

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2019

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2019

Prepared by: Finance Department
Finance Director: Lori M. Hall

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MACON COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Introductory Section:	
Letter of Transmittal	1-5
Organizational Chart	6
List of Principal Officials	7
2018 GFOA Certificate of Achievement for Excellence in Financial Reporting	8
Financial Section:	
Independent Auditor's Report	9-11
Management's Discussion and Analysis	12-20
<u>Exhibit</u>	
Basic Financial Statements - Overview	
Government-Wide Financial Statements:	
A Statement of Net Position	21
B Statement of Activities	22-23
Fund Financial Statements:	
C Balance Sheet - Governmental Funds	24-25
D Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
E Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	27
F Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	28

MACON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Exhibit</u>		<u>Page</u>
	Fund Financial Statements - continued:	
G	Statement of Net Position - Proprietary Funds	29
H	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	30
I	Statement of Cash Flows - Proprietary Funds	31
J	Statement of Fiduciary Net Position - Fiduciary Fund	32
	Notes to the Financial Statements	33-76
	Required Supplementary Financial Data:	
<u>Schedule</u>		
A-1	Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance	77
A-2	Schedule of Total Pension Liability as a Percentage of Covered Payroll Law Enforcement Officers' Special Separation Allowance	78
A-3	Schedule of Changes in the Total OPEB Liability and Related Ratios Other Post-Employment Benefits	79
A-4	Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System - Last Six Fiscal Years	80
A-5	Contributions - Local Government Employees' Retirement System - Last Six Fiscal Years	81
A-6	Proportionate Share of the Net Pension Liability (Asset) - Register of Deeds' Supplemental Pension Fund - Last Six Fiscal Years	82
A-7	Contributions - Register of Deeds' Supplemental Pension Fund - Last Six Fiscal Years	83

MACON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Supplementary Information:	
	General Fund:	
B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	84-96
	Debt Service Fund:	
B-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	97
	Nonmajor Governmental Funds:	
C-1	Combining Balance Sheet	98
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	99
	Nonmajor Special Revenue Funds:	
D-1	Combining Balance Sheet	100
D-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	101
D-3	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102
D-4	Fire Districts Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	103
D-5	Occupancy Tax Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	104
D-6	Housing Grants Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	105-106

MACON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Nonmajor Capital Projects Funds:	
E-1	Combining Balance Sheet	107-108
E-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	109-110
E-3	Airport Improvements Fund - Schedule of Revenues and Expenditures - Budget and Actual	111
E-4	County Building Projects - Schedule of Revenues and Expenditures - Budget and Actual	112
E-5	Consolidated Capital Projects - Schedule of Revenues and Expenditures - Budget and Actual	113
E-6	Riverbend Estates Waterline Project Fund - Schedule of Revenues and Expenditures - Budget and Actual	114
E-7	Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project - Schedule of Revenues and Expenditures - Budget and Actual	115
E-8	Schools Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	116
E-9	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	117

MACON COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>Schedule</u>		<u>Page</u>
	Enterprise Fund:	
F-1	Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	118-119
F-2	Solid Waste Capital Project Fund Landfill Expansion Project - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	120
	Internal Service Fund:	
G-1	Self-Insurance Fund - Statement of Net Position	121
G-2	Self-Insurance Fund - Schedule of Revenues, Expenses, and Changes in Fund Net Position - Financial Plan and Actual	122
G-3	Self-Insurance Fund - Statement of Cash Flows	123
	Agency Funds:	
H-1	Combining Balance Sheet	124-125
H-2	Combining Statement of Changes in Assets and Liabilities	126-127
I-1	Schedule of Ad Valorem Taxes Receivable - General Fund	128
I-2	Analysis of Current Tax Levy - County-Wide Levy	129
I-3	Schedule of Ad Valorem Taxes Receivable - Fire Districts	130
I-4	Analysis of Current Tax Levy - Fire Districts	131

MACON COUNTY, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

Table

	Statistical Section:	
1	Net Position by Components	132
2	Changes in Net Position	133-134
3	General Fund Tax Revenues by Source	135
4	Fund Balances of Governmental Funds	136
5	Changes in Fund Balances of Governmental Funds	137
6	Assessed Value and Estimated Actual Value of Taxable Property	138
7	Property Tax Rates, Direct and Overlapping Governments	139
8	Principal Property Taxpayers	140
9	Property Tax Levies and Collections	141
10	Ratio of Outstanding Debt by Type	142
11	Ratios of General Bonded Debt Outstanding	143
12	Direct and Overlapping Governmental Activities Debt	144
13	Legal Debt Margin Information	145
14	Demographic and Economic Statistics	146
15	Principal Employers	147
16	Full-Time Equivalent County Government Employees by Function	148
17	Operating Indicators by Function	149
18	Capital Asset Statistics by Function	150

INTRODUCTORY SECTION

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October 31, 2019

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Macon County for the fiscal year ended June 30, 2019. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. Their unmodified opinion is included in the basic financial statements. However, this report is presented by the County, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is divided into four sections: the Introductory, Financial, Statistical, and the separately bound Compliance section. The Introductory Section, which is unaudited, contains this letter of transmittal and information about the organization and principal officials of the County. The Financial Section is composed of the auditors' report, Management's Discussion and Analysis, the County's combined financial statements, the Notes to the Financial Statements, and combining statements with detailed individual fund statements and schedules. Management's Discussion and Analysis provides a narrative introduction, overview, and analysis of the financial statements. The Statistical Section, which is unaudited, contains fiscal and economic data designed to provide a more complete understanding of the County. Many tables in this section present financial data for the past ten years. Finally, the Compliance Section presents reports and schedules required by the federal and State Single Audit Acts, which is discussed in a later paragraph.

The financial reporting entity includes all the funds of the primary government (Macon County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Macon County Industrial Facility and Pollution Control Financing Authority is a component unit of Macon County; however, this authority has no financial transactions or account balances and is therefore not reported in the financial statements. Macon County Airport Authority is shown as a discretely presented component unit.

DESCRIPTION OF THE COUNTY:

Macon County, founded in 1828, is located in the Southwestern area of the state. Macon County has land area of 516 square miles and an estimated population of 36,101. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture/forestry, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include tax software development, metal tubular fabrication, hardwood flooring production, aerospace/defense and intercommunications. Healthcare includes three medical campuses from two health systems located in the county. Tourism continues to be a strong force within the county, with a growing popularity in green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Agriculture/forestry sectors include vegetables, ornamentals, Christmas trees, wood products, trout production and livestock. Two financial institutions are headquartered in Macon County, including one listed on the NASDAQ. The county also continues to be a regional retail hub as well as home to three microbreweries. Real estate and construction sectors continue to improve. Two municipalities are located in the County, the largest being the Town of Franklin, which serves as the County seat, and Highlands, a major travel/tourism and vacation home destination. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms.

The County provides its citizens a wide range of services that include education, human services, public safety, cultural and recreational activities, economic development and physical development, transportation, general administration, and others. This report includes all the County's activities in maintaining these services, except schools, which are administered by the Macon County Board of Education. The County also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens, including Vaya Health, the Southwestern North Carolina Planning and Economic Development Commission, Fontana Regional Library, and Southwestern Community College.

ECONOMIC CONDITIONS AND OUTLOOK:

Macon County's economy has improved as evidenced by an increase in sales tax and occupancy tax revenues. The local unadjusted unemployment rate as of June 2019 is 4.4%, which is 0.2% higher than last year's rate. Macon County's rate is the same as North Carolina's June 2019 unadjusted unemployment rate of 4.4%. Macon County had a work force of 16,243 at the end of June 2019.

The private sector owns 51.74% of Macon County's 329,958 total acres with the U.S. Forest Service owning 46.41% or 153,121 acres. The remaining 1.85% is exempt acreage. There are 44,380 parcels of land and 43,402 are taxable. The total appraised value of taxable property is \$8.13 billion. The tax rate is 34.9 cents per \$100 valuation and current year county-wide taxes collected were \$27,927,674 in fiscal year 2019.

Steady growth is expected in the major sectors of the local economy, as highlighted above. They include manufacturing, healthcare, tourism, agriculture/forestry, finance, retail, and construction. Assets such as the Balsam West fiber loop, Macon County Airport, natural gas availability, and a prepared workforce will become increasingly important to the development of a strong local economy. The greatest challenges to economic growth are the lack of middle mile/last mile high speed broadband connectivity to underserved sections of the County and the lack of an adequate workforce to meet the demands of the 21st century.

Transportation is critical to business and industry development. U.S. 441 is five lanes wide, making the trip to Atlanta, Georgia approximately two hours; this increases the marketability of our area. Additionally, U.S. 441 North is four lanes to Interstate 40 which runs east and west across the country. U.S. Highway 64 West is three and four lanes in a westward direction to the Tennessee line. Macon County has a modern airport facility with a 5,000 feet runway enabling business jet access, a new terminal, hangar space with room for expansion, and plans for an additional 1,000 feet runway extension. Macon County also operates a bus transit system with local daily routes as well as transportation outside the county for medical care. Duke Energy Corporation continues to be the County's largest taxpayer with 1.58% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.42% of total assessed value.

LONG-TERM FINANCIAL PLANNING

The Comprehensive Annual Financial Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the County's strong financial position.

Macon County has developed a process which charts growth in tax base, tax rates, growth in revenues and expenditures, and change in fund balance. The County continues to address capital needs of the community, primarily school capital needs. The County has a ten-year Capital Improvement Plan (CIP) that is focused on the first five years of the plan. This CIP is updated annually.

MAJOR INITIATIVES:

During the year, the County was involved in a number of major projects, some of which were completed during the year. Highlights of these are discussed in the following paragraphs.

SOLID WASTE OPERATIONS - The 2019 fiscal year marked the twenty-fourth year of operation of a lined municipal solid waste landfill containing 202 acres located in Franklin, North Carolina. It is projected that the current cell has a remaining life of approximately 0.56 years and is projected to reach capacity in December 2019. Construction of a new cell began in 2016 and is expected to be operational during fiscal year 2020.

The County's solid waste landfill is subject to the Environmental Protection Agency's (EPA's) regulations for municipal solid waste landfill closure and post closure care. Closure, post closure, and corrective action costs of the current and closed cells is estimated to be \$10,770,043. The County has already recognized a liability for closure, post closure, and corrective action costs in the amount of \$10,522,520, based upon the amount of cell capacity used to date. The old Franklin site has 3 years remaining and the old Highlands site has 4 years remaining of postclosure care. Although the County has complied with the EPA's financial assurance requirements through the use of the local government financial test, a reserve fund has been established to pay for the future costs of closure and postclosure care for the current landfill. The balance in the reserve fund at June 30 is \$8,920,059. Additional monies will be set aside for these purposes during each year of the landfill's operations. Annual appropriations will continue to fund necessary expenditures for the prior sites throughout the remainder of the postclosure periods. Additional information is included in the notes to the financial statements.

ECONOMIC DEVELOPMENT - The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship and quality job creation. During 2019, Macon County continued to experience a significant increase in taxable sales as reported by the N C Department of Revenue. In addition, occupancy tax revenues continued to be strong, indicating strong travel and tourism activity. Also, real estate and construction activity continued to improve. Local companies such as Tricorn USA, TekTone Sound & Signal Mfg., Inc., Duotech Services, Entegra Bank, and Drake Software reported increased demand for products and services. Beasley Flooring acquired Shaw Manufacturing's Franklin facility, retaining approximately 160 jobs. Entegra Bank announced that it had been acquired by First Citizens Bank; however, the future of their local operations is unknown at this time. Angel Medical Center and Highlands-Cashiers Hospital, part of the Mission Health System, was acquired by the Hospital Corporation of America (HCA), with HCA confirming plans to build a new hospital in Franklin. Several companies announced new hires including TekTone, Beasley Flooring, and Tricorn USA, as well as service, hospitality and retail sectors. Workforce availability continues to be an issue as several companies reported challenges in recruiting workers. To address those challenges, strategic partners such as NCWorks Career Center, Macon County Schools, Macon County Economic Development Commission and Southwestern Community College, have worked to prepare the workforce of the future through various programs such as STEM, Career and Technical Education Programs, Certification Programs, entrepreneurial training and public awareness initiatives such as job fairs to promote the availability of good jobs in the community. While broadband/internet access continues to be an issue for many parts of the county, the county broadband committee continues work to improve access by working with private and community providers in infrastructure expansion.

AIRPORT ACTIVITIES - With increased air traffic, Macon County Airport continues to make major upgrades and improvements. In October 2018, the Macon County Airport Authority engaged a new Fixed Based Operator, who added two new fueling vehicles and hired new staff, including a flight instructor, resulting in an improved customer experience. The Authority also continued work on an updated Airport Layout Plan. In addition, plans continued for a 1,000' runway extension (from 5000' to 6000') project as a future need. Future needs also include additional hangar space.

SCHOOLS – Macon County continues to meet the challenge of providing school facilities as recommended by the facilities planning committee made up of county and school officials. During the fiscal year, the County began construction on the addition to South Macon Elementary School. The estimated project cost is \$3,291,022. In addition, capital outlay in the amount of \$1,145,273 was provided to the school system.

RECREATION – The County completed renovations to the Robert C. Carpenter Community Building which began in the spring of 2017. This \$899,965 project is funded from a \$100,000 grant from the State and the remainder from the County's general fund.

FINANCIAL INFORMATION:

INTERNAL CONTROL - The County's administrative and financial officials are responsible for establishing and maintaining an internal control structure. In developing and maintaining an accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding 1) the safeguarding of assets against loss from unauthorized use or disposition and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions.

SINGLE AUDIT - As a recipient of federal and state financial assistance, the County is also responsible for an adequate internal control structure to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by county financial officials and monitoring by federal and state officials.

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with the applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2019 provided no material instances of noncompliance.

BUDGETING CONTROLS - In addition to the single audit, the County maintains budgetary controls. The objective of these budgetary controls is to maintain compliance with legal provisions embodied in the annual budget approved by the Board of Commissioners. The activities of the County are included in either the annual budget ordinance or a project budget ordinance, which may extend longer than one fiscal year. The budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level for the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Funds, and at the direct level for the Capital Projects Funds. The County Manager has the authority to make various changes including inter-departmental transfers, executing grant agreements, and other changes as defined in the annual budget ordinance. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end; however, encumbrances generally are reappropriated in the following year's budget. As demonstrated by the statements and schedules included in the

financial section of this report, the County continues to meet its responsibility for sound financial management. There were no significant variances in final amended budget versus actual results.

FINANCIAL POLICIES - Macon County has a fund balance policy to maintain an unassigned fund balance of at least 25% of expenditures and transfers out. Over the years, the county has maintained a very healthy financial position which has been very beneficial during the downturn of the economy. As a result of that position, the county has only reduced its workforce through attrition.

OTHER INFORMATION - Independent Audit: North Carolina's General Statutes require an annual audit by independent certified public accountants. The accounting firm of Martin Starnes & Associates, CPAs, P.A. was selected by the Macon County Board of Commissioners. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The federal and state Single Audit Acts require county auditors to study internal controls and perform additional tests on transactions involving grant funds. The auditors' report on this work is included in the compliance section of this publication.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Macon County has received twenty-two annual GFOA Certificates for Excellence in Financial Reporting.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS - The preparation of the comprehensive annual financial report was made possible by a combined effort of Martin Starnes & Associates, CPAs, P.A., the entire staff of the Macon County Finance Department and various departments which provided statistical data. Each has our sincere appreciation for the contribution made toward the preparation of this report.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Macon County Finance Department, other County Departments, the capable assistance of our independent auditors, as well as the Macon County Board of Commissioners who have supported this endeavor for many years. I would like to express my appreciation to everyone who has assisted and contributed to the preparation of this report.

Respectfully submitted,

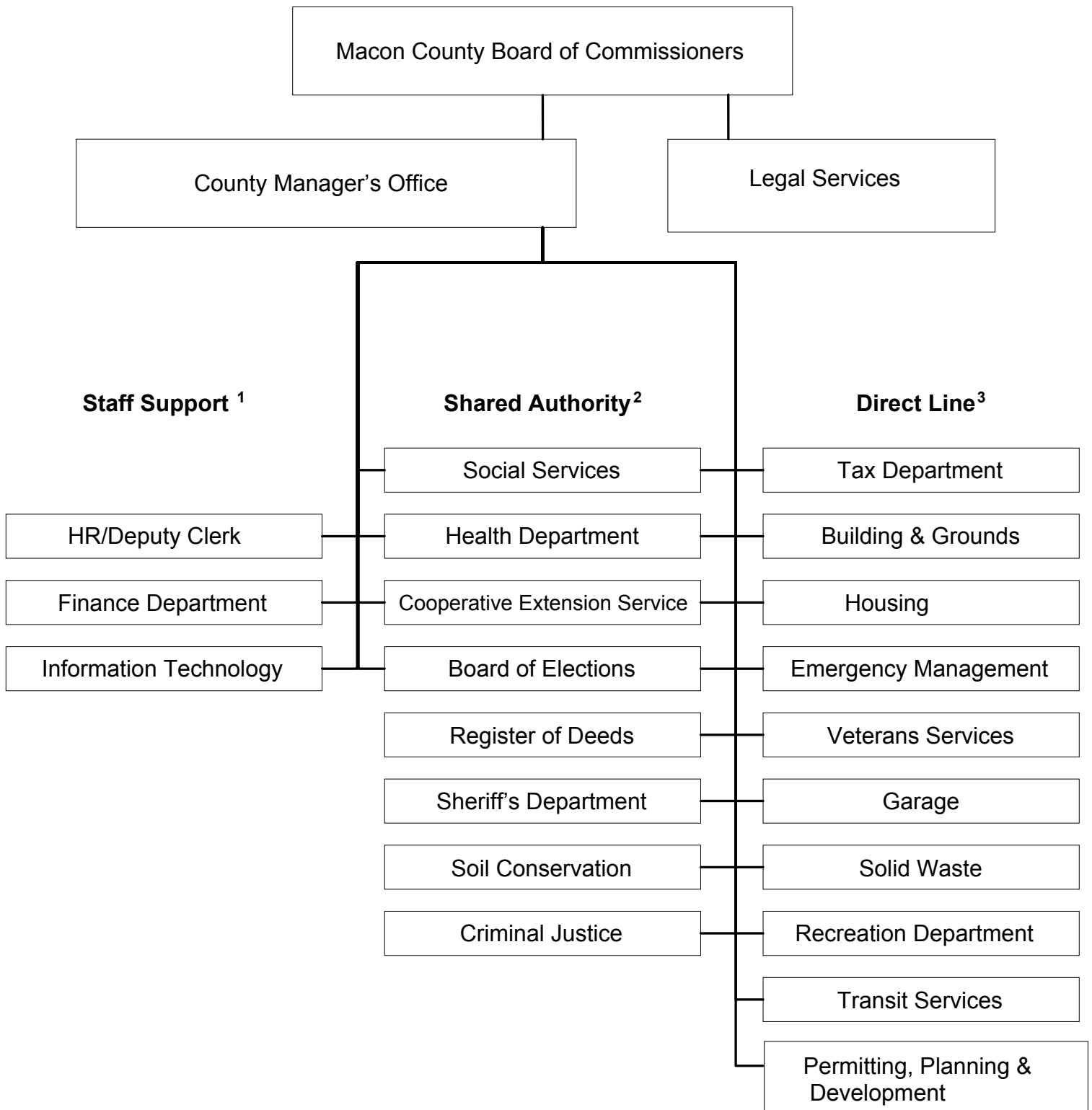


Lori M. Hall
Finance Director



Derek Roland
County Manager

Macon County Government



1. County departments whose main function is overall county government support.
2. County departments that have shared resources, supervision and/or local boards;
3. All other county departments are headed by elected officials.

MACON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2019

Board of Commissioners

Jim Tate, Chairman
Ronnie Beale, Vice-Chairman
Karl Gillespie, Commissioner
Paul Higdon, Commissioner
Gary Shields, Commissioner

Principal Officials

Derek Roland, County Manager
Mike Decker, Human Resources Director
Lori M. Hall, Finance Director
Chester Jones, County Attorney
Richard Lightner, Tax Supervisor
Teresa McDowell, Tax Collector
Jack Morgan, Permitting, Planning, and Development Director
Melanie Thibault, Board of Elections Director
Todd Raby, Register of Deeds
Andy Muncey, Information Technology Director
Mike Cope, Buildings and Grounds Director
Robert L. Holland, Sheriff
Warren Cabe, Emergency Medical Services Director
M. Chris Stahl, Solid Waste Director
Mike Breedlove, Soil and Water Conservation
Alan Durden, Cooperative Extension Director
R. Patrick Betancourt, Social Services Director
Kim Angel, Transit Director
Carmine Rocco, Health Director
Leigh Tabor, Veterans' Service Officer
Seth D. Adams, Recreation Director
Chris Queen, Garage Services
Tommy Jenkins, Economic Development Director
John Fay, Housing Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Macon County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Board of Commissioners
Macon County
Franklin, 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 unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2019, 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 financial 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 Macon County Airport Authority 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 auditor's 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, 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 unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of Net Pension Liability (Asset) and Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the Proportionate Share of the Net Pension Liability (Asset) and Schedule of Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 basic financial statements that collectively comprise Macon County's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the 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 standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and; accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019 on our consideration of Macon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Macon County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 31, 2019

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Management's Discussion and Analysis

As management of Macon County, we offer readers of Macon County's financial statements this narrative overview and analysis of the financial activities of Macon County (the "County") for the fiscal year ended June 30, 2019. 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.

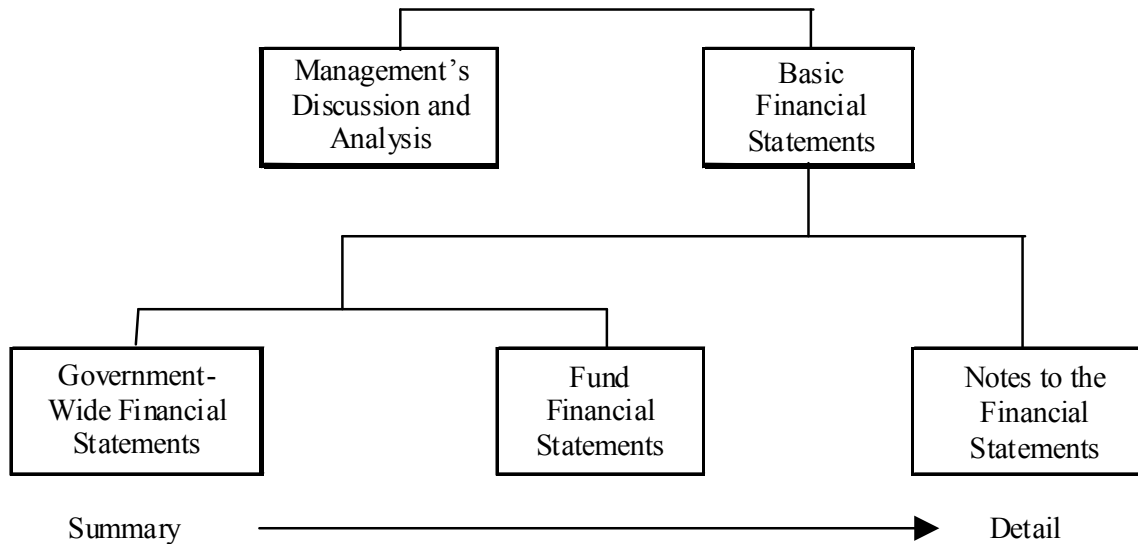
Financial Highlights

- The liabilities and deferred inflows of resources of Macon County exceeded its assets and deferred outflows of resources at the close of the fiscal year by (\$16,105,385) (*net position*).
- The County's total net position decreased by \$1,160,943, primarily due to a decrease in the net position of business-type activities.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$29,294,877, an increase of \$634,128 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$34,738,794. Approximately 21.97% of this total amount, or \$7,632,691, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,951,465, or 47.46%, of total General Fund expenditures and transfers out for the fiscal year.
- Macon County's total debt decreased by \$1,041,642 (3.08%) during the fiscal year. The key factor in this decrease was making current year payments on installment contracts and special obligation bonds. The County is not currently rated by the rating agencies.
- Macon County's total liabilities increased by \$2,816,883, or 2.78%, during the past fiscal year, primarily due to the implementation of GASB 75 and the resulting total OPEB liability.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Macon County's basic financial statements. Macon 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 (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 Macon County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits C through J) are the **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 to the Financial Statements**. The notes offer a detailed explanation about various information contained in the statements. After the notes, **Supplemental Information** is provided to show details about the County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

Following the notes is the required supplementary information. This section contains funding information about the County's pension plans.

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

The government-wide financial statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component unit. The governmental activities include most of the County's basic services, such as general government, public safety, transportation, public education, economic development, and general administration. Property taxes and federal and state grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. This includes the solid waste (landfill) operation offered by Macon County. The final category is the component unit. Macon County is financially accountable for the Macon County Airport Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Macon 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 Macon County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Macon County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board of Commissioners 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. Macon County maintains two types of proprietary funds: the Enterprise Fund and the Internal Service Fund. *Enterprise funds* report the same functions presented as business-type activities in the government-wide financial statements. Macon County uses an Enterprise Fund to account for its solid waste operations. This fund is the same as the separate activities shown in the business-type activities in the Statement of Net Position and Statement of Activities. Macon County uses an Internal Service Fund to account for health insurance on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for solid waste and health insurance.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Macon County has seven 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 follow Exhibit J of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Macon County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found following the notes to the financial statements.

Government-Wide Financial Analysis

Macon County's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 38,813,939	\$ 40,917,158	\$ 12,971,023	\$ 13,335,615	\$ 51,784,962	\$ 54,252,773
Capital assets	24,801,611	24,311,874	11,308,428	11,272,519	36,110,039	35,584,393
Total assets	<u>63,615,550</u>	<u>65,229,032</u>	<u>24,279,451</u>	<u>24,608,134</u>	<u>87,895,001</u>	<u>89,837,166</u>
Deferred outflows of resources	<u>4,173,692</u>	<u>6,056,436</u>	<u>240,900</u>	<u>353,257</u>	<u>4,414,592</u>	<u>6,409,693</u>
Long-term liabilities						
outstanding	75,275,003	76,761,584	18,950,172	19,808,130	94,225,175	96,569,714
Other liabilities	<u>5,767,605</u>	<u>6,179,469</u>	<u>1,223,223</u>	<u>1,283,703</u>	<u>6,990,828</u>	<u>7,463,172</u>
Total liabilities	<u>81,042,608</u>	<u>82,941,053</u>	<u>20,173,395</u>	<u>21,091,833</u>	<u>101,216,003</u>	<u>104,032,886</u>
Deferred inflows of resources	<u>5,704,564</u>	<u>7,852,144</u>	<u>333,468</u>	<u>467,214</u>	<u>6,038,032</u>	<u>8,319,358</u>
Net position:						
Net investment in capital assets	22,973,499	22,785,923	4,292,729	5,099,569	27,266,228	27,885,492
Restricted	5,767,882	6,425,776	-	-	5,767,882	6,425,776
Unrestricted	<u>(47,699,311)</u>	<u>(48,719,428)</u>	<u>(279,241)</u>	<u>(1,697,225)</u>	<u>(47,978,552)</u>	<u>(50,416,653)</u>
Total net position	<u>\$ (18,957,930)</u>	<u>\$ (19,507,729)</u>	<u>\$ 4,013,488</u>	<u>\$ 3,402,344</u>	<u>\$ (14,944,442)</u>	<u>\$ (16,105,385)</u>

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by (\$16,105,385) as of June 30, 2019. The County's net position decreased by \$1,160,943 for the fiscal year ended June 30, 2019. One of the largest portions of Macon County's net position, \$27,885,492, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Macon County's investment in its capital assets is reported net of 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 the County's net position, \$6,425,776, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is reporting a negative balance in unrestricted net position in the amount of \$50,416,653 for the government as a whole. The primary reason for the deficit is the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, in the fiscal year ended June 30, 2018 and the resulting total OPEB liability. Another reason for the deficit is the County holds title to certain Macon County Board of Education properties that have not been included in the County's capital assets. These properties have been deeded to the County to allow for debt financings on school construction. 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 back to the Board of Education after all restrictions of the debt financings have been met. These properties are

reflected as capital assets in the financial statements of the Macon County Board of Education. Since the County, as the issuing government, doesn't include these properties as capital assets, the County has incurred a liability without a corresponding increase in assets.

Macon County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,451,535	\$ 5,224,783	\$ 4,517,245	\$ 4,444,973	\$ 9,968,780	\$ 9,669,756
Operating grants and contributions	10,206,890	9,893,267	-	-	10,206,890	9,893,267
Capital grants and contributions	1,469,947	263,163	-	-	1,469,947	263,163
General revenues:						
Property taxes	31,761,629	31,967,564	-	-	31,761,629	31,967,564
Other taxes	10,798,166	11,518,009	-	-	10,798,166	11,518,009
Other	850,947	1,260,696	95,295	156,964	946,242	1,417,660
Total revenues	<u>60,539,114</u>	<u>60,127,482</u>	<u>4,612,540</u>	<u>4,601,937</u>	<u>65,151,654</u>	<u>64,729,419</u>
Expenses:						
General government	12,811,722	15,128,363	-	-	12,811,722	15,128,363
Public safety	16,774,121	16,494,724	-	-	16,774,121	16,494,724
Transportation	968,563	1,209,095	-	-	968,563	1,209,095
Economic and physical development	3,210,161	2,335,493	-	-	3,210,161	2,335,493
Human services	10,447,531	10,632,450	-	-	10,447,531	10,632,450
Cultural and recreational	3,484,859	2,045,243	-	-	3,484,859	2,045,243
Education	8,875,771	12,005,306	-	-	8,875,771	12,005,306
Interest on long-term debt	867,224	826,607	-	-	867,224	826,607
Solid waste	-	-	4,103,556	5,213,081	4,103,556	5,213,081
Total expenses	<u>57,439,952</u>	<u>60,677,281</u>	<u>4,103,556</u>	<u>5,213,081</u>	<u>61,543,508</u>	<u>65,890,362</u>
Change in net position	<u>3,099,162</u>	<u>(549,799)</u>	<u>508,984</u>	<u>(611,144)</u>	<u>3,608,146</u>	<u>(1,160,943)</u>
Net Position:						
Beginning of year - July 1	8,917,957	(18,957,930)	5,448,446	4,013,488	14,366,403	(14,944,442)
Restatement	<u>(30,975,049)</u>	<u>-</u>	<u>(1,943,942)</u>	<u>-</u>	<u>(32,918,991)</u>	<u>-</u>
Beginning of year - July 1, as restated	<u>(22,057,092)</u>	<u>(18,957,930)</u>	<u>3,504,504</u>	<u>4,013,488</u>	<u>(18,552,588)</u>	<u>(14,944,442)</u>
End of year - June 30	<u>\$ (18,957,930)</u>	<u>\$ (19,507,729)</u>	<u>\$ 4,013,488</u>	<u>\$ 3,402,344</u>	<u>\$ (14,944,442)</u>	<u>\$ (16,105,385)</u>

Governmental Activities. Of the total net position, governmental activities account for (\$19,507,729), (121.13%). Property taxes provide 53.17% of funding at \$31,967,564, charges for services funded at \$5,224,783, local option sales tax and occupancy tax funded at \$11,518,009, and operating grants funded at \$9,893,267 of Macon County's governmental activities. Governmental activities decreased Macon County's net position by \$549,799. This decrease is primarily due to an increase in spending in general government and education.

Business-Type Activities. Business-type activities decreased the County's net position by \$611,144. That decrease is primarily attributable to an increase in operating expenditures.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Macon County's financing requirements. Specifically, fund balance available for appropriation 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 Macon County. At the end of the current fiscal year, fund balance available in the General Fund was \$24,643,290, while total fund balance reached \$29,294,877. The County currently has an available fund balance of 48.83% of General Fund expenditures and transfers out, while total fund balance represents 58.05% of that same amount. Total fund balance in the General Fund increased by \$634,128. This increase is primarily attributable to an increase in sales tax, investment earnings, and ad valorem tax revenues.

As of the end of the current fiscal year, Macon County's governmental funds reported combined ending fund balances of \$34,738,794, an increase of \$1,414,798 in comparison with the prior year. This increase is primarily attributable to an increase in sales tax, investment earnings, ad valorem tax, and occupancy tax revenues. In addition, the County issued approximately \$2.9 million in debt for the South Macon Elementary School expansion but only expended approximately \$1.9 million in the current year.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into 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 services. Total amendments to the General Fund increased the budget by \$4,298,854. The majority of this increase was attributable to additional sales tax, investment earnings, and restricted intergovernmental revenues, as well as appropriated fund balance. The difference between the final budgeted amount and the actual expenditures and transfers out was \$4,863,453. This difference is primarily due to underspending the budget in human services, general government, and public safety.

Proprietary Funds. Macon County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the year totaled (\$1,697,225). The decrease of \$1,417,984 over the prior year is primarily attributable to an increase in landfill closure and post-closure care cost. Other factors concerning the finances of the fund have already been addressed in the discussion of the County's business-type activities.

Capital Asset and Debt Administration

Capital Assets. Macon County's capital assets for its governmental and business-type activities as of June 30, 2019 amount to \$35,584,393, (net of accumulated depreciation). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- Purchased 5 new vehicles for the Sheriff's Department
- Purchased 3 new vans for Transit
- Purchased 3 new vehicles for DSS
- Completed an ambulance remount for EMS
- Completed building renovations for Parks & Recreation
- Addition of construction in progress on the radio communications project for Emergency Services
- Purchased servers and network switches for IT
- Purchased compactors and containers for upgrade of convenience centers in Solid Waste

Macon County's Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land	\$ 9,858,171	\$ 9,858,171	\$ 1,773,021	\$ 1,773,021	\$ 11,631,192	\$ 11,631,192
Buildings and improvements	31,373,384	32,504,342	9,771,175	9,779,175	41,144,559	42,283,517
Furniture and equipment	3,993,733	4,435,762	3,726,480	4,071,965	7,720,213	8,507,727
Vehicles	6,907,024	7,136,062	827,737	827,737	7,734,761	7,963,799
Construction in progress	1,509,389	941,749	7,133,231	7,141,733	8,642,620	8,083,482
Subtotal	53,641,701	54,876,086	23,231,644	23,593,631	76,873,345	78,469,717
Less accumulated depreciation	(28,840,090)	(30,564,212)	(11,923,216)	(12,321,112)	(40,763,306)	(42,885,324)
Total	<u>\$ 24,801,611</u>	<u>\$ 24,311,874</u>	<u>\$ 11,308,428</u>	<u>\$ 11,272,519</u>	<u>\$ 36,110,039</u>	<u>\$ 35,584,393</u>

Additional information on the County's capital assets can be found in the notes to the financial statements beginning on page 48.

Long-Term Debt. As of June 30, 2019, Macon County has special obligation bonds outstanding of \$7,070,470.

Macon County's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Installment contracts	\$ 25,800,235	\$ 25,684,761	\$ -	\$ -	\$ 25,800,235	\$ 25,684,761
Special obligation bonds	-	-	7,996,638	7,070,470	7,996,638	7,070,470
Total	<u>\$ 25,800,235</u>	<u>\$ 25,684,761</u>	<u>\$ 7,996,638</u>	<u>\$ 7,070,470</u>	<u>\$ 33,796,873</u>	<u>\$ 32,755,231</u>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Macon County is approximately \$618,011,670, which is significantly greater than Macon County's outstanding debt.

More detailed information on the County's long-term debt can be found in the notes to the financial statements beginning on page 70.

Economic Factors and Next Year's Budgets and Rates

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

- The unadjusted unemployment rate for Macon County as of June 30, 2019 is 4.4%, which is 0.2% higher than it was a year ago. Macon County's rate is the same as the state's unadjusted unemployment rate of 4.4%.
- Sales tax distributions increased 6.2% over the prior year.
- The County has the second lowest tax rate in the state at 34.9 cents, which is substantially less than the state average of 67.35 cents.
- Occupancy tax receipts increased 5.4% over the prior year.

All of these factors were considered in preparing Macon County's budget for the 2019-2020 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities. Taxes are based on \$8.04 billion in property valuation, with the tax rate increasing to \$0.3747 per \$100 of assessed value from \$0.349 per \$100 of assessed value. The budgeted collection rate decreased from 98.41% in FY 2019 to 98.32% in FY 2020. Sales tax revenues were budgeted with 3% growth over FY 2019 projected revenues. The budget was balanced using \$250,000 of fund balance for the completion of the radio communications project in Emergency Services.

Budgeted expenditures in the General Fund for 2020 are \$53,253,502, which is \$2,224,493 more than the 2019 original budget, or 4.4%. The 2020 budget includes a 1.5% COLA for all employees at a cost of approximately \$314,000 as well as an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees at a cost of approximately \$252,000. It also includes a \$415,000 increase in education funding. The 2020 budget contains \$2.7 million in capital outlay.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$5,446,038, which represents an increase of \$394,380, or 7.8%, over last year primarily due to an increase in capital improvements. The budget includes a 1.5% COLA for all employees at a cost of approximately \$20,000.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the Finance Director, 5 West Main Street, Franklin, North Carolina 28734.

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BASIC FINANCIAL STATEMENTS – OVERVIEW

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MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Assets:				
Cash and cash equivalents	\$ 31,685,791	\$ 12,090,190	\$ 43,775,981	\$ 94,997
Taxes receivable, net	674,832	-	674,832	-
Interest receivable	3,969	1,797	5,766	-
Accounts receivable, net	2,199,129	346,108	2,545,237	-
Due from other governments	4,985,139	-	4,985,139	-
Inventories	5,876	-	5,876	-
Prepaid items	392,005	-	392,005	-
Restricted cash and cash equivalents	898,279	897,520	1,795,799	-
Net pension asset - ROD	72,138	-	72,138	-
Non-depreciable capital assets	10,799,920	8,914,754	19,714,674	2,942,849
Depreciable capital assets, net	13,511,954	2,357,765	15,869,719	11,884,905
Total assets	65,229,032	24,608,134	89,837,166	14,922,751
Deferred Outflows of Resources:				
Pension deferrals	4,642,330	267,118	4,909,448	-
OPEB deferrals	1,414,106	86,139	1,500,245	-
Total deferred outflows of resources	6,056,436	353,257	6,409,693	-
Liabilities:				
Accounts payable and accrued liabilities	2,930,970	280,510	3,211,480	242
Liabilities to be paid from restricted assets	2,584	-	2,584	-
Current portion of compensated absences	109,311	5,566	114,877	-
Non-current liabilities:				
Non-current compensated absences	983,800	50,091	1,033,891	-
Net pension liability - LGERS	5,882,153	345,719	6,227,872	-
Total pension liability - LEOSSA	1,113,115	-	1,113,115	-
Total OPEB liability	46,234,359	2,816,957	49,051,316	-
Due in less than one year	3,136,604	997,627	4,134,231	-
Due in more than one year	22,548,157	16,595,363	39,143,520	-
Total liabilities	82,941,053	21,091,833	104,032,886	242
Deferred Inflows of Resources:				
Prepaid taxes	54,843	-	54,843	-
Pension deferrals	180,378	3,378	183,756	-
OPEB deferrals	7,616,923	463,836	8,080,759	-
Total deferred inflows of resources	7,852,144	467,214	8,319,358	-
Net Position:				
Net investment in capital assets	22,785,923	5,099,569	27,885,492	14,827,754
Restricted for:				
Stabilization by state statute	5,395,965	-	5,395,965	-
Register of Deeds' pension plan	86,661	-	86,661	-
Restricted for public safety	801,773	-	801,773	-
Restricted for education	141,377	-	141,377	-
Unrestricted	(48,719,428)	(1,697,225)	(50,416,653)	94,755
Total net position	\$ (19,507,729)	\$ 3,402,344	\$ (16,105,385)	\$ 14,922,509

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 15,128,363	\$ 1,346,353	\$ 71,971	\$ -
Public safety	16,494,724	2,453,626	703,988	22,620
Transportation	1,209,095	159,903	616,851	-
Economic and physical development	2,335,493	90,552	480,811	240,543
Human services	10,632,450	1,121,223	7,174,420	-
Cultural and recreational	2,045,243	53,126	-	-
Education	12,005,306	-	845,226	-
Interest on long-term debt	826,607	-	-	-
Total governmental activities	<u>60,677,281</u>	<u>5,224,783</u>	<u>9,893,267</u>	<u>263,163</u>
Business-Type Activities:				
Solid waste	<u>5,213,081</u>	<u>4,444,973</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 65,890,362</u>	<u>\$ 9,669,756</u>	<u>\$ 9,893,267</u>	<u>\$ 263,163</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 730,352</u>	<u>\$ 4,940</u>	<u>\$ 36,200</u>	<u>\$ 267,114</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government		Component Unit	
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (13,710,039)	\$ -	\$ (13,710,039)	\$ -
Public safety	(13,314,490)	-	(13,314,490)	-
Transportation	(432,341)	-	(432,341)	-
Economic and physical development	(1,523,587)	-	(1,523,587)	-
Human services	(2,336,807)	-	(2,336,807)	-
Cultural and recreational	(1,992,117)	-	(1,992,117)	-
Education	(11,160,080)	-	(11,160,080)	-
Interest on long-term debt	(826,607)	-	(826,607)	-
Total governmental activities	(45,296,068)	-	(45,296,068)	-
Business-Type Activities:				
Solid waste	-	(768,108)	(768,108)	-
Total primary government	(45,296,068)	(768,108)	(46,064,176)	-
Component Unit:				
Macon County Airport Authority				(422,098)
General Revenues:				
Ad valorem taxes	31,967,564	-	31,967,564	-
Local option sales tax	10,506,182	-	10,506,182	-
Occupancy taxes	1,011,827	-	1,011,827	-
Unrestricted intergovernmental revenues:				
Other taxes	399,049	-	399,049	-
Gross receipts tax	31,969	-	31,969	-
Interest earned on investments	829,678	156,964	986,642	-
Total general revenues	44,746,269	156,964	44,903,233	-
Change in net position	(549,799)	(611,144)	(1,160,943)	(422,098)
Net Position:				
Beginning of year - July 1	(18,957,930)	4,013,488	(14,944,442)	15,344,607
End of year - June 30	\$ (19,507,729)	\$ 3,402,344	\$ (16,105,385)	\$ 14,922,509

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 26,191,747	\$ 659,532	\$ 3,860,945	\$ 30,712,224
Taxes receivable, net	581,868	-	92,964	674,832
Interest receivable	3,969	-	-	3,969
Accounts receivable, net	2,144,984	-	54,145	2,199,129
Due from other funds	-	349,223	-	349,223
Due from other governments	4,246,248	-	738,891	4,985,139
Inventories	5,876	-	-	5,876
Prepaid items	392,005	-	-	392,005
Cash and cash equivalents, restricted	2,584	-	895,695	898,279
Total assets	<u>\$ 33,569,281</u>	<u>\$ 1,008,755</u>	<u>\$ 5,642,640</u>	<u>\$ 40,220,676</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,493,614	\$ -	\$ 765,291	\$ 2,258,905
Due to other funds	-	-	349,223	349,223
Liabilities to be paid from restricted assets	2,584	-	-	2,584
Total liabilities	<u>1,496,198</u>	<u>-</u>	<u>1,114,514</u>	<u>2,610,712</u>
Deferred Inflows of Resources:				
Property taxes receivable	581,868	-	92,964	674,832
Ambulance receivable	1,860,452	-	-	1,860,452
Public health receivable	281,043	-	-	281,043
Prepaid taxes	54,843	-	-	54,843
Total deferred inflows of resources	<u>2,778,206</u>	<u>-</u>	<u>92,964</u>	<u>2,871,170</u>
Fund Balances:				
Non-spendable, not in spendable form:				
Inventories	5,876	-	-	5,876
Prepays	392,005	-	-	392,005
Restricted:				
Restricted for stabilization by state statute	4,253,706	349,223	793,036	5,395,965
Restricted for public safety	300,448	-	501,325	801,773
Restricted for education	141,377	-	895,695	1,037,072
Committed for general government	-	-	1,519,042	1,519,042
Committed for economic and physical development	-	-	625,518	625,518
Committed for education	-	-	579,373	579,373
Assigned for subsequent year's expenditures	250,000	-	-	250,000

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

MACON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned for debt service	-	659,532	-	659,532
Unassigned	23,951,465	-	(478,827)	23,472,638
Total fund balances	29,294,877	1,008,755	4,435,162	34,738,794

Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,569,281</u>	<u>\$ 1,008,755</u>	<u>\$ 5,642,640</u>	
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Amounts reported in the governmental activities in the Statement of Net
Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,311,874
Net pension asset	72,138
Net pension liability - LGERS	(5,882,153)
Total pension liability - LEOSA	(1,113,115)
Total OPEB liability	(46,234,359)
Internal service funds are used by management to charge the cost of health insurance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	548,457
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(27,024,827)
Deferred outflows of resources related to pensions are not reported in the funds.	4,642,330
Deferred inflows of resources related to pensions are not reported in the funds.	(180,378)
Deferred outflows of resources related to OPEB are not reported in the funds.	1,414,106
Deferred inflows of resources related to OPEB are not reported in the funds.	(7,616,923)
Deferred inflows of resources for taxes receivables	674,832
Deferred inflows of resources for other unavailable revenues	2,141,495
Net position of governmental activities	<u>\$ (19,507,729)</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 28,456,704	\$ -	\$ 3,462,105	\$ 31,918,809
Local option sales taxes	8,383,227	-	2,122,955	10,506,182
Unrestricted intergovernmental revenues	431,018	-	-	431,018
Restricted intergovernmental revenues	8,604,272	682,893	846,645	10,133,810
Occupancy taxes	-	-	1,011,827	1,011,827
Permits and fees	1,285,649	-	-	1,285,649
Sales and services	2,953,579	-	-	2,953,579
Interest earned on investments	721,774	-	102,534	824,308
Miscellaneous	235,815	42,755	9,606	288,176
Total revenues	<u>51,072,038</u>	<u>725,648</u>	<u>7,555,672</u>	<u>59,353,358</u>
Expenditures:				
Current:				
General government	8,740,769	-	382,894	9,123,663
Public safety	13,673,934	-	3,764,043	17,437,977
Transportation	1,325,908	-	-	1,325,908
Economic and physical development	625,983	-	1,728,312	2,354,295
Human services	11,283,006	-	-	11,283,006
Education	9,737,024	-	2,268,282	12,005,306
Cultural and recreational	2,259,873	-	103,169	2,363,042
Debt service:				
Principal repayments	-	3,039,148	-	3,039,148
Interest	-	826,607	-	826,607
Total expenditures	<u>47,646,497</u>	<u>3,865,755</u>	<u>8,246,700</u>	<u>59,758,952</u>
Revenues over (under) expenditures	<u>3,425,541</u>	<u>(3,140,107)</u>	<u>(691,028)</u>	<u>(405,594)</u>
Other Financing Sources (Uses):				
Issuance of long-term debt	-	-	2,923,674	2,923,674
Transfers in	26,500	3,367,328	448,280	3,842,108
Transfers (out)	<u>(2,817,913)</u>	<u>-</u>	<u>(2,127,477)</u>	<u>(4,945,390)</u>
Total other financing sources (uses)	<u>(2,791,413)</u>	<u>3,367,328</u>	<u>1,244,477</u>	<u>1,820,392</u>
Net change in fund balances	634,128	227,221	553,449	1,414,798
Fund Balances:				
Beginning of year - July 1	<u>28,660,749</u>	<u>781,534</u>	<u>3,881,713</u>	<u>33,323,996</u>
End of year - June 30	<u>\$ 29,294,877</u>	<u>\$ 1,008,755</u>	<u>\$ 4,435,162</u>	<u>\$ 34,738,794</u>

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

MACON COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds	\$ 1,414,798
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	48,755
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenues types:	
Ambulance revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	362,017
Public health fees in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	23,946
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(13,235)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(13,828)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,039,148
Pension expense - LEOSSA	(47,044)
Pension expense - LGERS	(450,649)
Pension expense - ROD	(8,746)
OPEB plan expense	(1,628,018)
Contribution of capital assets is reported as a revenue in the Statement of Activities and is not reported in the governmental funds.	22,620
Capital assets (net) disposed of during the year are not recognized on the modified accrual basis.	(2,369)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense; rather it is an increase in capital assets.	1,633,487
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,143,475)
Debt issued is reported as revenues in the governmental fund statements. However, in the Statement of Activities, these transactions are not a revenue, rather they are an increase in liabilities.	(2,923,674)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>136,468</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (549,799)</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance from
	Original	Final	Actual	Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 28,601,224	\$ 28,601,224	\$ 28,456,704	\$ (144,520)
Local option sales taxes	8,077,138	8,257,412	8,383,227	125,815
Unrestricted intergovernmental revenues	367,000	383,500	431,018	47,518
Restricted intergovernmental revenues	7,829,839	9,898,593	8,604,272	(1,294,321)
Permits and fees	1,244,463	1,326,463	1,285,649	(40,814)
Sales and services	3,026,515	3,134,789	2,953,579	(181,210)
Investment earnings	393,500	694,000	721,774	27,774
Miscellaneous	32,330	247,633	235,815	(11,818)
Total revenues	<u>49,572,009</u>	<u>52,543,614</u>	<u>51,072,038</u>	<u>(1,471,576)</u>
Expenditures:				
Current:				
General government	9,935,457	9,886,371	8,740,769	1,145,602
Public safety	13,877,072	14,777,959	13,673,934	1,104,025
Transportation	1,127,914	1,466,099	1,325,908	140,191
Economic and physical development	587,294	691,419	625,983	65,436
Human services	11,920,164	13,605,558	11,283,006	2,322,552
Cultural and recreational	2,318,412	2,328,412	2,259,873	68,539
Intergovernmental:				
Education	9,589,574	9,754,132	9,737,024	17,108
Total expenditures	<u>49,355,887</u>	<u>52,509,950</u>	<u>47,646,497</u>	<u>4,863,453</u>
Revenues over (under) expenditures	<u>216,122</u>	<u>33,664</u>	<u>3,425,541</u>	<u>3,391,877</u>
Other Financing Sources (Uses):				
Transfers in	407,000	426,500	26,500	(400,000)
Transfers (out)	(1,673,122)	(2,817,913)	(2,817,913)	-
Appropriated fund balance	<u>1,050,000</u>	<u>2,357,749</u>	<u>-</u>	<u>(2,357,749)</u>
Total other financing sources (uses)	<u>(216,122)</u>	<u>(33,664)</u>	<u>(2,791,413)</u>	<u>(2,757,749)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	634,128	<u>\$ 634,128</u>
Fund Balance:				
Beginning of year - July 1			<u>28,660,749</u>	
End of year - June 30			<u>\$ 29,294,877</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 12,090,190	\$ 973,567
Interest receivable	1,797	-
Accounts receivable, net	346,108	-
Total current assets	<u>12,438,095</u>	<u>973,567</u>
Non-current assets:		
Cash and cash equivalents, restricted	897,520	-
Non-depreciable capital assets	8,914,754	-
Depreciable capital assets, net	2,357,765	-
Total capital assets	<u>11,272,519</u>	<u>-</u>
Total non-current assets	<u>12,170,039</u>	<u>-</u>
Total assets	<u>24,608,134</u>	<u>973,567</u>
Deferred Outflows of Resources:		
Pension deferrals	267,118	-
OPEB deferrals	86,139	-
Total deferred outflows of resources	<u>353,257</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	280,510	425,110
Current portion of accrued landfill closure and post-closure care cost	52,483	-
Current portion of long-term liabilities	945,144	-
Compensated absences payable - current	5,566	-
Total current liabilities	<u>1,283,703</u>	<u>425,110</u>
Non-current liabilities:		
Net pension liability - LGERS	345,719	-
Accrued landfill closure and post-closure care cost	10,470,037	-
Compensated absences payable	50,091	-
Total OPEB liability	2,816,957	-
Long-term liabilities - non-current	6,125,326	-
Total non-current liabilities	<u>19,808,130</u>	<u>-</u>
Total liabilities	<u>21,091,833</u>	<u>425,110</u>
Deferred Inflows of Resources:		
Pension deferrals	3,378	-
OPEB deferrals	463,836	-
Total deferred inflows of resources	<u>467,214</u>	<u>-</u>
Net Position:		
Net investment in capital assets	5,099,569	-
Unrestricted	<u>(1,697,225)</u>	<u>548,457</u>
Total net position	<u>\$ 3,402,344</u>	<u>\$ 548,457</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Operating Revenues:		
Landfill fees	\$ 2,544,035	\$ -
Solid waste disposal fees	28,399	-
Charges for services	-	4,686,725
Tipping fees	1,523,883	-
Scrap tire revenues	49,524	-
Other	299,132	-
Total operating revenues	<u>4,444,973</u>	<u>4,686,725</u>
Operating Expenses:		
Salaries	1,060,936	-
Employee benefits	529,628	-
Benefit payments	-	4,909,528
Insurance premiums	-	749,381
Operating expenses	1,325,178	-
Landfill closure and post-closure care cost	1,737,390	-
Depreciation	397,896	-
Total operating expenses	<u>5,051,028</u>	<u>5,658,909</u>
Operating income (loss)	<u>(606,055)</u>	<u>(972,184)</u>
Non-Operating Revenues (Expenses):		
Interest earned on investments	156,964	5,370
Interest and fees	(162,053)	-
Total non-operating revenues (expenses)	<u>(5,089)</u>	<u>5,370</u>
Net income (loss) before transfers	(611,144)	(966,814)
Transfers in (out)	<u>-</u>	<u>1,103,282</u>
Change in net position	(611,144)	136,468
Net Position:		
Beginning of year - July 1	<u>4,013,488</u>	<u>411,989</u>
End of year - June 30	<u>\$ 3,402,344</u>	<u>\$ 548,457</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,037,870	\$ 4,687,773
Cash paid for goods and services	(1,313,938)	(5,578,463)
Cash paid to employees for services	(1,466,292)	-
Other operating revenues	417,257	-
Net cash provided (used) by operating activities	<u>1,674,897</u>	<u>(890,690)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	<u>-</u>	<u>1,103,282</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(361,987)	-
Principal paid on long-term debt	(926,168)	-
Interest paid on long-term debt	(168,960)	-
Net cash provided (used) for capital and related financing activities	<u>(1,457,115)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>156,964</u>	<u>5,370</u>
Net increase (decrease) in cash and cash equivalents	374,746	217,962
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,612,964</u>	<u>755,605</u>
End of year - June 30	<u><u>\$ 12,987,710</u></u>	<u><u>\$ 973,567</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (606,055)	\$ (972,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	397,896	-
Change in estimate of closure and post-closure care cost	1,703,420	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	10,154	1,048
(Increase) decrease in deferred outflows - pension	(92,797)	-
(Increase) decrease in deferred outflows - OPEB	(19,560)	-
Increase (decrease) in net pension liability	123,044	-
Increase (decrease) in deferred inflows - pension	(3,716)	-
(Increase) decrease in deferred outflows - OPEB	137,462	-
Increase (decrease) in accounts payable and accrued liabilities	43,237	80,446
Increase (decrease) in OPEB liability	(18,955)	-
Increase (decrease) in accrued vacation pay	<u>767</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,674,897</u></u>	<u><u>\$ (890,690)</u></u>

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

MACON COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2019**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 112,407
Accounts receivable	<u>24,783</u>
Total assets	<u><u>\$ 137,190</u></u>
Liabilities:	
Miscellaneous liabilities	\$ 93,959
Intergovernmental payable	<u>43,231</u>
Total liabilities	<u><u>\$ 137,190</u></u>

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1. Summary of Significant Accounting Policies

The accounting policies of Macon County, North Carolina, (the “County”) and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units as legally separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. One of the discretely presented component units presented below is reported in a separate column in the County’s combined financial statements in order to emphasize that it is legally separate from the County.

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

Macon 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 seven-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 combined financial statements. The Authority does not issue separate financial statements.

Macon County Airport Authority

Macon County Airport Authority exists to purchase, construct, or acquire equipment to improve, maintain, or operate airports and landing fields within the limits of the County. The Authority is fiscally dependent on the County due to the County providing the costs and services of the administrative and finance function. The Authority is governed by five members, all of whom are appointed by the Macon County Commissioners. Therefore, the County has significant influence over the operations of the Authority.

Complete financial statements for the individual component unit may be obtained at the administrative offices of the County at 5 West Main Street, Franklin, North Carolina 28734.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *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 of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor 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, result from non-exchange transactions. Other non-operating items, such as investment earnings, are ancillary activities.

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for public safety, environmental protection, economic and physical development, human services, cultural and recreational projects, education, and general government services.

Debt Service Fund. The Debt Service Fund is used to account for all expenditures for principal and interest for all long-term debt payments. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County reports the following nonmajor governmental funds:

Special Revenue Funds. Special revenue funds are used to account for specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains four special revenue funds: the Emergency Telephone System Fund, the Fire Districts Fund, the Occupancy Tax Fund, and the Housing Grants Fund.

Capital Project Funds. Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds). The County has eight nonmajor capital project funds within the governmental fund types: the Airport Improvements Fund, the County Buildings Project Fund, the Consolidated Capital Projects Fund, the Riverbend Estates Waterline Project Fund, the Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund, the Schools Capital Fund and the Capital Reserve Fund.

The County reports the following major enterprise fund:

Solid Waste Fund. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites. The Landfill Closure and Post-Closure Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the closure and post-closure care costs that will be incurred by the landfill in the future. The Landfill Closure and Post-Closure Reserve Fund is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

The County reports the following fund types:

Internal Service Funds. Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. Macon County has one Internal Service Fund: the Self-Insurance Fund.

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains seven agency funds: the Social Services and Inmate Trust Funds, which account for monies deposited with the Social Services Department and Jail for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Macon County Board of Education; the Motor Vehicle Tax Fund, which accounts for motor vehicle property taxes that are billed and collected by the state for municipalities within the County and ad valorem taxes that are billed and collected by the County for municipalities within the County; the Deed of Trust Fund, which accounts for the \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis; the Western Carolina Industrial Partners Fund, which accounts for monies held by the County as agent for advertising and promotions for Western North Carolina industries; and the Hurricane Ivan Relief Fund, which accounts for monies held for hurricane relief and recovery.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 and 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 of the County's enterprise funds are charges to customers for sales and services. Operating expenses for the 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 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 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. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise 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. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is 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.

C. Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund, the Debt Service Fund, all Special Revenue Funds, except for the Housing Grants Fund, the Capital Reserve Fund, the Schools Capital Fund, the Enterprise Fund, and the Internal Service Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Housing Grants (Special Revenue) Fund, and all capital project funds except for the Schools Capital Fund and the Capital Reserve Fund. The enterprise capital projects funds are consolidated with the enterprise funds for operating purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, Enterprise Fund, and Internal Service Fund, or at the object level for the capital projects funds. The County Manager is authorized by the budget ordinance to transfer appropriations within a fund; however, any such transfers must be reported to the Board of Commissioners and recorded in the minutes. During the year, several amendments to the original budget were necessary, the effects of which were not material. 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.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

Deposits and Investments

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

State law [G.S. 159-30(c)] authorizes the County 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).

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) government money market fund and the NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

Cash and Cash Equivalents

The County pools money 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.

Restricted Assets

The restricted assets in the General Fund represent amounts reserved for Public School Building Capital Fund purposes. The unexpended bond proceeds of the Consolidated Capital Projects Fund's Union/Highlands QZAB and the Solid Waste Fund's special obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended public school building funds	\$ 2,584
Consolidated Capital Projects Fund	Unexpended bond proceeds	<u>895,695</u>
		898,279
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>897,520</u>
Total restricted cash		<u>\$ 1,795,799</u>

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Inventories are valued at cost (first-in, first-out method), which approximates market values. The inventory of the General Fund consists of expendable supplies and is recorded as an expenditure when consumed.

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County has elected not to capitalize those interest costs, which are incurred during the construction period of capital assets. The County's capitalization threshold 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 Macon County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education after 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 Macon County Board of Education.

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings	15-20 years
Equipment	7 years
Vehicles	5 years

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criteria – pension and OPEB related deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, 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 several items that meet the criteria for this category – prepaid taxes, property taxes receivable, ambulance receivable, public health receivable, and pension and OPEB 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 on the Statement of Net Position.

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

Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty (30) days of earned vacation leave, with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary funds' financial statements.

The County's sick leave policy 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 the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary funds financial statements are classified as net investment in capital assets: restricted and unrestricted. Restricted net position represents constraints on resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through state statute.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of ending prepaids, which are not spendable resources.

Restricted Fund Balance. This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by state statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by state statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities, such as police, fire, EMS, and E-911, including Title III timber receipts.

Restricted for Education – portion of fund balance in the General Fund restricted by revenue source to be used to support public education, including timber receipts, which are restricted by the federal government for educational purposes. The Consolidated Capital Projects Fund also had \$895,695 in unspent bond proceeds at June 30, 2019.

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is the unspent debt proceeds of \$895,695 and ROD pension plan of \$86,661.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Committed Fund Balance. This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for General Government – represents the portion of fund balance committed by the governing body for future governmental related capital projects.

Committed for Education – represents the portion of fund balance committed by the governing body for education related purposes.

Committed for Economic and Physical Development – represents the portion of fund balance committed by the governing body for economic and physical development related purposes.

Assigned Fund Balance. Assigned fund balance is the portion of fund balance that Macon County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and the Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

Assigned for Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager and/or Finance Director to transfer appropriations within a fund.

Assigned for Debt Service – portion of fund balance budgeted by the governing board to be used to service outstanding debt.

Unassigned Fund Balance. Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative fund balance.

Macon County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, state funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

The County has not officially adopted a formal fund balance policy.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 29,294,877
Less:	
Inventories	5,876
Prepays	392,005
Stabilization by state statute	<u>4,253,706</u>
Total available fund balance	<u><u>\$ 24,643,290</u></u>

E. Revenues, Expenditures, and Expenses

Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as “transfers out” in the General Fund and “transfers in” in the receiving fund.

F. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Significant areas where estimates are made are allowances for doubtful accounts, depreciation lives, and landfill closure and post-closure care costs.

G. Defined Benefit Cost-Sharing Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state; the Local Governmental Employees’ Retirement System (LGERS); and the Register of Deeds’ Supplemental Pension Fund (RODSPF) (collectively, the “state-administered defined benefit pension plans”). For the purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans’ fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. 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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's 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 agent in the County's name. 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, these deposits are considered to be held by the County's agent in the entity's name. 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 with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County 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 State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2019, the deposits of Macon County and the Airport Authority had a carrying amount of \$17,868,471 and a bank balance of \$18,376,700. Of the bank balance, \$528,838 was covered by federal depository insurance and the remaining balance by collateral held under the Pooling Method. Cash on hand was \$2,900.

Investments

At June 30, 2019, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than	
	Measurement Method		6 Months	6-12 Months
Commercial paper	Fair Value - Level 2	\$ 994,250	\$ 994,250	\$ -
NC Capital Management				
Trust - Government Portfolio	Fair Value - Level 1	26,913,563	N/A	N/A
Total		<u>\$ 27,907,813</u>	<u>\$ 994,250</u>	<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active market for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2019, the County's investments in commercial paper were rated A1 by Standard & Poor's, F1 by Fitch Ratings, and P1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2019.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer of commercial paper.

Property Tax – Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed by the County at the present use-value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year				
Levied	Tax	Interest	Total	
2016	\$ 860,300	\$ 281,748	\$ 1,142,048	
2017	861,406	204,584	1,065,990	
2018	859,896	126,835	986,731	
2019	863,436	49,648	913,084	
Total	<u>\$ 3,445,038</u>	<u>\$ 662,815</u>	<u>\$ 4,107,853</u>	

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Receivables

Receivables at the government-wide level at June 30, 2019 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,144,984	\$ 1,232,450	\$ 3,969	\$ 4,246,248	\$ 7,627,651
Other governmental	54,145	198,665	-	738,891	991,701
Allowance for doubtful accounts	-	(756,283)	-	-	(756,283)
Total governmental activities	<u>\$ 2,199,129</u>	<u>\$ 674,832</u>	<u>\$ 3,969</u>	<u>\$ 4,985,139</u>	<u>\$ 7,863,069</u>
Business-Type Activities:					
Solid waste	\$ 554,214	\$ -	\$ 1,797	\$ -	\$ 556,011
Allowance for doubtful accounts	(208,106)	-	-	-	(208,106)
Total business-type activities	<u>\$ 346,108</u>	<u>\$ -</u>	<u>\$ 1,797</u>	<u>\$ -</u>	<u>\$ 347,905</u>

Due from other governments that is owed to the County consists of the following:

	<u>Governmental Activities</u>
Local option sales and use tax/sales tax refund	\$ 2,915,161
Due from State DMV	131,146
Grants receivable	637,243
Others	<u>1,301,589</u>
Total	<u>\$ 4,985,139</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Governmental Capital Assets

A summary of changes in the County's governmental capital assets follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Non-Depreciable Assets:					
Land	\$ 9,858,171	\$ -	\$ -	\$ -	\$ 9,858,171
Construction in progress	1,509,389	488,518	-	(1,056,158)	941,749
Depreciable Assets:					
Buildings and improvements	31,373,384	74,800	-	1,056,158	32,504,342
Equipment	3,993,733	442,029	-	-	4,435,762
Vehicles	<u>6,907,024</u>	<u>650,760</u>	<u>(421,722)</u>	<u>-</u>	<u>7,136,062</u>
Total	<u>53,641,701</u>	<u>1,656,107</u>	<u>(421,722)</u>	<u>-</u>	<u>54,876,086</u>
Less Accumulated Depreciation:					
Buildings and improvements	20,456,840	1,349,404	-	-	21,806,244
Equipment	2,993,864	294,610	-	-	3,288,474
Vehicles	<u>5,389,386</u>	<u>499,461</u>	<u>(419,353)</u>	<u>-</u>	<u>5,469,494</u>
Total accumulated depreciation	<u>28,840,090</u>	<u>2,143,475</u>	<u>(419,353)</u>	<u>-</u>	<u>30,564,212</u>
Capital assets, net	<u>\$ 24,801,611</u>	<u>\$ (487,368)</u>	<u>\$ (2,369)</u>	<u>\$ -</u>	<u>\$ 24,311,874</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 552,610
Public safety	713,499
Economic and physical development	14,758
Transportation	162,362
Human services	80,461
Cultural and recreational	<u>619,785</u>
Total	<u>\$ 2,143,475</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2019 are as follows:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2019</u>
Non-Depreciable Assets:					
Construction in progress	\$ 7,133,231	\$ 8,502	\$ -	\$ -	\$ 7,141,733
Land	1,773,021	-	-	-	1,773,021
Depreciable Assets:					
Buildings and improvements	9,771,175	8,000	-	-	9,779,175
Equipment	3,726,480	345,485	-	-	4,071,965
Vehicles	827,737	-	-	-	827,737
Total	<u>23,231,644</u>	<u>361,987</u>	<u>-</u>	<u>-</u>	<u>23,593,631</u>
Less Accumulated Depreciation:					
Buildings and improvements	8,700,653	97,277	-	-	8,797,930
Equipment	2,558,644	251,319	-	-	2,809,963
Vehicles	663,919	49,300	-	-	713,219
Total accumulated depreciation	<u>11,923,216</u>	<u>397,896</u>	<u>-</u>	<u>-</u>	<u>12,321,112</u>
Capital assets, net	<u>\$ 11,308,428</u>	<u>\$ (35,909)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,272,519</u>

Commitments

At June 30, 2019, the County had commitments of approximately \$1,067,513 for renovations at South Macon Elementary School.

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2019 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
Governmental Activities	<u>\$ 1,574,549</u>	<u>\$ 783,160</u>	<u>\$ 246,955</u>	<u>\$ 326,306</u>	<u>\$ 2,930,970</u>
Business-Type Activities:					
Solid waste	<u>\$ 199,663</u>	<u>\$ 42,400</u>	<u>\$ 38,447</u>	<u>\$ -</u>	<u>\$ 280,510</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the state-wide 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 (LEO) of participating local government 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, the State Treasurer, and the 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, or 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.

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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, 2019 was 8.5% of compensation for law enforcement officers and 7.75% 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 \$1,312,991 for the year ended June 30, 2019.

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.

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

At June 30, 2019, the County reported a liability of \$6,227,872 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 0.263%, measured as of June 30, 2018, which was a decrease of 0.0003% from its proportion as of June 30, 2018, measured as of June 30, 2017.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the County recognized pension expense of \$1,790,174. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 960,813	\$ 32,240
Changes of assumptions and other inputs	1,652,637	-
Net difference between projected and actual earnings on pension plan investments	854,902	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,391	33,658
Employer contributions subsequent to the measurement date	1,312,991	-
Total	<u>\$ 4,814,734</u>	<u>\$ 65,898</u>

\$1,312,991 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 1,673,417
2021	1,083,036
2022	187,867
2023	491,525
2024	-
Thereafter	-
Total	<u>\$ 3,435,845</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The plan actuary currently uses mortality rates based on the RP2014 Total Data Set for Healthy Annuitants Mortality table 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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	<u>6.0%</u>	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 14,959,889</u>	<u>\$ 6,227,872</u>	<u>\$ (1,068,737)</u>

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. Macon 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of three retirees receiving benefits and 50 active members.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The Entry Age Normal actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are based on the following:

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$35,375 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$1,113,115. The total pension liability was measured as of December 31, 2018, based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2018, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$86,619.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 54,322
Changes of assumptions and other inputs	54,127	58,713
Benefit payments and administrative expenses paid subsequent to the measurement date	21,241	-
Total	<u>\$ 75,368</u>	<u>\$ 113,035</u>

\$21,241 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (12,452)
2021	(12,452)
2022	(12,452)
2023	(11,317)
2024	(9,477)
Thereafter	(758)
Total	<u>\$ (58,908)</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.64 percent) or one-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 1,221,240	\$ 1,113,115	\$ 1,014,535

Schedule of Changes in Total Pension Liability Law Enforcement Officers Special Separation Allowance

	2019
Beginning balance	\$ 1,107,728
Service cost	63,937
Interest on the total pension liability	34,445
Differences between expected and actual experience in the measurement of the total pension liability	(6,940)
Changes of assumptions and other inputs	(50,680)
Benefit payments	(35,375)
Net changes	5,387
Ending balance of the total pension liability	\$ 1,113,115

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.16% at December 31, 2017 to 3.64% at December 31, 2018.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the 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 5.0% 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, 2019 were \$233,439, which consisted of \$123,963 from the County and \$109,476 from the law enforcement officers. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,524 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$72,138 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County's proportion was (0.436%), which was an increase of 0.010% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$12,273. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 636	\$ 3,293
Changes of assumptions	3,393	-
Net difference between projected and actual earnings on pension plan investments	11,498	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	295	1,530
County contributions subsequent to the measurement date	3,524	-
Total	<u>\$ 19,346</u>	<u>\$ 4,823</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

\$3,524, reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
June 30	Amount
2020	\$ 5,647
2021	178
2022	3,389
2023	1,785
2024	-
Thereafter	-
Total	<u>\$ 10,999</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 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, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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. These projections are combined to produce the long-term expected rate of return by

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. 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 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one-percentage-point lower (2.75%) or one-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (56,877)	\$ (72,138)	\$ (85,009)

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 6,227,872	\$ -	\$ (72,138)	\$ 6,155,734
Proportion of the net pension liability (asset)	0.263%	NA	-0.436%	-
Total pension liability	-	1,113,115	-	1,113,115
Pension expense	1,790,174	86,619	12,273	1,889,066

At June 30, 2019, 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>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 960,813	\$ -	\$ 636	\$ 961,449
Changes of assumptions	1,652,637	54,127	3,393	1,710,157
Net difference between projected and actual earnings on pension plan investments	854,902	-	11,498	866,400
Changes in proportion and differences between County contributions and proportionate share of contributions	33,391	-	295	33,686
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,312,991	21,241	3,524	1,337,756
Total	<u>\$ 4,814,734</u>	<u>\$ 75,368</u>	<u>\$ 19,346</u>	<u>\$ 4,909,448</u>

<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 32,240	\$ 54,322	\$ 3,293	\$ 89,855
Changes of assumptions	-	58,713	-	58,713
Changes in proportion and differences between County contributions and proportionate share of contributions	33,658	-	1,530	35,188
Total deferred inflows of resources	<u>\$ 65,898</u>	<u>\$ 113,035</u>	<u>\$ 4,823</u>	<u>\$ 183,756</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Other Post-Employment Benefits – Healthcare Benefits

Plan Description. In addition to providing pension benefits, the County has elected to provide post-retirement healthcare benefits to retirees of the County. Employees that retire from the North Carolina Local Governmental Employees' Retirement System (NCLGERS), are actively employed with the County at the time of retirement and are members of the County's Group Health Insurance Plan will be eligible to continue as a member of the County's Group Health Insurance Plan according to the following schedule:

Years of Service at Retirement *	Group Medical Insurance	Group Prescription Drug Insurance	Medicare Supplement Coverage	Spouse Coverage Available to Retiree
15 – 24 hired prior to 7/1/2014	Until Age 65	Until Age 65	No	No
25 – 29 hired prior to 7/1/2014	Until Age 65	Lifetime	Yes	No
30 or more hired prior to 7/1/2014	Until Age 65	Lifetime	Yes	Yes
30 or more hired on/after 7/1/2014	Until Age 65	Lifetime	Yes	No

**As determined by NCLGERS*

Healthcare and prescription drug coverage are provided in the County's Group Health Insurance Plan. Supplemental insurance is offered for Medicare eligible retirees. The County pays the full cost of coverage for all qualifying pre-65 retirees. The County pays the full cost of prescription drug coverage and the full Blue Cross Blue Shield Attained Age Plan F premium amount for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$394 per month. Spouse coverage terminates upon the retiree's death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 76 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2019, the County contributed \$869,035 for post-retirement medical claims, prescription drug claims, stop/loss premiums, and administrative fees. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Membership of the plan consisted of the following as of the June 30, 2017 valuation date:

Retirees and dependents receiving benefits	76
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>375</u>
Total	<u><u>451</u></u>

Total OPEB Liability

The County's total OPEB liability of \$49,051,316 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30 2017.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50%-7.75%, including wage inflation
Discount rate	3.89 percent
Healthcare cost trend rates	Pre-Medicare - 7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare Medical and Prescription Drug	5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020

The discount rate is based on the June average of the Bond Buyer General Obligation 20-Year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	<u>\$ 49,381,108</u>
Changes for the Year:	
Service cost	2,036,577
Interest	1,742,381
Differences between expected and actual experience	362,835
Changes of assumptions or other inputs	(3,588,209)
Benefit payments	<u>(883,376)</u>
Net changes	<u>(329,792)</u>
Balance at June 30, 2019	<u><u>\$ 49,051,316</u></u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.56% to 3.89%. The County selected a Municipal Bond Index Rate equal to the June average of the Bond Buyer 20-Year General Obligation Bond Index published weekly by The Bond Buyer, and the discount rate used to measure the TOL is the Municipal Bond Index Rate as of the measurement date.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB liability	<u>\$ 61,065,299</u>	<u>\$ 49,051,316</u>	<u>\$ 39,997,307</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 38,806,518</u>	<u>\$ 49,051,316</u>	<u>\$ 63,057,981</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the County recognized OPEB expense of \$2,686,390. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 631,210	\$ -
Changes of assumptions	-	8,080,759
Benefit payments and plan administrative expense made subsequent to the measurement date	869,035	-
Total	<u>\$ 1,500,245</u>	<u>\$ 8,080,759</u>

\$869,035 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2020	\$ (1,099,058)
2021	(1,099,058)
2022	(1,099,058)
2023	(1,099,058)
2024	(1,099,058)
Thereafter	(1,954,259)
Total	<u>\$ (7,449,549)</u>

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multi-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 months' salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. 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. The County considers these contributions to be immaterial.

Landfill Closure and Post-Closure Care Costs

Federal and state laws and regulations require the County to place a final cover on its landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The County has operated three different landfills. The Old Franklin Landfill was opened in approximately 1962, stopped accepting waste on December 31, 1992, and has since been closed. The Highlands Landfill was opened in approximately 1985, stopped accepting waste on October 8, 1993, and was completely closed during the next year. The old landfills continue to require monitoring and some remediation activities. Macon County opened the Macon County MSW Landfill in May 1992. During 1999, the County expanded the cell at the Macon County MSW Landfill.

Although the closure and post-closure care costs for these landfills are being paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$10,522,520 reported as landfill closure and post-closure care liability at June 30, 2019 represents the cumulative amount reported to date for the closure and post-closure care costs of all landfills noted above. Of the cumulative amount reported to date, \$10,285,370 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 97.65% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$247,523 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The County expects to close the current cells of the Macon County MSW Landfill in December 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources at year-end are comprised of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 4,909,448	\$ 183,756
OPEB deferrals	1,500,245	8,080,759
Prepaid taxes not yet earned (General)	-	54,843
Taxes receivable, net (General)	-	581,868
Taxes receivable, net (Fire District)	-	92,964
Ambulance receivable (General)	-	1,860,452
Public health receivable (General)	-	281,043
Total	<u>\$ 6,409,693</u>	<u>\$ 11,135,685</u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County manages this exposure by purchasing Property and Casualty Insurance from several private insurance companies including BITCO Insurance Companies, Tokio Marine HCC, and Great American Insurance Group.

Through these companies, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$1 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage limit of \$1 million. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The insurance companies are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

Tokio Marine HCC, Great American Insurance Group, and BITCO Insurance Companies are fully suited to pay claims without reinsurance support. They are also subject to the NC State Guarantee Fund should they ever become insolvent. Tokio Marine HCC has an A++ rating with assets greater than \$2 Billion. Great American Insurance Group has an A+ rating with assets greater than \$1.5 Billion. BITCO Insurance Companies has an A+ rating with assets between \$250-\$500 Million.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The Finance Director and the Tax Collector are each individually bonded for \$250,000. The Sheriff and the Register of Deeds are bonded for \$25,000 and \$50,000 each, respectively.

The County carries commercial coverage for all other 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.

Macon County is a certified County participating under the National Flood Insurance Program applicable to FEMA flood zones A, AE, AH, and HO. The County has \$5,000,000 flood coverage through Tokio Marine HCC. This coverage is applicable in zones A, A1-A30, A99, AE, AH, AO, AR, AR/AE, AR/AO, AR/A1-A-30, AR/A, V, V1-V30, and VE. The policy does not cover zones B or X. Deductibles are \$50,000 per occurrence. Coverage limits are \$5 million per occurrence.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). The County's claims incurred, but not reported, are considered a current liability and are included in accounts payable of the Internal Service Fund.

Changes in the balances of claims liabilities during the past fiscal year are as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims - beginning	\$ 227,701	\$ 262,473
Incurred claims	4,909,528	4,354,345
Claim payments	<u>(4,810,923)</u>	<u>(4,389,117)</u>
Unpaid claims - ending	<u>\$ 326,306</u>	<u>\$ 227,701</u>

Contingent Liabilities

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Long-Term Obligations

Installment Purchase Contract

The County entered into an installment purchase contract dated July 29, 2005 in the amount of \$5,000,000 for library and community college expansion. The contract is payable in 30 semi-annual installments of \$166,667, plus interest at 2.19% per annum.

\$ 500,000

\$2,000,000 East Franklin School Qualified Zone Academy Bonds requiring 30 semi-annual deposits of \$52,795 into a Debt Service Fund; final payment of the bonds is December 13, 2022.

785,722

The County entered into an installment purchase contract dated December 10, 2007 in the amount of \$2,600,000 for acquisition of land to be used for public school purposes. The contract is payable in 30 semi-annual installments of \$86,667, plus interest at 2.49% per annum.

693,333

The County entered into an installment purchase contract dated July 8, 2009 in the amount of \$20,000,000 for 5-6 Grade School and an addition to East Franklin Elementary. The contract is payable in 40 semi-annual installments of \$500,000, plus interest at 2.61% per annum.

9,500,000

\$1,800,000 Nantahala School Qualified Zone Academy Bonds requiring 30 semi-annual deposits of \$60,000, plus interest into a Debt Service Fund; final payment of the bonds is December 18, 2024.

720,000

\$12,889,667 Iotla Valley School Project Qualified School Construction Bonds requiring 34 semi-annual deposits of \$379,108, plus interest into a Debt Service Fund; final payment of the bonds is October 12, 2028.

6,444,834

The County entered into a note payable agreement dated September 1, 2009 in the amount of \$2,043,250, 2.56% interest, with annual installments of \$102,163, with a final payment due in 2031, secured by water lines.

1,225,950

\$1,500,000 Highlands School Renovation Qualified Zone Academy Bonds requiring 10 annual payments of \$150,000; final payment of the bonds is April 26, 2023.

600,000

\$2,985,878 Highlands School and Union Academy Qualified Zone Academy Bonds requiring 15 annual payments of \$199,058; final payment of the bonds is August 1, 2030.

2,388,704

The County entered into an installment financing agreement dated July 30, 2018 in the amount of \$2,923,674 for South Macon Elementary School expansion. The agreement is payable in 30 bi-annual installments of \$97,456, plus interest at 3.35% per annum.

2,826,218

Total installment contracts

\$ 25,684,761

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding note from direct placement related to governmental activities of \$500,000 is secured by a deed of trust on Macon County Public Library and Southwestern Community College Macon Campus. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$785,722 is secured by a deed of trust on East Franklin Elementary School. The note contains provisions that upon the occurrence of any event of default, the bank may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the entire amount of the installment payments to be immediately due and payable; 2) exercise all remedies available at law or in equity or under the deed of trust, including sale of the mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, toward the balance of installment payments due; 3) exercise its rights as a secured party under the Uniform Commercial Code in effect in North Carolina; 4) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof.

The County's outstanding note from direct placement related to governmental activities of \$693,333 is secured by a deed of trust on Mountain View Intermediate School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$9,500,000 is secured by a deed of trust on Mountain View Intermediate School and East Franklin Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding note from direct placement related to governmental activities of \$720,000 is secured by a deed of trust on Nantahala School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$6,444,834 is secured by a deed of trust on Iotla Valley Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$1,225,950 is not secured by a pledge of the faith and credit of the State of North Carolina or of the County, but is payable solely from the revenues of the project or benefited systems, or other available funds. The note contains provisions that any other monies due to the County from the state may be withheld by the state and applied to the payment of this obligation whenever the County fails to pay any payment of principal or interest on the note when due.

The County's outstanding note from direct placement related to governmental activities of \$600,000 is secured by a deed of trust on Highlands School. The note contains provisions that on the occurrence of any event of default, the bank may exercise any one or more of the following remedies as the bank, in its sole discretion, shall elect: 1) declare the unpaid portion of the then outstanding principal components of the installment payments immediately due and payable, without notice or demand to the County; 2) proceed by appropriate court action to enforce the performance by the County of the applicable covenants of the contract or to recover for any breach thereof; 3) exercise or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the state with respect to the enforcement of the security interest granted or reserved hereunder and under the deed of trust; 4) enforce its security interest or direct the deed of trust trustee to institute foreclosure proceedings under the deed of trust and sell the mortgaged property.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The County's outstanding note from direct placement related to governmental activities of \$2,388,704 is secured by a deed of trust on Highlands School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of reasonable attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$2,826,218 is secured by a deed of trust on South Macon Elementary School. The note contains provisions that whenever any event of default shall have happened and is continuing, the lender may take any one or more of the following remedial steps, without further demand or notice: 1) declare the whole unpaid principal balance of installment payments due and thereafter to become at once due and payable; 2) exercise its rights as a beneficiary under the deed of trust, including taking possession of any part or all of the project pursuant to the deed of trust, excluding the County from possession, and selling or leasing the project for the account of the County; 3) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof; 4) the lender may take directly all funds held in the deposit account and apply such funds to the advance.

Debt Service Requirements

The following tables summarize the annual requirements to amortize all direct placement long-term debt outstanding (excluding vacation pay and pension benefit obligation) as of June 30, 2019:

Year Ending		
June 30	Principal	Interest
2020	\$ 3,136,604	\$ 781,054
2021	2,969,937	684,861
2022	2,803,271	593,654
2023	3,166,634	504,336
2024	2,374,348	416,457
2025-2029	9,754,416	896,474
2030-2034	1,479,551	82,283
Total	<u>\$ 25,684,761</u>	<u>\$ 3,959,119</u>

At June 30, 2019, the County had a legal debt margin of approximately \$618,011,670.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Debt Related to Capital Activities

Of the total governmental activities debt listed, only \$1,525,951 relates to assets the County holds title. The unspent debt proceeds of \$895,695 are not related to assets of the County.

Special Obligation Bonds

On April 7, 2016, the County issued \$9,800,000 of special obligation bonds at 2.14% interest, for the purpose to expand the County's landfill capacity. The bond is secured by a first lien on net revenues of the Solid Waste Fund. The principal and interest on the bonds are payable semi-annually on April 1 and October 1. The special obligation bonds, which mature through April 1, 2026, will be reported on the Solid Waste Fund's financial statements.

\$ 7,070,470

The County's outstanding special obligation bond from direct placement related to business-type activities of \$7,070,470 is not secured by a pledge of the faith and credit of the County nor its taxing power, but is payable solely from the obligated revenues, except to the extent payable from the proceeds of bonds or investment earnings on such proceeds or on the obligated revenues. The note contains provisions that during the continuation of any event of default, the bondholders may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal of the bonds, and the accrued interest thereon, immediately due and payable; 2) incur and pay such reasonable expenses for the County's account as may be necessary to cure the cause of any default (with the County then being obligated to repay those amounts); 3) proceed by appropriate court action to protect and enforce their rights under the bonds and the agreement, or any supplemental agreement or proceeding, by an action at law or in equity, either for the specific performance of any covenant or agreement, or execution of any power, or to have or enforce any proper legal or equitable remedy as may be most effectual to protect and enforce such rights, including the fixing of service charges and the collection and application of the obligated revenues.

Special obligation bonds direct placements debt service requirements to maturity are as follows:

Solid Waste Fund:

Special Obligation Bonds

Year Ending June 30	Principal	Interest
2020	\$ 945,144	\$ 149,985
2021	967,429	127,700
2022	988,533	106,595
2023	1,010,098	85,030
2024	1,031,976	63,152
2025-2026	<u>2,127,290</u>	<u>57,958</u>
Total	<u>\$ 7,070,470</u>	<u>\$ 590,420</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental Activities:					
Direct placement installment purchase	\$ 25,800,235	\$ 2,923,674	\$ 3,039,148	\$ 25,684,761	\$ 3,136,604
Compensated absences	1,079,283	900,955	887,127	1,093,111	109,311
Total OPEB liability	46,545,196	-	310,837	46,234,359	-
Net pension liability (LGERS)	3,792,181	2,089,972	-	5,882,153	-
Total pension liability (LEOSSA)	1,107,728	5,387	-	1,113,115	-
Total governmental activities	<u>\$ 78,324,623</u>	<u>\$ 5,919,988</u>	<u>\$ 4,237,112</u>	<u>\$ 80,007,499</u>	<u>\$ 3,245,915</u>
Business-Type Activities:					
Direct placement Special Obligation Bonds	\$ 7,996,638	\$ -	\$ 926,168	\$ 7,070,470	\$ 945,144
Accrued landfill closure and post-closure care cost	8,819,100	1,703,420	-	10,522,520	52,483
Total OPEB liability	2,835,912	-	18,955	2,816,957	-
Net pension liability (LGERS)	222,675	123,044	-	345,719	-
Compensated absences	54,890	47,798	47,031	55,657	5,566
Total business-type activities	<u>\$ 19,929,215</u>	<u>\$ 1,874,262</u>	<u>\$ 992,154</u>	<u>\$ 20,811,323</u>	<u>\$ 1,003,193</u>

Compensated absences, pension liabilities, and other post-employment benefits for governmental activities typically have been liquidated in the General Fund and are accounted for on an FIFO basis.

C. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2019 is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	<u>\$ 24,311,874</u>	<u>\$ 11,272,519</u>
Less capital debt:		
Gross debt	25,684,761	7,070,470
Less school debt related to assets to which the County does not hold title	<u>(24,158,810)</u>	<u>-</u>
County related debt	1,525,951	7,070,470
Less unspent debt proceeds*	<u>-</u>	<u>(897,520)</u>
Net investment in capital assets	<u>\$ 22,785,923</u>	<u>\$ 5,099,569</u>

*Unexpended debt proceeds related to education debt in the amount of \$895,695 is not included in the calculation of governmental Net Investment in Capital Assets.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

D. Interfund Balances and Activity

	Transfers		
	From	To	Purpose
Transfers From/To Other Funds:			
General Fund:			
General Fund	\$ 2,817,913	\$ -	Various purposes
Debt Service Fund	-	1,266,351	Debt retirement
Nonmajor Governmental Funds:			
Airport Improvements Fund	-	33,334	Grant matching funds
Housing Grants Fund	-	103,489	Salary & Benefit Cost
County Buildings Project Fund	-	311,457	Radio Communications Project & Dog Park
Health Insurance Fund	-	1,103,282	Excess Claims
Schools Capital Fund	2,100,977	-	Debt retirement
Debt Service Fund	-	2,100,977	Debt retirement
Capital Reserve Fund	26,500	-	Economic development
General Fund	-	26,500	Economic Development
Total	\$ 4,945,390	\$ 4,945,390	

The following is a summary of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount	Purpose
Debt Service Fund	Schools Capital Fund - Short Term (paid within two months of year end)	<u>\$ 349,223</u>	Debt retirement

3. Joint Venture

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, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,019,390 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 33 Fryemont Street, Bryson City, North Carolina 28713.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

4. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

The County, in conjunction with seven other counties and 16 municipalities, established the Southwestern North Carolina Planning and Economic Development Commission (Commission). The participating governments established the Commission to coordinate funding received from various federal and state agencies. Each participating government appoints one member to the Commission's 23-member governing Board.

Smoky Mountain Mental Health Center

The County, in conjunction with seven other counties, established the Smoky Mountain Mental Health Center (Center). The participating governments established the Center to provide mental health services to the Western Region of North Carolina. Each participating government appoints one member to the Center's governing board. The County contributed \$106,623 to the Center during the fiscal year ended June 30, 2019.

Southwestern Community College

The County, in conjunction with the State of North Carolina, one other county, and two Boards of Education, participates in a joint venture to operate Southwestern Community College (Community College). The County appoints two members; the state, the other County, and the Boards of Education appoint 11 members of the 13-member Board of Trustees of the Community College.

The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$328,208 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 275 Webster Road, Franklin, North Carolina 28779.

5. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedules of Changes in the Total OPEB Liability and Related Ratios – Other Post-Employment Benefits
- Schedule of Proportionate Share of the Net Pension Liability (Asset) – Local Government Employees' Retirement System
- Schedule of County's Contributions – Local Government Employees' Retirement System
- Schedule of Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County's Contributions – Register of Deeds' Supplemental Pension Fund

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance as reported	\$ 1,107,728	\$ 1,044,146	\$ 1,010,346
Service cost	63,937	55,368	60,876
Interest on the total pension liability	34,445	39,537	35,480
Difference between expected and actual experience in the measurement of the total pension liability	(6,940)	(73,031)	-
Changes in assumptions or other inputs	(50,680)	81,463	(29,536)
Benefit payments	<u>(35,375)</u>	<u>(39,755)</u>	<u>(33,020)</u>
Ending balance of the total pension liability	<u>\$ 1,113,115</u>	<u>\$ 1,107,728</u>	<u>\$ 1,044,146</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

This statement will present ten years of data as information becomes available.

MACON COUNTY, NORTH CAROLINA**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST THREE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,113,115	\$ 1,107,728	\$ 1,044,146
Covered payroll	2,506,335	2,429,891	2,333,739
Total pension liability as a percentage of covered payroll	44.4%	45.6%	44.7%

Note to Schedule:

Macon County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This statement will present ten years of data as information becomes available.

MACON COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST TWO FISCAL YEARS*

Other Post-Employment Benefits		
	2019	2018
Service cost	\$ 2,036,577	\$ 2,375,420
Interest	1,742,381	1,563,194
Differences between expected and actual experience	362,835	408,280
Changes of assumptions or other inputs	(3,588,209)	(6,447,964)
Benefit payments	(883,376)	(895,699)
Net change in total OPEB liability	(329,792)	(2,996,769)
Total OPEB liability - beginning	49,381,108	52,377,877
Total OPEB liability - ending	\$ 49,051,316	\$ 49,381,108
Covered payroll	\$ 15,451,187	\$ 15,451,187
Total OPEB liability as a percentage of covered payroll	317.46%	319.59%

Notes to the Required Schedules:

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2019	3.89%
2018	3.56%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

MACON COUNTY, NORTH CAROLINA

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.263%	0.262%	0.266%	0.246%	-0.242%	0.237%
Proportion of the net pension liability (asset) (\$)	\$ 6,227,872	\$ 4,014,856	\$ 5,643,925	\$ 1,102,597	\$ (1,428,012)	\$ 2,855,555
Covered payroll	\$ 16,784,623	\$ 16,631,172	\$ 15,171,727	\$ 14,608,630	\$ 14,448,030	\$ 13,707,426
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.10%	24.14%	37.20%	7.55%	-9.88%	20.83%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

** This will be the same percentage for all participant employers in the LGERS plan.

This statement will present ten years of data as information becomes available.

MACON COUNTY, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,312,991	\$ 1,280,658	\$ 1,229,365	\$ 1,028,062	\$ 1,040,335	\$ 1,026,095
Contributions in relation to the contractually required contribution	<u>1,312,991</u>	<u>1,280,658</u>	<u>1,229,365</u>	<u>1,028,062</u>	<u>1,040,335</u>	<u>1,026,095</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,777,581	\$ 16,784,623	\$ 16,631,172	\$ 15,171,727	\$ 14,608,630	\$ 14,448,030
Contributions as a percentage of covered payroll	7.83%	7.63%	7.39%	6.78%	7.12%	7.10%

This statement will present ten years of data as information becomes available.

MACON COUNTY, NORTH CAROLINA
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	-0.436%	-0.426%	-0.430%	-0.424%	-0.387%	-0.438%
Proportion of the net pension liability (asset) (\$)	\$ (72,138)	\$ (72,709)	\$ (80,342)	\$ (98,269)	\$ (87,744)	\$ (93,555)
Covered payroll	\$ 57,189	\$ 58,236	\$ 55,238	\$ 54,196	\$ 54,196	\$ 53,828
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-126.14%	-124.85%	-145.45%	-181.32%	-161.90%	-173.80%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

This statement will present ten years of data as information becomes available.

MACON COUNTY, NORTH CAROLINA
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,524	\$ 3,727	\$ 3,701	\$ 3,511	\$ 3,393	\$ 3,161
Contributions in relation to the contractually required contribution	<u>3,524</u>	<u>3,727</u>	<u>3,701</u>	<u>3,511</u>	<u>3,393</u>	<u>3,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 58,333	\$ 57,189	\$ 58,236	\$ 55,238	\$ 54,196	\$ 54,196
Contributions as a percentage of covered payroll	6.04%	6.52%	6.36%	6.36%	6.26%	5.83%

This statement will present ten years of data as information becomes available.

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SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES**

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THE 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.

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 27,708,424	\$ 27,678,283	\$ (30,141)	\$ 27,417,627
Taxes - prior	675,000	622,786	(52,214)	727,437
Interest and advertising	217,800	155,635	(62,165)	192,550
Total	<u>28,601,224</u>	<u>28,456,704</u>	<u>(144,520)</u>	<u>28,337,614</u>
Local Option Sales Taxes:				
Article 39 one percent	5,341,023	5,419,886	78,863	5,114,050
Article 40 one-half of one percent	1,684,602	1,717,145	32,543	1,609,996
Article 42 one-half of one percent	1,231,787	1,246,119	14,332	1,179,702
Article 44 one-half of one percent	-	77	77	407
Total	<u>8,257,412</u>	<u>8,383,227</u>	<u>125,815</u>	<u>7,904,155</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	352,000	399,049	47,049	390,408
Gross receipts tax	31,500	31,969	469	26,863
Total	<u>383,500</u>	<u>431,018</u>	<u>47,518</u>	<u>417,271</u>
Restricted Intergovernmental Revenues:				
Federal and State grants	8,712,849	7,336,905	(1,375,944)	7,677,266
Local grants	145,110	131,272	(13,838)	116,515
ABC revenues	12,000	12,786	786	12,166
Facility fees/CSC	56,000	59,185	3,185	54,743
Federal forfeiture and controlled substance	90,087	96,281	6,194	13,646
Local health and social services	882,547	967,843	85,296	937,997
Total	<u>9,898,593</u>	<u>8,604,272</u>	<u>(1,294,321)</u>	<u>8,812,333</u>
Permits and Fees:				
Inspection fees	437,950	440,826	2,876	413,992
Register of Deeds	669,000	653,445	(15,555)	630,107
Occupancy tax	87,913	80,946	(6,967)	76,830
Board of Elections fees	-	25	25	5,177
Civil license fees	3,600	2,639	(961)	2,587
Addressing fees	60,000	46,203	(13,797)	49,069
Concealed handgun permits	68,000	61,565	(6,435)	67,972
Total	<u>1,326,463</u>	<u>1,285,649</u>	<u>(40,814)</u>	<u>1,245,734</u>

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Rents, concessions, and fees	293,000	288,462	(4,538)	291,332
Ambulance fees	1,455,000	1,477,652	22,652	1,356,476
Other public safety fees	423,375	397,983	(25,392)	408,088
Cable television franchise fees	82,000	77,870	(4,130)	82,001
Health fees	867,414	687,113	(180,301)	737,681
Aging program income	14,000	24,499	10,499	19,913
Total	3,134,789	2,953,579	(181,210)	2,895,491
Investment Earnings	694,000	721,774	27,774	393,820
Miscellaneous:				
Other	247,633	235,815	(11,818)	535,877
Total	247,633	235,815	(11,818)	535,877
Total revenues	52,543,614	51,072,038	(1,471,576)	50,542,295
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	113,684	112,544		105,959
Operating expenditures	499,250	82,640		81,539
Total	612,934	195,184	417,750	187,498
Administration:				
Salaries and employee benefits	416,893	403,129		393,691
Operating expenditures	57,126	40,653		38,241
Total	474,019	443,782	30,237	431,932
Finance:				
Salaries and employee benefits	457,613	455,933		439,651
Operating expenditures	125,455	111,294		90,283
Total	583,068	567,227	15,841	529,934
Tax Office:				
Salaries and employee benefits	458,849	456,003		445,409
Operating expenditures	238,000	216,067		205,817
Total	696,849	672,070	24,779	651,226

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Legal:				
Contracted services	132,500	126,356		97,271
Total	132,500	126,356	6,144	97,271
Mapping:				
Salaries and employee benefits	173,925	168,858		161,501
Operating expenditures	17,900	12,349		10,640
Total	191,825	181,207	10,618	172,141
Tax Assessment:				
Salaries and employee benefits	312,816	310,461		298,944
Operating expenditures	211,000	179,779		241,364
Total	523,816	490,240	33,576	540,308
Board of Elections:				
Salaries and employee benefits	206,444	176,253		177,868
Operating expenditures	89,700	79,518		61,782
Total	296,144	255,771	40,373	239,650
Register of Deeds:				
Salaries and employee benefits	224,562	221,664		209,879
Operating expenditures	103,246	84,413		97,180
Total	327,808	306,077	21,731	307,059
Information Technology:				
Salaries and employee benefits	533,914	470,241		503,744
Operating expenditures	818,782	718,893		400,154
Capital outlay	217,546	217,545		38,219
Total	1,570,242	1,406,679	163,563	942,117
Garage:				
Salaries and employee benefits	301,052	274,283		306,749
Operating expenditures	86,993	76,051		65,358
Capital outlay	7,000	7,000		28,000
Total	395,045	357,334	37,711	400,107
Buildings and Grounds:				
Salaries and employee benefits	1,429,385	1,367,232		1,333,784
Operating expenditures	1,003,899	911,386		849,472
Capital outlay	136,456	137,271		130,844
Total	2,569,740	2,415,889	153,851	2,314,100

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018
	Budget	Actual	Variance Over/Under
			Actual
Human Resources:			
Salaries and employee benefits	148,297	147,871	143,429
Operating expenditures	65,390	64,558	61,138
Total	213,687	212,429	204,567
Non-Departmental:			
Operating expenditures	1,298,694	1,110,524	954,646
Total	1,298,694	1,110,524	954,646
Total general government	9,886,371	8,740,769	7,972,556
Public Safety:			
Sheriff:			
Salaries and employee benefits	3,792,268	3,629,413	3,572,703
Operating expenditures	930,880	759,110	792,309
Capital outlay	98,681	98,681	185,872
Total	4,821,829	4,487,204	4,550,884
Federal/State Forfeitures:			
Operating expenditures	37,019	16,372	7,427
Capital outlay	62,922	57,919	24,500
Total	99,941	74,291	31,927
Juvenile Crime Prevention Council Grants	115,439	115,438	115,437
Jail/Law Enforcement Center:			
Salaries and employee benefits	1,447,800	1,423,234	1,293,449
Operating expenditures	1,395,885	1,151,584	1,180,374
Capital outlay	24,913	-	24,914
Total	2,868,598	2,574,818	2,498,737
Courthouse Security:			
Salaries and employee benefits	422,929	383,210	335,958
Operating expenditures	13,221	11,801	3,069
Capital outlay	77,779	1,921	-
Total	513,929	396,932	339,027

MACON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018
	Budget	Actual	Variance Over/Under
			Actual
Emergency Medical Service:			
Salaries and employee benefits	3,029,897	2,957,875	2,976,927
Operating expenditures	414,296	361,105	345,749
Capital outlay	114,129	114,129	27,472
Total	3,558,322	3,433,109	125,213
Emergency Management:			
Salaries and employee benefits	1,194,376	1,178,940	1,183,187
Operating expenditures	191,278	104,850	225,342
Capital outlay	14,582	-	-
Total	1,400,236	1,283,790	116,446
Fire Task Force:			
Salaries and employee benefits	240,035	229,615	104,166
Operating expenditures	24,389	15,263	54,484
Capital outlay	9,000	8,560	46,851
Total	273,424	253,438	19,986
Inspections:			
Salaries and employee benefits	499,379	484,580	455,661
Operating expenditures	49,566	46,801	52,567
Capital outlay	22,990	22,989	23,829
Total	571,935	554,370	17,565
Emergency 911:			
Salaries and employee benefits	94,593	93,800	90,248
Operating expenditures	32,100	26,682	25,003
Total	126,693	120,482	6,211
Animal Control:			
Salaries and employee benefits	248,611	239,486	180,311
Operating expenditures	65,002	48,280	53,467
Capital outlay	44,000	31,098	40,330
Total	357,613	318,864	38,749
Forest Service:			
Operating expenditures	70,000	61,198	8,802
Total public safety	14,777,959	13,673,934	1,104,025

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018	
	Budget	Actual	Variance Over/Under	Actual
Transit:				
Transit Services:				
Salaries and employee benefits	704,443	648,502		630,070
Operating expenditures	456,767	424,434		166,354
Capital outlay	268,689	216,772		44,864
Total	1,429,899	1,289,708	140,191	841,288
Contribution to Macon County Airport Authority	36,200	36,200	-	53,800
Total transit	1,466,099	1,325,908	140,191	895,088
Economic and Physical Development:				
Economic Development:				
Operating expenditures	125,294	103,817		93,224
Total	125,294	103,817	21,477	93,224
Cooperative Extension:				
Salaries and employee benefits	220,282	215,235		203,648
Operating expenditures	21,749	18,453		17,289
Total	242,031	233,688	8,343	220,937
Soil Conservation:				
Salaries and employee benefits	170,819	149,596		169,255
Operating expenditures	94,255	86,842		95,097
Total	265,074	236,438	28,636	264,352
Special Appropriations:				
Cowee School	59,020	52,040		53,422
Total	59,020	52,040	6,980	53,422
Total economic and physical development	691,419	625,983	65,436	631,935
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	243,439	200,506		178,876
Operating expenditures	259,258	229,966		206,967
Total	502,697	430,472	72,225	385,843

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Management Support:				
Salaries and employee benefits	473,336	449,519		421,043
Operating expenditures	108,831	89,961		84,102
Capital outlay	5,000	-		-
Total	587,167	539,480	47,687	505,145
School Health Nurse:				
Salaries and employee benefits	338,673	303,859		293,071
Operating expenditures	26,804	24,472		21,176
Total	365,477	328,331	37,146	314,247
NC Tobacco Settlement Funds:				
Operating expenditures	126,036	125,313		127,487
Total	126,036	125,313	723	127,487
Women, Infants, and Children:				
Salaries and employee benefits	206,183	175,999		192,206
Operating expenditures	21,809	17,178		5,182
Total	227,992	193,177	34,815	197,388
Nutrition Education:				
Salaries and employee benefits	73,272	50,655		86,576
Operating expenditures	170,280	155,318		171,459
Total	243,552	205,973	37,579	258,035
Maternal and Childcare:				
Salaries and employee benefits	99,264	94,545		90,788
Operating expenditures	50,094	34,354		28,961
Total	149,358	128,899	20,459	119,749
Child Health:				
Salaries and employee benefits	14,147	12,275		9,265
Operating expenditures	9,701	5,996		833
Total	23,848	18,271	5,577	10,098
Family Planning:				
Salaries and employee benefits	71,787	68,703		64,684
Operating expenditures	41,065	33,730		18,650
Capital outlay	-	-		5,458
Total	112,852	102,433	10,419	88,792

MACON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018
	Budget	Actual	Variance Over/Under
			Actual
Dental Health Program:			
Salaries and employee benefits	404,164	380,339	395,749
Operating expenditures	86,622	42,311	37,222
Total	490,786	422,650	432,971
Adult Dental Health:			
Salaries and employee benefits	201,453	132,862	242,036
Operating expenditures	293,615	243,130	75,988
Capital outlay	-	-	-
Total	495,068	375,992	318,024
Adult Health:			
Salaries and employee benefits	49,830	33,841	28,568
Operating expenditures	175,386	151,657	137,331
Total	225,216	185,498	165,899
NC Wisewoman Program:			
Salaries and employee benefits	17,676	15,953	12,684
Operating expenditures	627	-	594
Total	18,303	15,953	13,278
Breast and Cervical Cancer:			
Salaries and employee benefits	43,099	39,611	41,625
Operating expenditures	21,810	19,306	10,434
Total	64,909	58,917	52,059
Laboratory Services:			
Salaries and employee benefits	132,834	131,396	102,019
Operating expenditures	101,688	97,034	59,631
Capital outlay	-	-	5,325
Total	234,522	228,430	166,975
Communicable Disease:			
Salaries and employee benefits	38,332	38,364	53,684
Operating expenditures	5,599	5,313	4,850
Total	43,931	43,677	58,534
On-Site Wastewater:			
Salaries and employee benefits	271,648	270,581	260,027
Operating expenditures	15,684	13,877	12,734
Total	287,332	284,458	272,761

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Private Drinking Water Wells:				
Salaries and employee benefits	248,179	250,910		231,964
Operating expenditures	28,209	23,710		29,612
Total	276,388	274,620	1,768	261,576
Food and Lodging:				
Salaries and employee benefits	197,147	177,151		199,142
Operating expenditures	29,325	27,067		12,975
Total	226,472	204,218	22,254	212,117
Health Promotion:				
Salaries and employee benefits	127,990	138,084		110,748
Operating expenditures	46,696	20,073		33,135
Total	174,686	158,157	16,529	143,883
General Nursing:				
Salaries and employee benefits	155,251	148,361		152,969
Operating expenditures	173,269	120,462		145,718
Total	328,520	268,823	59,697	298,687
Child Service Coordination:				
Salaries and employee benefits	64,174	54,614		53,239
Operating expenditures	1,952	646		831
Total	66,126	55,260	10,866	54,070
Smart Start:				
Salaries and employee benefits	47,158	6,602		28,301
Operating expenditures	1,295	-		923
Total	48,453	6,602	41,851	29,224
Regional Chronic Disease 1422 Grant:				
Operating expenditures	1,085,599	360,435		348,327
Total	1,085,599	360,435	725,164	348,327
Community Health Grant:				
Operating expenditures	150,000	111,485		131,173
Total	150,000	111,485	38,515	131,173

MACON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
OB Care Management Program:				
Salaries and employee benefits	74,391	60,663		65,777
Operating expenditures	1,814	1,350		3,229
Total	76,205	62,013	14,192	69,006
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	10,235	8,874		5,507
Total	10,235	8,874	1,361	5,507
Employee and Family Health:				
Salaries and employee benefits	80,856	82,032		90,853
Operating expenditures	12,569	10,265		21,689
Total	93,425	92,297	1,128	112,542
Behavioral Health:				
Operating expenditures	199,642	77,795		46,123
Total	199,642	77,795	121,847	46,123
Total health	6,934,797	5,368,503	1,566,294	5,199,520
Social Services:				
Administration:				
Salaries and employee benefits	403,468	394,490		381,695
Operating expenditures	581,763	486,902		421,167
Capital outlay	76,994	76,993		24,554
Total	1,062,225	958,385	103,840	827,416
Social Work Services/Special Programs:				
Salaries and employee benefits	910,122	892,654		797,646
Operating expenditures	1,410,455	1,041,472		955,388
Total	2,320,577	1,934,126	386,451	1,753,034
Child Daycare:				
Salaries and employee benefits	49,758	49,452	306	47,428
Child Support:				
Salaries and employee benefits	162,869	146,653		147,210
Operating expenditures	67,200	41,475		47,393
Total	230,069	188,128	41,941	194,603

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Medicaid:				
County participation only	208,234	178,401	29,833	216,507
WorkFirst:				
Operating expenditures	1,655	1,255		370
Total	1,655	1,255	400	370
CAP/DA:				
Salaries and employee benefits	124,950	124,606		120,008
Total	124,950	124,606	344	120,008
DSS AMC Outpost Worker:				
Salaries and employee benefits	93,386	90,709	2,677	82,910
Program Integrity:				
Salaries and employee benefits	60,441	57,964		57,982
Total	60,441	57,964	2,477	57,982
Medicaid/FS Administration:				
Salaries and employee benefits	1,194,549	1,126,876		1,128,760
Total	1,194,549	1,126,876	67,673	1,128,760
Total social services	5,345,844	4,709,902	635,942	4,429,018
Department On Aging:				
Administration:				
Salaries and employee benefits	287,413	276,870		273,513
Operating expenditures	77,561	52,734		55,329
Total	364,974	329,604	35,370	328,842
Home-Delivered Meals:				
Salaries and employee benefits	51,526	50,534		48,324
Operating expenditures	124,900	118,728		114,196
Total	176,426	169,262	7,164	162,520
Congregate Meals:				
Salaries and employee benefits	59,204	51,517		53,032
Operating expenditures	74,800	62,382		69,347
Total	134,004	113,899	20,105	122,379

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Adult Daycare:				
Salaries and employee benefits	127,265	115,864		114,349
Operating expenditures	54,559	39,908		34,979
Total	181,824	155,772	26,052	149,328
 Total department on aging	 857,228	 768,537	 88,691	 763,069
Miscellaneous Human Services:				
Veterans' Service:				
Salaries and employee benefits	112,004	111,502		106,778
Operating expenditures	12,350	4,869		6,641
Total	124,354	116,371	7,983	113,419
 Contributions to Organizations:				
Smoky Mountain Mental Health	106,623	106,623		106,623
Macon County Citizens for Handicapped	62,370	62,370		62,370
Total	168,993	168,993	-	168,993
 Special Appropriations:				
State of Franklin	14,000	14,000		14,000
Other special appropriations	160,342	136,700		140,348
Total	174,342	150,700	23,642	154,348
 Total miscellaneous human services	 467,689	 436,064	 31,625	 436,760
 Total human services	 13,605,558	 11,283,006	 2,322,552	 10,828,367
 Cultural and Recreational:				
Salaries and employee benefits	434,237	399,834		403,988
Operating expenditures	854,785	820,649		1,158,804
Capital outlay	-	-		7,000
Total	1,289,022	1,220,483	68,539	1,569,792
 Library and Cultural:				
Macon County Library	1,019,390	1,019,390		999,390
Macon County Historical Society	20,000	20,000		20,000
Total	1,039,390	1,039,390	-	1,019,390
 Total cultural and recreational	 2,328,412	 2,259,873	 68,539	 2,589,182

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Education:				
Public schools - current expenditures	8,419,731	8,418,715		7,705,296
Public schools - capital outlay	868,209	852,118		599,441
Timber sales pass-through	137,984	137,983		147,017
Southwestern Community College	328,208	328,208		281,843
Total education	9,754,132	9,737,024	17,108	8,733,597
 Total expenditures	52,509,950	47,646,497	4,863,453	45,142,873
 Revenues over (under) expenditures	33,664	3,425,541	3,391,877	5,399,422
 Other Financing Sources (Uses):				
Transfers In:				
From Capital Reserve Fund	426,500	26,500	(400,000)	7,000
Total	426,500	26,500	(400,000)	7,000
 Transfers Out:				
To Airport Fund	(33,334)	(33,334)	-	-
To E911 Fund	-	-	-	(568)
To Community Development Block Grant Fund	(103,489)	(103,489)	-	(102,762)
To Debt service	(1,266,351)	(1,266,351)	-	(1,266,351)
To Health Insurance Fund	(1,103,282)	(1,103,282)	-	(861,802)
To County Buildings Project	(311,457)	(311,457)	-	(724,661)
Total	(2,817,913)	(2,817,913)	-	(2,956,144)
 Appropriated fund balance	2,357,749	-	(2,357,749)	-
 Total other financing sources (uses)	(33,664)	(2,791,413)	(2,757,749)	(2,949,144)
 Net change in fund balance	\$ -	634,128	\$ 634,128	2,450,278
 Fund Balance:				
Beginning of year - July 1		28,660,749		26,210,471
End of year - June 30		\$ 29,294,877		\$ 28,660,749

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DEBT SERVICE FUND

The Debt Service Fund is used to account for all expenditures for principal and interest for all long-term debt payments. The other governmental fund types provide the resources to the Debt Service Fund to make the payments through transfers.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MAJOR - DEBT SERVICE FUND FOR THE YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance from Final Budget Over/Under
Revenues:			
NC Lottery funds	\$ 300,000	\$ 311,894	\$ 11,894
Federal subsidy rebate	368,230	370,999	2,769
Town of Franklin	42,755	42,755	-
Total revenues	<u>710,985</u>	<u>725,648</u>	<u>14,663</u>
Expenditures:			
Debt service:			
Principal repayments	3,141,695	3,039,148	102,547
Interest	909,297	826,607	82,690
Debt Service reserve	27,322	-	27,322
Total expenditures	<u>4,078,314</u>	<u>3,865,755</u>	<u>212,559</u>
Revenues over (under) expenditures	(3,367,329)	(3,140,107)	227,222
Other Financing Sources (Uses):			
Transfers in (out)	<u>3,367,329</u>	<u>3,367,328</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	227,221	<u>\$ 227,221</u>
Fund Balance:			
Beginning of year - July 1		<u>781,534</u>	
End of year - June 30		<u>\$ 1,008,755</u>	

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 851,772	\$ 3,009,173	\$ 3,860,945
Taxes receivable, net	92,964	-	92,964
Accounts receivable, net	54,145	-	54,145
Due from other governmental agencies	142,570	596,321	738,891
Restricted assets:			
Cash and cash equivalents, restricted	-	895,695	895,695
Total assets	<u>\$ 1,141,451</u>	<u>\$ 4,501,189</u>	<u>\$ 5,642,640</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 328,096	\$ 437,195	\$ 765,291
Due to other funds	-	349,223	349,223
Total liabilities	<u>328,096</u>	<u>786,418</u>	<u>1,114,514</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>92,964</u>	<u>-</u>	<u>92,964</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	196,715	596,321	793,036
Restricted for public safety	501,325	-	501,325
Restricted for education	-	895,695	895,695
Committed for general government	-	1,519,042	1,519,042
Committed for education	-	579,373	579,373
Committed for economic and physical development	151,955	473,563	625,518
Unassigned	<u>(129,604)</u>	<u>(349,223)</u>	<u>(478,827)</u>
Total fund balances	<u>720,391</u>	<u>3,714,771</u>	<u>4,435,162</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,141,451</u>	<u>\$ 4,501,189</u>	<u>\$ 5,642,640</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 3,462,105	\$ -	\$ 3,462,105
Local option sales taxes	-	2,122,955	2,122,955
Restricted intergovernmental revenues	606,102	240,543	846,645
Occupancy taxes	1,011,827	-	1,011,827
Miscellaneous revenues	-	9,606	9,606
Interest earned on investments	4,908	97,626	102,534
Total revenues	<u>5,084,942</u>	<u>2,470,730</u>	<u>7,555,672</u>
Expenditures:			
Current:			
General government	-	382,894	382,894
Public safety	3,764,043	-	3,764,043
Education	-	2,268,282	2,268,282
Economic and physical development	1,461,199	267,113	1,728,312
Cultural and recreational	-	103,169	103,169
Total expenditures	<u>5,225,242</u>	<u>3,021,458</u>	<u>8,246,700</u>
Revenues over (under) expenditures	<u>(140,300)</u>	<u>(550,728)</u>	<u>(691,028)</u>
Other Financing Sources (Uses):			
Installment notes issued	-	2,923,674	2,923,674
Transfers in	103,489	344,791	448,280
Transfers out	-	(2,127,477)	(2,127,477)
Total other financing sources (uses)	<u>103,489</u>	<u>1,140,988</u>	<u>1,244,477</u>
Net change in fund balances	(36,811)	590,260	553,449
Fund Balances:			
Beginning of year - July 1	<u>757,202</u>	<u>3,124,511</u>	<u>3,881,713</u>
End of year - June 30	<u>\$ 720,391</u>	<u>\$ 3,714,771</u>	<u>\$ 4,435,162</u>

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

Individual Fund Descriptions:

Emergency Telephone System Fund – accounts for the accumulation of funds used to operate the 911 emergency service operations.

Fire Districts Fund – accounts for the ad valorem tax levies of the eleven fire districts in Macon County.

Occupancy Tax Fund – accounts for the Occupancy Tax Fund in Macon County.

Housing Grants Fund – accounts for federal grants received and expended for community development.

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MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2019

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Assets:					
Cash and cash equivalents	\$ 501,365	\$ 39,263	\$ 116,602	\$ 194,542	\$ 851,772
Taxes receivable, net	-	92,964	-	-	92,964
Accounts receivable, net	-	-	-	54,145	54,145
Due from government agencies	12,966	17,742	111,862	-	142,570
Total assets	<u>\$ 514,331</u>	<u>\$ 149,969</u>	<u>\$ 228,464</u>	<u>\$ 248,687</u>	<u>\$ 1,141,451</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 40	\$ 57,005	\$ 228,464	\$ 42,587	\$ 328,096
Total liabilities	<u>40</u>	<u>57,005</u>	<u>228,464</u>	<u>42,587</u>	<u>328,096</u>
Deferred Inflows of Resources:					
Property taxes receivable	-	92,964	-	-	92,964
Fund Balances:					
Restricted:					
Stabilization by state statute	12,966	17,742	111,862	54,145	196,715
Restricted for public safety	501,325	-	-	-	501,325
Committed for economic and physical development	-	-	-	151,955	151,955
Unassigned	-	(17,742)	(111,862)	-	(129,604)
Total fund balances	<u>514,291</u>	<u>-</u>	<u>-</u>	<u>206,100</u>	<u>720,391</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 514,331</u>	<u>\$ 149,969</u>	<u>\$ 228,464</u>	<u>\$ 248,687</u>	<u>\$ 1,141,451</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2019

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ 3,462,105	\$ -	\$ -	\$ 3,462,105
Restricted intergovernmental revenues	155,594	-	-	450,508	606,102
Occupancy taxes	-	-	1,011,827	-	1,011,827
Investment earnings	4,908	-	-	-	4,908
Total revenues	<u>160,502</u>	<u>3,462,105</u>	<u>1,011,827</u>	<u>450,508</u>	<u>5,084,942</u>
Expenditures:					
Public safety	301,938	3,462,105	-	-	3,764,043
Economic and physical development	-	-	1,011,827	449,372	1,461,199
Total expenditures	<u>301,938</u>	<u>3,462,105</u>	<u>1,011,827</u>	<u>449,372</u>	<u>5,225,242</u>
Revenues over (under) expenditures	(141,436)	-	-	1,136	(140,300)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,489</u>	<u>103,489</u>
Net change in fund balances	(141,436)	-	-	104,625	(36,811)
Fund Balances:					
Beginning of year - July 1	<u>655,727</u>	<u>-</u>	<u>-</u>	<u>101,475</u>	<u>757,202</u>
End of year - June 30	<u>\$ 514,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,100</u>	<u>\$ 720,391</u>

MACON COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 155,593	\$ 155,594	\$ 1	\$ 415,231
Investment earnings	4,630	4,908	278	2,720
Total revenues	<u>160,223</u>	<u>160,502</u>	<u>279</u>	<u>417,951</u>
Expenditures:				
Wireless 911:				
Implemental functions	90,000	47,010	42,990	49,069
Telephone	42,000	33,327	8,673	56,460
Furniture	6,000	2,327	3,673	-
Software and software maintenance	65,565	26,920	38,645	30,395
Hardware and hardware maintenance	35,460	34,878	582	78,074
Training	4,000	930	3,070	2,516
Capital outlay	224,800	156,546	68,254	155,022
Total public safety	<u>467,825</u>	<u>301,938</u>	<u>165,887</u>	<u>371,536</u>
Total expenditures	<u>467,825</u>	<u>301,938</u>	<u>165,887</u>	<u>371,536</u>
Revenues over (under) expenditures	<u>(307,602)</u>	<u>(141,436)</u>	<u>166,166</u>	<u>46,415</u>
Other Financing Sources (Uses):				
Appropriated fund balance	307,602	-	(307,602)	-
Transfers in from General Fund	-	-	-	568
Total other financing sources (uses)	<u>307,602</u>	<u>-</u>	<u>(307,602)</u>	<u>568</u>
Net change in fund balance	<u>\$ -</u>	<u>(141,436)</u>	<u>\$ (141,436)</u>	<u>46,983</u>
Fund Balance:				
Beginning of year - July 1		<u>655,727</u>		<u>608,744</u>
End of year - June 30		<u>\$ 514,291</u>		<u>\$ 655,727</u>

MACON COUNTY, NORTH CAROLINA**FIRE DISTRICTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2019****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 3,342,844	\$ 3,354,971	\$ 12,127	\$ 3,323,019
Prior years	152,900	107,134	(45,766)	121,611
Total revenues	<u>3,495,744</u>	<u>3,462,105</u>	<u>(33,639)</u>	<u>3,444,630</u>
Expenditures:				
Public safety:				
Franklin Fire District		851,134		842,976
Clark's Chapel Fire District		325,939		320,877
Otto Fire District		328,863		331,079
Cullasaja Fire District		250,682		253,804
West Macon Fire District		310,987		307,796
Scaly Mountain Fire District		121,831		121,397
Burningtown/Iotla Fire District		222,896		224,715
Cowee Fire District		312,318		309,931
Highlands Fire District		377,823		374,430
Mountain Valley Fire District		135,466		132,774
Nantahala Fire District		224,166		224,851
Total expenditures	<u>3,495,744</u>	<u>3,462,105</u>	<u>33,639</u>	<u>3,444,630</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA**OCCUPANCY TAX FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2019****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018**

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 711,064	\$ 665,941	\$ (45,123)	\$ 628,783
Nantahala	58,957	61,820	2,863	-
Franklin	240,980	203,120	(37,860)	199,610
Administrative fee	87,913	80,946	(6,967)	76,830
Total revenues	<u>1,098,914</u>	<u>1,011,827</u>	<u>(87,087)</u>	<u>905,223</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	711,064	665,941	45,123	628,783
Nantahala District	58,957	61,820	(2,863)	-
Franklin Chamber	240,980	203,120	37,860	199,610
Administrative fees	87,913	80,946	6,967	76,830
Total expenditures	<u>1,098,914</u>	<u>1,011,827</u>	<u>87,087</u>	<u>905,223</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

			Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date	
Revenues:						
Restricted intergovernmental revenues:						
Community Development Block Grant #07-C-1662	\$ 400,000	\$ 353,250	\$ -	\$ -	\$ 353,250	
Weatherization #1161	47,867	47,122	-	-	47,122	
Urgent repair 1014	75,000	75,000	-	-	75,000	
ARRA Weatherization 18WA	668,109	605,388	-	-	605,388	
Community Development Block Grant #10-C-2124	400,000	275,815	-	-	275,815	
Weatherization #1261	235,990	181,887	-	-	181,887	
SFR 11	160,000	122,208	-	-	122,208	
Urgent repair 1115	75,000	75,000	-	-	75,000	
Urgent repair URP-13	75,000	75,000	-	-	75,000	
Weatherization #1361	129,107	123,180	-	-	123,180	
Weatherization #1461	320,347	234,892	-	-	234,892	
Weatherization #6054	266,322	258,443	-	-	258,443	
SFR 14	170,000	118,453	-	-	118,453	
Duke HHP - Health and Safety	138,526	138,769	-	-	138,769	
Duke HHP - HVAC	252,561	253,317	-	-	253,317	
Duke Weatherization	98,200	98,200	-	-	98,200	
Urgent Repair - URP 15	100,000	100,092	-	-	100,092	
Weatherization #6508	169,604	168,648	-	-	168,648	
Urgent Repair #1619	100,000	100,089	-	-	100,089	
Weatherization #6940	105,683	98,669	-	-	98,669	
Duke Weatherization Direct Reimbursement	100,000	42,932	84,727	-	127,659	
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	39,214	-	-	39,214	
ESFRLP-17 Grant	175,000	-	19,247	-	19,247	
Weatherization DOE 2018 #7305	72,372	65,305	-	-	65,305	
Weatherization LIHEAP 18 #7305	80,722	78,105	-	-	78,105	
Weatherization HARRP 18 #7305	38,613	37,203	-	-	37,203	
Duke Energy 2017 HHF#2017-2200	108,603	12,729	95,908	-	108,637	
Urgent Repair Program 18	100,000	-	100,000	-	100,000	
Weatherization DOE 2019 #7604	82,919	-	79,018	-	79,018	
Weatherization LIHEAP 19 #7604	63,055	-	62,928	-	62,928	
Weatherization HARRP 19 #7604	9,894	-	8,680	-	8,680	
Miscellaneous revenues	11,222	11,469	-	-	11,469	
Total revenues	4,867,516	3,790,379	450,508	-	4,240,887	

Expenditures:

Economic and physical development:

Administrative - County	1,058,762	855,181	75,990	-	931,171
Community Development Block Grant:					
Grant #07-C-1662 - administrative	40,000	40,965	-	-	40,965
Grant #07-C-1662 - rehabilitation	360,000	313,058	-	-	313,058
Weatherization #1161	47,867	47,124	-	-	47,124

MACON COUNTY, NORTH CAROLINA

**HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019**

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Urgent repair 1014	75,000	74,998	-	-	74,998
ARRA weatherization 18WA	668,109	605,401	-	-	605,401
Community development block:					
Grant #10-C-2124 - administrative	40,000	30,978	-	-	30,978
Grant #10-C-2124 - rehabilitation	360,000	244,856	-	-	244,856
SFR-11 Grant	160,000	122,211	-	-	122,211
Weatherization #1261	235,990	181,802	-	-	181,802
Urgent Repair Grant 1115	75,000	74,943	-	-	74,943
Weatherization #1361	129,107	123,450	-	-	123,450
Urgent Repair Grant - URP-13	75,000	75,000	-	-	75,000
Weatherization #1461	320,347	234,894	-	-	234,894
Weatherization #6054	266,322	258,441	-	-	258,441
SFR 14	170,000	117,577	-	-	117,577
Duke HHP - Health and Safety	138,526	114,105	-	-	114,105
Duke HHP - HVAC	252,561	235,409	-	-	235,409
Duke Weatherization	98,200	87,673	9,774	-	97,447
Urgent Repair - URP 15	100,000	98,363	-	-	98,363
Weatherization #6508	169,604	168,649	-	-	168,649
Urgent Repair #1619	100,000	97,430	-	-	97,430
Weatherization #6940	105,683	98,667	-	-	98,667
Duke Weatherization Direct Reimbursement	100,000	59,968	35,367	-	95,335
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	38,493	-	-	38,493
ESFRLP-17 - rehabilitation	125,000	-	25,954	-	25,954
ESFRLP-17 - program support	50,000	1,699	4,591	-	6,290
Weatherization DOE 2018 #7305	72,372	65,303	-	-	65,303
Weatherization LIHEAP 18 #7305	80,722	78,104	-	-	78,104
Weatherization HARRP 18 #7305	38,613	37,202	-	-	37,202
Duke Energy 2017 HHF#2017-2200	108,603	56,008	50,001	-	106,009
Urgent Repair- URP 18	100,000	-	96,470	-	96,470
Weatherization DOE 2019 #7604	82,919	-	79,615	-	79,615
Weatherization LIHEAP 19 #7604	63,055	-	62,931	-	62,931
Weatherization HARRP 19 #7604	9,894	-	8,679	-	8,679
Total expenditures	<u>5,915,056</u>	<u>4,637,952</u>	<u>449,372</u>	<u>-</u>	<u>5,087,324</u>
Revenues over (under) expenditures	(1,047,540)	(847,573)	1,136	-	(846,437)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	<u>1,047,540</u>	<u>949,048</u>	<u>103,489</u>	<u>-</u>	<u>1,052,537</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 101,475</u>	<u>\$ 104,625</u>	<u>\$ -</u>	<u>\$ 206,100</u>

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CAPITAL PROJECT FUNDS

Capital project funds are used to account for the acquisition or construction of major capital facilities other than those financed by the proprietary funds and trust funds.

Individual Fund Descriptions:

Nonmajor Funds:

Airport Improvements Fund – accounts for the construction costs of various airport improvements.

County Buildings Project Fund – accounts for the development and construction costs of County buildings.

Consolidated Capital Projects Fund – accounts for projects related to education facilities.

Riverbend Estates Waterline Project Fund – accounts for the costs and construction of sewer lines in Riverbend Estates.

Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund – accounts for the construction costs of replacing sewer lines along the Little Tennessee River and the Cartoogechaye River.

Schools Capital Fund – accounts for the accumulation of dedicated local option sales tax used for school debt service and future school capital projects.

Capital Reserve Fund – accounts for the accumulation of undedicated resources to fund future projects of the County.

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Airport Improvements Fund	County Buildings Project Fund	Consolidated Capital Projects Fund	Riverbend Estates Waterline Project Fund
Assets:				
Cash and cash equivalents	\$ 219,744	\$ 422,790	\$ 987,193	\$ 40,685
Due from governmental agencies	9,873	-	-	-
Restricted cash and cash equivalents	-	-	895,695	-
Total assets	<u>\$ 229,617</u>	<u>\$ 422,790</u>	<u>\$ 1,882,888</u>	<u>\$ 40,685</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 10,969	\$ 18,406	\$ 407,820	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>10,969</u>	<u>18,406</u>	<u>407,820</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	9,873	-	-	-
Restricted for education	-	-	895,695	-
Committed for general government	-	404,384	-	-
Committed for economic and physical development	208,775	-	-	40,685
Committed for education	-	-	579,373	-
Unassigned	-	-	-	-
Total fund balances	<u>218,648</u>	<u>404,384</u>	<u>1,475,068</u>	<u>40,685</u>
Total liabilities and fund balances	<u>\$ 229,617</u>	<u>\$ 422,790</u>	<u>\$ 1,882,888</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Assets:				
Cash and cash equivalents	\$ 224,103	\$ -	\$ 1,114,658	\$ 3,009,173
Due from governmental agencies	-	586,448	-	596,321
Restricted cash and cash equivalents	-	-	-	895,695
Total assets	<u>\$ 224,103</u>	<u>\$ 586,448</u>	<u>\$ 1,114,658</u>	<u>\$ 4,501,189</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 437,195
Due to other funds	-	349,223	-	349,223
Total liabilities	<u>-</u>	<u>349,223</u>	<u>-</u>	<u>786,418</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	586,448	-	596,321
Restricted for education	-	-	-	895,695
Committed for general government	-	-	1,114,658	1,519,042
Committed for economic and physical development	224,103	-	-	473,563
Committed for education	-	-	-	579,373
Unassigned	-	(349,223)	-	(349,223)
Total fund balances	<u>224,103</u>	<u>237,225</u>	<u>1,114,658</u>	<u>3,714,771</u>
Total liabilities and fund balances	<u>\$ 224,103</u>	<u>\$ 586,448</u>	<u>\$ 1,114,658</u>	<u>\$ 4,501,189</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Airport Improvements Fund	County Buildings Project Fund	Consolidated Capital Projects Fund	Riverbend Estates Waterline Project Fund
Revenues:				
Restricted intergovernmental revenues	\$ 240,543	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Miscellaneous revenues	9,606	-	-	-
Interest earned on investments	-	-	52,397	-
Total revenues	<u>250,149</u>	<u>-</u>	<u>52,397</u>	<u>-</u>
Expenditures:				
General government	-	382,894	-	-
Economic and physical development	267,113	-	-	-
Education	-	-	2,268,282	-
Cultural and recreational	-	103,169	-	-
Total expenditures	<u>267,113</u>	<u>486,063</u>	<u>2,268,282</u>	<u>-</u>
Revenues over (under) expenditures	<u>(16,964)</u>	<u>(486,063)</u>	<u>(2,215,885)</u>	<u>-</u>
Other Financing Sources (Uses):				
Debt issued	-	-	2,923,674	-
Transfers in:				
From General Fund	33,334	311,457	-	-
Transfers out:				
To Debt Service Fund	-	-	-	-
To General Fund	-	-	-	-
Total other financing sources (uses)	<u>33,334</u>	<u>311,457</u>	<u>2,923,674</u>	<u>-</u>
Net change in fund balances	16,370	(174,606)	707,789	-
Fund Balances:				
Beginning of year - July 1	<u>202,278</u>	<u>578,990</u>	<u>767,279</u>	<u>40,685</u>
End of year - June 30	<u>\$ 218,648</u>	<u>\$ 404,384</u>	<u>\$ 1,475,068</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 240,543
Local option sales tax	-	2,122,955	-	2,122,955
Miscellaneous revenues	-	-	-	9,606
Interest earned on investments	-	21,649	23,580	97,626
Total revenues	<u>-</u>	<u>2,144,604</u>	<u>23,580</u>	<u>2,470,730</u>
Expenditures:				
General government	-	-	-	382,894
Economic and physical development	-	-	-	267,113
Education	-	-	-	2,268,282
Cultural and recreational	-	-	-	103,169
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,021,458</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,144,604</u>	<u>23,580</u>	<u>(550,728)</u>
Other Financing Sources (Uses):				
Debt issued	-	-	-	2,923,674
Transfers in:				
From General Fund	-	-	-	344,791
Transfers out:				
To Debt Service Fund	-	(2,100,977)	-	(2,100,977)
To General Fund	-	-	(26,500)	(26,500)
Total other financing sources (uses)	<u>-</u>	<u>(2,100,977)</u>	<u>(26,500)</u>	<u>1,140,988</u>
Net change in fund balances	-	43,627	(2,920)	590,260
Fund Balances:				
Beginning of year - July 1	<u>224,103</u>	<u>193,598</u>	<u>1,117,578</u>	<u>3,124,511</u>
End of year - June 30	<u>\$ 224,103</u>	<u>\$ 237,225</u>	<u>\$ 1,114,658</u>	<u>\$ 3,714,771</u>

MACON COUNTY, NORTH CAROLINA

AIRPORT IMPROVEMENTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted intergovernmental revenues:					
State aid to airports	\$ 7,423,967	\$ 6,157,489	\$ -	\$ -	\$ 6,157,489
Airport Improvements Program	2,618,609	2,283,474	-	-	2,283,474
2013 NPE 36237.1.14.1	150,000	150,001	-	-	150,001
2014 NPE 36237.1.NPE.14	150,000	133,622	16,377	-	149,999
2015 NPE 36237.1.NPE.15	150,000	-	21,280	-	21,280
Taxiway/Lighting 36237.1.14.2	2,250,000	2,022,565	202,886	-	2,225,451
Miscellaneous revenues	61,167	76,874	9,606	-	86,480
Total revenues	12,803,743	10,824,025	250,149	-	11,074,174
Expenditures:					
Capital outlay:					
Runway extension phase II - site improvements	3,147,244	2,832,984	-	-	2,832,984
Phase I EA - runway extension	1,000,000	369,694	-	-	369,694
2004 Vision 100	166,667	152,571	-	-	152,571
Runway improvements	792,000	635,301	-	-	635,301
2008 Vision 100	166,667	-	-	-	-
SWPPP/SPCC & AWOS	131,602	31,775	-	-	31,775
Runway rehabilitation design	222,223	220,800	-	-	220,800
Runway rehabilitation construction	2,687,343	2,500,951	-	-	2,500,951
Apron improvements	2,511,340	2,601,454	-	-	2,601,454
2013 NPE 36237.1.14.1	166,667	126,644	-	-	126,644
2014 NPE 36237.1.NPE.14	166,667	148,469	18,197	-	166,666
2015 NPE 36237.1.NPE.15	166,667	-	23,644	-	23,644
2016 NPE 36237.1.NPE.16	166,667	-	-	-	-
2017 NPE 36237.1.NPE.17	166,667	-	-	-	-
Taxiway/Lighting 36237.1.14.2	2,500,000	2,259,290	225,272	-	2,484,562
Total expenditures	14,158,421	11,879,933	267,113	-	12,147,046
Revenues over (under) expenditures	(1,354,678)	(1,055,908)	(16,964)	-	(1,072,872)
Other Financing Sources (Uses):					
Transfers in from General Fund	1,354,678	1,258,186	33,334	-	1,291,520
Net change in fund balance	\$ -	\$ 202,278	\$ 16,370	\$ -	\$ 218,648

MACON COUNTY, NORTH CAROLINA

COUNTY BUILDING PROJECTS

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
PARTF Grant	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 500,000
NC Grant-In-Aid 2017.51.0	100,000	100,000	-	-	100,000
Miscellaneous	-	20,360	-	-	20,360
Total revenues	600,000	620,360	-	-	620,360
Expenditures:					
General government:					
Animal shelter	500,000	498,905	-	-	498,905
Old library renovations	300,000	299,928	-	-	299,928
Renovations - Barrett Building	458,303	445,337	244	-	445,581
Renovations - Old Senior Services Building	118,550	118,531	-	-	118,531
Renovations - Patton Avenue Building	200,000	175,205	-	-	175,205
Garage construction	120,000	119,080	-	-	119,080
Radio communication upgrade	1,145,360	556,644	382,650	-	939,294
Dog park construction	111,457	-	-	-	-
Cultural and recreational:					
Parker Meadows Recreation Complex	3,774,801	3,747,923	-	-	3,747,923
Carpenter building renovations	899,965	796,796	103,169	-	899,965
Total expenditures	7,628,436	6,758,349	486,063	-	7,244,412
Revenues over (under) expenditures	(7,028,436)	(6,137,989)	(486,063)	-	(6,624,052)
Other Financing Sources (Uses):					
Debt issued	1,800,000	1,800,000	-	-	1,800,000
Transfers in:					
From General Fund	4,856,367	4,544,910	311,457	-	4,856,367
From Emergency Telephone System Fund	326,095	326,095	-	-	326,095
From Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund	303,216	303,216	-	-	303,216
Transfers out:					
(To) Emergency Telephone System Fund	(257,242)	(257,242)	-	-	(257,242)
Total other financing sources (uses)	7,028,436	6,716,979	311,457	-	7,028,436
Net change in fund balance	\$ -	\$ 578,990	\$ (174,606)	\$ -	\$ 404,384

MACON COUNTY, NORTH CAROLINA

CONSOLIDATED CAPITAL PROJECTS SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 120,491	\$ 209,512	\$ 52,397	\$ 261,909
NC Department of Transportation	50,000	50,000	-	50,000
Contribution from Board of Education	15,000	15,000	-	15,000
Miscellaneous revenues	533,990	533,990	-	533,990
Total revenues	<u>719,481</u>	<u>808,502</u>	<u>52,397</u>	<u>860,899</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
Issuance costs	20,046	20,046	-	20,046
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,800,000	1,500,000	293,155	1,793,155
Highlands QZAB	1,583,720	1,583,719	-	1,583,719
Union/Highlands QZAB	3,035,757	2,985,403	50,353	3,035,756
South Macon Elementary School Expansion	3,291,022	141,100	1,924,774	2,065,874
Total expenditures	<u>29,092,355</u>	<u>25,490,423</u>	<u>2,268,282</u>	<u>27,758,705</u>
Revenues over (under) expenditures	<u>(28,372,874)</u>	<u>(24,681,921)</u>	<u>(2,215,885)</u>	<u>(26,897,806)</u>
Other Financing Sources (Uses):				
Debt issued	25,949,539	23,025,865	2,923,674	25,949,539
Transfer from the General Fund	2,423,335	2,423,335	-	2,423,335
Total other financing sources (uses)	<u>28,372,874</u>	<u>25,449,200</u>	<u>2,923,674</u>	<u>28,372,874</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 767,279</u>	<u>\$ 707,789</u>	<u>\$ 1,475,068</u>

MACON COUNTY, NORTH CAROLINA

RIVERBEND ESTATES WATERLINE PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
DENR DWSRF Grant	\$ 2,618,518	\$ 2,531,090	\$ -	\$ 2,531,090
Miscellaneous revenue	-	113,592	-	113,592
Total revenues	<u>2,618,518</u>	<u>2,644,682</u>	<u>-</u>	<u>2,644,682</u>
Expenditures:				
Sewer project expense:				
Administration	71,800	58,500	-	58,500
Engineering	216,221	215,000	-	215,000
Construction	<u>2,330,497</u>	<u>2,330,497</u>	<u>-</u>	<u>2,330,497</u>
Total expenditures	<u>2,618,518</u>	<u>2,603,997</u>	<u>-</u>	<u>2,603,997</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 40,685</u>	<u>\$ -</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

LITTLE TENNESSEE RIVER/CARTOOGECHAYE CREEK

SEWER TRUNK PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
NC High Unit Cost Grant	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 3,000,000
NC Rural Center Grant	750,000	712,092	-	712,092
Town of Franklin contribution	16,970	16,970	-	16,970
Investment earnings	-	87	-	87
Miscellaneous revenue	-	91,584	-	91,584
Total revenues	<u>3,766,970</u>	<u>3,820,733</u>	<u>-</u>	<u>3,820,733</u>
Expenditures:				
Sewer project expense:				
Legal fees	28,888	25,688	-	25,688
Issuance cost	11,986	11,986	-	11,986
Engineering	742,305	760,088	-	760,088
Surveying	-	6,445	-	6,445
General contract	4,926,629	4,840,403	-	4,840,403
Land	211,018	208,636	-	208,636
Contingency	102,760	-	-	-
Total expenditures	<u>6,023,586</u>	<u>5,853,246</u>	<u>-</u>	<u>5,853,246</u>
Revenues over (under) expenditures	<u>(2,256,616)</u>	<u>(2,032,513)</u>	<u>-</u>	<u>(2,032,513)</u>
Other Financing Sources (Uses):				
Debt issued	2,043,250	2,043,250	-	2,043,250
Transfer to County Building Projects Fund	(303,216)	(303,216)	-	(303,216)
Transfer from General Fund	516,582	516,582	-	516,582
Total other financing sources (uses)	<u>2,256,616</u>	<u>2,256,616</u>	<u>-</u>	<u>2,256,616</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 224,103</u>	<u>\$ -</u>	<u>\$ 224,103</u>

MACON COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 20,250	\$ 21,649	\$ 1,399	\$ 11,786
Local option sales tax	2,080,728	2,122,955	42,227	1,988,788
Total revenues	2,100,978	2,144,604	43,626	2,000,574
Revenues over (under) expenditures	2,100,978	2,144,604	43,626	2,000,574
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	(2,100,978)	(2,100,977)	1	(1,985,885)
Net change in fund balance	\$ -	43,627	\$ 43,627	14,689
Fund Balance:				
Beginning of year - July 1		193,598		178,909
End of year - June 30		\$ 237,225		\$ 193,598

MACON COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 7,000	\$ 23,580	\$ 16,580	\$ 13,167
Other Financing Sources (Uses):				
Transfers out:				
(To) General Fund	(426,500)	(26,500)	400,000	(7,000)
Appropriated fund balance	419,500	-	(419,500)	-
Total other financing sources (uses)	(7,000)	(26,500)	(19,500)	(7,000)
Net change in fund balance	\$ -	(2,920)	\$ (2,920)	6,167
Fund Balance:				
Beginning of year - July 1		1,117,578		1,111,411
End of year - June 30		\$ 1,114,658		\$ 1,117,578

ENTERPRISE FUND

The Enterprise Fund is used to account for solid waste collection and disposal operations in Macon County that are financed through solid waste fees and transfers from the General Fund.

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MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019		2018
	Budget	Actual	Variance Over/Under
			Actual
Revenues:			
Operating revenues:			
Landfill fees	\$ 2,550,000	\$ 2,544,035	\$ 2,570,332
Tipping fees	1,500,000	1,523,883	1,492,897
Recycling revenue	275,000	205,398	302,906
Other operating revenue	52,660	52,660	4,908
Scrap tire disposal fee	43,000	49,524	46,811
Restricted intergovernmental revenue	48,063	41,074	46,746
Total operating revenues	4,468,723	4,416,574	\$ (52,149)
Non-operating revenues:			
Solid waste disposal tax	24,000	28,399	24,870
Investment earnings	25,000	153,218	89,354
Total non-operating revenues	49,000	181,617	132,617
Total revenues	4,517,723	4,598,191	80,468
Expenditures:			
Operating expenditures:			
Salaries	1,110,759	1,060,169	1,074,274
Employee benefits	436,715	404,150	393,312
Operating expenditures	1,376,094	1,256,577	1,169,254
Interest and fees	168,650	168,960	188,802
Debt principal	926,479	926,168	906,326
Post-closure costs	485,483	33,970	28,530
Capital outlay	629,841	274,822	410,906
Solid waste disposal tax remittance	65,000	68,601	66,667
Total operating expenditures	5,199,021	4,193,417	1,005,604
Total expenditures	5,199,021	4,193,417	1,005,604
Revenues over (under) expenditures	(681,298)	404,774	1,086,072
Other Financing Sources (Uses):			
Transfer from Solid Waste Capital Project Fund	-	-	221,545
Appropriated fund balance	681,298	-	(681,298)
Total other financing sources (uses)	681,298	-	(681,298)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 404,774	\$ 404,774
			\$ 562,298

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Budget	Actual	Variance Over/Under	Actual
Reconciliation from Budgetary Basis				
(Modified Accrual) to Full Accrual:				
Revenues and other financing sources over				
(under) expenditures and other financing uses		\$ 404,774		
Reconciling items:				
Payment of debt principal		926,168		
Landfill expansion project fund interest income		3,746		
(Increase) decrease in accrued interest payable		6,907		
Capital outlay		274,822		
Increase (decrease) in deferred outflows - pension		92,797		
(Increase) decrease in net pension liability LGERS		(123,044)		
(Increase) decrease in deferred inflows - pension LGERS		3,716		
(Increase) decrease in post-closure care costs		(1,703,420)		
(Increase) decrease in OPEB liability		18,955		
Increase (decrease) in deferred outflows - OPEB		19,560		
(Increase) decrease in deferred inflows - OPEB		(137,462)		
(Increase) decrease in compensated absences		(767)		
Depreciation		(397,896)		
Change in net position - Exhibit H		\$ (611,144)		

MACON COUNTY, NORTH CAROLINA

SOLID WASTE CAPITAL PROJECT FUND

LANDFILL EXPANSION PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ 35,102	\$ 3,746	\$ 38,848
Sales tax refund	-	30,613	-	30,613
Total revenues	-	65,715	3,746	69,461
Expenditures:				
Construction	6,755,126	6,464,042	-	6,464,042
Capital equipment	-	-	78,663	78,663
Construction administration	447,600	443,220	2,745	445,965
Water line installation/relocation	240,000	14,000	-	14,000
Building renovations	182,775	-	5,757	5,757
Professional fees	-	59,454	-	59,454
Ground water monitoring	92,315	92,315	-	92,315
Issuance costs	60,200	60,200	-	60,200
Contingency	270,439	-	-	-
Total expenditures	8,048,455	7,133,231	87,165	7,220,396
Revenues over (under) expenditures	(8,048,455)	(7,067,516)	(83,419)	(7,150,935)
Other Financing Sources (Uses):				
Proceeds from issuance of debt	9,800,000	9,800,000	-	9,800,000
Transfer to Solid Waste Fund	(1,751,545)	(1,751,545)	-	(1,751,545)
Total other financing sources (uses)	8,048,455	8,048,455	-	8,048,455
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 980,939	\$ (83,419)	\$ 897,520

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INTERNAL SERVICE FUND

Internal service funds are used to account for the County's activities, which are similar to those often found in the private sector. The measurement focus is on the flow of economic resources.

Individual Fund Description:

Self-Insurance Fund – accounts for the financing of health insurance coverage for all County employees.

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MACON COUNTY, NORTH CAROLINA**SELF-INSURANCE FUND
STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 973,567	\$ 755,605
Accounts receivable	<u>-</u>	<u>1,048</u>
Total assets	<u>973,567</u>	<u>756,653</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>425,110</u>	<u>344,664</u>
Net Position:		
Unrestricted net position	<u><u>\$ 548,457</u></u>	<u><u>\$ 411,989</u></u>

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN

FUND NET POSITION - FINANCIAL PLAN AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2018

	2019			2018
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 4,668,376	\$ 4,686,725	\$ 18,349	\$ 4,251,682
Other operating revenues:				
Stop loss reimbursement	-	-	-	267,915
Total operating revenues	<u>4,668,376</u>	<u>4,686,725</u>	<u>18,349</u>	<u>4,519,597</u>
Operating Expenses:				
Insurance premiums	750,402	749,381	1,021	714,972
Benefit payments	<u>5,226,156</u>	<u>4,909,528</u>	<u>316,628</u>	<u>4,354,345</u>
Total operating expenses	<u>5,976,558</u>	<u>5,658,909</u>	<u>317,649</u>	<u>5,069,317</u>
Operating income (loss)	(1,308,182)	(972,184)	335,998	(549,720)
Non-Operating Revenues:				
Investment earnings	<u>4,900</u>	<u>5,370</u>	<u>470</u>	<u>2,899</u>
Other Financing Sources (Uses):				
Appropriated fund balance	200,000	-	(200,000)	-
Transfer From General Fund	<u>1,103,282</u>	<u>1,103,282</u>	<u>-</u>	<u>861,802</u>
Total other financing sources (uses)	<u>1,303,282</u>	<u>1,103,282</u>	<u>(200,000)</u>	<u>861,802</u>
Change in net position	<u>\$ -</u>	<u>136,468</u>	<u>\$ 136,468</u>	<u>314,981</u>
Net Position:				
Beginning of year - July 1		<u>411,989</u>		<u>97,008</u>
End of year - June 30		<u>\$ 548,457</u>		<u>\$ 411,989</u>

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,687,773	\$ 4,252,777
Other operating revenues	-	267,915
Cash paid for goods and services	<u>(5,578,463)</u>	<u>(5,070,016)</u>
Net cash provided (used) by operating activities	<u>(890,690)</u>	<u>(549,324)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>5,370</u>	<u>2,899</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>1,103,282</u>	<u>861,802</u>
Net increase (decrease) in cash and cash equivalents	217,962	315,377
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>755,605</u>	<u>440,228</u>
End of year - June 30	<u>\$ 973,567</u>	<u>\$ 755,605</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (972,184)	\$ (549,720)
Adjustments to reconcile operating income (loss) to		
net cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,048	1,095
Increase (decrease) in accounts payable and accrued liabilities	<u>80,446</u>	<u>(699)</u>
Net cash provided (used) by operating activities	<u>\$ (890,690)</u>	<u>\$ (549,324)</u>

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AGENCY FUNDS

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

Individual Fund Descriptions:

Social Services Trust Fund – account for assets held by the County as agent for individuals served by these departments.

Inmate Trust Fund – accounts for jail for the benefit of certain individuals.

Fines and Forfeitures Fund – accounts for fines and forfeitures collected by the County that are required to be remitted to the Macon County Board of Education.

Motor Vehicle Tax Fund – accounts for the proceeds of the motor vehicle taxes that are billed and collected by the State on behalf of the municipalities within the County and the proceeds of ad valorem taxes that are billed and collected by the County on behalf of the municipalities within the County.

Deed of Trust Fund – accounts for the \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust mortgage that the County is required to remit to the State Treasurer on a monthly basis.

Western Carolina Industrial Partners Fund – accounts for monies held by the County as agent for advertising and promotions for western North Carolina industries.

Hurricane Ivan Relief Fund – accounts for assets held by the County as agent for individuals who were affected by Hurricane Ivan.

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2019

	Social Services Trust Fund	Inmate Trust Fund	Fines and Forfeitures Fund	Motor Vehicle Tax Fund
Assets:				
Cash and cash equivalents	\$ 24,868	\$ 15,524	\$ -	\$ 17,592
Accounts receivable	-	-	11,317	13,466
Total assets	<u>\$ 24,868</u>	<u>\$ 15,524</u>	<u>\$ 11,317</u>	<u>\$ 31,058</u>
Liabilities:				
Miscellaneous liabilities	\$ 24,868	\$ 15,524	\$ -	\$ -
Intergovernmental payable	-	-	11,317	31,058
Total liabilities	<u>\$ 24,868</u>	<u>\$ 15,524</u>	<u>\$ 11,317</u>	<u>\$ 31,058</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Deed of Trust Fund	Western Carolina Industrial Partners Fund	Hurricane Ivan Relief Fund	Total
Assets:				
Cash and cash equivalents	\$ 856	\$ 17,113	\$ 36,454	\$ 112,407
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,783</u>
Total assets	<u>\$ 856</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 137,190</u>
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 17,113	\$ 36,454	\$ 93,959
Intergovernmental payable	<u>856</u>	<u>-</u>	<u>-</u>	<u>43,231</u>
Total liabilities	<u>\$ 856</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 137,190</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 35,769	\$ 199,018	\$ 209,919	\$ 24,868
Liabilities:				
Miscellaneous liabilities	\$ 35,769	\$ 201,969	\$ 212,870	\$ 24,868
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 14,558	\$ 172,150	\$ 171,184	\$ 15,524
Liabilities:				
Miscellaneous liabilities	\$ 14,558	\$ 22,504	\$ 21,538	\$ 15,524
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ 7,313	167,607	174,920	\$ -
Accounts receivable	6,857	11,317	6,857	11,317
Total assets	\$ 14,170	\$ 178,924	\$ 181,777	\$ 11,317
Liabilities:				
Miscellaneous liabilities	\$ 7,313	\$ -	\$ 7,313	\$ -
Intergovernmental payable	6,857	165,210	160,750	11,317
Total liabilities	\$ 14,170	\$ 165,210	\$ 168,063	\$ 11,317
Motor Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 17,237	2,907,391	2,907,036	\$ 17,592
Accounts receivable	12,738	13,466	12,738	13,466
Cash and accounts receivable	\$ 29,975	\$ 2,920,857	\$ 2,919,774	\$ 31,058
Liabilities:				
Intergovernmental payable	\$ 29,975	\$ 2,873,709	\$ 2,872,626	\$ 31,058

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 837	\$ 8,736	\$ 8,717	\$ 856
Liabilities:				
Intergovernmental payable	\$ 837	\$ 8,736	\$ 8,717	\$ 856
Western Carolina Industrial Partners Fund:				
Assets:				
Cash and cash equivalents	\$ 17,113	\$ -	\$ -	\$ 17,113
Liabilities:				
Miscellaneous liabilities	\$ 17,113	\$ -	\$ -	\$ 17,113
Hurricane Ivan Relief Fund:				
Assets:				
Cash and cash equivalents	\$ 36,454	\$ -	\$ -	\$ 36,454
Liabilities:				
Miscellaneous liabilities	\$ 36,454	\$ -	\$ -	\$ 36,454
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 129,281	\$ 3,454,902	\$ 3,471,776	\$ 112,407
Accounts receivable	19,595	24,783	19,595	24,783
Total assets	<u>\$ 148,876</u>	<u>\$ 3,479,685</u>	<u>\$ 3,491,371</u>	<u>\$ 137,190</u>
Liabilities:				
Miscellaneous liabilities	\$ 111,207	\$ 224,473	\$ 241,721	\$ 93,959
Intergovernmental payable	37,669	3,047,655	3,042,093	43,231
Total liabilities	<u>\$ 148,876</u>	<u>\$ 3,272,128</u>	<u>\$ 3,283,814</u>	<u>\$ 137,190</u>

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ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2019.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND JUNE 30, 2019

Fiscal Year	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 28,389,706	\$ 27,927,674	\$ 462,032
2017-2018	450,838	401	221,421	229,818
2016-2017	187,278	-	61,317	125,961
2015-2016	125,365	-	25,370	99,995
2014-2015	104,764	-	19,102	85,662
2013-2014	89,619	-	17,616	72,003
2012-2013	68,969	-	13,744	55,225
2011-2012	53,441	-	8,847	44,594
2010-2011	39,908	-	6,160	33,748
2009-2010	27,296	-	3,884	23,412
2008-2009	21,248	-	21,248	-
Total	\$ 1,168,726	\$ 28,390,107	\$ 28,326,383	1,232,450
Less allowance for uncollectible ad valorem taxes receivable				<u>(650,582)</u>
Ad valorem taxes receivable - net				<u>\$ 581,868</u>
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 28,456,704
Reconciling items:				
Advertising/attorney fees				(25,174)
Interest collected				(130,461)
Refunds and other adjustments				18,992
Amounts written off per Statute of Limitations				<u>6,322</u>
Total collections and credits				<u>\$ 28,326,383</u>

MACON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2019

	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	\$ 7,594,128,940	\$ 0.349	\$ 26,503,510	\$ 26,503,510	\$ -
Motor vehicles taxed at current year's rate	367,951,576	0.349	1,284,151	-	1,284,151
Total	<u>7,962,080,516</u>		<u>27,787,661</u>	<u>26,503,510</u>	<u>1,284,151</u>
Discoveries:					
Current year taxes	17,992,837	0.349	62,795	62,795	-
Utilities	162,970,201	0.349	568,766	568,766	-
Less releases and adjustments	(8,457,307)	0.349	(29,516)	(29,516)	-
Total property valuation	<u>\$ 8,134,586,247</u>				
Net Levy			28,389,706	27,105,555	1,284,151
Uncollected taxes at June 30, 2019			(462,032)	(462,032)	-
Current Year's Taxes Collected			<u>\$ 27,927,674</u>	<u>\$ 26,643,523</u>	<u>\$ 1,284,151</u>
Current Levy Collection Percentage			<u>98.37%</u>	<u>98.30%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property				\$ 7,487,637,495	
Personal property				483,978,551	
Public service companies				162,970,201	
Total assessed valuation				<u>\$ 8,134,586,247</u>	
Tax rate per \$100					<u>0.349</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 28,389,706</u>
In addition to the County-wide rate, the County had the following levy on behalf of fire-protection districts for the fiscal year ended June 30, 2019.					<u>\$ 3,464,670</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2019

Fiscal Year	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 3,464,670	\$ 3,392,853	\$ 71,817
2017-2018	70,270	-	31,686	38,584
2016-2017	29,170	-	8,840	20,330
2015-2016	20,463	-	4,502	15,961
2014-2015	17,508	-	2,826	14,682
2013-2014	14,444	-	2,315	12,129
2012-2013	10,930	-	1,937	8,993
2011-2012	8,676	-	1,411	7,265
2010-2011	6,319	-	1,012	5,307
2009-2010	4,407	-	810	3,597
2008-2009	3,365	-	3,365	-
Total	<u>\$ 185,552</u>	<u>\$ 3,464,670</u>	<u>\$ 3,451,557</u>	198,665

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund	(105,701)
Fire districts taxes receivable - net	<u>\$ 92,964</u>

Reconciliation of Revenues with Collections and Credits:

Taxes - ad valorem - Fire Districts Fund	\$ 3,462,105
Taxes written off	2,890
Miscellaneous adjustments	<u>(13,438)</u>
Total collections and credits	<u>\$ 3,451,557</u>

MACON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 858,952
Clarks Chapel Fire District	324,922
Otto Fire District	330,258
Cullasaja Fire District	251,406
West Macon Fire District	307,893
Scaly Mountain Fire District	121,419
Burningtown / Iotla Fire District	226,150
Cowee Fire District	308,372
Nantahala Fire District	224,552
Highlands Fire District	377,215
Mountain Valley Fire District	<u>133,531</u>
Net Levy	3,464,670
Less uncollected taxes at June 30, 2019	<u>71,817</u>
Current Year's Taxes Collected	<u><u>\$ 3,392,853</u></u>
Current Levy Collection Percentage	<u><u>97.93%</u></u>

STATISTICAL SECTION

The Statistical Section includes data extracted from prior years' financial reports and various other sources.

The information presented in this section does not provide full and adequate disclosure of financial information for prior years required by generally accepted accounting principles. Such information is provided for supplementary analysis purposes and should be relied on only for the purpose specified.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.*

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Macon County
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 20,884,555	\$ 20,496,868	\$ 18,601,883	\$ 18,778,181	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499	\$ 22,785,923
Restricted	207,708	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776
Unrestricted	(3,850,248)	(13,738,145)	(18,641,028)	(24,500,469)	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)	(48,719,428)
Total governmental activities net position	<u>\$ 17,242,015</u>	<u>\$ 12,848,016</u>	<u>\$ 6,895,369</u>	<u>\$ 4,258,092</u>	<u>\$ 4,887,970</u>	<u>\$ 5,265,939</u>	<u>\$ 7,500,577</u>	<u>\$ 8,917,957</u>	<u>\$ (18,957,930)</u>	<u>\$ (19,507,729)</u>
Business-type activities										
Net investment in capital assets	\$ 1,981,161	\$ 1,836,224	\$ 2,071,354	\$ 2,103,456	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729	\$ 5,099,569
Unrestricted	2,041,200	2,507,579	2,863,231	3,140,097	1,295,966	(288,998)	634,732	1,925,721	(279,241)	(1,697,225)
Total business-type activities net position	<u>\$ 4,022,361</u>	<u>\$ 4,343,803</u>	<u>\$ 4,934,585</u>	<u>\$ 5,243,553</u>	<u>\$ 3,404,070</u>	<u>\$ 3,310,090</u>	<u>\$ 4,069,511</u>	<u>\$ 5,448,446</u>	<u>\$ 4,013,488</u>	<u>\$ 3,402,344</u>
Primary government										
Net investment in capital assets	\$ 22,865,716	\$ 22,333,092	\$ 20,673,237	\$ 20,881,637	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228	\$ 27,885,492
Restricted	207,708	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776
Unrestricted	(1,809,048)	(11,230,566)	(15,777,797)	(21,360,372)	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)	(50,416,653)
Total primary government net position	<u>\$ 21,264,376</u>	<u>\$ 17,191,819</u>	<u>\$ 11,829,954</u>	<u>\$ 9,501,645</u>	<u>\$ 8,292,040</u>	<u>\$ 8,576,029</u>	<u>\$ 11,570,088</u>	<u>\$ 14,366,403</u>	<u>\$ (14,944,442)</u>	<u>\$ (16,105,385)</u>

Macon County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 11,226,884	\$ 10,770,642	\$ 10,544,326	\$ 11,086,204	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722	\$ 15,128,363
Public safety	11,655,558	12,147,316	13,462,012	13,874,996	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121	16,494,724
Transportation	577,894	638,415	709,086	781,330	1,037,139	1,222,986	881,675	974,256	968,563	1,209,095
Economic development	4,041,113	8,671,741	2,977,859	5,083,894	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161	2,335,493
Human Services	7,878,952	7,734,446	9,376,517	10,369,682	10,752,050	10,118,181	10,933,958	11,807,685	10,447,531	10,632,450
Culture and recreation	2,437,318	2,430,596	2,349,816	2,400,236	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859	2,045,243
Education	18,483,547	14,553,807	16,309,605	11,698,110	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771	12,005,306
Interest on long-term debt	1,545,951	1,887,654	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607
Total governmental activities expenses	<u>57,847,217</u>	<u>58,834,617</u>	<u>57,847,517</u>	<u>57,162,856</u>	<u>53,333,870</u>	<u>52,455,256</u>	<u>55,106,692</u>	<u>58,488,330</u>	<u>57,439,952</u>	<u>60,677,281</u>
Business-type activities:										
Solid Waste	2,889,088	3,351,735	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081
Total business-type activities expenses	<u>2,889,088</u>	<u>3,351,735</u>	<u>2,880,580</u>	<u>3,093,050</u>	<u>5,320,092</u>	<u>3,491,676</u>	<u>2,851,060</u>	<u>3,095,465</u>	<u>4,103,556</u>	<u>5,213,081</u>
Total primary government expenses	<u>\$ 60,736,305</u>	<u>\$ 62,186,352</u>	<u>\$ 60,728,097</u>	<u>\$ 60,255,906</u>	<u>\$ 58,653,962</u>	<u>\$ 55,946,932</u>	<u>\$ 57,957,752</u>	<u>\$ 61,583,795</u>	<u>\$ 61,543,508</u>	<u>\$ 65,890,362</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,136,094	\$ 1,045,549	\$ 1,047,612	\$ 1,271,567	\$ 1,340,914	\$ 1,366,746	\$ 1,466,218	\$ 1,551,834	\$ 1,963,765	\$ 1,346,353
Public Safety	1,614,704	2,143,743	2,110,943	1,720,635	1,713,989	1,835,759	2,233,562	2,435,643	2,334,702	2,453,626
Transportation	-	-	-	-	-	-	-	-	125,210	159,903
Economic Development	403,518	526,092	476,355	506,736	629,929	65,941	62,232	69,766	77,491	90,552
Human Services	1,007,881	806,249	684,473	519,738	800,254	1,072,805	1,167,074	1,168,345	890,230	1,121,223
Culture and recreation	-	-	-	-	-	-	-	-	60,137	53,126
Education	174,944	-	-	133,505	-	-	-	49,695	-	-
Operating grants and contributions	7,688,512	7,645,348	10,647,327	9,918,241	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890	9,893,267
Capital grants and contributions	2,908,017	5,814,683	133,681	3,329,169	1,206,665	1,688,310	863,822	1,303,437	1,469,947	263,163
Total governmental activities program revenues	<u>14,933,670</u>	<u>17,981,664</u>	<u>15,100,391</u>	<u>17,399,591</u>	<u>16,337,260</u>	<u>15,703,759</u>	<u>16,384,646</u>	<u>18,143,623</u>	<u>17,128,372</u>	<u>15,381,213</u>
Business-type activities:										
Charges for services:										
Solid Waste	3,129,554	3,654,347	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973
Total business-type activities program revenues	<u>3,129,554</u>	<u>3,654,347</u>	<u>3,458,349</u>	<u>3,388,477</u>	<u>3,470,358</u>	<u>3,489,389</u>	<u>3,577,947</u>	<u>4,410,967</u>	<u>4,517,245</u>	<u>4,444,973</u>
Total primary government program revenues	<u>\$ 18,063,224</u>	<u>\$ 21,636,011</u>	<u>\$ 18,558,740</u>	<u>\$ 20,788,068</u>	<u>\$ 19,807,618</u>	<u>\$ 19,193,148</u>	<u>\$ 19,962,593</u>	<u>\$ 22,554,590</u>	<u>\$ 21,645,617</u>	<u>\$ 19,826,186</u>
Net (expense)/revenue										
Governmental activities	\$ (42,913,547)	\$ (40,852,953)	\$ (42,747,126)	\$ (39,763,265)	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)	\$ (45,296,068)
Business-type activities	240,466	302,612	577,769	295,427	(1,849,734)	(2,287)	726,887	1,315,502	413,689	(768,108)
Total primary government net (expense)	<u>\$ (42,673,081)</u>	<u>\$ (40,550,341)</u>	<u>\$ (42,169,357)</u>	<u>\$ (39,467,838)</u>	<u>\$ (38,846,344)</u>	<u>\$ (36,753,784)</u>	<u>\$ (37,995,159)</u>	<u>\$ (39,029,205)</u>	<u>\$ (39,897,891)</u>	<u>\$ (46,064,176)</u>

Macon County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Taxes										
Property taxes	\$ 26,960,198	\$ 28,883,855	\$ 28,747,033	\$ 28,912,689	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629	\$ 31,967,564
Sales taxes	7,036,801	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182
Occupancy taxes	-	-	-	-	-	654,427	731,629	825,345	905,223	1,011,827
Unrestricted intergovernmental revenues	340,817	348,668	359,342	357,318	357,068	330,950	393,453	380,677	417,271	431,018
Investment earnings	-	97,930	78,464	62,754	49,365	47,358	88,299	174,298	433,676	829,678
Miscellaneous	-	432,900	-	-	-	-	-	-	-	-
Transfers	105,115	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>34,442,931</u>	<u>36,458,954</u>	<u>36,794,479</u>	<u>37,125,988</u>	<u>37,626,488</u>	<u>38,761,406</u>	<u>40,956,684</u>	<u>42,188,749</u>	<u>43,410,742</u>	<u>44,746,269</u>
Business-type activities:										
Investment earnings	-	18,830	13,013	13,541	10,251	9,110	32,534	63,433	95,295	156,964
Transfers	30,363	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>30,363</u>	<u>18,830</u>	<u>13,013</u>	<u>13,541</u>	<u>10,251</u>	<u>9,110</u>	<u>32,534</u>	<u>63,433</u>	<u>95,295</u>	<u>156,964</u>
Total primary government	<u>\$ 34,473,294</u>	<u>\$ 36,477,784</u>	<u>\$ 36,807,492</u>	<u>\$ 37,139,529</u>	<u>\$ 37,636,739</u>	<u>\$ 38,770,516</u>	<u>\$ 40,989,218</u>	<u>\$ 42,252,182</u>	<u>\$ 43,506,037</u>	<u>\$ 44,903,233</u>
Change in Net Position										
Governmental activities	\$ (8,470,616)	\$ (4,393,999)	\$ (5,952,647)	\$ (2,637,277)	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162	\$ (549,799)
Business-type activities	270,829	321,442	590,782	308,968	(1,839,483)	6,823	759,421	1,378,935	508,984	(611,144)
Total primary government	<u>\$ (8,199,787)</u>	<u>\$ (4,072,557)</u>	<u>\$ (5,361,865)</u>	<u>\$ (2,328,309)</u>	<u>\$ (1,209,605)</u>	<u>\$ 2,016,732</u>	<u>\$ 2,994,059</u>	<u>\$ 3,222,977</u>	<u>\$ 3,608,146</u>	<u>\$ (1,160,943)</u>

**Macon County
General Fund Tax Revenues By Source
Last Ten Fiscal Years**

Table 3

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2010	\$ 24,213,724	\$ 5,713,754	\$ 103,686	\$ 55,142	\$ 30,086,306
2011	25,914,401	5,367,796	102,842	11,767	31,396,806
2012	25,924,926	6,095,609	93,896	11,602	32,126,033
2013	26,149,786	6,243,883	92,557	13,211	32,499,437
2014	26,792,489	6,152,792	89,219	11,602	33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936
2019	28,456,704	8,383,227	77,870	12,786	36,930,587

Macon County
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 3,490,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,162,233	-	-	-	-	-	-	-	-	-
Non Spendable	-	144,038	209,732	311,383	286,403	327,791	276,961	313,233	263,820	397,881
Restricted	-	2,551,146	3,483,255	5,338,833	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853	4,695,531
Assigned	-	-	1,680,769	2,121,220	566,642	-	-	-	1,050,000	250,000
Unassigned	-	16,508,831	15,992,802	12,842,335	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076	23,951,465
Total General Fund	<u>\$ 17,652,884</u>	<u>\$ 19,204,015</u>	<u>\$ 21,366,558</u>	<u>\$ 20,613,771</u>	<u>\$ 20,117,522</u>	<u>\$ 21,995,231</u>	<u>\$ 25,438,347</u>	<u>\$ 26,210,471</u>	<u>\$ 28,660,749</u>	<u>\$ 29,294,877</u>
All other governmental funds										
Reserved	\$ 271,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,106,283	-	-	-	-	-	-	-	-	-
Capital projects funds	5,139,163	-	-	-	-	-	-	-	-	-
Debt Service Fund	383,579	-	-	-	-	-	-	-	-	-
Assigned in Debt Service	-	567,085	976,150	1,022,379	354,003	13,355	262,427	335,334	443,117	659,532
Restricted in Debt Service	-	447,641	44,145	-	430,358	598,000	395,347	328,238	338,417	349,223
Restricted Other Governmental Funds	-	1,400,346	1,354,059	2,401,394	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558	2,190,056
Restricted in Capital Project	-	11,441,057	2,053,055	2,240,153	-	-	-	-	-	-
Committed in Other Governmental Funds	-	2,061,553	1,663,942	1,337,859	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606	2,723,933
Committed in Capital Project	-	55,037	533,308	93,037	-	-	-	-	-	-
Unassigned Other Governmental Funds	-	(497,733)	(327,127)	(1,622,132)	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)	(478,827)
Unassigned in Capital Project	-	(681,675)	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 7,900,336</u>	<u>\$ 14,793,311</u>	<u>\$ 6,297,532</u>	<u>\$ 5,472,690</u>	<u>\$ 5,328,222</u>	<u>\$ 3,719,000</u>	<u>\$ 4,184,127</u>	<u>\$ 4,993,785</u>	<u>\$ 4,663,247</u>	<u>\$ 5,443,917</u>

GASB 54 was applied effective FY 2011 and was not retroactively applied to the prior years.

Macon County
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 5

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad Valorem Taxes	\$ 26,863,202	\$ 28,602,628	\$ 28,634,156	\$ 28,888,191	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244	\$ 31,918,809
Sales Taxes	7,036,801	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182
Intergovernmental revenues	10,937,346	13,808,699	10,731,178	13,604,728	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783	10,564,828
Sales & Services	1,264,861	2,219,945	2,697,408	2,436,510	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491	2,953,579
Permits & Fees	2,720,850	1,222,418	1,432,807	1,409,574	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734	1,285,649
Investment earnings	93,387	90,979	75,819	61,031	49,112	47,116	86,955	172,914	430,777	824,308
Occupancy taxes	-	-	-	-	-	654,427	731,629	825,345	905,223	1,011,827
Miscellaneous	353,500	615,775	409,172	358,493	303,346	246,020	178,396	259,707	580,114	288,176
Total revenues	<u>49,269,947</u>	<u>53,256,045</u>	<u>51,590,180</u>	<u>54,551,754</u>	<u>53,832,980</u>	<u>54,198,407</u>	<u>56,924,458</u>	<u>59,944,196</u>	<u>59,598,309</u>	<u>59,353,358</u>
Expenditures										
General government	6,865,350	6,301,602	6,449,113	7,000,158	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443	9,123,663
Public safety	12,434,561	12,622,842	13,707,106	14,673,633	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314	17,437,977
Transportation	655,444	635,137	754,920	748,894	1,016,489	1,228,966	1,073,513	1,262,628	895,088	1,325,908
Economic and physical development	4,077,802	5,168,426	3,004,228	5,088,994	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492	2,354,295
Human Services	8,473,867	8,054,680	9,649,735	10,786,673	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367	11,283,006
Culture and recreation	2,089,043	2,093,121	2,021,075	2,710,790	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178	2,363,042
Education	9,276,564	7,878,559	8,084,457	8,294,839	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771	12,005,306
Capital Projects	9,206,983	10,213,175	8,225,148	3,403,271	-	-	-	-	-	-
Debt service										
Principal repayments	3,642,256	4,161,363	4,637,634	4,927,727	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890	3,039,148
Interest	1,545,952	1,887,655	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607
Total expenditures	<u>58,267,822</u>	<u>59,016,560</u>	<u>58,651,712</u>	<u>59,503,383</u>	<u>54,473,697</u>	<u>55,729,920</u>	<u>56,002,093</u>	<u>57,662,414</u>	<u>56,616,767</u>	<u>59,758,952</u>
Revenues over (under) expenditures	(8,997,875)	(5,760,515)	(7,061,532)	(4,951,629)	(640,717)	(1,531,513)	922,365	2,281,782	2,981,542	(405,594)
Other financing sources (uses)										
Issuance of long-term debt	2,300,000	14,204,621	728,296	3,374,000	-	1,800,000	2,985,878	-	-	2,923,674
Transfers in	6,343,504	6,908,135	6,780,477	5,987,522	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227	3,842,108
Transfers out	(6,343,504)	(6,908,135)	(6,780,477)	(5,987,522)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)	(4,945,390)
Total other financing sources (uses)	<u>2,300,000</u>	<u>14,204,621</u>	<u>728,296</u>	<u>3,374,000</u>	<u>-</u>	<u>1,800,000</u>	<u>2,985,878</u>	<u>(700,000)</u>	<u>(861,802)</u>	<u>1,820,392</u>
Net change in fund balances	<u>\$ (6,697,875)</u>	<u>\$ 8,444,106</u>	<u>\$ (6,333,236)</u>	<u>\$ (1,577,629)</u>	<u>\$ (640,717)</u>	<u>\$ 268,487</u>	<u>\$ 3,908,243</u>	<u>\$ 1,581,782</u>	<u>\$ 2,119,740</u>	<u>\$ 1,414,798</u>
Debt service as a percentage of noncapital expenditures	10.6%	12.4%	11.7%	11.9%	11.6%	9.7%	8.0%	10.4%	7.1%	6.7%

Macon County
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 6

Fiscal Year Ended	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Public Svc Co. Property				
2010	\$ 5,866,027,575	\$ 2,928,645,910	\$ 272,522,727	\$ 118,964,015	\$ 9,186,160,227	0.264	\$ 9,186,160,227	100.00%
2011	5,925,219,476	2,965,584,466	259,761,022	132,595,699	9,283,160,663	0.279	9,283,160,663	100.00%
2012	8,285,147,048	626,617,400	265,300,947	115,761,649	9,292,827,044	0.279	7,674,305,713	121.09%
2013	8,313,378,529	627,278,460	271,119,713	118,000,717	9,329,777,419	0.279	7,315,374,325	127.54%
2014	8,226,560,114	638,500,225	483,874,786	128,362,366	9,477,297,491	0.279	7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771	9,472,645,160	0.279	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092	7,945,408,883	0.349	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966	8,003,397,136	0.349	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797	8,053,753,869	0.349	7,683,414,581	104.82%
2019	6,737,815,936	749,821,559	483,978,551	162,970,201	8,134,586,247	0.349	7,795,451,607	104.35%

Source: Macon County Tax Department

Note: The County underwent revaluation in 2015 which impacted fiscal year 2016. The next revaluation is due in 2019 which will impact fiscal year 2020.
Tax rates are per \$100 of assessed value. In prior years, the breakdown between residential and commercial property was estimated. In FY 2012, a new program was written to track the commercial properties and provide actual values.

**Macon County
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Table 7

Year	<i>County Direct Rate</i>	<i>Overlapping Rates</i>	
	MACON	FRANKLIN	HIGHLANDS
	Total Millage	Total Millage	Total Millage
2010	0.264	0.250	0.135
2011	0.279	0.250	0.135
2012	0.279	0.250	0.135
2013	0.279	0.250	0.135
2014	0.279	0.250	0.135
2015	0.279	0.270	0.150
2016	0.349	0.280	0.164
2017	0.349	0.280	0.164
2018	0.349	0.320	0.164
2019	0.349	0.320	0.164

Source: County and Municipal Tax Departments

Note: The County direct rate doesn't contain components for special purposes.

**Macon County
Principal Property Taxpayers
Current Year and Nine Years Ago**

Table 8

2019				2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 128,336,627	1	1.58%	Duke Power	\$ 83,318,753	1	0.91%
Drake Enterprises	61,835,727	2	0.76%	Old Edwards Inn and Spa, LLC	47,866,295	2	0.52%
Old Edwards Inn and Spa, LLC	42,340,359	3	0.52%	Drake Enterprises	40,785,704	3	0.44%
Highlands Golf Club	24,473,738	4	0.30%	Ultima WNC Development, LLC	35,949,760	4	0.39%
Entegra Bank	19,401,127	5	0.24%	Tri Investments, Inc.	32,424,409	5	0.35%
Shaw Industries Group	18,638,631	6	0.23%	Highlands Golf Club Inc.	23,412,084	6	0.25%
Cullasaja Club Inc.	17,601,560	7	0.22%	Verizon South, Inc.	20,241,430	7	0.22%
Ingles Markets Inc	16,465,227	8	0.20%	Macon Bank	17,732,394	8	0.19%
Rainbow Springs	15,923,000	9	0.20%	Cullasaja Club Inc.	17,657,269	9	0.19%
Wildcat Cliffs Country Club	14,526,772	10	0.18%	Rainbow Springs Partnership	17,044,960	10	0.19%
Totals	<u>\$ 359,542,768</u>		<u>4.42%</u>		<u>\$ 336,433,058</u>		<u>3.66%</u>
Total Taxable Assessed Value	<u>\$ 8,134,586,247</u>			Total Taxable Assessed Value	<u>\$ 9,186,160,227</u>		

Source: Macon County Tax Department

**Macon County
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 9

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 24,232,307	\$ 23,468,413	96.85%	\$ 740,482	\$ 24,208,895	99.90%
2011	25,888,937	25,047,774	96.75%	807,415	25,855,189	99.87%
2012	25,926,987	24,987,407	96.38%	894,986	25,882,393	99.83%
2013	26,048,336	25,098,148	96.35%	894,963	25,993,111	99.79%
2014	26,441,660	25,705,256	97.21%	664,401	26,369,657	99.73%
2015	26,428,680	25,818,391	97.69%	524,627	26,343,018	99.68%
2016	27,729,477	27,244,243	98.25%	385,239	27,629,482	99.64%
2017	27,931,856	27,506,161	98.48%	299,734	27,805,895	99.55%
2018	28,107,601	27,656,763	98.40%	221,020	27,877,783	99.18%
2019	28,389,706	27,927,674	98.37%	-	27,927,674	98.37%

Macon County
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Capital Leases	Special Obligation Bonds	General Obligation Bonds	Installment Contracts	Capital Leases			
2010	\$ -	\$ 36,319,360	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 37,419,360	3.70%	1,063
2011	-	\$ 46,362,617	-	-	-	700,000	-	47,062,617	4.57%	1,312
2012	-	\$ 42,453,279	-	-	-	200,000	-	42,653,279	3.93%	1,248
2013	-	\$ 40,899,552	-	-	-	-	-	40,899,552	3.71%	1,193
2014	-	\$ 36,050,897	-	-	-	-	-	36,050,897	3.14%	1,048
2015	-	\$ 33,986,857	-	-	-	-	-	33,986,857	2.85%	985
2016	-	\$ 33,673,231	-	9,800,000	-	-	-	43,473,231	3.44%	1,247
2017	-	28,819,125	-	8,902,964	-	-	-	37,722,089	2.82%	1,076
2018	-	25,800,235	-	7,996,638	-	-	-	33,796,873	N/A	949
2019	-	25,684,761	-	7,070,470	-	-	-	32,755,231	N/A	907

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
Personal income for 2018 & 2019 is not available.

Macon County
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 11

Fiscal Year	Assessed Value	Gross General Obligation Bonded Debt	Net General Obligation Bonded Debt	Ratio Net General Obligation Bonded Debt to Assessed Value	Population	Net General Obligation Bonded Debt Per Capita
	-					
2010	\$9,186,160,227	\$ -	\$ -	0.00%	35,208	\$ -
2011	9,283,160,663	-	-	0.00%	35,869	-
2012	9,292,827,044	-	-	0.00%	34,164	-
2013	9,329,777,419	-	-	0.00%	34,276	-
2014	9,477,297,491	-	-	0.00%	34,385	-
2015	9,472,645,160	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	0.00%	35,596	-
2019	8,134,586,247	-	-	0.00%	36,101	-

Source: Population Estimate from LINC for years 2011-2016 and from NC Office of State Budget and Management for 2010 & 2017-2019.
Assessed Value from Macon County Tax Department.

Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Table 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Macon County	\$ 25,684,761	100.00%	\$ 25,684,761
Total Direct Debt	<u>25,684,761</u>		<u>25,684,761</u>
Overlapping Debt:			
Town of Franklin	779,674	11.39%	88,829
Town of Highlands	<u>4,722,164</u>	2.62%	<u>123,741</u>
Total Overlapping Debt	<u>5,501,838</u>		<u>212,570</u>
Total direct and overlapping debt	<u>\$ 31,186,599</u>		<u>\$ 25,897,331</u>

Source: Macon County and municipal finance departments.

Note: The estimated percentage applicable for the overlapping debt was calculated by taking each town's population divided by Macon County's population.

**Macon County
Legal Debt Margin Information
Last Ten Fiscal Years**

Table 13

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 734,892,818	\$ 742,652,853	\$ 743,426,164	\$ 746,382,194	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310	\$ 650,766,900
Total net debt applicable to limit	<u>37,419,360</u>	<u>47,062,617</u>	<u>42,653,279</u>	<u>40,899,552</u>	<u>36,050,897</u>	<u>33,986,857</u>	<u>43,473,231</u>	<u>37,722,089</u>	<u>33,796,873</u>	<u>32,755,231</u>
Legal debt margin	<u>\$ 697,473,458</u>	<u>\$ 695,590,236</u>	<u>\$ 700,772,885</u>	<u>\$ 705,482,642</u>	<u>\$ 722,132,902</u>	<u>\$ 723,824,756</u>	<u>\$ 592,159,480</u>	<u>\$ 602,549,682</u>	<u>\$ 610,503,437</u>	<u>\$ 618,011,669</u>
Total net debt applicable to the limit as a percentage of debt limit	5.09%	6.34%	5.74%	5.48%	4.75%	4.48%	6.84%	5.89%	5.25%	5.03%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 8,134,586,247
Add back: exempt real property	<u>-</u>
Total assessed value	<u>\$ 8,134,586,247</u>
Debt Limit (8% of total assessed value)	\$ 650,766,900
Debt applicable to limit:	
Installment Contracts	25,684,761
Special Obligation Bonds	7,070,470
Promissory Notes	<u>-</u>
Legal debt margin	<u>\$ 618,011,669</u>

Macon County
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	35,208	\$ 1,010,822,000	\$ 28,710	45.2	4,452	10.2
2011	35,869	1,030,664,000	28,734	45.2	4,382	10.3
2012	34,164	1,084,766,000	31,752	48.5	4,417	10.1
2013	34,276	1,101,781,000	32,144	48.5	4,462	9.8
2014	34,385	1,149,612,000	33,434	48.6	4,484	6.3
2015	34,494	1,193,465,000	34,599	48.7	4,475	6.3
2016	34,851	1,263,179,000	36,245	48.7	4,475	5.3
2017	35,047	1,337,726,000	38,169	48.8	4,379	4.2
2018	35,596	N/A	N/A	48.8	4,436	4.2
2019	36,101	N/A	N/A	49.0	4,416	4.4

Note: Population for 2010 & 2017-2019 and median age for 2010-2019 is from N C Office of State Budget and Management.

Personal income from 2010-2017 obtained from Bureau of Economic Analysis.

Personal income for 2018 & 2019 is not available.

Per capital personal income is calculated by dividing personal income by population.

Unemployment rate for 2010-2019 and population for 2011-2016 is from LINC.

School enrollment is provided by the local school system and reflects the enrollment at the end of the school year.

**Macon County
Principal Employers
Current Year and Nine Years Ago**

Table 15

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	675	1	4.16%	710	1	4.34%
Macon County	654	2	4.03%	482	3	2.95%
Drake Enterprises LTD (A Corp)	598	3	3.68%	652	2	3.99%
Mission Health (formerly Angel Medical Center)	400	4	2.46%	386	4	2.36%
Ingles Markets, Inc.	319	5	1.96%	192	8	1.17%
Wal-Mart Associates Inc.	224	6	1.38%	210	6	1.28%
Beasley Flooring (formerly Shaw Industries Group Inc.)	175	7	1.08%	202	7	
Macon Program for Progress Inc.	137	8	0.84%			0.00%
Lowe's Home Centers Inc.	126	9	0.78%			0.00%
Entegra Bank (formerly Macon Bank)	102	10	0.63%	175	10	
Highlands-Cashiers Hospital				310	5	1.90%
Caterpillar Inc.				185	9	1.13%
Total	<u>3,410</u>		<u>20.99%</u>	<u>3,504</u>		<u>19.13%</u>
 Total Labor Force estimate	 <u>16,243</u>			 <u>16,350</u>		

Source: Employers' Human Resource Departments

Macon County
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Table 16

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function										
General Government	89.0	97.0	97.0	97.0	97.5	98.5	97.0	98.0	97.0	95.0
Public Safety	125.0	150.0	150.0	159.0	161.0	162.4	163.0	172.0	181.0	180.0
Human Services	118.0	111.0	108.0	110.0	111.0	115.0	121.0	123.0	123.0	124.0
Culture and Recreation	9.0	11.0	10.0	10.0	11.5	12.0	12.0	12.0	11.0	11.0
Economic and Physical Development	3.0	1.0	-	-	-	-	-	-	-	-
Transportation	8.0	13.0	14.0	15.5	17.0	16.8	16.0	17.0	18.0	18.0
Landfill	<u>34.0</u>	<u>35.0</u>	<u>37.0</u>	<u>35.5</u>	<u>36.0</u>	<u>35.0</u>	<u>35.0</u>	<u>36.0</u>	<u>37.0</u>	<u>36.0</u>
Total	<u>386</u>	<u>418</u>	<u>416</u>	<u>427</u>	<u>434</u>	<u>440</u>	<u>444</u>	<u>458</u>	<u>467</u>	<u>464</u>

Source: Macon County Human Resource Department

**Macon County
Operating Indicators by Function
Last Ten Fiscal Years**

Table 17

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function										
Law Enforcement										
Physical arrests	1,714	1,547	1,303	1,303	1,232	1,278	1,442	1,917	1,926	1,842
Traffic violations	2,265	1,516	946	1,100	1,179	1,054	447	374	394	405
Fire										
Number of calls answered	3,406	3,642	3,621	3,791	4,244	4,571	4,626	5,068	5,873	5,161
Inspections	500	550	520	525	490	450	452	560	525	550
Economic Development										
Number of industrial parks	1	1	1	1	1	1	1	1	1	1
Human Services										
Dept. of Social Services										
Number of CHIP cases eligible	430	402	447	467	228	278	321	457	272	317
Number of Food & Nutrition cases eligible	2,361	2,987	3,144	3,091	3,043	2,763	2,622	2,410	2,075	2,038
Number of Medicaid eligible cases	4,785	4,975	5,020	4,557	4,491	5,885	5,675	7,397	5,577	5,432
Health										
Number of WIC cases	1,167	1,049	1,044	1,076	1,087	1,064	1,117	1,076	971	942
Number of family planning cases	798	639	657	585	526	558	737	648	442	421
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	6	6	6	6	7	7	7	7	7	7
Number of libraries	3	3	3	3	3	3	3	3	3	3

Source: Various county departments.

Note: Indicators are not available for the general government function. Firefighters are a mix of paid staff and volunteers.

**Macon County
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Table 18

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Function										
Public safety										
Police:										
Stations	3	3	3	3	4	4	6	6	5	5
Patrol units	45	45	45	45	45	57	56	56	55	55
Fire stations	10	13	13	16	16	17	18	20	20	20
Culture and recreation										
Parks acreage	353	353	353	401	401	401	401	401	401	401
Parks	6	6	6	6	7	7	7	7	7	7
Swimming pools	2	2	2	3	3	3	3	3	3	3
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	11	11	11	11	11	11	11	11	11	11
Landfill										
Number of municipal solid waste sites	2	2	2	2	2	2	2	2	2	2
Number of construction and demolition sites	-	-	-	-	-	-	-	-	-	-
Number of convenience centers	11	11	11	11	11	11	11	11	11	11

Source: Various county departments.

Note: No capital asset indicators are available for the general government function.

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