

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

Financial Statements

June 30, 2011

(with Independent Auditors' Report thereon)

JACKSON COUNTY, NORTH CAROLINA
Sylva, North Carolina

Board of County Commissioners

June 30, 2011

Board of County Commissioners

Walter J. Debnam, Chairperson
Douglas L. Cody
Joe Cowan
Charles R. Elders
Mark R. Jones

County Manager

Chuck Wooten

JACKSON COUNTY, NORTH CAROLINA

Table of Contents

June 30, 2011

Exhibits

Page(s)

FINANCIAL SECTION:

Independent Auditors' Report..... 1-2

Management's Discussion and Analysis 3-12

Basic Financial Statements:

Government-wide Financial Statements:

"1" Statement of Net Assets 13

"2" Statement of Activities 14-15

Fund Financial Statements:

"3" Balance Sheet--Governmental Funds..... 16-17

"4" Statement of Revenues, Expenditures, and Changes in
Fund Balances--Governmental Funds 18-19

"5" Statement of Revenues, Expenditures, and Changes in
Fund Balance--Budget and Actual--General Fund 20-21

"6" Statement of Fund Net Assets--Proprietary Funds 22

"7" Statement of Revenues, Expenses, and Changes in Fund
Net Assets--Proprietary Funds 23

"8" Statement of Cash Flows--Proprietary Funds 24

"9" Statement of Fiduciary Assets--Fiduciary Funds..... 25

Notes to the Financial Statements 26-59

Schedules

Required Supplemental Financial Data:

"A-1" Law Enforcement Officers' Special Separation Allowance--
Schedule of Funding Progress..... 60

"A-2" Law Enforcement Officers' Special Separation Allowance--
Schedule of Employer Contributions..... 61

"A-3" Other Post-employment Benefits--Schedule of Funding Progress 62

"A-4" Other Post-employment Benefits--Schedule of Employer
Contributions 63

Combining and Individual Fund Statements and Schedules:

"B-1"	Schedule of Revenues, Expenditures, and Changes in Fund Balances--General Fund--Budget and Actual	64-75
"B-2"	Schedule of Revenues, Expenditures, and Changes in Fund Balances--Revaluation Fund--Budget and Actual	76
"B-3"	Schedule of Revenues, Expenditures, and Changes in Fund Balances--Capital Reserve Fund--Budget and Actual	77
"B-4"	Schedule of Revenues, Expenditures, and Changes in Fund Balances--Conservation/Preservation Fund--Budget and Actual	78
"B-5"	Schedule of Revenues, Expenditures, and Changes in Fund Balances--Recreation Center Fund--Budget and Actual	79
"C-1"	Combining Balance Sheet--Non-major Governmental Funds	80
"C-2"	Combining Balance Sheet--Non-major Special Revenue Funds	81-82
"C-3"	Combining Balance Sheet--Non-major Capital Project Funds	83
"C-4"	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances--Non-major Governmental Funds	84
"C-5"	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances--Non-major Special Revenue Funds	85-86
"C-6"	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances--Non-major Capital Project Funds	87

Schedules of Revenues, Expenditures, and Changes in Fund

Balance--Budget and Actual:

Special Revenue:

"D-1"	Emergency Telephone System Fund	88
"D-2"	Law Enforcement Block Grant Fund	89
"D-3"	Public Housing Agency Fund	90
"D-4"	Community Development Scattered Site Project Fund	91
"D-5"	Clean Water Revolving Loan Fund	92
"D-6"	Economic Development Fund	93
"D-7"	Economic Development Commission Fund	94

Capital Projects:

"E-1"	Early College Building Fund	95
"E-2"	Library Expansion Project Fund	96
"E-3"	Webster Complex Fund	97
"E-4"	School Improvements Fund	98-99
"E-5"	School Capital Reserve Fund	100
"F-1"	Schedule of Revenues, Expenditures, and Transfers-- Budget and Actual (Non-GAAP)--Landfill Fund	101-102
"F-2"	Combining Statement of Fund Net Assets, Non-major Proprietary Funds	103

Schedules	Page(s)
“F-3”	Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets, Non-Major Proprietary Funds 104
“F-4”	Combining Statement of Cash Flows, Non-major Proprietary Funds 105
“F-5”	Schedule of Revenues, Expenditures, and Transfers--Budget and Actual (Non-GAAP)--Green Energy Park Fund..... 106
“F-6”	Schedule of Revenues, Expenditures, and Transfers--Budget and Actual (Non-GAAP)—Economic Development Commission Fund..... 107
“G-1”	Jackson County Travel and Tourism Authority--Schedule of Revenues, Expenditures, and Changes in Fund Balance-- Budget and Actual..... 108
“G-2”	Cashiers Area Travel and Tourism Authority--Schedule of Revenues, Expenditures, and Changes in Fund Balance-- Budget and Actual..... 109
“G-3”	Jackson County Airport Authority-- Schedule of Revenues, Expenditures, and Changes in Fund Balance-- Budget and Actual..... 110
“H”	Schedule of Changes in Fiduciary Assets and Liabilities..... 111-112
Other Schedules:	
“I-1”	Schedule of Ad Valorem Taxes Receivable 113
“I-2”	Analysis of Current Tax Levy--County-Wide Levy 114
“I-3”	Financial Data Schedule..... 115-117

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jackson County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 8 to the financial statements, the County reclassified beginning net assets in the Governmental Activities by excluding the Jackson

Independent Auditors' Report
Page Two

County Airport Authority, and reporting it as a discretely presented component unit. The County also adopted GASB Statement No. 54.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2011, on our consideration of Jackson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Jackson County, North Carolina. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the financial data schedule as required by the U.S. Department of Housing and Urban Development, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information for the year ended June 30, 2011, 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 15, 2011

Dixon Hughes Goodman LLP

JACKSON COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2011

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, 2011. 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.

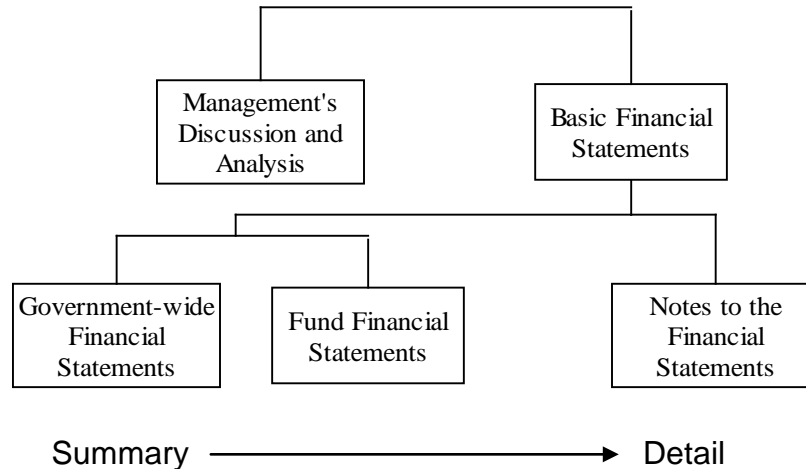
Financial Highlights

- The assets of Jackson County exceeded its liabilities at the close of the fiscal year by \$51,227,357 (*net assets*).
- The government's total net assets increased by \$1,569,408, 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 \$28,655,664, a decrease of \$3,500,206 in comparison with the prior year. Forty-four percent of this total amount, or \$12,519,266, is available for spending at the government's discretion (*unassigned fund balance*.)
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,519,266, or 23 percent of total general fund expenditures for the fiscal year.
- Jackson County's governmental activities long-term debt (excluding compensated absences and net OPEB obligation) decreased by \$5,170,818 during the current fiscal year. This is due repayment of notes payable. No additional debt was issued for capital projects.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jackson County has six fiduciary funds, all of which are agency funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on Page 26 of this report.

Government-Wide Financial Analysis**Jackson County's Net Assets
Figure 2**

	2011			2010		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 36,080,756	\$ 876,108	\$ 36,956,864	\$ 39,803,676	\$ 1,104,528	\$ 40,908,204
Capital assets	63,612,063	6,567,884	70,179,947	64,664,356	6,196,946	70,861,302
Total assets	<u>99,692,819</u>	<u>7,443,992</u>	<u>107,136,811</u>	<u>104,468,032</u>	<u>7,301,474</u>	<u>111,769,506</u>
Long-term liabilities outstanding	46,550,640	3,459,793	50,010,433	48,162,197	3,526,492	51,688,689
Other liabilities	4,213,169	1,685,852	5,899,021	4,435,852	991,253	5,427,105
Total liabilities	<u>50,763,809</u>	<u>5,145,645</u>	<u>55,909,454</u>	<u>52,598,049</u>	<u>4,517,745</u>	<u>57,115,794</u>
Net assets:						
Invested in capital assets, net of related debt	42,295,658	3,495,655	45,791,313	45,254,870	2,962,715	48,217,585
Restricted	6,369,827	-	6,369,827	9,582,914	-	9,582,914
Unrestricted	<u>263,525</u>	<u>(1,197,308)</u>	<u>(933,783)</u>	<u>(2,967,801)</u>	<u>(178,986)</u>	<u>(3,146,787)</u>
Total net assets	<u>\$ 48,929,010</u>	<u>\$ 2,298,347</u>	<u>\$ 51,227,357</u>	<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</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 \$51,227,357 as of June 30, 2011. The County's net assets increased by \$1,569,408 for the fiscal year ended June 30, 2011, of which \$2,054,790 was for governmental activities and \$(485,382) was for business-type activities. One of the largest portions of net assets (90 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 (approximately 12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(933,783) 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 95.11, slightly below the Statewide average of 95.64 percent for counties in the 25,000 – 49,999 population range;
- Increased revenue in property taxes due to growth within the County.

Jackson County's Changes in Net Assets

Figure 3

	2011			2010		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,808,687	\$ 3,195,209	\$ 5,003,896	\$ 1,806,261	\$ 3,171,284	\$ 4,977,545
Operating grants and contributions	8,773,594	116,630	8,890,224	8,525,266	14,773	8,540,039
Capital grants and contributions	467,129	-	467,129	685,888	-	685,888
General revenues:						
Property taxes	31,875,469	-	31,875,469	31,664,156	-	31,664,156
Other taxes	8,521,638	83,223	8,604,861	8,257,371	11,955	8,269,326
Grants and contributions not restricted to specific programs	150,139	-	150,139	220,369	-	220,369
Other	1,164,276	24,361	1,188,637	995,045	19,568	1,014,613
Total revenues	<u>52,760,932</u>	<u>3,419,423</u>	<u>56,180,355</u>	<u>52,154,356</u>	<u>3,217,580</u>	<u>55,371,936</u>
Expenses:						
General government	8,074,428	-	8,074,428	7,207,903	-	7,207,903
Public safety	11,585,542	-	11,585,542	11,182,333	-	11,182,333
Transportation	715,337	-	715,337	689,348	-	689,348
Environmental protection	751,138	-	751,138	907,711	-	907,711
Economic and physical development	1,833,388	-	1,833,388	1,741,665	-	1,741,665
Human services	14,225,332	-	14,225,332	15,589,517	-	15,589,517
Culture and recreation	1,964,393	-	1,964,393	2,265,238	-	2,265,238
Education	9,723,047	-	9,723,047	9,780,240	-	9,780,240
Interest on long-term debt	1,582,963	-	1,582,963	1,789,870	-	1,789,870
Landfill	-	3,904,305	3,904,305	-	3,036,884	3,036,884
Green Energy Park	-	202,104	202,104	-	283,709	283,709
Economic Development Commission	-	48,970	48,970	-	50,314	50,314
Total expenses	<u>50,455,568</u>	<u>4,155,379</u>	<u>54,610,947</u>	<u>51,153,825</u>	<u>3,370,907</u>	<u>54,524,732</u>
Increase in net assets before transfers	2,305,364	(735,956)	1,569,408	1,000,531	(153,327)	847,204
Transfers	(250,574)	250,574	-	(794,530)	794,530	-
Increase in net assets	2,054,790	(485,382)	1,569,408	206,001	641,203	847,204
Net assets, July 1	51,869,983	2,783,729	54,653,712	47,004,634	2,142,526	49,147,160
Adjustments	(4,995,763)	-	(4,995,763)	4,659,348	-	4,659,348
Net assets, June 30	<u>\$48,929,010</u>	<u>\$ 2,298,347</u>	<u>\$ 51,227,357</u>	<u>\$ 51,869,983</u>	<u>\$ 2,783,729</u>	<u>\$ 54,653,712</u>

Governmental Activities - Governmental activities increased the County's net assets by \$2,054,790, thereby accounting for 131 percent of the total growth in the net assets of Jackson County. Key elements of this increase are as follows:

- Solicitation of additional grant revenues;
- Increase in property values, tax audits, and review of management plans;
- Increase in County's tax collection rate;
- Increase in County's delinquent tax collections.

Business-Type Activities - Business-type activities decreased Jackson County's net assets by \$485,382, accounting for 31percent of the total loss in the government's net assets. The key element of this decrease was the Solid Waste 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, unassigned fund balance of the General Fund was \$12,519,266, while total fund balance reached \$21,131,493. As a measure of the General Fund's liquidity, it may be useful to use all fund balance except for the amount restricted for stabilization by State statute, \$3,316,098. Fund balance available for appropriation of \$17,815,395 represents 33 percent of total General Fund expenditures and transfers out, while total fund balance represents 39 percent of that same amount.

At June 30, 2011, the governmental funds of Jackson County reported a combined fund balance of \$28,655,664. The primary reason for this decrease in fund balance is additional funding for capital projects and decreases in revenues.

General Fund Budgetary Highlights - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund increased revenues by \$1,290,095.

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 \$2,298,347. The total decrease in net assets for the funds was \$485,382. 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, 2011, totals \$70,179,947 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchased an Energylogic waste oil furnace for the Garage
- Purchased a Kubota tractor and a Turfcut mower for the Grounds Department
- Purchased ten new vehicles for the Sheriff's Department
- Purchased a 4x4 vehicle for Emergency Management
- Purchased a Zetron Phone System for Emergency Telephone
- Purchased two new vans for the Transportation Department
- Purchased a Dell Rack Chassis and four Trimble Submeters for the Health Department
- Purchased a R710 Poweredge Computer for the Department of Social Services
- Purchased 14 acres of land for Greenways, constructed a concession stand, and made improvements to Andrews Park and Judaculla Rock for the Recreation Department
- Addition of construction in progress on the Webster Complex, Jackson Library, Cashiers Recreation, Mark Watson Park, and School Improvements Projects

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

	2011			2010		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Land	\$ 12,366,389	\$ 182,414	\$ 12,548,803	\$ 16,952,812	\$ 182,414	\$ 17,135,226
Buildings and system	38,048,907	6,168,314	44,217,221	30,486,090	2,334,504	32,820,594
Machinery and equipment	1,236,142	217,156	1,453,298	1,244,941	249,656	1,494,597
Vehicles and motorized equipment	1,275,674	-	1,275,674	1,270,436	-	1,270,436
Construction in progress	10,684,951	-	10,684,951	14,710,077	3,430,372	18,140,449
Total	<u>\$ 63,612,063</u>	<u>\$ 6,567,884</u>	<u>\$ 70,179,947</u>	<u>\$ 64,664,356</u>	<u>\$ 6,196,946</u>	<u>\$ 70,861,302</u>

Additional information on the County's capital assets can be found in Note 2 of the Basic Financial Statements.

Long-Term Debt - As of June 30, 2011, Jackson County had total debt outstanding of \$50,010,433, most of which is collateralized by capital assets. However, \$10,924,583 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

	2011			2010		
	<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	\$ 34,635,092	\$ 3,072,229	\$ 37,707,321	\$ 39,805,910	\$ 3,234,231	\$43,040,141

Jackson County's debt, shown above, decreased by \$5,332,820 (12.4 percent) during the past fiscal year. The decrease is due to 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 \$848,000,000.

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

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate is 9.1 percent, lower than the State average of 10.4 percent.
- Retail vacancy rates are slightly lower, having stayed in the 10-15 percent range all year. The County realized a 7.8% increase in room occupancy tax fees.

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities: Property taxes and revenues for permits and fees are projected to be lower. Adjustments have been made to programs that are currently in place.

Budgeted expenditures in the General Fund are expected to decrease 3.15 percent to \$49,680,895. The largest increments are in the elimination of five and one-half employee positions, reduction of the Capital Reserve, Community Development transfers and reduced operational expenses.

Business-type Activities: General operating expenses of the Solid Waste Fund will increase by 1.16 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. The Green Energy Park Fund will decrease by 38% due to decreased grants, position elimination and decreased operational transfers. The Economic Development fund will decrease by 89% due capital improvements being completed.

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, 2011

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Jackson County Travel and Tourism Authority	Cashiers Area Travel and Tourism Authority	Jackson County Airport Authority
Assets:						
Cash and cash equivalents	\$ 26,697,433	\$ 312,457	\$ 27,009,890	\$ 123,841	\$ 87,696	\$ 2,972
Taxes receivable, net	2,838,460	-	2,838,460	-	-	-
Accounts receivable, net	252,616	520,764	773,380	31,429	23,653	169,102
Accrued interest receivable	307,433	25,187	332,620	-	-	-
Internal balances	31,000	(31,000)	-	-	-	-
Due from component units	167,678	-	167,678	-	-	-
Due from other governments	2,936,141	48,691	2,984,832	-	-	-
Notes receivable, net	342,811	-	342,811	-	-	-
Inventory	-	-	-	-	-	13,011
Restricted cash and cash equivalents	2,507,184	9	2,507,193	-	-	-
Capital assets:						
Land and construction in progress	23,051,340	182,414	23,233,754	-	-	4,818,067
Other capital assets, net of depreciation	40,560,723	6,385,470	46,946,193	-	-	193,315
Total capital assets	63,612,063	6,567,884	70,179,947	-	-	5,011,382
Total assets	99,692,819	7,443,992	107,136,811	155,270	111,349	5,196,467
Liabilities:						
Accounts payable and accrued expenses	3,700,389	160,832	3,861,221	11,013	3,475	449
Unearned revenue	95,027	47	95,074	-	-	-
Accrued interest payable	303,753	28,978	332,731	-	-	-
Due to primary government	-	-	-	22,080	15,634	129,964
Deposits held for others	114,000	-	114,000	-	-	-
Accrued landfill closure and post- closure care costs	-	1,495,995	1,495,995	-	-	-
Long-term liabilities:						
Due within one year	4,864,473	169,422	5,033,895	-	-	-
Due in more than one year	41,686,167	3,290,371	44,976,538	-	-	-
Total liabilities	50,763,809	5,145,645	55,909,454	33,093	19,109	130,413
Net assets:						
Invested in capital assets, net of related debt	42,295,658	3,495,655	45,791,313	-	-	5,011,382
Restricted for:						
Stabilization by State Statute	3,385,282	-	3,385,282	-	-	-
Revaluation	110,009	-	110,009	-	-	-
Register of Deeds	107,304	-	107,304	-	-	-
Housing	63,849	-	63,849	-	-	-
Education	2,703,383	-	2,703,383	-	-	-
Unrestricted (deficit)	263,525	(1,197,308)	(933,783)	122,177	92,240	92,810
Total net assets	\$ 48,929,010	\$ 2,298,347	\$ 51,227,357	\$ 122,177	\$ 92,240	\$ 5,104,192

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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,074,428	\$ 301,989	\$ -	\$ -
Public safety	11,585,542	466,980	925,821	83,488
Transportation	715,337	122,941	368,050	157,196
Environmental protection	751,138	98,469	26,875	3,960
Economic and physical development	1,833,388	83,462	-	-
Human services	14,225,332	402,133	7,328,229	-
Cultural and recreation	1,964,393	332,713	-	222,485
Education	9,723,047	-	124,619	-
Interest on long-term debt	1,582,963	-	-	-
Total governmental activities	<u>50,455,568</u>	<u>1,808,687</u>	<u>8,773,594</u>	<u>467,129</u>
Business-type activities:				
Landfill	3,904,305	3,113,103	11,120	-
Green Energy Park	202,104	20,888	105,510	-
Economic Development Commission	48,970	61,218	-	-
Total business-type activities	<u>4,155,379</u>	<u>3,195,209</u>	<u>116,630</u>	<u>-</u>
Total government-wide	<u>\$ 54,610,947</u>	<u>\$ 5,003,896</u>	<u>\$ 8,890,224</u>	<u>\$ 467,129</u>
Component units:				
Jackson County Travel and Tourism	\$ 285,078	\$ -	\$ -	\$ -
Cashiers Area Travel and Tourism	172,306	-	-	-
Jackson County Airport Authority	27,851	43,277	31,000	48,371
Total component units	<u>\$ 485,235</u>	<u>\$ 43,277</u>	<u>\$ 31,000</u>	<u>\$ 48,371</u>
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, as reclassified (Note 8)				
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	Jackson County Airport Authority
\$ (7,772,439)	\$ -	\$ (7,772,439)			
(10,109,253)	-	(10,109,253)			
(67,150)	-	(67,150)			
(621,834)	-	(621,834)			
(1,749,926)	-	(1,749,926)			
(6,494,970)	-	(6,494,970)			
(1,409,195)	-	(1,409,195)			
(9,598,428)	-	(9,598,428)			
(1,582,963)	-	(1,582,963)			
<u>(39,406,158)</u>	<u>-</u>	<u>(39,406,158)</u>			
-	(780,082)	(780,082)			
-	(75,706)	(75,706)			
-	12,248	12,248			
<u>-</u>	<u>(843,540)</u>	<u>(843,540)</u>			
<u>(39,406,158)</u>	<u>(843,540)</u>	<u>(40,249,698)</u>			
			\$ (285,078)	\$ -	\$ -
			-	(172,306)	-
			<u>-</u>	<u>-</u>	<u>94,797</u>
			<u>(285,078)</u>	<u>(172,306)</u>	<u>94,797</u>
31,875,469	-	31,875,469	-	-	-
7,397,057	-	7,397,057	-	-	-
1,124,581	83,223	1,207,804	248,406	199,768	-
150,139	-	150,139	-	-	-
66,245	16,861	83,106	-	-	-
1,098,031	7,500	1,105,531	-	-	13,632
(250,574)	250,574	-	-	-	-
<u>41,460,948</u>	<u>358,158</u>	<u>41,819,106</u>	<u>248,406</u>	<u>199,768</u>	<u>13,632</u>
2,054,790	(485,382)	1,569,408	(36,672)	27,462	108,429
46,874,220	2,783,729	49,657,949	158,849	64,778	4,995,763
<u>\$ 48,929,010</u>	<u>\$ 2,298,347</u>	<u>\$ 51,227,357</u>	<u>\$ 122,177</u>	<u>\$ 92,240</u>	<u>\$ 5,104,192</u>

JACKSON COUNTY, NORTH CAROLINA

**Balance Sheet
Governmental Funds**

June 30, 2011

	Major Funds			Other Non-major Governmental Funds	Total Governmental Funds
	General Fund	Recreation Center Fund			
Assets:					
Cash and cash equivalents	\$ 18,851,325	\$ 5,501,466	\$ 2,344,642	\$ 26,697,433	
Taxes receivable, net	2,838,460	-	-	2,838,460	
Accounts receivable, net	223,481	-	29,135	252,616	
Due from other governments	2,894,642	-	41,499	2,936,141	
Due from other funds	31,000	-	-	31,000	
Due from component units	167,678	-	-	167,678	
Restricted assets-cash and cash equivalents	2,507,184	-	-	2,507,184	
Notes receivable, net	-	-	342,811	342,811	
Total assets	\$ 27,513,770	\$ 5,501,466	\$ 2,758,087	\$ 35,773,323	
Liabilities and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,334,790	\$ -	\$ 196,669	\$ 3,531,459	
Contract retainage	-	128,893	40,037	168,930	
Deferred revenues	2,933,487	-	369,783	3,303,270	
Deposits held for others	114,000	-	-	114,000	
	6,382,277	128,893	606,489	7,117,659	
Fund balances:					
Restricted:					
Stabilization by State Statute	3,316,098	-	69,184	3,385,282	
Register of Deeds	107,304	-	-	107,304	
Education	2,394,104	-	309,279	2,703,383	
Revaluation	110,009	-	-	110,009	
Housing	-	-	63,849	63,849	
Committed:					
Capital reserve	2,002,624	-	-	2,002,624	
Conservation/preservation	426,830	-	-	426,830	
Recreation	-	5,372,573	-	5,372,573	
Various programs and projects	-	-	1,709,286	1,709,286	
Assigned:					
Other post-employment benefits	201,125	-	-	201,125	
LEO Separation Allowance	54,133	-	-	54,133	
Unassigned	12,519,266	-	-	12,519,266	
Total fund balances	21,131,493	5,372,573	2,151,598	28,655,664	
Total liabilities and fund balances	\$ 27,513,770	\$ 5,501,466	\$ 2,758,087		

(continued)

JACKSON COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2011

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	\$ 63,612,063
Accrued interest receivable	307,433

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

Notes receivable	342,811
Liabilities for earned but deferred revenues in fund statements	2,865,432

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

Accrued interest payable	(303,753)
Compensated absences	(1,330,402)
Net pension obligation	(301,024)
Net OPEB obligation	(10,284,122)
Long-term obligations	<u>(34,635,092)</u>

Net assets of governmental activities	<u>\$ 48,929,010</u>
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The notes to the basic financial statements are an integral part of this statement.

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Recreation</u>	<u>Non-major</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Center</u>	<u>Governmental</u>	<u>Funds</u>
		<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Revenues:				
Ad valorem taxes	\$ 31,466,196	\$ -	\$ -	\$ 31,466,196
Other taxes	7,975,515	-	-	7,975,515
Unrestricted intergovernmental	336,018	-	-	336,018
Restricted intergovernmental	6,918,755	201,159	2,524,834	9,644,748
Other restricted revenues	122,941	-	-	122,941
Permits and fees	1,426,855	-	-	1,426,855
Sales and services	577,373	-	-	577,373
Investment earnings	51,033	66	15,146	66,245
Miscellaneous	1,089,809	-	-	1,089,809
Total revenues	<u>49,964,495</u>	<u>201,225</u>	<u>2,539,980</u>	<u>52,705,700</u>
Expenditures:				
Current:				
General government	6,760,648	-	-	6,760,648
Public safety	9,897,821	-	614,727	10,512,548
Transportation	714,648	-	-	714,648
Environmental protection	751,138	-	-	751,138
Economic and physical development	1,010,808	-	620,387	1,631,195
Human services	11,076,281	-	1,922,324	12,998,605
Culture and recreation	2,122,962	963,945	3,007,950	6,094,857
Intergovernmental:				
Education	8,876,627	-	846,420	9,723,047
Debt service:				
Principal retirement	5,170,819	-	-	5,170,819
Interest and other charges	1,614,714	-	-	1,614,714
Total expenditures	<u>47,996,466</u>	<u>963,945</u>	<u>7,011,808</u>	<u>55,972,219</u>
Revenues over (under) expenditures	<u>1,968,029</u>	<u>(762,720)</u>	<u>(4,471,828)</u>	<u>(3,266,519)</u>
Other financing sources (uses):				
Transfers from other funds	-	5,374,125	1,190,552	6,564,677
Transfers to other funds	(6,573,763)	-	(241,489)	(6,815,252)
Proceeds from sale of capital assets	16,888	-	-	16,888
Total other financing sources (uses)	<u>(6,556,875)</u>	<u>5,374,125</u>	<u>949,063</u>	<u>(233,687)</u>
Net change in fund balances	<u>(4,588,846)</u>	<u>4,611,405</u>	<u>(3,522,765)</u>	<u>(3,500,206)</u>
Beginning of year, July 1, as restated (Note 8)	<u>25,720,339</u>	<u>761,168</u>	<u>5,674,363</u>	<u>32,155,870</u>
End of year, June 30	<u>\$ 21,131,493</u>	<u>\$ 5,372,573</u>	<u>\$ 2,151,598</u>	<u>\$ 28,655,664</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, 2011

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

Net changes in fund balances--total governmental funds	\$ (3,500,206)
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	5,528,338
Depreciation	(1,593,627)

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	409,273
Payments received and increase in allowance on notes receivable	(432,297)

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:

Repayments	5,170,818
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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	8,365
Net OPEB obligation	(3,488,256)
Net pension obligation	(79,370)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	31,752

Total changes in net assets of governmental activities	<u>\$ 2,054,790</u>
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The notes to the basic financial statements are an integral part of this statement.

JACKSON COUNTY, NORTH CAROLINA

**Statement of Revenues, Expenditures, and Changes in Fund Balance--
Budget and Actual--General Fund**

For the Fiscal Year Ended June 30, 2011

	General Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 31,452,997	\$ 31,725,243	\$ 31,466,196	\$ (259,047)
Other taxes	8,168,374	7,925,965	7,975,515	49,550
Unrestricted intergovernmental	244,872	336,021	336,018	(3)
Restricted intergovernmental	6,651,540	7,702,005	6,918,755	(783,250)
Other restricted revenues	85,871	123,230	122,941	(289)
Permits and fees	1,760,333	1,596,603	1,426,855	(169,748)
Sales and services	689,285	696,348	577,373	(118,975)
Investment earnings	105,000	45,665	46,790	1,125
Miscellaneous	902,853	1,200,140	1,089,809	(110,331)
Total revenues	<u>50,061,125</u>	<u>51,351,220</u>	<u>49,960,252</u>	<u>(1,390,968)</u>
Expenditures:				
Current:				
General government	7,231,733	7,186,209	6,523,271	662,938
Public safety	9,687,080	10,041,317	9,897,821	143,496
Transportation	935,115	974,561	714,648	259,913
Environmental protection	75,645	75,645	66,392	9,253
Economic and physical development	1,097,323	1,132,968	1,010,808	122,160
Human services	11,272,710	12,093,698	11,076,281	1,017,417
Culture and recreation	2,167,363	2,283,643	2,122,962	160,681
Intergovernmental:				
Education	8,863,127	8,876,627	8,876,627	-
Debt service:				
Principal retirement	5,170,825	5,170,825	5,170,819	6
Interest and other charges	1,614,722	1,614,722	1,614,714	8
Total expenditures	<u>48,115,643</u>	<u>49,450,214</u>	<u>47,074,343</u>	<u>2,375,871</u>
Revenues over (under) expenditures	<u>1,945,482</u>	<u>1,901,005</u>	<u>2,885,909</u>	<u>984,904</u>
Other financing sources (uses):				
Transfers from other funds	50,000	-	-	-
Transfers to other funds	(1,809,701)	(7,286,399)	(7,286,398)	1
Proceeds from sale of capital assets	11,000	16,888	16,888	-
Appropriated fund balance	-	5,546,815	-	(5,546,815)
Contingency	(196,781)	(178,310)	-	178,310
Total other financing sources (uses)	<u>(1,945,482)</u>	<u>(1,901,006)</u>	<u>(7,269,510)</u>	<u>(5,368,505)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,383,601)</u>	<u>\$ (4,383,601)</u>
Fund balance:				
Beginning of year, July 1			<u>22,953,568</u>	
End of year, June 30			<u>\$ 18,569,967</u>	

(continued)

JACKSON COUNTY, NORTH CAROLINA

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

	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>
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Expenses			\$ (237,377)	
Transfers from the General Fund			250,000	
Beginning Fund Balance			97,694	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenue			4,243	
Expenses			(457,505)	
Transfers from the General Fund			777,250	
Transfers to Library Fund			(281,115)	
Beginning Fund Balance			1,959,751	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Expenses			(227,241)	
Transfers from the General Fund			300,000	
Transfers to the Capital Reserve Fund			(333,500)	
Beginning Fund Balance			709,326	
Fund Balance Ending			<u>\$ 21,131,493</u>	

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

JACKSON COUNTY, NORTH CAROLINA

Statement of Fund Net Assets Proprietary Funds

June 30, 2011

	<u>Major Fund Landfill Fund</u>	<u>Non-major Funds</u>	<u>Total Proprietary Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,504	\$ 308,953	\$ 312,457
Accounts receivable, net	513,626	7,138	520,764
Accrued interest receivable	25,187	-	25,187
Due from other governments	48,691	-	48,691
Restricted assets--cash and cash equivalents	9	-	9
Total current assets	<u>591,017</u>	<u>316,091</u>	<u>907,108</u>
Non-current assets:			
Capital assets, net of depreciation	<u>5,166,287</u>	<u>1,401,597</u>	<u>6,567,884</u>
Total assets	<u>5,757,304</u>	<u>1,717,688</u>	<u>7,474,992</u>
Liabilities:			
Current liabilities:			
Accounts payable	154,766	6,066	160,832
Due to other funds	31,000	-	31,000
Unearned revenue	-	47	47
Accrued interest payable	28,978	-	28,978
Installment purchases, current	169,422	-	169,422
Total current liabilities	<u>384,166</u>	<u>6,113</u>	<u>390,279</u>
Non-current liabilities:			
Installment purchases, non-current	2,902,807	-	2,902,807
Compensated absences	24,177	11,486	35,663
Net OPEB obligation	317,025	34,876	351,901
Accrued landfill closure and post-closure care costs	<u>1,495,995</u>	<u>-</u>	<u>1,495,995</u>
Total non-current liabilities	<u>4,740,004</u>	<u>46,362</u>	<u>4,786,366</u>
Total liabilities	<u>5,124,170</u>	<u>52,475</u>	<u>5,176,645</u>
Net assets:			
Invested in capital assets, net of related debt	2,094,058	1,401,597	3,495,655
Unrestricted	<u>(1,460,924)</u>	<u>263,616</u>	<u>(1,197,308)</u>
Total net assets	<u>\$ 633,134</u>	<u>\$ 1,665,213</u>	<u>\$ 2,298,347</u>

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

JACKSON COUNTY, NORTH CAROLINA**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds**

For the Fiscal Year Ended June 30, 2011

	Major Fund Landfill Fund	Non-major Funds	Total Proprietary Funds
Operating revenues:			
Charges for services	\$ 3,113,103	\$ 82,106	\$ 3,195,209
Operating expenses:			
Landfill operations, closure and post-closure care costs	3,601,838	-	3,601,838
Park operations	-	198,455	198,455
Economic development operations	-	29,316	29,316
Depreciation	158,094	23,303	181,397
Total operating expenses	3,759,932	251,074	4,011,006
Operating loss	(646,829)	(168,968)	(815,797)
Non-operating revenues (expenses):			
Interest and investment revenues	16,861	-	16,861
Golden LEAF Foundation grant	-	85,000	85,000
Conservation Fund grant	-	20,000	20,000
Donations	-	510	510
Scrap tire tax	69,201	-	69,201
White goods tax	11,286	-	11,286
Electronics tax	2,736	-	2,736
Recycling assistance grant	11,120	-	11,120
Interest expense	(144,373)	-	(144,373)
Gain on sale of capital assets	-	7,500	7,500
Total non-operating revenue (expenses)	(33,169)	113,010	79,841
Loss before transfers	(679,998)	(55,958)	(735,956)
Transfers from other funds	-	250,574	250,574
Change in net assets	(679,998)	194,616	(485,382)
Net assets:			
Beginning of year, July 1	1,313,132	1,470,597	2,783,729
End of year, June 30	\$ 633,134	\$ 1,665,213	\$ 2,298,347

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, 2011

	<u>Major Fund</u> <u>Landfill</u> <u>Fund</u>	<u>Non-major</u> <u>Funds</u>	<u>Total</u> <u>Proprietary</u> <u>Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 3,068,618	\$ 80,629	\$ 3,149,247
Cash paid for goods and services	(2,311,125)	(121,390)	(2,432,515)
Cash paid to employees for services	(499,103)	(107,765)	(606,868)
Net cash provided (used) by operating activities	<u>258,390</u>	<u>(148,526)</u>	<u>109,864</u>
Cash flows from non-capital financing activities:			
Other taxes	74,740	-	74,740
Grants and donations	11,120	105,510	116,630
Transfers from other funds	-	250,574	250,574
Advance paid to other funds	(294,000)	-	(294,000)
Net cash provided (used) by non-capital financing activities	<u>(208,140)</u>	<u>356,084</u>	<u>147,944</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	-	7,500	7,500
Acquisition of capital assets	(119,026)	(433,309)	(552,335)
Principal paid on long-term debt	(162,002)	-	(162,002)
Interest paid on long-term debt	(144,697)	-	(144,697)
Net cash used by capital and related financing activities	<u>(425,725)</u>	<u>(425,809)</u>	<u>(851,534)</u>
Cash flows from investing activities:			
Interest earned on investments	<u>24,019</u>	<u>-</u>	<u>24,019</u>
Net decrease in cash and cash equivalents	(351,456)	(218,251)	(569,707)
Cash and cash equivalents, July 1	<u>354,969</u>	<u>527,204</u>	<u>882,173</u>
Cash and cash equivalents, June 30	<u>\$ 3,513</u>	<u>\$ 308,953</u>	<u>\$ 312,466</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (646,829)	\$ (168,968)	\$ (815,797)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	158,094	23,303	181,397
Changes in assets and liabilities:			
Accounts receivable	(44,485)	(1,477)	(45,962)
Accounts payable and accrued liabilities	(114,179)	(9,340)	(123,519)
Unearned revenue	-	47	47
Compensated absences	(5,349)	(1,004)	(6,353)
Accrued landfill closure and post-closure care costs	818,395	-	818,395
Net OPEB obligation	92,743	8,913	101,656
Net cash provided (used) by operating activities	<u>\$ 258,390</u>	<u>\$ (148,526)</u>	<u>\$ 109,864</u>

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

JACKSON COUNTY, NORTH CAROLINAStatement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2011

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	<u>\$ 232,929</u>
Liabilities:	
Amounts held for others	\$ 231,865
Due to other governments	<u> 1,064</u>
Total liabilities	<u>\$ 232,929</u>

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

NOTES TO FINANCIAL STATEMENTS

JACKSON COUNTY, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies**

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

- A. **Reporting Entity** - The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina 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 three 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 "JCTTA") 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 JCTTA, and appoints members to complete unexpired terms. The Board

adopts a budget to be used by the JCTTA and approves amendments to the approved budget. The JCTTA does not issue separate financial statements.

Cashiers Area Travel and Tourism Authority. The Cashiers Area Travel and Tourism Authority (the “CATT”) 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 CATT, and appoints members to complete unexpired terms. The Board adopts a budget to be used by the CATT and approves amendments to the approved budget. The CATT does not issue separate financial statements.

Jackson County Airport Authority. The Jackson County Airport Authority (the “Airport”) is a non-profit organization that exists to operate, promote, and to further improve the airport facilities and aviation for County residents. During the fiscal year ended June 30, 2011, the Airport created its own Board. The Jackson County Board of Commissioners appoints two of the five voting members of the Airport, and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Airport and approves amendments to the approved budget. The Airport 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 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. Additionally, the County has a legally adopted budget for the Revaluation Fund, the Capital Reserve Fund and the Conservation/Preservation Fund. Under GASB 54 guidance, these funds are consolidated in the General Fund.
- **Recreation Center Fund.** This fund is used to account for various recreation projects.

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

- **Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains six agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Property Tax Fund, which accounts for property taxes that are billed and collected by the County for various municipalities within the County; the Extension Agency Fund, which accounts for moneys collected and disbursed for the operation of the Jackson County 4-H Club; the State of North Carolina Fund, which accounts for moneys held for the benefit of certain individuals; the Motor Vehicle Tax Fund which accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; and the Community Health Link Fund, which accounts for moneys to fund health-related programs in the community.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements.

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Jackson County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized

as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

- D. **Budgetary Data** - The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, Special Revenue (excluding funds with multi-year budgets) and the Enterprise Funds. All annual appropriations lapse at fiscal year end. Project ordinances are adopted for the Capital Project Funds and for certain Special Revenue Fund types. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and Enterprise Funds, and at the object level for the Capital Projects Funds. The County budget officer is authorized by the budget ordinance to transfer appropriations within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.
- E. **Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Assets, Liabilities, and Net Assets/Fund Balances

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

State law [G.S. 159-30(c)] authorizes the County and the component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC registered (2a-7) money market mutual fund.

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

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

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, 2010.

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

Restrictions on Cash. The restricted cash and cash equivalents in the governmental funds represent the balance of proceeds available under various loan agreements to finance the construction of school improvements and projects at Southwestern Community College. The funds are held by various banks in municipal investment money market accounts. Investment earnings are payable to Jackson County. Money in the Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

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

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

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

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

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

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

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

G. Net Assets/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

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

- Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
- Restricted for Register of Deeds - portion of fund balance restricted by revenue source to pay for computer and imaging technology in the Register of Deeds office.
- Restricted for Education - portion of fund balance restricted for school improvements and projects at Southwestern Community College and for school capital per G.S. 159-18-22.
- Restricted for Revaluation - portion of fund balance that is restricted for revaluation [G.S. Chapter 159, Article 3, Part 2].

- Restricted for Housing - portion of fund balance that is restricted for housing assistance by the U.S. Housing and Urban Development.

Committed Fund Balance - This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of Jackson County's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. Committed fund balance represents ending fund balance in various special revenue and capital project funds, or funds with legally adopted budgets.

Assigned Fund Balance-portion of fund balance that Jackson County governing board has budgeted:

- Assigned for Other Post-employment Benefits - portion of fund balance that has been assigned for future expenditures related to other post-employment benefits.
- Assigned for LEO Special Separation Allowance - portion of fund balance that has been assigned for future expenditures related to the Law Enforcement Officers ("LEO") Special Separation Allowance.

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

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

The County does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

2. **Detail Notes on All Funds**

A. **Assets**

Deposits. All of the County's and the component units' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the component units' agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the component

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

At June 30, 2011, the County's deposits had a carrying amount of \$25,767,152 and a bank balance of \$26,472,258. Of the bank balance, \$830,866 was covered by federal depository insurance and \$25,641,392 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2011, Jackson County had \$1,707 cash on hand.

At June 30, 2011, the carrying amount of deposits for the Jackson County Travel and Tourism Authority was \$123,791 and the bank balances were \$123,791, all of which was covered by federal depository insurance. The JCTTA also had \$50 in cash on hand at June 30, 2011.

At June 30, 2011, the carrying amount of deposits for the Cashiers Area Travel and Tourism Authority was \$87,696 and the bank balances were \$87,696, all of which was covered by federal depository insurance.

At June 30, 2011, the carrying amount of deposits for the Jackson County Airport Authority was \$2,972 and the bank balances were \$2,972, all of which was covered by federal depository insurance.

Investments. At June 30, 2011, the County's investment balances in the NC Capital Management Trust – cash portfolio were \$3,981,153 with an AAAM rating.

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no policy on custodial credit risk.

Receivables. Receivables at the government-wide level at June 30, 2011, 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	\$ 223,283	\$ 4,045,893	\$ 2,894,642	\$ -	\$ 7,163,818
Other governmental	29,333	-	41,499	1,128,779	1,199,611
Allowance for doubtful accounts	-	(900,000)	-	(785,968)	(1,685,968)
Total governmental activities	<u>\$ 252,616</u>	<u>\$ 3,145,893</u>	<u>\$ 2,936,141</u>	<u>\$ 342,811</u>	<u>\$ 6,677,461</u>
Business-type activities:					
Landfill	\$ 638,273	\$ 25,187	\$ 48,691	\$ -	\$ 712,151
Green Energy Park	2,320	-	-	-	2,320
Economic Development	4,818	-	-	-	4,818
Allowance for doubtful accounts	(124,647)	-	-	-	(124,647)
Total business-type activities	<u>\$ 520,764</u>	<u>\$ 25,187</u>	<u>\$ 48,691</u>	<u>\$ -</u>	<u>\$ 594,642</u>

Notes Receivable. The County has made loans to five companies from Community Development Block Grant revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from 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 Companies' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. At June 30, 2011, the outstanding balances totaled \$342,811, net of allowances for doubtful accounts.

Capital Assets. Capital asset activity for the year ended June 30, 2011, 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	\$12,134,745	\$ 231,644	\$ -	\$12,366,389
Construction in progress	14,710,077	4,285,695	8,310,821	10,684,951
Total capital assets not being depreciated	<u>26,844,822</u>	<u>4,517,339</u>	<u>8,310,821</u>	<u>23,051,340</u>
Capital assets being depreciated:				
Buildings	40,553,397	8,523,907	-	49,077,304
Equipment	4,550,752	343,559	-	4,894,311
Vehicles	4,421,300	454,354	346,366	4,529,288
Total capital assets being depreciated	<u>49,525,449</u>	<u>9,321,820</u>	<u>346,366</u>	<u>58,500,903</u>
Less accumulated depreciation for:				
Buildings	10,157,412	870,986	-	11,028,398
Equipment	3,384,643	273,525	-	3,658,168
Vehicles	3,150,864	449,116	346,366	3,253,614
Total accumulated depreciation	<u>16,692,919</u>	<u>1,593,627</u>	<u>346,366</u>	<u>17,940,180</u>
Total capital assets being depreciated, net	<u>32,832,530</u>			<u>40,560,723</u>
Governmental activity capital assets, net	<u>\$59,677,352</u>			<u>\$63,612,063</u>

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

General government	\$ 672,028
Public safety	596,893
Transportation	13,392
Economic and physical development	31,856
Human Services	102,910
Culture and recreation	<u>176,548</u>
Total depreciation expense	<u>\$ 1,593,627</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 182,414	\$ -	\$ -	\$ 182,414
Construction in progress	3,430,372	-	3,430,372	-
Total capital assets not being depreciated	3,612,786	-	3,430,372	182,414
Capital assets being depreciated:				
Land improvements	1,014,082	-	-	1,014,082
Buildings	1,030,951	514,237	-	1,545,188
Plant and distribution systems	1,097,011	3,448,183	-	4,545,194
Furniture and maintenance equipment	878,322	20,287	-	898,609
Total capital assets being depreciated	4,020,366	3,982,707	-	8,003,073
Less accumulated depreciation for:				
Land improvements	517,075	1,740	-	518,815
Buildings	58,457	19,750	-	78,207
Plant and distribution systems	232,008	107,120	-	339,128
Furniture and maintenance equipment	628,666	52,787	-	681,453
Total accumulated depreciation	1,436,206	181,397	-	1,617,603
Total capital assets being depreciated, net	2,584,160			6,385,470
Business-type activities capital assets, net	<u>\$ 6,196,946</u>			<u>\$ 6,567,884</u>

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

Landfill	\$ 158,094
Green Energy Park	3,649
Economic Development Commission	19,654
Total depreciation expense	<u>\$ 181,397</u>

Construction Commitments. The government has active construction projects as of June 30, 2011. At year-end, the government's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Project:		
Cashiers Recreation Site	\$ 2,448,946	\$ 322,911
Jackson County Library	6,616,851	40,037
	<u>\$ 9,065,797</u>	<u>\$ 362,948</u>

Discretely Presented Component Unit

Activity for the Airport for the year ended June 30, 2011 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 4,818,067	\$ -	\$ -	\$ 4,818,067
Capital assets being depreciated:				
Buildings	191,321	38,138	-	229,459
Equipment	99,326	-	-	99,326
Total capital assets being depreciated	290,647	38,138	-	328,785
Less accumulated depreciation for:				
Buildings	101,216	3,827	-	105,043
Equipment	20,494	9,933	-	30,427
Total accumulated depreciation	121,710	13,760	-	135,470
Total capital assets being depreciated, net	168,937			193,315
Capital assets, net	<u>\$ 4,987,004</u>			<u>\$ 5,011,382</u>

B. Liabilities

Payables. Payables at the government-wide level at June 30, 2011, were as follows:

	<u>Vendors</u>	<u>Contract Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:				
General	\$2,678,192	\$ -	\$ 656,598	\$3,334,790
Other governmental	196,669	168,930	-	365,599
Total governmental activities	<u>\$2,874,861</u>	<u>\$ 168,930</u>	<u>\$ 656,598</u>	<u>\$3,700,389</u>
Business-type activities:				
Landfill	\$ 154,766	\$ -	\$ -	\$ 154,766
Other proprietary	6,066	-	-	6,066
Total business-type activities	<u>\$ 160,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,832</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 6.46% and 6.41%, 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, 2011, 2010 and 2009, were \$820,410, \$638,019, and \$699,656, respectively. The contributions made by the County equaled the required contributions for each year.

Law Enforcement Officers Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	47
	<hr/>
Total	49
	<hr/>

➤ **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 did not make any contributions. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2010 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both item (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percent of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

3-Year Trend Information			
<u>For Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2009	\$ 42,321	95.99%	\$ 209,204
2010	54,771	77.27%	221,654
2011	79,370	0.00%	301,024

The annual pension cost and change in net pension obligation as of June 30, 2011, is as follows:

Employer annual required contribution	\$ 80,154
Interest on net pension obligation	11,083
Adjustment to annual required contribution	(11,867)
Annual pension cost	79,370
Employer contributions made for year ending June 30, 2011	-
Increase in net pension obligation	79,370
Net pension obligation beginning of fiscal year	221,654
Net pension obligation end of fiscal year	<u>\$ 301,024</u>

- **Funded Status and Funding Progress.** As of December 31, 2010, the most recent actuarial valuation date, the plan was 6.66 percent funded. The actuarial accrued liability for benefits was \$743,593, and the actuarial value of assets was \$49,491, which are designated monies in the General Fund, resulting in an unfunded actuarial accrued liability ("UAAL") of \$694,102. The covered payroll (annual payroll of active employees covered by the plan) was \$2,020,580, and the ratio of the UAAL to the covered payroll was 34.35%.

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, 2011, were \$249,674, which consisted of \$128,962 from the County and \$120,712 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 that 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, 2011, the County's required and actual contributions were \$3,461.

Healthcare Benefits

➤ **Other Post-employment 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 post-employment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System ("System") and are 60 years of age (or age 55 for law enforcement officers) and have at least fifteen years of creditable service with the County (or ten years of creditable service if hired before January 18, 2001) or have at least 30 years of continuous service to the County at any age. The County pays the full cost of coverage for these benefits through private insurers. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board may amend the benefit provisions. A separate report was not issued for the HCB Plan.

Membership of the HCB Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	61	2
Active Plan members	<u>342</u>	<u>48</u>
Total	<u>403</u>	<u>50</u>

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

The current ARC rate is 27.21% of annual covered payroll. For the current year, the County contributed \$447,901 or 3.04% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's obligation to contribute to the HCB Plan is established and may be amended by the County's Board.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. These expenditures are paid as they come due.

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

Annual required contribution	\$ 3,999,129
Interest on net OPEB obligation	281,843
Adjustment to annual required contribution	(243,159)
Annual OPEB cost (expense)	4,037,813
Contributions made	(447,901)
Increase (decrease) in net OPEB obligation	3,589,912
Net OPEB obligation beginning of year	7,046,111
Net OPEB obligation end of year	<u>\$ 10,636,023</u>

The County's net OPEB obligation is comprised of \$10,284,122 and \$351,901 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 2011 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>
2011	\$ 4,037,813	11.1%	\$ 10,636,023
2010	\$ 4,018,038	10.4%	\$ 7,046,111
2009	\$ 3,854,582	10.7%	\$ 3,443,941

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$31,851,359, and the actuarial value of assets was \$200,667, which are designated monies in the General Fund, resulting in an unfunded actuarial accrued liability ("UAAL") of \$31,650,692. The covered payroll (annual payroll of active employees covered by the plan) was \$14,699,473, and the ratio of the UAAL to the covered payroll was 215.3 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the

actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually and 9.00 to 5.00 percent annually for pre-Medicare and post-Medicare, respectively. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

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

benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2011, the County made contributions to the State for death benefits of \$16,845. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .11% and .14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Closure and Post-closure Care Costs--Landfill Facility. State and federal laws and regulations required the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill has been closed, but will be monitored for the next 22 years. Post-closure costs are included in operating expenses of the current year. The \$1,495,995 reported as landfill post-closure care liability at June 30, 2011, represents estimated future post-closure costs based on engineering estimates prepared at and shortly after closure. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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)	\$ 66,693	\$ 66,693
Taxes receivable, net (General)	2,838,460	-
Notes receivable (Economic Development)	338,973	-
Notes receivable (Clean Water)	3,838	-
Other (Economic Development)	26,972	-
Other (General)	28,334	28,334
	<hr/>	<hr/>
Total governmental activities	\$ 3,303,270	\$ 95,027
	<hr/>	<hr/>

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.

The Jackson County TTA, Cashiers TTA and the Airport Authority are exposed to various risks related to torts; theft of or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport Authority and TTAs carry commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the

previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Contingent Liabilities. At June 30, 2011, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Long-Term Debt. The County's long-term debt for governmental activities at June 30, 2011, comprised of the following:

A \$7,122,935 note was executed February 28, 1997, and refinanced on December 17, 1998, for construction of a school, payable in 30 semi-annual payments of \$365,343 including interest of 4.56%. Principal and interest payments are appropriated when due.	\$ 357,200
A \$3,950,000 note was executed on April 13, 1999, for the construction of a school addition and the installation of water and sewer lines, payable in 24 semi-annual payments of \$222,555 including interest of 4.56%. Principal and interest payments are appropriated when due.	431,450
A \$1,840,000 note was executed on August 11, 1999, and refinanced on May 3, 2002, for improvements to the County's elementary schools and is payable in 25 semi-annual payments of \$86,666 including interest of 4.91%. Principal and interest payments are appropriated when due.	551,223
A \$3,137,637 note was executed December 1, 1999, and refinanced on May 3, 2002, for renovations to various County buildings (48% of the proceeds) and school projects (52% of the proceeds) and is payable in 26 semi-annual payments of \$120,678. In addition, 4.91% interest is payable semi-annually. Principal and interest payments are appropriated when due.	844,748

(continued)

A \$9,850,000 note was executed on April 28, 2000, and refinanced on May 3, 2002, for the purchase of property for several County buildings (54% of the proceeds) and school projects (46% of the proceeds) and is payable in 26 semi-annual payments of \$331,617. In addition, 4.91% interest is payable semi-annually. Principal and interest payments are appropriated when due.

\$ 2,652,933

A \$9,175,000 note was executed on October 23, 2003, for construction of various properties (44% of the proceeds) and school projects (56% of the proceeds) is payable in 24 semi-annual payments of \$382,292. In addition, 3.49% interest is payable semi-annually. Principal and interest payments are appropriated when due.

3,440,625

A \$9,507,386 note was executed on December 29, 2005, for the construction of a library (42% of the a proceeds) and 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.

6,021,344

A \$9,905,000 note was executed on December 20, 2007, for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 30 semi-annual payments of \$330,167. In addition, 3.72% interest is payable semi-annually. Principal and interest payments are appropriated when due.

7,593,833

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

3,475,833

(continued)

A \$10,295,446 note was executed on July 16, 2009, for the renovation of the historic courthouse, construction of the new public library, and projects at Southwestern Community College. The note is payable in 30 semi-annual payments of \$343,182. In addition, 4.63% interest is payable semi-annually. Principal and interest payments are appropriated when due.

\$ 9,265,903

\$34,635,092

Repayment requirements of the notes payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 4,864,473	\$ 1,391,839	\$ 6,256,312
2013	4,083,184	1,198,798	5,281,982
2014	4,090,909	1,027,196	5,118,105
2015	3,891,673	855,210	4,746,883
2016	2,640,881	706,285	3,347,166
2017-2021	10,976,031	2,106,405	13,082,436
2022-2026	4,087,941	304,656	4,392,597
	<u>\$ 34,635,092</u>	<u>\$ 7,590,389</u>	<u>\$ 42,225,481</u>

The County's long-term debt for business-type activities at June 30, 2011, comprised of the following:

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

\$ 3,072,229

Repayment requirements of the note payable are:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 169,442	\$ 137,275	\$ 306,697
2013	177,184	129,513	306,697
2014	185,302	121,395	306,697
2015	193,791	112,906	306,697
2016	202,669	104,028	306,697
2017-2021	1,161,423	372,063	1,533,487
2022-2024	982,438	91,002	1,073,440
	<u>\$ 3,072,229</u>	<u>\$ 1,068,182</u>	<u>\$ 4,140,412</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental activities:					
Installment purchases	\$39,805,910	\$ -	\$ 5,170,818	\$34,635,092	\$ 4,864,473
Compensated absences	1,338,767	1,073,188	1,081,553	1,330,402	-
Net pension obligation	221,654	79,370	-	301,024	-
Net OPEB obligation	<u>6,795,866</u>	<u>3,921,938</u>	<u>433,682</u>	<u>10,284,122</u>	<u>-</u>
Total govern- mental activities	<u>\$48,162,197</u>	<u>\$ 5,074,496</u>	<u>\$ 6,686,053</u>	<u>\$46,550,640</u>	<u>\$ 4,864,473</u>
Business-type activities:					
Installment purchases	\$ 3,234,231	\$ -	\$ 162,002	\$ 3,072,229	\$ 169,442
Compensated absences	42,016	-	6,353	35,663	-
Net OPEB obligation	<u>250,245</u>	<u>115,875</u>	<u>14,219</u>	<u>351,901</u>	<u>-</u>
Total business- type activities	<u>\$ 3,526,492</u>	<u>\$ 115,875</u>	<u>\$ 182,574</u>	<u>\$ 3,459,793</u>	<u>\$ 169,442</u>

At June 30, 2011, Jackson County had a legal debt margin of approximately \$848,000,000.

Capital Assets Net of Related Debt. Capital assets net of related debt at June 30, 2011, is computed as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 63,612,063	\$ 6,567,884
Less capital debt:		
Gross debt	34,635,092	3,072,229
Less:		
School debt related to assets to which the County does not hold title.	(10,924,583)	-
Unexpended debt proceeds	(2,394,104)	-
Net capital debt	<u>21,316,405</u>	<u>-</u>
Capital assets net of related debt	<u>\$ 42,295,658</u>	<u>\$ 3,495,655</u>

Interfund Balances and Activity**Due to/from Other Funds**

Due to/from other funds at June 30, 2011, consists of the following:

From the Landfill Fund to the General Fund for operating purposes	<u>\$ 31,000</u>
--	------------------

Transfer to/from Other Funds

Transfers to/from other funds at June 30, 2011, consists of the following:

Transfers from the General Fund to:	
Recreation Center fund	\$ 5,374,125
Non-major governmental funds	757,342
Non-major proprietary funds	250,574
Transfers between non-major governmental funds	123,932

3. Related Organizations

Jackson Economic Development Commission - As of July 1, 2007, the Jackson Economic Development Commission was taken over by the County, as well as the assets of Jackson Development Corporation. For fiscal year ending June 30, 2011, the Economic Development Commission is reported as a Special Revenue Fund of the County and the assets of the Jackson Development Corporation are held in an enterprise fund of the County.

4. Joint Ventures

Fontana Regional Library - The County participates in a joint venture to operate the Fontana Regional Library ("Library") with five other local governments. Each participating county may appoint three board members to the nine-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2011. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$698,260 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at Post Office Box 460, Bryson City, North Carolina 28713.

Southwestern Community College - The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College. The County appoints five members and the State and the Board of Education each appoint four members of the thirteen-member board of trustees of the community college. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. The County contributed \$1,376,344 and \$295,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the community college may be obtained from the community college's administrative offices at 275 Webster Road, Sylva, North Carolina 28779.

Tuckaseegee Water and Sewer Authority - The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckaseegee Water and Sewer Authority (the "TWSA"). The chairman of the TWSA appoints one member from each participating government and three members at large. The TWSA is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The TWSA has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the TWSA. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2011. Complete financial statements for the TWSA can be obtained from the TWSA's administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

5. **Jointly Governed Organizations**

Southwestern North Carolina Planning and Economic Development Commission - The County, in conjunction with seven other counties and fifteen municipalities, established the Southwestern North Carolina Planning and Economic Development Commission ("Commission"). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's twenty-two member governing board. The County paid membership fees of \$25,126 to the Commission during the fiscal year ended June 30, 2011.

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, 2011. The County contributed \$123,081 to the LME to fund operations during fiscal year June 30, 2012. Complete financial statements for the LME may be obtained from the LME's offices at 44 Bonnie Lane, Sylva, NC 28779.

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

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

<u>Benefit Payments Issued</u>	<u>Federal CFDA Number</u>	<u>Federal</u>	<u>State</u>
Independent Living Transitional	93.674	\$ 1,274	\$ -
Energy Assistance	93.568	377,066	-
TANF	93.558	105,630	-
SFHF Maximization	N/A	-	92,867
CWS Adoption Subsidy	N/A	-	102,139
Foster Care Special Provision	N/A	-	9,338
IV-E Adoption	93.659	99,712	23,310
IV-E Foster Care	93.658	57,469	8,047
IV-E County Paid to CCI	93.658	11,903	3,145
Medicaid	93.778	26,434,827	9,855,240
SC/SA Domiciliary Care	N/A	-	164,743
State Foster Home	N/A	-	39,088
WIC	10.557	881,727	-
		<u>\$ 27,969,608</u>	<u>\$ 10,297,917</u>

7. **Summary Disclosure of Significant Contingencies**

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

8. **Net Asset/Fund Balance Restatement/Reclassification**

Beginning net assets in the governmental activities were reclassified to exclude the Jackson County Airport Authority, and report the Airport as a discretely presented component unit. In addition, the County implemented GASB Statement No. 54. As a result, beginning fund balance in the General Fund was increased to reflect previously reported Special Revenue Funds to be consolidated into the General Fund and beginning fund balance in the School Improvements Fund was increased to reflect the previously reported School Capital Reserve Fund to be consolidated into the School Improvements Fund.

As of July 1, 2010 net assets in governmental activities as previously reported was restated as follows:

	<u>Net Assets</u>
Beginning balance:	
As previously reported	\$51,869,983
Change in reporting entity--Jackson County Airport Authority	<u>4,995,763</u>
As reclassified	<u>\$ 46,874,220</u>

As of July 1, 2010, fund balance in these respective funds has been restated as follows:

	General Fund	School Improvements Fund
Beginning balance:		
As previously reported	\$ 22,953,568	\$ 696,759
Change in fund classification--Revaluation Fund	97,694	-
Change in fund classification--Capital Reserve Fund	1,959,751	-
Change in fund classification--Conservation/ Preservation Fund	709,326	-
Change in fund classification--School Capital Reserve Fund	-	117,557
As restated	<u>\$ 25,720,339</u>	<u>\$ 814,316</u>

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

JACKSON COUNTY, NORTH CAROLINA

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/06	\$ -	\$ 350,972	\$ 350,972	0%	\$ 1,399,382	25.08%
12/31/07	-	366,269	366,269	0%	1,183,954	30.94%
12/31/08	85,151*	479,997	394,404	17.83%	1,798,245	21.93%
12/31/09	70,896*	718,102	647,206	9.87%	1,958,731	33.04%
12/31/10	49,491*	743,593	694,102	6.66%	2,020,580	34.35%

*Represents assigned fund balance in the General Fund.

JACKSON COUNTY, NORTH CAROLINA

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

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 42,321	95.99%
2010	\$ 54,771	77.27%
2011	\$ 79,370	0.00%

Notes to the Required Schedules:

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

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

*Includes inflation at cost of living adjustments

JACKSON COUNTY, NORTH CAROLINA

Other Post-employment Benefits
 Required Supplementary Information
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/08	\$ -	\$36,510,589	\$36,510,589	0.0%	\$13,597,013	268.5%
12/31/09	\$ 200,667*	\$31,851,359	\$31,650,692	0.6%	\$14,699,473	215.3%

*Represents assigned fund balance in the General Fund.

JACKSON COUNTY, NORTH CAROLINA

Other Post-employment 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	10.7%
2010	\$ 4,018,038	10.4%
2011	\$ 4,037,813	11.1%

Notes to the Required Schedules:

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

Valuation date	12/31/09
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	
Pre-Medicare trend rate	10.50 - 5.00%
Post-Medicare trend rate	9.00 - 5.00%
Year of ultimate trend rate	2017

*Includes inflation at 3.75%

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

MAJOR GOVERNMENTAL FUNDS

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

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

CAPITAL PROJECTS FUND

- **Recreation Center Fund** - This fund is used to account for various recreation projects.
-

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

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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 31,410,675	\$ 31,151,655	\$ (259,020)
Penalties and interest	314,568	314,541	(27)
Total ad valorem taxes	<u>31,725,243</u>	<u>31,466,196</u>	<u>(259,047)</u>
Other taxes:			
Local option sales tax	7,762,077	7,848,627	86,550
Tax refund-sales and gasoline	163,888	126,888	(37,000)
Total other taxes	<u>7,925,965</u>	<u>7,975,515</u>	<u>49,550</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	173,906	173,906	-
ABC profit distribution	149,225	149,225	-
ABC 1 and 5 cent bottle charge	12,890	12,887	(3)
Total unrestricted governmental	<u>336,021</u>	<u>336,018</u>	<u>(3)</u>
Restricted intergovernmental:			
Federal and State grants:			
NC Department of Commerce--Planning/Zoning	21,476	21,476	-
Home and Community Care Block grant	180,759	180,758	(1)
Municipal reimbursement	8,071	-	(8,071)
Nantahala Forest timber receipts	134,975	124,619	(10,356)
DARE grant	6,000	6,000	-
Civil defense	84,594	83,129	(1,465)
Soil conservation-matching	33,829	26,875	(6,954)
Emergency food and shelter	13,871	750	(13,121)
AWAKE--child advocacy	67,485	46,911	(20,574)
Tennessee Valley Authority	915	914	(1)
Older American Act Title III	21,687	20,154	(1,533)
Health department	1,379,257	1,302,030	(77,227)
Senior center	16,812	15,758	(1,054)
Smart Start	55,633	44,070	(11,563)
Juvenile Crime Prevention Commission	108,318	102,902	(5,416)
Safe Roads Act	4,500	4,451	(49)
Veteran's service	2,000	2,000	-
Erosion control	5,000	-	(5,000)
NC Department of Corrections grant	105,630	105,629	(1)
NC Gov Highway Safety--STEP	7,525	7,525	-
Help America Vote Act grant	15,556	15,556	-
SCAAP-State Criminal Alien grant	15,000	14,680	(320)
Social services	4,076,351	3,822,684	(253,667)
Title XIX-Medicaid	492,533	301,094	(191,439)

(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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Restricted intergovernmental, continued:			
Federal and State grants, continued:			
Department of Transportation:			
Section 18-administration	\$ 171,328	\$ 157,196	\$ (14,132)
Section 18-operations	74,070	73,112	(958)
Contracts--EDTAP	434,293	273,462	(160,831)
Cherokee Preservation grant	21,326	21,326	-
Department of Justice grant	56,400	56,401	1
Other State grants	31,087	31,047	(40)
Total	<u>7,646,281</u>	<u>6,862,509</u>	<u>(783,772)</u>
Court facilities fees	<u>55,724</u>	<u>56,246</u>	<u>522</u>
Total restricted intergovernmental	<u>7,702,005</u>	<u>6,918,755</u>	<u>(783,250)</u>
Other restricted revenues:			
Transportation contracts	<u>123,230</u>	<u>122,941</u>	<u>(289)</u>
Permits and fees:			
Road petition fees	500	-	(500)
Cashiers permit fees	4,500	3,140	(1,360)
Industrial permit fees	500	-	(500)
Floodplain permit fees	1,000	950	(50)
Board of Elections fees	4,500	-	(4,500)
Building permits and inspection fees	263,240	258,229	(5,011)
Environmental health fees	101,115	98,469	(2,646)
Sheriff's fees	68,566	44,619	(23,947)
Officers fees-court	21,600	19,640	(1,960)
Animal adoption fees	18,502	18,502	-
Road sign fees	78,340	52,834	(25,506)
Health and Social Services fees	377,136	347,112	(30,024)
Register of Deeds	295,999	239,623	(56,376)
Real property transfer tax	310,000	294,430	(15,570)
Marriage licenses	7,000	6,625	(375)
Excise tax	7,500	6,163	(1,337)
Senior citizens fees	36,605	36,519	(86)
Total permits and fees	<u>1,596,603</u>	<u>1,426,855</u>	<u>(169,748)</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Sales and services:			
Jail fees	\$ 31,615	\$ 28,654	\$ (2,961)
Ambulance fees	45,000	44,213	(787)
Ancillary services	49,701	6,714	(42,987)
Travel and tourism administrative fees	52,214	37,714	(14,500)
Video programming distribution	72,500	71,624	(876)
Telephone charges	34,000	26,269	(7,731)
Vending machines	2,000	320	(1,680)
Recreation department	379,210	332,713	(46,497)
Rents	30,108	29,152	(956)
Total sales and services	<u>696,348</u>	<u>577,373</u>	<u>(118,975)</u>
Investment earnings	<u>45,665</u>	<u>46,790</u>	<u>1,125</u>
Miscellaneous	<u>1,200,140</u>	<u>1,089,809</u>	<u>(110,331)</u>
Total revenues	<u>51,351,220</u>	<u>49,960,252</u>	<u>(1,390,968)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	132,778	121,792	10,986
Operating	<u>168,790</u>	<u>134,429</u>	<u>34,361</u>
Total	<u>301,568</u>	<u>256,221</u>	<u>45,347</u>
Administration:			
Salaries and employee benefits	226,278	220,622	5,656
Operating	78,625	73,785	4,840
Capital outlay	250	-	250
Total	<u>305,153</u>	<u>294,407</u>	<u>10,746</u>
Elections:			
Salaries and employee benefits	146,456	144,548	1,908
Operating	106,447	65,615	40,832
Capital outlay	1,000	936	64
Total	<u>253,903</u>	<u>211,099</u>	<u>42,804</u>
Finance:			
Salaries and employee benefits	533,934	530,501	3,433
Operating	28,175	21,661	6,514
Capital outlay	10,000	2,114	7,886
Total	<u>572,109</u>	<u>554,276</u>	<u>17,833</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Computer services:			
Salaries and employee benefits	\$ 247,847	\$ 247,843	\$ 4
Operating	143,015	135,654	7,361
Capital outlay	13,337	4,732	8,605
Total	<u>404,199</u>	<u>388,229</u>	<u>15,970</u>
Tax collections:			
Salaries and employee benefits	234,700	234,666	34
Operating	35,940	34,811	1,129
Capital outlay	1,192	1,094	98
Total	<u>271,832</u>	<u>270,571</u>	<u>1,261</u>
Tax assessments:			
Salaries and employee benefits	561,328	557,677	3,651
Operating	137,215	92,994	44,221
Capital outlay	5,900	1,219	4,681
Total	<u>704,443</u>	<u>651,890</u>	<u>52,553</u>
Legal services	<u>100,000</u>	<u>49,377</u>	<u>50,623</u>
Register of Deeds:			
Salaries and employee benefits	289,643	288,474	1,169
Operating	167,276	119,829	47,447
Capital outlay	1,000	-	1,000
Total	<u>457,919</u>	<u>408,303</u>	<u>49,616</u>
Maintenance:			
Salaries and employee benefits	2,138,364	2,070,134	68,230
Operating	1,244,563	1,025,045	219,518
Capital outlay	93,656	75,149	18,507
Total	<u>3,476,583</u>	<u>3,170,328</u>	<u>306,255</u>
Court facilities:			
Operating	51,500	43,514	7,986
Capital outlay	5,000	-	5,000
Total	<u>56,500</u>	<u>43,514</u>	<u>12,986</u>
Professional services	<u>20,000</u>	<u>16,700</u>	<u>3,300</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Central services:			
Operating	\$ 247,000	\$ 208,356	\$ 38,644
Capital outlay	15,000	-	15,000
Total	<u>262,000</u>	<u>208,356</u>	<u>53,644</u>
Total general government	<u>7,186,209</u>	<u>6,523,271</u>	<u>662,938</u>
Public safety:			
Sheriff:			
Salaries and employee benefits	2,930,140	2,930,106	34
Operating	501,894	499,861	2,033
Travel	1,890	1,883	7
Capital outlay	367,780	367,023	757
Total	<u>3,801,704</u>	<u>3,798,873</u>	<u>2,831</u>
Jail:			
Salaries and employee benefits	1,112,604	1,111,089	1,515
Operating	422,136	418,673	3,463
Capital outlay	8,000	7,792	208
Total	<u>1,542,740</u>	<u>1,537,554</u>	<u>5,186</u>
Criminal justice partnership program:			
Salaries and employee benefits	56,918	56,840	78
Operating	48,712	48,348	364
Total	<u>105,630</u>	<u>105,188</u>	<u>442</u>
Inspections:			
Salaries and employee benefits	658,909	658,880	29
Operating	88,530	66,152	22,378
Capital outlay	10,000	-	10,000
Total	<u>757,439</u>	<u>725,032</u>	<u>32,407</u>
Emergency management:			
Salaries and employee benefits	837,503	837,294	209
Operating	125,544	119,481	6,063
Capital outlay	50,184	46,932	3,252
Total	<u>1,013,231</u>	<u>1,003,707</u>	<u>9,524</u>
Fire:			
Salaries and employee benefits	409,099	406,789	2,310
Operating	1,016,794	997,779	19,015
Capital outlay	160,354	159,596	758
Total	<u>1,586,247</u>	<u>1,564,164</u>	<u>22,083</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Public safety, continued:			
Ambulance:			
Operating	\$ 1,066,554	\$ 995,533	\$ 71,021
Capital outlay	167,772	167,770	2
Total	<u>1,234,326</u>	<u>1,163,303</u>	<u>71,023</u>
Total public safety	<u>10,041,317</u>	<u>9,897,821</u>	<u>143,496</u>
Transportation:			
Salaries and employee benefits	391,114	343,508	47,606
Operating	217,912	169,688	48,224
Capital outlay	279,182	133,360	145,822
Total	<u>888,208</u>	<u>646,556</u>	<u>241,652</u>
WCU transit:			
Salaries and employee benefits	37,348	36,546	802
Operating	18,005	546	17,459
Capital outlay	-	-	-
Total	<u>55,353</u>	<u>37,092</u>	<u>18,261</u>
Airport	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Total transportation	<u>974,561</u>	<u>714,648</u>	<u>259,913</u>
Environmental protection:			
Forestry	<u>75,645</u>	<u>66,392</u>	<u>9,253</u>
Economic and physical development:			
Planning and zoning:			
Salaries and employee benefits	563,230	559,608	3,622
Operating	73,255	55,880	17,375
Capital outlay	5,000	-	5,000
Total	<u>641,485</u>	<u>615,488</u>	<u>25,997</u>
Community development	<u>164,272</u>	<u>145,277</u>	<u>18,995</u>
Agricultural extension:			
Salaries and employee benefits	116,761	102,620	14,141
Operating	49,589	23,453	26,136
Capital outlay	1,500	400	1,100
Total	<u>167,850</u>	<u>126,473</u>	<u>41,377</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Economic and physical development, continued:			
Conservation:			
Salaries and employee benefits	\$ 141,261	\$ 112,781	\$ 28,480
Operating	17,100	10,789	6,311
Capital outlay	1,000	-	1,000
Total	<u>159,361</u>	<u>123,570</u>	<u>35,791</u>
Total economic and physical development	<u>1,132,968</u>	<u>1,010,808</u>	<u>122,160</u>
Human services:			
Health:			
General health:			
Salaries and employee benefits	2,400,326	2,346,818	53,508
Operating	262,902	224,226	38,676
Capital outlay	19,250	19,230	20
Total	<u>2,682,478</u>	<u>2,590,274</u>	<u>92,204</u>
Health assurance:			
Salaries and employee benefits	239,653	234,765	4,888
Operating	289,138	231,347	57,791
Capital outlay	4,891	-	4,891
Total	<u>533,682</u>	<u>466,112</u>	<u>67,570</u>
Maternal and child health:			
Salaries and employee benefits	90,753	53,147	37,606
Operating	67,072	31,452	35,620
Total	<u>157,825</u>	<u>84,599</u>	<u>73,226</u>
WIC-administration and nutrition:			
Salaries and employee benefits	122,102	116,490	5,612
Operating	52,612	34,293	18,319
Capital outlay	450	449	1
Total	<u>175,164</u>	<u>151,232</u>	<u>23,932</u>
Family planning:			
Salaries and employee benefits	112,504	112,492	12
Operating	107,658	54,433	53,225
Total	<u>220,162</u>	<u>166,925</u>	<u>53,237</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Crippled children:			
Salaries and employee benefits	\$ 11,350.00	\$ 11,345.00	\$ 5.00
Operating	5,454	3,479	1,975
Total	16,804	14,824	1,980
Maternal outreach:			
Salaries and employee benefits	46,810	45,612	1,198
Operating	18,074	17,303	771
Total	64,884	62,915	1,969
Communicable diseases:			
Salaries and employee benefits	12,970	12,964	6
Operating	3,004	1,055	1,949
Total	15,974	14,019	1,955
NC healthy start:			
Salaries and employee benefits	66,702	66,700	2
Operating	105,733	83,053	22,680
Total	172,435	149,753	22,682
Immunization action program:			
Salaries and employee benefits	9,732	9,728	4
Operating	2,956	1,989	967
Total	12,688	11,717	971
Breastfeeding:			
Salaries and employee benefits	7,781	7,779	2
Operating	2,464	285	2,179
Total	10,245	8,064	2,181
Child services coordinator:			
Salaries and employee benefits	32,527	32,525	2
Operating	1,200	1,112	88
Total	33,727	33,637	90
Smart start:			
Salaries and employee benefits	51,616	51,510	106
Operating	4,017	3,198	819
Total	55,633	54,708	925

(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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Other health services:			
Operating	\$ 202,618	\$ 159,989	\$ 42,629
Total health	4,354,319	3,968,768	385,551
Environmental health:			
Animal shelter:			
Salaries and employee benefits	158,010	158,009	1
Operating	42,326	36,264	6,062
Capital outlay	1,500	682	818
Total	201,836	194,955	6,881
Environmental health:			
Operating	6,000	4,848	1,152
Capital outlay	2,000	-	2,000
Total	8,000	4,848	3,152
Bioterrorism:			
Salaries and employee benefits	36,857	36,357	500
Operating	27,369	15,688	11,681
Capital outlay	60,000	58,549	1,451
Total	124,226	110,594	13,632
Total Environmental health	334,062	310,397	23,665
Mental health:			
Smoky Mountain Center LME	123,081	123,081	-
Social services:			
Administration:			
Salaries and employee benefits	3,343,211	3,341,338	1,873
Operating	247,797	209,648	38,149
Capital outlay	24,144	17,166	6,978
Total	3,615,152	3,568,152	47,000
Other services:			
Adult guardianship	12,700	9,875	2,825
Special assistance	171,669	157,541	14,128
Medical care	147,560	145,272	2,288
Foster care	544,606	405,972	138,634
Aid to the blind	10,024	5,044	4,980

(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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued			
Human Services, continued;			
Social services, continued:			
Other services, continued:			
Food stamp administration	\$ 10,560	\$ 10,555	\$ 5
Crisis intervention	226,841	226,791	50
Adult day care	5,714	4,729	985
Emergency assistance	23,452	21,888	1,564
IV-D	22,000	15,608	6,392
Other	271,094	171,571	99,523
Total	<u>1,446,220</u>	<u>1,174,846</u>	<u>271,374</u>
Indian reservation:			
Salaries and employee benefits	548,826	524,666	24,160
Operating	259,620	131,600	128,020
Capital outlay	13,800	3,298	10,502
Total	<u>822,246</u>	<u>659,564</u>	<u>162,682</u>
Emergency food and shelter	<u>10,871</u>	<u>6,251</u>	<u>4,620</u>
Focal point on aging:			
Salaries and employee benefits	394,776	394,734	42
Operating	147,998	136,340	11,658
Capital outlay	3,350	3,316	34
Total	<u>546,124</u>	<u>534,390</u>	<u>11,734</u>
Total social services	<u>6,440,613</u>	<u>5,943,203</u>	<u>497,410</u>
Eldercare coalition:			
Salaries and employee benefits	207,784	199,749	8,035
Operating	231,350	170,511	60,839
Total	<u>439,134</u>	<u>370,260</u>	<u>68,874</u>
Veteran's service officer:			
Salaries and employee benefits	54,759	54,757	2
Operating	11,829	8,425	3,404
Total	<u>66,588</u>	<u>63,182</u>	<u>3,406</u>
Other human services	<u>335,902</u>	<u>297,390</u>	<u>38,512</u>
Total human services	<u>12,093,698</u>	<u>11,076,281</u>	<u>1,017,417</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Culture and recreation:			
Recreation:			
Salaries and employee benefits	\$ 728,916	\$ 655,749	\$ 73,167
Operating	357,137	326,216	30,921
Capital outlay	78,503	71,821	6,682
Total	<u>1,164,556</u>	<u>1,053,786</u>	<u>110,770</u>
Arts council	<u>9,141</u>	<u>6,842</u>	<u>2,299</u>
Library	<u>748,260</u>	<u>748,239</u>	<u>21</u>
Swimming pool:			
Salaries and employee benefits	27,336	26,078	1,258
Operating	26,200	20,370	5,830
Capital outlay	8,100	-	8,100
Total	<u>61,636</u>	<u>46,448</u>	<u>15,188</u>
Cashiers recreation:			
Salaries and employee benefits	95,457	95,446	11
Operating	62,600	48,474	14,126
Capital outlay	110,989	102,247	8,742
Total	<u>269,046</u>	<u>246,167</u>	<u>22,879</u>
Cashiers swimming pool:			
Salaries and employee benefits	15,504	13,127	2,377
Operating	14,000	8,353	5,647
Capital outlay	1,500	-	1,500
Total	<u>31,004</u>	<u>21,480</u>	<u>9,524</u>
Total culture and recreation	<u>2,283,643</u>	<u>2,122,962</u>	<u>160,681</u>
Education:			
Public schools--current	6,619,076	6,619,076	-
Public schools--timber receipts	173,906	173,906	-
Public schools--capital outlay	412,301	412,301	-
Community colleges--current	1,376,344	1,376,344	-
Community colleges--capital outlay	295,000	295,000	-
Total education	<u>8,876,627</u>	<u>8,876,627</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Debt service:			
Principal retirement	\$ 5,170,825	\$ 5,170,819	\$ 6
Interest and other charges	1,614,722	1,614,714	8
Total debt service	<u>6,785,547</u>	<u>6,785,533</u>	<u>14</u>
Total expenditures	<u>49,450,214</u>	<u>47,074,343</u>	<u>2,375,871</u>
Revenues over expenditures	<u>1,901,005</u>	<u>2,885,909</u>	<u>984,904</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(777,252)	(777,251)	1
School Capital Reserve Fund	(309,279)	(309,279)	-
Revaluation Fund	(250,000)	(250,000)	-
Community Development--Scattered Site Project Fund	(140,857)	(140,857)	-
Public Housing Fund	(34,663)	(34,663)	-
Law Enforcement Grant Fund	10,000	10,000	-
Recreation Fund	(5,040,625)	(5,040,625)	-
Webster Complex Fund	(193,149)	(193,149)	-
Green Energy Park Fund	(220,574)	(220,574)	-
Economic Development Enterprise Fund	(30,000)	(30,000)	-
Conservation/Preservation Fund	(300,000)	(300,000)	-
Proceeds from sale of capital assets	16,888	16,888	-
Appropriated fund balance	5,546,815	-	(5,546,815)
Contingency	<u>(178,310)</u>	<u>-</u>	<u>178,310</u>
Total other financing sources (uses)	<u>(1,901,006)</u>	<u>(7,269,510)</u>	<u>(5,368,505)</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,383,601)</u>	<u>\$ (4,383,601)</u>
Fund balance, July 1		<u>22,953,568</u>	
Fund balance, June 30		<u>\$ 18,569,967</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Tax listing	<u>\$ 313,197</u>	<u>\$ 237,377</u>	<u>\$ 75,820</u>
Revenues under expenditures	<u>(313,197)</u>	<u>(237,377)</u>	<u>75,820</u>
Other financing sources:			
Transfer from General Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Fund balance appropriation	<u>63,197</u>	<u>-</u>	<u>(63,197)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>12,623</u>	<u><u>\$ 12,623</u></u>
Fund balance:			
Beginning of year, July 1		<u>97,694</u>	
End of year, June 30		<u><u>\$ 110,317</u></u>	

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 4,243	\$ 4,243	\$ -
Expenditures:			
Designated--water and sewer	600,000	457,505	142,495
Designated--emergency management	1,158,401	-	1,158,401
Total expenditures	1,758,401	457,505	1,300,896
Revenues under expenditures	(1,754,158)	(453,262)	1,300,896
Other financing source (uses):			
Transfers from General Fund	802,607	777,250	(25,357)
Transfers to Library Fund	(281,115)	(281,115)	-
Total other financing sources (uses)	521,492	496,135	(25,357)
Fund balance appropriation	1,232,666	-	(1,232,666)
Net change in fund balance	\$ -	42,873	\$ 42,873
Fund balance:			
Beginning of year, July 1		1,959,751	
End of year, June 30		\$ 2,002,624	

JACKSON COUNTY, NORTH CAROLINA

Conservation/Preservation Fund

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 437,000	\$ -	\$ (437,000)
Expenditures:			
Environmental protection:			
Conservation	173,000	5,845	167,155
Capital outlay	903,500	221,396	682,104
Total expenditures	1,076,500	227,241	849,259
Revenues under expenditures	(639,500)	(227,241)	412,259
Other financing sources (uses):			
Transfers from (to) other funds:			
General Fund	300,000	300,000	-
Recreation Center Fund	(333,500)	(333,500)	-
Total other financing sources (uses)	(33,500)	(33,500)	-
Appropriated fund balance	673,000	-	(673,000)
Net change in fund balance	\$ -	(260,741)	\$ (260,741)
Fund balance:			
Beginning of year, July 1		709,326	
End of year, June 30		\$ 448,585	

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, 2011

		Actual			Variance
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>(Negative)</u>
Revenues:					
Restricted intergovernmental:					
DOT Revenue	\$ 400,000	\$ -	\$ 201,159	\$ 201,159	\$ (198,841)
Investment earnings	35,000	32,026	66	32,092	(2,908)
Total revenues	<u>435,000</u>	<u>32,026</u>	<u>201,225</u>	<u>233,251</u>	<u>(201,749)</u>
Expenditures:					
Culture and recreation:					
Architect fees	844,635	530,025	211,985	742,010	102,625
Furniture and equipment	61,800	33,247	-	33,247	28,553
Construction cost	6,095,549	1,134,515	-	1,134,515	4,961,034
Site preparation	2,923,587	1,840,453	751,960	2,592,413	331,174
East LaPorte Park	101,158	101,158	-	101,158	-
Savannah/Greens Creek Park	120,067	120,067	-	120,067	-
Total expenditures	<u>10,146,796</u>	<u>3,759,465</u>	<u>963,945</u>	<u>4,723,410</u>	<u>5,423,386</u>
Revenues under expenditures	<u>(9,711,796)</u>	<u>(3,727,439)</u>	<u>(762,720)</u>	<u>(4,490,159)</u>	<u>5,221,637</u>
Other financing sources (uses):					
Transfers from other funds:					
General	6,888,399	1,749,510	5,040,625	6,790,135	(98,264)
Conservation/Preservation	333,500	-	333,500	333,500	-
Installment purchase obligations issued	2,739,097	2,739,097	-	2,739,097	-
Contingency	<u>(249,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,200</u>
Total other financing sources (uses)	<u>9,711,796</u>	<u>4,488,607</u>	<u>5,374,125</u>	<u>9,862,732</u>	<u>150,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 761,168</u>	<u>4,611,405</u>	<u>\$ 5,372,573</u>	<u>\$ 5,372,573</u>
Fund balance:					
Beginning of year, July 1			<u>761,168</u>		
End of year, June 30			<u>\$ 5,372,573</u>		

COMBINING STATEMENTS FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS FUNDS

- **Early College Building Fund** - This fund is used to account for the construction of the Early College building.
- **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.
- **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.
- **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.
- **School Capital Reserve Fund** - This fund was established to account for revenues restricted for the construction and renovation of County schools.*

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

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

June 30, 2011

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 1,596,152	\$ 748,490	\$ 2,344,642
Accounts receivable, net	27,501	1,634	29,135
Due from other governments	41,499	-	41,499
Notes receivable, net	342,811	-	342,811
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 2,007,963</u>	<u>\$ 750,124</u>	<u>\$ 2,758,087</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 21,211	\$ 175,458	\$ 196,669
Contract retainage	-	40,037	40,037
Deferred revenue	369,783	-	369,783
Total liabilities	<u>390,994</u>	<u>215,495</u>	<u>606,489</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	69,000	184	69,184
Education	-	309,279	309,279
Housing	63,849	-	63,849
Committed	1,484,120	225,166	1,709,286
Total fund balances	<u>1,616,969</u>	<u>534,629</u>	<u>2,151,598</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 2,007,963</u>	<u>\$ 750,124</u>	<u>\$ 2,758,087</u>

JACKSON COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Special Revenue Funds

June 30, 2011

	Emergency Telephone Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund
<u>Assets</u>			
Cash and cash equivalents	\$ 186,860	\$ 13,088	\$ 63,849
Accounts receivable, net	2,501	-	15,962
Due from other governments	41,499	-	-
Notes receivable, net	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 230,860</u>	<u>\$ 13,088</u>	<u>\$ 79,811</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 5,224	\$ -	\$ -
Deferred revenue	-	-	-
Total liabilities	<hr/> 5,224 <hr/>	<hr/> - <hr/>	<hr/> - <hr/>
Fund balances:			
Restricted:			
Stabilization by State Statue	44,000	-	15,962
Housing	-	-	63,849
Committed	181,636	13,088	-
Total fund balances	<hr/> 225,636 <hr/>	<hr/> 13,088 <hr/>	<hr/> 79,811 <hr/>
Total liabilities and fund balances	<u>\$ 230,860</u>	<u>\$ 13,088</u>	<u>\$ 79,811</u>

Community Development Scattered Site Project Fund	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Non-major Special Revenue Funds
\$ 120,156	\$ 52,692	\$ 732,133	\$ 427,374	\$ 1,596,152
2,028	5,067	-	1,943	27,501
-	-	-	-	41,499
-	3,838	303,973	35,000	342,811
<u>\$ 122,184</u>	<u>\$ 61,597</u>	<u>\$ 1,036,106</u>	<u>\$ 464,317</u>	<u>\$ 2,007,963</u>
\$ 15,987	\$ -	\$ -	\$ -	\$ 21,211
26,972	3,838	303,973	35,000	369,783
<u>42,959</u>	<u>3,838</u>	<u>303,973</u>	<u>35,000</u>	<u>390,994</u>
2,028	5,067	-	1,943	69,000
-	-	-	-	63,849
77,197	52,692	732,133	427,374	1,484,120
<u>79,225</u>	<u>57,759</u>	<u>732,133</u>	<u>429,317</u>	<u>1,616,969</u>
<u>\$ 122,184</u>	<u>\$ 61,597</u>	<u>1,036,106</u>	<u>\$ 464,317</u>	<u>\$ 2,007,963</u>

JACKSON COUNTY, NORTH CAROLINACombining Balance Sheet
Non-major Capital Projects Funds

June 30, 2011

	Early College Building Fund	Library Expansion Project Fund	Webster Complex Fund	School Improvement Fund	Total Non-major Capital Projects Funds
<u>Assets</u>					
Cash and cash equivalents	\$ -	\$ 204,909	\$ 126	543,455	\$ 748,490
Accounts receivable, net	-	1,634	-	-	1,634
Total assets	<u>\$ -</u>	<u>\$ 206,543</u>	<u>\$ 126</u>	<u>543,455</u>	<u>\$ 750,124</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 166,322	\$ -	\$ 9,136	\$ 175,458
Contract retainage	-	40,037	-	-	40,037
Total liabilities	<u>-</u>	<u>206,359</u>	<u>-</u>	<u>9,136</u>	<u>215,495</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	-	184	-	-	184
Education	-	-	-	309,279	309,279
Committed	-	-	126	225,040	225,166
Total fund balances	<u>-</u>	<u>184</u>	<u>126</u>	<u>534,319</u>	<u>534,629</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 206,543</u>	<u>\$ 126</u>	<u>\$ 543,455</u>	<u>\$ 750,124</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, 2011

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Restricted intergovernmental	\$ 2,524,834	\$ -	\$ 2,524,834
Investment earnings	13,873	1,273	15,146
Total revenues	<u>2,538,707</u>	<u>1,273</u>	<u>2,539,980</u>
Expenditures:			
Current:			
Public safety	614,727	-	614,727
Economic and physical development	620,387	-	620,387
Human services	1,608,523	313,801	1,922,324
Culture and recreation	-	3,007,950	3,007,950
Education	-	846,420	846,420
Total expenditures	<u>2,843,637</u>	<u>4,168,171</u>	<u>7,011,808</u>
Revenues under expenditures	<u>(304,930)</u>	<u>(4,166,898)</u>	<u>(4,471,828)</u>
Other financing sources (uses):			
Transfers from other funds	175,520	1,015,032	1,190,552
Transfers to other funds	(10,000)	(231,489)	(241,489)
Total other financing sources (uses)	<u>165,520</u>	<u>783,543</u>	<u>949,063</u>
Net change in fund balances	(139,410)	(3,383,355)	(3,522,765)
Fund balances:			
Beginning of year, July 1, restated (Note 8)	<u>1,756,379</u>	<u>3,917,984</u>	<u>5,674,363</u>
End of year, June 30	<u>\$ 1,616,969</u>	<u>\$ 534,629</u>	<u>\$ 2,151,598</u>

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	Emergency Telephone Fund	Law Enforcement Block Grant Fund	Public Housing Agency Fund
Revenues:			
Restricted intergovernmental	\$ 497,982	\$ 3,778	\$ 1,610,488
Investment earnings	-	-	16
Total revenues	<u>497,982</u>	<u>3,778</u>	<u>1,610,504</u>
Expenditures:			
Current:			
Public safety	614,727	-	-
Economic and physical development	-	-	-
Human services	-	-	1,608,523
Total expenditures	<u>614,727</u>	<u>-</u>	<u>1,608,523</u>
Revenues over (under) expenditures	<u>(116,745)</u>	<u>3,778</u>	<u>1,981</u>
Other financing sources (uses):			
Transfers from other funds	-	-	34,663
Transfers to other funds	-	(10,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(10,000)</u>	<u>34,663</u>
Net change in fund balances	(116,745)	(6,222)	36,644
Fund balances:			
Beginning of year, July 1, restated (Note 8)	<u>342,381</u>	<u>19,310</u>	<u>43,167</u>
End of year, June 30	<u>\$ 225,636</u>	<u>\$ 13,088</u>	<u>\$ 79,811</u>

Community Development Scattered Site Project Fund	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Non-major Special Revenue Funds
\$ 370,928	\$ -	\$ 39,713	\$ 1,945	\$ 2,524,834
-	1,250	11,152	1,455	13,873
<u>370,928</u>	<u>1,250</u>	<u>50,865</u>	<u>3,400</u>	<u>2,538,707</u>
-	-	-	-	614,727
496,145	-	70,000	54,242	620,387
-	-	-	-	1,608,523
<u>496,145</u>	<u>-</u>	<u>70,000</u>	<u>54,242</u>	<u>2,843,637</u>
<u>(125,217)</u>	<u>1,250</u>	<u>(19,135)</u>	<u>(50,842)</u>	<u>(304,930)</u>
140,857	-	-	-	175,520
-	-	-	-	(10,000)
<u>140,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,520</u>
15,640	1,250	(19,135)	(50,842)	(139,410)
<u>63,585</u>	<u>56,509</u>	<u>751,268</u>	<u>480,159</u>	<u>1,756,379</u>
<u>\$ 79,225</u>	<u>\$ 57,759</u>	<u>\$ 732,133</u>	<u>\$ 429,317</u>	<u>\$ 1,616,969</u>

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

For the Fiscal Year Ended June 30, 2011

	Early College Building Fund	Library Expansion Project Fund	Webster Complex Fund	School Improvement Fund	Total Non-major Capital Projects Funds
Revenues:					
Investment earnings	\$ 83	\$ 1,190	\$ -	\$ -	\$ 1,273
Expenditures:					
Current:					
Human services	-	-	313,801	-	313,801
Culture and recreation	-	3,007,950	-	-	3,007,950
Education	257,144	-	-	589,276	846,420
Total expenditures	257,144	3,007,950	313,801	589,276	4,168,171
Revenues under expenditures	(257,061)	(3,006,760)	(313,801)	(589,276)	(4,166,898)
Other financing sources (uses):					
Transfers from other funds	-	395,047	193,149	426,836	1,015,032
Transfers to other funds	(113,932)	-	-	(117,557)	(231,489)
Total other financing sources (uses)	(113,932)	395,047	193,149	309,279	783,543
Net change in fund balances	(370,993)	(2,611,713)	(120,652)	(279,997)	(3,383,355)
Fund balances:					
Beginning of year, July 1, restated (Note 8)	370,993	2,611,897	120,778	814,316	3,917,984
End of year, June 30	\$ -	\$ 184	\$ 126	\$ 534,319	\$ 534,629

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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	<u>\$ 573,000</u>	<u>\$ 497,982</u>	<u>\$ (75,018)</u>
Expenditures:			
Public safety:			
Salaries and employee benefits	195,960	195,955	5
Operating	239,741	213,329	26,412
Capital outlay	<u>205,800</u>	<u>205,443</u>	<u>357</u>
Total expenditures	<u>641,501</u>	<u>614,727</u>	<u>26,774</u>
Revenues under expenditures	<u>(68,501)</u>	<u>(116,745)</u>	<u>(48,244)</u>
Fund balance appropriation	<u>68,501</u>	<u>-</u>	<u>(68,501)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(116,745)</u>	<u><u>\$ (116,745)</u></u>
Fund balance:			
Beginning of year, July 1		<u>342,381</u>	
End of year, June 30		<u><u>\$ 225,636</u></u>	

JACKSON COUNTY, NORTH CAROLINA**Law Enforcement Block Grant Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual**

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	<u>\$ 9,500</u>	<u>\$ 3,778</u>	<u>\$ (5,722)</u>
Other financing uses:			
Transfers to General Fund	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Appropriated fund balance	<u>500</u>	<u>-</u>	<u>(500)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(6,222)</u></u>	<u><u>\$ (6,222)</u></u>
Fund balance:			
Beginning of year, July 1		<u>19,310</u>	
End of year, June 30		<u><u>\$ 13,088</u></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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 1,581,612	\$ 1,610,488	\$ 28,876
Investment earnings	800	16	(784)
Total revenues	<u>1,582,412</u>	<u>1,610,504</u>	<u>28,092</u>
Expenditures:			
Human services:			
Operating	<u>1,617,075</u>	<u>1,608,523</u>	<u>8,552</u>
Revenues over (under) expenditures	(34,663)	1,981	36,644
Other financing sources:			
Transfer from General Fund	<u>34,663</u>	<u>34,663</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>36,644</u>	<u>\$ 36,644</u>
Fund balance:			
Beginning of year, July 1		<u>43,167</u>	
End of year, June 30		<u>\$ 79,811</u>	

JACKSON COUNTY, NORTH CAROLINA

Community Development Scattered Site Project Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2011

		<u>Actual</u>			<u>Variance Positive (Negative)</u>
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
Community Development					
Block Grant C-1	\$ 400,000	\$ 37,358	\$ 317,056	\$ 354,414	\$ (45,586)
Housing Preservation Grant	90,000	-	53,872	53,872	(36,128)
Total revenues	<u>490,000</u>	<u>37,358</u>	<u>370,928</u>	<u>408,286</u>	<u>(81,714)</u>
Expenditures:					
Economic and physical					
development:					
Administration	130,857	89,501	92,176	181,677	(50,820)
Rehabilitation:					
Grant	31,400	-	735	735	30,665
County	90,000	115,886	31,866	147,752	(57,752)
Relocation	295,436	11,900	282,669	294,569	867
Clearance	33,164	1,395	31,769	33,164	-
Capital outlay	-	18,881	-	18,881	(18,881)
Program	90,000	-	56,930	56,930	33,070
Total expenditures	<u>670,857</u>	<u>237,563</u>	<u>496,145</u>	<u>733,708</u>	<u>(62,851)</u>
Revenues under expenditures	(180,857)	(200,205)	(125,217)	(325,422)	(144,565)
Other financing sources:					
Transfer from General Fund	<u>140,857</u>	<u>187,524</u>	<u>140,857</u>	<u>328,381</u>	<u>187,524</u>
Fund balance appropriation/ closed out projects	<u>40,000</u>	<u>76,266</u>	<u>-</u>	<u>76,266</u>	<u>36,266</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 63,585</u>	15,640	<u>\$ 79,225</u>	<u>\$ 79,225</u>
Fund balance:					
Beginning of year, July 1			<u>63,585</u>		
End of year, June 30			<u>\$ 79,225</u>		

JACKSON COUNTY, NORTH CAROLINA

Clean Water Revolving Loan Fund

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ -</u>
Expenditures:			
Economic and physical development:			
County loan funds advanced	<u>1,250</u>	<u>-</u>	<u>1,250</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>1,250</u>	<u><u>\$ 1,250</u></u>
Fund balance:			
Beginning of year, July 1		<u>56,509</u>	
End of year, June 30		<u><u>\$ 57,759</u></u>	

JACKSON COUNTY, NORTH CAROLINA**Economic Development Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual**

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 331,106	\$ 39,713	\$ (291,393)
Investment earnings	34,894	11,152	(23,742)
Total revenues	<u>366,000</u>	<u>50,865</u>	<u>(315,135)</u>
Expenditures:			
Economic and physical development:			
Loan funds advanced	70,000	70,000	-
Reserve for economic development	<u>296,000</u>	<u>-</u>	<u>296,000</u>
Total expenditures	<u>366,000</u>	<u>70,000</u>	<u>296,000</u>
Net change in fund balance	<u>\$ -</u>	<u>(19,135)</u>	<u>\$ (19,135)</u>
Fund balance:			
Beginning of year, July 1		<u>751,268</u>	
End of year, June 30		<u>\$ 732,133</u>	

JACKSON COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 1,945	\$ 1,945	\$ -
Investment earnings	1,455	1,455	-
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>-</u>
Expenditures:			
Economic and physical development:			
Operating	241	241	-
Commercial Investments	<u>79,759</u>	<u>54,001</u>	<u>25,758</u>
Total expenditures	<u>80,000</u>	<u>54,242</u>	<u>25,758</u>
Revenues under expenditures	<u>(76,600)</u>	<u>(50,842)</u>	<u>25,758</u>
Appropriated fund balance	<u>76,600</u>	<u>-</u>	<u>(76,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>(50,842)</u>	<u>\$ (50,842)</u>
Fund balance:			
Beginning of year, July 1		<u>480,159</u>	
End of year, June 30		<u>\$ 429,317</u>	

JACKSON COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

		<u>Actual</u>			Variance Positive (Negative)
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 1,050	\$ 1,040	\$ 83	\$ 1,123	\$ 73
Expenditures:					
Education:					
Early college building	902,162	645,018	257,144	902,162	-
Revenues under expenditures	(901,112)	(643,978)	(257,061)	(901,039)	73
Other financing sources (uses):					
Proceeds from installment obligation	900,000	900,000	-	900,000	-
Transfers to Library Fund	-	-	(113,932)	(113,932)	(113,932)
Closed out projects	-	114,971	-	114,971	114,971
Total other financing sources (uses)	900,000	1,014,971	(113,932)	901,039	1,039
Appropriated fund balance	1,112	-	-	-	(1,112)
Net change in fund balance	<u>\$ -</u>	<u>\$ 370,993</u>	<u>(370,993)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			370,993		
End of year, June 30			<u>\$ -</u>		

JACKSON COUNTY, NORTH CAROLINA

Capital Project Fund--Library Expansion Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2011

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Investment earnings	\$ 94,215	\$ 127,486	\$ 1,190	\$ 128,676	\$ 34,461
Gifts and donations	37,633	-	-	-	(37,633)
Total revenues	<u>131,848</u>	<u>127,486</u>	<u>1,190</u>	<u>128,676</u>	<u>(3,172)</u>
Expenditures:					
Culture and recreation:					
Construction	9,052,996	6,119,434	2,933,185	9,052,619	377
Architect fees	680,804	651,875	73,674	725,549	(44,745)
Buildings, structures and improvements	1,686,893	1,502,715	-	1,502,715	184,178
Contingency	-	106,811	1,091	107,902	(107,902)
Total expenditures	<u>11,420,693</u>	<u>8,380,835</u>	<u>3,007,950</u>	<u>11,388,785</u>	<u>31,908</u>
Revenue under expenditures	<u>(11,288,845)</u>	<u>(8,253,349)</u>	<u>(3,006,760)</u>	<u>(11,260,109)</u>	<u>28,736</u>
Other financing sources (uses):					
Proceeds from installment obligation	10,967,781	10,967,781	-	10,967,781	-
Transfers from other funds:					
General Fund	-	44,746	113,932	158,678	158,678
Capital Reserve	281,115	-	281,115	281,115	-
Transfer to County Administrative Fund	-	(147,281)	-	(147,281)	(147,281)
Total other financing sources (uses)	<u>11,248,896</u>	<u>10,865,246</u>	<u>395,047</u>	<u>11,260,293</u>	<u>11,397</u>
Appropriated fund balance	<u>39,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,949)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,611,897</u>	<u>(2,611,713)</u>	<u>\$ 184</u>	<u>\$ 184</u>
Fund balance:					
Beginning of year, July 1			<u>2,611,897</u>		
End of year, June 30			<u>\$ 184</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, 2011

		Actual			Variance
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Year</u>	<u>Year</u>	<u>Date</u>	<u>(Negative)</u>
Revenues:					
Investment earnings	\$ 39,299	\$ 39,299	\$ -	\$ 39,299	\$ -
Miscellaneous	5,000	5,000	-	5,000	-
Total revenues	<u>44,299</u>	<u>44,299</u>	<u>-</u>	<u>44,299</u>	<u>-</u>
Expenditures:					
Human services:					
Architect fees	732,523	720,744	11,779	732,523	-
Furniture and equipment	374,891	348,150	26,741	374,891	-
Construction cost	7,203,534	6,928,127	275,281	7,203,408	126
Total expenditures	<u>8,310,948</u>	<u>7,997,021</u>	<u>313,801</u>	<u>8,310,822</u>	<u>126</u>
Revenues under expenditures	<u>(8,266,649)</u>	<u>(7,952,722)</u>	<u>(313,801)</u>	<u>(8,266,523)</u>	<u>126</u>
Other financing sources:					
Transfers from other funds:					
Transfers from General Fund	193,149	-	193,149	193,149	-
Installment purchase obligations issued	8,073,500	8,073,500	-	8,073,500	-
Total other financing sources	<u>8,266,649</u>	<u>8,073,500</u>	<u>193,149</u>	<u>8,266,649</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 120,778</u>	<u>(120,652)</u>	<u>\$ 126</u>	<u>\$ 126</u>
Fund balance:					
Beginning of year, July 1			<u>120,778</u>		
End of year, June 30			<u>\$ 126</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, 2011

		<u>Actual</u>			<u>Variance</u>
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>	<u>Positive</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>	<u>(Negative)</u>
Revenues:					
Restricted intergovernmental:					
Public School Building Bond Fund	\$ 2,477,582	\$ 2,482,379	\$ -	\$ 2,482,379	\$ 4,797
Public School Building					
Capital Fund	1,734,935	1,774,600	-	1,774,600	39,665
Jackson County Board of					
Education	213,166	213,166	-	213,166	-
DOT Revenue	350,000	350,000	-	350,000	-
Investment earnings	1,041,268	1,034,807	-	1,034,807	(6,461)
Sale of timber	20,304	20,304	-	20,304	-
Total revenues	<u>5,837,255</u>	<u>5,875,256</u>	<u>-</u>	<u>5,875,256</u>	<u>38,001</u>
Expenditures:					
Education:					
Smoky Mountain High--					
classrooms/media	577,700	577,700	-	577,700	-
Blue Ridge School	674,200	674,200	-	674,200	-
Fairview Elementary School	400,000	400,000	-	400,000	-
Smoky Mountain High	200,000	200,000	-	200,000	-
Smoky Mountain High--band					
room/art/science	625,682	625,682	-	625,682	-
Construction--Blue Ridge School	874,843	890,755	-	890,755	(15,912)
Construction--Smoky Mountain					
High School	5,905,800	5,912,573	-	5,912,573	(6,773)
Construction--SMHS--Science					
Building	3,857,226	4,066,048	-	4,066,048	(208,822)
Construction--SMHS--Front Entry	1,853,387	1,853,387	-	1,853,387	-
Construction--SMHS--Land					
Acquisition	327,465	327,465	-	327,465	-
Construction--SMHS--Road					
and signs	6,952,960	6,899,037	-	6,899,037	53,923
Construction--SMHS--D Building	835,475	793,902	-	793,902	41,573
Construction--Fairview/Smoky					
Mountain Elementary	1,761,512	1,761,512	-	1,761,512	-
Construction--Fairview					
Kindergarten	2,852,020	2,852,020	-	2,852,020	-
Public School Building Capital					
Fund	1,542,514	1,533,402	-	1,533,402	9,112
School projects	438,757	430,834	798	431,632	7,125
Study/needs assessment-SMHS	38,000	38,000	-	38,000	-
HUB Project	648,115	16,500	588,478	604,978	43,137
Total expenditures	<u>30,365,656</u>	<u>29,853,017</u>	<u>589,276</u>	<u>30,442,293</u>	<u>(76,637)</u>
Revenues under expenditures	<u>(24,528,401)</u>	<u>(23,977,761)</u>	<u>(589,276)</u>	<u>(24,567,037)</u>	<u>(38,636)</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, 2011

		<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 from other funds:					
School Capital Reserve	\$ 410,673	\$ 236,252	\$ 117,557	\$ 353,809	\$ (56,864)
General Fund	1,362,556	1,174,626	-	1,174,626	(187,930)
Capital Projects Fund	280,000	1,113,112	-	1,113,112	833,112
Installment purchase obligations	22,150,530	22,150,530	-	22,150,530	-
Total other financing sources	<u>24,203,759</u>	<u>24,674,520</u>	<u>117,557</u>	<u>24,792,077</u>	<u>588,318</u>
Appropriated fund balance	<u>324,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,642)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 696,759</u>	<u>(471,719)</u>	<u>\$ 225,040</u>	<u>\$ 225,040</u>
Fund balance:					
Beginning of year, July 1			<u>696,759</u>		
End of year, June 30			225,040		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statement due to consolidation of the School Capital Reserve Fund:					
Transfers from the General Fund			309,279		
Transfers to the School Improvement Fund			(117,557)		
Fund balance, beginning (School Capital Reserve Fund)			<u>117,557</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 534,319</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing uses:			
Transfer from General Fund	\$ 309,279	\$ 309,279	\$ -
Transfer to School Improvement Fund	<u>(426,836)</u>	<u>(117,557)</u>	<u>(309,279)</u>
Total other financing sources (uses)	<u>(117,557)</u>	<u>191,722</u>	<u>(309,279)</u>
Fund balance appropriation	<u>117,557</u>	<u>-</u>	<u>(117,557)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>191,722</u>	<u><u>\$ 191,722</u></u>
Fund balance:			
Beginning of year, July 1		<u>117,557</u>	
End of year, June 30		<u><u>\$ 309,279</u></u>	

ENTERPRISE FUNDS

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

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

JACKSON COUNTY, NORTH CAROLINA

**Schedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Landfill Fund**

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,086,186	\$ 3,113,103	\$ 26,917
Non-operating revenues:			
Scrap tire disposal fee	69,205	69,201	(4)
White goods tax	11,287	11,286	(1)
Electronics tax	5,000	2,736	(2,264)
Recycling assistance grant	11,120	11,120	-
Interest earned on investments	25,749	24,019	(1,730)
Total non-operating revenues	122,361	118,362	(3,999)
Total revenues	3,208,547	3,231,465	22,918
Expenditures:			
Landfill operations:			
Salaries and employee benefits	511,554	499,103	12,451
Operating expenses	1,565,704	1,428,829	136,875
Supplies	33,220	28,088	5,132
Repairs and maintenance	60,629	41,034	19,595
Contracted services	702,279	698,995	3,284
Capital outlay	3,624,624	119,026	3,505,598
Total	6,498,010	2,815,075	3,682,935
Debt service:			
Debt principal	162,001	162,001	-
Interest paid	144,697	144,697	-
Total	306,698	306,698	-
Total expenditures	6,804,708	3,121,773	3,682,935

(continued)

JACKSON COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Landfill Fund, Continued

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues under expenditures	\$ (3,596,161)	\$ 109,692	\$ 3,705,853
Other financing sources:			
Proceeds from installment obligation	3,312,550	-	3,312,550
Appropriated fund balance	283,611	-	(283,611)
Total other financing sources	<u>3,596,161</u>	<u>-</u>	<u>3,028,939</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 109,692</u>	<u>\$ 6,734,792</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues over expenditures		\$ 109,692	
Change in accrued interest receivable		(7,158)	
Change in compensated absences		5,349	
Change in accrued interest payable		324	
Change in net OPEB obligation		(92,743)	
Capital outlay		119,026	
Debt principal payment		162,001	
Landfill closure and post-closure costs		(818,395)	
Depreciation		<u>(158,094)</u>	
Change in net assets		<u>\$ (679,998)</u>	

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

June 30, 2011

	Green Energy Park <u>Fund</u>	Economic Development Enterprise <u>Fund</u>	Total Non-major Proprietary <u>Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 144,937	\$ 164,016	\$ 308,953
Accounts receivable, net	2,320	4,818	7,138
Capital assets, net of depreciation	82,049	1,319,548	1,401,597
Total assets	<u>229,306</u>	<u>1,488,382</u>	<u>1,717,688</u>
<u>Liabilities and Net Assets</u>			
Liabilities:			
Accounts payable and accrued liabilities	3,761	2,305	6,066
Compensated absences	11,486	-	11,486
Net OPEB obligation	34,876	-	34,876
Unearned revenue	47	-	47
Total liabilities	<u>50,170</u>	<u>2,305</u>	<u>52,475</u>
Net assets:			
Invested in capital assets	82,049	1,319,548	1,401,597
Unrestricted	<u>97,087</u>	<u>166,529</u>	<u>263,616</u>
Total net assets	<u>\$ 179,136</u>	<u>\$ 1,486,077</u>	<u>\$ 1,665,213</u>

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

For the Fiscal Year Ended June 30, 2011

	Green Energy Park <u>Fund</u>	Economic Development Enterprise <u>Fund</u>	Total Non-major Proprietary <u>Funds</u>
Operating revenues:			
Charges for services	<u>\$ 20,888</u>	<u>\$ 61,218</u>	<u>\$ 82,106</u>
Operating expenses:			
Park operations	198,455	-	198,455
Economic development operations	-	29,316	29,316
Depreciation	<u>3,649</u>	<u>19,654</u>	<u>23,303</u>
Total expenditures	<u>202,104</u>	<u>48,970</u>	<u>251,074</u>
Operating income (loss)	<u>(181,216)</u>	<u>12,248</u>	<u>(168,968)</u>
Non-operating revenues:			
Golden LEAF Foundation grant	85,000	-	85,000
Conservation Fund grant	20,000	-	20,000
Donations	510	-	510
Gain on sale of capital assets	-	7,500	7,500
Total non-operating revenue	<u>105,510</u>	<u>7,500</u>	<u>113,010</u>
Income (loss) before transfers	(75,706)	19,748	(55,958)
Transfers from other funds	<u>220,574</u>	<u>30,000</u>	<u>250,574</u>
Change in net assets	144,868	49,748	194,616
Net assets:			
Beginning of year, July 1	<u>34,268</u>	<u>1,436,329</u>	<u>1,470,597</u>
End of year, June 30	<u>\$ 179,136</u>	<u>\$ 1,486,077</u>	<u>\$ 1,665,213</u>

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

For the Fiscal Year Ended June 30, 2011

	Green Energy Park Fund	Economic Development Enterprise Fund	Total Non-major Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	\$ 22,846	\$ 57,783	\$ 80,629
Cash paid for goods and services	(85,188)	(36,202)	(121,390)
Cash paid to employees for services	(107,765)	-	(107,765)
Net cash provided (used) by operating activities	<u>(170,107)</u>	<u>21,581</u>	<u>(148,526)</u>
Cash flows from non-capital financing activities:			
Grants and donations	105,510	-	105,510
Transfers from other funds	<u>220,574</u>	<u>30,000</u>	<u>250,574</u>
Net cash provided by non-capital financing activities	<u>326,084</u>	<u>30,000</u>	<u>356,084</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	-	7,500	7,500
Acquisition of capital assets	<u>(20,287)</u>	<u>(413,022)</u>	<u>(433,309)</u>
Net cash used by capital and related financing activities	<u>(20,287)</u>	<u>(405,522)</u>	<u>(425,809)</u>
Net increase (decrease) in cash and cash equivalents	135,690	(353,941)	(218,251)
Cash and cash equivalents, July 1	<u>9,247</u>	<u>517,957</u>	<u>527,204</u>
Cash and cash equivalents, June 30	<u>\$ 144,937</u>	<u>\$ 164,016</u>	<u>\$ 308,953</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (181,216)	\$ 12,248	\$ (168,968)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	3,649	19,654	23,303
Changes in assets and liabilities:			
Accounts receivable	1,958	(3,435)	(1,477)
Accounts payable and accrued liabilities	(2,454)	(6,886)	(9,340)
Unearned revenue	47	-	47
Compensated absences	(1,004)	-	(1,004)
Net OPEB obligation	<u>8,913</u>	<u>-</u>	<u>8,913</u>
Total adjustments	<u>11,109</u>	<u>9,333</u>	<u>20,442</u>
Net cash provided (used) by operating activities	<u>\$ (170,107)</u>	<u>\$ 21,581</u>	<u>\$ (148,526)</u>

JACKSON COUNTY, NORTH CAROLINASchedule of Revenues, Expenditures and Transfers--Budget and Actual (Non-GAAP)
Green Energy Park Fund

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 17,500	\$ 12,536	\$ (4,964)
Registration fees	7,700	7,697	(3)
Gallery Commission	659	655	(4)
Total operating revenues	<u>25,859</u>	<u>20,888</u>	<u>(4,971)</u>
Non-operating revenues:			
Golden LEAF Foundation grant	85,000	85,000	-
Conservation Fund grant	20,000	20,000	-
Donations	6,989	510	(6,479)
Total non-operating revenues	<u>111,989</u>	<u>105,510</u>	<u>(6,479)</u>
Other financing sources:			
Transfers from other funds	<u>220,574</u>	<u>220,574</u>	<u>-</u>
Total revenues and other financing sources	<u>358,422</u>	<u>346,972</u>	<u>(11,450)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	135,022	115,674	19,348
Operating expenses	100,630	74,872	25,758
Capital outlay	37,770	20,287	17,483
Contingency	85,000	-	85,000
Total	<u>358,422</u>	<u>210,833</u>	<u>147,589</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 136,139</u>	<u>\$ 136,139</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources over expenditures		\$ 136,139	
Change in compensated absences		1,004	
Change in net OPEB obligation		(8,913)	
Capital outlay		20,287	
Depreciation		<u>(3,649)</u>	
Change in net assets		<u>\$ 144,868</u>	

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 61,220	\$ 61,218	\$ (2)
Non-operating revenues:			
Sale of property	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Other financing sources:			
Transfers from other funds	30,000	30,000	-
Appropriated fund balance	<u>460,283</u>	<u>-</u>	<u>(460,283)</u>
Total other financing sources	<u>490,283</u>	<u>30,000</u>	<u>(460,283)</u>
Total revenues and other financing sources	<u>559,003</u>	<u>98,718</u>	<u>(460,285)</u>
Expenditures:			
Park operations:			
Operating	80,500	9,316	71,184
Insurance	20,000	20,000	-
Capital outlay	433,503	413,022	20,481
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	<u>559,003</u>	<u>442,338</u>	<u>116,665</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (343,620)</u>	<u>\$ (343,620)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues and other financing sources under expenditures		\$ (343,620)	
Capital outlay		413,022	
Depreciation		<u>(19,654)</u>	
Change in net assets		<u>\$ 49,748</u>	

TRAVEL AND TOURISM AUTHORITY AND AIRPORT 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 Airport Authority** - accounts for the operations of the Jackson County Airport.

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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
Room occupancy tax	\$ 273,438	\$ 248,406	\$ (25,032)
Investment earnings	800	-	(800)
Total revenues	<u>274,238</u>	<u>248,406</u>	<u>(25,832)</u>
Expenditures:			
Economic and physical development:			
Operating expenditures	290,138	284,928	5,210
Capital outlay	400	150	250
Total expenditures	<u>290,538</u>	<u>285,078</u>	<u>5,460</u>
Revenues under expenditures	(16,300)	(36,672)	(20,372)
Appropriated fund balance	<u>16,300</u>	<u>-</u>	<u>(16,300)</u>
Net change in fund balance	<u>\$ -</u>	<u>(36,672)</u>	<u>\$ (36,672)</u>
Fund balance:			
Beginning of year, July 1		<u>158,849</u>	
End of year, June 30		<u>\$ 122,177</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
Room occupancy tax	\$ 178,893	\$ 199,768	\$ 20,875
Expenditures:			
Economic and physical development:			
Operating expenditures	184,342	172,306	12,036
Capital outlay	1,000	-	1,000
Total expenditures	<u>185,342</u>	<u>172,306</u>	<u>13,036</u>
Revenues over (under) expenditures	(6,449)	27,462	33,911
Appropriated fund balance	<u>6,449</u>	-	<u>(6,449)</u>
Net change in fund balance	<u>\$ -</u>	27,462	<u>\$ 27,462</u>
Fund balance:			
Beginning of year, July 1		<u>64,778</u>	
End of year, June 30		<u>\$ 92,240</u>	

JACKSON COUNTY, NORTH CAROLINA
Jackson County Airport Authority (Non-GAAP)

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 150,000	\$ 48,371	\$ (101,629)
Sales and services	52,500	43,277	(9,223)
Jackson County	31,000	31,000	-
Miscellaneous	14,800	13,632	(1,168)
Total revenues	<u>248,300</u>	<u>136,280</u>	<u>(112,020)</u>
Expenditures:			
Transportation:			
Operating	98,300	52,229	46,071
Capital outlay	150,000	38,138	111,862
Total expenditures	<u>248,300</u>	<u>90,367</u>	<u>157,933</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 45,913</u>	<u>\$ 45,913</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Revenues over expenditures		\$ 45,913	
Capital outlay		38,138	
Depreciation		<u>(13,760)</u>	
Change in net assets		<u>\$ 70,291</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, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Social Services:				
Assets:				
Cash and cash equivalents	<u>\$ 39,667</u>	<u>\$ 305,450</u>	<u>\$ 314,449</u>	<u>\$ 30,668</u>
Liabilities:				
Amounts held for others	<u>\$ 39,667</u>	<u>\$ 305,450</u>	<u>\$ 314,449</u>	<u>\$ 30,668</u>
Property Tax Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 8,295</u>	<u>\$ 385,058</u>	<u>\$ 383,320</u>	<u>\$ 10,033</u>
Liabilities:				
Amounts held for others	<u>\$ 8,295</u>	<u>\$ 385,058</u>	<u>\$ 383,320</u>	<u>\$ 10,033</u>
State of North Carolina Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 16,957</u>	<u>\$ 369,386</u>	<u>\$ 354,334</u>	<u>\$ 32,009</u>
Liabilities:				
Amounts held for others	<u>\$ 16,957</u>	<u>\$ 369,386</u>	<u>\$ 354,334</u>	<u>\$ 32,009</u>
Extension Agency Fund				
Assets:				
Cash and cash equivalents	<u>\$ 56,993</u>	<u>\$ 4,207</u>	<u>\$ 6,141</u>	<u>\$ 55,059</u>
Liabilities:				
Amounts held for others	<u>\$ 56,993</u>	<u>\$ 4,207</u>	<u>\$ 6,141</u>	<u>\$ 55,059</u>

(continued)

JACKSON COUNTY, NORTH CAROLINA
Agency Funds

Schedule of Changes in Fiduciary Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2011

	Balance July 1, <u>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2011</u>
Community Health Link Fund				
Assets:				
Cash and cash equivalents	<u>\$ 86,080</u>	<u>\$ 108,307</u>	<u>\$ 90,291</u>	<u>\$ 104,096</u>
Liabilities:				
Amounts due to others	<u>\$ 86,080</u>	<u>\$ 108,307</u>	<u>\$ 90,291</u>	<u>\$ 104,096</u>
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	<u>\$ 998</u>	<u>\$ 12,728</u>	<u>\$ 12,662</u>	<u>\$ 1,064</u>
Liabilities:				
Due to other governments	<u>\$ 998</u>	<u>\$ 12,728</u>	<u>\$ 12,662</u>	<u>\$ 1,064</u>
Totals--all Agency Funds				
Assets:				
Cash and cash equivalents	<u>\$ 208,990</u>	<u>\$ 1,185,136</u>	<u>\$ 1,161,197</u>	<u>\$ 232,929</u>
Liabilities:				
Amounts held for others	<u>\$ 207,992</u>	<u>\$ 1,172,408</u>	<u>\$ 1,148,535</u>	<u>\$ 231,865</u>
Due to other governments	<u>998</u>	<u>12,728</u>	<u>12,662</u>	<u>1,064</u>
Total liabilities	<u>\$ 208,990</u>	<u>\$ 1,185,136</u>	<u>\$ 1,161,197</u>	<u>\$ 232,929</u>

OTHER SCHEDULES

This section included additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Financial Data Schedule - Schedules required by the U.S. Department of Housing and Urban Development.

JACKSON COUNTY, NORTH CAROLINA

General Fund
Schedule of Ad Valorem Taxes Receivable

June 30, 2011

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections And Credits	Uncollected Balance June 30, 2011
2009-2010	\$ -	\$ 31,521,439	\$ 29,981,315	\$ 1,540,124
2008-2009	1,707,675	-	771,042	936,633
2007-2008	730,413	-	258,961	471,452
2006-2007	335,667	-	73,866	261,801
2005-2006	169,809	-	33,806	136,003
2004-2005	108,278	-	13,882	94,396
2003-2004	90,511	-	14,684	75,827
2002-2003	90,701	-	8,556	82,145
2001-2002	80,173	-	5,292	74,881
2000-2001	69,068	-	3,870	65,198
1999-2000	73,744	-	73,744	-
	<u>\$ 3,456,039</u>	<u>\$ 31,521,439</u>	<u>\$ 31,239,018</u>	3,738,460
Less: allowance for uncollectible accounts				<u>(900,000)</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 2,838,460</u>
Reconcilement with revenues:				
Ad valorem taxes--General Fund				\$ 31,466,196
Reconciling items:				
Interest collected				(327,299)
Rental vehicle tax				(12,376)
Amounts written off for tax year 2000-2001				71,115
Other taxes written off				20,623
Collection on taxes previously written off				(18,716)
Prior year releases, refunds and other adjustments				22,411
DMV interest				12,728
Other miscellaneous reconciling items				10,017
Collection fees				(5,681)
Total reconciling items				<u>(227,178)</u>
Total collections and credits				<u>\$ 31,239,018</u>

JACKSON COUNTY, NORTH CAROLINAAnalysis of Current Tax Levy
County-wide Levy

For the Fiscal Year Ended June 30, 2011

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 11,075,878,214	0.28	\$ 31,012,459	\$ 30,283,549	\$ 728,910
Utilities at current year's rate	151,137,500	0.28	423,185	423,185	-
Total	<u>11,227,015,714</u>		<u>31,435,644</u>	<u>30,706,734</u>	<u>728,910</u>
Discoveries:					
Current year taxes	48,635,000	0.28	136,178	136,178	-
Abatements	<u>(17,993,929)</u>	0.28	<u>(50,383)</u>	<u>(42,727)</u>	<u>(7,656)</u>
Total property valuation	<u>\$ 11,257,656,785</u>				
Net levy			31,521,439	30,800,185	721,254
Uncollected taxes at June 30, 2011			<u>1,540,124</u>	<u>1,449,994</u>	<u>90,130</u>
Current year's taxes collected			<u>\$ 29,981,315</u>	<u>\$ 29,350,191</u>	<u>\$ 631,124</u>
Current levy collection percentage			<u>95.11%</u>	<u>95.29%</u>	<u>87.50%</u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Balance Sheet

For the Year Ended June 30, 2011

Line Item Number	Account Descriptions	Section 8 14.871
	Assets:	
	Current assets:	
	Cash:	
113	Cash--other restricted	\$ 63,849
100	Total cash	<u>63,849</u>
128	Accounts receivable--fraud recovery	16,123
128.1	Allowance for doubtful accounts--fraud	<u>(161)</u>
	Total receivables, net of allowance for doubtful accounts	<u>15,962</u>
120		
150	Total current assets	<u>79,811</u>
190	Total assets	<u><u>\$ 79,811</u></u>
	Equity:	
512.1	Fund balance	\$ 79,811
513	Total net assets	<u>79,811</u>
600	Total liabilities and net assets	<u><u>\$ 79,811</u></u>

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses

For the Year Ended June 30, 2011

Line Item Number	Account Descriptions	Section 8 14.871
	Revenue:	
70600-010	Housing assistance payments	\$ 1,401,411
70600-020	Ongoing administrative fees earned	209,077
70600	Total HUD PHA operating grants	<u>1,610,488</u>
7100	Investment income--unrestricted	<u>16</u>
70000	Total revenue	<u><u>\$ 1,610,504</u></u>
	Expenses:	
91100	Administrative salaries	\$ 154,214
91200	Auditing fees	3,915
91500	Employee benefit contributions--administrative	52,888
91600	Office expenses	16,757
91800	Travel	4,180
91000	Total operating--administrative	<u>231,954</u>
96900	Total operating expenses	<u>231,954</u>
97000	Excess revenue over operating expenses	<u>1,378,550</u>
97300	Housing assistance payments	<u>1,376,569</u>
90000	Total expenses	<u>1,608,523</u>
10010	Operating transfers in	<u>34,663</u>
10100	Total other financing sources	<u>34,663</u>
10000	Excess of revenue and other financing sources over expenses	<u><u>\$ 36,644</u></u>

(continued)

JACKSON COUNTY, NORTH CAROLINA

Financial Data Schedule--Revenues and Expenses, Continued

For the Year Ended June 30, 2011

Line Item Number	Account Descriptions	Section 8 14.871
MEMO: Account information		
11190-210	Total ACC HCV Units	324
11190	Unit Months Available	3,888
11210	Unit Months Leased	3,751