

Jackson County, North Carolina

Financial Statements

Year Ended June 30, 2015



JACKSON COUNTY, NORTH CAROLINA
Sylva, North Carolina

Board of County Commissioners

June 30, 2015

Board of County Commissioners

Brian T. McMahan, Chairperson
Boyce T. Deitz
Vicki Greene
Charles R. Elders
Mark R. Jones

County Manager

Chuck Wooten

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Independent Auditors' Report

Board of County Commissioners
Jackson County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units (except as noted below), each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board, which is a discretely presented component unit that represents 19% of total assets, 10% of total net position, and 82% of total revenues for all discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts for the Jackson County Alcoholic Beverage Control Board, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Jackson County Tourism Development Authority and the Jackson County Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina as of June 30, 2015, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 8 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27)*, in 2015. Our opinion is not modified with respect to these changes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11, the Law Enforcement Officers' Special Separation Allowance's and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, and the Local Governmental Employees' Retirement System's Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions on pages 51 through 56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual non-major fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the

combining and individual non-major fund financial statements, budgetary schedules, and other schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016, on our consideration of Jackson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering Jackson County's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

**Asheville, North Carolina
March 2, 2016**

Management's Discussion and Analysis

As management of Jackson County (the "County"), we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

The assets and deferred outflows of resources of Jackson County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,766,001 (*net position*).

The government's total net position increased by \$6,260,896, primarily due to increased net position in the governmental activities.

As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$31,437,464, an increase of \$2,187,090 in comparison with the prior year. 70 percent of this total amount, or \$21,883,527, 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 \$21,883,527, or 40 percent of total General Fund expenditures and transfers to other funds for the fiscal year.

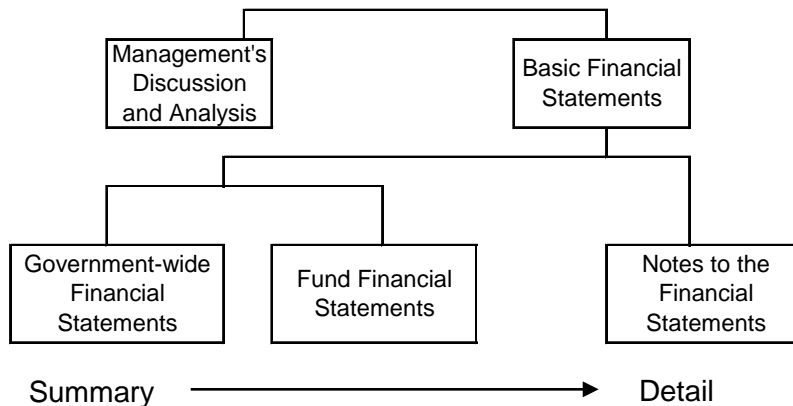
Jackson County's governmental activities long-term debt (excluding compensated absences and net OPEB and pension obligations) decreased by \$4,558,340 during the current fiscal year. This is due to the repayment of notes payable.

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



Jackson County, North Carolina Management's Discussion and Analysis

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

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

The government-wide financial statements are on Exhibits 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.

Jackson County, North Carolina Management's Discussion and Analysis

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

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

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

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Jackson County has 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.

**Jackson County, North Carolina
Management's Discussion and Analysis**

Government-Wide Financial Analysis

**Jackson County's Net Position
Figure 2**

	2015			2014 As Adjusted		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Current and other assets	\$ 39,361,425	\$ 1,475,038	\$ 40,836,463	\$ 37,387,150	\$ 1,226,388	\$ 38,613,538
Capital assets	<u>66,864,767</u>	<u>5,885,549</u>	<u>72,750,316</u>	<u>66,467,843</u>	<u>6,116,816</u>	<u>72,584,659</u>
Total assets	<u>106,226,192</u>	<u>7,360,587</u>	<u>113,586,779</u>	<u>103,854,993</u>	<u>7,343,204</u>	<u>111,198,197</u>
Deferred outflows of resources	<u>1,019,214</u>	<u>20,800</u>	<u>1,040,014</u>	<u>1,014,563</u>	<u>20,705</u>	<u>1,035,268</u>
Long-term liabilities outstanding	46,317,269	2,803,371	49,120,850	52,246,155	3,056,359	55,302,514
Other liabilities	<u>3,651,736</u>	<u>1,711,653</u>	<u>5,363,389</u>	<u>4,083,385</u>	<u>1,737,100</u>	<u>5,820,485</u>
Total liabilities	<u>49,969,005</u>	<u>4,515,024</u>	<u>54,484,239</u>	<u>56,329,540</u>	<u>4,793,459</u>	<u>61,122,999</u>
Deferred inflows of resources	<u>4,307,818</u>	<u>68,735</u>	<u>4,376,553</u>	<u>1,605,361</u>	<u>-</u>	<u>1,605,361</u>
Net position:						
Net investment in capital assets	53,030,230	3,656,843	56,687,073	50,207,759	3,653,510	53,861,269
Restricted	7,878,353	28,070	7,906,423	6,072,648	-	6,072,648
Unrestricted	<u>(7,940,210)</u>	<u>(887,285)</u>	<u>(8,827,495)</u>	<u>(9,345,752)</u>	<u>(1,083,060)</u>	<u>(10,428,812)</u>
Total net position	<u>\$ 52,968,373</u>	<u>\$ 2,797,628</u>	<u>\$ 55,766,001</u>	<u>\$ 46,934,655</u>	<u>\$ 2,570,450</u>	<u>\$ 49,505,105</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Jackson County exceeded liabilities and deferred inflows of resources by \$55,766,001 as of June 30, 2015. The County's net position increased by \$6,260,896 for the fiscal year ended June 30, 2015, of which \$6,033,718 was for an increase in governmental activities and \$227,178 was for an increase in business-type activities. One of the largest portions of net position (102 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 position (approximately 14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,827,495 is unrestricted deficit.

Particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.76 percent, slightly below the statewide average of 96.9 percent for counties in the 25,000 – 49,999 population range; Increased revenue in property taxes due to growth within the County.

**Jackson County, North Carolina
Management's Discussion and Analysis**

**Jackson County's Changes in Net Position
Figure 3**

	<u>2015</u>			<u>2014 As Adjusted</u>		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,936,437	\$ 3,343,334	\$ 6,279,771	\$ 3,015,639	\$ 3,103,267	\$ 6,118,906
Operating grants and contributions	9,334,622	264	9,334,886	10,164,946	19,371	10,184,317
Capital grants and contributions	627,907	-	627,907	824,580	-	824,580
General revenues:						
Property taxes	32,626,164	-	32,626,164	32,705,098	-	32,705,098
Other taxes	11,535,401	60,748	11,596,149	10,395,646	58,745	10,454,391
Grants and contributions not restricted to specific programs	276,381	-	276,381	173,559	-	173,559
Other	491,423	29,879	521,302	415,062	31,115	446,177
Total revenues	<u>57,828,335</u>	<u>3,434,225</u>	<u>61,262,560</u>	<u>57,694,530</u>	<u>3,212,498</u>	<u>60,907,028</u>
Expenses:						
General government	9,462,704	-	9,462,704	9,068,008	-	9,068,008
Public safety	12,294,117	-	12,294,117	12,210,055	-	12,210,055
Transportation	1,026,959	-	1,026,959	851,742	-	851,742
Environmental protection	484,896	-	484,896	348,825	-	348,825
Economic and physical development	624,381	-	624,381	898,378	-	898,378
Human services	14,279,806	-	14,279,806	14,815,551	-	14,815,551
Culture and recreation	2,950,513	-	2,950,513	2,977,475	-	2,977,475
Education	9,754,408	-	9,754,408	16,598,546	-	16,598,546
Interest and other charges	782,394	-	782,394	959,472	-	959,472
Landfill	-	3,068,220	3,068,220	-	2,963,085	2,963,085
Green Energy Park	-	152,674	152,674	-	165,037	165,037
Economic Development Commission	-	120,592	120,592	-	85,230	85,230
Total expenses	<u>51,660,178</u>	<u>3,341,486</u>	<u>55,001,664</u>	<u>58,728,052</u>	<u>3,213,352</u>	<u>61,941,404</u>
Change in net position before transfers	6,168,157	92,739	6,260,896	(1,033,522)	(854)	(1,034,376)
Transfers	(134,439)	134,439	-	(134,439)	134,439	-
Change in net position	6,033,718	227,178	6,260,896	(1,167,961)	133,585	(1,034,376)
Net position, July 1	46,934,655	2,570,450	49,505,105	50,012,894	2,475,851	52,488,745
Adjustment	-	-	-	(1,910,278)	(38,986)	(1,949,264)
Net position, June 30	<u>\$ 52,968,373</u>	<u>\$ 2,797,628</u>	<u>\$ 55,766,001</u>	<u>\$ 46,934,655</u>	<u>\$ 2,570,450</u>	<u>\$ 49,505,105</u>

Jackson County, North Carolina Management's Discussion and Analysis

Governmental Activities - Governmental activities increased the County's net position by \$6,033,718, thereby accounting for 96 percent of the total increase in the net position of Jackson County. Key elements of this increase are as follows:

- 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 increased Jackson County's net position by \$227,178. The key element of this increase was the Landfill 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, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Jackson County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21,883,527, while total fund balance reached \$28,229,854. 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, \$3,892,571. Fund balance available for appropriation of \$24,337,283 represents 45 percent of total General Fund expenditures and transfers out, while total fund balance represents 52 percent of that same amount.

At June 30, 2015, the governmental funds of Jackson County reported a combined fund balance of \$31,437,464, an increase of \$2,187,090. The primary reason for this increase in fund balance is additional fees and sales tax revenues.

General Fund Budgetary Highlights - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund increased revenues by \$3,054,599.

Proprietary Funds - Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Landfill, Green Energy Park, and Economic Development Commission Funds at the end of the fiscal year amounted to \$2,797,628. The total increase in net position for the funds was \$227,178. The net income from operations was further supplemented 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.

**Jackson County, North Carolina
Management's Discussion and Analysis**

Capital Asset and Debt Administration

Capital Assets - Jackson County's capital assets for its governmental and business-type activities as of June 30, 2015, totals \$72,750,316 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchased a new Trane chiller for the Justice Center
- Purchased a new Dell Server for the Computer Department
- Purchased two new 72" TurfCat 4WD mowers for the Grounds Department
- Purchased five new vehicles for the Sheriff's Department
- Purchased a tower, antenna, router and base radio for Emergency Management
- Purchased new furniture for the Emergency Dispatch Center
- Purchased two Ford Escape vehicles for Code Enforcement
- Purchased a new Ford Transit van for Cooperative Extension for the 4H Program
- Purchased a new vehicle for the Department of Social Services
- Purchased property and improvements for the Webster and Barkers Creek River Access Areas for the Recreation Department
- Addition of construction in progress on the Andrews Park, Mark Watson Park, Greenway, and Emergency Management Center Projects

**Jackson County's Capital Assets, Net of Accumulated Depreciation
Figure 4**

	2015			2014		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Land	\$ 16,207,752	\$ 182,414	\$ 16,390,166	\$ 12,366,389	\$ 182,414	\$ 12,548,803
Buildings and system	45,670,553	1,576,435	47,246,988	42,740,415	5,801,718	48,542,133
Machinery and equipment	1,290,169	4,026,489	5,316,658	914,094	132,684	1,046,778
Vehicles and motorized equipment	1,242,649	100,211	1,342,860	1,317,361	-	1,317,361
Construction in progress	2,453,644	-	2,453,644	9,129,584	-	9,129,584
Total	\$ 66,864,767	\$ 5,885,549	\$ 72,750,316	\$ 66,467,843	\$ 6,116,816	\$ 72,584,659

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, 2015, Jackson County had total debt outstanding of \$49,120,850, most of which is collateralized by capital assets. However, \$12,203,645 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, North Carolina
Management's Discussion and Analysis**

**Jackson County's Outstanding Debt
Installment Purchase Obligations
Figure 5**

	2015			2014		
	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Total	<u>\$ 26,038,182</u>	<u>\$ 2,228,706</u>	<u>\$ 28,266,888</u>	<u>\$ 30,596,522</u>	<u>\$ 2,463,306</u>	<u>\$ 33,059,828</u>

Jackson County's debt, shown above, decreased \$4,792,940 (17 percent) during the past fiscal year. The decrease is primarily due to the repayment of notes payable.

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 \$898,000,000.

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 6.3 percent, the same as the State average of 6.3 percent.
- Retail vacancy rates are slightly lower, having stayed in the 5 percent range all year. Several rental units were added during the year. The County continues to see increases in room occupancy tax fees.

Budget Highlights for the Fiscal Year Ending June 30, 2016

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

Budgeted expenditures in the General Fund are expected to decrease 3 percent to \$58,232,365. The largest increments are in the creation of 9.5 employee positions, reduction in debt transfers, and decreased operational expenses.

Business-type Activities: General operating expenses of the Landfill Fund will increase by 6 percent. Revenues from the sales of materials and volumes for tipping fees have increased slightly. A reduction in sales of recycled materials is projected. Rates for landfill services will remain the same. A fund balance appropriation will be made to pave the Cashiers SRC facility. The Green Energy Park Fund will increase by 47 percent due to two fifty percent positions and engineering and design fees for additional facility space. The Economic Development Fund will remain the same.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Jackson County, North Carolina
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 31,648,510	\$ 794,876	\$ 32,443,386
Restricted cash and cash equivalents	91,776	-	91,776
Taxes receivable, net	1,765,892	-	1,765,892
Accounts receivable, net	325,366	464,642	790,008
Accrued interest receivable	180,555	13,798	194,353
Due from component units	239,299	-	239,299
Due from other governments	3,591,434	42,403	3,633,837
Notes receivable, net	143,185	131,249	274,434
Inventory and prepaids	-	-	-
Net pension asset - restricted	1,375,408	28,070	1,403,478
Capital assets:			
Land and construction in progress	18,661,396	182,414	18,843,810
Other capital assets, net of depreciation	48,203,371	5,703,135	53,906,506
Total capital assets	<u>66,864,767</u>	<u>5,885,549</u>	<u>72,750,316</u>
Total assets	<u>106,226,192</u>	<u>7,360,587</u>	<u>113,586,779</u>
Deferred outflows of resources	<u>1,019,214</u>	<u>20,800</u>	<u>1,040,014</u>
Liabilities:			
Accounts payable and accrued expenses	3,346,491	148,609	3,495,100
Unearned revenue	-	12,786	12,786
Accrued interest payable	132,665	13,277	145,942
Deposits held for others	172,580	-	172,580
Due to primary government	-	-	-
Due to other governments	-	16,211	16,211
Accrued landfill closure and post-closure care costs	-	1,520,770	1,520,770
Long-term liabilities:			
Due within one year	3,307,547	234,601	3,542,148
Due in more than one year	43,009,932	2,568,770	45,578,702
Total liabilities	<u>49,969,215</u>	<u>4,515,024</u>	<u>54,484,239</u>
Deferred inflows of resources	<u>4,307,818</u>	<u>68,735</u>	<u>4,376,553</u>
Net position:			
Net investment in capital assets	53,030,230	3,656,843	56,687,073
Restricted:			
Stabilization by State Statute	3,960,067	-	3,960,067
Pension	1,375,408	28,070	1,403,478
Register of Deeds	22,599	-	22,599
Education	1,015,139	-	1,015,139
Public safety	203,387	-	203,387
Economic and physical development	1,301,753	-	1,301,753
Working capital	-	-	-
Unrestricted (deficit)	<u>(7,940,210)</u>	<u>(887,285)</u>	<u>(8,827,495)</u>
Total net position	<u>\$ 52,968,373</u>	<u>\$ 2,797,628</u>	<u>\$ 55,766,001</u>

See accompanying notes.

Component Units		
Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County Alcoholic Beverage Control Board
\$ 385,738	\$ 101,410	\$ 588,292
-	-	-
-	-	-
105,836	789	727
-	-	-
-	-	-
-	-	-
-	13,011	418,943
-	-	13,506
-	4,818,067	-
-	100,142	289,997
-	4,918,209	289,997
491,574	5,033,419	1,311,465
-	-	7,092
66,310	659	441,717
-	-	-
-	-	-
-	-	-
-	-	239,299
-	-	-
-	-	-
-	-	-
66,310	659	681,016
-	-	32,915
-	4,918,209	289,997
105,836	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	117,384
319,428	114,551	197,245
<u>\$ 425,264</u>	<u>\$ 5,032,760</u>	<u>\$ 604,626</u>

Jackson County, North Carolina
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,462,704	\$ 678,625	\$ -	\$ -
Public safety	12,294,117	1,126,976	819,711	2,242
Transportation	1,026,959	135,254	464,108	157,877
Environmental protection	484,896	121,763	54,840	3,600
Economic and physical development	624,381	65,258	50,775	-
Human services	14,279,806	270,212	7,841,455	-
Cultural and recreation	2,950,513	538,349	-	464,188
Education	9,754,408	-	103,733	-
Interest on long-term debt	782,394	-	-	-
Total governmental activities	<u>51,660,178</u>	<u>2,936,437</u>	<u>9,334,622</u>	<u>627,907</u>
Business-type activities:				
Landfill	3,068,220	3,259,175	-	-
Green Energy Park	152,674	12,824	264	-
Economic Development Commission	120,592	71,335	-	-
Total business-type activities	<u>3,341,486</u>	<u>3,343,334</u>	<u>264</u>	<u>-</u>
Total primary government	<u>\$ 55,001,664</u>	<u>\$ 6,279,771</u>	<u>\$ 9,334,886</u>	<u>\$ 627,907</u>
Component units:				
Jackson County Tourism Development Authority	\$ 844,690	\$ -	\$ -	\$ -
Jackson County Airport Authority	77,560	35,056	31,000	-
Jackson County Alcoholic Beverage Control Board	4,005,756	4,002,426	-	-
Total component units	<u>\$ 4,928,006</u>	<u>\$ 4,037,482</u>	<u>\$ 31,000</u>	<u>\$ -</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 position				
Net position—beginning, as adjusted				
Net position—ending				

See accompanying notes.

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County Alcoholic Beverage Control Board
\$ (8,784,079)	\$ -	\$ (8,784,079)			
(10,345,188)	-	(10,345,188)			
(269,720)	-	(269,720)			
(304,693)	-	(304,693)			
(508,348)	-	(508,348)			
(6,168,139)	-	(6,168,139)			
(1,947,976)	-	(1,947,976)			
(9,650,675)	-	(9,650,675)			
(782,394)	-	(782,394)			
<u>(38,761,212)</u>	<u>-</u>	<u>(38,761,212)</u>			
-	190,955	190,955			
-	(139,586)	(139,586)			
-	(49,257)	(49,257)			
-	2,112	2,112			
<u>(38,761,212)</u>	<u>2,112</u>	<u>(38,759,100)</u>			
			\$ (844,690)	\$ -	\$ -
			-	(11,504)	-
			-	-	(3,330)
			<u>(844,690)</u>	<u>(11,504)</u>	<u>(3,330)</u>
32,626,164	-	32,626,164	-	-	-
10,843,868	-	10,843,868	-	-	-
691,533	60,748	752,281	838,096	-	-
276,381	-	276,381	-	-	-
24,694	29,879	54,573	-	-	1,260
466,729	-	466,729	2,873	14,417	-
(134,439)	134,439	-	-	-	-
<u>44,794,930</u>	<u>225,066</u>	<u>45,019,996</u>	<u>840,969</u>	<u>14,417</u>	<u>1,260</u>
6,033,718	227,178	6,260,896	(3,721)	2,913	(2,070)
46,934,655	2,570,450	49,505,105	428,985	5,029,847	606,696
<u>\$ 52,968,373</u>	<u>\$ 2,797,628</u>	<u>\$ 55,766,001</u>	<u>\$ 425,264</u>	<u>\$ 5,032,760</u>	<u>\$ 604,626</u>

Jackson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2015

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 28,659,703	\$ 2,988,807	\$ 31,648,510
Restricted cash and cash equivalents	91,776	-	91,776
Taxes receivable, net	1,765,892	-	1,765,892
Accounts receivable, net	310,583	14,783	325,366
Due from other governments	3,342,689	248,745	3,591,434
Due from component units	239,299	-	239,299
Notes receivable, net	-	143,185	143,185
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 34,409,942</u>	<u>\$ 3,395,520</u>	<u>\$ 37,805,462</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 3,301,766	\$ 44,725	\$ 3,346,491
Deposits held for others	172,580	-	172,580
	<u>3,474,346</u>	<u>44,725</u>	<u>3,519,071</u>
Deferred inflows of resources	<u>2,705,742</u>	<u>143,185</u>	<u>2,848,927</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	3,892,571	67,496	3,960,067
Register of Deeds	22,599	-	22,599
Education	-	1,015,139	1,015,139
Public safety	-	203,387	203,387
Economic and physical development	-	1,301,753	1,301,753
Committed:			
Revaluation	85,291	-	85,291
Capital reserve	1,724,678	-	1,724,678
Conservation/preservation	367,282	-	367,282
Recreation	-	469,376	469,376
Public safety	-	145,710	145,710
Various programs and projects	-	4,749	4,749
Assigned:			
Other post-employment benefits	201,853	-	201,853
LEO Separation Allowance	52,053	-	52,053
Unassigned	21,883,527	-	21,883,527
	<u>28,229,854</u>	<u>3,207,610</u>	<u>31,437,464</u>
Total fund balances	<u>28,229,854</u>	<u>3,207,610</u>	<u>31,437,464</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,409,942</u>	<u>\$ 3,395,520</u>	<u>\$ 37,805,462</u>

Jackson County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2015

Exhibit "3"

Continued

Amounts reported for governmental activities in the Statement of Net Position
(Exhibit 1) are different because:

Total fund balance for governmental funds	\$ 31,437,464
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	66,864,767
Accrued interest receivable	180,555
Net pension asset restricted for employees' pension is not a current financial resource and therefore is not reported in the governmental funds	1,375,408
Deferred outflows of resources are not available to satisfy current obligations in the fund statements; however, they are considered a consumption of net position that applies to a future period and are included in the Statement of Net Position:	
Contributions to the pension plan in the current fiscal year	1,019,214
Deferred inflows of resources for notes receivable	143,185
Deferred inflows of resources for taxes receivable	1,765,892
Deferred inflows of resources for pension related deferrals	(3,367,968)
Some liabilities are not due and payable in the current period and therefore are not	
Accrued interest payable	(132,665)
Compensated absences	(1,414,448)
Net pension obligation	(528,480)
Net OPEB obligation	(18,336,369)
Long-term obligations	<u>(26,038,182)</u>
Net position of governmental activities	<u>\$ 52,968,373</u>

See accompanying notes.

Jackson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances—
Governmental Funds
Year Ended June 30, 2015

Exhibit "4"

	<u>Major Fund</u>		<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	
Revenues:			
Ad valorem taxes	\$ 32,934,399	\$ -	\$ 32,934,399
Other taxes	11,256,699	-	11,256,699
Unrestricted intergovernmental	484,053	-	484,053
Restricted intergovernmental	9,362,914	729,918	10,092,832
Other restricted revenues	127,436	-	127,436
Permits and fees	1,599,266	-	1,599,266
Sales and services	978,112	227,570	1,205,682
Investment earnings	15,069	9,625	24,694
Miscellaneous	581,502	-	581,502
Total revenues	<u>57,339,450</u>	<u>967,113</u>	<u>58,306,563</u>
Expenditures:			
Current:			
General government	8,318,062	-	8,318,062
Public safety	11,225,220	1,743,853	12,969,073
Transportation	950,665	-	950,665
Environmental protection	268,430	-	268,430
Economic and physical development	726,403	162,262	888,665
Human services	13,807,360	-	13,807,360
Culture and recreation	2,823,856	593,116	3,416,972
Intergovernmental:			
Education	9,816,191	221,717	10,037,908
Debt service:			
Principal retirement	4,558,340	-	4,558,340
Interest and other charges	826,027	-	826,027
Total expenditures	<u>53,320,554</u>	<u>2,720,948</u>	<u>56,041,502</u>
Revenues over (under) expenditures	<u>4,018,896</u>	<u>(1,753,835)</u>	<u>2,265,061</u>
Other financing sources (uses):			
Transfers from other funds	-	793,503	793,503
Transfers to other funds	(927,942)	-	(927,942)
Proceeds from installment obligation	10,323,404	-	10,323,404
Payment of installment obligation	(10,323,404)	-	(10,323,404)
Proceeds from sale of capital assets	56,468	-	56,468
Total other financing sources (uses)	<u>(871,474)</u>	<u>793,503</u>	<u>(77,971)</u>
Net change in fund balances	3,147,422	(960,332)	2,187,090
Fund Balances:			
Beginning of year, July 1	<u>25,082,432</u>	<u>4,167,942</u>	<u>29,250,374</u>
End of year, June 30	<u>\$ 28,229,854</u>	<u>\$ 3,207,610</u>	<u>\$ 31,437,464</u>

Jackson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances—
Governmental Funds
Year Ended June 30, 2015

Exhibit "4"

(Continued)

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

Net changes in fund balances--total governmental funds	\$ 2,187,090
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	2,697,177
Depreciation	(2,242,934)
Net book value of capital assets disposed during the current year	(57,319)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,019,214
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 and related interest receivable	(308,235)
Change in notes receivable	(226,461)
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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Proceeds	(10,323,404)
Repayments	14,881,744
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 financial resources:	
Compensated absences	(4,268)
Net OPEB obligation	(1,491,130)
Net pension obligation	(59,107)
Pension expense - LGERS	(82,282)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	43,633
Total changes in net position of governmental activities	<u>\$ 6,033,718</u>

See accompanying notes.

**Jackson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual-General Fund
Year Ended June 30, 2015**

Exhibit "5"

	General Fund			Variance With Final Positive Negative
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 32,782,864	\$ 32,950,264	\$ 32,934,399	\$ (15,865)
Other taxes	9,397,195	11,351,565	11,256,699	(94,866)
Unrestricted intergovernmental	436,002	484,060	484,053	(7)
Restricted intergovernmental	8,992,161	9,690,259	9,169,276	(520,983)
Other restricted revenues	96,500	127,440	127,436	(4)
Permits and fees	1,655,600	1,676,855	1,599,266	(77,589)
Sales and services	983,985	1,086,472	978,112	(108,360)
Investment earnings	25,000	25,000	14,621	(10,379)
Miscellaneous	750,783	782,774	581,502	(201,272)
Total revenues	<u>55,120,090</u>	<u>58,174,689</u>	<u>57,145,364</u>	<u>(1,029,325)</u>
Expenditures:				
Current:				
General government	7,700,318	8,626,478	8,028,685	597,793
Public safety	10,634,315	11,389,712	11,225,220	164,492
Transportation	1,151,943	1,197,745	950,665	247,080
Environmental protection	77,341	77,341	67,904	9,437
Economic and physical development	698,621	763,786	726,403	37,383
Human services	14,386,506	15,203,277	13,807,360	1,395,917
Culture and recreation	2,871,053	3,087,879	2,823,856	264,023
Intergovernmental:				
Education	9,735,484	10,971,335	9,816,191	1,155,144
Debt service:				
Principal retirement	4,558,347	4,558,347	4,558,340	7
Interest and other charges	833,639	833,639	826,027	7,612
Total expenditures	<u>52,647,567</u>	<u>56,709,539</u>	<u>52,830,651</u>	<u>3,878,888</u>
Revenues over expenditures	<u>2,472,523</u>	<u>1,465,150</u>	<u>4,314,713</u>	<u>2,849,563</u>
Other financing sources (uses):				
Transfers to other funds	(1,552,757)	(2,881,416)	(2,881,416)	-
Proceeds from installment obligation	10,323,404	10,323,404	10,323,404	-
Payment of installment obligation	(10,323,404)	(10,323,404)	(10,323,404)	-
Proceeds from sale of capital assets	21,000	60,400	56,468	(3,932)
Appropriated fund balance	-	1,509,669	-	(1,509,669)
Contingency	(940,766)	(153,803)	-	153,803
Total other financing uses	<u>(2,472,523)</u>	<u>(1,465,150)</u>	<u>(2,824,948)</u>	<u>(1,359,798)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,489,765	<u>\$ 1,489,765</u>
Fund balance:				
Beginning of year, July 1			<u>24,562,221</u>	
End of year, June 30			<u>\$ 26,051,986</u>	

Jackson County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Budget and Actual-General Fund
Year Ended June 30, 2015

Exhibit " 5"

(Continued)

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Expenses			\$ (289,377)	
Transfers from the General Fund			333,333	
Beginning Fund Balance			41,845	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenue			448	
Transfers from the General Fund			1,320,141	
Beginning Fund Balance			404,089	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Revenue			193,638	
Expenses			(200,526)	
Transfers from the General Fund			300,000	
Beginning Fund Balance			74,277	
Ending Fund Balance			<u>\$ 28,229,854</u>	

See accompanying notes.

Jackson County, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

Exhibit "6"

	<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>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 577,089	\$ 217,787	\$ 794,876
Accounts receivable, net	463,179	1,463	464,642
Accrued interest receivable	13,798	-	13,798
Due from other governments	42,403	-	42,403
Total current assets	<u>1,096,469</u>	<u>219,250</u>	<u>1,315,719</u>
Non-current assets:			
Notes receivable, net	-	131,249	131,249
Net pension asset - restricted	17,391	10,679	28,070
Capital assets, net of depreciation	4,631,461	1,254,088	5,885,549
Total non-current assets	<u>4,648,852</u>	<u>1,396,016</u>	<u>6,044,868</u>
Total assets	<u>5,745,321</u>	<u>1,615,266</u>	<u>7,360,587</u>
Deferred outflows of resources	<u>12,887</u>	<u>7,913</u>	<u>20,800</u>
Liabilities:			
Current liabilities:			
Accounts payable	141,170	7,439	148,609
Due to other governments	16,211	-	16,211
Unearned revenue	-	12,786	12,786
Accrued interest payable	13,277	-	13,277
Installment purchases, current	234,601	-	234,601
Total current liabilities	<u>405,259</u>	<u>20,225</u>	<u>425,484</u>
Non-current liabilities:			
Installment purchases, non-current	1,994,105	-	1,994,105
Compensated absences	13,181	8,094	21,275
Net OPEB obligation	498,051	55,339	553,390
Accrued landfill closure and post-closure care costs	1,520,770	-	1,520,770
Total non-current liabilities	<u>4,026,107</u>	<u>63,433</u>	<u>4,089,540</u>
Total liabilities	<u>4,431,366</u>	<u>83,658</u>	<u>4,515,024</u>
Deferred inflows of resources	<u>42,585</u>	<u>26,150</u>	<u>68,735</u>
Net position:			
Net investment in capital assets	2,402,755	1,254,088	3,656,843
Restricted	17,391	10,679	28,070
Unrestricted (deficit)	(1,135,889)	248,604	(887,285)
Total net position	<u>\$ 1,284,257</u>	<u>\$ 1,513,371</u>	<u>\$ 2,797,628</u>

See accompanying notes.

Jackson County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2015

Exhibit "7"

	<u>Major Fund</u>		
	<u>Landfill Fund</u>	<u>Non-major Funds</u>	<u>Total Proprietary Funds</u>
Operating revenues:			
Charges for services	\$ 3,259,175	\$ 84,159	\$ 3,343,334
Operating expenses:			
Landfill operations, closure and post-closure care costs	2,842,515	-	2,842,515
Park operations	-	147,190	147,190
Economic development operations	-	55,432	55,432
Depreciation	168,715	70,644	239,359
Total operating expenses	<u>3,011,230</u>	<u>273,266</u>	<u>3,284,496</u>
Operating income (loss)	<u>247,945</u>	<u>(189,107)</u>	<u>58,838</u>
Non-operating revenues (expenses):			
Interest and investment revenues	27,072	2,807	29,879
Donations	-	264	264
Scrap tire tax	51,572	-	51,572
White goods tax	6,032	-	6,032
Electronics tax	3,144	-	3,144
Interest expense	(56,990)	-	(56,990)
Total non-operating revenue (expenses)	<u>30,830</u>	<u>3,071</u>	<u>33,901</u>
Income (loss) before transfers	278,775	(186,036)	92,739
Transfers from other funds	<u>-</u>	<u>134,439</u>	<u>134,439</u>
Change in net position	278,775	(51,597)	227,178
Net position:			
Beginning of year, July 1, as adjusted	<u>1,005,482</u>	<u>1,564,968</u>	<u>2,570,450</u>
End of year, June 30	<u>\$ 1,284,257</u>	<u>\$ 1,513,371</u>	<u>\$ 2,797,628</u>

See accompanying notes.

Jackson County, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2015

Exhibit "8"

	<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	\$ 3,262,119	\$ 84,879	\$ 3,346,998
Cash paid for goods and services	(2,465,134)	(117,803)	(2,582,937)
Cash paid to employees for services	(373,747)	(91,718)	(465,465)
Net cash provided (used) by operating activities	<u>423,238</u>	<u>(124,642)</u>	<u>298,596</u>
Cash flows from non-capital financing activities:			
Other taxes	56,523	-	56,523
Grants and donations	-	264	264
Transfers from other funds	-	134,439	134,439
Net cash provided by non-capital financing activities	<u>56,523</u>	<u>134,703</u>	<u>191,226</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(8,092)	(8,092)
Principal paid on long-term debt	(234,600)	-	(234,600)
Interest paid on long-term debt	(56,990)	-	(56,990)
Net cash used by capital and related financing activities	<u>(291,590)</u>	<u>(8,092)</u>	<u>(299,682)</u>
Cash flows from investing activities:			
Principal payments on notes receivable	-	16,577	16,577
Interest earned on investments	30,322	2,807	33,129
Net cash provided by investing activities	<u>30,322</u>	<u>19,384</u>	<u>49,706</u>
Net increase in cash and cash equivalents	218,493	21,353	239,846
Cash and cash equivalents, July 1	358,596	196,434	555,030
Cash and cash equivalents, June 30	<u>\$ 577,089</u>	<u>\$ 217,787</u>	<u>\$ 794,876</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 247,945	\$ (189,107)	\$ 58,838
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	168,715	70,644	239,359
Contributions made to pension plan in current fiscal year	(12,887)	(7,913)	(20,800)
Pension expense	1,041	638	1,679
Changes in assets and liabilities:			
Accounts receivable	2,944	720	3,664
Accounts payable and accrued liabilities	(24,202)	(4,752)	(28,954)
Due to other governments	16,211	-	16,211
Unearned revenue	-	2,513	2,513
Compensated absences	1,038	(1,568)	(530)
Accrued landfill closure and post-closure care costs	(15,217)	-	(15,217)
Net OPEB obligation	37,650	4,183	41,833
Total adjustments	<u>175,293</u>	<u>64,465</u>	<u>239,758</u>
Net cash provided (used) by operating activities	<u>\$ 423,238</u>	<u>\$ (124,642)</u>	<u>\$ 298,596</u>

See accompanying notes.

Jackson County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

Exhibit "9"

	Agency Funds
Assets:	
Cash and cash equivalents	\$ 148,804
Accounts receivable	4,710
	<hr/>
Total assets	\$ 153,514
	<hr/> <hr/>
Liabilities:	
Amounts held for others	\$ 153,514
	<hr/> <hr/>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Notes to the Financial Statements

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.

Reporting Entity

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

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

Jackson County Tourism Development Authority. The Jackson County Tourism Development Authority (the "JCTDA") was established by the Jackson County Board of Commissioners, with the authorization of the North Carolina General Legislature, for the purpose of using occupancy taxes collected to promote travel and tourism within Jackson County. The JCTDA is composed of 15 voting members and four ex-officio members, all who serve without compensation and are appointed by the Jackson County Board of Commissioners. Members are appointed to complete three year terms. The JCTDA may contract with any person, firm or organization to advise and assist in carrying out its duty to promote travel and tourism within the County. Complete financial statements for the JCTDA may be obtained by contacting the Jackson County Tourism Development Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

Jackson County Airport Authority. The Jackson County Airport Authority (the "Airport") 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.

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

Jackson County, North Carolina
Notes to Financial Statements

Basis of Presentation, Basis of Accounting

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

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

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

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. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54 guidance, these funds are consolidated in the General Fund.

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

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 five 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; and the Inmate Fund, which accounts for moneys held for the use by inmates being held in Jackson County correctional facilities.

Non-major Funds. The County maintains thirteen legally budgeted non-major funds. The Emergency Telephone Fund, Law Enforcement Block Grant Fund, Community Development Scattered Site Project Fund, Clean Water Revolving Loan Fund, Economic Development Fund, and Economic Development Commission Fund are reported

Jackson County, North Carolina Notes to Financial Statements

as non-major special revenue funds. The Recreation Center Fund, Emergency Management Project Fund, County Capital Projects Fund, Greenways Project Fund, and School Improvements Fund are reported as non-major capital projects funds. The School Capital Reserve Fund is consolidated in the School Improvements Fund in accordance with GASB Statement No. 54. The Green Energy Park Fund and the Economic Development Commission Fund are reported as non-major proprietary funds.

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's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

Jackson County, North Carolina
Notes to Financial Statements

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

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

Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, special revenue funds (excluding funds with multi-year budgets), and the enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the capital project funds and for certain special revenue fund types. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the special revenue and enterprise funds, and at the object level for the capital project funds. The County 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.

Use of Estimates

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

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

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

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

Restricted Assets. Money in the Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Jackson County, North Carolina
Notes to Financial Statements

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, 2014.

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

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

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

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

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

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

Deferred Outflows/Inflows of Resources. In addition to assets, the statement of financial position can also report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The County has only one item that meet the criterion for this category –contributions made to the pension plan in the current fiscal year.

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

Long-Term Obligations. In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position.

Jackson County, North Carolina
Notes to Financial Statements

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

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

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

Net Position. Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position 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 capital per G.S. 159-18-22.

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

Restricted for Economic and Physical Development – portion of fund balance that is restricted by revenue source for economic 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 Separation Allowance – portion of fund balance that has been assigned for future expenditures related to the Law Enforcement Officers ("LEO") Special Separation Allowance.

Jackson County, North Carolina
Notes to Financial Statements

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

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

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

Defined Benefit Pension Plan. The County participates in a cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State, the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LGERS and additions to/deductions from LGERS' fiduciary net position has been determined on the same basis as they are reported by the LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

2. Detail Notes on All Funds

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, 2015, the County's deposits had a carrying amount of \$28,663,076 and a bank balance of \$29,031,955. Of the bank balance, \$608,045 was covered by federal depository insurance and \$28,423,910 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2015, Jackson County had \$2,385 cash on hand.

At June 30, 2015, the carrying amount of deposits and bank balance for the JCTDA was \$385,688. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$135,688 in interest bearing deposits were covered by collateral held under the Pooling Method. The JCTDA also had \$50 in cash on hand at June 30, 2015.

At June 30, 2015, the carrying amount of deposits and bank balance for the Airport was \$101,410, all of which was covered by federal depository insurance.

Jackson County, North Carolina
Notes to Financial Statements

At June 30, 2015, the carrying amount of the ABC Board's deposits was \$584,592 and the bank balance was \$568,216. All of the bank balance was covered by federal depository insurance. The ABC Board also had \$3,700 in cash on hand at June 30, 2015.

Investments. At June 30, 2015, the County's investment balances in the NC Capital Management Trust – cash portfolio were \$4,018,505 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, 2015, 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	\$ 310,583	\$ 3,064,447	\$ 3,342,689	\$ -	\$ 6,717,719
Other governmental	14,783	-	248,745	143,185	406,713
Allowance for doubtful accounts	<u>-</u>	<u>(1,118,000)</u>	<u>-</u>	<u>-</u>	<u>(1,118,000)</u>
Total governmental activities	<u>\$ 325,366</u>	<u>\$ 1,946,447</u>	<u>\$ 3,591,434</u>	<u>\$ 143,185</u>	<u>\$ 6,006,432</u>
Business-type activities:					
Landfill	\$ 601,624	\$ -	\$ 42,403	\$ -	\$ 644,027
Green Energy Park	1,011	-	-	-	1,011
Economic Development	452	-	-	131,249	131,701
Allowance for doubtful accounts	<u>(124,647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,647)</u>
Total business-type activities	<u>\$ 478,440</u>	<u>\$ -</u>	<u>\$ 42,403</u>	<u>\$ 131,249</u>	<u>\$ 652,092</u>

Notes Receivable. The County has made loans to three companies from Community Development Block Grant revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from 0 to 2 percent and are repaid monthly and yearly over a period of one to thirteen years. Notes receivable are collateralized by a deed of trust on the companies' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Amounts reported in the governmental fund are not considered available due to time restrictions and are therefore considered a deferred inflow of resources.

Jackson County, North Carolina
Notes to Financial Statements

Capital Assets. Capital asset activity for the year ended June 30, 2015, 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	\$ 12,366,389	\$ 3,841,363	\$ -	\$ 16,207,752
Construction in progress	<u>9,129,584</u>	<u>1,295,795</u>	<u>7,971,735</u>	<u>2,453,644</u>
Total capital assets not being depreciated	<u>21,495,973</u>	<u>5,137,158</u>	<u>7,971,735</u>	<u>18,661,396</u>
Capital assets being depreciated:				
Buildings	57,498,652	4,605,899	307,131	61,797,420
Equipment	5,056,320	631,003	241,598	5,445,725
Vehicles	<u>4,610,892</u>	<u>294,852</u>	<u>249,055</u>	<u>4,656,689</u>
Total capital assets being depreciated	<u>67,165,864</u>	<u>5,531,754</u>	<u>797,784</u>	<u>71,899,834</u>
Less accumulated depreciation for:				
Buildings	14,758,237	1,618,442	249,812	16,126,867
Equipment	4,142,226	254,928	241,598	4,155,556
Vehicles	<u>3,293,531</u>	<u>369,564</u>	<u>249,055</u>	<u>3,414,040</u>
Total accumulated depreciation	<u>22,193,994</u>	<u>2,242,934</u>	<u>740,465</u>	<u>23,696,463</u>
Total capital assets being depreciated, net	<u>44,971,870</u>			<u>48,203,371</u>
Governmental activities capital assets, net	<u>\$ 66,467,843</u>			<u>\$ 66,864,767</u>

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

General government	\$ 809,156
Public safety	577,077
Transportation	61,787
Economic and physical development	19,363
Human services	101,761
Culture and recreation	<u>673,790</u>
Total depreciation expense	<u>\$ 2,242,934</u>

Jackson County, North Carolina
Notes to Financial Statements

	<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
Capital assets being depreciated:				
Buildings and improvements	2,466,754	-	-	2,466,754
Plant and distribution systems	4,628,597	-	-	4,628,597
Furniture and maintenance equipment	<u>940,773</u>	<u>8,092</u>	<u>-</u>	<u>948,865</u>
Total capital assets being depreciated	<u>8,036,124</u>	<u>8,091</u>	<u>-</u>	<u>8,044,216</u>
Less accumulated depreciation for:				
Buildings and improvements	762,436	127,883	-	890,319
Plant and distribution systems	531,197	70,911	-	602,108
Furniture and maintenance equipment	<u>808,089</u>	<u>40,565</u>	<u>-</u>	<u>848,654</u>
Total accumulated depreciation	<u>2,101,722</u>	<u>239,359</u>	<u>-</u>	<u>2,341,081</u>
 Total capital assets being depreciated, net	 <u>5,934,402</u>			 <u>5,703,135</u>
 Business-type activities capital assets, net	 <u>\$ 6,116,816</u>			 <u>\$ 5,885,549</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Landfill	\$ 168,715
Green Energy Park	5,484
Economic Development Commission	<u>65,160</u>
 Total depreciation expense	 <u>\$ 239,359</u>

Construction Commitments. The government has active construction projects as of June 30, 2015. At year-end, the government's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Project:		
Justice Center Security	\$ -	\$ 86,440

Jackson County, North Carolina
Notes to Financial Statements

Discretely Presented Component Units

Capital asset activity for the Airport for the year ended June 30, 2015 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	191,322	-	-	191,322
Equipment	<u>99,326</u>	<u>-</u>	<u>-</u>	<u>99,326</u>
Total capital assets being depreciated	<u>290,648</u>	<u>-</u>	<u>-</u>	<u>290,648</u>
Less accumulated depreciation for:				
Buildings	116,523	3,826	-	120,349
Equipment	<u>60,224</u>	<u>9,933</u>	<u>-</u>	<u>70,157</u>
Total accumulated depreciation	<u>176,747</u>	<u>13,759</u>	<u>-</u>	<u>190,506</u>
Total capital assets being depreciated, net	<u>113,901</u>			<u>100,142</u>
Capital assets, net	<u>\$ 4,931,968</u>			<u>\$ 4,918,209</u>

Capital asset activity for the ABC Board for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 12,301	\$ -	\$ -	\$ 12,301
Capital assets being depreciated:				
Building	147,508	-	-	147,508
Furniture and equipment	<u>139,775</u>	<u>30,459</u>	<u>-</u>	<u>170,234</u>
Total capital assets being depreciated	<u>287,283</u>	<u>30,459</u>	<u>-</u>	<u>317,742</u>
Less accumulated depreciation for:				
Building	1,113	6,677	-	7,790
Furniture and equipment	<u>2,686</u>	<u>29,570</u>	<u>-</u>	<u>32,256</u>
Total accumulated depreciation	<u>3,799</u>	<u>36,247</u>	<u>-</u>	<u>40,046</u>
Total capital assets being depreciated, net	<u>283,484</u>			<u>277,696</u>
Capital assets, net	<u>\$ 295,785</u>			<u>\$ 289,997</u>

Deferred Outflows of Resources

The County reported deferred outflows of resources for contributions to the pension plan in the current fiscal year in the amount of \$1,040,014 at June 30, 2015, of which \$1,019,214 and \$20,800 was related to governmental activities and business-type activities, respectively.

Jackson County, North Carolina
Notes to Financial Statements

Liabilities

Payables. Payables at the government-wide level at June 30, 2015, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General	\$ 2,517,501	\$ 784,265	\$ 3,301,766
Other governmental	<u>44,725</u>	<u>-</u>	<u>44,725</u>
Total governmental activities	<u>\$ 2,562,226</u>	<u>\$ 784,265</u>	<u>\$ 3,346,491</u>
Business-type activities:			
Landfill	\$ 141,170	\$ -	\$ 141,170
Other proprietary	<u>7,439</u>	<u>-</u>	<u>7,439</u>
Total business-type activities	<u>\$ 148,609</u>	<u>\$ -</u>	<u>\$ 148,609</u>

Long-Term Debt. The County's long-term debt for governmental activities at June 30, 2015 was comprised of the following:

<p>A \$9,175,000 note was executed on October 23, 2003, and refinanced on February 16, 2012 for construction of various properties (44 percent of the proceeds) and school projects (56 percent of the proceeds) is payable in 24 semiannual payable in 24 semi-annual payments of \$382,292. In addition, 2.54 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>\$ 382,292</p>
<p>A \$9,507,386 note was executed on December 29, 2005, and refinanced on February 16, 2012 and March 29, 2015, for the construction of a library (42 percent of the proceeds) and school addition (58 percent of the proceeds) and is payable in 30 semi-annual payments of \$316,913. In addition, 2.16 percent interest is payable semi-annually. Principal and interest are appropriated when due.</p>	<p>3,486,041</p>
<p>A \$10,295,446 note was executed on July 16, 2009, and refinanced on December 28, 2011 and March 16, 2015, for the renovation of the historic courthouse, construction of the new public library, and projects at Southwestern Community College. The note is payable in 30 semi-annual payments of \$343,182. In addition, 2.49 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>6,520,449</p>
<p>A \$10,000,000 note was executed on October 25, 2012 for the construction of a gymnasium and performing arts center at Smoky Mountain High School, and renovation of locker rooms at Blue Ridge High School. The note is payable in 30 semi-annual payments of \$333,333. In addition, 2.79% interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>8,333,333</p>
<p>A \$6,933,500 note was executed on November 27, 2012 for the refunding of a prior installment obligation for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 21 semi-annual payments of \$330,167. In addition, 2.19% interest is payable semi-annually. Principal and interest payments are appropriated when due.</p>	<p>4,952,500</p>

Jackson County, North Carolina
Notes to Financial Statements

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

\$ 2,363,567

\$ 26,038,182

Repayment requirements of the notes payable for the year ending June 30 are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,307,547	\$ 629,368	\$ 3,936,915
2017	2,925,255	544,577	3,469,832
2018	2,925,255	474,423	3,399,678
2019	2,925,255	404,268	3,329,523
2020	2,925,255	334,114	3,259,369
2021-2025	9,362,947	782,355	10,145,302
2026-2030	<u>1,666,668</u>	<u>69,750</u>	<u>1,736,418</u>
	<u>\$ 26,038,182</u>	<u>\$ 3,238,855</u>	<u>\$ 29,277,037</u>

The County's long-term debt for business-type activities at June 30, 2015 was comprised of the following:

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

\$ 2,228,706

Repayment requirements of the note payable for the year ending June 30, are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 234,601	\$ 51,430	\$ 286,031
2017	234,601	45,870	280,471
2018	234,601	40,310	274,911
2019	234,601	34,750	269,351
2020	234,601	29,190	263,791
2021-2025	<u>1,055,701</u>	<u>62,550</u>	<u>1,118,251</u>
	<u>\$ 2,228,706</u>	<u>\$ 264,100</u>	<u>\$ 2,492,806</u>

Current Debt Refundings. On March 16, 2015 the County issued an installment purchase obligation in the amount of \$6,520,449 to refund the \$8,992,720 installment purchase obligation issued on December 28, 2011, which was originally issued to finance the renovation of the historic courthouse, construction of the new public library, and projects at Southwestern Community College. The reacquisition price equaled the net carrying amount of the old debt. This current refunding was undertaken to reduce total debt service payments over the life of the debt and resulted in an economic gain of \$263,315.

On March 29, 2015, the County issued an installment purchase obligation in the amount of \$3,802,954 to refund the \$5,704,432 installment purchase obligation issued on February 16, 2012, which was originally issued to finance the construction of a library (42 percent of the proceeds) and school addition (58 percent of the proceeds). The reacquisition price equaled the net carrying amount of the old debt. This current refunding was undertaken to reduce total debt service payments over the life of the debt and resulted in an economic gain of \$98,877.

Pension Plan Obligations.

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,019,214 for the year ended June 30, 2015.

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

Jackson County, North Carolina
Notes to Financial Statements

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

At June 30, 2015, the County reported an asset of \$1,403,478 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 0.33193%, which was a decrease of 0.00487% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$83,960. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 153,354
Net difference between projected and actual earnings on pension plan investments	-	3,267,267
Changes in proportion and differences between County contributions and proportionate share of contributions	-	16,082
County contributions subsequent to the measurement date	<u>1,040,014</u>	<u>-</u>
	<u>\$ 1,040,014</u>	<u>\$ 3,436,703</u>

\$1,040,014 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (859,282)
2017	(859,282)
2018	(859,282)
2019	(858,857)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Jackson County, North Carolina
Notes to Financial Statements

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5	6.1
Real Estate	8.0	5.7
Alternatives	6.5	10.5
Credit	4.5	6.8
Inflation Protection	4.5	3.7
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return re calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 4,764,012	\$ (1,403,478)	\$ (6,596,305)

Jackson County, North Carolina
Notes to Financial Statements

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Law Enforcement Officers’ Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>49</u>
Total	<u>53</u>

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. Investments are reported at fair value.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations beginning in the 2005 fiscal year. For the current year, the County contributed \$31,946, or 1.6 percent of annual covered payroll. There were no contributions made by employees. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included: (a) 5.00 percent investment rate of return, and (b) projected salary increases ranging from 4.25 percent to 7.85 percent per year. Both items (a) and (b) included an inflation component of 3.00 percent. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized using the level dollar closed method. The remaining amortization period at December 31, 2014 was 16 years.

Jackson County, North Carolina
Notes to Financial Statements

Annual Pension Cost and Net Pension Obligation

The annual pension cost and change in net pension obligation as of June 30, 2015 is as follows:

Employer annual required contribution	\$ 107,234
Interest on net pension obligation	23,469
Adjustment to annual required contribution	<u>(39,650)</u>
Annual pension cost	91,053
Employer contributions made for year ending June 30, 2015	<u>(31,946)</u>
Increase in net pension obligation	59,107
Net pension obligation beginning of fiscal year	<u>469,373</u>
 Net pension obligation end of fiscal year	 <u>\$ 528,480</u>

3-Year Trend Information

<u>For the Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 83,939	40.83%	\$ 431,511
2014	89,914	57.89%	469,373
2015	91,053	35.09%	528,480

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was 3.33 percent funded. The actuarial accrued liability for benefits was \$941,744, and the actuarial value of assets was \$31,342, which are assigned monies in the General Fund, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$910,402. The covered payroll (annual payroll of active employees covered by the plan) was \$1,949,705, and the ratio of the UAAL to the covered payroll was 46.69 percent.

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, 2015, were \$275,656, which consisted of \$149,557 from the County and \$121,099 from the law enforcement officers.

Jackson County, North Carolina
Notes to Financial Statements

Other Post-Employment Benefits – Healthcare Benefits

Plan Description. Under the terms of a County resolution, the County administers a single employer defined benefit Healthcare Benefits Plan (the “HCB Plan”). The County provides post-employment healthcare benefits to retirees of the County, provided they participate in LGERS and are 60 years of age (or age 55 for law enforcement officers) and have at least 15 years of creditable service with the County (or 10 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, 2013, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	80	4
Active plan members	<u>342</u>	<u>49</u>
Total	<u><u>422</u></u>	<u><u>53</u></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 17.77 percent of annual covered payroll. For the current year, the County contributed \$1,045,041 or 7.29 percent 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	\$ 2,546,977
Interest on net OPEB obligation	694,272
Adjustment to annual required contribution	<u>(663,245)</u>
Annual OPEB cost (expense)	2,578,004
Contributions made	<u>(1,045,041)</u>
Increase in net OPEB obligation	1,532,963
Net OPEB obligation beginning of year	<u>17,356,796</u>
Net OPEB obligation end of year	<u><u>\$ 18,889,759</u></u>

The County’s net OPEB obligation is comprised of \$18,336,369 and \$553,390 for governmental activities and business-type activities, respectively.

**Jackson County, North Carolina
Notes to Financial Statements**

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the ended June 30, 2015 were as follows:

	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 2,578,004	40.5%	\$ 18,889,759
2014	\$ 2,880,067	21.9%	\$ 17,356,796
2013	\$ 2,793,064	21.8%	\$ 15,107,999

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was 0.7 percent funded. The actuarial accrued liability for benefits was \$30,032,074, and the actuarial value of assets was \$201,699, which are assigned monies in the General Fund, resulting in an unfunded actuarial accrued liability ("UAAL") of \$29,830,375. The covered payroll (annual payroll of active employees covered by the plan) was \$14,331,225, and the ratio of the UAAL to the covered payroll was 208.1 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probably of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4 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 7.75 to 5 percent annually and 5.75 to 5 percent annually for pre-Medicare and post-Medicare, respectively. The investment rate included a 3 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, 2013, was 30 years.

Other Employment Benefits – Death Benefits

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

Jackson County, North Carolina
Notes to Financial Statements

contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

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 19 years. Post-closure costs are included in operating expenses of the current year. The \$1,520,770 reported as landfill post-closure care liability at June 30, 2015, 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.

Changes in Long-Term Liabilities. A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental activities:					
Installment purchases	\$ 30,596,522	\$ 10,323,404	\$ 14,881,744	\$ 26,038,182	\$ 3,307,547
Compensated absences	1,410,180	1,022,819	1,018,551	1,414,448	-
Net pension liability - LGERS	2,924,841	-	2,924,841	-	-
Net pension obligation	469,373	59,107	-	528,480	-
Net OPEB obligation	<u>16,845,239</u>	<u>2,523,730</u>	<u>1,032,600</u>	<u>18,336,369</u>	<u>-</u>
Total governmental activities	<u>\$ 52,246,155</u>	<u>\$ 13,929,060</u>	<u>\$ 19,857,736</u>	<u>\$ 46,317,479</u>	<u>\$ 3,307,547</u>
Business-type activities:					
Installment purchases	\$ 2,463,306	\$ -	\$ 234,600	\$ 2,228,706	\$ 234,601
Landfill closure and post closure costs	1,535,987	15,575	30,792	1,520,770	-
Compensated absences	21,805	18,209	18,739	21,275	-
Net pension liability - LGERS	59,691	-	59,691	-	-
Net OPEB obligation	<u>511,557</u>	<u>54,274</u>	<u>12,441</u>	<u>553,390</u>	<u>-</u>
Total business-type activities	<u>\$ 4,592,346</u>	<u>\$ 88,058</u>	<u>\$ 356,263</u>	<u>\$ 4,324,141</u>	<u>\$ 234,601</u>

At June 30, 2015, Jackson County had a legal debt margin of approximately \$898,000,000.

**Jackson County, North Carolina
Notes to Financial Statements**

Deferred Inflows of Resources

The balance in deferred inflows of resources on the fund statements and/or on the government-wide statements at year-end is composed of the following elements:

	<u>Modified Accrual</u>	<u>Full Accrual</u>
Governmental activities		
Prepaid taxes not earned at year-end (General)	\$ 91,616	\$ 91,616
Taxes receivable, net (General)	1,765,892	-
Notes receivable (Economic Development)	143,185	-
Prepaid restricted contributions (General)	530,091	530,091
Other (General)	318,143	318,143
Pension deferrals	-	3,367,968
Total governmental activities	<u>\$ 2,848,927</u>	<u>\$ 4,307,818</u>
 Business-type activities		
Pension deferrals	<u>\$ 68,735</u>	<u>\$ 68,735</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2015, is computed as follows:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 66,864,767	\$ 5,885,549
Less capital debt:		
Gross debt	26,038,182	2,228,706
School debt related to assets to which the County does not hold title	<u>(12,203,645)</u>	<u>-</u>
Net capital debt	<u>13,834,537</u>	<u>2,228,706</u>
Net investment in capital assets	<u>\$ 53,030,230</u>	<u>\$ 3,656,843</u>

Interfund Balances and Activity

Transfer to/from Other Funds

Transfers to/from other funds at June 30, 2015, consist of the following:

Transfers from the General Fund to:	
Non-major governmental funds	\$ 793,503
Non-major proprietary funds	134,439

Due From Component Unit

At June 30, 2015, the amount due to the County from the ABC Board was \$239,299.

3. Risk Management

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

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

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

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

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

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

4. Joint Ventures

Fontana Regional Library – The County participates in a joint venture to operate the Fontana Regional Library ("Library") with five other local governments. Each participating county may appoint three board members to the nine-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2015. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,131,938 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at Post Office Box 460, Bryson City, North Carolina, 28713.

Southwestern Community College – The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College ("Community College"). The County appoints five members and the State and the Board of Education each appoint four members of the thirteen-member board of trustees of the Community College. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the

Jackson County, North Carolina
Notes to Financial Statements

facilities of the community college and also provides some financial support for the community college's operations. The County contributed \$1,894,110 and \$179,979 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2015. 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, 2015. 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, 2015. Complete financial statements for the TWSA can be obtained from the TWSA's administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

Mental Health – The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Smoky Mountain Center for Mental Health ("Smoky Mountain LME"), a local management entity. The fifteen 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, 2015. The County contributed \$123,081 to the Smoky Mountain LME to fund operations during fiscal year June 30, 2015. Complete financial statements for the Smoky Mountain LME may be obtained from the Smoky Mountain LME's offices at 44 Bonnie Lane, Sylva, NC 28779.

5. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission – The County, in conjunction with seven other counties and fifteen municipalities, established the Southwestern North Carolina Planning and Economic Development Commission ("Commission"). The participating governments established the Commission to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Commission's twenty-two member governing board. The County paid membership fees of \$28,088 to the Commission during the fiscal year ended June 30, 2015.

Jackson County, North Carolina
Notes to Financial Statements

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	\$ 550	\$ -
TANF	93.558	115,370	-
SFHF Maximization	N/A	-	(16,253)
CWS Adoption Subsidy	N/A	-	142,871
IV-E Adoption	93.659	86,234	23,655
IV-E Foster Care	93.658	110,374	48,589
Health Choice	93.767	906,171	285,179
Medicaid	93.778	30,928,704	14,916,121
SC/SA Domiciliary Care	N/A	-	194,639
State Foster Home	N/A	-	(27,742)
WIC	10.557	<u>982,090</u>	<u>-</u>
		<u>\$ 33,129,493</u>	<u>\$ 15,567,059</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.

Contingent Liabilities – At June 30, 2015, the County was defendant to various lawsuits. In the opinion of the County’s management and the County’s attorney, the ultimate effect of these legal matters will not have a materially adverse effect on the County’s financial position.

8. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$1,910,278 and \$38,986, respectively.

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 Post-Employment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Notes to the Required Schedules for the Other Post-Employment Benefits
- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) – Local Government Employees' Retirement System
- Schedule of the County's Contributions – Local Government Employees' Retirement System

Jackson County, North Carolina
Required Supplementary Information
Schedule of Funding Progress
Law Enforcement Officers' Special Separation Allowance

Schedule "A-1"

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	0.00%	\$ 1,399,382	25.08%
12/31/07	-	366,269	366,269	0.00%	1,183,954	30.94%
12/31/08	85,593	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%
12/31/11	42,290	795,399	753,109	5.32%	1,965,281	38.32%
12/31/12	44,246	799,339	755,093	5.54%	1,971,316	38.30%
12/31/13	54,424	818,954	764,530	6.65%	2,009,397	38.05%
12/31/14	31,342	941,744	910,402	3.33%	1,949,705	46.69%

**Jackson County, North Carolina
 Required Supplementary Information
 Schedule of Employer Contributions
 Law Enforcement Officers' Special Separation Allowance**

Schedule "A-2"

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 83,939	40.83%
2014	\$ 89,914	57.89%
2015	\$ 91,053	35.09%

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	12/31/14
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
*Includes inflationat	3.00%
Cost-of-living adjustments	N/A

**Jackson County, North Carolina
 Required Supplementary Information
 Schedule of Funding Progress
 Other Post-Employment Benefits**

Schedule "A-3"

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%
12/31/11	\$ 201,291	\$31,735,642	\$31,534,351	0.6%	\$14,400,446	219.0%
12/31/13	\$ 201,699	\$30,032,074	\$29,830,375	0.7%	\$14,331,225	208.1%

**Jackson County, North Carolina
 Required Supplementary Information
 Schedule of Employer Contributions
 Other Post-Employment Benefits**

Schedule "A-4"

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 2,793,064	21.8%
2014	\$ 2,880,067	21.9%
2015	\$ 2,578,004	40.5%

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	12/31/13
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	
Pre-Medicare trend rate	7.75 - 5.00%
Post-Medicare trend rate	5.75 - 5.00%
Year of ultimate trend rate	2019

*Includes inflation at 3.00%

Jackson County, North Carolina
Required Supplementary Information — Schedule of the County's
Proportionate Share of the Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Two Fiscal Years*

Schedule "A-5"

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.33193%	0.33680%
County's proportionate share of the net pension liability (asset) \$	\$ (1,403,478)	\$ 2,984,531
County's covered-employee payroll	\$ 14,595,534	\$ 14,386,674
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-9.62%	20.75%
Plan fiduciary net position as a percentage of total pension liability	102.64%	94.35%

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

Jackson County, North Carolina
Required Supplementary Information—Schedule of the County's Contributions
Local Governmental Employees' Retirement System
Last Two Fiscal Years

Schedule "A-6"

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,040,014	\$ 1,035,268
Contributions in relation to the contractually required contribution	<u>1,040,014</u>	<u>1,035,268</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 14,661,544	\$ 14,595,534
Contributions as a percentage of covered employee payroll	7.09%	7.09%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUND

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.*
-

*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 County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 32,504,769	\$ 32,494,021	\$ (10,748)
Penalties and interest	445,495	440,378	(5,117)
Total ad valorem taxes	<u>32,950,264</u>	<u>32,934,399</u>	<u>(15,865)</u>
Other taxes:			
Local option sales tax	10,938,731	10,843,868	(94,863)
Beer and wine tax distribution	177,280	177,278	(2)
Tax refund-sales and gasoline	235,554	235,553	(1)
Total other taxes	<u>11,351,565</u>	<u>11,256,699</u>	<u>(94,866)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	180,620	180,619	(1)
ABC profit distribution	275,490	275,488	(2)
ABC 1 and 5 cent bottle charge	27,950	27,946	(4)
Total unrestricted governmental	<u>484,060</u>	<u>484,053</u>	<u>(7)</u>
Restricted intergovernmental:			
Federal and State grants:			
Home and Community Care Block grant	235,608	235,607	(1)
Nantahala Forest timber receipts	128,000	99,439	(28,561)
DARE grant	6,000	6,000	-
Civil defense	43,031	43,031	-
Soil conservation-matching	33,829	26,760	(7,069)
AWAKE-child advocacy	68,188	54,145	(14,043)
Tennessee Valley Authority	950	893	(57)
Older American Act Title III	36,819	36,819	-
Health department	1,241,852	1,195,991	(45,861)
Senior care	8,537	1,831	(6,706)
Smart Start	54,388	54,048	(340)
Juvenile Crime Prevention Commission	100,867	100,867	-
Safe Roads Act	4,000	3,207	(793)
Veteran's service	1,452	-	(1,452)
Erosion control	750	705	(45)
Extensio n grant project	4,598	1,467	(3,131)
SCAAP-State Criminal Alien grant	15,000	1,707	(13,293)
Social services	6,404,355	6,104,185	(300,170)
Title XIX-Medicaid	178,605	178,603	(2)
Department of Transportation:			
Governor's Highway Safety program	20,000	17,354	(2,646)
Section 18-administration	194,827	190,978	(3,849)
Section 18-capital	233,192	230,139	(3,053)
Contracts-EDTAP	223,723	201,925	(21,798)
Emergency food and shelter	17,434	-	(17,434)
Cherokee Preservation grant	62,040	62,040	-

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Restricted intergovernmental, continued:			
Federal and State grants, continued:			
Department of Justice grant	\$ 52,200	\$ 2,242	\$ (49,958)
Other State grants	261,672	261,271	(401)
Total	<u>9,631,917</u>	<u>9,111,254</u>	<u>(520,663)</u>
Court facilities fees	<u>58,342</u>	<u>58,022</u>	<u>(320)</u>
Total restricted intergovernmental	<u>9,690,259</u>	<u>9,169,276</u>	<u>(520,983)</u>
Other restricted revenues:			
Transportation contracts	<u>127,440</u>	<u>127,436</u>	<u>(4)</u>
Permits and fees:			
Cashiers permit fees	4,991	4,991	-
Board of Elections fees	1,000	-	(1,000)
Erosion control fees	75,301	72,351	(2,950)
Building permits and inspection fees	380,379	376,601	(3,778)
Environmental health fees	125,500	121,763	(3,737)
Sheriff's fees	28,500	22,448	(6,052)
Officers fees-court	34,610	34,509	(101)
Animal adoption fees	14,516	14,252	(264)
Road sign fees	103,959	91,229	(12,730)
Health and Social Services fees	252,410	221,207	(31,203)
Register of Deeds	247,495	235,009	(12,486)
Real property transfer tax	339,705	339,702	(3)
Marriage licenses	8,000	8,000	-
Excise tax	6,800	6,792	(8)
Senior citizens fees	49,204	45,927	(3,277)
ABC fees	4,485	4,485	-
Total permits and fees	<u>1,676,855</u>	<u>1,599,266</u>	<u>(77,589)</u>
Sales and services:			
Jail fees	24,000	18,240	(5,760)
Civil process fees	40,000	28,790	(11,210)
Ambulance fees	185,000	181,702	(3,298)
Ancillary services	40,165	40,164	(1)
Travel and tourism administrative fees	52,500	51,158	(1,342)
Video programming distribution	72,500	68,654	(3,846)
Telephone charges	6,000	5,291	(709)
Vending machines	2,000	656	(1,344)
Recreation department	604,175	523,349	(80,826)
Rents	53,367	53,347	(20)
Trolley fares	6,765	6,761	(4)
Total sales and services	<u>1,086,472</u>	<u>978,112</u>	<u>(108,360)</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues, continued:			
Investment earnings	\$ 25,000	\$ 14,621	\$ (10,379)
Miscellaneous	782,774	581,502	(201,272)
Total revenues	<u>58,174,689</u>	<u>57,145,364</u>	<u>(1,029,325)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	124,351	119,075	5,276
Operating	133,107	125,520	7,587
Total	<u>257,458</u>	<u>244,595</u>	<u>12,863</u>
Administration:			
Salaries and employee benefits	270,714	263,238	7,476
Operating	22,300	23,169	(869)
Capital outlay	1,726	1,726	-
Total	<u>294,740</u>	<u>288,133</u>	<u>6,607</u>
Elections:			
Salaries and employee benefits	176,426	173,173	3,253
Operating	197,401	143,062	54,339
Capital outlay	3,047	2,972	75
Total	<u>376,874</u>	<u>319,207</u>	<u>57,667</u>
Finance:			
Salaries and employee benefits	527,658	508,464	19,194
Operating	27,365	24,229	3,136
Capital outlay	5,659	5,583	76
Total	<u>560,682</u>	<u>538,276</u>	<u>22,406</u>
Human resources:			
Salaries and employee benefits	127,907	115,293	12,614
Operating	15,500	10,705	4,795
Capital outlay	379	379	-
Total	<u>143,786</u>	<u>126,377</u>	<u>17,409</u>
Computer services:			
Salaries and employee benefits	335,307	333,793	1,514
Operating	238,995	227,574	11,421
Capital outlay	17,404	17,404	-
Total	<u>591,706</u>	<u>578,771</u>	<u>12,935</u>
Tax collections:			
Salaries and employee benefits	231,735	207,003	24,732
Operating	46,202	36,085	10,117
Total	<u>277,937</u>	<u>243,088</u>	<u>34,849</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances–
Budget and Actual–General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
General government, continued:			
Tax assessments:			
Salaries and employee benefits	\$ 594,212	\$ 592,950	\$ 1,262
Operating	100,830	70,718	30,112
Capital outlay	2,800	-	2,800
Total	<u>697,842</u>	<u>663,668</u>	<u>34,174</u>
GIS mapping:			
Salaries and employee benefits	122,510	122,444	66
Operating	16,940	11,739	5,201
Total	<u>139,450</u>	<u>134,183</u>	<u>5,267</u>
Legal services	<u>330,000</u>	<u>319,534</u>	<u>10,466</u>
Register of Deeds:			
Salaries and employee benefits	298,282	296,991	1,291
Operating	138,357	114,928	23,429
Capital outlay	6,850	6,812	38
Total	<u>443,489</u>	<u>418,731</u>	<u>24,758</u>
Public Works:			
Salaries and employee benefits	52,670	52,624	46
Operating	300	225	75
Total	<u>52,970</u>	<u>52,849</u>	<u>121</u>
Maintenance:			
Salaries and employee benefits	2,071,005	2,057,894	13,111
Operating	1,821,194	1,557,770	263,424
Capital outlay	177,510	126,776	50,734
Total	<u>4,069,709</u>	<u>3,742,440</u>	<u>327,269</u>
Court facilities:			
Operating	94,801	94,437	364
Capital outlay	83,034	83,020	14
Total	<u>177,835</u>	<u>177,457</u>	<u>378</u>
Professional services	<u>25,000</u>	<u>24,950</u>	<u>50</u>
Central services:			
Operating	<u>187,000</u>	<u>156,426</u>	<u>30,574</u>
Total general government	<u>8,626,478</u>	<u>8,028,685</u>	<u>597,793</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Public safety:			
Sheriff:			
Salaries and employee benefits	\$ 3,186,831	\$ 3,155,205	\$ 31,626
Operating	545,404	519,116	26,288
Capital outlay	303,395	303,248	147
Total	<u>4,035,630</u>	<u>3,977,569</u>	<u>58,061</u>
Jail:			
Salaries and employee benefits	1,050,034	1,040,481	9,553
Operating	961,498	944,549	16,949
Capital outlay	6,777	6,777	-
Total	<u>2,018,309</u>	<u>1,991,807</u>	<u>26,502</u>
Code enforcement:			
Salaries and employee benefits	1,091,181	1,067,263	23,918
Operating	118,950	107,265	11,685
Capital outlay	52,219	52,177	42
Total	<u>1,262,350</u>	<u>1,226,705</u>	<u>35,645</u>
Emergency management:			
Salaries and employee benefits	784,574	783,656	918
Operating	157,686	141,586	16,100
Capital outlay	35,227	35,227	-
Total	<u>977,487</u>	<u>960,469</u>	<u>17,018</u>
Fire:			
Salaries and employee benefits	325,691	315,452	10,239
Operating	1,047,793	1,037,486	10,307
Capital outlay	139,065	139,063	2
Total	<u>1,512,549</u>	<u>1,492,001</u>	<u>20,548</u>
Ambulance:			
Operating	1,317,428	1,310,710	6,718
Capital outlay	265,959	265,959	-
Total	<u>1,583,387</u>	<u>1,576,669</u>	<u>6,718</u>
Total public safety	<u>11,389,712</u>	<u>11,225,220</u>	<u>164,492</u>
Transportation:			
Salaries and employee benefits	487,538	485,550	1,988
Operating	328,655	167,488	161,167
Capital outlay	350,552	266,627	83,925
Total	<u>1,166,745</u>	<u>919,665</u>	<u>247,080</u>
Airport	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Total transportation	<u>1,197,745</u>	<u>950,665</u>	<u>247,080</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances–
Budget and Actual–General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	Budget	Actual	Variance Positive (Negative)
Expenditures, continued:			
Environmental protection:			
Forestry	\$ 77,341	\$ 67,904	\$ 9,437
Economic and physical development:			
Planning and zoning:			
Salaries and employee benefits	185,378	185,075	303
Operating	29,192	28,905	287
Capital outlay	1,194	1,097	97
Total	<u>215,764</u>	<u>215,077</u>	<u>687</u>
Community development	<u>135,145</u>	<u>127,444</u>	<u>7,701</u>
Agricultural extension:			
Salaries and employee benefits	124,866	124,587	279
Operating	64,703	49,597	15,106
Capital outlay	1,234	1,234	-
Total	<u>190,803</u>	<u>175,418</u>	<u>15,385</u>
Conservation:			
Salaries and employee benefits	121,782	121,408	374
Operating	70,613	58,438	12,175
Capital outlay	29,679	28,618	1,061
Total	<u>222,074</u>	<u>208,464</u>	<u>13,610</u>
Total economic and physical development	<u>763,786</u>	<u>726,403</u>	<u>37,383</u>
Human services:			
Health:			
General health:			
Salaries and employee benefits	2,385,711	2,346,884	38,827
Operating	315,938	281,104	34,834
Capital outlay	10,118	5,884	4,234
Total	<u>2,711,767</u>	<u>2,633,872</u>	<u>77,895</u>
County health clinic:			
Salaries and employee benefits	127,682	127,676	6
Operating	42,086	34,403	7,683
Capital outlay	500	427	73
Total	<u>170,268</u>	<u>162,506</u>	<u>7,762</u>
Health assurance:			
Salaries and employee benefits	17,869	17,730	139
Operating	74,357	29,733	44,624
Capital outlay	2,488	2,242	246
Total	<u>94,714</u>	<u>49,705</u>	<u>45,009</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Maternal and child health:			
Salaries and employee benefits	\$ 108,658	\$ 103,903	\$ 4,755
Operating	35,524	24,600	10,924
Total	<u>144,182</u>	<u>128,503</u>	<u>15,679</u>
WIC-administration and nutrition:			
Salaries and employee benefits	142,124	138,027	4,097
Operating	15,108	3,234	11,874
Total	<u>157,232</u>	<u>141,261</u>	<u>15,971</u>
Family planning:			
Salaries and employee benefits	109,048	100,656	8,392
Operating	62,268	49,615	12,653
Total	<u>171,316</u>	<u>150,271</u>	<u>21,045</u>
Maternal outreach:			
Salaries and employee benefits	66,677	61,377	5,300
Operating	9,038	6,743	2,295
Total	<u>75,715</u>	<u>68,120</u>	<u>7,595</u>
Mothers Too:			
Salaries and employee benefits	47,772	47,772	-
Operating	86,465	68,479	17,986
Total	<u>134,237</u>	<u>116,251</u>	<u>17,986</u>
Communicable diseases:			
Salaries and employee benefits	10,370	10,296	74
Operating	299	158	141
Total	<u>10,669</u>	<u>10,454</u>	<u>215</u>
NC healthy start:			
Salaries and employee benefits	87,251	76,969	10,282
Operating	86,617	86,185	432
Total	<u>173,868</u>	<u>163,154</u>	<u>10,714</u>
Immunization action program:			
Salaries and employee benefits	3,941	2,639	1,302
Operating	3,095	395	2,700
Capital outlay	1,500	1,215	285
Total	<u>8,536</u>	<u>4,249</u>	<u>4,287</u>
Breastfeeding:			
Salaries and employee benefits	13,882	12,191	1,691
Operating	1,852	1,755	97
Total	<u>15,734</u>	<u>13,946</u>	<u>1,788</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Health, continued:			
Child services coordinator:			
Salaries and employee benefits	\$ 65,199	\$ 64,132	\$ 1,067
Operating	17,591	310	17,281
Total	<u>82,790</u>	<u>64,442</u>	<u>18,348</u>
Smart start:			
Salaries and employee benefits	62,410	62,397	13
Operating	17,825	7,027	10,798
Total	<u>80,235</u>	<u>69,424</u>	<u>10,811</u>
Diabetes care clinic:			
Salaries and employee benefits	7,726	4,464	3,262
Operating	60,384	53,700	6,684
Total	<u>68,110</u>	<u>58,164</u>	<u>9,946</u>
Other health services:			
Operating	<u>104,900</u>	<u>90,170</u>	<u>14,730</u>
Total health	<u>4,204,273</u>	<u>3,924,492</u>	<u>279,781</u>
Environmental health:			
Animal shelter:			
Salaries and employee benefits	195,131	189,452	5,679
Operating	50,813	43,399	7,414
Capital outlay	1,650	1,181	469
Total	<u>247,594</u>	<u>234,032</u>	<u>13,562</u>
Environmental health:			
Operating	<u>18,783</u>	<u>4,959</u>	<u>13,824</u>
Bioterrorism:			
Salaries and employee benefits	24,377	24,282	95
Operating	6,531	1,525	5,006
Total	<u>30,908</u>	<u>25,807</u>	<u>5,101</u>
Total environmental health	<u>297,285</u>	<u>264,798</u>	<u>32,487</u>
Mental health:			
Smoky Mountain Center LME	<u>123,081</u>	<u>123,081</u>	<u>-</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Social services:			
Administration:			
Salaries and employee benefits	\$ 3,465,747	\$ 3,286,997	\$ 178,750
Operating	306,185	238,307	67,878
Capital outlay	117,589	4,417	113,172
Total	<u>3,889,521</u>	<u>3,529,721</u>	<u>359,800</u>
Other services:			
Adult guardianship	12,700	6,617	6,083
Special assistance	200,000	193,516	6,484
Medical care	222,475	211,244	11,231
Foster care	249,315	116,371	132,944
Aid to the blind	3,330	3,330	-
Food stamp administration	11,000	7,330	3,670
Crisis intervention	154,989	132,635	22,354
Adult day care	2,071	-	2,071
Emergency assistance	23,452	22,259	1,193
IV-D	32,008	27,177	4,831
LIEAP	181,885	181,200	685
Child care services	2,146,252	2,146,250	2
Other	386,942	222,291	164,651
Total	<u>3,626,419</u>	<u>3,270,220</u>	<u>356,199</u>
Indian reservation:			
Salaries and employee benefits	862,489	762,857	99,632
Operating	370,904	266,598	104,306
Capital outlay	29,792	21,275	8,517
Total	<u>1,263,185</u>	<u>1,050,730</u>	<u>212,455</u>
Emergency food and shelter	<u>10,871</u>	<u>4,816</u>	<u>6,055</u>
Focal point on aging:			
Salaries and employee benefits	403,968	403,883	85
Operating	185,369	156,327	29,042
Capital outlay	23,635	23,635	-
Total	<u>612,972</u>	<u>583,845</u>	<u>29,127</u>
Total social services	<u>9,402,968</u>	<u>8,439,332</u>	<u>963,636</u>
Eldercare coalition:			
Salaries and employee benefits	224,848	216,078	8,770
Operating	283,878	216,886	66,992
Total	<u>508,726</u>	<u>432,964</u>	<u>75,762</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Human services, continued:			
Veteran's service officer:			
Salaries and employee benefits	\$ 94,651	\$ 89,778	\$ 4,873
Operating	12,231	9,653	2,578
Total	<u>106,882</u>	<u>99,431</u>	<u>7,451</u>
Other human services	<u>560,062</u>	<u>523,262</u>	<u>36,800</u>
Total human services	<u>15,203,277</u>	<u>13,807,360</u>	<u>1,395,917</u>
Culture and recreation:			
Recreation:			
Salaries and employee benefits	732,524	710,909	21,615
Operating	454,349	403,206	51,143
Capital outlay	38,698	33,109	5,589
Total	<u>1,225,571</u>	<u>1,147,224</u>	<u>78,347</u>
Arts council	<u>9,141</u>	<u>9,141</u>	<u>-</u>
Library	<u>1,215,525</u>	<u>1,131,938</u>	<u>83,587</u>
Swimming pool:			
Salaries and employee benefits	24,872	21,716	3,156
Operating	29,781	29,189	592
Total	<u>54,653</u>	<u>50,905</u>	<u>3,748</u>
Cashiers recreation:			
Salaries and employee benefits	291,318	271,160	20,158
Operating	228,863	162,513	66,350
Capital outlay	27,058	24,382	2,676
Total	<u>547,239</u>	<u>458,055</u>	<u>89,184</u>
Cashiers swimming pool:			
Salaries and employee benefits	22,360	18,204	4,156
Operating	13,390	8,389	5,001
Total	<u>35,750</u>	<u>26,593</u>	<u>9,157</u>
Total culture and recreation	<u>3,087,879</u>	<u>2,823,856</u>	<u>264,023</u>
Education:			
Public schools—current	6,680,043	6,680,043	-
Public schools—timber receipts	99,439	99,439	-
Public schools—capital outlay	916,000	916,000	-
Public schools—SROs	46,725	46,620	105
Community colleges—current	1,894,110	1,894,110	-
Community colleges—capital outlay	1,335,018	179,979	1,155,039
Total education	<u>10,971,335</u>	<u>9,816,191</u>	<u>1,155,144</u>

Jackson County, North County
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended June 30, 2015

Schedule "B-1"

(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures, continued:			
Debt service:			
Principal retirement	\$ 4,558,347	\$ 4,558,340	\$ 7
Interest and other charges	833,639	826,027	7,612
Total debt service	<u>5,391,986</u>	<u>5,384,367</u>	<u>7,619</u>
Total expenditures	<u>56,709,539</u>	<u>52,830,651</u>	<u>3,878,888</u>
Revenues over expenditures	<u>1,465,150</u>	<u>4,314,713</u>	<u>2,849,563</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,320,141)	(1,320,141)	-
Economic Development Commission Fund	(100,000)	(100,000)	-
School Capital Reserve Fund	(693,503)	(693,503)	-
Revaluation Fund	(333,333)	(333,333)	-
Green Energy Park Fund	(134,439)	(134,439)	-
Conservation/Preservation Fund	(300,000)	(300,000)	-
Proceeds from installment obligation	10,323,404	10,323,404	-
Payment of installment obligation	(10,323,404)	(10,323,404)	-
Proceeds from sale of capital assets	60,400	56,468	(3,932)
Appropriated fund balance	1,509,669	-	(1,509,669)
Contingency	(153,803)	-	153,803
Total other financing sources (uses)	<u>(1,465,150)</u>	<u>(2,824,948)</u>	<u>(1,359,798)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,489,765</u>	<u>\$ 1,489,765</u>
Fund balance, July 1		<u>24,562,221</u>	
Fund balance, June 30		<u>\$ 26,051,986</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance–
Budget and Actual–Revaluation Fund
Year Ended June 30, 2015

Schedule "B-2"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Tax listing	\$ 333,333	\$ 289,377	\$ 43,956
Other financing sources:			
Transfers from General Fund	333,333	333,333	-
Net change in fund balance	<u>\$ -</u>	43,956	<u>\$ 43,956</u>
Fund balance:			
Beginning of year, July 1		<u>41,845</u>	
End of year, June 30		<u>\$ 85,801</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance–
Budget and Actual–Capital Reserve Fund
Year Ended June 30, 2015

Schedule "B-3"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 500	\$ 448	\$ (52)
Expenditures:			
Designated for future appropriations	1,724,048	-	1,724,048
Revenues over (under) expenditures	(1,723,548)	448	1,723,996
Other financing sources:			
Transfers from General Fund	1,320,141	1,320,141	-
Appropriated fund balance	<u>403,407</u>	<u>-</u>	<u>(403,407)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,320,589</u>	<u>\$ 1,320,589</u>
Fund balance:			
Beginning of year, July 1		<u>404,089</u>	
End of year, June 30		<u>\$ 1,724,678</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Conservation/Preservation Fund
Year Ended June 30, 2015

Schedule "B-4"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other restricted revenues	\$ 425,000	\$ 193,638	\$ (231,362)
Expenditures:			
Environmental protection:			
Conservation	350,000	-	350,000
Capital outlay	425,000	200,526	224,474
Total expenditures	<u>775,000</u>	<u>200,526</u>	<u>574,474</u>
Revenues under expenditures	(350,000)	(6,888)	343,112
Other financing sources:			
Transfers from General Fund	300,000	300,000	-
Appropriated fund balance	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ -</u>	293,112	<u>\$ 293,112</u>
Fund balance:			
Beginning of year, July 1		<u>74,277</u>	
End of year, June 30		<u>\$ 367,389</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.
- **Community Development Scattered Site Project Fund** – This fund accounts for federal grants and local matching funds received and expended for community development.
- **Clean Water Revolving Loan Fund** – This fund accounts for loans made by the County with moneys received from the Clean Water Management Trust Fund through a revolving loan fund, as well as in-kind local contributions.
- **Economic Development Fund** – This fund accounts for loans made by the County with moneys received from the Community Development Block Grant from the Small Cities Program through a revolving loan fund.
- **Economic Development Commission Fund** – This fund was established as a result of the reorganization of the Jackson County Economic Development Commission and is used to account for revenues from member towns and economic development loans.

Jackson County, North Carolina
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2015

Schedule "C-1"

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,516,230	\$ 1,472,577	\$ 2,988,807
Accounts receivable, net	7,131	7,652	14,783
Due from other governments	52,713	196,032	248,745
Notes receivable, net	143,185	-	143,185
	<u>1,719,259</u>	<u>1,676,261</u>	<u>3,395,520</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 11,090	\$ 33,635	\$ 44,725
	<u>143,185</u>	<u>-</u>	<u>143,185</u>
Deferred inflows of resources			
	<u>143,185</u>	<u>-</u>	<u>143,185</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	59,844	7,652	67,496
Education	-	1,015,139	1,015,139
Public safety	203,387	-	203,387
Economic and physical development	1,301,753	-	1,301,753
Committed:			
Recreation	-	469,376	469,376
Public safety	-	145,710	145,710
Various programs and projects	-	4,749	4,749
Total fund balances	<u>1,564,984</u>	<u>1,642,626</u>	<u>3,207,610</u>
	<u>1,719,259</u>	<u>1,676,261</u>	<u>3,395,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,719,259</u>	<u>\$ 1,676,261</u>	<u>\$ 3,395,520</u>

**Jackson County, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2015**

	Emergency Telephone Fund	Law Enforcement Block Grant Fund	Community Development Scattered Site Project Fund
Assets:			
Cash and cash equivalents	\$ 170,765	\$ 32,622	\$ 70,622
Accounts receivable, net	6,806	68	-
Due from other governments	41,863	-	10,850
Notes receivable, net	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 219,434</u></u>	<u><u>\$ 32,690</u></u>	<u><u>\$ 81,472</u></u>
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred inflows of resources			
	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	48,669	68	10,850
Public safety	170,765	32,622	-
Economic and physical development	-	-	70,622
Total fund balances	<u>219,434</u>	<u>32,690</u>	<u>81,472</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 219,434</u></u>	<u><u>\$ 32,690</u></u>	<u><u>\$ 81,472</u></u>

Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Non-major Special Revenue Funds
\$ 29,512	\$ 858,152	\$ 354,557	\$ 1,516,230
-	-	257	7,131
-	-	-	52,713
-	143,185	-	143,185
<u>\$ 29,512</u>	<u>\$ 1,001,337</u>	<u>\$ 354,814</u>	<u>\$ 1,719,259</u>
\$ 10,000	\$ 1,031	\$ 59	\$ 11,090
-	143,185	-	143,185
-	-	257	59,844
-	-	-	203,387
19,512	857,121	354,498	1,301,753
19,512	857,121	354,755	1,564,984
<u>\$ 29,512</u>	<u>\$ 1,001,337</u>	<u>\$ 354,814</u>	<u>\$ 1,719,259</u>

Jackson County, North Carolina
Combining Balance Sheet
Non-major Capital Projects Funds
June 30, 2015

Schedule "C-3"

	<u>Recreation Center Fund</u>	<u>Emergency Management Project Fund</u>	<u>County Capital Projects Fund</u>	<u>Greenways Project Fund</u>	<u>School Improvements Fund</u>	<u>Total Non-major Capital Projects Funds</u>
Assets:						
Cash and cash equivalents	\$ 84,597	\$ 145,989	\$ 4,749	\$ 188,747	\$ 1,048,495	\$ 1,472,577
Accounts receivable, net	-	7,603	-	49	-	7,652
Due from other governments	-	-	-	196,032	-	196,032
Total assets	<u>\$ 84,597</u>	<u>\$ 153,592</u>	<u>\$ 4,749</u>	<u>\$ 384,828</u>	<u>\$ 1,048,495</u>	<u>\$ 1,676,261</u>
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 279	\$ -	\$ -	33,356	\$ 33,635
Fund balances:						
Restricted:						
Stabilization by State Statute	-	7,603	-	49	-	7,652
Education	-	-	-	-	1,015,139	1,015,139
Committed	84,597	145,710	4,749	384,779	-	619,835
Total fund balances	<u>84,597</u>	<u>153,313</u>	<u>4,749</u>	<u>384,828</u>	<u>1,015,139</u>	<u>1,642,626</u>
Total liabilities and fund balances	<u>\$ 84,597</u>	<u>\$ 153,592</u>	<u>\$ 4,749</u>	<u>\$ 384,828</u>	<u>\$ 1,048,495</u>	<u>\$ 1,676,261</u>

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

Year Ended June 30, 2015

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Restricted intergovernmental	\$ 533,886	\$ 196,032	\$ 729,918
Sales and services	227,570	-	227,570
Investment earnings	9,266	359	9,625
Total revenues	<u>770,722</u>	<u>196,391</u>	<u>967,113</u>
Expenditures:			
Current:			
Public safety	523,588	1,220,265	1,743,853
Economic and physical development	162,262	-	162,262
Culture and recreation	-	593,116	593,116
Education	-	221,717	221,717
Total expenditures	<u>685,850</u>	<u>2,035,098</u>	<u>2,720,948</u>
Revenues over (under) expenditures	<u>84,872</u>	<u>(1,838,707)</u>	<u>(1,753,835)</u>
Other financing sources:			
Transfers from other funds	<u>100,000</u>	<u>693,503</u>	<u>793,503</u>
Net change in fund balances	184,872	(1,145,204)	(960,332)
Fund balances:			
Beginning of year, July 1	<u>1,380,112</u>	<u>2,787,830</u>	<u>4,167,942</u>
End of year, June 30	<u>\$ 1,564,984</u>	<u>\$ 1,642,626</u>	<u>\$ 3,207,610</u>

Jackson County, North Carolina
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances–Non-major Special Revenue Funds
Year Ended June 30, 2015

	Emergency Telephone Fund	Law Enforcement Block Grant Fund	Community Development Scattered Site Project Fund
Revenues:			
Restricted intergovernmental	\$ 502,360	\$ 12,676	\$ 10,850
Sales and services	-	-	-
Investment earnings	-	-	-
Total revenues	<u>502,360</u>	<u>12,676</u>	<u>10,850</u>
Expenditures:			
Current:			
Public safety	520,797	2,791	-
Economic and physical development	-	-	22,454
Total expenditures	<u>520,797</u>	<u>2,791</u>	<u>22,454</u>
Revenues over (under) expenditures	<u>(18,437)</u>	<u>9,885</u>	<u>(11,604)</u>
Other financing sources:			
Transfers from other funds	-	-	-
Net change in fund balances	(18,437)	9,885	(11,604)
Fund balances:			
Beginning of year, July 1	<u>237,871</u>	<u>22,805</u>	<u>93,076</u>
End of year, June 30	<u>\$ 219,434</u>	<u>\$ 32,690</u>	<u>\$ 81,472</u>

Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Non-major Special Revenue Funds
\$ -	\$ -	\$ 8,000	\$ 533,886
-	217,649	9,921	227,570
-	8,967	299	9,266
-	226,616	18,220	770,722
-	-	-	523,588
22,909	1,032	115,867	162,262
22,909	1,032	115,867	685,850
(22,909)	225,584	(97,647)	84,872
-	-	100,000	100,000
(22,909)	225,584	2,353	184,872
42,421	631,537	352,402	1,380,112
<u>\$ 19,512</u>	<u>\$ 857,121</u>	<u>\$ 354,755</u>	<u>\$ 1,564,984</u>

Jackson County, North Carolina
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-major Capital Projects Funds
Year Ended June 30, 2015

Schedule "C-6"

	Recreation Center Fund	Emergency Management Project Fund	County Capital Projects Fund	Greenways Project Fund	School Improvements Fund	Total Non-major Capital Projects Funds
Revenues:						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 196,032	\$ -	\$ 196,032
Investment earnings	218	141	-	-	-	359
Total revenues	<u>218</u>	<u>141</u>	<u>-</u>	<u>196,032</u>	<u>-</u>	<u>196,391</u>
Expenditures:						
Current:						
Public safety	-	1,220,265	-	-	-	1,220,265
Culture and recreation	437,106	-	-	156,010	-	593,116
Education	-	-	-	-	221,717	221,717
Total expenditures	<u>437,106</u>	<u>1,220,265</u>	<u>-</u>	<u>156,010</u>	<u>221,717</u>	<u>2,035,098</u>
Revenues over (under) expenditures	<u>(436,888)</u>	<u>(1,220,124)</u>	<u>-</u>	<u>40,022</u>	<u>(221,717)</u>	<u>(1,838,707)</u>
Other financing sources:						
Transfers from other funds	-	-	-	-	693,503	693,503
Net change in fund balances	(436,888)	(1,220,124)	-	40,022	471,786	(1,145,204)
Fund balances:						
Beginning of year, July 1	<u>521,485</u>	<u>1,373,437</u>	<u>4,749</u>	<u>344,806</u>	<u>543,353</u>	<u>2,787,830</u>
End of year, June 30	<u>\$ 84,597</u>	<u>\$ 153,313</u>	<u>\$ 4,749</u>	<u>\$ 384,828</u>	<u>\$ 1,015,139</u>	<u>\$ 1,642,626</u>

Jackson County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance–
Budget and Actual–Emergency Telephone System Fund
Year Ended June 30, 2015

Schedule "D-1"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 502,360	\$ 502,360	\$ -
Expenditures:			
Public safety	607,360	520,797	86,563
Revenues under expenditures	(105,000)	(18,437)	86,563
Appropriated fund balance	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(18,437)</u>	<u>\$ (18,437)</u>
Fund balance:			
Beginning of year, July 1		<u>237,871</u>	
End of year, June 30		<u>\$ 219,434</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance–
Budget and Actual–Law Enforcement Block Grant Fund
Year Ended June 30, 2015

Schedule "D-2"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 16,136	\$ 12,676	\$ (3,460)
Expenditures:			
Public safety:			
Operating	7,500	480	7,020
Capital outlay	13,636	2,311	11,325
Total expenditures	<u>21,136</u>	<u>2,791</u>	<u>18,345</u>
Revenues over (under) expenditures	(5,000)	9,885	14,885
Appropriated fund balance	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>9,885</u>	<u>\$ 9,885</u>
Fund balance:			
Beginning of year, July 1		<u>22,805</u>	
End of year, June 30		<u>\$ 32,690</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance–
Budget and Actual–Community Development Scattered Site Project Fund
From Inception and for the Year Ended June 30, 2015

Schedule "D-3"

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
NC Economic Recovery Program					
Project	\$ 725,000	\$ 500,000	\$ 10,850	\$ 510,850	\$ (214,150)
Miscellaneous	-	26,972	-	26,972	26,972
Total revenues	<u>725,000</u>	<u>526,972</u>	<u>10,850</u>	<u>537,822</u>	<u>(187,178)</u>
Expenditures:					
Economic and physical development:					
Operating	9,204	-	9,204	9,204	-
NC Economic Recovery Program					
Project	725,000	487,001	13,250	500,251	224,749
Total expenditures	<u>734,204</u>	<u>487,001</u>	<u>22,454</u>	<u>509,455</u>	<u>224,749</u>
Revenues over (under) expenditures	(9,204)	39,971	(11,604)	28,367	37,571
Appropriated fund balance/ closed out projects	<u>9,204</u>	<u>53,105</u>	<u>-</u>	<u>53,105</u>	<u>43,901</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 93,076</u>	<u>(11,604)</u>	<u>\$ 81,472</u>	<u>\$ 81,472</u>
Fund balance:					
Beginning of year, July 1			<u>93,076</u>		
End of year, June 30			<u>\$ 81,472</u>		

Jackson County, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance–
Budget and Actual–Clean Water Revolving Loan Fund
Year Ended June 30, 2015

Schedule "D-4"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 30,430	\$ 22,909	\$ 7,521
Appropriated fund balance	<u>30,430</u>	<u>-</u>	<u>(30,430)</u>
Net change in fund balance	<u>\$ -</u>	<u>(22,909)</u>	<u>\$ (22,909)</u>
Fund balance:			
Beginning of year, July 1		<u>42,421</u>	
End of year, June 30		<u>\$ 19,512</u>	

Jackson County, North Carolina
Schedule of Revenues, Expenditures and Changes in Fund Balance–
Budget and Actual–Economic Development Fund
Year Ended June 30, 2015

Schedule "D-5"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Sales and services	\$ 217,727	\$ 217,649	\$ (78)
Investment earnings	9,013	8,967	(46)
Total revenues	<u>226,740</u>	<u>226,616</u>	<u>(124)</u>
Expenditures:			
Economic and physical development:			
Loan funds advanced	1,031	1,032	(1)
Reserve for economic development	225,709	-	225,709
Total expenditures	<u>226,740</u>	<u>1,032</u>	<u>225,708</u>
Net change in fund balance	<u>\$ -</u>	225,584	<u>\$ 225,584</u>
Fund balance:			
Beginning of year, July 1		<u>631,537</u>	
End of year, June 30		<u>\$ 857,121</u>	

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Economic Development Commission Fund
Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
State grants	\$ 10,000	\$ 8,000	\$ (2,000)
Sales and services	9,922	9,921	(1)
Investment earnings	350	299	(51)
Total revenues	<u>20,272</u>	<u>18,220</u>	<u>(2,052)</u>
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	96,677	96,666	11
Operating	20,789	17,801	2,988
Commercial investments	45,000	-	45,000
Loans, development, capital improvement	100,000	-	100,000
Capital outlay	1,400	1,400	-
Total expenditures	<u>263,866</u>	<u>115,867</u>	<u>147,999</u>
Revenues under expenditures	(243,594)	(97,647)	145,947
Other financing sources (uses):			
Transfer from General Fund	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Appropriated fund balance	<u>143,594</u>	<u>-</u>	<u>(143,594)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,353</u>	<u>\$ 2,353</u>
Fund balance:			
Beginning of year, July 1		<u>352,402</u>	
End of year, June 30		<u>\$ 354,755</u>	

CAPITAL PROJECTS FUNDS

- **Recreation Center Fund** – This fund is used to account for various recreation projects.
- **Emergency Management Fund** – This fund is used to account for the construction on the Emergency Management Facility, which will be financed primarily by the General Fund.
- **County Capital Projects Fund** – This fund was established to account for the construction of various County administration projects.
- **Greenways Project Fund** – This fund is used to account for the construction of a greenway, which will be funded primarily with restricted intergovernmental revenue.
- **School Improvements Fund** – This fund is used to account for the construction of school improvements from the proceeds of State grants, installment debt, and local matching funds.
- **School Capital Reserve Fund** – This fund was established to account for revenues restricted for the construction and renovation of County schools.*

*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.

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

Capital Project Fund—Recreation Center Fund

From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
DOT Revenue	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -
Investment earnings	43,680	41,730	218	41,948	(1,732)
Total revenues	<u>443,680</u>	<u>441,730</u>	<u>218</u>	<u>441,948</u>	<u>(1,732)</u>
Expenditures:					
Culture and recreation:					
Architect fees	868,720	862,849	5,369	868,218	502
Furniture and equipment	255,890	250,766	-	250,766	5,124
Construction cost	5,861,159	5,665,268	81,737	5,747,005	114,154
Site preparation	2,847,682	2,782,869	-	2,782,869	64,813
East LaPorte Park	101,158	101,158	-	101,158	-
Savannah/Greens Creek Park	120,067	120,067	-	120,067	-
Dillsboro Park	350,000	-	350,000	350,000	-
Total expenditures	<u>10,404,676</u>	<u>9,782,977</u>	<u>437,106</u>	<u>10,220,083</u>	<u>184,593</u>
Revenues under expenditures	<u>(9,960,996)</u>	<u>(9,341,247)</u>	<u>(436,888)</u>	<u>(9,778,135)</u>	<u>182,861</u>
Other financing sources:					
Transfers from other funds:					
General	6,888,399	6,790,135	-	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	-
Total other financing sources	<u>9,960,996</u>	<u>9,862,732</u>	<u>-</u>	<u>9,862,732</u>	<u>(98,264)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 521,485</u>	<u>(436,888)</u>	<u>\$ 84,597</u>	<u>\$ 84,597</u>
Fund balance:					
Beginning of year, July 1			<u>521,485</u>		
End of year, June 30			<u>\$ 84,597</u>		

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

Capital Project Fund—Emergency Management Project Fund

From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 180	\$ -	\$ 141	\$ 141	\$ (39)
Expenditures:					
Public Safety:					
Architect fees	\$ 112,179	\$ 67,107	\$ 11,700	\$ 78,807	\$ 33,372
Equipment	485,902	91,477	275,651	367,128	118,774
Construction cost	1,301,519	367,399	932,914	1,300,313	1,206
Site acquisition	352,981	352,981	-	352,981	-
Total expenditures	2,252,581	878,964	1,220,265	2,099,229	153,352
Other financing sources:					
Transfers from other funds:					
Capital Reserve Fund	2,252,401	2,252,401	-	2,252,401	-
Net change in fund balance	\$ -	\$ 1,373,437	(1,220,124)	\$ 153,313	\$ 153,313
Fund balance:					
Beginning of year, July 1			1,373,437		
End of year, June 30			\$ 153,313		

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

Capital Project Fund—County Capital Projects Fund

From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
General government:					
Architect fees	\$ 11,021	\$ 6,300	\$ -	\$ 6,300	\$ 4,721
Furniture and equipment	16,040	16,040	-	16,040	-
Construction cost	395,466	395,438	-	395,438	28
Culture and recreation:					
Management fees	18,875	18,875	-	18,875	-
Construction cost	253,409	253,409	-	253,409	-
Total expenditures	<u>694,811</u>	<u>690,062</u>	<u>-</u>	<u>690,062</u>	<u>4,749</u>
Other financing sources:					
Transfers from other funds:					
General Fund	369,811	369,811	-	369,811	-
Capital Reserve Fund	325,000	325,000	-	325,000	-
Total other financing sources	<u>694,811</u>	<u>694,811</u>	<u>-</u>	<u>694,811</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,749</u>	<u>-</u>	<u>\$ 4,749</u>	<u>\$ 4,749</u>
Fund balance:					
Beginning of year, July 1			<u>4,749</u>		
End of year, June 30			<u>\$ 4,749</u>		

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

Capital Project Fund—Greenways Project Fund

From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
Revenues:					
Restricted intergovernmental	\$ 455,000	\$ -	\$ 196,032	\$ 196,032	\$ (258,968)
Expenditures:					
Culture and recreation:					
Construction	948,339	224,712	140,635	365,347	582,992
Engineering fees	65,000	30,482	15,375	45,857	19,143
Total expenditures	1,013,339	255,194	156,010	411,204	602,135
Revenues over (under) expenditures	(558,339)	(255,194)	40,022	(215,172)	343,167
Other financing sources (uses):					
Transfers from other funds:					
General Fund	600,000	600,000	-	600,000	-
Contingency	(41,661)	-	-	-	41,661
Total other financing sources (uses)	558,339	600,000	-	600,000	41,661
Net change in fund balance	\$ -	\$ 344,806	40,022	\$ 384,828	\$ 384,828
Fund balance:					
Beginning of year, July 1			344,806		
End of year, June 30			\$ 384,828		

**Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
Capital Project Fund—School Improvements Fund
From Inception and for the Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Public School Building Capital Fund	\$ 345,738	\$ 345,738	\$ -	\$ 345,738	\$ -
Investment earnings	4,120	4,113	-	4,113	(7)
Total revenues	<u>349,858</u>	<u>349,851</u>	<u>-</u>	<u>349,851</u>	<u>(7)</u>
Expenditures:					
Education:					
Smoky Mountain High gym, fine arts and Blue Ridge School locker rooms	13,027,119	12,776,714	48,968	12,825,682	201,437
Revenues under expenditures	<u>(12,677,261)</u>	<u>(12,426,863)</u>	<u>(48,968)</u>	<u>(12,475,831)</u>	<u>201,430</u>
Other financing sources (uses):					
Transfers from other funds:					
School Capital Reserve	2,822,912	2,574,069	28,488	2,602,557	(220,355)
Proceeds from installment obligation	10,000,000	10,000,000	-	10,000,000	-
Contingency	(145,651)	-	-	-	145,651
Total other financing sources (uses)	<u>12,677,261</u>	<u>12,574,069</u>	<u>28,488</u>	<u>12,602,557</u>	<u>(74,704)</u>
Closed out projects	<u>-</u>	<u>103,396</u>	<u>-</u>	<u>103,396</u>	<u>103,396</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 250,602</u>	<u>(20,480)</u>	<u>\$ 230,122</u>	<u>\$ 230,122</u>
Fund balance:					
Beginning of year, July 1			250,602		
End of year, June 30			230,122		
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:					
Expenditures			(172,749)		
Transfers from the General Fund			693,503		
Transfers to the School Improvement Fund			(28,488)		
Fund balance, beginning (School Capital Reserve Fund)			<u>292,751</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 1,015,139</u>		

Jackson County, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance–
Budget and Actual–School Capital Reserve Fund
Year Ended June 30, 2015

Schedule "E-6"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 515	\$ -	\$ (515)
Expenditures:			
School Capital Reserve	665,530	172,749	492,781
Revenues under expenditures	(665,015)	(172,749)	492,266
Other financing sources (uses):			
Transfer from General Fund	693,503	693,503	-
Transfer to School Improvement Fund	(28,488)	(28,488)	-
Total other financing sources (uses)	665,015	665,015	-
Net change in fund balance	<u>\$ -</u>	492,266	<u>\$ 492,266</u>
Fund balance:			
Beginning of year, July 1		292,751	
End of year, June 30		<u>\$ 785,017</u>	

PROPRIETARY FUND SCHEDULES

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 Commission Fund** – This fund was established as a result of the reorganization of the Jackson County Economic Development Commission, in which the County took title to two industrial facilities. The buildings are currently leased and generate rental income for the County.

Jackson County, North Carolina
Schedule of Revenues and Expenditures–Budget and Actual (Non-GAAP)–
Landfill Fund
Year Ended June 30, 2015

Schedule "F-1"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,291,698	\$ 3,259,175	\$ (32,523)
Non-operating revenues:			
Scrap tire disposal fee	54,000	51,572	(2,428)
White goods tax	6,033	6,032	(1)
Electronics tax	3,145	3,144	(1)
Interest earned on investments	30,400	30,322	(78)
Total non-operating revenues	<u>93,578</u>	<u>91,070</u>	<u>(2,508)</u>
Total revenues	<u>3,385,276</u>	<u>3,350,245</u>	<u>(35,031)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	383,863	361,901	21,962
Operating expenses	1,642,140	1,580,716	61,424
Supplies	31,177	23,471	7,706
Repairs and maintenance	206,739	39,170	167,569
Contracted services	829,766	825,632	4,134
Total	<u>3,093,685</u>	<u>2,830,890</u>	<u>262,795</u>
Debt service:			
Debt principal	234,601	234,600	1
Interest and other charges	56,990	56,990	-
Total	<u>291,591</u>	<u>291,590</u>	<u>1</u>
Total expenditures	<u>3,385,276</u>	<u>3,122,480</u>	<u>262,796</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 227,765</u>	<u>\$ 227,765</u>

Jackson County, North Carolina
Schedule of Revenues and Expenditures–Budget and Actual (Non-GAAP)–
Landfill Fund
Year Ended June 30, 2015

Schedule "F-1"

(Continued)

**Reconciliation from budgetary basis (modified
accrual) to full accrual basis:**

Revenues over expenditures	\$	227,765
Change in accrued interest receivable		(3,250)
Change in compensated absences		(1,038)
Change in net OPEB obligation		(37,650)
Contributions to the pension plan in the current fiscal year		12,887
Pension expense		(1,041)
Debt principal payment		234,600
Landfill closure and post-closure costs		15,217
Depreciation		(168,715)
		<hr/>
Change in net position	\$	<u>278,775</u>

Jackson County, North Carolina
Combining Statement of Fund Net Position
Non-major Proprietary Funds
June 30, 2015

Schedule "F-2"

	Green Energy Park Fund	Economic Development Commission Fund	Total Non-major Proprietary Funds
Assets:			
Cash and cash equivalents	\$ 157,266	\$ 60,521	\$ 217,787
Accounts receivable, net	1,011	452	1,463
Notes receivable, net	-	131,249	131,249
Net pension asset - restricted	10,679	-	10,679
Capital assets, net of depreciation	64,572	1,189,516	1,254,088
Total assets	<u>233,528</u>	<u>1,381,738</u>	<u>1,615,266</u>
Deferred outflows of resources	<u>7,913</u>	<u>-</u>	<u>7,913</u>
Liabilities:			
Accounts payable and accrued liabilities	7,411	28	7,439
Compensated absences	8,094	-	8,094
Unearned revenue	12,786	-	12,786
Net OPEB obligation	55,339	-	55,339
Total liabilities	<u>83,630</u>	<u>28</u>	<u>83,658</u>
Deferred inflows of resources	<u>26,150</u>	<u>-</u>	<u>26,150</u>
Net position:			
Net investment in capital assets	64,572	1,189,516	1,254,088
Restricted	10,679	-	10,679
Unrestricted	56,410	192,194	248,604
Total net position	<u>\$ 131,661</u>	<u>\$ 1,381,710</u>	<u>\$ 1,513,371</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position

Non-major Proprietary Funds

Year Ended June 30, 2015

	Green Energy Park Fund	Economic Development Commission Fund	Total Non-major Proprietary Funds
Operating revenues:			
Charges for services	\$ 12,824	\$ 71,335	\$ 84,159
Operating expenditures:			
Park operations	147,190	-	147,190
Economic development operations	-	55,432	55,432
Depreciation	5,484	65,160	70,644
Total expenditures	152,674	120,592	273,266
Operating loss	(139,850)	(49,257)	(189,107)
Non-operating revenues:			
Investment earnings	-	2,807	2,807
Donations	264	-	264
Total non-operating revenues	264	2,807	3,071
Loss before transfers	(139,586)	(46,450)	(186,036)
Transfers from other funds	134,439	-	134,439
Change in net position	(5,147)	(46,450)	(51,597)
Net position:			
Beginning of year, July 1, as adjusted	136,808	1,428,160	1,564,968
End of year, June 30	\$ 131,661	\$ 1,381,710	\$ 1,513,371

Jackson County, North Carolina
Combining Statement of Cash Flows
Non-major Proprietary Funds
Year Ended June 30, 2015

Schedule "F-4"

	Green Energy Park Fund	Economic Development Commission Fund	Total Non-major Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	\$ 13,996	\$ 70,883	\$ 84,879
Cash paid for goods and services	(54,310)	(63,493)	(117,803)
Cash paid to employees for services	(91,718)	-	(91,718)
Net cash provided (used) by operating activities	<u>(132,032)</u>	<u>7,390</u>	<u>(124,642)</u>
Cash flows from non-capital financing activities:			
Grants and donations	264	-	264
Transfers from other funds	134,439	-	134,439
Net cash provided by non-capital financing activities	<u>134,703</u>	<u>-</u>	<u>134,703</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	(8,092)	(8,092)
Cash flows from investing activities:			
Principal payments on notes receivable	-	16,577	16,577
Interest earned on investments	-	2,807	2,807
Net cash provided by investing activities	<u>-</u>	<u>19,384</u>	<u>19,384</u>
Net increase in cash and cash equivalents	2,671	18,682	21,353
Cash and cash equivalents, July 1	<u>154,595</u>	<u>41,839</u>	<u>196,434</u>
Cash and cash equivalents, June 30	<u>\$ 157,266</u>	<u>\$ 60,521</u>	<u>\$ 217,787</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (139,850)	\$ (49,257)	\$ (189,107)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	5,484	65,160	70,644
Contributions made to the pension plan in the current fiscal year	(7,913)	-	(7,913)
Pension expense	638	-	638
Changes in assets and liabilities:			
Accounts receivable	1,172	(452)	720
Accounts payable and accrued liabilities	3,309	(8,061)	(4,752)
Unearned revenue	2,513	-	2,513
Compensated absences	(1,568)	-	(1,568)
Net OPEB obligation	4,183	-	4,183
Total adjustments	<u>7,818</u>	<u>56,647</u>	<u>64,465</u>
Net cash provided (used) by operating activities	<u>\$ (132,032)</u>	<u>\$ 7,390</u>	<u>\$ (124,642)</u>

Jackson County, North Carolina
Schedule of Revenues, Expenditures and Transfers--
Budget and Actual (Non-GAAP)--Green Energy Park Fund
Year Ended June 30, 2015

Schedule "F-5"

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 2,533	\$ 2,266	\$ (267)
Registration fees	10,559	10,558	(1)
Total operating revenues	<u>13,092</u>	<u>12,824</u>	<u>(268)</u>
Non-operating revenues:			
Donations	<u>300</u>	<u>264</u>	<u>(36)</u>
Other financing sources:			
Transfer from General Fund	134,439	134,439	-
Appropriated fund balance	<u>4,800</u>	<u>-</u>	<u>(4,800)</u>
Total other financing sources	<u>139,239</u>	<u>134,439</u>	<u>(4,800)</u>
Total revenues and other financing sources	<u>152,631</u>	<u>147,527</u>	<u>(5,104)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	87,180	87,058	122
Operating expenses	<u>65,451</u>	<u>64,792</u>	<u>659</u>
Total	<u>152,631</u>	<u>151,850</u>	<u>781</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>(4,323)</u>	<u>\$ (4,323)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Decrease in compensated absences		1,568	
Increase in net OPEB obligation		(4,183)	
Contributions to the pension in the current fiscal year		7,913	
Pension expense		(638)	
Depreciation		<u>(5,484)</u>	
Change in net position		<u>\$ (5,147)</u>	

**Schedule of Revenues and Expenditures—Budget and Actual (Non-GAAP)—
Economic Development Commission Fund
Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 87,986	\$ 71,335	\$ (16,651)
Non-operating revenues:			
Interest earned on investments	2,834	2,807	(27)
Total revenues	<u>90,820</u>	<u>74,142</u>	<u>(16,678)</u>
Expenditures:			
Economic development operations:			
Operating	70,820	35,432	35,388
Insurance	20,000	20,000	-
Total expenditures	<u>90,820</u>	<u>55,432</u>	<u>35,388</u>
Revenues over expenditures	<u>\$ -</u>	18,710	<u>\$ 18,710</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Depreciation		<u>(65,160)</u>	
Change in net position		<u>\$ (46,450)</u>	

COMPONENT UNIT SCHEDULE

Component units are legally separate organizations for which the elected officials of the County are financially accountable. This section demonstrates budgetary compliance for those component units that do not issue separate financial statements.

- **Jackson County Airport Authority** – accounts for the operations of the Jackson County Airport. The Airport Authority adopts an annual budget for its operating fund.

**Schedule of Revenues, Expenditures and Changes in Fund Balance–
Budget and Actual–Jackson County Airport Authority (Non-GAAP)
Year Ended June 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Sales and services	\$ 43,500	\$ 35,056	\$ (8,444)
Jackson County	31,000	31,000	-
Miscellaneous	14,768	14,417	(351)
Total revenues	<u>89,268</u>	<u>80,473</u>	<u>(8,795)</u>
Expenditures:			
Transportation:			
Operating	<u>89,268</u>	<u>63,801</u>	<u>25,467</u>
Net change in fund balance	<u>\$ -</u>	16,672	<u>\$ 16,672</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Depreciation		<u>(13,759)</u>	
Change in net position		<u>\$ 2,913</u>	

FIDUCIARY FUND SCHEDULE

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

Jackson County, North Carolina
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

Schedule "H"

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 54,560	\$ 388,006	\$ 384,897	\$ 57,669
Liabilities:				
Amounts held for others	\$ 54,560	\$ 388,006	\$ 384,897	\$ 57,669
Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 73,487	\$ 35,579	\$ 37,908
Liabilities:				
Amounts held for others	\$ -	\$ 73,487	\$ 35,579	\$ 37,908
Property Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 5,130	\$ 398,541	\$ 401,156	\$ 2,515
Accounts receivable	3,256	1,454	-	4,710
Total assets	\$ 8,386	\$ 399,995	\$ 401,156	\$ 7,225
Liabilities:				
Amounts held for others	\$ 8,386	\$ 399,995	\$ 401,156	\$ 7,225
State of North Carolina Fund:				
Assets:				
Cash and cash equivalents	\$ 31,572	\$ 409,269	\$ 402,942	\$ 37,899
Liabilities:				
Amounts held for others	\$ 31,572	\$ 409,269	\$ 402,942	\$ 37,899
Extension Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 47,188	\$ 4,322	\$ 38,697	\$ 12,813
Accounts receivable	39	-	39	-
Total assets	\$ 47,227	\$ 4,322	\$ 38,736	\$ 12,813
Liabilities:				
Amounts held for others	\$ 47,227	\$ 4,322	\$ 38,736	\$ 12,813

Jackson County, North Carolina
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

Schedule "H"

(Continued)

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Totals--All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 138,450	\$ 1,273,625	\$ 1,263,271	\$ 148,804
Accounts receivable	3,295	1,454	39	4,710
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 141,745</u>	<u>\$ 1,275,079</u>	<u>\$ 1,263,310</u>	<u>\$ 153,514</u>
Liabilities:				
Amounts held for others	<u>\$ 141,745</u>	<u>\$ 1,275,079</u>	<u>\$ 1,263,310</u>	<u>\$ 153,514</u>

OTHER SCHEDULES

This section included additional information on property taxes.

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

Jackson County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2015

Exhibit "I-1"

Fiscal Year	Uncollected Balance July 1, 2014	Additions	Collections And Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 32,337,482	\$ 31,288,165	\$ 1,049,317
2013-2014	1,191,318	-	634,996	556,322
2012-2013	627,521	-	242,968	384,553
2011-2012	422,724	-	151,952	270,772
2010-2011	285,034	-	99,784	185,250
2009-2010	228,106	-	66,859	161,247
2008-2009	127,929	-	36,495	91,434
2007-2008	102,994	-	12,721	90,273
2006-2007	59,861	-	9,094	50,767
2005-2006	48,510	-	4,553	43,957
2004-2005	41,106	-	41,106	-
	<u>\$ 3,135,103</u>	<u>\$ 32,337,482</u>	<u>\$ 32,588,693</u>	<u>\$ 2,883,892</u>
	Less: allowance for uncollectible accounts			<u>(1,118,000)</u>
	Ad valorem taxes receivable - net: General Fund			<u>\$ 1,765,892</u>
	Reconcilement with revenues:			
	Ad valorem taxes--General Fund			<u>\$ 32,934,399</u>
	Reconciling items:			
	Interest collected			(426,711)
	Amounts written off for tax year 2004-2005			41,106
	Prior year releases, refunds, and other adjustments			10,250
	Other reconciling Items			<u>29,649</u>
	Total reconciling items			<u>(345,706)</u>
	Total collections and credits			<u>\$ 32,588,693</u>

Jackson County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
Year Ended June 30, 2015

Exhibit "I-2"

	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	\$ 11,369,761,429	0.28	\$ 31,835,332	\$ 30,991,759	\$ 843,573
Utilities at current year's rate	163,564,643	0.28	457,981	457,981	-
Total	11,533,326,072		32,293,313	31,449,740	843,573
Discoveries:					
Current year taxes	25,082,857	0.28	70,232	70,232	-
Abatements	(9,308,214)	0.28	(26,063)	(25,701)	(362)
Total property valuation	\$ 11,549,100,715				
Net levy			32,337,482	31,494,271	843,211
Uncollected taxes at June 30, 2015			1,049,317	1,043,288	6,029
Current year's taxes collected			\$ 31,288,165	\$ 30,450,983	\$ 837,182
Current levy collection percentage			96.76%	96.69%	99.28%