprise the new Jackson County Public Library. Debt proceeds of \$10,295,446 were approved on July 16, 2009, to be paid over a period of 15 years. Principal payments of \$343,182 are to be paid semi-annually along with interest at a rate of 4.63%. The first payment is due on January 16, 2010, with final payment on July 16, 2024.

The Board has evaluated the effect subsequent events would have on the financial statements, noting no additional events that would have a material effect for the year ending June 30, 2009.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

JACKSON COUNTY, NORTH CAROLINA

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/04	\$ -	\$ 310,160	\$ 310,160	0%	\$1,065,883	29.10%
12/31/06	-	350,972	350,972	0%	1,399,382	25.08%
12/31/07	-	366,269	366,269	0%	1,183,954	30.94%
12/31/08	85,151	479,997	394,404	17.83%	1,798,245	21.93%

JACKSON COUNTY, NORTH CAROLINA

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

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2006	Unknown	Unknown
2007	\$ 40,523	92.30%
2008	\$ 42,892	94.71%
2009	\$ 42,321	95.99%

Notes to the Required Schedules:

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

Valuation date	12/31/08
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5% to 12.3%
Includes inflation at	3.75%
Cost-of-living adjustments	N/A

*Includes inflation at cost of living adjustments

Jackson County began contributions to the Plan in the 2008 fiscal year. Contributions were \$40,624 for the 2009 fiscal year.

JACKSON COUNTY, NORTH CAROLINA

Other Postemployment Benefits
Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/08	\$ -	\$36,510,589	\$36,510,589	0%	\$13,597,013	268.5%

JACKSON COUNTY, NORTH CAROLINA

Other Postemployment Benefits
 Required Supplementary Information
 Schedule of Employer Contributions

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

Notes to the Required Schedules:

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

Valuation date	12/31/08
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.0%
Medical cost trend	10.50 - 5.00%
Year of ultimate trend rate	2016

*Includes inflation at 3.75%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

GENERAL FUND

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

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Current year and prior	\$ 29,951,106	\$ 29,635,026	\$ (316,080)	\$ 24,850,098
Penalties and interest	235,297	235,296	(1)	194,201
Total ad valorem taxes	<u>30,186,403</u>	<u>29,870,322</u>	<u>(316,081)</u>	<u>25,044,299</u>
Other taxes:				
Local option sales tax	9,379,133	9,298,086	(81,047)	11,356,553
Tax refund-sales and gasoline	103,595	103,594	(1)	89,773
Total other taxes	<u>9,482,728</u>	<u>9,401,680</u>	<u>(81,048)</u>	<u>11,446,326</u>
Unrestricted intergovernmental:				
Payments in lieu of taxes	257,693	257,693	-	114,447
ABC profit distribution	105,178	71,200	(33,978)	156,000
ABC 1 and 5 cent bottle charge	8,822	8,821	(1)	8,679
Total unrestricted governmental	<u>371,693</u>	<u>337,714</u>	<u>(33,979)</u>	<u>279,126</u>
Restricted intergovernmental:				
Federal and State grants:				
Home and Community Care Block Grant	151,237	151,236	(1)	154,045
Municipal Reimbursement	-	-	-	5,306
Nantahala Forest timber receipts	154,440	154,440	-	60,984
DARE Grant	6,000	6,000	-	6,000
Civil Defense	65,493	65,469	(24)	19,496
Soil conservation-matching	29,885	27,175	(2,710)	25,835
Emergency food and shelter	16,757	16,757	-	10,070
AWAKE-Child Advocacy	10,000	10,000	-	41,441
Tennessee Valley Authority	690	690	-	640
Older American Act Title III	29,591	28,707	(884)	33,323
Health Department	1,152,248	1,043,289	(108,959)	904,299
Senior Center	15,906	15,904	(2)	4,651
Smart Start	53,133	47,801	(5,332)	45,251
Juvenile Crime Prevention Commission	106,146	103,670	(2,476)	140,447
Safe Roads Act	5,675	5,672	(3)	4,766
Veteran's service	2,000	2,000	-	2,000
Soil and water conservation	4,000	4,000	-	4,000
Erosion control	53,000	51,550	(1,450)	6,125
NC Department of Corrections Grant	106,336	105,013	(1,323)	52,717

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Restricted intergovernmental, continued:				
Federal and State grants, continued:				
NC Gov Highway Safety - STEP	\$ 72,430	\$ 72,430	\$ -	\$ 74,567
Help America Vote Act Grant	20,420	20,420	-	11,960
SCAAP-State Criminal Alien Grant	12,807	12,807	-	8,244
Social Services	3,766,089	3,460,179	(305,910)	3,131,721
Title XIX-Medicaid	485,671	342,107	(143,564)	352,588
Department of Transportation:				
Section 18-administration	148,991	145,721	(3,270)	132,501
Section 18-operations	82,158	58,212	(23,946)	5,492
Contracts-EDTAP	259,230	215,985	(43,245)	257,363
Total	<u>6,810,333</u>	<u>6,167,234</u>	<u>(643,099)</u>	<u>5,495,832</u>
Court facilities fees	<u>69,796</u>	<u>69,796</u>	<u>-</u>	<u>75,868</u>
Total restricted intergovernmental	<u>6,880,129</u>	<u>6,237,030</u>	<u>(643,099)</u>	<u>5,571,700</u>
Other restricted revenues:				
United Way	-	-	-	(10)
Transportation contracts	<u>95,233</u>	<u>92,164</u>	<u>(3,069)</u>	<u>73,871</u>
Total other restricted	<u>95,233</u>	<u>92,164</u>	<u>(3,069)</u>	<u>73,861</u>
Permits and fees:				
Road petition fees	500	-	(500)	-
Cashiers permit fees	3,570	3,570	-	4,100
Industrial permit fees	70	67	(3)	-
Floodplain permit fees	750	750	-	-
Board of Election fees	500	38	(462)	1,480
Erosion control fees	4,200	4,200	-	-
Building permits and inspection fees	400,000	389,293	(10,707)	690,343
Environmental health fees	201,520	200,748	(772)	314,702
Sheriff's fees	112,500	112,177	(323)	94,370
Officers fees-court	26,493	26,493	-	26,591
Animal adoption fees	19,000	14,039	(4,961)	13,220
Road sign fees	142,780	107,716	(35,064)	128,462
Contract-United Fund	-	-	-	750
Health and Social Service fees	383,323	330,006	(53,317)	354,098

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Permits and fees, continued:				
Register of deeds	\$ 315,860	\$ 188,294	\$ (127,566)	\$ 283,290
Real property transfer tax	308,150	308,149	(1)	553,336
Marriage licenses	7,175	7,175	-	7,175
Excise tax	11,815	6,160	(5,655)	11,063
Senior citizens fees	46,368	42,253	(4,115)	43,663
Total permits and fees	<u>1,984,574</u>	<u>1,741,128</u>	<u>(243,446)</u>	<u>2,526,643</u>
Sales and services:				
Jail fees	24,750	17,737	(7,013)	15,744
Ambulance fees	45,000	3,758	(41,242)	10,416
Ancillary services	51,825	51,823	(2)	42,017
Travel and tourism administrative fees	37,714	37,714	-	37,714
Cable television franchise fees	87,500	70,594	(16,906)	64,900
Telephone charges	34,000	24,602	(9,398)	22,713
Vending machines	2,000	-	(2,000)	-
Recreation department	401,770	354,365	(47,405)	326,955
Rents	25,330	25,330	-	3,060
Total sales and services	<u>709,889</u>	<u>585,923</u>	<u>(123,966)</u>	<u>523,519</u>
Investment earnings	<u>422,216</u>	<u>416,061</u>	<u>(6,155)</u>	<u>870,755</u>
Miscellaneous	<u>1,096,126</u>	<u>1,064,099</u>	<u>(32,027)</u>	<u>582,745</u>
Total revenues	<u>51,228,991</u>	<u>49,746,121</u>	<u>(1,482,870)</u>	<u>46,918,974</u>
Expenditures:				
General Government:				
Governing body:				
Salaries and employee benefits	129,449	130,154	(705)	133,829
Operating	137,278	132,361	4,917	116,010
Total	<u>266,727</u>	<u>262,515</u>	<u>4,212</u>	<u>249,839</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued:				
General Government, continued:				
Administration:				
Salaries and employee benefits	\$ 258,568	\$ 259,323	\$ (755)	\$ 224,941
Operating	17,626	16,814	812	14,909
Capital outlay	1,400	1,397	3	1,396
Total	<u>277,594</u>	<u>277,534</u>	<u>60</u>	<u>241,246</u>
Elections:				
Salaries and employee benefits	118,313	117,531	782	113,525
Operating	127,837	96,360	31,477	76,125
Capital outlay	-	-	-	3,000
Total	<u>246,150</u>	<u>213,891</u>	<u>32,259</u>	<u>192,650</u>
Finance:				
Salaries and employee benefits	518,004	519,586	(1,582)	466,637
Operating	28,375	22,791	5,584	21,008
Capital outlay	3,750	1,897	1,853	5,575
Total	<u>550,129</u>	<u>544,274</u>	<u>5,855</u>	<u>493,220</u>
Computer services:				
Salaries and employee benefits	233,774	214,461	19,313	121,873
Operating	226,296	224,631	1,665	261,967
Capital outlay	19,295	11,664	7,631	54,844
Total	<u>479,365</u>	<u>450,756</u>	<u>28,609</u>	<u>438,684</u>
Tax collections:				
Salaries and employee benefits	221,221	221,445	(224)	203,218
Operating	30,744	30,486	258	37,624
Capital outlay	1,950	1,950	-	2,318
Total	<u>253,915</u>	<u>253,881</u>	<u>34</u>	<u>243,160</u>
Tax assessments:				
Salaries and employee benefits	558,662	562,899	(4,237)	493,517
Operating	144,703	136,044	8,659	111,905
Capital outlay	10,168	5,597	4,571	12,293
Total	<u>713,533</u>	<u>704,540</u>	<u>8,993</u>	<u>617,715</u>
Legal services	<u>169,100</u>	<u>169,028</u>	<u>72</u>	<u>186,179</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General Government, continued:				
Register of deeds:				
Salaries and employee benefits	\$ 284,338	\$ 279,145	\$ 5,193	\$ 267,383
Operating	149,254	31,917	117,337	47,034
Capital outlay	1,468	433	1,035	484
Total	<u>435,060</u>	<u>311,495</u>	<u>123,565</u>	<u>314,901</u>
Maintenance:				
Salaries and employee benefits	1,968,433	1,972,804	(4,371)	1,726,924
Operating	1,227,940	1,157,251	70,689	953,004
Capital outlay	160,626	156,127	4,499	159,440
Total	<u>3,356,999</u>	<u>3,286,182</u>	<u>70,817</u>	<u>2,839,368</u>
Court facilities:				
Operating	81,775	81,773	2	92,186
Capital outlay	46,000	44,754	1,246	203
Total	<u>127,775</u>	<u>126,527</u>	<u>1,248</u>	<u>92,389</u>
Professional services	<u>18,500</u>	<u>18,500</u>	<u>-</u>	<u>23,800</u>
Central services:				
Operating	203,393	184,039	19,354	193,796
Capital outlay	14,397	14,143	254	7,002
Total	<u>217,790</u>	<u>198,182</u>	<u>19,608</u>	<u>200,798</u>
Total general government	<u>7,112,637</u>	<u>6,817,305</u>	<u>295,332</u>	<u>6,133,949</u>
Public Safety:				
Sheriff:				
Salaries and employee benefits	2,741,288	2,747,535	(6,247)	2,419,307
Operating	512,344	505,931	6,413	488,517
Travel	6,110	5,556	554	5,495
Capital outlay	284,028	280,085	3,943	277,652
Total	<u>3,543,770</u>	<u>3,539,107</u>	<u>4,663</u>	<u>3,190,971</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued:				
Public Safety, continued:				
Jail:				
Salaries and employee benefits	\$ 1,026,499	\$ 1,033,071	\$ (6,572)	\$ 897,349
Operating	429,971	419,312	10,659	431,453
Capital outlay	10,500	9,987	513	4,020
Total	<u>1,466,970</u>	<u>1,462,370</u>	<u>4,600</u>	<u>1,332,822</u>
Separation allowance	<u>42,321</u>	<u>42,321</u>	<u>-</u>	<u>-</u>
Criminal justice partnership program:				
Salaries and employee benefits	46,935	46,387	548	-
Operating	59,401	58,976	425	-
Total	<u>106,336</u>	<u>105,363</u>	<u>973</u>	<u>-</u>
Inspections:				
Salaries and employee benefits	776,124	741,746	34,378	719,174
Operating	109,524	90,605	18,919	115,085
Capital outlay	41,832	40,932	900	7,102
Total	<u>927,480</u>	<u>873,283</u>	<u>54,197</u>	<u>841,361</u>
Emergency management:				
Salaries and employee benefits	792,689	795,591	(2,902)	680,545
Operating	98,876	92,952	5,924	44,922
Capital outlay	51,501	49,309	2,192	58,873
Total	<u>943,066</u>	<u>937,852</u>	<u>5,214</u>	<u>784,340</u>
Fire:				
Salaries and employee benefits	98,950	97,298	1,652	95,584
Operating	778,800	764,389	14,411	737,658
Capital outlay	190,969	190,201	768	164,683
Total	<u>1,068,719</u>	<u>1,051,888</u>	<u>16,831</u>	<u>997,925</u>
Ambulance:				
Operating	921,427	901,123	20,304	838,212
Capital outlay	249,483	249,222	261	143,105
Total	<u>1,170,910</u>	<u>1,150,345</u>	<u>20,565</u>	<u>981,317</u>
Total Public Safety	<u>9,269,572</u>	<u>9,162,529</u>	<u>107,043</u>	<u>8,128,736</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued:				
Transportation:				
Salaries and employee benefits	\$ 321,584	\$ 323,627	\$ (2,043)	\$ 273,866
Operating	151,037	148,015	3,022	119,829
Capital outlay	76,100	74,472	1,628	11,415
Total	<u>548,721</u>	<u>546,114</u>	<u>2,607</u>	<u>405,110</u>
Airport Authority	<u>61,585</u>	<u>61,585</u>	<u>-</u>	<u>65,000</u>
WCU Transit:				
Salaries and employee benefits	48,668	45,856	2,812	34,621
Operating	51,560	20,984	30,576	13,907
Capital outlay	-	-	-	52,257
Total	<u>100,228</u>	<u>66,840</u>	<u>33,388</u>	<u>100,785</u>
Total transportation	<u>710,534</u>	<u>674,539</u>	<u>35,995</u>	<u>570,895</u>
Environmental protection:				
Forestry	<u>85,452</u>	<u>65,168</u>	<u>20,284</u>	<u>73,555</u>
Economic and physical development:				
Planning and zoning:				
Salaries and employee benefits	568,860	569,424	(564)	481,675
Operating	129,040	128,681	359	307,203
Capital outlay	3,600	3,339	261	25,981
Total	<u>701,500</u>	<u>701,444</u>	<u>56</u>	<u>814,859</u>
Community development	<u>113,671</u>	<u>94,119</u>	<u>19,552</u>	<u>521,958</u>
Agricultural extension:				
Salaries and employee benefits	142,752	111,785	30,967	108,719
Operating	29,675	23,258	6,417	18,761
Capital outlay	2,600	1,592	1,008	1,395
Total	<u>175,027</u>	<u>136,635</u>	<u>38,392</u>	<u>128,875</u>
Conservation:				
Salaries and employee benefits	130,037	131,012	(975)	116,356
Operating	17,640	12,267	5,373	100,524
Capital outlay	-	-	-	599
Total	<u>147,677</u>	<u>143,279</u>	<u>4,398</u>	<u>217,479</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development, continued:				
Total economic and physical development	\$ 1,137,875	\$ 1,075,477	\$ 62,398	\$ 1,683,171
Human services:				
Health:				
General health:				
Salaries and employee benefits	2,292,849	2,299,522	(6,673)	2,044,264
Operating	304,580	239,046	65,534	297,521
Capital outlay	8,000	2,623	5,377	83,040
Total	<u>2,605,429</u>	<u>2,541,191</u>	<u>64,238</u>	<u>2,424,825</u>
Health assurance:				
Salaries and employee benefits	223,920	200,864	23,056	256,744
Operating	310,877	282,238	28,639	183,722
Capital outlay	1,000	698	302	-
Total	<u>535,797</u>	<u>483,800</u>	<u>51,997</u>	<u>440,466</u>
Maternal and child health:				
Salaries and employee benefits	166,306	159,801	6,505	200,838
Operating	47,726	37,954	9,772	55,934
Total	<u>214,032</u>	<u>197,755</u>	<u>16,277</u>	<u>256,772</u>
WIC-administration and nutrition:				
Salaries and employee benefits	100,083	100,259	(176)	112,713
Operating	9,301	6,276	3,025	9,251
Capital outlay	-	-	-	4,674
Total	<u>109,384</u>	<u>106,535</u>	<u>2,849</u>	<u>126,638</u>
Family planning:				
Salaries and employee benefits	80,932	81,114	(182)	70,103
Operating	83,516	64,166	19,350	70,029
Total	<u>164,448</u>	<u>145,280</u>	<u>19,168</u>	<u>140,132</u>
Crippled children:				
Salaries and employee benefits	10,769	10,823	(54)	9,892
Operating	6,866	4,365	2,501	4,363
Total	<u>17,635</u>	<u>15,188</u>	<u>2,447</u>	<u>14,255</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Health, continued:				
Maternal Outreach:				
Salaries and employee benefits	\$ 71,163	\$ 57,508	\$ 13,655	\$ 42,729
Operating	749	641	108	10,555
Total	<u>71,912</u>	<u>58,149</u>	<u>13,763</u>	<u>53,284</u>
Communicable diseases:				
Salaries and employee benefits	12,360	12,361	(1)	11,276
Operating	<u>1,983</u>	<u>1,317</u>	<u>666</u>	<u>1,731</u>
Total	<u>14,343</u>	<u>13,678</u>	<u>665</u>	<u>13,007</u>
NC Healthy Start:				
Salaries and employee benefits	35,472	30,959	4,513	33,474
Operating	<u>89,000</u>	<u>65,176</u>	<u>23,824</u>	<u>65,987</u>
Total	<u>124,472</u>	<u>96,135</u>	<u>28,337</u>	<u>99,461</u>
Immunization action program:				
Salaries and employee benefits	10,729	10,808	(79)	9,862
Operating	113	-	113	-
Capital outlay	<u>3,000</u>	<u>2,794</u>	<u>206</u>	<u>-</u>
Total	<u>13,842</u>	<u>13,602</u>	<u>240</u>	<u>9,862</u>
Breastfeeding:				
Salaries and employee benefits	7,216	7,192	24	6,572
Operating	<u>700</u>	<u>234</u>	<u>466</u>	<u>294</u>
Total	<u>7,916</u>	<u>7,426</u>	<u>490</u>	<u>6,866</u>
Child services coordinator:				
Salaries and employee benefits	9,915	9,964	(49)	6,945
Operating	<u>15,191</u>	<u>9,531</u>	<u>5,660</u>	<u>10,696</u>
Capital outlay	-	-	-	280
Total	<u>25,106</u>	<u>19,495</u>	<u>5,611</u>	<u>17,921</u>
WOW grant:				
Salaries and employee benefits	43,079	32,902	10,177	-
Operating	<u>21,329</u>	<u>6,903</u>	<u>14,426</u>	<u>-</u>
Total	<u>64,408</u>	<u>39,805</u>	<u>24,603</u>	<u>-</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Health, continued:				
Smart Start:				
Salaries and employee benefits	\$ 51,967	\$ 45,220	\$ 6,747	\$ 45,210
Operating	5,297	2,964	2,333	40
Total	<u>57,264</u>	<u>48,184</u>	<u>9,080</u>	<u>45,250</u>
Other health services:				
Salaries and employee benefits	3,218	3,218	-	51,029
Operating	46,780	46,780	-	-
Total	<u>49,998</u>	<u>49,998</u>	<u>-</u>	<u>51,029</u>
Total health	<u>4,075,986</u>	<u>3,836,221</u>	<u>239,765</u>	<u>3,699,768</u>
Environmental Health:				
Animal shelter:				
Salaries and employee benefits	159,098	160,277	(1,179)	141,277
Operating	35,993	32,283	3,710	27,299
Total	<u>195,091</u>	<u>192,560</u>	<u>2,531</u>	<u>168,576</u>
Environmental Health:				
Operating	4,000	3,310	690	5,654
Capital outlay	2,000	-	2,000	-
Total	<u>6,000</u>	<u>3,310</u>	<u>2,690</u>	<u>5,654</u>
Bioterrorism:				
Salaries and employee benefits	9,854	9,115	739	15,281
Operating	4,000	2,951	1,049	8,197
Capital outlay	7,358	5,730	1,628	11,190
Total	<u>21,212</u>	<u>17,796</u>	<u>3,416</u>	<u>34,668</u>
Total Environmental Health	<u>222,303</u>	<u>213,666</u>	<u>8,637</u>	<u>208,898</u>
Mental Health:				
Smoky Mountain Center LME	<u>123,081</u>	<u>123,081</u>	<u>-</u>	<u>123,081</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued				
Human Services, continued;				
Social Services:				
Administration:				
Salaries and employee benefits	\$ 3,415,691	\$ 3,309,854	\$ 105,837	\$ 3,035,336
Operating	318,398	245,115	73,283	260,313
Capital outlay	44,914	34,230	10,684	79,039
Total	<u>3,779,003</u>	<u>3,589,199</u>	<u>189,804</u>	<u>3,374,688</u>
Other services:				
Adult guardianship	6,750	4,805	1,945	-
Special assistance	164,307	144,538	19,769	160,272
Medical care	1,019,697	839,269	180,428	1,413,125
Foster care	466,791	157,408	309,383	219,879
Aid to the blind	9,970	3,092	6,878	3,905
Food stamp administration	9,000	7,783	1,217	7,300
Crisis intervention	192,130	188,685	3,445	98,212
Adult day care	5,028	5,027	1	2,743
Emergency assistance	23,452	22,601	851	23,176
IV-D	17,924	12,377	5,547	13,468
Other	314,499	250,135	64,364	150,151
Total	<u>2,229,548</u>	<u>1,635,720</u>	<u>593,828</u>	<u>2,092,231</u>
Indian reservation:				
Salaries and employee benefits	389,783	362,918	26,865	313,525
Operating	156,998	53,255	103,743	45,903
Capital outlay	28,212	24,072	4,140	6,962
Total	<u>574,993</u>	<u>440,245</u>	<u>134,748</u>	<u>366,390</u>
Emergency food and shelter	<u>16,171</u>	<u>14,045</u>	<u>2,126</u>	<u>4,051</u>
Focal point on aging:				
Salaries and employee benefits	297,996	299,510	(1,514)	235,361
Operating	161,344	139,594	21,750	114,727
Capital outlay	10,743	10,148	595	7,171
Total	<u>470,083</u>	<u>449,252</u>	<u>20,831</u>	<u>357,259</u>
Total Social Services	<u>7,069,798</u>	<u>6,128,461</u>	<u>941,337</u>	<u>6,194,619</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human Services, continued:				
Eldercare Coalition:				
Salaries and employee benefits	\$ 183,128	\$ 184,105	\$ (977)	\$ 119,073
Operating	128,824	126,162	2,662	120,482
Total	<u>311,952</u>	<u>310,267</u>	<u>1,685</u>	<u>239,555</u>
Veteran's service officer:				
Salaries and employee benefits	50,537	50,918	(381)	52,183
Operating	9,493	8,340	1,153	6,059
Capital outlay	2,420	2,420	-	-
Total	<u>62,450</u>	<u>61,678</u>	<u>772</u>	<u>58,242</u>
Other human services	<u>303,899</u>	<u>302,427</u>	<u>1,472</u>	<u>358,442</u>
Total human services	<u>12,169,469</u>	<u>10,975,801</u>	<u>1,193,668</u>	<u>10,882,605</u>
Culture and recreational:				
Recreation:				
Salaries and employee benefits	684,554	674,756	9,798	595,846
Operating	472,064	396,257	75,807	329,055
Capital outlay	197,429	100,721	96,708	162,281
Total	<u>1,354,047</u>	<u>1,171,734</u>	<u>182,313</u>	<u>1,087,182</u>
Arts council	<u>9,141</u>	<u>9,141</u>	<u>-</u>	<u>9,141</u>
Library	<u>506,944</u>	<u>506,929</u>	<u>15</u>	<u>526,692</u>
Swimming pool:				
Salaries and employee benefits	25,151	22,854	2,297	25,036
Operating	26,359	22,933	3,426	20,342
Capital outlay	5,788	-	5,788	9,948
Total	<u>57,298</u>	<u>45,787</u>	<u>11,511</u>	<u>55,326</u>
Cashiers recreation:				
Salaries and employee benefits	89,746	90,093	(347)	71,601
Operating	62,359	54,513	7,846	56,210
Capital outlay	42,825	4,406	38,419	8,160
Total	<u>194,930</u>	<u>149,012</u>	<u>45,918</u>	<u>135,971</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures, continued:				
Culture and Recreational, continued:				
Cashiers swimming pool:				
Salaries and employee benefits	\$ 12,644	\$ 9,318	\$ 3,326	\$ 7,457
Operating	11,000	9,192	1,808	8,999
Capital outlay	3,600	3,340	260	-
Total	<u>27,244</u>	<u>21,850</u>	<u>5,394</u>	<u>16,456</u>
Total culture and recreational	<u>2,149,604</u>	<u>1,904,453</u>	<u>245,151</u>	<u>1,830,768</u>
Education:				
Public schools--current	6,503,729	6,503,725	4	6,199,339
Public schools--timber receipts	140,424	140,424	-	60,984
Public schools--capital outlay	1,002,679	1,002,679	-	1,050,000
Community colleges--current	1,349,357	1,349,357	-	1,285,102
Community colleges--capital outlay	753,322	753,322	-	306,047
Total education	<u>9,749,511</u>	<u>9,749,507</u>	<u>4</u>	<u>8,901,472</u>
Debt service:				
Principal retirement	4,237,362	4,237,354	8	3,737,273
Interest and other charges	1,440,398	1,440,391	7	1,329,939
Total debt service	<u>5,677,760</u>	<u>5,677,745</u>	<u>15</u>	<u>5,067,212</u>
Total expenditures	<u>48,062,414</u>	<u>46,102,524</u>	<u>1,959,890</u>	<u>43,272,363</u>
Revenues over expenditures	<u>3,166,577</u>	<u>3,643,597</u>	<u>(477,020)</u>	<u>3,646,611</u>
Other financing sources (uses):				
Transfers in (out):				
Capital Reserve Fund	(1,250,000)	(1,250,000)	-	442,893
Economic Development Commission Fund	(105,987)	(105,987)	-	(32,104)
School Capital Reserve Fund	-	-	-	(36,893)
Revaluation Fund	(250,000)	(250,000)	-	(290,000)
Community Development--Scattered				
Housing Fund	(244,884)	(244,884)	-	(64,724)
Public Housing Fund	(12,179)	(27,077)	(14,898)	-
Crisis Housing Assistance Fund	-	-	-	(73,009)
County Administrative Building Fund	(1,717,460)	(1,717,460)	-	(705,202)
School Improvements Fund	(181,625)	(181,625)	-	(50,000)

(continued)

JACKSON COUNTY, NORTH CAROLINA

General Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Other financing sources (uses), continued:				
Transfers in (out), continued:				
Green Energy Park Fund	\$ (447,383)	\$ (447,383)	\$ -	\$ (210,000)
Economic Development Enterprise Fund	(30,000)	(30,000)	-	(884,267)
Emergency Watershed Fund	(400,000)	(400,000)	-	(46,901)
Total transfers	<u>(4,639,518)</u>	<u>(4,654,416)</u>	<u>(14,898)</u>	<u>(1,950,207)</u>
Sale of capital assets	11,000	500	(10,500)	13,876
Appropriated fund balance	1,512,500	-	(1,512,500)	-
Contingency	<u>(50,559)</u>	<u>-</u>	<u>50,559</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,166,577)</u>	<u>(4,653,916)</u>	<u>(1,487,339)</u>	<u>(1,936,331)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,010,319)</u>	<u>\$ (1,010,319)</u>	<u>1,710,280</u>
Fund balance, July 1		<u>22,020,139</u>		<u>20,309,859</u>
Fund balance, June 30		<u>\$ 21,009,820</u>		<u>\$ 22,020,139</u>

MAJOR GOVERNMENTAL FUNDS

Special Revenue:

- **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.

Capital Projects:

- **Webster Complex Fund** - This fund is used to account for the construction on the Webster Complex, including the Aging Facility, which will be financed primarily with loan proceeds.

JACKSON COUNTY, NORTH CAROLINA

Major Special Revenue Fund--Economic Development Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual

For the Fiscal Year Ended June 30, 2009
 (With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 257,842	\$ 202,513	\$ (55,329)	\$ 68,614
Investment earnings	69,662	43,959	(25,703)	45,475
Total revenues	<u>327,504</u>	<u>246,472</u>	<u>(81,032)</u>	<u>114,089</u>
Expenditures:				
Economic and physical development:				
Reserve for economic development	<u>327,504</u>	-	<u>327,504</u>	-
Total expenditures	<u>327,504</u>	-	<u>327,504</u>	-
Net change in fund balance	<u>\$ -</u>	246,472	<u>\$ 246,472</u>	114,089
Fund balance:				
Beginning of year, July 1		<u>446,386</u>		<u>332,297</u>
End of year, June 30		<u>\$ 692,858</u>		<u>\$ 446,386</u>

JACKSON COUNTY, NORTH CAROLINA**Capital Project Fund--Webster Complex Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual**

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 45,000	\$ 21,034	\$ 18,224	\$ 39,258	\$ (5,742)
Expenditures:					
Human services:					
Architect fees	634,470	335,237	243,506	578,743	55,727
Furniture and equipment	265,000	-	-	-	265,000
Construction cost	7,170,480	577,325	5,030,343	5,607,668	1,562,812
Total expenditures	<u>8,069,950</u>	<u>912,562</u>	<u>5,273,849</u>	<u>6,186,411</u>	<u>1,883,539</u>
Revenues under expenditures	<u>(8,024,950)</u>	<u>(891,528)</u>	<u>(5,255,625)</u>	<u>(6,147,153)</u>	<u>1,877,797</u>
Other financing sources (uses):					
Installment purchase obligations issued	8,073,500	3,902,500	4,171,000	8,073,500	-
Contingency	<u>(48,550)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,550</u>
Total other financing sources	<u>8,024,950</u>	<u>3,902,500</u>	<u>4,171,000</u>	<u>8,073,500</u>	<u>48,550</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,010,972</u>	<u>(1,084,625)</u>	<u>\$ 1,926,347</u>	<u>\$ 1,926,347</u>
Fund balance:					
Beginning of year, July 1			<u>3,010,972</u>		
End of year, June 30			<u>\$ 1,926,347</u>		

COMBINING STATEMENTS FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Emergency Telephone Fund** - This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.
 - **Revaluation Fund** - This fund accounts for the accumulation of resources to be used for the octennial revaluation of real property.
 - **Law Enforcement Block Grant Fund** - This fund accounts for State grants received and expended for software and equipment.
 - **Public Housing Agency Fund** - This fund accounts for federal grants received and expended for housing assistance.
 - **School Capital Reserve Fund** - This fund was established to account for revenues restricted for the construction and renovation of County schools.
 - **Community Development Scattered Site Project Fund** - This fund accounts for federal grants and local matching funds received and expended for community development.
 - **Capital Reserve Fund** - This fund is used to account for any capital outlay expenditures approved by the County's Board of Commissioners. The projects in this fund will be financed primarily with operating transfers from other funds.
 - **Clean Water Revolving Loan Fund** - This fund accounts for loans made by the County with moneys received from the Clean Water Management Trust Fund through a revolving loan fund, as well as in-kind local contributions.
 - **Emergency Watershed Fund** - This fund accounts for federal grants received and expended for environmental protection.
 - **Economic Development Commission Fund** - This fund was established as a result of the reorganization of the Jackson County Economic Development Commission and is used to account for revenues from member towns and economic development loans.
-

CAPITAL PROJECTS FUNDS

- **Library Expansion Project Fund** - This fund is used to account for the construction of the Jackson County Library, which will be funded primarily with loan proceeds.
- **Recreation Center Fund** - This fund is used to account for various recreation projects.
- **County Administrative Building Fund** - This fund is used to account for the construction of various county buildings.
- **School Improvement Fund** - This fund is used to account for the construction of school improvements from the proceeds of state grants, installment debt, and local matching funds.

JACKSON COUNTY, NORTH CAROLINACombining Balance Sheet
Non-major Governmental Funds

June 30, 2009

<u>Assets</u>	<u>Non-major Special Revenue Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
Cash and cash equivalents	\$ 3,082,415	\$ 648,723	\$ 3,731,138
Accounts receivable, net	33,330	232,721	266,051
Due from other governments	53,999	-	53,999
Due from other funds	27,077	-	27,077
Restricted assets--cash and cash equivalents	-	2,200,636	2,200,636
Notes receivable, net	5,853	-	5,853
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,202,674</u>	<u>\$ 3,082,080</u>	<u>\$ 6,284,754</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 19,125	\$ 402,990	\$ 422,115
Due to other funds	-	600,439	600,439
Contract retainage	-	159,346	159,346
Deferred revenue	32,825	-	32,825
Total liabilities	<hr/>	<hr/>	<hr/>
	51,950	1,162,775	1,214,725
 Fund balances:			
Reserved for:			
State statute	114,406	232,715	347,121
911 Wireless	181,333	-	181,333
Unreserved:			
Undesignated	2,854,985	1,686,590	4,541,575
Total fund balances	<hr/>	<hr/>	<hr/>
	3,150,724	1,919,305	5,070,029
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 3,202,674</u>	<u>\$ 3,082,080</u>	<u>\$ 6,284,754</u>

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Special Revenue Funds

June 30, 2009

	Emergency Telephone Fund	Revaluation Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 250,284	\$ 43,007	\$ 34,930	\$ 107,456
Accounts receivable, net	6,613	431	551	-
Due from other governments	41,499	-	-	-
Due from other funds	-	-	-	27,077
Notes receivable, net	-	-	-	-
	\$ 298,396	\$ 43,438	\$ 35,481	\$ 134,533
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 15,677	\$ 1,785	\$ -	\$ 1,073
Deferred revenue	-	-	-	-
Total liabilities	15,677	1,785	-	1,073
Fund balances:				
Reserved for:				
State statute	48,112	431	551	27,077
911 Wireless	181,333	-	-	-
Unreserved:				
Undesignated	53,274	41,222	34,930	106,383
Total fund balances	282,719	41,653	35,481	133,460
Total liabilities and fund balances	\$ 298,396	\$ 43,438	\$ 35,481	\$ 134,533

School Capital Reserve Fund	Community Development Scattered Site Project Fund	Capital Reserve Fund	Clean Water Revolving Loan Fund	Emergency Watershed Fund	Economic Development Commission Fund	Total Non-major Special Revenue Funds
\$ 15,307	\$ 91,064	\$ 1,701,661	\$ 50,270	\$ 385,259	\$ 403,177	\$ 3,082,415
-	214	-	4,262	21,033	226	33,330
-	12,500	-	-	-	-	53,999
-	-	-	-	-	-	27,077
-	-	-	5,853	-	-	5,853
<u>\$ 15,307</u>	<u>\$ 103,778</u>	<u>\$ 1,701,661</u>	<u>\$ 60,385</u>	<u>\$ 406,292</u>	<u>\$ 403,403</u>	<u>\$ 3,202,674</u>
\$ -	\$ 540	\$ -	\$ -	\$ -	\$ 50	\$ 19,125
-	26,972	-	5,853	-	-	32,825
-	27,512	-	5,853	-	50	51,950
-	12,714	-	4,262	21,033	226	114,406
-	-	-	-	-	-	181,333
15,307	63,552	1,701,661	50,270	385,259	403,127	2,854,985
<u>15,307</u>	<u>76,266</u>	<u>1,701,661</u>	<u>54,532</u>	<u>406,292</u>	<u>403,353</u>	<u>3,150,724</u>
<u>\$ 15,307</u>	<u>\$ 103,778</u>	<u>\$ 1,701,661</u>	<u>\$ 60,385</u>	<u>\$ 406,292</u>	<u>\$ 403,403</u>	<u>\$ 3,202,674</u>

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Capital Projects Funds

June 30, 2009

	County Administrative Building Fund	Library Project Fund	Recreation Center Fund	School Improvement Fund	Total Non-major Capital Projects Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 114,971	\$ -	\$ 122,313	\$ 411,439	\$ 648,723
Accounts receivable, net	-	6	232,715	-	232,721
Restricted assets-cash and cash equivalents	-	-	1,754,013	446,623	2,200,636
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 114,971</u>	<u>\$ 6</u>	<u>\$ 2,109,041</u>	<u>858,062</u>	<u>\$ 3,082,080</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 193,170	\$ 209,820	\$ -	\$ 402,990
Due to other funds	-	600,439	-	-	600,439
Contract retainage	-	31,891	90,455	37,000	159,346
Total liabilities	<u> </u>	<u>825,500</u>	<u>300,275</u>	<u>37,000</u>	<u>1,162,775</u>
Fund balances (deficit):					
Reserved by state statute	-	-	232,715	-	232,715
Unreserved:					
Undesignated (deficit)	<u>114,971</u>	<u>(825,494)</u>	<u>1,576,051</u>	<u>821,062</u>	<u>1,686,590</u>
Total fund balances (deficit)	<u>114,971</u>	<u>(825,494)</u>	<u>1,808,766</u>	<u>821,062</u>	<u>1,919,305</u>
Total liabilities and fund balances (deficit)	<u>\$ 114,971</u>	<u>\$ 6</u>	<u>\$ 2,109,041</u>	<u>\$ 858,062</u>	<u>\$ 3,082,080</u>

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

For the Fiscal Year Ended June 30, 2009

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Restricted intergovernmental	\$ 2,132,536	\$ 666,271	\$ 2,798,807
Investment earnings	49,109	24,866	73,975
Miscellaneous	-	5,904	5,904
Total revenues	<u>2,181,645</u>	<u>697,041</u>	<u>2,878,686</u>
Expenditures:			
Current:			
General government	212,579	-	212,579
Public safety	634,551	-	634,551
Environmental Protection	764,659	-	764,659
Economic and physical development	372,278	-	372,278
Human services	1,514,817	-	1,514,817
Cultural and recreational	-	3,442,421	3,442,421
Education	-	1,816,928	1,816,928
Total expenditures	<u>3,498,884</u>	<u>5,259,349</u>	<u>8,758,233</u>
Revenues under expenditures	<u>(1,317,239)</u>	<u>(4,562,308)</u>	<u>(5,879,547)</u>
Other financing sources (uses):			
Transfers in	2,277,948	2,047,895	4,325,843
Transfers out	-	(148,810)	(148,810)
Total other financing sources (uses)	<u>2,277,948</u>	<u>1,899,085</u>	<u>4,177,033</u>
Net change in fund balances (deficit)	960,709	(2,663,223)	(1,702,514)
Fund balances:			
Beginning of year, July 1	<u>2,190,015</u>	<u>4,582,528</u>	<u>6,772,543</u>
End of year, June 30	<u>\$ 3,150,724</u>	<u>\$ 1,919,305</u>	<u>\$ 5,070,029</u>

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009

	Emergency Telephone Fund	Revaluation Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund
Revenues:				
Restricted intergovernmental	\$ 554,700	\$ -	\$ 15,719	\$ 1,413,367
Investment earnings	-	-	-	2,420
Total revenues	554,700	-	15,719	1,415,787
Expenditures:				
Current:				
General government	-	212,579	-	-
Public safety	619,970	-	14,581	-
Environmental Protection	-	-	-	-
Economic and physical development	-	-	-	-
Human services	-	-	-	1,514,817
Total expenditures	619,970	212,579	14,581	1,514,817
Revenues over (under) expenditures	(65,270)	(212,579)	1,138	(99,030)
Other financing sources (uses):				
Transfers in	-	250,000	-	27,077
Total other financing sources and uses	-	250,000	-	27,077
Net change in fund balances (deficit)	(65,270)	37,421	1,138	(71,953)
Fund balances (deficit):				
Beginning of year, July 1	347,989	4,232	34,343	205,413
End of year, June 30	\$ 282,719	\$ 41,653	\$ 35,481	\$ 133,460

<u>School Capital Reserve Fund</u>	<u>Community Development Scattered Site Project Fund</u>	<u>Capital Reserve Fund</u>	<u>Clean Water Revolving Loan Fund</u>	<u>Emergency Watershed Fund</u>	<u>Economic Development Fund</u>	<u>Total Non-major Special Revenue Funds</u>
\$ -	\$ 145,102	\$ -	\$ -	\$ -	\$ 3,648	\$ 2,132,536
-	-	35,575	2,300	-	8,814	49,109
-	145,102	35,575	2,300	-	12,462	2,181,645
-	-	-	-	-	-	212,579
-	-	-	-	-	-	634,551
-	-	750,000	-	14,659	-	764,659
-	311,753	-	-	-	60,525	372,278
-	-	-	-	-	-	1,514,817
-	311,753	750,000	-	14,659	60,525	3,498,884
-	(166,651)	(714,425)	2,300	(14,659)	(48,063)	(1,317,239)
-	244,884	1,250,000	-	400,000	105,987	2,277,948
-	244,884	1,250,000	-	400,000	105,987	2,277,948
-	78,233	535,575	2,300	385,341	57,924	960,709
15,307	(1,967)	1,166,086	52,232	20,951	345,429	2,190,015
<u>\$ 15,307</u>	<u>\$ 76,266</u>	<u>\$ 1,701,661</u>	<u>\$ 54,532</u>	<u>\$ 406,292</u>	<u>\$ 403,353</u>	<u>\$ 3,150,724</u>

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009

	County Administrative Building Fund	Library Expansion Project Fund	Recreation Center Fund	School Improvement Fund	Total Non-major Capital Projects Funds
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 666,271	\$ 666,271
Investment earnings	-	-	16,635	8,231	24,866
Miscellaneous	-	5,904	-	-	5,904
Total revenues	<u>-</u>	<u>5,904</u>	<u>16,635</u>	<u>674,502</u>	<u>697,041</u>
Expenditures:					
Current:					
Human services	-	-	-	-	-
Cultural and recreational	1,717,460	760,522	964,439	-	3,442,421
Education	-	-	-	1,816,928	1,816,928
Total expenditures	<u>1,717,460</u>	<u>760,522</u>	<u>964,439</u>	<u>1,816,928</u>	<u>5,259,349</u>
Revenues under expenditures	<u>(1,717,460)</u>	<u>(754,618)</u>	<u>(947,804)</u>	<u>(1,142,426)</u>	<u>(4,562,308)</u>
Other financing sources (uses):					
Transfers in	1,866,270	-	-	181,625	2,047,895
Transfers out	-	(148,810)	-	-	(148,810)
Total other financing sources (uses)	<u>1,866,270</u>	<u>(148,810)</u>	<u>-</u>	<u>181,625</u>	<u>1,899,085</u>
Net change in fund balances (deficit)	148,810	(903,428)	(947,804)	(960,801)	(2,663,223)
Fund balances (deficit):					
Beginning of year, July 1	<u>(33,839)</u>	<u>77,934</u>	<u>2,756,570</u>	<u>1,781,863</u>	<u>4,582,528</u>
End of year, June 30	<u>\$ 114,971</u>	<u>\$ (825,494)</u>	<u>\$ 1,808,766</u>	<u>\$ 821,062</u>	<u>\$ 1,919,305</u>

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2009
 (With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Other taxes and licenses:				
911 system subscriber fees	\$ -	\$ -	\$ -	\$ 178,428
Restricted intergovernmental:				
Wireless 911 funds	554,700	554,700	-	269,921
Investment earnings	500	-	(500)	44,731
Total revenues	<u>555,200</u>	<u>554,700</u>	<u>(500)</u>	<u>493,080</u>
Expenditures:				
Public safety:				
Salaries and employee benefits	182,503	179,865	2,638	159,467
Operating expenses	300,899	246,286	54,613	147,486
Capital outlay	196,080	193,819	2,261	88,533
Total expenditures	<u>679,482</u>	<u>619,970</u>	<u>59,512</u>	<u>395,486</u>
Revenues under expenditures	<u>(124,282)</u>	<u>(65,270)</u>	<u>59,012</u>	<u>97,594</u>
Other financing sources (uses):				
Transfer out:				
Capital reserve fund	-	-	-	(1,158,401)
Appropriated fund balance	124,282	-	(124,282)	-
Total other financing sources (uses)	<u>124,282</u>	<u>-</u>	<u>(124,282)</u>	<u>(1,158,401)</u>
Net change in fund balance	<u>\$ -</u>	<u>(65,270)</u>	<u>\$ (65,270)</u>	<u>(1,060,807)</u>
Fund balance:				
Beginning of year, July 1		<u>347,989</u>		<u>1,408,796</u>
End of year, June 30		<u>\$ 282,719</u>		<u>\$ 347,989</u>

JACKSON COUNTY, NORTH CAROLINA
Revaluation Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Expenditures:				
General government:				
Tax listing	\$ 241,295	\$ 212,579	\$ 28,716	\$ 432,058
Revenues under expenditures	(241,295)	(212,579)	28,716	(432,058)
Other financing sources (uses):				
Transfers in (out):				
General Fund	250,000	250,000	-	290,000
Designated for future appropriations	(8,705)	-	8,705	-
Net change in fund balance	\$ -	37,421	\$ 37,421	(142,058)
Fund balance:				
Beginning of year, July 1		4,232		146,290
End of year, June 30		\$ 41,653		\$ 4,232

JACKSON COUNTY, NORTH CAROLINA
Law Enforcement Block Grant Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Revenues:				
Restricted intergovernmental revenues	\$ 15,720	\$ 15,719	\$ (1)	\$ 12,688
Expenditures:				
Public safety:				
Capital outlay	15,720	14,581	1,139	13,088
Net change in fund balance	<u>\$ -</u>	1,138	<u>\$ 1,138</u>	(400)
Fund balance:				
Beginning of year, July 1		<u>34,343</u>		<u>34,743</u>
End of year, June 30		<u>\$ 35,481</u>		<u>\$ 34,343</u>

JACKSON COUNTY, NORTH CAROLINA
Public Housing Agency Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 1,465,563	\$ 1,413,367	\$ (52,196)	\$ 1,521,885
Investment earnings	4,404	2,420	(1,984)	5,247
Total revenues	<u>1,469,967</u>	<u>1,415,787</u>	<u>(54,180)</u>	<u>1,527,132</u>
Expenditures:				
Human services:				
Operating	<u>1,524,467</u>	<u>1,514,817</u>	<u>9,650</u>	<u>1,444,548</u>
Revenues under expenditures	<u>(54,500)</u>	<u>(99,030)</u>	<u>(44,530)</u>	<u>(1,444,548)</u>
Other financing sources:				
Transfers in:				
General Fund	<u>54,500</u>	<u>27,077</u>	<u>(27,423)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(71,953)</u>	<u>\$ (71,953)</u>	<u>82,584</u>
Fund balance:				
Beginning of year, July 1		<u>205,413</u>		<u>122,829</u>
End of year, June 30		<u>\$ 133,460</u>		<u>\$ 205,413</u>

JACKSON COUNTY, NORTH CAROLINA
School Capital Reserve Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	Budget	Actual		Actual
Expenditures:				
School Capital Reserve	\$ 15,307	\$ -	\$ 15,307	\$ -
Revenues under expenditures	(15,307)	-	15,307	-
Other financing sources (uses):				
Fund balance appropriation	15,307	-	(15,307)	-
Net change in fund balance	\$ -	-	\$ -	-
Fund balance:				
Beginning of year, July 1		15,307		15,307
End of year, June 30		\$ 15,307		\$ 15,307

JACKSON COUNTY, NORTH CAROLINA
Community Development Scattered Site Project Fund

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
Community Development Block Grant C-1	\$ 495,000	\$ 398,190	\$ 101,507	\$ 499,697	\$ 4,697
Community Development Block Grant L-1	5,000	302	-	302	(4,698)
Housing Preservation Grant	89,070	73,584	6,095	79,679	(9,391)
Town of Dillsboro	37,500	-	37,500	37,500	-
Total revenues	<u>626,570</u>	<u>472,076</u>	<u>145,102</u>	<u>617,178</u>	<u>(9,392)</u>
Expenditures:					
Economic and physical development:					
Administration	133,376	111,036	93,100	204,136	(70,760)
Rehabilitation	258,710	71,210	99,576	170,786	87,924
Relocation	354,039	261,519	92,250	353,769	270
Clearance	35,500	25,493	10,007	35,500	-
Capital Outlay	4,829	-	4,829	4,829	-
Program	85,000	73,009	11,991	85,000	-
Total expenditures	<u>871,454</u>	<u>542,267</u>	<u>311,753</u>	<u>854,020</u>	<u>17,434</u>
Revenues under expenditures	(244,884)	(70,191)	(166,651)	(236,842)	8,042
Other financing sources:					
Transfers in					
General Fund	<u>244,884</u>	<u>68,224</u>	<u>244,884</u>	<u>313,108</u>	<u>68,224</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,967)</u>	78,233	<u>\$ 76,266</u>	<u>\$ 76,266</u>
Fund balance:					
Beginning of year, July 1			<u>(1,967)</u>		
End of year, June 30			<u>\$ 76,266</u>		

JACKSON COUNTY, NORTH CAROLINA
Capital Reserve Fund

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 38,250	\$ 58,217	\$ 35,575	\$ 93,792	\$ 55,542
Expenditures:					
Designated for future appropriations	545,935	19,656	-	19,656	526,279
Designated - water and sewer	750,000	-	750,000	750,000	-
Designated - emergency management	1,158,401	-	-	-	1,158,401
Total expenditures	<u>2,454,336</u>	<u>19,656</u>	<u>750,000</u>	<u>769,656</u>	<u>1,684,680</u>
Revenues over (under) expenditures	<u>(2,416,086)</u>	<u>38,561</u>	<u>(714,425)</u>	<u>(675,864)</u>	<u>1,740,222</u>
Other financing source (uses):					
Transfers in (out):					
Jail Facility Fund	-	(225,000)	-	(225,000)	(225,000)
General Fund	1,250,000	474,124	1,250,000	1,724,124	474,124
School Improvements Fund	-	(280,000)	-	(280,000)	(280,000)
Emergency Telephone Fund	1,158,401	1,158,401	-	1,158,401	-
Whittier Sewer System	7,685	-	-	-	(7,685)
Total other financing sources (uses)	<u>2,416,086</u>	<u>1,127,525</u>	<u>1,250,000</u>	<u>2,377,525</u>	<u>(38,561)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,166,086</u>	<u>535,575</u>	<u>\$ 1,701,661</u>	<u>\$ 1,701,661</u>
Fund balance:					
Beginning of year, July 1			<u>1,166,086</u>		
End of year, June 30			<u>\$ 1,701,661</u>		

JACKSON COUNTY, NORTH CAROLINA
Clean Water Revolving Loan Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,330	\$ 2,300	\$ (30)	\$ 2,470
Expenditures:				
Economic and physical development:				
County loan funds advanced	2,330	-	2,330	-
Net change in fund balance	<u>\$ -</u>	2,300	<u>\$ 2,300</u>	2,470
Fund balance:				
Beginning of year, July 1		<u>52,232</u>		<u>49,762</u>
End of year, June 30		<u>\$ 54,532</u>		<u>\$ 52,232</u>

JACKSON COUNTY, NORTH CAROLINA
Emergency Watershed Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Miscellaneous	\$ 1,100	\$ -	\$ (1,100)	\$ -
Expenditures:				
Environmental protection:				
Construction	-	-	-	25,873
Conservation	401,100	14,659	386,441	-
Total expenditures	<u>401,100</u>	<u>14,659</u>	<u>386,441</u>	<u>25,873</u>
Revenues under expenditures	(400,000)	(14,659)	385,341	(25,873)
Other financing sources:				
Transfers in:				
General Fund	<u>400,000</u>	<u>400,000</u>	-	<u>46,901</u>
Net change in fund balance	<u>\$ -</u>	385,341	<u>\$ 385,341</u>	21,028
Fund balance:				
Beginning of year, July 1		<u>20,951</u>		<u>(77)</u>
End of year, June 30		<u>\$ 406,292</u>		<u>\$ 20,951</u>

JACKSON COUNTY, NORTH CAROLINA
Economic Development Commission Fund

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 3,648	\$ 3,648	\$ -	\$ 339,153
Investment earnings	8,785	8,814	29	9,592
Miscellaneous	-	-	-	18,500
Total revenues	<u>12,433</u>	<u>12,462</u>	<u>29</u>	<u>367,245</u>
Expenditures:				
Economic and physical development:				
Salaries and employee benefits	72,322	47,856	24,466	-
Operating	24,236	12,669	11,567	3,920
Loans, development, capital improvement	100,000	-	100,000	50,000
Total expenditures	<u>196,558</u>	<u>60,525</u>	<u>136,033</u>	<u>53,920</u>
Revenues over (under) expenditures	<u>(184,125)</u>	<u>(48,063)</u>	<u>136,062</u>	<u>313,325</u>
Other financing sources (uses):				
Transfers in:				
General Fund	105,987	105,987	-	32,104
Contingency	(1,842)	-	1,842	-
Fund balance appropriation	79,980	-	(79,980)	-
Total other financing sources (uses)	<u>184,125</u>	<u>105,987</u>	<u>(78,138)</u>	<u>32,104</u>
Net change in fund balance	<u>\$ -</u>	57,924	<u>\$ 57,924</u>	345,429
Fund balance:				
Beginning of year, July 1		<u>345,429</u>		<u>-</u>
End of year, June 30		<u>\$ 403,353</u>		<u>\$ 345,429</u>

JACKSON COUNTY, NORTH CAROLINA
Capital Project Fund--County Administrative Building Fund

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

For the Fiscal Year Ended June 30, 2009
 (With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
Cultural and recreational:				
Courthouse renovation	\$ -	\$ -	\$ -	\$ 9,690
Jackson library	42,000	42,000	-	148,810
Smoky Mountain High and Fairview	-	-	-	27,186
County office/garage complex	1,675,460	1,675,460	-	405,024
Total expenditures	<u>1,717,460</u>	<u>1,717,460</u>	<u>-</u>	<u>590,710</u>
Revenues under expenditures	<u>(1,717,460)</u>	<u>(1,717,460)</u>	<u>-</u>	<u>(590,710)</u>
Other financing sources (uses):				
Transfers in:				
General fund	1,717,460	1,717,460	-	705,202
Human Services Expansion fund	-	-	-	168,541
Library fund	-	148,810	148,810	-
Total other financing sources (uses)	<u>1,717,460</u>	<u>1,866,270</u>	<u>148,810</u>	<u>873,743</u>
Net change in fund balance (deficit)	<u>\$ -</u>	148,810	<u>\$ 148,810</u>	283,033
Fund balance (deficit):				
Beginning of year, July 1		<u>(33,839)</u>		<u>(316,872)</u>
End of year, June 30		<u>\$ 114,971</u>		<u>\$ (33,839)</u>

JACKSON COUNTY, NORTH CAROLINA
Library Project Fund

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Miscellaneous	\$ 1,500,000	\$ 115,878	\$ 5,904	\$ 121,782	\$ (1,378,218)
Expenditures:					
Construction	6,067,169	2,277,208	398,540	2,675,748	3,391,421
Architect fees	485,374	156,594	363,073	519,667	(34,293)
Buildings, structures and improvements	1,500,000	1,502,715	-	1,502,715	(2,715)
Contingency	455,038	107,902	(1,091)	106,811	348,227
Total expenditures	<u>8,507,581</u>	<u>4,044,419</u>	<u>760,522</u>	<u>4,804,941</u>	<u>3,702,640</u>
Revenue under expenditures	<u>(7,007,581)</u>	<u>(3,928,541)</u>	<u>(754,618)</u>	<u>(4,683,159)</u>	<u>(5,080,858)</u>
Other financing sources (uses):					
Proceeds from installment obligation	7,007,581	3,960,200	-	3,960,200	3,047,381
Transfers from General Fund	-	44,746	-	44,746	44,746
Transfer to County Administrative Fund	-	1,529	(148,810)	(147,281)	(147,281)
Total other financing sources (uses)	<u>7,007,581</u>	<u>4,006,475</u>	<u>(148,810)</u>	<u>3,857,665</u>	<u>2,944,846</u>
Net change in fund balance (deficit)	<u>\$ -</u>	<u>\$ 77,934</u>	<u>(903,428)</u>	<u>\$ (825,494)</u>	<u>\$ 5,269,268</u>
Fund balance (deficit):					
Beginning of year, July 1			<u>77,934</u>		
End of year, June 30			<u>\$ (825,494)</u>		

JACKSON COUNTY, NORTH CAROLINA
Capital Project Fund--Recreation Center Fund

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 35,000	\$ 15,350	\$ 16,635	\$ 31,985	\$ (3,015)
Expenditures:					
Cultural and recreational:					
Architect fees	604,244	370,996	69,908	440,904	163,340
Furniture and equipment	61,800	33,247	-	33,247	28,553
Construction cost	1,155,549	1,109,419	45	1,109,464	46,085
Site preparation	2,498,587	12,500	894,486	906,986	1,591,601
East LaPorte Park	101,158	101,158	-	101,158	-
Savannah/Greens Creek Park	120,067	120,067	-	120,067	-
Total expenditures	<u>4,541,405</u>	<u>1,747,387</u>	<u>964,439</u>	<u>2,711,826</u>	<u>1,829,579</u>
Revenues under expenditures	<u>(4,506,405)</u>	<u>(1,732,037)</u>	<u>(947,804)</u>	<u>(2,679,841)</u>	<u>1,826,564</u>
Other financing sources (uses):					
Transfers in:					
General fund	1,847,774	1,749,510	-	1,749,510	(98,264)
Installment purchase obligations issued	2,739,097	2,739,097	-	2,739,097	-
Contingency	(80,466)	-	-	-	80,466
Total other financing sources (uses)	<u>4,506,405</u>	<u>4,488,607</u>	<u>-</u>	<u>4,488,607</u>	<u>(17,798)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,756,570</u>	<u>(947,804)</u>	<u>\$ 1,808,766</u>	<u>\$ 1,808,766</u>
Fund balance:					
Beginning of year, July 1			<u>2,756,570</u>		
End of year, June 30			<u>\$ 1,808,766</u>		

JACKSON COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Public School Building Bond Fund	\$ 2,477,582	\$ 2,482,379	\$ -	\$ 2,482,379	\$ 4,797
Public School Building Capital Fund	1,734,935	1,108,329	666,271	1,774,600	39,665
Jackson County Board of Education	213,166	213,166	-	213,166	-
DOT Revenue	350,000	350,000	-	350,000	-
Investment earnings	1,041,268	1,026,576	8,231	1,034,807	(6,461)
Sale of timber	20,304	20,304	-	20,304	-
Total revenues	<u>5,837,255</u>	<u>5,200,754</u>	<u>674,502</u>	<u>5,875,256</u>	<u>38,001</u>
Expenditures:					
Education:					
Smoky Mountain High-- classrooms/media	577,700	577,700	-	577,700	-
Blue Ridge School	674,200	674,200	-	674,200	-
Fairview Elementary School	400,000	400,000	-	400,000	-
Smoky Mountain High	200,000	200,000	-	200,000	-
Smoky Mountain High-band room/ art/science	625,682	625,682	-	625,682	-
Construction--Blue Ridge School	874,843	890,755	-	890,755	(15,912)
Construction--Smoky Mountain High School	5,905,800	5,905,800	6,773	5,912,573	(6,773)
Construction--SMHS-Science Building	3,857,226	4,066,048	-	4,066,048	(208,822)
Construction--SMHS-Front Entry	1,853,387	1,853,387	-	1,853,387	-
Construction--SMHS-Land Acquisition	327,465	327,465	-	327,465	-
Construction--SMHS-Road and signs	6,952,960	6,830,107	68,930	6,899,037	53,923
Construction--SMHS-D Building	835,475	429,102	364,800	793,902	41,573
Construction--Fairview/Smoky Mountain Elementary	1,761,512	1,761,512	-	1,761,512	-
Construction--Fairview Kindergarten	3,163,653	1,596,512	1,245,500	2,842,012	321,641
Public School Building Capital Fund	1,542,514	1,502,227	31,175	1,533,402	9,112
School projects	333,040	233,289	99,750	333,039	1
Study/needs assessment-SMHS	38,000	38,000	-	38,000	-
Total expenditures	<u>29,923,457</u>	<u>27,911,786</u>	<u>1,816,928</u>	<u>29,728,714</u>	<u>194,743</u>
Revenues under expenditures	<u>(24,086,202)</u>	<u>(22,711,032)</u>	<u>(1,142,426)</u>	<u>(23,853,458)</u>	<u>232,744</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Actual</u>			Variance Positive (Negative)	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>		<u>Total to Date</u>
Other financing sources:					
Transfers in:					
School Capital Reserve	\$ 293,116	\$ 236,252	\$ -	\$ 236,252	\$ (56,864)
General Fund	1,362,556	993,001	181,625	1,174,626	(187,930)
Capital Projects Fund	280,000	1,113,112	-	1,113,112	833,112
Installment purchase obligations issued	22,150,530	22,150,530	-	22,150,530	-
Total other financing sources	<u>24,086,202</u>	<u>24,492,895</u>	<u>181,625</u>	<u>24,674,520</u>	<u>588,318</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,781,863</u>	(960,801)	<u>\$ 821,062</u>	<u>\$ 821,062</u>
Fund balance:					
Beginning of year, July 1			<u>1,781,863</u>		
End of year, June 30			<u>\$ 821,062</u>		

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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

JACKSON COUNTY, NORTH CAROLINASchedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Landfill FundFor the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Solid waste charges	\$ 3,170,645	\$ 3,074,085	\$ (96,560)	\$ 3,120,770
Sales of materials	152,534	125,604	(26,930)	171,013
Total operating revenues	<u>3,323,179</u>	<u>3,199,689</u>	<u>(123,490)</u>	<u>3,291,783</u>
Non-operating revenues:				
Scrap tire disposal fee	66,300	65,003	(1,297)	50,845
White goods tax	11,575	11,573	(2)	13,991
Recycling assistance grant	9,150	9,059	(91)	-
Interest earned on investments	19,587	19,587	-	17,810
Total non-operating revenues	<u>106,612</u>	<u>105,222</u>	<u>(1,390)</u>	<u>82,646</u>
Total revenues	<u>3,429,791</u>	<u>3,304,911</u>	<u>(124,880)</u>	<u>3,374,429</u>
Expenditures:				
Landfill operations:				
Salaries and employee benefits	529,881	649,099	(119,218)	433,345
Operating expenses	2,225,529	2,131,131	94,398	2,263,999
Supplies	34,800	26,596	8,204	33,657
Repairs and maintenance	121,000	113,747	7,253	101,095
Contracted services	49,320	8,104	41,216	41,900
Capital outlay	45,140	45,140	-	90,607
Recycling assistance grant	1,615	1,615	-	-
Other departmental expenditures	280,123	221,440	58,683	179,041
Total	<u>3,287,408</u>	<u>3,196,872</u>	<u>90,536</u>	<u>3,143,644</u>
Debt service:				
Debt principal	90,531	21,406	69,125	41,681
Interest paid	51,852	289	51,563	1,708
Total	<u>142,383</u>	<u>21,695</u>	<u>120,688</u>	<u>43,389</u>
Total expenditures	<u>3,429,791</u>	<u>3,218,567</u>	<u>211,224</u>	<u>3,187,033</u>

(continued)

JACKSON COUNTY, NORTH CAROLINASchedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Landfill Fund, ContinuedFor the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009			2008
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues over expenditures	\$ -	\$ 86,344	\$ 86,344	\$ 187,396
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Revenues over expenditures		\$ 86,344		\$ 187,396
Change in accrued interest receivable		14,699		1,545
Change in compensated absences		(10,198)		(3,465)
Capital outlay		45,140		90,607
Debt principal payment		21,406		41,681
Landfill closure and postclosure costs		32,580		33,500
Depreciation		(126,311)		(121,939)
		<u>\$ 63,660</u>		<u>\$ 229,325</u>

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

June 30, 2009

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 697	\$ 25,280	\$ 25,977
Accounts receivable, net	1,636	5,042	6,678
Capital assets, net	59,748	903,576	963,324
	<hr/>	<hr/>	<hr/>
Total assets	\$ 62,081	\$ 933,898	\$ 995,979
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,393	\$ 70	\$ 2,463
Compensated absences	10,168	-	10,168
Other postemployment benefits	17,093	-	17,093
Total liabilities	29,654	70	29,724
	<hr/>	<hr/>	<hr/>
Net assets:			
Invested in capital assets	59,748	903,576	963,324
Unrestricted	(27,321)	30,252	2,931
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 32,427	\$ 933,828	\$ 966,255
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

For the Fiscal Year Ended June 30, 2009

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
Operating revenues:			
Charges for services	\$ 10,586	\$ 56,500	\$ 67,086
Miscellaneous	5,530	-	5,530
Total revenues	<u>16,116</u>	<u>56,500</u>	<u>72,616</u>
Operating expenses:			
Park operations	222,677	-	222,677
Economic development operations	-	10,697	10,697
Depreciation	480	18,825	-
Total expenditures	<u>223,157</u>	<u>29,522</u>	<u>233,374</u>
Operating loss	<u>(207,041)</u>	<u>26,978</u>	<u>(160,758)</u>
Non-operating revenues:			
ARC grant	<u>2,330</u>	<u>-</u>	<u>2,330</u>
Loss before transfers	(204,711)	26,978	(158,428)
Transfers in	<u>447,383</u>	<u>30,000</u>	<u>477,383</u>
Change in net assets	242,672	56,978	318,955
Net assets:			
Beginning of year, July 1	<u>(210,245)</u>	<u>876,850</u>	<u>666,605</u>
End of year, June 30	<u>\$ 32,427</u>	<u>\$ 933,828</u>	<u>\$ 985,560</u>

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

For the Fiscal Year Ended June 30, 2009

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	\$ 20,053	\$ 51,469	\$ 71,522
Cash paid for goods and services	(59,469)	(10,680)	(70,149)
Cash paid to employees for services	(144,950)	-	(144,950)
Net cash provided (used) by operating activities	<u>(184,366)</u>	<u>40,789</u>	<u>(143,577)</u>
Cash flows from non-capital financing activities:			
ARC grant	2,330	-	2,330
Cash received from (provided to) other funds	242,961	(20,000)	222,961
Net cash provided (used) by non-capital financing activities	<u>245,291</u>	<u>(20,000)</u>	<u>225,291</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(60,228)	-	(60,228)
Net increase (decrease) in cash and cash equivalents	697	20,789	21,486
Cash and cash equivalents, July 1	-	4,491	4,491
Cash and cash equivalents, June 30	<u>\$ 697</u>	<u>\$ 25,280</u>	<u>\$ 25,977</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (207,041)	\$ 26,978	\$ (180,063)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	480	18,825	19,305
Changes in assets and liabilities:			
Accounts receivable	3,937	(5,031)	(1,094)
Accounts payable and accrued liabilities	(88)	17	(71)
Compensated absences	1,253	-	1,253
Increase in OPEB payable	17,093	-	17,093
Total adjustments	<u>22,675</u>	<u>13,811</u>	<u>36,486</u>
Net cash provided (used) by operating activities	<u>\$ (184,366)</u>	<u>\$ 40,789</u>	<u>\$ (143,577)</u>

JACKSON COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP) Green Energy Park Fund

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Rents	\$ 10,800	\$ 8,779	\$ (2,021)	\$ 6,850
Registration fees	7,700	1,807	(5,893)	4,825
Carbon Credit Sales	6,000	-	(6,000)	-
Donations	5,561	5,530	(31)	640
Total operating revenues	<u>30,061</u>	<u>16,116</u>	<u>(13,945)</u>	<u>12,315</u>
Non-operating revenues:				
Federal grants	-	-	-	120,000
Handmade in america grant	-	-	-	16,484
ARC grant	9,625	2,330	(7,295)	26,133
Conservation fund grant	-	-	-	4,875
Total non-operating revenues	<u>9,625</u>	<u>2,330</u>	<u>(7,295)</u>	<u>167,492</u>
Other financing sources:				
Transfers in	447,383	447,383	-	210,000
Total revenues and other financing sources	<u>487,069</u>	<u>465,829</u>	<u>(21,240)</u>	<u>389,807</u>
Expenditures:				
Park operations:				
Salaries and employee benefits	129,446	146,203	(16,757)	120,519
Operating expenses	66,998	76,474	(9,476)	306,741
Capital outlay	105,625	60,228	45,397	-
Contingency	185,000	-	185,000	-
Total	<u>487,069</u>	<u>282,905</u>	<u>204,164</u>	<u>427,260</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 182,924</u>	<u>\$ 182,924</u>	<u>\$ (37,453)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Revenues and other financing sources under expenditures		\$ 182,924		\$ (37,453)
Capital outlay		60,228		-
Depreciation		(480)		-
		<u>\$ 242,672</u>		<u>\$ (37,453)</u>

JACKSON COUNTY, NORTH CAROLINASchedule of Revenues, Expenditures and Transfers -- Budget and Actual (Non-GAAP)
Economic Development Commission FundFor the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		Variance Positive (Negative)	2008
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Operating revenues:				
Rents	\$ 58,350	\$ 56,500	\$ (1,850)	\$ 60,817
Miscellaneous	-	-	-	192
Total operating revenues	<u>58,350</u>	<u>56,500</u>	<u>(1,850)</u>	<u>61,009</u>
Other financing sources:				
Transfers in	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>884,267</u>
Total revenues and other financing sources	<u>88,350</u>	<u>86,500</u>	<u>(1,850)</u>	<u>945,276</u>
Expenditures:				
Park operations:				
Operating	63,490	1,887	61,603	4,194
Property tax	-	-	-	35,684
Insurance	15,000	-	15,000	1,438
Property	-	-	-	941,226
Plant Fees	<u>9,860</u>	<u>8,810</u>	<u>1,050</u>	<u>8,285</u>
Total	<u>88,350</u>	<u>10,697</u>	<u>77,653</u>	<u>990,827</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 75,803</u>	<u>\$ 75,803</u>	<u>\$ (45,551)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Revenues and other financing sources over (under) expenditures		\$ 75,803		\$ (45,551)
Capital outlay		-		941,226
Depreciation		<u>(18,825)</u>		<u>(18,825)</u>
		<u>\$ 56,978</u>		<u>\$ 876,850</u>

TRAVEL AND TOURISM AUTHORITY BUDGET REPORTS

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

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

JACKSON COUNTY, NORTH CAROLINA
Jackson County Travel and Tourism Authority

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>		Variance Positive (Negative)	<u>2008</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Other taxes:				
Room occupancy tax	\$ 252,125	\$ 252,123	\$ (2)	\$ 313,765
Investment earnings	2,334	543	(1,791)	4,428
Miscellaneous	-	-	-	4,176
Total revenues	<u>254,459</u>	<u>252,666</u>	<u>(1,793)</u>	<u>322,369</u>
Expenditures:				
Economic and physical development:				
Operating expenditures	285,763	270,961	14,802	309,045
Capital outlay	700	357	343	818
Total expenditures	<u>286,463</u>	<u>271,318</u>	<u>15,145</u>	<u>309,863</u>
Revenues under expenditures	(32,004)	(18,652)	13,352	12,506
Other financing sources (uses):				
Appropriated fund balance	<u>32,004</u>	-	<u>(32,004)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(18,652)	<u>\$ (18,652)</u>	12,506
Fund balance:				
Beginning of year, July 1		<u>204,554</u>		<u>192,048</u>
End of year, June 30		<u>\$ 185,902</u>		<u>\$ 204,554</u>

JACKSON COUNTY, NORTH CAROLINA
Cashiers Area Travel and Tourism Authority

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

For the Fiscal Year Ended June 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>			<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Other taxes:				
Room occupancy tax	\$ 186,919	\$ 186,916	\$ (3)	\$ 201,040
Investment earnings	412	411	(1)	3,483
Total revenues	<u>187,331</u>	<u>187,327</u>	<u>(4)</u>	<u>204,523</u>
Expenditures:				
Economic and physical development:				
Operating expenditures	<u>187,331</u>	<u>158,781</u>	<u>28,550</u>	<u>181,962</u>
Net change in fund balance	<u>\$ -</u>	<u>28,546</u>	<u>\$ 28,546</u>	<u>22,561</u>
Fund balance:				
Beginning of year, July 1		<u>36,908</u>		<u>14,347</u>
End of year, June 30		<u>\$ 65,454</u>		<u>\$ 36,908</u>

AGENCY FUNDS

Agency Funds are used to account for the assets held by the County as an agent for individuals, private organizations, and/or other government entities.

JACKSON COUNTY, NORTH CAROLINA
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2009

	Balance July 1, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2009</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 65,177	\$ 340,107	\$ 366,478	\$ 38,806
Liabilities:				
Amounts held for others	\$ 65,177	\$ 340,107	\$ 366,478	\$ 38,806
Property Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 29,006	\$ 373,937	\$ 391,225	\$ 11,718
Liabilities:				
Amounts held for others	\$ 29,006	\$ 373,937	\$ 391,225	\$ 11,718
State of North Carolina Fund:				
Assets:				
Cash and cash equivalents	\$ 30,600	\$ 352,220	\$ 354,618	\$ 28,202
Liabilities:				
Amounts held for others	\$ 30,600	\$ 352,220	\$ 354,618	\$ 28,202
Extension Agency Fund				
Assets:				
Cash and cash equivalents	\$ 57,690	\$ 3,677	\$ 4,999	\$ 56,368
Accounts receivable	105	10	105	10
Total assets	\$ 57,795	\$ 3,687	\$ 5,104	\$ 56,378
Liabilities:				
Amounts held for others	\$ 57,795	\$ 3,687	\$ 5,104	\$ 56,378

(continued)

JACKSON COUNTY, NORTH CAROLINA
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2009

	Balance July 1, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2009</u>
Community Health Link Fund				
Assets:				
Cash and cash equivalents	\$ 92,573	\$ 458,849	\$ 467,224	\$ 84,198
Accounts receivable	31,937	110,476	129,840	12,573
	<u>\$ 124,510</u>	<u>\$ 569,325</u>	<u>\$ 597,064</u>	<u>\$ 96,771</u>
Total assets				
Liabilities:				
Amounts due to others	\$ 109,731	\$ 569,325	\$ 582,285	\$ 96,771
Amount due to General Fund	14,779	-	14,779	-
	<u>\$ 124,510</u>	<u>\$ 569,325</u>	<u>\$ 597,064</u>	<u>\$ 96,771</u>
Total liabilities				
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 1,072	\$ 18,706	\$ 18,081	\$ 1,697
Liabilities:				
Due to State of North Carolina	\$ 1,072	\$ 18,706	\$ 18,081	\$ 1,697
Airport Authority				
Assets:				
Cash and cash equivalents	\$ -	\$ 672,018	\$ 670,644	\$ 1,374
Accounts receivable	184,214	170,943	194,759	160,398
	<u>\$ 184,214</u>	<u>\$ 842,961</u>	<u>\$ 865,403</u>	<u>\$ 161,772</u>
Total assets				
Liabilities:				
Amounts due to others	\$ 83,746	\$ 718,767	\$ 640,741	\$ 161,772
Amounts due to General Fund	100,468	124,194	224,662	-
	<u>\$ 184,214</u>	<u>\$ 842,961</u>	<u>\$ 865,403</u>	<u>\$ 161,772</u>
Total liabilities				

(continued)

JACKSON COUNTY, NORTH CAROLINA
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2009

	Balance July 1, <u>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2009</u>
Totals--all Agency Funds				
Assets:				
Cash and cash equivalents	\$ 276,118	\$ 2,219,514	\$ 2,273,269	\$ 222,363
Accounts receivable	216,256	281,429	324,704	172,981
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 492,374</u>	<u>\$ 2,500,943</u>	<u>\$ 2,597,973</u>	<u>\$ 395,344</u>
Liabilities:				
Amounts held for others	\$ 376,055	\$ 2,358,043	\$ 2,340,451	\$ 393,647
Intergovernmental payable	116,319	142,900	257,522	1,697
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 492,374</u>	<u>\$ 2,500,943</u>	<u>\$ 2,597,973</u>	<u>\$ 395,344</u>

OTHER SCHEDULES

This section included additional information on property taxes.

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

JACKSON COUNTY, NORTH CAROLINA

**General Fund
Schedule of Ad Valorem Taxes Receivable**

June 30, 2009

Fiscal Year	Uncollected Balance June 30, 2008	Additions	Collections And Credits	Uncollected Balance June 30, 2009
2008-2009	\$ -	\$ 30,408,231	\$ 28,936,305	\$ 1,471,926
2007-2008	925,277	-	457,895	467,382
2006-2007	312,564	-	102,094	210,470
2005-2006	170,519	-	40,867	129,652
2004-2005	124,790	-	22,529	102,261
2003-2004	115,774	-	18,201	97,573
2002-2003	96,680	-	11,311	85,369
2001-2002	78,736	-	7,266	71,470
2000-2001	81,261	-	5,288	75,973
1999-2000	54,099	-	3,317	50,782
1998-1999	49,555	-	49,555	-
	<u>\$ 2,009,255</u>	<u>\$ 30,408,231</u>	<u>\$ 29,654,628</u>	<u>2,762,858</u>
				Less: allowance for uncollectible accounts: <u>(900,000)</u>
				Ad valorem taxes receivable - net:
				General Fund <u>\$ 1,862,858</u>
				Reconciliation with revenues:
				Ad valorem taxes - General Fund \$ 29,870,322
				Reconciling items:
				Interest collected (253,024)
				Rental vehicle tax (13,342)
				Amounts written off for tax year 1998-1999 47,145
				Other taxes written off 20,245
				Collection on taxes previously written off (6,046)
				Prior year releases, refunds and other adjustments 23,133
				DMV interest (17,396)
				Other miscellaneous reconciling items (10,854)
				Collection fees <u>(5,555)</u>
				Total reconciling items <u>(215,694)</u>
				Total collections and credits <u>\$ 29,654,628</u>

JACKSON COUNTY, NORTH CAROLINA

Analysis of Current Tax Levy
County - wide Levy

For the Fiscal Year Ended June 30, 2009

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 10,721,579,286	0.28	\$ 30,020,422	\$ 29,109,719	\$ 910,703
Utilities at current year's rate	127,606,786	0.28	357,299	357,299	-
Total	<u>10,849,186,072</u>		<u>30,377,721</u>	<u>29,467,018</u>	<u>910,703</u>
Discoveries:					
Current year taxes	34,752,500	0.28	97,307	97,307	-
Abatements	<u>(23,856,071)</u>	0.28	<u>(66,797)</u>	<u>(52,085)</u>	<u>(14,712)</u>
Total property valuation	<u><u>\$ 10,860,082,501</u></u>				
Net levy			30,408,231	29,512,240	895,991
Uncollected taxes at June 30, 2009			<u>1,471,926</u>	<u>1,355,387</u>	<u>116,539</u>
Current year's taxes collected			<u>\$ 28,936,305</u>	<u>\$ 28,156,853</u>	<u>\$ 779,452</u>
Current levy collection percentage			<u>95.16%</u>	<u>95.41%</u>	<u>86.99%</u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Balance Sheet

For the Year Ended June 30, 2009

Line Item Number	Account Descriptions	Section 8 14.871
	Assets:	
	Current assets:	
	Cash:	
113	Cash-other restricted	\$ 107,456
100	Total cash	<u>107,456</u>
124	Accounts receivable-other government	27,077
	Total receivables, net of allowance for doubtful accounts	<u>27,077</u>
150	Total current assets	<u>134,533</u>
190	Total assets	<u><u>\$ 134,533</u></u>
	Liabilities and equity:	
	Liabilities:	
	Current liabilities:	
312	Accounts payable - >/= 90 days	\$ 1,073
300	Total liabilities	<u>1,073</u>
	Equity:	
509.2	Fund balance reserved	133,460
513	Total net assets	<u>133,460</u>
600	Total liabilities and net assets	<u><u>\$ 134,533</u></u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses

For the Year Ended June 30, 2009

Line Item Number	Account Descriptions	Section 8 14.871
	Revenue:	
70600-010	Housing assistance payments	\$ 1,225,885
70600-020	Ongoing administrative fees earned	183,007
70600	Total HUD PHA operating grants	<u>1,408,892</u>
7100	Investment income--unrestricted	2,420
71400-010	Housing assistance payment	2,105
71400	Fraud recovery	<u>1,790</u>
70000	Total revenue	<u><u>\$ 1,415,207</u></u>
	Expenses:	
91100	Administrative salaries	\$ 146,908
91200	Auditing fees	3,915
91500	Employee benefit contributions--administrative	53,093
91600	Office expenses	12,193
91800	Travel	3,306
91000	Total operating--administrative	<u>219,415</u>
96900	Total operating expenses	<u>219,415</u>
97000	Excess revenue over operating expenses	<u>1,195,792</u>
97300	Housing assistance payments	1,299,214
90000	Total expenses	<u>1,518,629</u>
10010	Operating transfers in	<u>27,077</u>
10100	Total other financing sources	<u>27,077</u>
10000	Excess (deficiency) of revenue over (under) expenses	<u><u>\$ (76,345)</u></u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses

For the Year Ended June 30, 2009

Line Item Number	Account Descriptions	Section 8 14.871
MEMO: Account information		
11190-210	Total ACC HCV Units	3,888
11190	Unit Months Available	3,888
11210	Unit Months Leased	3,877