

**JACKSON COUNTY
NORTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

List of Principal Officials

June 30, 2020

Board of Commissioners

Brian T. McMahan, Chairperson

Boyce T. Deitz

Ron Mau

Gayle Woody

Mickey Luker

County Manager

Don Adams

Finance Director

Darlene Fox



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JACKSON COUNTY, NORTH CAROLINA

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2020

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

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

Independent Auditor's Report

Board of County Commissioners
Jackson County
Sylva, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City'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 did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Jackson County Alcoholic Beverage Control Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Jackson County Alcoholic Beverage Control Board and the Jackson County Tourism Development 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, North Carolina, as of June 30, 2020, 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 accordance 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 Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, the Law Enforcement Officers' Special Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Register of Deeds' Supplemental Pension Fund schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021 on our consideration of Jackson County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
January 15, 2021



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Management's Discussion and Analysis

As management of Jackson County (the "County"), we offer readers of Jackson County's financial statements this narrative overview and analysis of the financial activities of Jackson County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

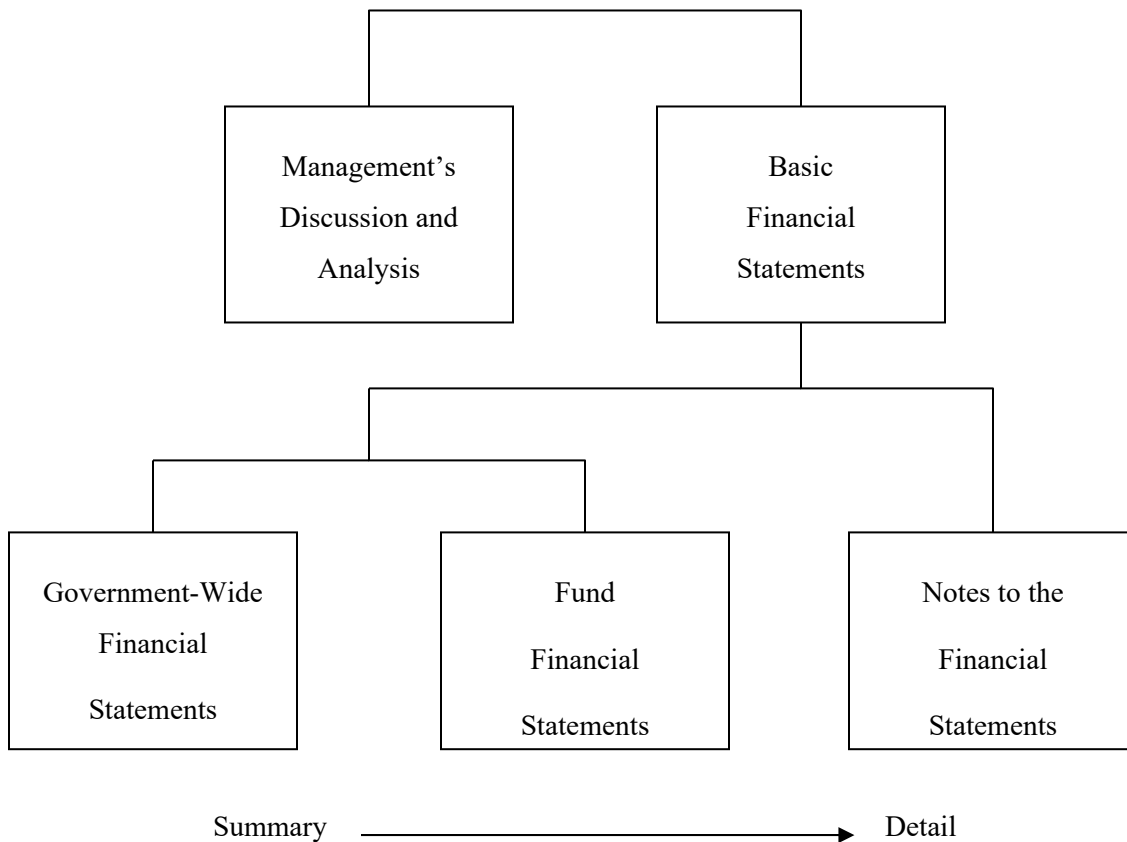
- The assets and deferred outflows of resources of Jackson County's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$40,674,102 and \$2,235,955, respectively.
- The government's total net position increased by \$3,365,855 of which \$3,594,903 was for an increase in governmental activities and \$229,048 was for a decrease in business-type activities.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$44,253,859, a decrease of \$8,619,196 in comparison with the prior year. 44.29% (percent) of this total amount, or \$19,599,689, is available for spending at the government's discretion (unassigned fund balance.)
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,599,689, or 27.25% (percent), of total General Fund expenditures and transfers to other funds for the fiscal year.
- Jackson County's governmental activities long-term debt (excluding compensated absences, OPEB and pension related liabilities) decreased by \$4,259,855 during the current fiscal year. This is due to regularly scheduled debt service repayments and no new issuance of debt related to governmental activities, in the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

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

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Jackson County's Net Position

Figure 2

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 51,665,343	\$ 1,129,821	\$ 52,795,164	\$ 56,399,936	\$ 1,325,101	\$ 57,725,037
Capital assets	82,141,506	5,081,574	87,223,080	69,121,127	5,294,782	74,415,909
Total assets	<u>133,806,849</u>	<u>6,211,395</u>	<u>140,018,244</u>	<u>125,521,063</u>	<u>6,619,883</u>	<u>132,140,946</u>
Deferred Outflows of Resources	<u>5,110,323</u>	<u>103,656</u>	<u>5,213,979</u>	<u>8,633,780</u>	<u>183,510</u>	<u>8,817,290</u>
Liabilities:						
Current liabilities	10,419,673	290,494	10,710,167	6,129,977	404,568	6,534,545
Long-term liabilities	<u>77,243,428</u>	<u>3,465,503</u>	<u>80,708,931</u>	<u>84,445,053</u>	<u>3,796,943</u>	<u>88,241,996</u>
Total liabilities	<u>87,663,101</u>	<u>3,755,997</u>	<u>91,419,098</u>	<u>90,575,030</u>	<u>4,201,511</u>	<u>94,776,541</u>
Deferred Inflows of Resources	<u>10,579,969</u>	<u>323,099</u>	<u>10,903,068</u>	<u>6,500,614</u>	<u>136,879</u>	<u>6,637,493</u>
Net Position:						
Net investment in capital assets	61,252,270	4,025,871	65,278,141	63,147,528	4,004,479	67,152,007
Restricted	16,784,300	-	16,784,300	29,915,389	-	29,915,389
Unrestricted	<u>(37,362,468)</u>	<u>(1,789,916)</u>	<u>(39,152,384)</u>	<u>(55,983,718)</u>	<u>(1,539,476)</u>	<u>(57,523,194)</u>
Total net position	<u>\$ 40,674,102</u>	<u>\$ 2,235,955</u>	<u>\$ 42,910,057</u>	<u>\$ 37,079,199</u>	<u>\$ 2,465,003</u>	<u>\$ 39,544,202</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Jackson County exceeded liabilities and deferred inflows of resources by \$42,910,057 as of June 30, 2020. The County's net position increased by \$3,365,855 for the fiscal year ended June 30, 2020, of which \$3,594,903 was for an increase in governmental activities and \$229,048 was for a decrease in business-type activities. One of the largest portions of net position reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Jackson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Jackson County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Jackson County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$39,152,384 is unrestricted deficit, which is primarily due to unfunded OPEB obligations and net pension liabilities.

Particular aspects of the County's financial operations positively influenced the total unrestricted governmental net position: continued diligence in the collection of property taxes by maintaining a collection percentage of 98.13 percent, slightly below the statewide average of 99.07 percent for counties in the 25,000-49,999 population range; increased revenue in property taxes due to growth within the County.

Jackson County's Changes in Net Position

Figure 3

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues						
Charges for services	\$ 5,159,381	\$ 3,619,168	\$ 8,778,549	\$ 3,920,297	\$ 3,565,415	\$ 7,485,712
Operating grants and contributions	7,706,120	2,468	7,708,588	6,943,596	1,130	6,944,726
Capital grants and contributions	2,864,299	-	2,864,299	2,749,229	-	2,749,229
General revenues:						
Property taxes	38,039,496	-	38,039,496	37,358,219	-	37,358,219
Local option sales tax	16,369,217	-	16,369,217	14,961,621	-	14,961,621
Other taxes	192,292	82,606	274,898	567,526	83,745	651,271
Grants and contributions not restricted to specific programs	-	-	-	257,774	-	257,774
Other	-	-	-	293,871	35,823	329,694
Investment earnings	318,974	24,567	343,541	429,886	-	-
Total revenues	<u>70,649,779</u>	<u>3,728,809</u>	<u>74,378,588</u>	<u>67,482,019</u>	<u>3,686,113</u>	<u>70,738,246</u>
Expenses:						
General government	11,344,205	-	11,344,205	6,951,184	-	6,951,184
Public safety	18,823,808	-	18,823,808	17,288,554	-	17,288,554
Transportation	980,758	-	980,758	931,807	-	931,807
Environmental protection	685,611	-	685,611	271,288	-	271,288
Economic and physical development	1,579,430	-	1,579,430	964,240	-	964,240
Human services	15,360,838	-	15,360,838	15,017,633	-	15,017,633
Culture and recreation	3,956,628	-	3,956,628	4,090,735	-	4,090,735
Education	13,396,118	-	13,396,118	17,395,384	-	17,395,384
Interest and other charges	712,480	-	712,480	390,991	-	390,991
Landfill	-	3,832,336	3,832,336	-	3,514,524	3,514,524
Green Energy Park	-	289,688	289,688	-	207,513	207,513
Economic Development Commission	-	50,833	50,833	-	59,720	59,720
Total expenses	<u>66,839,876</u>	<u>4,172,857</u>	<u>71,012,733</u>	<u>63,301,816</u>	<u>3,781,757</u>	<u>67,083,573</u>
Change in net position before transfers	<u>3,809,903</u>	<u>(444,048)</u>	<u>3,365,855</u>	<u>4,180,203</u>	<u>(95,644)</u>	<u>4,084,559</u>
Transfers	<u>(215,000)</u>	<u>215,000</u>	<u>-</u>	<u>(178,461)</u>	<u>178,461</u>	<u>-</u>
Change in net position	3,594,903	(229,048)	3,365,855	4,001,742	82,817	4,084,559
Net Position:						
Beginning of year, July 1	37,079,199	2,465,003	39,544,202	33,077,457	2,382,186	35,459,643
End of year, June 30	<u>\$ 40,674,102</u>	<u>\$ 2,235,955</u>	<u>\$ 42,910,057</u>	<u>\$ 37,079,199</u>	<u>\$ 2,465,003</u>	<u>\$ 39,544,202</u>

Governmental Activities - Governmental activities increased the County's net position by \$3,594,903. Key elements of this increase are as follows:

- Property taxes increased as the County continued its diligence in the collection of property taxes by maintaining a collection percentage of 98.13 percent, slightly below the statewide average of 99.07 percent for counties in the 25,000 – 49,999 population range; increased revenue in property taxes due to growth within the County.
- Other taxes (primarily sales tax) increased as the County's current economic conditions improve. The impact due to the Covid-19 Pandemic caused a 5.02 percent decrease in sales tax for April sales, and then increases in May and June. Overall, the County realized a 9.41% (percent) increase for the year.
- The increase in human service expenses are related to the Health Department renovation project.
- The decrease in the education expenses are related to various school construction projects being completed.

Business-Type Activities – Business-type activities decreased Jackson County's net position by \$229,048. The key element of this decrease is as follows:

- The Landfill Fund and Green Energy Park Fund had a reduction to net position while the Economic Development Fund ended the year with an addition to net position without subsidies from the General Fund.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Jackson County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,599,689, while total fund balance reached \$29,353,090. As a measure of the General Fund's liquidity, it may be useful to use all fund balance except for the amount restricted for stabilization by state statute, \$5,018,384. Fund balance available for appropriation of \$24,334,706 represents 33.83% (percent) of total General Fund expenditures and transfers out, while total fund balance represents 40.81% (percent) of that same amount. The Health Department Renovation Project is being funded by annual appropriations from available fund balance in the General Fund.

At June 30, 2020, the governmental funds of Jackson County reported a combined fund balance of \$44,253,859 a decrease of \$8,619,196. The primary reason for this decrease in fund balance is the additional expenses from the Southwestern Community College Health Science Building Project as well as large expenses related to the School Improvements Fund. Another contribution for the decrease is additional expenses related to the Health Department Project Fund.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund decreased revenues by \$2,542,489, which is four percent.

Proprietary Funds. Jackson County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position of the Landfill, Green Energy Park, and Economic Development Commission funds at the end of the fiscal year amounted to \$2,235,955. The total decrease in net position for the funds was \$229,048. Other factors concerning the finances of the fund have already been addressed in the discussion of Jackson County's business-type activities.

Capital Asset and Debt Administration

Capital Assets. Jackson County's capital assets for its governmental and business-type activities as of June 30, 2020, totals \$87,111,561 (net of accumulated depreciation). These assets include buildings and improvements, land, machinery and equipment, vehicles, plant and distribution systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchased a 2020 Ford Explorer for Elections
- Purchased new Voting Machines for Elections
- Purchased a Verizon Phone System for Recreation Department
- Purchased a Coats Tire Changer for the Garage
- Purchased two 2019 Dodge Chargers, one 2019 Ford F150 Truck, one 2020 Ford Explorer, and three Dodge Durangos for the Sheriff's Office
- Purchased a portable message sign due to Covid-19 for the Sheriff's Office
- Purchased a 2020 Ford Explorer for the Jail for transports
- Purchased a 27' Fire Training Trailer for Emergency Operations
- Purchased a 2020 Mobility Transit Van for Transportation
- Purchased a 2020 Ford F150 and a Dell Powerededge R740 Server for the Health Department
- Purchased a 2019 Ford Escape, a 2019 Ford F150, and a Frontier Phone System for the Department of Social Services
- Purchased a Ford F150 Truck and a 2020 Ford Explorer for the Department on Aging
- Purchased a Northstar Commerical Pressure Washer Trailer, 2 Scoreboards, a Duramax Playground, and Thrive 250 Outdoor Fitness Equipment for the Recreation Department
- Purchased land on 271 Keener Street next to the Old Courthouse property
- Addition of construction in progress on the Dillsboro Complex, Greenway, SCC Science Building and Health Department Projects

Jackson County's Capital Assets, Net of Accumulated Depreciation

Figure 4

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 15,479,734	\$ 146,368	\$ 15,626,102	\$ 15,428,817	\$ 196,433	\$ 15,625,250
Buildings and improvements	40,976,656	1,998,080	42,974,736	42,513,383	2,069,604	44,582,987
Machinery and equipment	1,809,591	2,836,321	4,645,912	1,767,061	125,300	1,892,361
Vehicles	1,999,898	100,805	2,100,703	1,782,302		1,782,302
Plant and distribution systems				-	2,903,441	2,903,441
Construction in progress	21,764,108	-	21,764,108	7,629,566	-	7,629,566
Capital assets, net	<u>\$ 82,029,987</u>	<u>\$ 5,081,574</u>	<u>\$ 87,111,561</u>	<u>\$ 69,121,129</u>	<u>\$ 5,294,778</u>	<u>\$ 74,415,907</u>

Additional information on the County's capital assets can be found in Note 2 of the basic financial statements.

Long-Term Debt. As of June 30, 2020, Jackson County had total debt outstanding of \$28,785,316, most of which is collateralized by capital assets. However, approximately \$12,200,000 of the debt is collateralized by capital assets held by the Jackson County Board of Education under capital lease agreements. Those assets are not included in the County's capital assets.

Jackson County's Outstanding Debt Installment Purchase Obligations

Figure 5

	2020			2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Total Installment Purchases from Direct Placements	<u>\$ 27,729,613</u>	<u>\$ 1,055,703</u>	<u>\$ 28,785,316</u>	<u>\$ 31,754,868</u>	<u>\$ 1,290,303</u>	<u>\$ 33,045,171</u>

Jackson County's debt, shown above, decreased \$4,259,855 (12.89 percent) during the past fiscal year. The decrease is primarily due regularly schedules debt service payments for outstanding debt, and no new issuances of debt in the fiscal year.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government's boundaries.

The legal debt margin for Jackson County is approximately \$740,400,000.

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

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate is 6.1 percent, slightly lower than the state average of 6.5 percent and the national average of 7.9 percent.
- Retail vacancy rates increased mainly due to the Covid-19 Pandemic. The average vacancy rate for the year was in the 54.32 percent range. Several rental units were added during the year. The County experienced a decrease overall in room occupancy tax fees.
- Construction for new homes and businesses is increasing.

The Covid-19 Pandemic forced closure of county operations in the last quarter of the year. The Recreation Centers and Aging Services are limited on operations. There were reductions in the facility memberships and program fees. Sales tax revenues declined in April and increased in May and June. Motels were closed in most of the last quarter, except for medical personnel and construction employees. Rentals through Home Away, Airbnb and other third-party agents increased during this time.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities. Property taxes and revenues for permits and fees are projected to increase. Adjustments have been made to programs that are currently in place. Sales tax revenues were decreased by two percent due to the Covid-19 Pandemic.

Budgeted expenditures in the General Fund are expected to decrease 2 percent to \$66,550,148. The largest increments are in the health insurance costs, a decrease in debt transfers, and decreased operational expenses. The public schools, community college, and library expenses were not increased.

Business-Type Activities. General operating expenses of the Landfill Fund will decrease by \$64,035. Revenues from the sales of materials and volumes for tipping fees have increased slightly. An increase in sales of recycled materials is projected. Rates for landfill services will remain the same. The Green Energy Park Fund operational budget will remain the same. The Economic Development Fund operational budget will not increase.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Assets:						
Current assets:						
Cash and cash equivalents	\$ 36,949,409	\$ 648,961	\$ 37,598,370	\$ 511,134	\$ 2,176	\$ 1,005,349
Restricted cash and cash equivalents	7,277,499	-	7,277,499	-	-	-
Taxes receivable, net	1,098,078	-	1,098,078	-	-	-
Accounts receivable, net	1,352,737	376,189	1,728,926	-	1,150	4,411
Accrued interest receivable	-	10,297	10,297	-	-	-
Due from primary government	-	-	-	190,942	-	-
Due from other governments	4,974,168	50,918	5,025,086	-	157,016	-
Notes receivable, net	13,452	43,456	56,908	-	-	-
Inventory and prepaids	-	-	-	-	13,011	727,862
Total current assets	<u>51,665,343</u>	<u>1,129,821</u>	<u>52,795,164</u>	<u>702,076</u>	<u>173,353</u>	<u>1,737,622</u>
Non-current assets:						
Net pension asset (RODSPF)	111,519	-	111,519	-	-	-
Capital assets:						
Land and construction in progress	37,243,842	146,368	37,390,210	-	5,331,300	12,301
Depreciable capital assets, net of depreciation	<u>44,786,145</u>	<u>4,935,206</u>	<u>49,721,351</u>	<u>-</u>	<u>65,797</u>	<u>867,890</u>
Total non-current assets	<u>82,141,506</u>	<u>5,081,574</u>	<u>87,223,080</u>	<u>-</u>	<u>5,397,097</u>	<u>880,191</u>
Total assets	<u>133,806,849</u>	<u>6,211,395</u>	<u>140,018,244</u>	<u>702,076</u>	<u>5,570,450</u>	<u>2,617,813</u>
Deferred Outflows of Resources:						
Pension deferrals	4,335,132	79,681	4,414,813	-	-	75,612
OPEB deferrals	<u>775,191</u>	<u>23,975</u>	<u>799,166</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>5,110,323</u>	<u>103,656</u>	<u>5,213,979</u>	<u>-</u>	<u>-</u>	<u>75,612</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	5,108,462	35,113	5,143,575	1,909	11,742	486,180
Advance from grantors	964,886	-	964,886	-	-	-
Accrued interest payable	-	10,748	10,748	-	-	-
Due to component unit	190,942	-	190,942	-	-	-
Due to other governments	-	-	-	-	10,000	100,404
Compensated absences, current	447,040	10,032	457,072	-	-	-
Installment purchases, current	<u>3,708,343</u>	<u>234,601</u>	<u>3,942,944</u>	<u>-</u>	<u>-</u>	<u>30,976</u>
Total current liabilities	<u>10,419,673</u>	<u>290,494</u>	<u>10,710,167</u>	<u>1,909</u>	<u>21,742</u>	<u>617,560</u>
Non-current liabilities:						
Accrued landfill closure and post-closure care costs	-	1,558,370	1,558,370	-	-	-
Net pension liability - LGERS	6,092,019	139,672	6,231,691	-	-	139,277
Total pension liability - LEOSSA	2,007,304	-	2,007,304	-	-	-
Total OPEB liability	43,781,714	916,263	44,697,977	-	-	-
Compensated absences, non-current	1,341,121	30,096	1,371,217	-	-	-
Installment purchases, non-current	<u>24,021,270</u>	<u>821,102</u>	<u>24,842,372</u>	<u>-</u>	<u>-</u>	<u>536,200</u>
Total non-current liabilities	<u>77,243,428</u>	<u>3,465,503</u>	<u>80,708,931</u>	<u>-</u>	<u>-</u>	<u>675,477</u>
Total liabilities	<u>87,663,101</u>	<u>3,755,997</u>	<u>91,419,098</u>	<u>1,909</u>	<u>21,742</u>	<u>1,293,037</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Deferred Inflows of Resources:						
Prepaid taxes	49,116	-	49,116	-	-	-
Pension deferrals	98,199	440	98,639	-	-	-
OPEB deferrals	10,432,654	322,659	10,755,313	-	-	-
Total deferred inflows of resources	10,579,969	323,099	10,903,068	-	-	-
Net Position:						
Net investment in capital assets	61,252,270	4,025,871	65,278,141	-	5,397,097	313,015
Restricted:						
Stabilization by state statute	6,936,768	-	6,936,768	-	-	-
Register of Deeds' pension plan	124,779	-	124,779	-	-	-
Register of Deeds	51,092	-	51,092	-	-	-
Education	5,976,689	-	5,976,689	-	-	-
Public safety	587,300	-	587,300	-	-	-
Economic and physical development	889,769	-	889,769	-	-	-
Human services	2,217,903	-	2,217,903	-	-	-
Working capital	-	-	-	-	-	165,519
Unrestricted	(37,362,468)	(1,789,916)	(39,152,384)	700,167	151,611	921,854
Total net position	<u>\$ 40,674,102</u>	<u>\$ 2,235,955</u>	<u>\$ 42,910,057</u>	<u>\$ 700,167</u>	<u>\$ 5,548,708</u>	<u>\$ 1,400,388</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 11,344,205	\$ 2,043,667	\$ 73,488	\$ -
Public safety	18,823,808	1,794,801	1,259,168	-
Transportation	980,758	55,763	361,128	-
Environmental protection	685,611	206,156	105,834	-
Economic and physical development	1,579,430	61,575	320,682	-
Human services	15,360,838	408,169	5,585,820	-
Cultural and recreation	3,956,628	589,250	-	-
Education	13,396,118	-	-	2,864,299
Interest on long-term debt	712,480	-	-	-
Total governmental activities	66,839,876	5,159,381	7,706,120	2,864,299
Business-type activities:				
Landfill	3,832,336	3,491,261	1,900	-
Green Energy Park	289,688	16,817	568	-
Economic Development Commission	50,833	111,090	-	-
Total business-type activities	4,172,857	3,619,168	2,468	-
Total primary government	\$ 71,012,733	\$ 8,778,549	\$ 7,708,588	\$ 2,864,299
Component Units:				
Jackson County Tourism Development Authority	\$ 1,006,414	\$ 5,302	\$ -	\$ -
Jackson County Airport Authority	362,479	44,000	31,000	415,937
Jackson County ABC Board	5,359,126	5,635,288	-	-
Total component units	\$ 6,728,019	\$ 5,684,590	\$ 31,000	\$ 415,937

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Primary Government:						
Governmental activities:						
General government	\$ (9,227,050)	\$ -	\$ (9,227,050)			
Public safety	(15,769,839)	-	(15,769,839)			
Transportation	(563,867)	-	(563,867)			
Environmental protection	(373,621)	-	(373,621)			
Economic and physical development	(1,197,173)	-	(1,197,173)			
Human services	(9,366,849)	-	(9,366,849)			
Cultural and recreation	(3,367,378)	-	(3,367,378)			
Education	(10,531,819)	-	(10,531,819)			
Interest on long-term debt	(712,480)	-	(712,480)			
Total governmental activities	(51,110,076)	-	(51,110,076)			
Business-type activities:						
Landfill	-	(339,175)	(339,175)			
Green Energy Park	-	(272,303)	(272,303)			
Economic Development Commission	-	60,257	60,257			
Total business-type activities	-	(551,221)	(551,221)			
Total primary government	(51,110,076)	(551,221)	(51,661,297)			
Component Units:						
Jackson County Tourism Development Authority				\$ (1,001,112)	\$ -	\$ -
Jackson County Airport Authority				-	128,458	-
Jackson County ABC Board				-	-	276,162
Total component units				(1,001,112)	128,458	276,162
General Revenues:						
Taxes:						
Property taxes, levied for general purpose	38,039,496	-	38,039,496	-	-	-
Local option sales tax	16,369,217	-	16,369,217	-	-	-
Beer and wine tax distribution	172,520	-	172,520	-	-	-
Occupancy taxes	-	-	-	1,154,127	-	-
Other taxes	19,772	82,606	102,378	-	-	-
Investment earnings, unrestricted	318,974	24,567	343,541	5,215	-	-
Miscellaneous, unrestricted	-	-	-	-	29,893	1,836
Total general revenues, excluding transfers	54,919,979	107,173	55,027,152	1,159,342	29,893	1,836
Transfers	(215,000)	215,000	-	-	-	-
Total general revenues and transfers	54,704,979	322,173	55,027,152	1,159,342	29,893	1,836
Change in net position	3,594,903	(229,048)	3,365,855	158,230	158,351	277,998
Net Position:						
Beginning of year, July 1	37,079,199	2,465,003	39,544,202	541,937	5,390,357	1,122,390
End of year, June 30	\$ 40,674,102	\$ 2,235,955	\$ 42,910,057	\$ 700,167	\$ 5,548,708	\$ 1,400,388

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major					Nonmajor	
	General Fund	Coronavirus Relief Fund	School Improvements Fund	SCC Health Science Building Fund	Health Department Project Fund	Other Governmental Funds	Total
Assets:							
Cash and cash equivalents	\$ 27,303,766	\$ -	\$ 2,573,890	\$ 1,529,197	\$ 2,839,236	\$ 2,703,320	\$ 36,949,409
Restricted cash and cash equivalents	335,924	964,886	-	5,976,689	-	-	7,277,499
Taxes receivable, net	1,067,965	-	-	-	-	30,113	1,098,078
Accounts receivable, net	73,491	-	-	1,244,225	-	35,021	1,352,737
Due from other governments	4,944,893	-	18,123	-	83	11,069	4,974,168
Due from other funds	-	-	596,411	-	-	-	596,411
Notes receivable, net	-	-	-	-	-	13,452	13,452
Total assets	<u>\$ 33,726,039</u>	<u>\$ 964,886</u>	<u>\$ 3,188,424</u>	<u>\$ 8,750,111</u>	<u>\$ 2,839,319</u>	<u>\$ 2,792,975</u>	<u>\$ 52,261,754</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,468,515	\$ -	\$ 248,101	\$ 1,735,751	\$ 621,333	\$ 34,762	\$ 5,108,462
Due to component unit	190,942	-	-	-	-	-	190,942
Due to other funds	596,411	-	-	-	-	-	596,411
Advance from grantors	-	964,886	-	-	-	-	964,886
Total liabilities	<u>3,255,868</u>	<u>964,886</u>	<u>248,101</u>	<u>1,735,751</u>	<u>621,333</u>	<u>34,762</u>	<u>6,860,701</u>
Deferred Inflows of Resources:							
Prepaid taxes	49,116	-	-	-	-	-	49,116
Property taxes receivable	1,067,965	-	-	-	-	30,113	1,098,078
Total deferred inflows of resources	<u>1,117,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,113</u>	<u>1,147,194</u>
Fund Balances:							
Restricted:							
Stabilization by state statute	5,018,384	-	614,534	1,244,225	83	59,542	6,936,768
Register of Deeds	51,092	-	-	-	-	-	51,092
Education	-	-	-	5,976,689	-	-	5,976,689
Public safety	-	-	-	-	-	587,300	587,300
Economic and physical development	-	-	-	-	-	889,769	889,769
Human services	-	-	-	-	2,217,903	-	2,217,903
Committed:							
Revaluation	336,378	-	-	-	-	-	336,378
Capital reserve	3,169,017	-	-	-	-	-	3,169,017
Conservation/preservation	975,211	-	-	-	-	-	975,211
Recreation	-	-	-	-	-	947,534	947,534
Education	-	-	2,325,789	-	-	-	2,325,789
General government	-	-	-	-	-	243,955	243,955
Assigned:							
Other post-employment benefits	203,319	-	-	-	-	-	203,319
Unassigned	19,599,689	-	-	(206,554)	-	-	19,393,135
Total fund balances	<u>29,353,090</u>	<u>-</u>	<u>2,940,323</u>	<u>7,014,360</u>	<u>2,217,986</u>	<u>2,728,100</u>	<u>44,253,859</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,726,039</u>	<u>\$ 964,886</u>	<u>\$ 3,188,424</u>	<u>\$ 8,750,111</u>	<u>\$ 2,839,319</u>	<u>\$ 2,792,975</u>	<u>\$ 52,261,754</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

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

Total fund balance for governmental funds	\$ 44,253,859
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	82,029,987
Long-term liabilities, interest payable, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(29,517,774)
Deferred inflows of resources in the governmental funds are used to offset accounts receivable not expected to be received within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	1,098,078
Deferred outflows of resources related to pensions are not reported in the funds.	4,335,132
Deferred outflows of resources related to OPEB are not reported in the funds.	775,191
Total pension liability - LEOSA	(2,007,304)
Net pension liability - LGERS	(6,092,019)
Total OPEB liability	(43,781,714)
Net pension asset	111,519
Deferred inflows of resources related to pensions are not reported in the funds.	(98,199)
Deferred inflows of resources related to OPEB are not reported in the funds.	(10,432,654)
Net position of governmental activities (Exhibit A)	<u>\$ 40,674,102</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major				Nonmajor	
	General Fund	School Improvements Fund	SCC Health Science Building Fund	Health Department Project Fund	Other Governmental Funds	Total
Revenues:						
Ad valorem taxes	\$ 36,910,768	\$ -	\$ -	\$ -	\$ 1,275,194	\$ 38,185,962
Other taxes	16,561,509	-	-	-	-	16,561,509
Unrestricted intergovernmental	556,685	-	-	-	-	556,685
Restricted intergovernmental	7,592,578	-	2,864,299	-	478,959	10,935,836
Other restricted revenues	7,588,120	-	-	-	-	7,588,120
Permits and fees	2,429,016	-	-	-	-	2,429,016
Sales and services	964,842	-	-	-	23,325	988,167
Investment earnings	239,672	64	10,050	67,442	1,746	318,974
Miscellaneous	201,544	-	-	-	-	201,544
Total revenues	<u>73,044,734</u>	<u>64</u>	<u>2,874,349</u>	<u>67,442</u>	<u>1,779,224</u>	<u>77,765,813</u>
Expenditures:						
Current:						
General government	12,305,301	-	-	-	-	12,305,301
Public safety	17,167,722	-	-	-	1,836,001	19,003,723
Transportation	932,954	-	-	-	-	932,954
Environmental protection	528,577	-	-	-	-	528,577
Economic and physical development	1,060,485	-	-	-	498,238	1,558,723
Human services	16,238,931	-	-	4,671,198	-	20,910,129
Culture and recreation	3,799,125	-	-	-	186,393	3,985,518
Intergovernmental:						
Education	11,548,031	1,848,087	9,084,375	-	-	22,480,493
Debt service:						
Principal retirement	4,025,255	-	-	-	-	4,025,255
Interest and other charges	712,480	-	-	-	-	712,480
Total expenditures	<u>68,318,861</u>	<u>1,848,087</u>	<u>9,084,375</u>	<u>4,671,198</u>	<u>2,520,632</u>	<u>86,443,153</u>
Revenues over (under) expenditures	<u>4,725,873</u>	<u>(1,848,023)</u>	<u>(6,210,026)</u>	<u>(4,603,756)</u>	<u>(741,408)</u>	<u>(8,677,340)</u>
Other Financing Sources (Uses):						
Transfers from other funds	878,366	2,830,199	3,220,163	-	1,100,000	8,028,728
Transfers to other funds	(3,612,999)	(4,630,729)	-	-	-	(8,243,728)
Proceeds from sale of capital assets	273,144	-	-	-	-	273,144
Total other financing sources (uses)	<u>(2,461,489)</u>	<u>(1,800,530)</u>	<u>3,220,163</u>	<u>-</u>	<u>1,100,000</u>	<u>58,144</u>
Net change in fund balances	2,264,384	(3,648,553)	(2,989,863)	(4,603,756)	358,592	(8,619,196)
Fund Balances:						
Beginning of year, July 1	27,088,706	6,588,876	10,004,223	6,821,742	2,369,508	52,873,055
End of year, June 30	<u>\$ 29,353,090</u>	<u>\$ 2,940,323</u>	<u>\$ 7,014,360</u>	<u>\$ 2,217,986</u>	<u>\$ 2,728,100</u>	<u>\$ 44,253,859</u>

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

JACKSON COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	\$ (8,619,196)
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Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:

Property taxes, grant receivables and business licenses	(171,980)
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Pension expense	(1,122,819)
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Expenses related to compensated absences, OPEB, and Law Enforcement Officers' Separation Allowance that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(3,425,215)
--	-------------

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.	15,536,141
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Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,627,283)
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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.	<u>4,025,255</u>
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Changes in net position of governmental activities (Exhibit B)	<u>\$ 3,594,903</u>
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The accompanying notes are an integral part of the financial statements.

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 36,747,311	\$ 36,990,461	\$ 36,910,768	\$ (79,693)
Other taxes	15,643,614	15,651,134	16,561,509	910,375
Unrestricted intergovernmental	410,272	410,272	556,685	146,413
Restricted intergovernmental	7,711,265	8,553,903	7,592,578	(961,325)
Other restricted revenues	60,600	127,000	130,662	3,662
Permits and fees	2,286,520	2,636,776	2,429,016	(207,760)
Sales and services	1,339,415	1,377,611	964,842	(412,769)
Investment earnings	375,000	375,000	201,766	(173,234)
Miscellaneous	406,930	436,373	201,544	(234,829)
Total revenues	<u>64,980,927</u>	<u>66,558,530</u>	<u>65,549,370</u>	<u>(1,009,160)</u>
Expenditures:				
Current:				
General government	9,718,241	10,872,687	9,996,022	876,665
Public safety	14,879,675	15,804,877	14,873,664	931,213
Transportation	924,770	996,877	767,557	229,320
Environmental protection	80,552	80,552	57,169	23,383
Economic and physical development	986,669	991,427	880,648	110,779
Human services	14,178,604	14,810,840	13,535,680	1,275,160
Culture and recreation	3,521,053	3,737,947	3,463,753	274,194
Intergovernmental:				
Education	11,722,345	12,197,518	11,548,031	649,487
Debt service:				
Principal retirement	4,191,925	4,175,468	4,025,255	150,213
Interest and other charges	696,024	712,481	712,480	1
Contingency	943,512	-	-	-
Total expenditures	<u>61,843,370</u>	<u>64,380,674</u>	<u>59,860,259</u>	<u>4,520,415</u>
Revenues over (under) expenditures	<u>3,137,557</u>	<u>2,177,856</u>	<u>5,689,111</u>	<u>3,511,255</u>
Other Financing Sources (Uses):				
Transfers to other funds	(4,196,131)	(4,480,482)	(4,463,499)	16,983
Transfers from other funds	1,028,574	1,028,574	878,366	(150,208)
Proceeds from sale of capital assets	30,000	276,283	273,144	(3,139)
Appropriated fund balance	-	997,769	-	(997,769)
Total other financing sources (uses)	<u>(3,137,557)</u>	<u>(2,177,856)</u>	<u>(3,311,989)</u>	<u>(1,134,133)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,377,122	<u>\$ 2,377,122</u>
Fund Balance:				
Beginning of year, July 1			<u>22,412,554</u>	
End of year, June 30			<u>\$ 24,789,676</u>	

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

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			\$ (341,325)	
Transfers from the General Fund			350,500	
Net change in fund balance			9,175	
Beginning fund balance			327,203	
Ending fund balance			336,378	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenues			37,906	
Transfers from the General Fund			1,000,000	
Transfers to the Dillsboro Complex Project Fund			(1,000,000)	
Net change in fund balance			37,906	
Beginning fund balance			3,131,111	
Ending fund balance			3,169,017	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			(471,408)	
Transfers from the General Fund			500,000	
Net change in fund balance			28,592	
Beginning fund balance			946,619	
Ending fund balance			975,211	
A legally budgeted Health Insurance Fund is consolidated into the General Fund for reporting purposes:				
Revenues			7,457,458	
Expenditures			(7,645,869)	
Net change in fund balance			(188,411)	
Beginning fund balance			271,219	
Ending fund balance			82,808	
Ending fund balance - Combined General Fund			\$ 29,353,090	

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Major	Nonmajor	
	Landfill	Other	
	Fund	Enterprise	Total
	Funds	Funds	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,024	\$ 645,937	\$ 648,961
Accounts receivable, net	376,189	-	376,189
Accrued interest receivable	10,297	-	10,297
Due from other governments	49,269	1,649	50,918
Notes receivable, net	-	43,456	43,456
Total current assets	438,779	691,042	1,129,821
Non-current assets:			
Capital assets:			
Land	146,368	-	146,368
Depreciable capital assets, net of depreciation	3,853,974	1,081,232	4,935,206
Total non-current assets	4,000,342	1,081,232	4,935,206
Total assets	4,439,121	1,772,274	6,211,395
Deferred Outflows of Resources:			
Pension deferrals	58,815	20,866	79,681
OPEB deferrals	15,983	7,992	23,975
Total deferred outflows of resources	74,798	28,858	103,656
Liabilities:			
Current liabilities:			
Accounts payable	21,721	13,392	35,113
Accrued interest payable	10,748	-	10,748
Compensated absences, current	5,597	4,435	10,032
Installment purchases, current	234,601	-	234,601
Total current liabilities	272,667	17,827	290,494
Non-current liabilities:			
Installment purchases, non-current	821,102	-	821,102
Compensated absences, non-current	16,790	13,306	30,096
Net pension liability - LGERS	100,003	39,669	139,672
Total OPEB liability	672,714	243,549	916,263
Accrued landfill closure and post-closure care costs	1,558,370	-	1,558,370
Total non-current liabilities	3,168,979	296,524	3,465,503
Total liabilities	3,441,646	314,351	3,755,997
Deferred Inflows of Resources:			
Pension deferrals	392	48	440
OPEB deferrals	215,106	107,553	322,659
Total deferred inflows of resources	215,498	107,601	323,099
Net Position:			
Net investment in capital assets	2,944,639	1,081,232	4,025,871
Unrestricted	(2,087,864)	297,948	(1,789,916)
Total net position	\$ 856,775	\$ 1,379,180	\$ 2,235,955

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>		
Operating Revenues:			
Charges for services	\$ 3,491,261	\$ 127,907	\$ 3,619,168
Operating Expenses:			
Landfill operations, closure and post-closure post-closure care costs	3,625,465	-	3,625,465
Park operations	-	270,603	270,603
Economic development operations	-	21,253	21,253
Depreciation	130,145	48,665	178,810
Total operating expenses	<u>3,755,610</u>	<u>340,521</u>	<u>4,096,131</u>
Operating loss	<u>(264,349)</u>	<u>(212,614)</u>	<u>(476,963)</u>
Non-Operating Revenues (Expenses):			
Interest and investment revenues	23,547	1,020	24,567
Donations	-	568	568
Scrap tire tax	59,587	-	59,587
White goods tax	19,850	-	19,850
Electronics tax	2,569	-	2,569
Scrap tire grant	600	-	600
Miscellaneous revenue	1,900	-	1,900
Interest expense	(26,661)	-	(26,661)
Loss on the disposal of assets	(50,065)	-	(50,065)
Total non-operating revenues (expenses)	<u>31,327</u>	<u>1,588</u>	<u>32,915</u>
Income (loss) before transfers	(233,022)	(211,026)	(444,048)
Transfers:			
Transfers from other funds	<u>-</u>	<u>215,000</u>	<u>215,000</u>
Change in net position	(233,022)	3,974	(229,048)
Net Position:			
Beginning of year, July 1	<u>1,089,797</u>	<u>1,375,206</u>	<u>2,465,003</u>
End of year, June 30	<u>\$ 856,775</u>	<u>\$ 1,379,180</u>	<u>\$ 2,235,955</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>		
Cash Flows from Operating Activities:			
Cash received from customers	\$ 3,650,211	\$ 118,164	\$ 3,768,375
Cash paid for goods and services	(3,064,731)	(22,562)	(3,087,293)
Cash paid to employees for services	(557,745)	(208,089)	(765,834)
Net cash provided (used) by operating activities	<u>27,735</u>	<u>(112,487)</u>	<u>(84,752)</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	-	568	568
Transfers from other funds	-	215,000	215,000
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>215,568</u>	<u>215,568</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	-	(15,671)	(15,671)
Principal paid on long-term debt	(234,600)	-	(234,600)
Interest paid on long-term debt	(26,661)	-	(26,661)
Net cash provided (used) by capital and related financing activities	<u>(261,261)</u>	<u>(15,671)</u>	<u>(276,932)</u>
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	18,340	18,340
Interest earned on investments	23,547	1,021	24,568
Net cash provided (used) by investing activities	<u>23,547</u>	<u>19,361</u>	<u>42,908</u>
Net change in cash and cash equivalents	(209,979)	106,771	(103,208)
Cash and Cash Equivalents:			
Beginning of year, July 1	<u>213,003</u>	<u>539,166</u>	<u>752,169</u>
End of year, June 30	<u>\$ 3,024</u>	<u>\$ 645,937</u>	<u>\$ 648,961</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
	<u>Funds</u>		
Reconciliation of Operating Income (Loss) to Net			
Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (264,349)	\$ (212,614)	\$ (476,963)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	130,145	48,665	178,810
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	117,213	42,322	159,535
Change in deferred inflow - OPEB	118,174	67,606	185,780
Change in other post-employment benefits	(86,389)	(43,194)	(129,583)
Change in deferred outflow - pensions	(58,815)	(20,866)	(79,681)
Change in deferred inflow - pensions	392	48	440
Change in pensions	15,492	7,746	23,238
Change in accounts receivable	87,822	(711)	87,111
Change in accounts payable and accrued liabilities	(49,061)	9,099	(39,962)
Change in unearned revenue	-	(13,014)	(13,014)
Change in compensated absences	5,361	2,426	7,787
Accrued landfill closure and post-closure care costs	<u>11,750</u>	<u>-</u>	<u>11,750</u>
Net cash provided (used) by operating activities	<u>\$ 27,735</u>	<u>\$ (112,487)</u>	<u>\$ (84,752)</u>
Supplemental Disclosures of Non-Cash Activities:			
Loss on disposal of capital assets	<u>\$ (50,065)</u>	<u>\$ -</u>	<u>\$ (50,065)</u>

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

JACKSON COUNTY, NORTH CAROLINA**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Agency Funds
Assets:	
Cash and cash equivalents	265,104
Due from others	11,276
Total assets	<u>\$ 276,380</u>
Liabilities:	
Amounts held for others	<u>\$ 276,380</u>

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

NOTES TO FINANCIAL STATEMENTS



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JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Jackson County Industrial Facility and Pollution Control Financing Authority

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

Jackson County Tourism Development Authority

The Jackson County Tourism Development Authority (the “JCTDA”) was established by the Jackson County Board of Commissioners, with the authorization of the North Carolina General Legislature under Session Law 2011-170 (most recently amended by North Carolina Session Law 2012-100), for the purpose of using occupancy taxes collected to promote travel and tourism within Jackson County. The JCTDA is composed of nine voting members and four ex-officio members, all who serve without compensation and are appointed by the Jackson County Board of Commissioners. Members are appointed to complete three year terms. The JCTDA may contract with any person, firm or organization to advise and assist in carrying out its duty to promote travel and tourism within the County. Complete financial statements for the JCTDA may be obtained by contacting the Jackson County Tourism Development Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

Jackson County Airport Authority

The Jackson County Airport Authority (the “Airport”) exists to operate, promote, and to further improve the airport facilities and aviation for County residents. During the fiscal year ended June 30, 2011, the Airport created its own Board. The Jackson County Board of Commissioners appoints

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

two of the five voting members of the Airport and appoints members to complete unexpired terms. The Board adopts a budget to be used by the Airport and approves amendments to the approved budget. The Airport does not issue separate financial statements.

Jackson County Alcoholic Beverage Control Board

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

Basis of Presentation, Basis of Accounting

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

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Additionally, the County has a legally adopted budget for the Revaluation Fund, Capital Reserve Fund, Conservation/Preservation Fund, and Health Insurance Fund. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54 guidance, these funds are consolidated in the General Fund.

Coronavirus Relief Fund. This fund is used for the restricted funds related to federal funding provided through the CARES ACT. These funds are restricted for public safety expenditures.

School Improvements Fund. This fund is used for the construction of school improvements from the proceeds of state grants, installment grants, and local matching funds. Additionally, the County has a legally adopted budget for the School Capital Reserve Fund. In accordance with GASB No. 54 guidance, this fund has been consolidated into the School Improvements Fund.

SCC Health Science Building Fund. This fund is used for the construction of health science building at Southwestern Community College ("SCC"). The project is be funds from proceeds from state grants, loan, and bond proceeds. Additionally, the County has a legally adopted budget for the SCC Health Science Building Fund.

Health Department Project Fund. This fund is used for the construction of a new health department building from the proceeds local funds. Additionally, the County has a legally adopted budget for the Health Department Project Fund.

The County reports the following major enterprise fund:

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

Additionally, the County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Property Tax Fund, which accounts for property taxes that are billed and collected by the County for various municipalities within the County; the Extension Agency Fund, which accounts for monies collected and disbursed for the operation of the Jackson County 4-H Club; the State of North Carolina Fund, which accounts for monies held for the benefit of certain individuals; and the Inmate Fund, which accounts for monies held for the use by inmates being held in Jackson County correctional facilities.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Nonmajor Funds. The County maintains thirteen legally budgeted nonmajor funds. The Emergency Telephone Fund, Law Enforcement Block Grant Fund, Fire Service Districts Fund, Community Development Scattered Site Project Fund, Clean Water Revolving Loan Fund, Economic Development Fund, and the Economic Development Commission Fund are reported as nonmajor special revenue funds. The Recreation Center Project Fund, Dillsboro Complex Project Fund, County Capital Projects Fund, and the Greenways Project Fund are reported as nonmajor capital projects funds. The Green Energy Park Fund and the Economic Development Commission Fund are reported as nonmajor proprietary funds.

Measurement Focus and Basis of Accounting

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

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

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

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget ordinance is adopted for the General, special revenue funds (excluding funds with multi-year budgets), and the enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the capital project funds and for certain special revenue fund types.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the special revenue and enterprise funds, and at the object level for the capital project funds. The County Manager and/or Finance Director are authorized to transfer appropriations within the following: the Finance Director may transfer amounts between line item expenditures within departmental limitation and without a report being required; the County Manager may transfer amounts between departments including contingency appropriations, within the same fund, but he must make an official report on such transfers at the following regular meeting of the Board of Commissioners; the funding for approved reclassifications may be transferred from the budgeted reserve with the approval of the County Manager. No revenues may be increased, or no funds may be transferred between funds unless formal action is taken by the Board of Commissioners. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Use of Estimates

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

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

Deposits and Investments

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

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

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

The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

Cash and Cash Equivalents

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Restricted Assets

Cash and Cash Equivalents in the General Fund is considered restricted because it is generated and used for Erosion Control Bonds and for a Cell Tower Escrow account. Cash and cash equivalents in the SCC Health Science Building Fund is considered restricted due to being unspent lease proceeds that is to be used for construction and continuation of the completion of the new SCC Health Science Building. Cash and cash equivalents in the Coronavirus Relief Fund is considered restricted due to being unspent grant proceeds that is to be used for only public safety related expenditures.

	<u>Restricted Cash Amount</u>	<u>Purpose</u>
Governmental Activities:		
General Fund	\$ 335,924	Erosion bonds and cell tower escrow accounts
Coronavirus Relief Fund	964,886	Unspent grant proceeds
SCC Health Science Building Fund	<u>5,976,689</u>	Unspent lease proceeds
Total governmental activities	<u>\$ 7,277,499</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, 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

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

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

Capital Assets

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position can also report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The County has several items that meet the criterion for this category – OPEB and pension related deferrals.

In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net 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 criterion for this category – prepaid taxes, property taxes receivable, and other OPEB and pension related deferrals.

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Compensated Absences

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

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

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance

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

Restricted Fund Balance

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories 35-J-56 and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

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

Restricted for Education – portion of fund balance restricted for school capital per G.S. 159-18-22.

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

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

Restricted for Human Services – portion of fund balance restricted by revenue sources to be used for human service activities, such as health administration or related capital projects.

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A because of Register of Deeds Pension Plan for \$124,779, at June 30, 2020.

Committed Fund Balance

This classification includes amounts that can only be used for specific purposes imposed by majority vote by quorum of Jackson County’s governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Committed for Revaluation – portion of fund balance that can only be used for tax revaluation activities. This includes the legally budgeted separately Revaluation Fund, that is collapsed into the General Fund.

Committed for Capital Reserve – portion of fund balance that can only be reserved until there are future capital needs. This includes the legally budgeted separately Capital Reserve Fund, that is collapsed into the General Fund.

Committed for Conservation/Preservation – portion of fund balance that can only be used for environmental conservation and preservation. This includes the legally budgeted separately Conservation/Preservation Fund, that is collapsed into the General Fund.

Committed for Recreation – portion of fund balance that can only be used for projects related to recreation. This includes the Dillsboro Complex Project Fund and a portion of the fund balance from the Greenways Project Fund.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

Assigned Fund Balance

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

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

Unassigned Fund Balance

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

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

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

Defined Benefit Cost-Sharing Pension Plans

Jackson County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LGERS); and the Registers of Deeds' Supplemental Pension Fund (RODSPF). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net position have been determined on the same basis as they are reported by the state-administered defined benefit plans. Jackson County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of state-administered defined benefit pension plans. Investments for both plans are reported at fair value.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

2. Detail Notes on All Funds

A. Assets

Deposits

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

At June 30, 2020, the County's deposits had a carrying amount of \$25,265,962 and a bank balance of \$26,633,669. Of the bank balance, \$988,457 was covered by federal depository insurance and \$25,645,212 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$2,630 cash on hand at June 30, 2020.

At June 30, 2020, the TDA's deposit had a carrying amount of \$111,134 and bank balance of \$111,523, all of which was covered by federal depository insurance.

At June 30, 2020, the carrying amount of deposits and bank balance for the Airport was \$2,176, of which \$20 was covered by federal depository insurance and \$2,156 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$0 in cash on hand at June 30, 2020.

At June 30, 2020, the carrying amount of the ABC Board's deposits was \$1,005,349, and the bank balance was \$969,846. All of the bank balance was covered by federal depository insurance.

Investments

At June 30, 2020, the County's investments consisted of \$19,872,381 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The Cash Portfolio has no maturity value and is measured at fair value. The County has no formal policy on credit risk.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P. The NCCMT Term Portfolio has no rating.

Level of Fair Value Hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

At June 30, 2020, the TDA's investments consisted of \$400,000 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The Cash Portfolio has no maturity value and is measured at fair value. The TDA has no formal policy on credit risk.

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

Property Tax – Use – Value Assessment on Certain Lands

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 219,261	\$ 20,153	\$ 239,414
2019	167,755	7,074	174,829
2018	132,426	23,468	155,894
2017	156,824	11,671	168,495
Total	<u>\$ 676,266</u>	<u>\$ 62,366</u>	<u>\$ 738,632</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest</u>	<u>Other Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Notes Receivable</u>	<u>Total</u>
Governmental Activities:						
General	\$ 73,491	\$ 2,009,965	\$ -	\$ 4,944,893	\$ -	\$ 7,028,349
School improvement	-	-	-	18,123	-	18,123
Southwestern Community College Health Science	1,244,225	-	-	-	-	1,244,225
Health Department Project Fund	-	-	-	83	-	83
Other governmental	35,021	30,113	-	11,069	13,452	89,655
Allowance for doubtful accounts	-	(942,000)	-	-	-	(942,000)
Total governmental activities	<u>\$ 1,352,737</u>	<u>\$ 1,098,078</u>	<u>\$ -</u>	<u>\$ 4,974,168</u>	<u>\$ 13,452</u>	<u>\$ 7,438,435</u>

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest</u>	<u>Other Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Notes Receivable</u>	<u>Total</u>
Business-Type Activities:						
Landfill	\$ 489,235	\$ -	\$ 10,297	\$ 49,269	\$ -	\$ 548,801
Green Energy Park	-	-	-	1,649	-	1,649
Economic development	-	-	-	-	43,456	43,456
Allowance for doubtful accounts	(113,046)	-	-	-	-	(113,046)
Total business-type activities	<u>\$ 376,189</u>	<u>\$ -</u>	<u>\$ 10,297</u>	<u>\$ 50,918</u>	<u>\$ 43,456</u>	<u>\$ 480,860</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Due from other governments that is owed to the County at year-end consists of the following:

	<u>Sales Tax</u>	<u>State/ Federal Entities</u>	<u>Miscellaneous</u>	<u>Total</u>
Governmental Activities:				
General	\$ 4,328,181	\$ 499,744	\$ 116,968	\$ 4,944,893
School improvement	18,123	-	-	18,123
Health Department Project				
Fund	83	-	-	83
Other governmental	9,288	1,781	-	11,069
Total governmental activities	<u>\$ 4,355,675</u>	<u>\$ 501,525</u>	<u>\$ 116,968</u>	<u>\$ 4,974,168</u>
Business-Type Activities:				
Landfill	\$ 37,905	\$ -	\$ 11,364	\$ 49,269
Green Energy Park	1,649	-	-	1,649
Total business-type activities	<u>\$ 39,554</u>	<u>\$ -</u>	<u>\$ 11,364</u>	<u>\$ 50,918</u>

Notes Receivable

The County has made loans to two companies from Community Development Block Grant revenues. The major criterion for receiving such a loan is that the money is spent for economic development projects. The notes receivable are at interest rates that vary from 0 to 2 percent and are repaid monthly and yearly over a period of one to thirteen years. Notes receivable are collateralized by a deed of trust on the companies' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Notes receivable balances and corresponding funds are as follows:

	<u>Balance</u>
Governmental Activities:	
Economic Development Fund	<u>\$ 13,452</u>
Business-Type Activities:	
Economic Commission Development Fund	<u>\$ 43,456</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Due To/From Other Fund

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

Due To/From Other Funds:

Due from General Fund to School

Improvements Fund for timing of funding \$ 596,411

Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	\$ 15,428,817	\$ 50,917	\$ -	\$ 15,479,734
Construction in progress	<u>7,629,566</u>	<u>14,134,542</u>	<u>-</u>	<u>21,764,108</u>
Total non-depreciable capital assets	<u>23,058,383</u>	<u>14,185,459</u>	<u>-</u>	<u>37,243,842</u>
Depreciable Capital Assets:				
Buildings	64,728,404	-	-	64,728,404
Equipment	7,009,361	394,375	29,988	7,373,748
Vehicles	<u>5,854,556</u>	<u>956,307</u>	<u>454,898</u>	<u>6,355,965</u>
Total depreciable capital assets	<u>77,592,321</u>	<u>1,350,682</u>	<u>484,886</u>	<u>78,458,117</u>
Less Accumulated Depreciation:				
Buildings	22,215,021	1,536,727	-	23,751,748
Equipment	5,242,300	351,845	29,988	5,564,157
Vehicles	<u>4,072,254</u>	<u>738,711</u>	<u>454,898</u>	<u>4,356,067</u>
Total accumulated depreciation	<u>31,529,575</u>	<u>\$ 2,627,283</u>	<u>\$ 484,886</u>	<u>33,671,972</u>
Total depreciable capital assets, net	<u>46,062,746</u>			<u>44,786,145</u>
Governmental activities capital assets, net	<u>\$ 69,121,129</u>			<u>\$ 82,029,987</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

General government	\$ 1,077,566
Public safety	628,604
Transportation	199,286
Economic and physical development	28,380
Human services	114,511
Culture and recreation	578,936
Total depreciation expense	<u>\$ 2,627,283</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Landfill Fund:				
Non-Depreciable Capital Assets:				
Land	<u>\$ 196,433</u>	<u>\$ -</u>	<u>\$ 50,065</u>	<u>\$ 146,368</u>
Depreciable Capital Assets:				
Buildings and improvements	1,996,343	-	-	1,996,343
Plant and distribution systems	3,545,486	-	-	3,545,486
Furniture and maintenance equipment	<u>1,134,423</u>	<u>-</u>	<u>16,997</u>	<u>1,117,426</u>
Total depreciable capital assets	<u>6,676,252</u>	<u>-</u>	<u>16,997</u>	<u>6,659,255</u>
Less Accumulated Depreciation:				
Buildings and improvements	1,033,177	42,483	-	1,075,660
Plant and distribution systems	642,045	70,955	-	713,000
Furniture and maintenance equipment	<u>1,016,911</u>	<u>16,707</u>	<u>16,997</u>	<u>1,016,621</u>
Total accumulated depreciation	<u>2,692,133</u>	<u>\$ 130,145</u>	<u>\$ 16,997</u>	<u>2,805,281</u>
Total depreciable capital assets, net	<u>3,984,119</u>			<u>3,853,974</u>
Landfill Fund capital assets, net	<u>\$ 4,180,552</u>			<u>\$ 4,000,342</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Economic Development Fund:				
Depreciable Capital Assets:				
Buildings	\$ 1,403,838	\$ -	\$ -	\$ 1,403,838
Equipment	<u>15,040</u>	<u>-</u>	<u>-</u>	<u>15,040</u>
Total depreciable capital assets	<u>1,418,878</u>	<u>-</u>	<u>-</u>	<u>1,418,878</u>
Less Accumulated Depreciation:				
Buildings	335,902	28,076	-	363,978
Equipment	<u>11,781</u>	<u>1,504</u>	<u>-</u>	<u>13,285</u>
Total accumulated depreciation	<u>347,683</u>	<u>\$ 29,580</u>	<u>\$ -</u>	<u>377,263</u>
Total depreciable capital assets, net	<u>1,071,195</u>			<u>1,041,615</u>
Economic Development Fund capital assets, net	<u>\$ 1,071,195</u>			<u>\$ 1,041,615</u>
Green Energy Park Fund:				
Depreciable Capital Assets:				
Buildings	\$ 48,228	\$ -	\$ -	\$ 48,228
Equipment	<u>45,202</u>	<u>15,671</u>	<u>-</u>	<u>60,873</u>
Total depreciable capital assets	<u>93,430</u>	<u>15,671</u>	<u>-</u>	<u>109,101</u>
Less Accumulated Depreciation:				
Buildings	9,726	965	-	10,691
Equipment	<u>40,673</u>	<u>18,120</u>	<u>-</u>	<u>58,793</u>
Total accumulated depreciation	<u>50,399</u>	<u>\$ 19,085</u>	<u>\$ -</u>	<u>69,484</u>
Total depreciable capital assets, net	<u>43,031</u>			<u>39,617</u>
Green Energy Park Fund capital assets, net	<u>\$ 43,031</u>			<u>\$ 39,617</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Discretely Presented Component Units

Capital asset activity for the Airport for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Non-Depreciable Capital Assets:				
Land	\$ 4,818,067	\$ -	\$ -	\$ 4,818,067
Construction in progress	513,233	-	-	513,233
Total non-depreciable capital assets	<u>5,331,300</u>	<u>-</u>	<u>-</u>	<u>5,331,300</u>
Depreciable Capital Assets:				
Buildings	191,322	-	-	191,322
Equipment	99,326	27,913	-	127,239
Total depreciable capital assets	<u>290,648</u>	<u>27,913</u>	<u>-</u>	<u>318,561</u>
Less Accumulated Depreciation:				
Buildings	135,655	3,827	-	139,482
Equipment	99,326	13,956	-	113,282
Total accumulated depreciation	<u>234,981</u>	<u>\$ 17,783</u>	<u>\$ -</u>	<u>252,764</u>
Total depreciable capital assets, net	<u>55,667</u>			<u>65,797</u>
Airport capital assets, net	<u>\$ 5,386,967</u>			<u>\$ 5,397,097</u>

Capital asset activity for the ABC Board for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Non-Depreciable Capital Assets:				
Land	\$ 12,301	\$ -	\$ -	\$ 12,301
Depreciable Capital Assets:				
Buildings	864,837	-	-	864,837
Furniture and equipment	238,766	47,386	12,341	273,811
Total depreciable capital assets:	<u>1,103,603</u>	<u>47,386</u>	<u>12,341</u>	<u>1,138,648</u>
Less Accumulated Depreciation:				
Buildings	101,279	23,976	-	125,255
Furniture and equipment	127,815	27,124	9,436	145,503
Total accumulated depreciation	<u>229,094</u>	<u>\$ 51,100</u>	<u>\$ 9,436</u>	<u>270,758</u>
Total depreciable capital assets, net	<u>874,509</u>			<u>867,890</u>
ABC Board capital assets, net	<u>\$ 886,810</u>			<u>\$ 880,191</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2020, were as follows:

	<u>Vendors</u>	<u>Contact Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,801,234	\$ -	\$ 667,281	\$ 2,468,515
School Improvements Fund	225,338	22,763	-	248,101
SCC Health Science Building Fund	1,244,225	491,526	-	1,735,751
Health Department Project Fund	369,181	252,152	-	621,333
Other governmental	34,762	-	-	34,762
Total governmental activities	<u>\$ 3,674,740</u>	<u>\$ 766,441</u>	<u>\$ 667,281</u>	<u>\$ 5,108,462</u>
Business-Type Activities:				
Landfill	\$ 21,721	\$ -	\$ -	\$ 21,721
Other proprietary	13,392	-	-	13,392
Total business-type activities	<u>\$ 35,113</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,113</u>

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020 was 9.70% of compensation for law enforcement officers and 9.03% 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 \$1,568,779 for the year ended June 30, 2020.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2020, the County reported a liability of \$6,231,691 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020, the County's proportion was 0.22819% (measured as of June 30, 2019), which was a decrease of 0.00184% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$2,854,961. At June 30, 2020, 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	\$ 1,067,023	\$ -
Changes of assumptions	1,015,662	-
Net difference between projected and actual earnings on pension plan investments	152,000	-
Changes in proportion and differences between County contributions and proportionate share of contributions	155,309	37,098
County contributions subsequent to the measurement date	1,568,779	-
Total	<u>\$ 3,958,773</u>	<u>\$ 37,098</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$1,568,779 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 ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as of June 30 were as follows:

Year Ending	
June 30	Amount
2021	\$ 1,162,075
2022	382,868
2023	613,522
2024	194,431
Total	<u>\$ 2,352,896</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 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

The plan currently uses mortality rates based on the *RP-2014 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, 2018 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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	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	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 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 (Asset) to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 14,253,017</u>	<u>\$ 6,231,691</u>	<u>\$ (435,656)</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

Law Enforcement Officers' Special Separation Allowance

Plan Description. Jackson County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>57</u>
Total	<u><u>63</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2018 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	3.26

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2019.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

Mortality Rate

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitants 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 Employees base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitants 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 Disable 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. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$123,340 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, 2020, the County reported a total pension liability of \$2,007,304. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$206,962.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269,122	\$ 5,349
Changes of assumptions	89,504	50,814
Benefit payments and administrative expense subsequent to the measurement date	78,776	-
Total	<u>\$ 437,402</u>	<u>\$ 56,163</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$78,776 reported as deferred outflows of resources related to pensions resulting from County benefits payments and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as of June 30 were as follows:

Year Ending June 30	Amount
2021	\$ 79,072
2022	79,072
2023	67,515
2024	44,070
2025	32,734
Thereafter	-
Total	<u>\$ 302,463</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.26 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Current (3.26%)	1% Increase (4.26%)
Total pension liability	<u>\$ 2,157,173</u>	<u>\$ 2,007,304</u>	<u>\$ 1,868,941</u>

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

	Pension Liability
Beginning balance	\$ 1,715,041
Changes for the year:	
Service cost	66,976
Interest on the total pension liability	60,183
Differences between expected and actual experience in the measurement of the total pension liability	234,536
Changes of assumption of other inputs	53,908
Benefit payments	<u>(123,340)</u>
Ending balance of total pension liability	<u>\$ 2,007,304</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at December 31, 2018 to 3.26 percent at December 31, 2019.

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

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (“CAFR”) for the State of North Carolina. The state’s CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020, were \$162,295, which consisted of \$124,205 from the County and \$38,090 from the law enforcement officers. No amounts were forfeited.

Registers of Deeds’ Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds’ Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county Register of Deeds who is retired under the Local 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, and the State Treasurer and 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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.

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 \$5,787 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$111,519 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the County's proportion was (0.56488%), which was a decrease of 0.05004% from its proportion measured as of June 30, 2018 of (0.61492%).

For the year ended June 30, 2020, the County recognized pension expense of \$2,900. At June 30, 2020, 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	\$ -	\$ 5,378
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,141	-
Changes in proportion and differences between County contributions and proportionate share of contributions	11,710	
County contributions subsequent to the measurement date	5,787	-
Total	<u>\$ 18,638</u>	<u>\$ 5,378</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

\$5,787 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. 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
2021	\$ 4,693
2022	3,525
2023	1,458
2024	(2,203)
Total	<u>\$ 7,473</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through 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 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, 2019 is 1.4%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	<u>1% Decrease (2.75%)</u>	<u>Current (3.75%)</u>	<u>1% Increase (4.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ <u>(7,513)</u>	\$ <u>111,519</u>	\$ <u>(756)</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.

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

The net pension liability for LGERS was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is a summary of the County's pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 6,231,691	N/A	\$ (111,519)	\$ 6,120,172
Proportion of the net pension liability (asset)	0.22819%	N/A	(0.56488%)	-
Total pension liability	-	2,007,304	-	2,007,304
Pension expense	2,854,961	206,962	2,900	3,064,823

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

At June 30, 2020 the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$ 1,067,023	\$ 269,122	\$ -	\$ 1,336,145
Changes of assumptions	1,015,662	89,504	-	1,105,166
Net difference between projected and actual earnings on pension plan investments	152,000	-	1,141	153,141
Changes in proportion and differences between County contributions and proportionate share on contributions	155,309	-	11,710	167,019
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,568,779</u>	<u>78,776</u>	<u>5,787</u>	<u>1,653,342</u>
Totals	<u>\$ 3,958,773</u>	<u>\$ 437,402</u>	<u>\$ 18,638</u>	<u>\$ 4,414,813</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ -	\$ 5,349	\$ 5,378	\$ 10,727
Changes of assumptions	-	50,814	-	50,814
Changes in proportion and differences between County contributions and proportionate share on contributions	<u>37,098</u>	<u>-</u>	<u>-</u>	<u>37,098</u>
Totals	<u>\$ 37,098</u>	<u>\$ 56,163</u>	<u>\$ 5,378</u>	<u>\$ 98,639</u>

Deferred Compensation Plan

County employees can elect to participate in a County-sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Investment Services Corporation. The Plan permits employees to defer a portion of their salary until future year. The deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency. The County does not contribute to this plan. Contributions to the 457 Plan for the year ended June 30, 2020 were \$6,142 from the employees.

Other Post-Employment Benefits – Healthcare Benefits Plan

Plan Description. Under a County resolution, Jackson County administers the Healthcare Benefits Plan (HCB Plan), single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (NCLGERS). In addition to participating in the NCLGERS, to be eligible general employees must meet the following criteria applicable to their specific hire date: the general employee must be sixty years of age and have accumulated ten consecutive vesting credit years with the County if hired before January 18, 2001; the general employee must be sixty years of age and have accumulated fifteen consecutive vesting

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

credit years with the County if hired on or after January 18, 2001, but before July 1, 2013; the general employee must be sixty years of age and have accumulated twenty consecutive vesting credit years with the County if hired on or after July 1, 2013; the general employee must have thirty consecutive vesting credit years with the County if they have not reached the age of sixty, if hired before July 1, 2013; the general employee must have thirty consecutive vesting credit years with twenty of thirty being with the County if the employee has not reached the age of sixty, and was hired on or after July 1, 2013. In addition to participating in NCLGERS, to be eligible law enforcement officers must meet the following criteria applicable to their specific hire date: the officer must be fifty-five years of age and have accumulated twenty consecutive vesting credit years with the County regardless of hire date; the officer must have thirty consecutive vesting credit years with the County if the officer has not reached fifty-five years of age, and was hired before July 1, 2013; the officer must have thirty consecutive vesting credit year with twenty of thirty being with the County if the officer has not reached fifty-five years of age, and was hired on or after July 1, 2013. The County will pay the full cost of retiree health insurance, obtained through private insurers, until the retiree becomes eligible for Medicare, at which time the County will pay for a Medicare Supplement plan. Health care, prescription drugs, and dental coverage are provided in the County's retiree healthcare plan to retirees under the age of sixty-five. Medicare eligible retirees are provided with a Medicare Supplement plan, and dependents are eligible but must pay the full premium. The retiree may continue dependent coverage (and pay the premium for this coverage) if enrolled in dependent coverage at the time of retirement. Medicare prescription drug coverage is provided through the County's \$176 per month for Medicare prescription coverage.

A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Plan Membership. At June 30, 2019, the HCB Plan membership consisted of the following:

Inactive plan members or beneficiaries	
currently receiving benefits	126
Active plan members	<u>402</u>
Total	<u><u>528</u></u>

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuations as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent for General Employees, including inflation and productivity factor 3.50 to 7.35 percent for Law Enforcement Officers, including inflation and productivity factor
Healthcare cost trend rates	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 for Pre-Medicare 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021 for Medicare
Dental	4 percent

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by the Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Summary of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balance, July 1, 2019	\$ 49,017,401
Changes for the year:	
Service cost	1,806,653
Interest on the total pension liability	1,888,493
Change in benefit terms	(333,241)
Difference between expected and actual experience in the measurement of the total pension liability	(6,625,385)
Changes of assumption or other inputs	(106,853)
Benefit payments	(949,091)
Ending balance, June 30, 2020	<u>\$ 44,697,977</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County at June 30, 2020, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Current (3.50%)	1% Increase (4.50%)
Total OPEB liability	<u>\$ 52,788,785</u>	<u>\$ 44,697,977</u>	<u>\$ 38,327,715</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County at June 30, 2020, as well as what the County's total OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 37,857,697	\$ 44,697,977	\$ 53,522,888

Changes of assumptions and other inputs reflect a change in the discount rate from 3.89 percent in 2018 to 3.50 percent in 2019.

For the year ended June 30, 2020, the County recognized OPEB expense of \$1,259,455. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 236,708	\$ 5,648,190
Changes of assumptions	-	5,107,123
County contributions subsequent to the measurement date	562,458	-
Total	<u>\$ 799,166</u>	<u>\$ 10,755,313</u>

\$562,458 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ (2,102,450)
2022	(2,102,450)
2023	(2,102,450)
2024	(2,080,403)
2025	(1,356,344)
Thereafter	<u>(774,508)</u>
Total	<u>\$ (10,518,605)</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Other Employment Benefits – Death Benefits

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

Post-Closure Care Costs – Landfill Facility

State and federal laws and regulations required the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill has been closed but will be monitored for the next 15 years. Post-closure costs are included in operating expenses of the current year. The \$1,558,370 reported as landfill post-closure care liability at June 30, 2020, represents estimated future post-closure costs based on engineering estimates prepared at and shortly after closure. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Long-Term Debt

The County's long-term debt for governmental activities at June 30, 2020 was comprised of the following:

A \$9,507,386 note was executed on December 29, 2005, and refinanced on February 16, 2012 and March 29, 2015, for the construction of a library (42 percent of the proceeds) and school addition (58 percent of the proceeds) and is payable in 30 semi-annual payments of \$316,913. In addition, 2.16 percent interest is payable semi-annually. Principal and interest are appropriated when due.	\$ 316,913
A \$10,295,446 note was executed on July 16, 2009, and refinanced on December 28, 2011 and March 16, 2015, for the renovation of the historic courthouse, construction of the new public library, and projects at Southwestern Community College. The note is payable in 30 semi-annual payments of \$343,182. In addition, 2.49 percent interest is payable semi-annually. Principal and interest payments are appropriated when due.	3,088,634
A \$10,000,000 note was executed on October 25, 2012 for the construction of a gymnasium and performing arts center at Smoky Mountain High School, and renovation of locker rooms at Blue Ridge High School. The note is payable in 30 semi-annual payments of \$333,333. In addition, 2.79% interest is payable semi-annually. Principal and interest payments are appropriated when due.	5,000,000
A \$6,933,500 note was executed on November 27, 2012 for the refunding of a prior installment obligation for the construction, renovation and equipping of Fairview Kindergarten (33% of the proceeds) and site work on the Webster Complex and the Cashiers Recreation Complex (67% of the proceeds) and is payable in 21 semi-annual payments of \$330,167. In addition, 2.19% interest is payable semi-annually. Principal and interest payments are appropriated when due.	1,650,833
A \$3,058,734 note was executed on December 19, 2012, for the refunding of a prior installment obligation for the construction and equipping of a new Aging Facility located at the Webster Complex and is payable in 22 semi-annual payments of \$139,033. In addition, 2.27% interest is payable semi-annually. Principal and interest payments are appropriated when due.	973,233
A \$9,000,000 noninterest bearing note was executed on March 22, 2017, for the construction and renovation of Jackson County Public Schools and is payable in 30 semi-annual payments of \$300,000. Principal payments are appropriated when due.	7,200,000
A \$10,000,000 note was executed on January 8, 2019, for the Community College and is payable in 40 semi-annual payments of \$250,000. In addition, 3.81% interest is payable and appropriated when due.	<u>9,500,000</u>
Total	<u>\$ 27,729,613</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Repayment requirements of the notes payable for governmental activities as of June 30, 2020 are:

Year Ending June 30	Principal	Interest	Total
2021	\$ 3,708,343	\$ 621,150	\$ 4,329,493
2022	3,391,430	542,210	3,933,640
2023	3,061,263	466,478	3,527,741
2024	2,592,063	402,029	2,994,092
2025	2,109,848	345,710	2,455,558
2026-2030	7,166,667	1,188,938	8,355,605
2031-2035	3,700,000	947,738	4,647,738
2036-2039	<u>1,999,999</u>	<u>171,452</u>	<u>2,171,451</u>
Total	<u>\$ 27,729,613</u>	<u>\$ 4,685,705</u>	<u>\$ 32,415,318</u>

The County's long-term debt for business-type activities at June 30, 2020 was comprised of the following:

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

\$ 1,055,703

Repayment requirements of the note payable for business-type activities as of June 30, 2020 are:

Year Ending June 30	Principal	Interest	Total
2021	\$ 234,601	\$ 23,630	\$ 258,231
2022	234,601	18,071	252,672
2023	234,601	12,510	247,111
2024	234,600	6,950	241,550
2025	<u>117,300</u>	<u>1,390</u>	<u>118,690</u>
Total	<u>\$ 1,055,703</u>	<u>\$ 62,551</u>	<u>\$ 1,118,254</u>

All notes payable held by the County for both governmental activities and business-type activities are classified as installment purchases resulting from direct placements. All outstanding debt is collateralized by the full faith, credit, and taxing power of the County. In the event of a default, possession of the asset which the debt was incurred for, passes to the lender.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Governmental Activities:					
Direct Placement -					
installment purchases	\$ 31,754,868	\$ -	\$ 4,025,255	\$ 27,729,613	\$ 3,708,343
Compensated absences	1,688,179	1,289,842	1,189,860	1,788,161	447,040
Net pension liability - LGERS	5,340,664	751,355	-	6,092,019	-
Total pension liability - LEOSA	1,715,041	499,225	206,962	2,007,304	-
Total OPEB liability	<u>47,971,555</u>	<u>-</u>	<u>4,189,841</u>	<u>43,781,714</u>	<u>-</u>
Total governmental activities	<u>\$ 88,470,307</u>	<u>\$ 2,540,422</u>	<u>\$ 9,611,918</u>	<u>\$ 81,398,811</u>	<u>\$ 4,155,383</u>
Landfill Fund:					
Direct Placement -					
installment purchases	\$ 1,290,303	\$ -	\$ 234,600	\$ 1,055,703	\$ 234,601
Landfill closure and					
post closure costs	1,546,280	15,855	3,765	1,558,370	-
Compensated absences	13,761	15,227	6,601	22,387	5,597
Net pension liability - LGERS	49,553	50,450	-	100,003	-
Total OPEB liability	<u>772,689</u>	<u>-</u>	<u>99,975</u>	<u>672,714</u>	<u>-</u>
Total business-type activities	<u>\$ 3,672,586</u>	<u>\$ 81,532</u>	<u>\$ 344,941</u>	<u>\$ 3,409,177</u>	<u>\$ 240,198</u>
Economic Development Fund:					
Compensated absences	\$ 15,315	\$ 8,907	\$ 6,481	\$ 17,741	\$ 4,435
Net pension liability - LGERS	31,923	7,746	-	39,669	-
Total OPEB liability	<u>286,743</u>	<u>-</u>	<u>43,194</u>	<u>243,549</u>	<u>-</u>
Total business-type activities	<u>\$ 333,981</u>	<u>\$ 16,653</u>	<u>\$ 49,675</u>	<u>\$ 300,959</u>	<u>\$ 4,435</u>

At June 30, 2020, Jackson County had a legal debt margin of approximately \$740,400,000.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Deferred Inflows/Outflows of Resources:

At June 30, 2020, deferred inflows/outflows of resources for Jackson County consisted of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
LGERS	\$ 3,879,092	\$ 36,658
LEOSSA	437,402	56,163
RODSPF	18,638	5,378
OPEB	775,191	10,432,654
Prepaid taxes	-	49,116
Total governmental activities	<u>\$ 5,110,323</u>	<u>\$ 10,579,969</u>
Business-Type Activities:		
Landfill Fund:		
LGERS	\$ 58,815	\$ 392
OPEB	15,983	215,106
Total Landfill Fund	<u>74,798</u>	<u>215,498</u>
Green Energy Park Fund:		
LGERS	20,866	48
OPEB	7,992	107,553
Total Green Energy Park Fund	<u>28,858</u>	<u>107,601</u>
Total business-type activities	<u>\$ 103,656</u>	<u>\$ 323,099</u>

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2020, is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	<u>\$ 82,029,987</u>	<u>\$ 5,081,574</u>
Less capital debt:		
Gross debt	27,729,613	1,055,703
School debt related to assets to which the the County does not hold title	<u>(12,928,585)</u>	<u>-</u>
Net capital debt	<u>14,801,028</u>	<u>1,055,703</u>
Less unspent lease proceeds:		
SCC health science building unspent lease proceeds	<u>5,976,689</u>	<u>-</u>
Net investment in capital assets	<u>\$ 61,252,270</u>	<u>\$ 4,025,871</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Interfund Balances and Activity

Transfers to/from Other Funds

Transfers to/from other funds for the year ended June 30, 2020, consist of the following:

Transfers:

From the General Fund to the Capital Reserve Fund for future construction projects	\$ 1,000,000
From the General Fund to the Economic Development Commission Special Revenue Fund for operations	100,000
From the General Fund to the School Capital Reserve Fund for future school construction projects	2,297,999
From the General Fund to the Revaluation Fund for operations	350,500
From the General Fund to the Green Energy Park Fund for operations	215,000
From the General Fund to the Conservation/Preservation Fund for conservation expenditures	500,000
From the School Capital Reserve Fund to the General Fund for debt service	878,366
From the Capital Reserve Fund to the Dillsboro Complex Project Fund for construction	1,000,000
From the School Capital Reserve Fund to the School Improvements Fund for current school construction and projects	532,200
From the School Capital Reserve Fund to the SCC Health Science Building Fund for construction	3,220,163

Fund Balance – General Fund

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

The County formal fund balance policy is to maintain an unrestricted fund balance in the General Fund of no less than 25% of the total projected of the total project expenditures. Unrestricted fund balance in excess of 25% is available for general appropriation during the budget year as approved by the Commissioners. The following schedule provides management and citizens with information on the portion of fund balance, in the General Fund, that is available for appropriation:

	Balance at June 30, 2020
Total fund balance - General Fund	\$ 29,353,090
Amounts not available for appropriation:	
Stabilization by state statute	<u>(5,018,384)</u>
Fund balance available for appropriation	<u><u>\$ 24,334,706</u></u>

3. Risk Management

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

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

4. Joint Ventures

Fontana Regional Library

The County participates in a joint venture to operate the Fontana Regional Library (“Library”) with five other local governments. Each participating county may appoint three Board members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,154,908 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library’s offices at Post Office Box 460, Bryson City, North Carolina, 28713.

Southwestern Community College

The County, in conjunction with the State of North Carolina and the Jackson County Board of Education, participates in a joint venture to operate Southwestern Community College (“Community College”). The County appoints five members and the state and the Board of Education each appoint four members of the thirteen-member Board of Trustees of the Community College. The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college’s operations. The County contributed \$2,050,990 and \$1,203,861 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. 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, 2020. Complete financial statements for the community college may be obtained from the Community College’s administrative offices at 275 Webster Road, Sylva, North Carolina 28779.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Tuckaseegee Water and Sewer Authority

The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckaseegee Water and Sewer Authority (the “TWSA”). The chairman of the TWSA appoints one member from each participating government and three members at large. The TWSA is a joint venture established in 1992 to provide safe, clean drinking water and to provide safe and sanitary disposal of sewage to and for the citizens of Jackson County. The TWSA has been in existence since 1992; however, the County remains financially responsible under the provisions of Chapter 1 62A, Article 1 of the North Carolina General Statutes to provide water and sewer services in the event of default by the TWSA. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2020. Complete financial statements for the TWSA can be obtained from the TWSA’s administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

Mental Health

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Vaya Health Center, (“Vaya LME”), a local management entity. The fifteen counties participating in the Vaya Health LME are represented by a County commissioner. Within available resources, the County has an ongoing financial responsibility for the LME because it is legally obligated to provide mental health services either directly or jointly with other counties. None of the participating counties has any equity interest in the LME, so no equity interest has been reflected in the financial statements at June 30, 2020. The County contributed \$123,081 to the Vaya Health LME to fund operations during fiscal year June 30, 2020. Complete financial statements for the Vaya Health LME may be obtained from the Vaya Health LME’s offices at 128 Sylva Plaza, Sylva, NC 28779.

5. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

The County, in conjunction with seven other counties and fifteen municipalities, established the Southwestern North Carolina Planning and Economic Development Commission (“Commission”). The participating governments established the Commission to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Commission’s twenty-two-member governing board. The County paid membership fees of \$30,988 to the Commission during the fiscal year ended June 30, 2020.

6. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

Contingent Liabilities

At June 30, 2020, the County was defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate effect of these legal matters will not have a materially adverse effect on the County's financial position.

Subsequent Events

In March 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact County revenues. At the current time, we are unable to quantify the potential effect of the pandemic.



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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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



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JACKSON COUNTY, NORTH CAROLINA**JACKSON COUNTY'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS***

	Local Government Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
Jackson County's proportion of the net pension liability (asset)	0.22819%	0.23003%	0.24867%	0.23779%	0.23674%	0.33193%	0.33680%
Jackson County's proportionate share of the net pension liability (asset)	\$ 6,231,691	\$ 5,457,098	\$ 3,798,989	\$ 5,046,700	\$ 1,062,475	\$ (1,403,478)	\$ 2,984,531
County's covered payroll	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534	\$ 14,386,674
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.32%	33.60%	23.25%	32.90%	7.25%	-9.62%	20.75%
Plan fiduciary net position as a percentage of total pension liability**	90.86%	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 ending June 30.

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

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA**JACKSON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS**

	Local Government Employees' Retirement System						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,568,779	\$ 1,350,670	\$ 1,240,857	\$ 1,214,999	\$ 1,044,564	\$ 1,040,014	\$ 1,035,268
Contributions in relation to the contractually required contribution	<u>1,568,779</u>	<u>1,350,670</u>	<u>1,240,857</u>	<u>1,214,999</u>	<u>1,044,564</u>	<u>1,040,014</u>	<u>1,035,268</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534
Contributions as a percentage of covered payroll	9.08%	7.87%	7.64%	7.44%	6.81%	7.09%	7.09%

Note: The pension schedules in the required supplementary information are intended to show information for ten years.
Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
LAST FOUR FISCAL YEARS

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

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

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA

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

	Law Enforcement Officers' Special Separation Allowance			
	2020	2019	2018	2017
Total pension liability	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570
Covered payroll	\$ 2,561,837	\$ 2,344,325	\$ 2,422,322	\$ 2,185,217
Total pension liability as a percentage of covered payroll	78.35%	73.16%	72.09%	66.38%

Notes to the Schedules:

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

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE FISCAL YEARS***

	Health Retiree Plan		
	2020	2019	2018
Service cost	\$ 1,806,653	\$ 1,919,639	\$ 2,179,388
Interest	1,888,493	1,733,478	1,546,018
Differences between expected and actual experience	(6,958,626)	285,749	57,853
Changes of assumptions	(106,853)	(2,896,912)	(5,179,868)
Benefit payments	(949,091)	(1,423,053)	(1,126,877)
Net change in total OPEB liability	(4,319,424)	(381,099)	(2,523,486)
Total OPEB liability - beginning	49,017,401	49,398,500	51,921,986
Total OPEB liability - ending	<u>\$ 44,697,977</u>	<u>\$ 49,017,401</u>	<u>\$ 49,398,500</u>
Covered payroll	\$ 16,100,312	\$ 15,148,982	\$ 15,148,982
Total OPEB liability as a percentage of covered payroll	277.62%	323.57%	326.08%

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
2020	3.50%
2019	3.89%
2018	3.56%

Note: The OPEB schedule in the required supplementary information is intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA
**JACKSON COUNTY'S PROPORTIONATE SHARE
 OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST SEVEN FISCAL YEARS***

	Register of Deeds' Supplemental Pension Fund						
	2020	2019	2018	2017	2016	2015	2014
Jackson County's proportion of the net pension liability (asset) (%)	-0.56488%	-0.61492%	-0.67648%	-0.66058%	-0.47653%	-0.46101%	-0.45802%
Jackson County's proportionate share of the net pension liability (asset) (\$)	\$ (111,519)	\$ (101,849)	\$ (115,468)	\$ (123,502)	\$ (110,431)	\$ (104,937)	\$ (97,833)
Plan fiduciary net position as a percentage of total pension liability	164.11%	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 ending June 30.

Note: The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

JACKSON COUNTY, NORTH CAROLINA
**JACKSON COUNTY'S SCHEDULE
 OF CONTRIBUTIONS
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST SEVEN FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund							
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,787	\$ 5,369	\$ 5,262	\$ 5,878	\$ 5,397	\$ 3,813	\$ 3,764
Contributions in relation to the contractually required contribution	<u>5,787</u>	<u>5,369</u>	<u>5,262</u>	<u>5,878</u>	<u>5,397</u>	<u>3,813</u>	<u>3,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The pension schedules in the required supplementary information are intended to show information for ten years.
 Additional information will be displayed as it becomes available.



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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



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MAJOR GOVERNMENTAL FUNDS

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

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

Coronavirus Relief Fund: This fund is used to account for the CARES ACT funding received and is restricted for public safety.

SCHOOL IMPROVEMENTS FUND

- **School Improvements Fund** – This fund is used to account for the construction of school improvements from the proceeds of State grants, installment debt, and local matching funds.
- **School Capital Reserve Fund** – This fund was established to account for revenues restricted for the construction and renovation of County schools.**

SCC HEALTH SCIENCE BUILDING FUND: The SCC Health Science Building Fund is a capital project fund establish for the construction of the health science building on Southwestern Community College’s (“SCC”) campus.

HEALTH DEPARTMENT PROJECT FUND: The Health Department Project Fund is a capital project fund establish for the construction of a new Health Department building.

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

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



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JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Current year and prior	\$ 36,615,461	\$ 36,568,398	\$ (47,063)
Penalties and interest	<u>375,000</u>	<u>342,370</u>	<u>(32,630)</u>
Total ad valorem taxes	<u>36,990,461</u>	<u>36,910,768</u>	<u>(79,693)</u>
Other Taxes:			
Local option sales tax	15,423,489	16,369,217	945,728
Beer and wine tax distribution	172,520	172,520	-
Tax refund - sales and gasoline	<u>55,125</u>	<u>19,772</u>	<u>(35,353)</u>
Total other taxes	<u>15,651,134</u>	<u>16,561,509</u>	<u>910,375</u>
Unrestricted Intergovernmental:			
Payments in lieu of taxes	115,872	227,068	111,196
ABC profit distribution	260,000	283,779	23,779
ABC 1 and 5 cent bottle charge	<u>34,400</u>	<u>45,838</u>	<u>11,438</u>
Total unrestricted governmental	<u>410,272</u>	<u>556,685</u>	<u>146,413</u>
Restricted Intergovernmental:			
School resource officers - Board of Education and Community College	<u>772,398</u>	<u>541,002</u>	<u>(231,396)</u>
Federal and state grants:			
NC Department of Commerce - Planning/Zoning:			
Registration fees			
Home and Community Care Block Grant	267,254	320,682	53,428
Nantahala Forest timber receipts	128,000	92,874	(35,126)
DARE grant	6,000	6,000	-
Civil defense	49,690	49,188	(502)
Soil conservation - matching	33,563	12,239	(21,324)
Tennessee Valley Authority	750	721	(29)
Older American Act Title III	29,237	23,831	(5,406)
Health department	1,265,999	977,979	(288,020)
Senior care	19,193	19,931	738
Smart Start	111,578	109,029	(2,549)
Governor's Crime Commission	24,500	25,039	539
Juvenile Crime Prevention Commission	139,956	139,954	(2)
Safe Roads Act	4,000	2,669	(1,331)
Veteran's service	2,217	2,182	(35)
Erosion control	300	-	(300)
Extension grant project	1,750	841	(909)

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
SCAAP - State Criminal Alien Grant	15,000	4,681	(10,319)
Social services	4,250,093	4,020,089	(230,004)
Title XIX - Medicaid	173,117	170,175	(2,942)
Department of Transportation:			
Governor's Highway Safety Program	20,000	26,422	6,422
Section 18 - administration	169,594	203,668	34,074
Section 18 - capital	63,072	56,767	(6,305)
Department of Justice Grant	256,795	56,445	(200,350)
Contracts - EDTAP	218,292	230,466	12,174
FEMA Disaster Assistance Grant	39,434	31,634	(7,800)
State Special Appropriation Grant	15,000	15,000	-
COVID-19	71,183	71,182	(1)
Resources	21,200	15,000	(6,200)
Emergency food and shelter	18,588	13,182	(5,406)
Cherokee Preservation Grant	500	-	(500)
Department of Justice	310,310	313,531	3,221
Total	<u>7,726,165</u>	<u>7,011,401</u>	<u>(714,764)</u>
Court facilities fees	<u>55,340</u>	<u>40,175</u>	<u>(15,165)</u>
Total restricted intergovernmental	<u>8,553,903</u>	<u>7,592,578</u>	<u>(961,325)</u>
Other Restricted Revenues:			
Dogwood Health Trust Grant	59,900	59,900	-
Vocational rehabilitation	2,500	1,603	(897)
Transportation contracts	64,600	69,159	4,559
Total other restricted	<u>127,000</u>	<u>130,662</u>	<u>3,662</u>
Permits and Fees:			
ABC permit fees	2,000	1,650	(350)
Cashiers permit fees	3,500	1,900	(1,600)
Cullowhee permit fees	1,000	3,350	2,350
Board of Elections fees	4,660	4,820	160
Erosion control fees	103,100	65,450	(37,650)
Building permits and inspection fees	735,000	754,435	19,435
Environmental health fees	138,500	140,706	2,206
Sheriff's fees	108,300	54,073	(54,227)
Officers fees - court	35,110	24,008	(11,102)
Animal adoption fees	17,000	19,405	2,405
Road sign fees	74,050	54,900	(19,150)
Health and Social Services fees	346,800	222,163	(124,637)

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget	Actual	Variance Over/Under
Register of Deeds	388,000	369,511	(18,489)
Real property transfer tax	575,000	606,408	31,408
Marriage licenses	7,500	6,725	(775)
Excise tax	11,000	12,128	1,128
Senior citizens fees	81,656	82,764	1,108
ABC fees	4,600	4,620	20
Total permits and fees	<u>2,636,776</u>	<u>2,429,016</u>	<u>(207,760)</u>
Sales and Services:			
Jail fees	40,000	69,329	29,329
Civil process fees	60,000	21,610	(38,390)
Ambulance fees	265,551	186,006	(79,545)
Ancillary services	55,000	46,770	(8,230)
Travel and tourism administrative fees	52,750	38,250	(14,500)
Video programming distribution	72,500	58,985	(13,515)
Telephone charges	42,000	28,017	(13,983)
Vending machines	2,000	396	(1,604)
Recreation department	678,955	460,265	(218,690)
Rents	55,210	46,221	(8,989)
Unclaimed property	25,000	-	(25,000)
Trolley fares	28,645	8,993	(19,652)
Total sales and services	<u>1,377,611</u>	<u>964,842</u>	<u>(412,769)</u>
Investment Earnings	<u>375,000</u>	<u>201,766</u>	<u>(173,234)</u>
Miscellaneous	<u>436,373</u>	<u>201,544</u>	<u>(234,829)</u>
Total revenues	<u>66,558,530</u>	<u>65,549,370</u>	<u>(1,009,160)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits	131,219	126,556	4,663
Operating	209,932	194,611	15,321
Capital outlay	2,294	2,294	-
Total	<u>343,445</u>	<u>323,461</u>	<u>19,984</u>
Administration:			
Salaries and employee benefits	302,575	302,520	55
Operating	29,483	26,574	2,909
Total	<u>332,058</u>	<u>329,094</u>	<u>2,964</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Elections:			
Salaries and employee benefits	237,795	236,633	1,162
Operating	241,568	161,361	80,207
Capital outlay	<u>724,770</u>	<u>597,084</u>	<u>127,686</u>
Total	<u>1,204,133</u>	<u>995,078</u>	<u>209,055</u>
Finance:			
Salaries and employee benefits	673,732	673,358	374
Operating	34,733	34,902	(169)
Capital outlay	<u>3,720</u>	<u>3,720</u>	<u>-</u>
Total	<u>712,185</u>	<u>711,980</u>	<u>205</u>
Human resources:			
Salaries and employee benefits	143,703	143,594	109
Operating	38,796	17,896	20,900
Capital outlay	<u>1,209</u>	<u>893</u>	<u>316</u>
Total	<u>183,708</u>	<u>162,383</u>	<u>21,325</u>
Computer services:			
Salaries and employee benefits	361,809	361,616	193
Operating	269,153	248,546	20,607
Capital outlay	<u>38,709</u>	<u>38,709</u>	<u>-</u>
Total	<u>669,671</u>	<u>648,871</u>	<u>20,800</u>
Tax collections:			
Salaries and employee benefits	276,378	276,211	167
Operating	39,768	35,759	4,009
Capital outlay	<u>1,300</u>	<u>1,300</u>	<u>-</u>
Total	<u>317,446</u>	<u>313,270</u>	<u>4,176</u>
Tax assessments:			
Salaries and employee benefits	660,205	659,377	828
Operating	111,272	83,329	27,943
Capital outlay	<u>4,817</u>	<u>4,816</u>	<u>1</u>
Total	<u>776,294</u>	<u>747,522</u>	<u>28,772</u>
GIS mapping:			
Salaries and employee benefits	148,477	113,217	35,260
Operating	20,725	19,844	881
Capital outlay	<u>3,111</u>	<u>3,111</u>	<u>-</u>
Total	<u>172,313</u>	<u>136,172</u>	<u>36,141</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Legal services	<u>348,149</u>	<u>253,445</u>	<u>94,704</u>
Register of Deeds:			
Salaries and employee benefits	349,116	347,255	1,861
Operating	136,556	119,049	17,507
Capital outlay	<u>1,690</u>	<u>1,690</u>	<u>-</u>
Total	<u>487,362</u>	<u>467,994</u>	<u>19,368</u>
Public Works:			
Salaries and employee benefits	55,975	55,944	31
Operating	<u>796</u>	<u>693</u>	<u>103</u>
Total	<u>56,771</u>	<u>56,637</u>	<u>134</u>
Maintenance:			
Salaries and employee benefits	2,846,384	2,739,728	106,656
Operating	2,024,266	1,802,520	221,746
Capital outlay	<u>111,162</u>	<u>96,345</u>	<u>14,817</u>
Total	<u>4,981,812</u>	<u>4,638,593</u>	<u>343,219</u>
Court facilities:			
Operating	<u>55,340</u>	<u>42,390</u>	<u>12,950</u>
Professional services	<u>45,000</u>	<u>35,800</u>	<u>9,200</u>
Central services:			
Operating	<u>187,000</u>	<u>133,332</u>	<u>53,668</u>
Total general government	<u>10,872,687</u>	<u>9,996,022</u>	<u>876,665</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	4,534,976	4,287,882	247,094
Operating	987,647	755,128	232,519
Capital outlay	<u>389,314</u>	<u>380,903</u>	<u>8,411</u>
Total	<u>5,911,937</u>	<u>5,423,913</u>	<u>488,024</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Jail:			
Salaries and employee benefits	1,384,624	1,358,415	26,209
Operating	865,941	779,162	86,779
Capital outlay	54,521	44,855	9,666
Total	<u>2,305,086</u>	<u>2,182,432</u>	<u>122,654</u>
Code enforcement:			
Salaries and employee benefits	1,298,028	1,295,941	2,087
Operating	124,775	118,514	6,261
Capital outlay	37,670	37,668	2
Total	<u>1,460,473</u>	<u>1,452,123</u>	<u>8,350</u>
Emergency management:			
Salaries and employee benefits	977,398	976,835	563
COVID-19	260,000	242,502	17,498
Operating	190,890	168,705	22,185
Capital outlay	34,512	28,870	5,642
Total	<u>1,462,800</u>	<u>1,416,912</u>	<u>45,888</u>
Fire:			
Salaries and employee benefits	367,756	360,554	7,202
Operating	775,173	771,655	3,518
Capital outlay	563,546	451,646	111,900
Total	<u>1,706,475</u>	<u>1,583,855</u>	<u>122,620</u>
Ambulance:			
Operating	2,521,186	2,497,331	23,855
Capital outlay	436,920	317,098	119,822
Total	<u>2,958,106</u>	<u>2,814,429</u>	<u>143,677</u>
Total public safety	<u>15,804,877</u>	<u>14,873,664</u>	<u>931,213</u>
Transportation:			
Salaries and employee benefits	569,644	542,135	27,509
Operating	324,348	127,663	196,685
Capital outlay	71,885	66,759	5,126
Total	<u>965,877</u>	<u>736,557</u>	<u>229,320</u>
Airport authority	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Total transportation	<u>996,877</u>	<u>767,557</u>	<u>229,320</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental Protection:			
Forestry	<u>80,552</u>	<u>57,169</u>	<u>23,383</u>
Economic and Physical Development:			
Planning and zoning:			
Salaries and employee benefits	304,942	303,658	1,284
Operating	76,430	44,855	31,575
Capital outlay	<u>2,199</u>	<u>2,058</u>	<u>141</u>
Total	<u>383,571</u>	<u>350,571</u>	<u>33,000</u>
Community development	<u>214,581</u>	<u>184,569</u>	<u>30,012</u>
Agricultural extension:			
Salaries and employee benefits	172,795	150,093	22,702
Operating	<u>34,220</u>	<u>28,762</u>	<u>5,458</u>
Total	<u>207,015</u>	<u>178,855</u>	<u>28,160</u>
Conservation:			
Salaries and employee benefits	154,097	152,864	1,233
Operating	30,998	12,624	18,374
Capital outlay	<u>1,165</u>	<u>1,165</u>	<u>-</u>
Total	<u>186,260</u>	<u>166,653</u>	<u>19,607</u>
Total economic and physical development	<u>991,427</u>	<u>880,648</u>	<u>110,779</u>
Human Services:			
Health:			
General health:			
Salaries and employee benefits	2,683,450	2,631,404	52,046
Operating	394,370	359,118	35,252
Capital outlay	<u>108,044</u>	<u>101,301</u>	<u>6,743</u>
Total	<u>3,185,864</u>	<u>3,091,823</u>	<u>94,041</u>
County health clinic:			
Salaries and employee benefits	169,876	169,704	172
Operating	<u>50,350</u>	<u>45,527</u>	<u>4,823</u>
Total	<u>220,226</u>	<u>215,231</u>	<u>4,995</u>
Health assurance:			
Salaries and employee benefits	37,379	37,315	64
Operating	<u>113,629</u>	<u>87,554</u>	<u>26,075</u>
Total	<u>151,008</u>	<u>124,869</u>	<u>26,139</u>

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
Maternal and child health:			
Salaries and employee benefits	158,408	142,015	16,393
Operating	26,312	21,354	4,958
Total	184,720	163,369	21,351
WIC - administration and nutrition:			
Salaries and employee benefits	149,131	147,491	1,640
Operating	5,393	2,378	3,015
Total	154,524	149,869	4,655
Family planning:			
Salaries and employee benefits	210,197	188,014	22,183
Operating	44,682	27,818	16,864
Total	254,879	215,832	39,047
Mothers Too:			
Salaries and employee benefits	88,344	31,892	56,452
Operating	18,872	7,882	10,990
Capital outlay	5,888	2,143	3,745
Total	113,104	41,917	71,187
Communicable diseases:			
Salaries and employee benefits	7,877	7,810	67
Operating	3,606	1,311	2,295
Total	11,483	9,121	2,362
WNC HIV/AIDS Consortium:			
Salaries and employee benefits	68,689	68,444	245
Operating	1,601	970	631
Total	70,290	69,414	876
NC healthy start:			
Salaries and employee benefits	77,228	70,384	6,844
Operating	94,330	81,283	13,047
Total	171,558	151,667	19,891
Immunization action program:			
Operating	9,014	8,134	880

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget	Actual	Variance Over/Under
Breastfeeding:			
Salaries and employee benefits	15,246	9,173	6,073
Operating	1,644	910	734
Total	16,890	10,083	6,807
Child services coordinator:			
Salaries and employee benefits	72,642	28,628	44,014
Operating	5,399	887	4,512
Total	78,041	29,515	48,526
Smart start:			
Salaries and employee benefits	116,239	115,948	291
Operating	2,345	2,441	(96)
Total	118,584	118,389	195
Community garden:			
Operating	2,000	1,038	962
Other health services:			
Operating	86,524	49,291	37,233
Total health	4,828,709	4,449,562	379,147
Environmental Health:			
Animal shelter:			
Salaries and employee benefits	275,898	269,934	5,964
Operating	80,719	57,831	22,888
Total	356,617	327,765	28,852
Environmental health:			
Operating	10,769	9,976	793
Capital outlay	1,231	1,231	-
Total	12,000	11,207	793
Bioterrorism:			
Salaries and employee benefits	25,379	25,195	184
Operating	6,214	1,040	5,174
Total	31,593	26,235	5,358
Total environmental health	400,210	365,207	35,003

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget	Actual	Variance Over/Under
Mental health:			
Vaya Health	123,081	123,081	-
Social Services:			
Administration:			
Salaries and employee benefits	4,697,316	4,548,359	148,957
Operating	340,241	267,878	72,363
Capital outlay	229,891	189,793	40,098
Total	5,267,448	5,006,030	261,418
Other services:			
Adult guardianship	10,500	3,225	7,275
Special assistance	201,000	157,393	43,607
Medical care	190,000	75,027	114,973
Foster care	629,000	622,674	6,326
Aid to the blind	3,952	3,952	-
Food stamp administration	7,533	5,625	1,908
Crisis intervention	159,061	135,290	23,771
Adult day care	10,663	5,630	5,033
Emergency assistance	23,452	13,166	10,286
IV-D	28,600	19,420	9,180
LIEAP	131,425	131,314	111
Child care services	82,771	81,516	1,255
Other	265,493	123,544	141,949
Total	1,743,450	1,377,776	365,674
Indian reservation:			
Salaries and employee benefits	170,327	141,215	29,112
Operating	163,403	55,446	107,957
Capital outlay	1,830	-	1,830
Total	335,560	196,661	138,899
Emergency food and shelter	11,871	7,682	4,189
Focal point on aging:			
Salaries and employee benefits	530,107	525,536	4,571
Operating	182,391	152,877	29,514
Capital outlay	75,381	75,351	30
Total	787,879	753,764	34,115
Total social services	8,146,208	7,341,913	804,295

JACKSON COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget	Actual	Variance Over/Under
Eldercare coalition:			
Salaries and employee benefits	293,050	292,199	851
Operating	355,203	334,070	21,133
Total	648,253	626,269	21,984
 Veteran's service officer:			
Salaries and employee benefits	109,072	108,996	76
Operating	13,392	10,453	2,939
Total	122,464	119,449	3,015
 Other human services	541,915	510,199	31,716
 Total human services	14,810,840	13,535,680	1,275,160
 Culture and Recreation:			
Recreation:			
Salaries and employee benefits	937,505	887,665	49,840
Operating	653,309	557,249	96,060
Capital outlay	138,030	122,671	15,359
Total	1,728,844	1,567,585	161,259
 Arts council	10,000	10,000	-
 Library	1,154,908	1,154,908	-
 Swimming pool:			
Salaries and employee benefits	27,983	27,743	240
Operating	31,620	31,653	(33)
Capital outlay	-	6	(6)
Total	59,603	59,402	201
 Cashiers recreation:			
Salaries and employee benefits	392,306	359,108	33,198
Operating	306,223	245,752	60,471
Capital outlay	45,690	45,688	2
Total	744,219	650,548	93,671
 Cashiers swimming pool:			
Salaries and employee benefits	23,373	10,267	13,106
Operating	17,000	11,043	5,957
Total	40,373	21,310	19,063

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Total culture and recreation	<u>3,737,947</u>	<u>3,463,753</u>	<u>274,194</u>
Education:			
Public schools - current	7,332,896	7,332,896	-
Public schools - timber receipts	141,928	141,928	-
Public schools - capital outlay	1,331,200	1,331,200	-
Public schools - Counselors	434,117	434,117	-
Community colleges - current	2,050,990	2,050,990	-
Community colleges - capital outlay	<u>906,387</u>	<u>256,900</u>	<u>649,487</u>
Total education	<u>12,197,518</u>	<u>11,548,031</u>	<u>649,487</u>
Debt Service:			
Principal retirement	4,175,468	4,025,255	150,213
Interest and other charges	<u>712,481</u>	<u>712,480</u>	<u>1</u>
Total debt service	<u>4,887,949</u>	<u>4,737,735</u>	<u>150,214</u>
Total expenditures	<u>64,380,674</u>	<u>59,860,259</u>	<u>4,520,415</u>
Revenues over (under) expenditures	<u>2,177,856</u>	<u>5,689,111</u>	<u>3,511,255</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Capital Reserve Fund	(1,000,000)	(1,000,000)	-
Economic Development Commission Fund	(100,000)	(100,000)	-
School Capital Reserve Fund	(2,314,982)	(2,297,999)	16,983
Revaluation Fund	(350,500)	(350,500)	-
Green Energy Park Fund	(215,000)	(215,000)	-
Conservation/Preservation Fund	(500,000)	(500,000)	-
School Capital Reserve Fund	1,028,574	878,366	(150,208)
Proceeds from sale of capital assets	276,283	273,144	(3,139)
Appropriated fund balance	<u>997,769</u>	<u>-</u>	<u>(997,769)</u>
Total other financing sources (uses)	<u>(2,177,856)</u>	<u>(3,311,989)</u>	<u>(1,134,133)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,377,122</u>	<u>\$ 2,377,122</u>
Fund Balance:			
Beginning of year, July 1		<u>22,412,554</u>	
End of year, June 30		<u>\$ 24,789,676</u>	

JACKSON COUNTY, NORTH CAROLINA

REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General government:			
Tax listing	\$ 347,613	\$ 338,995	\$ 8,618
Capital outlay	2,887	2,330	557
Total expenditures	<u>350,500</u>	<u>341,325</u>	<u>9,175</u>
Revenues over (under) expenditures	(350,500)	(341,325)	(9,175)
Other Financing Sources (Uses):			
Transfers from General Fund	<u>350,500</u>	<u>350,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	9,175	<u>\$ 9,175</u>
Fund Balance:			
Beginning of year, July 1		<u>327,203</u>	
Ending of year, June 30		<u>\$ 336,378</u>	

JACKSON COUNTY, NORTH CAROLINA**CAPITAL RESERVE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES****IN FUND BALANCE - BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 40,500	\$ 37,906	\$ (2,594)
Revenues over (under) expenditures	<u>40,500</u>	<u>37,906</u>	<u>(2,594)</u>
Other Financing Sources (Uses):			
Transfer from General Fund	1,000,000	1,000,000	-
Transfer to Dillsboro Complex Project Fund	(1,000,000)	(1,000,000)	-
Transfer to County Capital Projects Fund	<u>(40,500)</u>	<u>-</u>	<u>40,500</u>
Total other financing sources (uses)	<u>(40,500)</u>	<u>-</u>	<u>40,500</u>
Net change in fund balance	<u>\$ -</u>	<u>37,906</u>	<u>\$ 37,906</u>
Fund Balance:			
Beginning of year, July 1		<u>3,131,111</u>	
End of year, June 30		<u>\$ 3,169,017</u>	

JACKSON COUNTY, NORTH CAROLINA

CONSERVATION/PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Environmental protection:			
Conservation	<u>\$ 1,280,300</u>	<u>\$ 471,408</u>	<u>\$ 808,892</u>
Revenues over (under) expenditures	<u>(1,280,300)</u>	<u>(471,408)</u>	<u>808,892</u>
Other Financing Sources (Uses):			
Transfers from General Fund	500,000	500,000	-
Appropriated fund balance	<u>780,300</u>	<u>-</u>	<u>(780,300)</u>
Total other financing sources (uses)	<u>1,280,300</u>	<u>500,000</u>	<u>(780,300)</u>
Net change in fund balance	<u>\$ -</u>	28,592	<u>\$ 28,592</u>
Fund Balance:			
Beginning of year, July 1		<u>946,619</u>	
End of year, June 30		<u>\$ 975,211</u>	

JACKSON COUNTY, NORTH CAROLINA**HEALTH INSURANCE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Insurance contributions:			
General government	\$ 1,839,128	\$ 1,743,815	\$ (95,313)
Public safety	2,215,902	2,101,062	(114,840)
Transportation	159,762	151,482	(8,280)
Economic and physical development	173,710	164,707	(9,003)
Human services	2,611,155	2,475,830	(135,325)
Recreation	323,947	307,158	(16,789)
Stop loss reimbursement	491,100	491,027	(73)
Refunds	20,537	20,602	65
Miscellaneous	1,775	1,775	-
Total revenues	<u>7,837,016</u>	<u>7,457,458</u>	<u>(379,558)</u>
Expenditures:			
Insurance claims:			
General government	1,951,640	1,903,995	47,645
Public safety	2,351,462	2,294,058	57,404
Transportation	169,535	165,397	4,138
Economic and physical development	184,337	179,837	4,500
Human services	2,770,894	2,703,251	67,643
Recreation	343,764	335,372	8,392
Contract services	53,384	50,719	2,665
Miscellaneous	12,000	13,240	(1,240)
Total expenditures	<u>7,837,016</u>	<u>7,645,869</u>	<u>191,147</u>
Net change in fund balance	<u>\$ -</u>	(188,411)	<u>\$ (188,411)</u>
Fund Balance:			
Beginning of year, July 1		<u>271,219</u>	
End of year, June 30		<u>\$ 82,808</u>	

JACKSON COUNTY, NORTH CAROLINA
**SCHOOL IMPROVEMENTS FUND - MAJOR
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC Division of Water infrastructure	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
Other restricted revenues:					
Eastern Band Cherokee Indians	118,560	118,560	-	118,560	-
Investment earnings	1,500	1,032	64	1,096	(404)
Sale of timber	-	-	-	-	-
Total revenues	<u>1,120,060</u>	<u>119,592</u>	<u>64</u>	<u>119,656</u>	<u>(1,000,404)</u>
Expenditures:					
Education:					
Water and sewer	1,000,000	-	3,368	3,368	996,632
Water infrastructure	68,400	7,006	377	7,383	61,017
Blue Ridge School	1,826,959	1,748,315	27,000	1,775,315	51,644
Fairview Elementary School	1,394,760	1,323,424	29,500	1,352,924	41,836
Smoky Mountain High	4,703,144	2,876,589	1,038,906	3,915,495	787,649
Cullowhee Valley School	1,373,615	1,392,260	-	1,392,260	(18,645)
Scotts Creek School	20,743	3,025	-	3,025	17,718
Smoky Mountain Elementary	1,360,233	684,926	289,076	974,002	386,231
Capital outlay	463,800	-	459,860	923,660	(459,860)
Contingency	1,500	-	-	-	1,500
Total expenditures	<u>12,213,154</u>	<u>8,035,545</u>	<u>1,848,087</u>	<u>10,347,432</u>	<u>1,865,722</u>
Revenues over (under) expenditures	<u>(11,093,094)</u>	<u>(7,915,953)</u>	<u>(1,848,023)</u>	<u>(10,227,776)</u>	<u>865,318</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Capital Reserve Fund	1,159,437	627,237	532,200	1,159,437	-
General Fund	-	2,050,000	-	2,050,000	2,050,000
General Fund	-	(2,050,000)	-	(2,050,000)	(2,050,000)
Appropriated fund balance	933,657	-	-	-	933,657
Proceeds from installment obligation	9,000,000	9,000,000	-	9,000,000	-
Total other financing sources (uses)	<u>11,093,094</u>	<u>9,627,237</u>	<u>532,200</u>	<u>10,159,437</u>	<u>933,657</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,711,284</u>	<u>(1,315,823)</u>	<u>\$ (68,339)</u>	<u>\$ (68,339)</u>
Fund Balance:					
Beginning of year, July 1			<u>1,711,284</u>		
End of year, June 30			395,461		
Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different from the Budget/Actual Statement due to consolidation of the School Capital Reserve Fund:					
Transfers from the General Fund			2,297,999		
Transfers to General Fund			(878,366)		
Transfer to School Capital Projects Fund			(532,200)		
Transfer to SCC Health Science Building Project Fund			(3,220,163)		
Fund balance, beginning (School Capital Reserve Fund)			<u>4,877,592</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 2,940,323</u>		

JACKSON COUNTY, NORTH CAROLINA

SCHOOL CAPITAL RESERVE FUND
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	\$ 2,030,631	\$ 2,297,999	\$ 267,368
Transfers to other funds:			
General Fund for debt service	(1,028,574)	(878,366)	150,208
School Improvements Fund	(532,200)	(532,200)	-
SCC Health Science Building Fund	(3,220,163)	(3,220,163)	-
Appropriated fund balance	<u>2,750,306</u>	<u>-</u>	<u>(2,750,306)</u>
Total other financing sources (uses)	<u>-</u>	<u>(2,332,730)</u>	<u>(2,332,730)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>(2,332,730)</u>	 <u>\$ (2,332,730)</u>
 Fund Balance:			
Beginning of year, July 1		<u>4,877,592</u>	
 End of year, June 30		<u><u>\$ 2,544,862</u></u>	

JACKSON COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - SCC HEALTH SCIENCE BUILDING FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC Connect bonds	\$ 5,445,597	\$ 2,359,908	\$ 3,085,689	\$ 5,445,597	\$ -
SCC local	-	221,390	(221,390)	-	-
Economic Development Grant	2,015,395	-	-	-	(2,015,395)
Investment earnings	5,000	4,223	10,050	14,273	9,273
Total revenues	<u>7,465,992</u>	<u>2,585,521</u>	<u>2,874,349</u>	<u>5,459,870</u>	<u>(2,006,122)</u>
Expenditures:					
Education:					
Architect fees	1,553,832	1,126,427	246,953	1,373,380	180,452
Engineering costs	374,785	64,040	122,516	186,556	188,229
Construction	30,000	3,398	6,000	9,398	20,602
Technology and security	17,660,000	1,387,433	8,708,906	10,096,339	7,563,661
Furnishing and fixtures	121,238	-	-	-	121,238
Contingency	946,300	-	-	-	946,300
Total expenditures	<u>20,686,155</u>	<u>2,581,298</u>	<u>9,084,375</u>	<u>11,665,673</u>	<u>9,020,482</u>
Revenues over (under) expenditures	<u>(13,220,163)</u>	<u>4,223</u>	<u>(6,210,026)</u>	<u>(6,205,803)</u>	<u>7,014,360</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
School Capital Reserve Fund	3,220,163	-	3,220,163	3,220,163	-
Installment purchase obligations issued	10,000,000	10,000,000	-	10,000,000	-
Total other financing sources (uses)	<u>13,220,163</u>	<u>10,000,000</u>	<u>3,220,163</u>	<u>13,220,163</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 10,004,223</u>	<u>(2,989,863)</u>	<u>\$ 7,014,360</u>	<u>\$ 7,014,360</u>
Fund Balance:					
Beginning of year, July 1			<u>10,004,223</u>		
End of year, June 30			<u>\$ 7,014,360</u>		

JACKSON COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - HEALTH DEPARTMENT PROJECT FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 70,000	\$ -	\$ 67,442	\$ 67,442	\$ (2,558)
Expenditures:					
Human services:					
Architect fees	488,128	431,930	41,741	473,671	14,457
Engineering costs	6,225	16,975	820	17,795	(11,570)
Construction	6,374,156	587,465	4,502,860	5,090,325	1,283,831
Technology and security	306,365	-	1,985	1,985	304,380
Furnishing and fixtures	500,000	-	-	-	500,000
Displacement expenditures	242,094	91,380	123,792	215,172	26,922
Contingency	102,524	-	-	-	102,524
Total expenditures	8,019,492	1,127,750	4,671,198	5,798,948	2,220,544
Revenues over (under) expenditures	(7,949,492)	(1,127,750)	(4,603,756)	(5,731,506)	(2,223,102)
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	7,600,000	7,600,000	-	7,600,000	-
School Capital Reserve Fund	349,492	349,492	-	349,492	-
Total other financing sources (uses)	7,949,492	7,949,492	-	7,949,492	-
Net change in fund balance	\$ -	\$ 6,821,742	(4,603,756)	\$ 2,217,986	\$ 2,217,986
Fund Balance:					
Beginning of year, July 1			6,821,742		
End of year, June 30			\$ 2,217,986		

JACKSON COUNTY, NORTH CAROLINA

**CORONAVIRUS RELIEF FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 964,886	\$ -	\$ (964,886)
Expenditures:			
Public safety:			
Operating	964,886	-	964,886
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning balance, July 1		-	
Ending balance, June 30		\$ -	

JACKSON COUNTY, NORTH CAROLINA
**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2020**

	Special Revenue Funds	Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,481,413	\$ 1,221,907	\$ 2,703,320
Accounts receivable, net	35,021	-	35,021
Taxes receivable	30,113	-	30,113
Due from other governments	10,713	356	11,069
Notes receivable, net	13,452	-	13,452
Total assets	<u>\$ 1,570,712</u>	<u>\$ 1,222,263</u>	<u>\$ 2,792,975</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 4,344</u>	<u>\$ 30,418</u>	<u>\$ 34,762</u>
Deferred Inflows of Resources:			
Unavailable taxes	<u>30,113</u>	<u>-</u>	<u>30,113</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	59,186	356	59,542
Public safety	587,300	-	587,300
Economic and physical development	889,769	-	889,769
Committed:			
Recreation	-	947,534	947,534
General government	-	243,955	243,955
Total fund balances	<u>1,536,255</u>	<u>1,191,845</u>	<u>2,728,100</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,570,712</u>	<u>\$ 1,222,263</u>	<u>\$ 2,792,975</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Ad valorem taxes	\$ 1,275,194	\$ -	\$ 1,275,194
Restricted intergovernmental	478,959	-	478,959
Sales and services	23,325	-	23,325
Investment earnings	1,746	-	1,746
Total revenues	<u>1,779,224</u>	<u>-</u>	<u>1,779,224</u>
Expenditures:			
Current:			
Public safety	1,643,426	192,575	1,836,001
Economic and physical development	498,238	-	498,238
Culture and recreation	-	186,393	186,393
Total expenditures	<u>2,141,664</u>	<u>378,968</u>	<u>2,520,632</u>
Revenues over (under) expenditures	(362,440)	(378,968)	(741,408)
Other Financing Sources (Uses):			
Transfers from other funds	<u>100,000</u>	<u>1,000,000</u>	<u>1,100,000</u>
Net change in fund balances	(262,440)	621,032	358,592
Fund Balances:			
Beginning of year, July 1	<u>1,798,695</u>	<u>570,813</u>	<u>2,369,508</u>
End of year, June 30	<u>\$ 1,536,255</u>	<u>\$ 1,191,845</u>	<u>\$ 2,728,100</u>



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COMBINING STATEMENTS AND SCHEDULES FOR NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

JACKSON COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020**

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Assets:				
Cash and cash equivalents	\$ 369,834	\$ 65,428	\$ 156,382	\$ 32,356
Accounts receivable, net	35,021	-	-	-
Taxes receivable	-	-	30,113	-
Due from other governments	6,158	2,320	1,765	-
Notes receivable, net	-	-	-	-
Total assets	<u>\$ 411,013</u>	<u>\$ 67,748</u>	<u>\$ 188,260</u>	<u>\$ 32,356</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 4,344	\$ -	\$ -
Deferred Inflows of Resources:				
Taxes receivable	-	-	30,113	-
Fund Balances:				
Restricted:				
Stabilization by state statute	41,179	2,320	1,765	-
Public safety	369,834	61,084	156,382	-
Economic and physical development	-	-	-	32,356
Total fund balances	<u>411,013</u>	<u>63,404</u>	<u>158,147</u>	<u>32,356</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 411,013</u>	<u>\$ 67,748</u>	<u>\$ 188,260</u>	<u>\$ 32,356</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Assets:				
Cash and cash equivalents	\$ 1,842	\$ 656,492	\$ 199,079	\$ 1,481,413
Accounts receivable, net	-	-	-	35,021
Taxes receivable	-	-	-	30,113
Due from other governments	-	-	470	10,713
Notes receivable, net	-	13,452	-	13,452
Total assets	<u>\$ 1,842</u>	<u>\$ 669,944</u>	<u>\$ 199,549</u>	<u>\$ 1,570,712</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,344</u>
Deferred Inflows of Resources:				
Taxes receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,113</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	13,452	470	59,186
Public safety	-	-	-	587,300
Economic and physical development	<u>1,842</u>	<u>656,492</u>	<u>199,079</u>	<u>889,769</u>
Total fund balances	<u>1,842</u>	<u>669,944</u>	<u>199,549</u>	<u>1,536,255</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,842</u>	<u>\$ 669,944</u>	<u>\$ 199,549</u>	<u>\$ 1,570,712</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 1,275,194	\$ -
Restricted intergovernmental	455,904	23,055	-	-
Sales and services	-	-	-	-
Investment earnings	185	-	-	-
Total revenues	<u>456,089</u>	<u>23,055</u>	<u>1,275,194</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	386,974	49,636	1,206,816	-
Economic and physical development	-	-	-	13,104
Total expenditures	<u>386,974</u>	<u>49,636</u>	<u>1,206,816</u>	<u>13,104</u>
Revenues over (under) expenditures	69,115	(26,581)	68,378	(13,104)
Other Financing Sources (Uses):				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	69,115	(26,581)	68,378	(13,104)
Fund Balances:				
Beginning of year, July 1	<u>341,898</u>	<u>89,985</u>	<u>89,769</u>	<u>45,460</u>
End of year, June 30	<u>\$ 411,013</u>	<u>\$ 63,404</u>	<u>\$ 158,147</u>	<u>\$ 32,356</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,275,194
Restricted intergovernmental	-	-	-	478,959
Sales and services	-	23,325	-	23,325
Investment earnings	-	1,233	328	1,746
Total revenues	-	24,558	328	1,779,224
Expenditures:				
Current:				
Public safety	-	-	-	1,643,426
Economic and physical development	15,000	327,750	142,384	498,238
Total expenditures	15,000	327,750	142,384	2,141,664
Revenues over (under) expenditures	(15,000)	(303,192)	(142,056)	(362,440)
Other Financing Sources (Uses):				
Transfers from other funds	-	-	100,000	100,000
Net change in fund balances	(15,000)	(303,192)	(42,056)	(262,440)
Fund Balances:				
Beginning of year, July 1	16,842	973,136	241,605	1,798,695
End of year, June 30	\$ 1,842	\$ 669,944	\$ 199,549	\$ 1,536,255

JACKSON COUNTY, NORTH CAROLINA
**EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 420,249	\$ 455,904	\$ 35,655
Investment earnings	200	185	(15)
Total revenues	<u>420,449</u>	<u>456,089</u>	<u>35,640</u>
Expenditures:			
Public safety:			
Implementation services	210,576	192,867	17,709
Operating	207,873	192,942	14,931
Capital outlay	2,000	1,165	835
Total expenditures	<u>420,449</u>	<u>386,974</u>	<u>33,475</u>
Net change in fund balance	<u>\$ -</u>	<u>69,115</u>	<u>\$ 69,115</u>

Fund Balance:

Beginning of year, July 1	<u>341,898</u>
End of year, June 30	<u>\$ 411,013</u>

**PSAP RECONCILIATION
 FOR THE YEAR ENDED JUNE 30, 2020**

Amounts reported on the Emergency Telephone System Fund budget and actual are different from the PSAP revenue-expenditure report because:

Beginning fund balance, budget and actual schedule	\$ 341,898
Cumulative prior period revenues and expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>289,920</u>
Beginning fund balance, PSAP revenue-expenditure report	<u>631,818</u>
Net change in fund balance, reported budget and actual	69,115
Current revenues not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	(35,840)
Current expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule	<u>110,981</u>
Net change in fund balance, PSAP report	<u>144,256</u>
Ending fund balance, PSAP revenue-expenditure report	<u>\$ 776,074</u>

JACKSON COUNTY, NORTH CAROLINA

LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 30,000	\$ 23,055	\$ (6,945)
Expenditures:			
Public safety:			
Capital outlay	50,000	49,636	364
Revenues over (under) expenditures	(20,000)	(26,581)	(6,581)
Other Financing Sources (Uses):			
Appropriated fund balance	20,000	-	(20,000)
Net change in fund balance	\$ -	(26,581)	\$ (26,581)
Fund Balance:			
Beginning balance, July 1		89,985	
Ending balance, June 30		\$ 63,404	

JACKSON COUNTY, NORTH CAROLINA

FIRE SERVICES DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 1,273,200	\$ 1,270,125	\$ (3,075)
Penalties and interest	<u>5,025</u>	<u>5,069</u>	<u>44</u>
Total revenues	<u>1,278,225</u>	<u>1,275,194</u>	<u>(3,031)</u>
Expenditures:			
Public safety:			
Fire districts:			
Cashiers-Glenville	1,156,816	1,156,816	-
Highlands	<u>121,409</u>	<u>50,000</u>	<u>71,409</u>
Total expenditures	<u>1,278,225</u>	<u>1,206,816</u>	<u>71,409</u>
Net change in fund balance	<u>\$ -</u>	68,378	<u>\$ 68,378</u>
Fund Balance:			
Beginning of year, July 1		<u>89,769</u>	
End of year, June 30		<u>\$ 158,147</u>	

JACKSON COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT SCATTERED SITE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal grants:					
NC Economic Recovery					
Program Project	\$ 13,105	\$ 13,105	\$ -	\$ 13,105	\$ -
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total revenues	<u>14,105</u>	<u>14,105</u>	<u>-</u>	<u>14,105</u>	<u>-</u>
Expenditures:					
Economic and physical development:					
Operating	<u>65,621</u>	<u>52,517</u>	<u>13,104</u>	<u>65,621</u>	<u>-</u>
Revenues over (under) expenditures	(51,516)	(38,412)	(13,104)	(51,516)	-
Other Financing Sources (Uses):					
Transfers from other funds	<u>51,516</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>32,356</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 45,460</u>	<u>(13,104)</u>	<u>\$ 32,356</u>	<u>\$ 32,356</u>
Fund Balance:					
Beginning of year, July 1			<u>45,460</u>		
End of year, June 30			<u>\$ 32,356</u>		

JACKSON COUNTY, NORTH CAROLINA

CLEAN WATER REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

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

JACKSON COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and services	\$ 10,000	\$ 23,325	\$ 13,325
Investment earnings	1,200	1,233	33
Total revenues	<u>11,200</u>	<u>24,558</u>	<u>13,358</u>
Expenditures:			
Economic and physical development:			
Operating	3,750	3,750	-
Loan funds advanced	<u>324,000</u>	<u>324,000</u>	<u>-</u>
Total expenditures	<u>327,750</u>	<u>327,750</u>	<u>-</u>
Revenues over (under) expenditures	(316,550)	(303,192)	13,358
Other Financing Sources (Uses):			
Appropriated fund balance	<u>316,550</u>	<u>-</u>	<u>(316,550)</u>
Net change in fund balance	<u>\$ -</u>	<u>(303,192)</u>	<u>\$ (303,192)</u>
Fund Balance:			
Beginning of year, July 1		<u>973,136</u>	
End of year, June 30		<u>\$ 669,944</u>	

JACKSON COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 300	\$ 328	\$ 28
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	106,736	106,660	76
Operating	85,945	35,724	50,221
Loans, development, and capital improvement	3,591	-	3,591
Total expenditures	<u>196,272</u>	<u>142,384</u>	<u>53,888</u>
Revenues over (under) expenditures	<u>(195,972)</u>	<u>(142,056)</u>	<u>53,916</u>
Other Financing Sources (Uses):			
Transfers in:			
Transfer from General Fund	100,000	100,000	-
Transfer from Economic Development Fund	40,000	-	(40,000)
Appropriated fund balance	<u>55,972</u>	<u>-</u>	<u>(55,972)</u>
Total other financing sources (uses)	<u>195,972</u>	<u>100,000</u>	<u>(95,972)</u>
Net change in fund balance	<u>\$ -</u>	<u>(42,056)</u>	<u>\$ (42,056)</u>
Fund Balance:			
Beginning of year, July 1		<u>241,605</u>	
End of year, June 30		<u>\$ 199,549</u>	

CAPITAL PROJECT FUNDS

- **Recreation Center Fund** – This fund is used to account for various recreation projects.
- **Dillsboro Complex Project Fund** – This fund is used to account for the construction on the Dillsboro Complex, which will be financed primarily by the Capital Reserve Fund.
- **County Capital Projects Fund** – This fund was established to account for the construction of various County administration projects.
- **Greenways Project Fund** – This fund is used to account for the construction of a greenway, which will be funded primarily with restricted intergovernmental revenue.



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JACKSON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2020

	Recreation Center Fund	Dillsboro Complex Project Fund	County Capital Projects Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Assets:					
Cash and cash equivalents	\$ -	\$ 837,843	\$ 243,955	\$ 140,109	\$ 1,221,907
Due from other governments	-	-	-	356	356
Total assets	<u>\$ -</u>	<u>\$ 837,843</u>	<u>\$ 243,955</u>	<u>\$ 140,465</u>	<u>\$ 1,222,263</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 30,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,418</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	-	-	356	356
Committed:					
Recreation	-	807,425	-	140,109	947,534
General government	-	-	243,955	-	243,955
Total fund balances	<u>-</u>	<u>807,425</u>	<u>243,955</u>	<u>140,465</u>	<u>1,191,845</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 837,843</u>	<u>\$ 243,955</u>	<u>\$ 140,465</u>	<u>\$ 1,222,263</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	Recreation Center Fund	Dillsboro Complex Project Fund	County Capital Projects Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Expenditures:					
Current:					
Public safety	\$ -	\$ 192,575	\$ -	\$ -	\$ 192,575
Culture and recreation	181,463	-	-	4,930	186,393
Total expenditures	181,463	192,575	-	4,930	378,968
Revenues over (under) expenditures	(181,463)	(192,575)	-	(4,930)	(378,968)
Other Financing Sources (Uses):					
Transfers from other funds	-	1,000,000	-	-	1,000,000
Net change in fund balances	(181,463)	807,425	-	(4,930)	621,032
Fund Balances:					
Beginning of year, July 1	181,463	-	243,955	145,395	570,813
End of year, June 30	\$ -	\$ 807,425	\$ 243,955	\$ 140,465	\$ 1,191,845

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - RECREATION CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Culture and recreation:					
Savannah/Greens Creek Park	\$ 441,464	\$ 260,001	\$ 181,463	\$ 441,464	\$ -
Revenues over (under) expenditures	(441,464)	(260,001)	(181,463)	(441,464)	-
Other Financing Sources (Uses):					
Transfers from other funds:					
Conservation/Preservation	393,568	393,568	-	393,568	-
Appropriated fund balance	47,896	47,896	-	47,896	-
Total other financing sources (uses)	441,464	441,464	-	441,464	-
Net change in fund balance	\$ -	\$ 181,463	(181,463)	\$ -	\$ -
Fund Balance:					
Beginning of year, July 1			181,463		
End of year, June 30			\$ -		

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - DILLSBORO COMPLEX PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Expenditures:					
Recreation:					
Construction cost	\$ 5,390,000	\$ -	\$ 192,575	\$ 192,575	\$ 5,197,425
Total expenditures	<u>5,390,000</u>	<u>-</u>	<u>192,575</u>	<u>192,575</u>	<u>5,197,425</u>
Revenues over (under) expenditures	(5,390,000)	-	(192,575)	(192,575)	5,197,425
Other Financing Sources (Uses):					
Transfers from other funds:					
Capital Reserve Fund	<u>5,390,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>(4,390,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	807,425	<u>\$ 807,425</u>	<u>\$ 807,425</u>
Fund Balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 807,425</u>		

JACKSON COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - COUNTY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
General government:					
Skyland Services Center:					
Architect fees	\$ 72,000	\$ 60,965	\$ -	\$ 60,965	\$ 11,035
Construction	1,345,684	1,234,209	-	1,234,209	111,475
Site acquisition	408,625	408,625	-	408,625	-
Furnishings	141,980	131,995	-	131,995	9,985
Total Skyland Services Center	<u>1,968,289</u>	<u>1,835,794</u>	<u>-</u>	<u>1,835,794</u>	<u>132,495</u>
Cashiers Code Enforcement:					
Construction	211,505	211,505	-	211,505	-
Equipment	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Total Cashiers Code Enforcement	<u>218,505</u>	<u>218,505</u>	<u>-</u>	<u>218,505</u>	<u>-</u>
Contingency	<u>106,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,711</u>
Total expenditures	<u>2,293,505</u>	<u>2,054,299</u>	<u>-</u>	<u>2,054,299</u>	<u>239,206</u>
Revenues over (under) expenditures	<u>(2,293,505)</u>	<u>(2,054,299)</u>	<u>-</u>	<u>(2,054,299)</u>	<u>(239,206)</u>
Other Financing Sources (Uses):					
Operating transfers in:					
Capital Reserve Fund	<u>2,293,505</u>	<u>2,075,000</u>	<u>-</u>	<u>2,075,000</u>	<u>(218,505)</u>
Closed out projects	<u>-</u>	<u>223,254</u>	<u>-</u>	<u>223,254</u>	<u>223,254</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 243,955</u>	<u>-</u>	<u>\$ 243,955</u>	<u>\$ 243,955</u>
Fund Balance:					
Beginning of year, July 1			<u>243,955</u>		
End of year, June 30			<u>\$ 243,955</u>		

JACKSON COUNTY, NORTH CAROLINA
CAPITAL PROJECT FUND - GREENWAYS PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental	\$ 435,000	\$ 435,000	\$ -	\$ 435,000	\$ -
Gifts and donations	219,750	219,742	-	219,742	(8)
Total revenues	<u>654,750</u>	<u>654,742</u>	<u>-</u>	<u>654,742</u>	<u>(8)</u>
Expenditures:					
Culture and recreation:					
Construction	1,865,063	1,701,996	4,930	1,706,926	158,137
Engineering fees	72,000	89,664	-	89,664	(17,664)
Total expenditures	<u>1,937,063</u>	<u>1,791,660</u>	<u>4,930</u>	<u>1,796,590</u>	<u>140,473</u>
Revenues over (under) expenditures	(1,282,313)	(1,136,918)	(4,930)	(1,141,848)	140,465
Other Financing Sources (Uses):					
Transfers from other funds:					
Conservation/Preservation Fund	<u>1,282,313</u>	<u>1,282,313</u>	<u>-</u>	<u>1,282,313</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 145,395</u>	<u>(4,930)</u>	<u>\$ 140,465</u>	<u>\$ 140,465</u>
Fund Balance:					
Beginning of year, July 1			<u>145,395</u>		
End of year, June 30			<u>\$ 140,465</u>		

COMBINING STATEMENTS AND SCHEDULES FOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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



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JACKSON COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

LANDFILL FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 3,653,497	\$ 3,491,261	\$ (162,236)
Non-operating revenues:			
Scrap tire disposal fee	61,000	59,587	(1,413)
White goods tax	19,200	19,850	650
Electronics tax	3,500	2,569	(931)
Scrap tire grant	600	600	-
Miscellaneous	2,600	1,900	(700)
Interest earned on investments	25,600	29,020	3,420
Total non-operating revenues	<u>112,500</u>	<u>113,526</u>	<u>1,026</u>
Total revenues	<u>3,765,997</u>	<u>3,604,787</u>	<u>(161,210)</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	492,690	492,209	481
Operations	2,031,056	1,957,540	73,516
Supplies	35,710	35,193	517
Repairs and maintenance	363,823	189,275	174,548
Contracted services	850,011	828,068	21,943
Total	<u>3,773,290</u>	<u>3,502,285</u>	<u>271,005</u>
Debt service:			
Debt principal	234,600	234,600	-
Interest and other charges	29,191	29,191	-
Total	<u>263,791</u>	<u>263,791</u>	<u>-</u>
Total expenditures	<u>4,037,081</u>	<u>3,766,076</u>	<u>271,005</u>
Revenues over (under) expenditures	(271,084)	(161,289)	109,795
Other Financing Sources (Uses):			
Appropriated fund balance	<u>271,084</u>	<u>-</u>	<u>(271,084)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (161,289)</u>	<u>\$ (161,289)</u>

JACKSON COUNTY, NORTH CAROLINA**MAJOR ENTERPRISE FUND****LANDFILL FUND****SCHEDULE OF REVENUES AND EXPENDITURES -****BUDGET AND ACTUAL (NON-GAAP)****FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (161,289)	
Change in accrued interest receivable		(5,473)	
Change in compensated absences		(5,361)	
Change in accrued interest payable		2,528	
Decrease in deferred outflow - OPEB		(117,213)	
Increase in deferred inflow - OPEB		(118,174)	
(Increase) decrease in other post-employment benefits		86,389	
Increase in deferred outflow - pensions		58,815	
Increase in deferred inflow - pensions		(392)	
(Increase) decrease in pensions		(15,492)	
Loss on disposal		(50,065)	
Debt principal payment		234,600	
Landfill closure and post-closure costs		(11,750)	
Depreciation		<u>(130,145)</u>	
Change in net position		<u>\$ (233,022)</u>	

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
 COMBINING STATEMENT OF FUND NET POSITION
 JUNE 30, 2020

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 189,878	\$ 456,059	\$ 645,937
Due from other governments	1,649	-	1,649
Notes receivable, net	-	43,456	43,456
Total current assets	<u>191,527</u>	<u>499,515</u>	<u>691,042</u>
Non-current assets:			
Depreciable assets, net of depreciation	<u>39,617</u>	<u>1,041,615</u>	<u>1,081,232</u>
Total assets	<u>231,144</u>	<u>1,541,130</u>	<u>1,772,274</u>
Deferred Outflows of Resources:			
Pension deferrals	20,866	-	20,866
OPEB deferrals	<u>7,992</u>	<u>-</u>	<u>7,992</u>
Total deferred outflows of resources	<u>28,858</u>	<u>-</u>	<u>28,858</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	13,392	-	13,392
Compensated absences, current	<u>4,435</u>	<u>-</u>	<u>4,435</u>
Total current liabilities	<u>17,827</u>	<u>-</u>	<u>17,827</u>
Non-current liabilities:			
Net pension liability - LGERS	39,669	-	39,669
Compensated absences, non-current	13,306	-	13,306
Total OPEB liability	<u>243,549</u>	<u>-</u>	<u>243,549</u>
Total non-current liabilities	<u>296,524</u>	<u>-</u>	<u>296,524</u>
Total liabilities	<u>314,351</u>	<u>-</u>	<u>314,351</u>
Deferred Inflows of Resources:			
Pension deferrals	48	-	48
OPEB deferrals	<u>107,553</u>	<u>-</u>	<u>107,553</u>
Total deferred inflows of resources	<u>107,601</u>	<u>-</u>	<u>107,601</u>
Net Position:			
Net investment in capital assets	39,617	1,041,615	1,081,232
Unrestricted	<u>(201,567)</u>	<u>499,515</u>	<u>297,948</u>
Total net position	<u>\$ (161,950)</u>	<u>\$ 1,541,130</u>	<u>\$ 1,379,180</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Operating Revenues:			
Charges for services	\$ 16,817	\$ 111,090	\$ 127,907
Operating Expenses:			
Park operations	270,603	-	270,603
Economic development operations	-	21,253	21,253
Depreciation	19,085	29,580	48,665
Total expenses	289,688	50,833	340,521
Operating income (loss)	(272,871)	60,257	(212,614)
Non-Operating Revenues:			
Investment earnings	-	1,020	1,020
Income (loss) before transfers	(272,303)	61,277	(211,026)
Transfers (to) from other funds	215,000	-	215,000
Change in net position	(57,303)	61,277	3,974
Net Position:			
Beginning of year, July 1	(104,647)	1,479,853	1,375,206
End of year, June 30	\$ (161,950)	\$ 1,541,130	\$ 1,379,180

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 7,074	\$ 111,090	\$ 118,164
Cash paid for goods and services	(1,309)	(21,253)	(22,562)
Cash paid to employees for services	(208,089)	-	(208,089)
Net cash provided by (used for) operating activities	(202,324)	89,837	(112,487)
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	568	-	568
Transfers from other funds	215,000	-	215,000
Net cash provided by non-capital financing activities	215,568	-	215,568
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(15,671)	-	(15,671)
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	18,340	18,340
Interest earned on investments	-	1,021	1,021
Net cash provided by investing activities	-	19,361	19,361
Net increase in cash and cash equivalents	(2,427)	109,198	106,771
Cash and Cash Equivalents:			
Beginning of year, July 1	192,305	346,861	539,166
End of year, June 30	<u>\$ 189,878</u>	<u>\$ 456,059</u>	<u>\$ 645,937</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Uses) by Operating Activities:			
Operating income (loss)	<u>\$ (272,871)</u>	<u>\$ 60,257</u>	<u>\$ (212,614)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	19,085	29,580	48,665
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	42,322	-	42,322
Change in deferred inflow - OPEB	67,606	-	67,606
Change in other post-employment benefits	(43,194)	-	(43,194)
Change in deferred outflow - pensions	(20,866)	-	(20,866)
Change in deferred inflow - pensions	48	-	48
Change in pensions	7,746	-	7,746
Change in accounts receivable	(711)	-	(711)
Change in accounts payable and accrued liabilities	9,099	-	9,099
Change in unearned revenue	(13,014)	-	(13,014)
Change in compensated absences	2,426	-	2,426
Total adjustments	<u>70,547</u>	<u>29,580</u>	<u>100,127</u>
Net cash provided (used) by operating activities	<u>\$ (202,324)</u>	<u>\$ 89,837</u>	<u>\$ (112,487)</u>

JACKSON COUNTY, NORTH CAROLINA
GREEN ENERGY PARK FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - NON-GAAP
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 12,000	\$ 10,916	\$ (1,084)
Registration fees	15,000	4,387	(10,613)
Gallery commission	2,500	1,514	(986)
Total operating revenues	<u>29,500</u>	<u>16,817</u>	<u>(12,683)</u>
Non-operating revenues:			
Donations	<u>1,000</u>	<u>568</u>	<u>(432)</u>
Total revenues	<u>30,500</u>	<u>17,385</u>	<u>(13,115)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	168,513	167,321	1,192
Operating	60,987	47,194	13,793
Capital outlay	<u>16,000</u>	<u>15,671</u>	<u>329</u>
Total	<u>245,500</u>	<u>230,186</u>	<u>15,314</u>
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>215,000</u>	<u>215,000</u>	<u>-</u>
Total expenditures and other financing sources (uses)	<u>30,500</u>	<u>15,186</u>	<u>15,314</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>2,199</u>	<u>\$ 2,199</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Decrease in deferred outflow - OPEB		(42,322)	
Increase in deferred inflow - OPEB		(67,606)	
(Increase) decrease in other post-employment benefits		43,194	
Increase in deferred outflow - pensions		20,866	
Increase in deferred inflow - pensions		(48)	
(Increase) decrease in pensions		(7,746)	
Increase in compensated absences		(2,426)	
Capital outlay		15,671	
Depreciation		<u>(19,085)</u>	
Change in net position		<u>\$ (57,303)</u>	

JACKSON COUNTY, NORTH CAROLINA

ECONOMIC DEVELOPMENT COMMISSION FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - NON-GAAP
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Rents	\$ 144,009	\$ 111,090	\$ (32,919)
Non-operating revenues:			
Interest earned on investments	1,440	1,020	(420)
Total revenues	<u>145,449</u>	<u>112,110</u>	<u>(33,339)</u>
Expenditures:			
Economic development operations:			
Operating	85,449	1,253	84,196
Insurance	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>105,449</u>	<u>21,253</u>	<u>84,196</u>
Other Financing Sources (Uses):			
Transfer to Economic Development Fund	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
Total expenditures and other financing sources (uses)	<u>145,449</u>	<u>21,253</u>	<u>124,196</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>90,857</u>	<u>\$ 90,857</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation		<u>(29,580)</u>	
Change in net position		<u>\$ 61,277</u>	



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COMPONENT UNIT SCHEDULES

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

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



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JACKSON COUNTY, NORTH CAROLINA**JACKSON COUNTY AIRPORT AUTHORITY****STATEMENT OF NET POSITION****JUNE 30, 2020**

	<u>Jackson County Airport Authority</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,176
Accounts receivable, net	1,150
Due from other governments	157,016
Inventories and prepaids	<u>13,011</u>
Total current assets	<u>173,353</u>
Non-current assets:	
Capital assets:	
Land and construction in progress	5,331,300
Depreciable capital assets, net of depreciation	<u>65,797</u>
Total non-current assets	<u>5,397,097</u>
Total assets	<u>5,570,450</u>
Liabilities:	
Accounts payable and accrued liabilities	11,742
Due to other governments	<u>10,000</u>
Total liabilities	<u>21,742</u>
Net Position:	
Net investment in capital assets	5,397,097
Unrestricted	<u>151,611</u>
Total net position	<u>\$ 5,548,708</u>

JACKSON COUNTY, NORTH CAROLINA

JACKSON COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - NON-GAAP
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 376,778	\$ 415,937	\$ 39,159
Sales and services	45,500	44,000	(1,500)
Jackson County	31,000	31,000	-
Cell tower leases	34,619	29,893	(4,726)
Miscellaneous	5,000	-	(5,000)
Total revenues	<u>492,897</u>	<u>520,830</u>	<u>27,933</u>
Expenditures:			
Transportation:			
Operating	464,973	344,696	120,277
Capital outlay	<u>27,924</u>	<u>27,913</u>	<u>11</u>
Total expenditures	<u>492,897</u>	<u>372,609</u>	<u>120,288</u>
Net change in fund balance	<u>\$ -</u>	148,221	<u>\$ 148,221</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Construction and purchase of capital assets		27,913	
Depreciation		<u>(17,783)</u>	
Change in net position		<u>\$ 158,351</u>	

JACKSON COUNTY, NORTH CAROLINA
JACKSON COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020
**Jackson
County
Airport
Authority**
Cash Flows from Operating Activities:

Cash received from customers	\$ (51,858)
Cash paid for goods and services	(336,422)
Net cash provided by (used for) operating activities	(388,280)

Cash Flows from Non-Capital Financing Activities:

Grants and donations	415,937
Net cash provided by non-capital financing activities	415,937

**Cash Flows from Capital and
Related Financing Activities:**

Acquisition of capital assets	(27,913)
Net increase (decrease) in cash and cash equivalents	(256)

Cash and Cash Equivalents:

Beginning of year, July 1	2,432
End of year, June 30	\$ 2,176

Reconciliation of Operating Income (Loss) to Net**Cash Provided (Uses) by Operating Activities:**

Operating income (loss)	\$ (241,038)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	17,783
Changes in assets and liabilities:	
Accounts receivable	(156,751)
Accounts payable and accrued liabilities	(8,274)
Total adjustments	(147,242)
Net cash provided (used) by operating activities	\$ (388,280)



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FIDUCIARY FUND SCHEDULE

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



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JACKSON COUNTY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS & LIABILITIES FOR THE YEAR ENDED JUNE 30, 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services Fund:				
Assets:				
Cash and cash equivalents	\$ 58,852	\$ 313,569	\$ 323,253	\$ 49,168
Liabilities:				
Intergovernmental payable	\$ 58,852	\$ 313,569	\$ 323,253	\$ 49,168
Inmate Fund:				
Assets:				
Cash and cash equivalents	\$ 108,659	\$ 131,016	\$ 102,014	\$ 137,661
Due from others	1,051	1,243	1,253	1,041
Total assets	\$ 109,710	\$ 132,259	\$ 103,267	\$ 138,702
Liabilities:				
Intergovernmental payable	\$ 109,710	\$ 132,259	\$ 103,267	\$ 138,702
Property Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 8,064	\$ 481,725	\$ 481,886	\$ 7,904
Due from others	7,066	16,323	13,164	10,224
Total assets	\$ 15,130	\$ 498,048	\$ 495,050	\$ 18,128
Liabilities:				
Intergovernmental payable	\$ 15,130	\$ 498,048	\$ 495,050	\$ 18,128
State of North Carolina Fund:				
Assets:				
Cash and cash equivalents	\$ 69,342	\$ 710,923	\$ 718,449	\$ 61,816
Liabilities:				
Intergovernmental payable	\$ 69,342	\$ 710,923	\$ 718,449	\$ 61,816

JACKSON COUNTY, NORTH CAROLINA**AGENCY FUNDS****COMBINING STATEMENT OF CHANGES IN ASSETS & LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Extension Agency Fund:				
Assets:				
Cash and cash equivalents	\$ 14,673	\$ 2,575	\$ 8,692	\$ 8,555
Due from others	32	14	36	11
Total assets	<u>\$ 14,705</u>	<u>\$ 2,589</u>	<u>\$ 8,728</u>	<u>\$ 8,566</u>
Liabilities:				
Intergovernmental payable	<u>\$ 14,705</u>	<u>\$ 2,589</u>	<u>\$ 8,728</u>	<u>\$ 8,566</u>
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 259,590	\$ 1,639,808	\$ 1,634,294	\$ 265,104
Due from others	8,149	17,580	14,453	11,276
Total assets	<u>\$ 267,739</u>	<u>\$ 1,657,388</u>	<u>\$ 1,648,747</u>	<u>\$ 276,380</u>
Liabilities:				
Intergovernmental payable	<u>\$ 267,739</u>	<u>\$ 1,657,388</u>	<u>\$ 1,648,747</u>	<u>\$ 276,380</u>

OTHER SCHEDULES

This section included additional information on property taxes.

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



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JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 36,539,152	\$ 35,856,740	\$ 682,412
2018-2019	757,404	-	415,339	342,065
2017-2018	374,858	-	149,176	225,682
2016-2017	219,152	-	81,952	137,200
2015-2016	200,993	-	46,603	154,390
2014-2015	162,707	-	38,804	123,903
2013-2014	138,765	-	22,720	116,045
2012-2013	118,952	-	18,396	100,556
2011-2012	85,819	-	13,104	72,715
2010-2011	69,252	-	14,255	54,997
2009-2010	68,642	-	68,642	-
Total	\$ 2,196,544	\$ 36,539,152	\$ 36,725,731	\$ 2,009,965
Less: allowance for uncollectible accounts				<u>(942,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,067,965</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				<u>\$ 36,910,768</u>
Reconciling items:				
Penalties and interest collected				(342,370)
Amounts written off for tax year 2009-2010				68,642
Rental vehicle tax				(23,939)
Prior year releases, refunds, and other adjustments				81,314
Other reconciling items				<u>31,316</u>
Total reconciling items				<u>(185,037)</u>
Total collections and credits				<u>\$ 36,725,731</u>

JACKSON COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 9,354,833,308	0.38	\$ 35,548,366	\$ 34,038,066	\$ 1,510,300
Utilities at current year's rate	<u>209,624,007</u>	0.38	<u>796,571</u>	<u>796,571</u>	<u>-</u>
Total	<u>9,564,457,315</u>		<u>36,344,937</u>	<u>34,834,637</u>	<u>1,510,300</u>
Discoveries:					
Current year taxes	<u>57,042,393</u>	0.38	<u>219,261</u>	<u>219,261</u>	<u>-</u>
Abatements/releases	<u>(6,591,092)</u>	0.38	<u>(25,046)</u>	<u>(21,402)</u>	<u>(3,644)</u>
Total property valuation	<u>\$ 9,614,908,616</u>				
Net levy			36,539,152	35,032,496	1,506,656
Uncollected taxes at June 30, 2020			<u>682,412</u>	<u>678,459</u>	<u>3,953</u>
Current year's taxes collected			<u>\$ 35,856,740</u>	<u>\$ 34,354,037</u>	<u>\$ 1,502,703</u>
Current levy collection percentage			98.13%	98.06%	99.74%

JACKSON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020****Secondary Market Disclosures:
Assessed Valuation:**

Assessment ratio (1)	100%
Real property	\$ 9,275,870,098
Personal property	<u>339,038,518</u>
Total assessed valuation	<u>\$ 9,614,908,616</u>
Tax rate per \$100 (2)	<u>\$ 0.3800</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 36,539,152</u>
In addition to the County-wide rate, the County levies taxes on behalf of two fire districts:	
Fire districts	<u>\$ 1,250,575</u>

(1) Percentage of appraised value has been established by statute.

(2) Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.

(3) The levy includes interest and penalties



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