

**JACKSON COUNTY
NORTH CAROLINA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

JACKSON COUNTY, NORTH CAROLINA

Sylva, North Carolina

List of Principal Officials

June 30, 2022

Board of Commissioners

Brian T. McMahan, Chairperson

Boyce T. Deitz

Mark Jones

Gayle Woody

Tom Stribling

County Manager

Don Adams

Finance Director

Darlene Fox



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ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2022

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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 Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Jackson County Alcoholic Beverage Control Board, which represents 23%, 17% and 71%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Jackson County Alcoholic Beverage Control Board and the Jackson County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As discussed in Note 8 to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Governmental 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 Employee 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 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and the other auditors. In our opinion, based on our audit 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 November 14, 2022 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 that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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
November 14, 2022



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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, 2022. 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

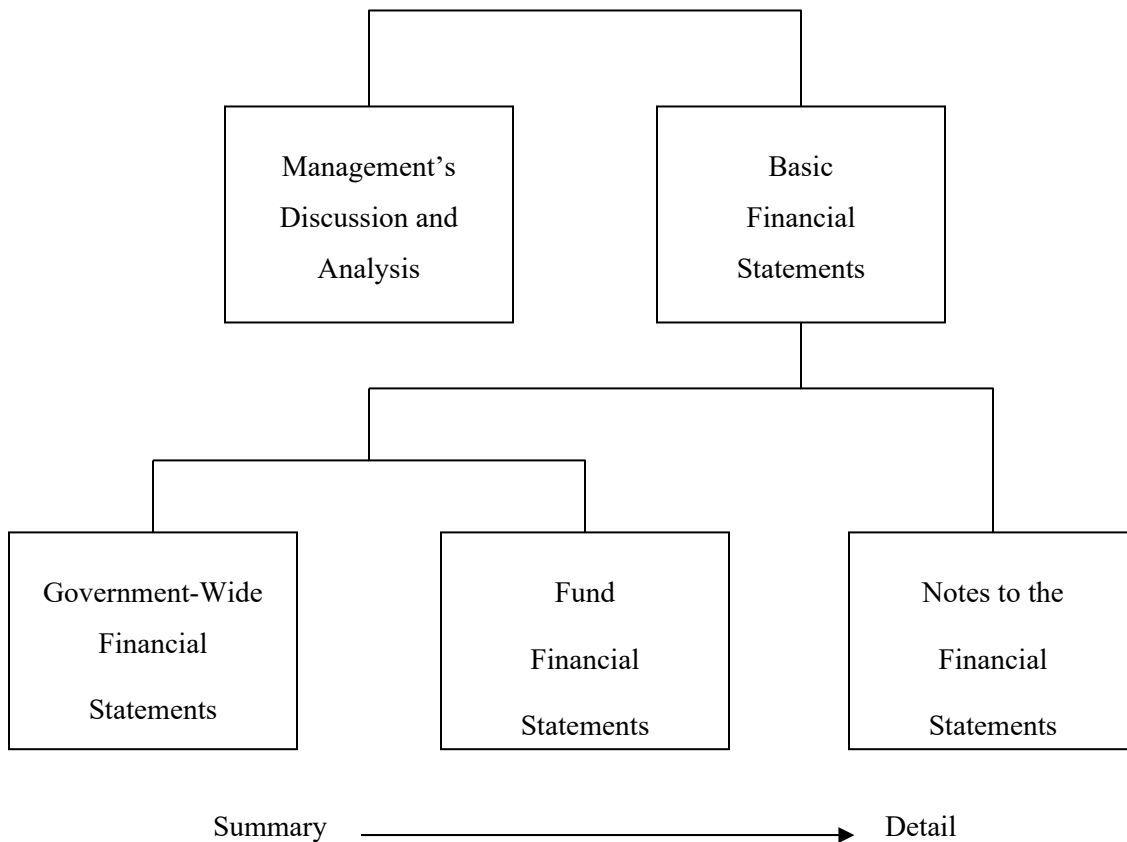
- The assets and deferred outflows of resources of Jackson County's governmental activities and business-type activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$64,650,718 and \$2,506,365, respectively.
- The government's total net position increased by \$11,401,968 of which \$11,171,267 was for an increase in governmental activities and \$230,701 was for an increase in business-type activities.
- As of the close of the current fiscal year, Jackson County's governmental funds reported combined ending fund balances of \$71,118,208, an increase of \$26,285,003 in comparison with the prior year. 40.78% (percent) of this total amount, or \$29,002,836, 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 \$29,008,905, or 34.26% (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, lease liabilities, OPEB, and pension related liabilities) increased by \$16,608,570 during the current fiscal year. This is due to the issuance of general obligation bonds for the recreation center fund and regularly scheduled debt service repayments in the fiscal year. Jackson County's business-type activities long-term debt (excluding compensated absences, lease liabilities, OPEB, and pension related liabilities) decreased by \$234,601 during the current year due to regularly scheduled debt service repayments in the fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 L) 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 two fiduciary funds, all of which are custodial 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 L 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

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Current and other assets	\$ 86,350,264	\$ 1,429,295	\$ 87,779,559	\$ 54,230,544	\$ 1,195,487	\$ 55,426,031
Capital assets	97,196,017	4,931,765	102,127,782	93,239,338	4,911,130	98,150,468
Total assets	<u>183,546,281</u>	<u>6,361,060</u>	<u>189,907,341</u>	<u>147,469,882</u>	<u>6,106,617</u>	<u>153,576,499</u>
Deferred Outflows of Resources	<u>17,776,111</u>	<u>484,223</u>	<u>18,260,334</u>	<u>15,784,009</u>	<u>415,735</u>	<u>16,199,744</u>
Liabilities:						
Current liabilities	19,605,874	438,122	20,043,996	12,386,426	304,637	12,691,063
Long-term liabilities	105,616,608	3,553,564	109,170,172	88,455,109	3,670,837	92,125,946
Total liabilities	<u>125,222,482</u>	<u>3,991,686</u>	<u>129,214,168</u>	<u>100,841,535</u>	<u>3,975,474</u>	<u>104,817,009</u>
Deferred Inflows of Resources	<u>11,449,192</u>	<u>347,232</u>	<u>11,796,424</u>	<u>8,932,905</u>	<u>271,214</u>	<u>9,204,119</u>
Net Position:						
Net investment in capital assets	86,016,523	4,186,980	90,203,503	80,339,750	4,090,028	84,429,778
Restricted	9,828,623	-	9,828,623	10,224,519	-	10,224,519
Unrestricted	<u>(31,194,428)</u>	<u>(1,680,615)</u>	<u>(32,875,043)</u>	<u>(37,084,818)</u>	<u>(1,814,364)</u>	<u>(38,899,182)</u>
Total net position	<u>\$ 64,650,718</u>	<u>\$ 2,506,365</u>	<u>\$ 67,157,083</u>	<u>\$ 53,479,451</u>	<u>\$ 2,275,664</u>	<u>\$ 55,755,115</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 \$67,157,083 as of June 30, 2022. The County's net position increased by \$11,401,968 for the fiscal year ended June 30, 2022, of which \$11,171,267 was for an increase in governmental activities and \$230,701 was for an increase 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 \$32,875,043 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 98.98 percent, constant with the statewide average of 98.83 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

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues						
Charges for services	\$ 6,222,545	\$ 4,241,823	\$ 10,464,368	\$ 5,719,416	\$ 3,622,237	\$ 9,341,653
Operating grants and contributions	8,650,937	30,568	8,681,505	12,761,288	2,626	12,763,914
General revenues:						
Property taxes	43,604,190	-	43,604,190	39,557,748	-	39,557,748
Local option sales tax	22,192,455	-	22,192,455	19,696,308	-	19,696,308
Other taxes	270,020	106,783	376,803	363,060	90,767	453,827
Investment earnings	47,379	24,993	72,372	13,653	16,048	-
Total revenues	80,987,526	4,404,167	85,391,693	78,111,473	3,731,678	81,813,450
Expenses:						
General government	10,913,988	-	10,913,988	348,700	-	348,700
Public safety	24,108,670	-	24,108,670	19,675,729	-	19,675,729
Transportation	833,116	-	833,116	770,564	-	770,564
Environmental protection	1,687,264	-	1,687,264	333,897	-	333,897
Economic and physical development	1,038,532	-	1,038,532	1,177,889	-	1,177,889
Human services	12,556,462	-	12,556,462	15,592,720	-	15,592,720
Culture and recreation	3,245,607	-	3,245,607	3,824,569	-	3,824,569
Education	14,608,284	-	14,608,284	22,503,679	-	22,503,679
Interest and other charges	600,683	-	600,683	621,148	-	621,148
Landfill	-	4,054,281	4,054,281	-	3,958,013	3,958,013
Green Energy Park	-	282,791	282,791	-	253,746	253,746
Economic Development Commission	-	60,047	60,047	-	50,203	50,203
Total expenses	69,592,606	4,397,119	73,989,725	64,848,895	4,261,962	69,110,857
Change in net position before transfers	11,394,920	7,048	11,401,968	13,262,578	(530,284)	12,732,294
Transfers	(223,653)	223,653	-	(569,993)	569,993	-
Change in net position	11,171,267	230,701	11,401,968	12,692,585	39,709	12,732,294
Net Position:						
Beginning of year, July 1	53,479,451	2,275,664	55,755,115	40,674,102	2,235,955	42,910,057
Prior period restatement						
Change in accounting principle	-	-	-	112,764	-	112,764
Net position July 1, as restated	53,479,451	2,275,664	55,755,115	40,786,866	2,235,955	43,022,821
End of year, June 30	\$ 64,650,718	\$ 2,506,365	\$ 67,157,083	\$ 53,479,451	\$ 2,275,664	\$ 55,755,115

Governmental Activities - Governmental activities increased the County's net position by \$11,171,267. Key elements of this increase are as follows:

- Ad valorem tax increased by 9.74% due increased tax values from the 2021 revaluation. The tax rate was reduced by \$0.02 to \$0.36.
- Other taxes (primarily sales tax) increased as the County's current economic conditions improve. Overall, the County realized a 12.74% (percent) increase for the year.
- Public safety increases include one fire department going to paid full time firefighters 24/7 and increased spending for law enforcement activities.
- The decrease in human service expenses is related reduced pandemic expenses and construction projects being completed.
- The decrease in the education expenses is related to various school construction projects being completed.

Business-Type Activities – Business-type activities increased Jackson County's net position by \$230,701. The key element of this increase is as follows:

- The Landfill Fund ended the year with an addition to net position while the Green Energy Park Fund and the Economic Development Fund ended the year with a reduction to net position. The Green Energy Park had 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 \$29,008,905, while total fund balance reached \$38,307,037. 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, \$6,771,493. Fund balance available for appropriation of \$31,535,544 represents 37.24% (percent) of total General Fund expenditures and transfers out, while total fund balance represents 45.24% (percent) of that same amount.

At June 30, 2022, the governmental funds of Jackson County reported a combined fund balance of \$71,118,208 an increase of \$26,285,003. The primary reason for this increase in fund balance is the increased sales tax revenues and the issuance of general obligation bonds.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain service. Total amendments to the General Fund increased revenues by \$9,777,412, which is 14%.

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 \$2,506,365. The total increase in net position for the funds was \$230,701. 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, 2022, totals \$101,638,937 (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 video streaming system for the governing body
- Purchased two 2021 Dodge Durango’s for administration
- Purchased new Dell PowerEdge R440 server for tax collections
- Purchased a 2021 Toyota Lift Truck and a 2022 Ford F150 truck for maintenance
- Purchased a Groundsmaster 3300 AWD rotary mower and a Steiner 450 mowing tractor for the grounds department
- Purchased three 2022 Dodge Chargers, two 2022 Ford F150 Trucks, and two 2022 Chevrolet Trucks for the Sheriff’s Office
- Purchased a 2021 Dodge Durango and a 2022 Dodge Ram truck for the jail operations.
- Purchased a Toughsat Mobile Satellite System, and an emergency response trailer for emergency management
- Purchased a Netclock and a Nexlog 740 DX Recording System for emergency telephone.
- Purchased a 2022 Ford truck for code enforcement
- Purchased a 2022 Ford LTV van for transit
- Purchased a 2022 Ford truck for the planning department
- Purchased a 2021 Ford truck, a 2022 Ford Escape, a camera system, a freezer, and a respirator FIT tester for the health department
- Purchased two Ford Escapes for the Department of Social Services
- Purchased a walk-in freezer and a Camex dump trailer for the Department on Aging
- Purchased two 2022 Ford Escapes, a John Deere Quicktrack 652 mower and property in the Cullowhee and Qualla areas for future park development.
- Addition of construction in progress on the Dillsboro Complex and the SCC Science Building projects.

Jackson County’s Capital Assets, Net of Accumulated Depreciation

Figure 4

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land	\$ 16,083,121	\$ 146,368	\$ 16,229,489	\$ 15,479,734	\$ 146,368	\$ 15,626,102
Buildings and improvements	46,733,901	1,818,616	48,552,517	39,998,226	1,908,349	41,906,575
Machinery and equipment	2,209,897	2,699,303	4,909,200	2,029,281	2,771,732	4,801,013
Vehicles	2,094,288	111,045	2,205,333	1,945,790	84,681	2,030,471
Construction in progress	29,742,398	-	29,742,398	33,647,791	-	33,647,791
Capital assets, net	<u>\$ 96,863,605</u>	<u>\$ 4,775,332</u>	<u>\$ 101,638,937</u>	<u>\$ 93,100,822</u>	<u>\$ 4,911,130</u>	<u>\$ 98,011,952</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, 2022, Jackson County had total debt outstanding of \$41,216,341, most of which is collateralized by capital assets. However, approximately \$9,775,620 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

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
General obligation bonds	\$ 20,000,000	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -
Total installment purchases						
from direct placements	20,629,840	586,501	21,216,341	24,021,270	821,102	24,842,372
Total outstanding debt	\$ 40,629,840	\$ 586,501	\$ 41,216,341	\$ 24,021,270	\$ 821,102	\$ 24,842,372

Jackson County’s debt, shown above, increased \$16,373,969 (65.91 percent) during the past fiscal year. The increase is primarily due the issuance of general obligation bonds for the Recreation Capital Project Fund the current 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 \$878,663,000.

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 2.7 percent, lower than the state and national average of 3.5 percent.
- Retail vacancy rates decreased by 6.17%. The average vacancy rate for the year was in the 59.03 percent range. The prior year rate was 65.2%. The County experienced an increase overall in room occupancy tax fees.
- Construction for new homes and businesses is increasing.

Impact of Coronavirus on the County. During the fiscal year, the state and the nation were affected by the spread of a coronavirus.

The COVID-19 pandemic is still having an impact on businesses in the County. The recreation centers and aging services are back to normal operations. Sales tax revenues increased by 12.74% above the previous fiscal year. The County is experiencing a growth in new construction and home sales. Rentals through Home Away, Airbnb and other third-party agents have continued to increase as we enter into the endemic stage of COVID-19.

Budget Highlights for the Fiscal Year Ending June 30, 2023

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. The Ad valorem tax rate will increase by \$0.02 to \$0.38. Sales tax revenues continue to increase.

Budgeted expenditures in the General Fund are expected to increase 14.83 percent to \$82,292,740. The largest increments are in the salary costs, an increase in debt transfer due to the bond issuance for the aquatics center, and increased operational expenses. The public schools, community college, and library expenses were increased.

Business-Type Activities. General operating expenses of the Landfill Fund will increase by 10.43 percent. 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 are increased by 31.97 percent due to increased tipping fees and fuel adjustments on hauling fees. The Green Energy Park Fund operational budget will increase by 1.43 percent. The Economic Development Fund operational budget will decrease by 72.79 percent due to lost rental income and expenses from a property sale.

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, 2022

	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	\$ 48,099,417	\$ 980,097	\$ 49,079,514	\$ 2,457,619	\$ 225,332	\$ 1,054,754
Restricted cash and cash equivalents	30,974,667	-	30,974,667	-	-	-
Taxes receivable, net	452,654	-	452,654	-	-	-
Accounts receivable, net	61,797	388,764	450,561	-	1,292	2,460
Due from primary government	-	-	-	304,044	-	-
Due from other governments	6,758,395	60,434	6,818,829	4,233	41,879	-
Notes receivable, net	3,334	-	3,334	-	-	-
Inventory and prepaids	-	-	-	-	26,268	690,837
Total current assets	<u>86,350,264</u>	<u>1,429,295</u>	<u>87,779,559</u>	<u>2,765,896</u>	<u>294,771</u>	<u>1,748,051</u>
Non-current assets:						
Right to use leased assets, net of amortization	226,508	156,433	382,941	-	-	-
Net pension asset (RODSPF)	<u>105,904</u>	<u>-</u>	<u>105,904</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:						
Land and construction in progress	45,825,519	146,368	45,971,887	-	4,818,067	12,301
Depreciable capital assets, net of depreciation	<u>51,038,086</u>	<u>4,628,964</u>	<u>55,667,050</u>	<u>10,302</u>	<u>503,087</u>	<u>796,179</u>
Capital assets, net	<u>96,863,605</u>	<u>4,775,332</u>	<u>101,638,937</u>	<u>10,302</u>	<u>5,321,154</u>	<u>808,480</u>
Total non-current assets	<u>97,196,017</u>	<u>4,931,765</u>	<u>102,127,782</u>	<u>10,302</u>	<u>5,321,154</u>	<u>808,480</u>
Total assets	<u>183,546,281</u>	<u>6,361,060</u>	<u>189,907,341</u>	<u>2,776,198</u>	<u>5,615,925</u>	<u>2,556,531</u>
Deferred Outflows of Resources:						
Pension deferrals	6,065,855	122,052	6,187,907	64,744	-	29,517
OPEB deferrals	<u>11,710,256</u>	<u>362,171</u>	<u>12,072,427</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>17,776,111</u>	<u>484,223</u>	<u>18,260,334</u>	<u>64,744</u>	<u>-</u>	<u>29,517</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued liabilities	3,735,699	119,684	3,855,383	13,288	3,485	248,877
Unearned revenue	125,634	-	125,634	-	-	-
Advance from grantors	10,488,344	-	10,488,344	-	-	-
Accrued interest payable	-	4,653	4,653	-	-	-
Due to component unit	304,044	-	304,044	-	-	-
Compensated absences, current	487,256	10,902	498,158	936	-	-
General Obligation bond, current	1,334,000	-	1,334,000	-	-	-
Lease liabilities, current	69,633	68,282	137,915	-	-	-
Installment purchases, current	<u>3,061,264</u>	<u>234,601</u>	<u>3,295,865</u>	<u>-</u>	<u>-</u>	<u>33,660</u>
Total current liabilities	<u>19,605,874</u>	<u>438,122</u>	<u>20,043,996</u>	<u>14,224</u>	<u>3,485</u>	<u>282,537</u>

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Jackson County Tourism Development Authority	Jackson County Airport Authority	Jackson County ABC Board
Non-current liabilities:						
Accrued landfill closure and post-closure care costs	-	1,556,758	1,556,758	-	-	-
Net pension liability - LGERS	3,284,569	52,843	3,337,412	34,353	-	56,077
Total pension liability - LEOSSA	2,810,783	-	2,810,783	-	-	-
Total OPEB liability	61,665,060	1,469,356	63,134,416	-	-	-
Compensated absences, non-current	1,461,768	32,705	1,494,473	2,807	-	-
General Obligation bond, non-current	18,666,000	-	18,666,000	-	-	-
Lease liabilities, non-current	159,852	90,002	249,854	-	-	-
Installment purchases, non-current	17,568,576	351,900	17,920,476	-	-	470,235
Total non-current liabilities	105,616,608	3,553,564	109,170,172	37,160	-	526,312
Total liabilities	125,222,482	3,991,686	129,214,168	51,384	3,485	808,849
Deferred Inflows of Resources:						
Prepaid taxes	125,681	-	125,681	-	-	-
Pension deferrals	4,716,615	142,895	4,859,510	50,444	-	62,258
OPEB deferrals	6,606,896	204,337	6,811,233	-	-	-
Total deferred inflows of resources	11,449,192	347,232	11,796,424	50,444	-	62,258
Net Position:						
Net investment in capital assets	86,016,523	4,186,980	90,203,503	10,302	5,321,154	304,585
Restricted:						
Stabilization by state statute	8,098,995	-	8,098,995	308,277	-	-
Tourism promotion	-	-	-	2,420,535	-	-
Register of Deeds' pension plan	126,154	-	126,154	-	-	-
Register of Deeds	35,987	-	35,987	-	-	-
Education	58,460	-	58,460	-	-	-
Public safety	712,897	-	712,897	-	-	-
Economic and physical development	796,130	-	796,130	-	-	-
Working capital	-	-	-	-	-	216,689
Unrestricted	(31,194,428)	(1,680,615)	(32,875,043)	-	291,286	1,193,667
Total net position	\$ 64,650,718	\$ 2,506,365	\$ 67,157,083	\$ 2,739,114	\$ 5,612,440	\$ 1,714,941

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

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
General government	\$ 10,913,988	\$ 2,574,902	\$ 145,929	\$ -
Public safety	24,108,670	1,723,823	1,852,124	-
Transportation	833,116	48,801	343,535	-
Environmental protection	1,687,264	359,710	123,048	-
Economic and physical development	1,038,532	38,667	322,374	-
Human services	12,556,462	779,048	5,863,927	-
Cultural and recreation	3,245,607	697,594	-	-
Education	14,608,284	-	-	-
Interest on long-term debt	600,683	-	-	-
Total governmental activities	<u>69,592,606</u>	<u>6,222,545</u>	<u>8,650,937</u>	<u>-</u>
Business-type activities:				
Landfill	4,054,281	4,197,122	2,411	-
Green Energy Park	282,791	19,627	28,157	-
Economic Development Commission	60,047	25,074	-	-
Total business-type activities	<u>4,397,119</u>	<u>4,241,823</u>	<u>30,568</u>	<u>-</u>
Total primary government	<u>\$ 73,989,725</u>	<u>\$ 10,464,368</u>	<u>\$ 8,681,505</u>	<u>\$ -</u>
Component Units:				
Jackson County Tourism Development Authority	\$ 1,734,732	\$ 1,843	\$ -	\$ -
Jackson County Airport Authority	317,556	121,781	236,796	-
Jackson County ABC Board	7,284,841	7,439,670	-	-
Total component units	<u>\$ 9,337,129</u>	<u>\$ 7,563,294</u>	<u>\$ 236,796</u>	<u>\$ -</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, 2022

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	\$ (8,193,157)	\$ -	\$ (8,193,157)			
Public safety	(20,532,723)	-	(20,532,723)			
Transportation	(440,780)	-	(440,780)			
Environmental protection	(1,204,506)	-	(1,204,506)			
Economic and physical development	(677,491)	-	(677,491)			
Human services	(5,913,487)	-	(5,913,487)			
Cultural and recreation	(2,548,013)	-	(2,548,013)			
Education	(14,608,284)	-	(14,608,284)			
Interest on long-term debt	(600,683)	-	(600,683)			
Total governmental activities	<u>(54,719,124)</u>	<u>-</u>	<u>(54,719,124)</u>			
Business-type activities:						
Landfill	-	145,252	145,252			
Green Energy Park	-	(235,007)	(235,007)			
Economic Development Commission	-	(34,973)	(34,973)			
Total business-type activities	<u>-</u>	<u>(124,728)</u>	<u>(124,728)</u>			
Total primary government	<u>(54,719,124)</u>	<u>(124,728)</u>	<u>(54,843,852)</u>			
Component Units:						
Jackson County Tourism Development Authority				\$ (1,732,889)	\$ -	\$ -
Jackson County Airport Authority				-	41,021	-
Jackson County ABC Board				-	-	154,829
Total component units				<u>(1,732,889)</u>	<u>41,021</u>	<u>154,829</u>
General Revenues:						
Taxes:						
Property taxes, levied for						
general purpose	43,604,190	-	43,604,190	-	-	-
Local option sales tax	22,192,455	-	22,192,455	-	-	-
Beer and wine tax distribution	157,287	-	157,287	-	-	-
Occupancy taxes	-	-	-	2,631,160	-	-
Other taxes	112,733	106,783	219,516	-	-	-
Investment earnings, unrestricted	47,379	24,993	72,372	3,404	-	-
Miscellaneous, unrestricted	-	-	-	-	-	-
Total general revenues, excluding transfers	<u>66,114,044</u>	<u>131,776</u>	<u>66,245,820</u>	<u>2,634,564</u>	<u>-</u>	<u>-</u>
Transfers	<u>(223,653)</u>	<u>223,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>65,890,391</u>	<u>355,429</u>	<u>66,245,820</u>	<u>2,634,564</u>	<u>-</u>	<u>-</u>
Change in net position	11,171,267	230,701	11,401,968	901,675	41,021	154,829
Net Position:						
Beginning of year, July 1	53,479,451	2,275,664	55,755,115	1,837,439	5,571,419	1,560,112
End of year, June 30	<u>\$ 64,650,718</u>	<u>\$ 2,506,365</u>	<u>\$ 67,157,083</u>	<u>\$ 2,739,114</u>	<u>\$ 5,612,440</u>	<u>\$ 1,714,941</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major			
	General Fund	American Rescue Plan Fund	Recreation Center Fund	County Capital Projects Fund
Assets:				
Cash and cash equivalents	\$ 35,865,682	\$ -	\$ 2,941,244	\$ 134,808
Restricted cash and cash equivalents	354,701	8,309,719	20,010,115	2,174,498
Taxes receivable, net	430,265	-	-	-
Accounts receivable, net	19,167	-	-	2,070
Due from other governments	6,752,326	6,069	-	-
Due from other funds	-	-	-	-
Notes receivable, net	-	-	-	-
Total assets	<u>\$ 43,422,141</u>	<u>\$ 8,315,788</u>	<u>\$ 22,951,359</u>	<u>\$ 2,311,376</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,983,433	\$ 1,942	\$ 37,328	\$ 1,398
Due to component unit	304,044	-	-	-
Due to other funds	1,275,469	-	-	-
Unearned revenue	-	-	-	-
Advance from grantors	-	8,313,846	-	2,174,498
Total liabilities	<u>4,562,946</u>	<u>8,315,788</u>	<u>37,328</u>	<u>2,175,896</u>
Deferred Inflows of Resources:				
Prepaid taxes	121,893	-	-	-
Property taxes receivable	430,265	-	-	-
Total deferred inflows of resources	<u>552,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	6,771,493	6,069	-	2,070
Register of Deeds	35,987	-	-	-
Education	-	-	-	-
Public safety	-	-	-	-
Economic and physical development	-	-	-	-
Recreation	-	-	20,010,115	-
Committed:				
Revaluation	355,893	-	-	-
Capital reserve	780,655	-	-	-
Conservation/preservation	1,150,531	-	-	-
Recreation	-	-	2,903,916	-
Education	-	-	-	-
General government	-	-	-	133,410
Assigned:				
Other post-employment benefits	203,573	-	-	-
Unassigned	29,008,905	(6,069)	-	-
Total fund balances	<u>38,307,037</u>	<u>-</u>	<u>22,914,031</u>	<u>135,480</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,422,141</u>	<u>\$ 8,315,788</u>	<u>\$ 22,951,359</u>	<u>\$ 2,311,376</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major			Nonmajor	Total
	School Improvements Fund	SCC Health Science Building Fund	Health Department Project Fund	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 5,360,355	\$ 108,297	\$ -	\$ 3,689,031	\$ 48,099,417
Restricted cash and cash equivalents	-	-	-	125,634	30,974,667
Taxes receivable, net	-	-	-	22,389	452,654
Accounts receivable, net	-	-	-	40,560	61,797
Due from other governments	-	-	-	-	6,758,395
Due from other funds	1,275,469	-	-	-	1,275,469
Notes receivable, net	-	-	-	3,334	3,334
Total assets	<u>\$ 6,635,824</u>	<u>\$ 108,297</u>	<u>\$ -</u>	<u>\$ 3,880,948</u>	<u>\$ 87,625,733</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 78,286	\$ 49,837	\$ -	\$ 583,475	\$ 3,735,699
Due to component unit	-	-	-	-	304,044
Due to other funds	-	-	-	-	1,275,469
Unearned revenue	-	-	-	125,634	125,634
Advance from grantors	-	-	-	-	10,488,344
Total liabilities	<u>78,286</u>	<u>49,837</u>	<u>-</u>	<u>709,109</u>	<u>15,929,190</u>
Deferred Inflows of Resources:					
Prepaid taxes	-	-	-	3,788	125,681
Property taxes receivable	-	-	-	22,389	452,654
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,177</u>	<u>578,335</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	1,275,469	-	-	43,894	8,098,995
Register of Deeds	-	-	-	-	35,987
Education	-	58,460	-	-	58,460
Public safety	-	-	-	712,897	712,897
Economic and physical development	-	-	-	796,130	796,130
Recreation	-	-	-	-	20,010,115
Committed:					
Revaluation	-	-	-	-	355,893
Capital reserve	-	-	-	-	780,655
Conservation/preservation	-	-	-	-	1,150,531
Recreation	-	-	-	1,592,741	4,496,657
Education	5,282,069	-	-	-	5,282,069
General government	-	-	-	-	133,410
Assigned:					
Other post-employment benefits	-	-	-	-	203,573
Unassigned	-	-	-	-	29,002,836
Total fund balances	<u>6,557,538</u>	<u>58,460</u>	<u>-</u>	<u>3,145,662</u>	<u>71,118,208</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,635,824</u>	<u>\$ 108,297</u>	<u>\$ -</u>	<u>\$ 3,880,948</u>	<u>\$ 87,625,733</u>

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

JACKSON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

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

Total fund balance for governmental funds	\$ 71,118,208
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	96,863,605
Right-to-use leased assets, net of accumulated amortization, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	226,508
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.	(42,808,349)
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.	452,654
Deferred outflows of resources related to pensions are not reported in the funds.	6,065,855
Deferred outflows of resources related to OPEB are not reported in the funds.	11,710,256
Total pension liability - LEOSSA	(2,810,783)
Net pension liability - LGERS	(3,284,569)
Total OPEB liability	(61,665,060)
Net pension asset	105,904
Deferred inflows of resources related to pensions are not reported in the funds.	(4,716,615)
Deferred inflows of resources related to OPEB are not reported in the funds.	<u>(6,606,896)</u>
Net position of governmental activities (Exhibit A)	<u>\$ 64,650,718</u>

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



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JACKSON COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Major			
	General Fund	American Rescue Plan Fund	Recreation Center Fund	County Capital Projects Fund
Revenues:				
Ad valorem taxes	\$ 41,944,102	\$ -	\$ -	\$ -
Other taxes	22,462,475	-	-	-
Unrestricted intergovernmental	723,215	-	-	-
Restricted intergovernmental	8,249,201	220,595	-	-
Other restricted revenues	7,781,850	-	-	-
Permits and fees	3,277,312	-	-	-
Sales and services	1,317,997	-	-	-
Investment earnings	36,878	-	10,115	-
Miscellaneous	620,461	-	-	-
Total revenues	86,413,491	220,595	10,115	-
Expenditures:				
Current:				
General government	12,607,360	-	-	36,466
Public safety	20,040,523	184,129	-	-
Transportation	944,360	-	-	-
Environmental protection	1,720,058	-	-	-
Economic and physical development	1,082,298	-	-	-
Human services	17,407,213	-	-	-
Culture and recreation	3,916,614	-	985,392	-
Intergovernmental:				
Education	12,494,078	-	-	-
Debt service:				
Principal retirement	3,444,120	-	-	-
Interest and other charges	547,993	-	-	-
Total expenditures	74,204,617	184,129	985,392	36,466
Revenues over (under) expenditures	12,208,874	36,466	(975,277)	(36,466)
Other Financing Sources (Uses):				
Transfers from other funds	838,138	-	2,693,820	36,466
Transfers to other funds	(10,472,458)	(36,466)	-	-
Proceeds from installment obligation	-	-	20,000,000	-
Proceeds from sale of capital assets	228,478	-	-	-
Lease liability issued	282,175	-	-	-
Total other financing sources (uses)	(9,123,667)	(36,466)	22,693,820	36,466
Net change in fund balances	3,085,207	-	21,718,543	-
Fund Balances:				
Beginning of year, July 1	35,221,830	-	1,195,488	135,480
End of year, June 30	\$ 38,307,037	\$ -	\$ 22,914,031	\$ 135,480

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, 2022**

	<u>Major</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>School Improvements Fund</u>	<u>SCC Health Science Building Fund</u>	<u>Health Department Project Fund</u>	<u>Other Governmental Funds</u>	
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,931,040	\$ 43,875,142
Other taxes	-	-	-	-	22,462,475
Unrestricted intergovernmental	-	-	-	-	723,215
Restricted intergovernmental	-	-	-	294,821	8,764,617
Other restricted revenues	-	-	-	-	7,781,850
Permits and fees	-	-	-	-	3,277,312
Sales and services	-	-	-	417	1,318,414
Investment earnings	-	-	-	386	47,379
Miscellaneous	-	-	-	-	620,461
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,226,664</u>	<u>88,870,865</u>
Expenditures:					
Current:					
General government	-	-	-	-	12,643,826
Public safety	-	-	-	5,137,979	25,362,631
Transportation	-	-	-	-	944,360
Environmental protection	-	-	-	-	1,720,058
Economic and physical development	-	-	-	177,958	1,260,256
Human services	-	-	32,115	-	17,439,328
Culture and recreation	-	-	-	-	4,902,006
Intergovernmental:					
Education	1,816,776	297,430	-	-	14,608,284
Debt service:					
Principal retirement	-	-	-	-	3,444,120
Interest and other charges	-	-	-	-	547,993
Total expenditures	<u>1,816,776</u>	<u>297,430</u>	<u>32,115</u>	<u>5,315,937</u>	<u>82,872,862</u>
Revenues over (under) expenditures	<u>(1,816,776)</u>	<u>(297,430)</u>	<u>(32,115)</u>	<u>(3,089,273)</u>	<u>5,998,003</u>
Other Financing Sources (Uses):					
Transfers from other funds	7,441,985	-	-	3,559,697	14,570,106
Transfers to other funds	(4,238,138)	-	(46,697)	-	(14,793,759)
Proceeds from installment obligation	-	-	-	-	20,000,000
Proceeds from sale of capital assets	-	-	-	-	228,478
Lease liability issued	-	-	-	-	282,175
Total other financing sources (uses)	<u>3,203,847</u>	<u>-</u>	<u>(46,697)</u>	<u>3,559,697</u>	<u>20,287,000</u>
Net change in fund balances	1,387,071	(297,430)	(78,812)	470,424	26,285,003
Fund Balances:					
Beginning of year, July 1	<u>5,170,467</u>	<u>355,890</u>	<u>78,812</u>	<u>2,675,238</u>	<u>44,833,205</u>
End of year, June 30	<u>\$ 6,557,538</u>	<u>\$ 58,460</u>	<u>\$ -</u>	<u>\$ 3,145,662</u>	<u>\$ 71,118,208</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, 2022

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) \$ 26,285,003

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 (270,952)

Pension expense 516,309

Right-to-use leased asset capital outlay expenditures which were capitalized 282,175

Amortization expense for intangible assets (55,667)

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. (2,510,329)

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. 6,256,106

The issuance of long-term debt is reported as revenue in the governmental funds statement. However, in the Statement of Activities, it is not a revenue, rather it is an increase in liabilities. (20,282,175)

Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement. (2,493,323)

Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities. 3,444,120

Changes in net position of governmental activities (Exhibit B) \$ 11,171,267

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



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JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 39,529,566	\$ 42,063,852	\$ 41,944,102	\$ (119,750)
Other taxes	18,465,388	22,082,231	22,462,475	380,244
Unrestricted intergovernmental	748,072	748,072	723,215	(24,857)
Restricted intergovernmental	8,067,784	10,047,600	8,249,831	(1,797,769)
Other restricted revenues	52,700	167,725	139,660	(28,065)
Permits and fees	2,932,597	3,458,505	3,276,682	(181,823)
Sales and services	1,290,325	1,599,153	1,317,997	(281,156)
Investment earnings	100,000	100,000	36,233	(63,767)
Miscellaneous	405,246	1,101,952	620,461	(481,491)
Total revenues	<u>71,591,678</u>	<u>81,369,090</u>	<u>78,770,656</u>	<u>(2,598,434)</u>
Expenditures:				
Current:				
General government	10,714,865	11,694,436	10,734,239	960,197
Public safety	17,497,314	19,244,593	18,219,041	1,025,552
Transportation	954,090	1,055,796	813,035	242,761
Environmental protection	108,594	108,594	69,700	38,894
Economic and physical development	976,386	1,074,614	939,508	135,106
Human services	15,197,944	17,770,490	15,260,832	2,509,658
Culture and recreation	3,766,058	3,972,872	3,650,328	322,544
Intergovernmental:				
Education	12,488,245	12,846,555	12,494,078	352,477
Debt service:				
Principal retirement	3,391,432	3,444,432	3,444,120	312
Interest and other charges	542,213	548,313	547,993	320
Contingency	1,762,559	1,233,270	-	1,233,270
Total expenditures	<u>67,399,700</u>	<u>72,993,965</u>	<u>66,172,874</u>	<u>6,821,091</u>
Revenues over (under) expenditures	<u>4,191,978</u>	<u>8,375,125</u>	<u>12,597,782</u>	<u>4,222,657</u>
Other Financing Sources (Uses):				
Transfers to other funds	(5,105,116)	(9,432,958)	(9,432,958)	-
Transfers from other funds	838,138	838,138	838,138	-
Proceeds from sale of capital assets	75,000	219,695	228,478	8,783
Lease liability issued	-	-	282,175	282,175
Total other financing sources (uses)	<u>(4,191,978)</u>	<u>(8,375,125)</u>	<u>(8,084,167)</u>	<u>290,958</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,513,615	<u>\$ 4,513,615</u>
Fund Balance:				
Beginning of year, July 1			28,796,777	
End of year, June 30			<u>\$ 33,310,392</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
A legally budgeted Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			\$ (289,713)	
Transfers from the General Fund			<u>350,500</u>	
Net change in fund balance			60,787	
Beginning fund balance			<u>295,106</u>	
Ending fund balance			<u>355,893</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Revenues			645	
Transfers from the General Fund			1,000,000	
Transfers to the Dillsboro Complex Project Fund			<u>(3,390,000)</u>	
Net change in fund balance			(2,389,355)	
Beginning fund balance			<u>3,170,010</u>	
Ending fund balance			<u>780,655</u>	
A legally budgeted Conservation/Preservation Fund is consolidated into the General Fund for reporting purposes:				
Expenditures			(1,650,358)	
Transfers from the General Fund			<u>1,000,000</u>	
Net change in fund balance			(650,358)	
Beginning fund balance			<u>1,800,889</u>	
Ending fund balance			<u>1,150,531</u>	
A legally budgeted Health Insurance Fund is consolidated into the General Fund for reporting purposes:				
Revenues			7,642,190	
Expenditures			<u>(6,091,672)</u>	
Net change in fund balance			1,550,518	
Beginning fund balance			<u>1,159,048</u>	
Ending fund balance			<u>2,709,566</u>	
Ending fund balance - Combined General Fund			<u>\$ 38,307,037</u>	

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

JACKSON COUNTY, NORTH CAROLINA

ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND - AMERICAN RESCUE PLAN FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Restricted intergovernmental	\$ -	\$ 8,534,441	\$ 220,595	\$ (8,313,846)
Expenditures:				
Public safety:				
Operating	-	1,210,451	184,129	1,026,322
Revenues over (under) expenditures	-	7,323,990	36,466	(7,287,524)
Other Financing Sources (Uses):				
Transfers to County Capital Project Fund	-	(7,323,990)	(36,466)	7,287,524
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:				
Beginning balance, July 1			-	
Ending balance, June 30			<u>\$ -</u>	

JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<u>Major</u>	<u>Nonmajor</u>	
	<u>Landfill</u>	<u>Other</u>	
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>
		<u>Funds</u>	
Assets:			
Current assets:			
Cash and cash equivalents	\$ 197,693	\$ 782,404	\$ 980,097
Accounts receivable, net	387,269	1,495	388,764
Due from other governments	60,434	-	60,434
Total current assets	<u>645,396</u>	<u>783,899</u>	<u>1,429,295</u>
Non-current assets:			
Right-to-use leased assets, net of amortization	<u>156,433</u>	<u>-</u>	<u>156,433</u>
Capital assets:			
Land	146,368	-	146,368
Depreciable capital assets, net of depreciation	<u>3,600,924</u>	<u>1,028,040</u>	<u>4,628,964</u>
Capital assets net	<u>3,747,292</u>	<u>1,028,040</u>	<u>4,775,332</u>
Total non-current assets	<u>3,903,725</u>	<u>1,028,040</u>	<u>4,931,765</u>
Total assets	<u>4,549,121</u>	<u>1,811,939</u>	<u>6,361,060</u>
Deferred Outflows of Resources:			
Pension deferrals	87,062	34,990	122,052
OPEB deferrals	<u>241,448</u>	<u>120,723</u>	<u>362,171</u>
Total deferred outflows of resources	<u>328,510</u>	<u>155,713</u>	<u>484,223</u>
Liabilities:			
Current liabilities:			
Accounts payable	93,541	26,143	119,684
Accrued interest payable	4,653	-	4,653
Compensated absences, current	5,579	5,323	10,902
Lease liabilities, current	68,282	-	68,282
Installment purchases, current	<u>234,601</u>	<u>-</u>	<u>234,601</u>
Total current liabilities	<u>406,656</u>	<u>31,466</u>	<u>438,122</u>
Non-current liabilities:			
Installment purchases, non-current	351,900	-	351,900
Lease liabilities, non-current	90,002	-	90,002
Compensated absences, non-current	16,738	15,967	32,705
Net pension liability - LGERS	42,117	10,726	52,843
Total OPEB liability	1,041,443	427,913	1,469,356
Accrued landfill closure and post-closure care costs	<u>1,556,758</u>	<u>-</u>	<u>1,556,758</u>
Total non-current liabilities	<u>3,098,958</u>	<u>454,606</u>	<u>3,553,564</u>
Total liabilities	<u>3,505,614</u>	<u>486,072</u>	<u>3,991,686</u>
Deferred Inflows of Resources:			
Pension deferrals	95,261	47,634	142,895
OPEB deferrals	<u>136,225</u>	<u>68,112</u>	<u>204,337</u>
Total deferred inflows of resources	<u>231,486</u>	<u>115,746</u>	<u>347,232</u>
Net Position:			
Net investment in capital assets	3,158,940	1,028,040	4,186,980
Unrestricted	<u>(2,018,409)</u>	<u>337,794</u>	<u>(1,680,615)</u>
Total net position	<u>\$ 1,140,531</u>	<u>\$ 1,365,834</u>	<u>\$ 2,506,365</u>

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, 2022

	<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	\$ 4,197,122	\$ 44,701	\$ 4,241,823
Operating Expenses:			
Landfill operations, closure and post-closure post-closure care costs	3,818,085	-	3,818,085
Park operations	-	280,603	280,603
Economic development operations	-	31,718	31,718
Depreciation and amortization	216,998	30,517	247,515
Total operating expenses	<u>4,035,083</u>	<u>342,838</u>	<u>4,377,921</u>
Operating loss	<u>162,039</u>	<u>(298,137)</u>	<u>(136,098)</u>
Non-Operating Revenues (Expenses):			
Interest and investment revenues	24,673	320	24,993
Conservation fund grant	-	28,125	28,125
Donations	-	32	32
Scrap tire tax	72,090	-	72,090
White goods tax	22,759	-	22,759
Electronics tax	769	-	769
Scrap tire grant	11,165	-	11,165
Miscellaneous revenue	2,411	-	2,411
Interest expense	(19,198)	-	(19,198)
Total non-operating revenues (expenses)	<u>114,669</u>	<u>28,477</u>	<u>143,146</u>
Income (loss) before transfers	276,708	(269,660)	7,048
Transfers:			
Transfers from other funds	<u>-</u>	<u>223,653</u>	<u>223,653</u>
Change in net position	276,708	(46,007)	230,701
Net Position:			
Beginning of year, July 1	<u>863,823</u>	<u>1,411,841</u>	<u>2,275,664</u>
End of year, June 30	<u>\$ 1,140,531</u>	<u>\$ 1,365,834</u>	<u>\$ 2,506,365</u>

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



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JACKSON COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<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	\$ 4,220,110	\$ 44,422	\$ 4,264,532
Cash paid for goods and services	(3,242,477)	(148,525)	(3,391,002)
Cash paid to employees for services	(504,808)	(134,537)	(639,345)
Net cash provided (used) by operating activities	<u>472,825</u>	<u>(238,640)</u>	<u>234,185</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	-	28,157	28,157
Transfers from other funds	-	223,653	223,653
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>251,810</u>	<u>251,810</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition of capital assets	(44,572)	-	(44,572)
Principal paid on long-term debt	(299,895)	-	(299,895)
Interest paid on long-term debt	(19,198)	-	(19,198)
Net cash provided (used) by capital and related financing activities	<u>(363,665)</u>	<u>-</u>	<u>(363,665)</u>
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	24,811	24,811
Interest earned on investments	24,673	320	24,993
Net cash provided (used) by investing activities	<u>24,673</u>	<u>25,131</u>	<u>49,804</u>
Net change in cash and cash equivalents	133,833	38,301	172,134
Cash and Cash Equivalents:			
Beginning of year, July 1	<u>63,860</u>	<u>744,103</u>	<u>807,963</u>
End of year, June 30	<u>\$ 197,693</u>	<u>\$ 782,404</u>	<u>\$ 980,097</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, 2022

	Major	Nonmajor	Total
	Landfill	Other	
	Fund	Enterprise	
	Funds	Funds	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ 162,039	\$ (298,137)	\$ (136,098)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	216,998	30,517	247,515
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	(30,989)	(15,492)	(46,481)
Change in deferred inflow - OPEB	(44,538)	(22,118)	(66,656)
Change in other post-employment benefits	115,222	57,611	172,833
Change in deferred outflow - pensions	(14,671)	(7,336)	(22,007)
Change in deferred inflow - pensions	95,116	47,558	142,674
Change in pensions	(91,176)	(45,588)	(136,764)
Change in accounts receivable	(75,836)	(279)	(76,115)
Change in accounts payable and accrued liabilities	150,506	11,981	162,487
Change in compensated absences	3,516	2,643	6,159
Accrued landfill closure and post-closure care costs	(13,362)	-	(13,362)
	<u>\$ 472,825</u>	<u>\$ (238,640)</u>	<u>\$ 234,185</u>
Net cash provided (used) by operating activities			
Supplemental Disclosures of Non-Cash Activities:			
Right-to-use asset acquired in exchange for a lease liability	<u>\$ 223,578</u>	<u>\$ -</u>	<u>\$ 223,578</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, 2022

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 211,978
Taxes receivables for other governments, net	<u>17,193</u>
Total assets	<u>229,171</u>
Liabilities:	
Accounts payable and accrued liabilities	<u>10,793</u>
Net Position:	
Restricted For:	
Individuals, organizations, and other governments	<u>\$ 218,378</u>

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

JACKSON COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Custodial Funds
Additions:	
Ad valorem taxes for other governments	\$ 536,659
Collections on behalf of inmates	<u>246,426</u>
Total additions	<u>783,085</u>
Deductions:	
Tax distributions to other governments	551,626
Payments on behalf of inmates	<u>219,131</u>
Total deductions	<u>770,757</u>
Net increase (decrease) in fiduciary net position	12,328
Net position, beginning	<u>206,050</u>
Net position, ending	<u>\$ 218,378</u>

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



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NOTES TO FINANCIAL STATEMENTS



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JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022

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. Complete financial statements for the Jackson County Airport Authority may be obtained by contacting the Jackson County Airport Authority Finance Officer, 401 Grindstaff Cove Road, Sylva, North Carolina, 28779.

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, 2022

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.

Recreation Center Fund. This fund is used for the capital related needs for the recreation department. These funds are restricted for recreational expenditures.

County Capital Projects Fund. This fund is used for the capital related needs for the general government departments. These funds are restricted for general government expenditures.

American Rescue Plan Fund. This fund is used for the restricted funds related to federal funding provided through the ARP. 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:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains 12 legally budgeted nonmajor funds. The Emergency Telephone System Fund, Law Enforcement Block Grant Fund, Fire Service Districts Fund, Community Development Scattered Site Project Fund, Clean Water Revolving Loan Fund, Economic Development Fund, Opioid Fund, and the Economic Development Commission Fund are reported as nonmajor special revenue funds. The Dillsboro Complex Project 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

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(c)(8)] 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) is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 money market mutual fund, which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Service. The Government Portfolio is 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, 2022

Restricted Assets

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The unexpended debt proceeds of the Recreation Center Fund is classified as restricted to the purpose for which the bonds were originally issued. Cash and cash equivalents in the American Rescue Plan Fund are considered restricted due to being unspent grant proceeds that are to be used for only eligible related expenditures. Money in the Opioid Fund is restricted for specific related eligible expenditures.

	Restricted Cash Amount	Purpose
Governmental Activities:		
General Fund	\$ 354,701	Revaluation Fund
Recreation Center Fund	20,010,115	Unexpended debt proceeds
American Rescue Plan Fund	8,309,719	Unassigned proceeds
County Capital Project Fund	2,174,498	Unexpended grant proceeds
Opioid Fund	<u>125,634</u>	Unexpended settlement proceeds
Total governmental activities	<u>\$ 30,974,667</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, 2021.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

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

Right-to-Use Assets

The County has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

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 assets 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 criteria for this category – OPEB and pension related deferrals.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criteria for this category – prepaid taxes, property taxes receivable, 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.

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 an 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

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

Restricted for Education – portion of fund balance restricted by revenue sources to be used for education activities, such as health science building or related capital projects.

Restricted for Recreation – portion of fund balance restricted by revenue sources to be used for recreation activities or related capital projects.

Restricted fund balance on Exhibit C differs from restricted net position on Exhibit A by the amount of Register of Deeds Pension Plan of \$126,154 and unexpended debt proceeds of \$20,010,115 as of June 30, 2022, for a net difference of \$19,883,961.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 and a portion from the Recreation Center Fund.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

At June 30, 2022, the County's deposits had a carrying amount of \$40,333,372 and a bank balance of \$41,364,874. Of the bank balance, \$668,861 was covered by federal depository insurance and \$40,696,013 in interest-bearing deposits was covered by collateral held under the Pooling Method. The County had \$2,430 cash on hand at June 30, 2022.

At June 30, 2022, the TDA's deposits had a carrying amount of \$457,619 and bank balance of \$457,619. Of the bank balance, \$250,000 was covered by federal depository insurance and \$207,619 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2022, the carrying amount of deposits and bank balance for the Airport was \$225,332, of which \$225,332 was covered by the Pooling Method. The Airport had \$0 in cash on hand at June 30, 2022.

At June 30, 2022, the carrying amount of the ABC Board's deposits was \$1,054,754, and the bank balance was \$1,958,262. \$1,622,357 of the bank balance was not covered by federal depository insurance.

Investments

At June 30, 2022, the County's investments consisted of \$39,930,357 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investor service. The County has no formal policy on credit risk.

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and AAA-mf by Moody's Investor Service.

At June 30, 2022, the TDA's investments consisted of \$2,000,000 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's AAA-mf by Moody's Investor Service. The Cash Portfolio has no maturity value and is measured at fair value. The TDA has no formal policy on credit risk. These amounts are included within cash on the statement of net position.

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

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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.

Year	Levied	Tax	Interest	Total		
2022	\$	133,782	\$	19,643	\$	153,425
2021		416,090		17,996		434,086
2020		219,261		20,153		239,414
2019		167,755		7,074		174,829
Total	\$	803,106	\$	45,223	\$	848,329

Receivables

Receivables at the government-wide level at June 30, 2022 were as follows:

	Accounts	Taxes and	Due From	Notes	Total
	Receivable	Related	Other	Receivable	
		Accrued	Governments		
		Interest			
Governmental Activities:					
General	\$ 19,167	\$ 1,253,265	\$ 6,752,326	\$ -	\$ 8,024,758
American Rescue Plan Fund	-	-	6,069	-	6,069
County Capital Project Fund	2,070	-	-	-	2,070
Other governmental	40,560	22,389	-	3,334	66,283
Allowance for doubtful accounts	-	(823,000)	-	-	(823,000)
Total governmental activities	<u>\$ 61,797</u>	<u>\$ 452,654</u>	<u>\$ 6,758,395</u>	<u>\$ 3,334</u>	<u>\$ 7,276,180</u>
Business-Type Activities:					
Landfill	\$ 462,459	\$ -	\$ 60,434	\$ -	\$ 522,893
Green Energy Park	1,495	-	-	-	1,495
Allowance for doubtful accounts	(75,190)	-	-	-	(75,190)
Total business-type activities	<u>\$ 388,764</u>	<u>\$ -</u>	<u>\$ 60,434</u>	<u>\$ -</u>	<u>\$ 449,198</u>

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ 6,015,948	\$ 570,565	\$ 165,813	\$ 6,752,326
American Rescue Plan Fund	6,069	-	-	6,069
Total governmental activities	\$ 6,022,017	\$ 570,565	\$ 165,813	\$ 6,758,395
 Business-Type Activities:				
Landfill	\$ 60,434	\$ -	\$ -	\$ 60,434

Notes Receivable

The County has made loans to one company 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 note receivable is at interest rates that vary from 0 to 2 percent and are repaid monthly and yearly over a period of one to 13 years. Notes receivable are collateralized by a deed of trust on the company' property or by a security interest in machinery, equipment, furniture and fixtures acquired for use in businesses. Note receivable balances and corresponding fund is as follows:

	<u>Balance</u>
Governmental Activities:	
Economic Development Fund	\$ 3,334

Due To/From Other Funds

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

Due To/From Other Funds:	
Due from General Fund to School Improvements	
Capital Reserve Fund for timing of funding	\$ 1,275,469

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 15,479,734	\$ 603,387	\$ -	\$ -	\$ 16,083,121
Construction in progress	<u>33,647,791</u>	<u>4,280,321</u>	<u>-</u>	<u>(8,185,714)</u>	<u>29,742,398</u>
Total non-depreciable capital assets	<u>49,127,525</u>	<u>4,883,708</u>	<u>-</u>	<u>(8,185,714)</u>	<u>45,825,519</u>
Depreciable Capital Assets:					
Buildings	65,169,868	-	-	8,185,714	73,355,582
Equipment	7,910,529	616,910	-	-	8,527,439
Vehicles	<u>6,561,275</u>	<u>755,488</u>	<u>498,901</u>	<u>-</u>	<u>6,817,862</u>
Total depreciable capital assets	<u>79,641,672</u>	<u>1,372,398</u>	<u>498,901</u>	<u>8,185,714</u>	<u>88,700,883</u>
Less Accumulated Depreciation:					
Buildings	25,171,642	1,450,039	-	-	26,621,681
Equipment	5,881,248	436,294	-	-	6,317,542
Vehicles	<u>4,615,485</u>	<u>606,990</u>	<u>498,901</u>	<u>-</u>	<u>4,723,574</u>
Total accumulated depreciation	<u>35,668,375</u>	<u>\$ 2,493,323</u>	<u>\$ 498,901</u>	<u>\$ -</u>	<u>37,662,797</u>
Total depreciable capital assets, net	<u>43,973,297</u>				<u>51,038,086</u>
Governmental activities capital assets, net	<u>\$ 93,100,822</u>				<u>\$ 96,863,605</u>

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

General government	\$ 909,615
Public safety	711,960
Transportation	117,505
Economic and physical development	19,184
Human services	159,285
Culture and recreation	<u>575,774</u>
Total depreciation expense	<u>\$ 2,493,323</u>

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

	Beginning Balances	Increases	Decreases	Ending Balances
Landfill Fund:				
Non-Depreciable Capital Assets:				
Land	\$ 146,368	\$ -	\$ -	\$ 146,368
 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	1,117,426	44,572	-	1,161,998
Total depreciable capital assets	6,659,255	44,572	-	6,703,827
 Less Accumulated Depreciation:				
Buildings and improvements	1,136,350	60,690	-	1,197,040
Plant and distribution systems	783,955	70,955	-	854,910
Furniture and maintenance equipment	1,032,745	18,208	-	1,050,953
Total accumulated depreciation	2,953,050	\$ 149,853	\$ -	3,102,903
Total depreciable capital assets, net	3,706,205			3,600,924
Landfill Fund capital assets, net	\$ 3,852,573			\$ 3,747,292
 Economic Development Fund:				
Depreciable Capital Assets:				
Buildings	\$ 1,403,838	\$ -	\$ -	\$ 1,403,838
Equipment	15,040	-	-	15,040
Total depreciable capital assets	1,418,878	-	-	1,418,878
 Less Accumulated Depreciation:				
Buildings	392,054	28,078	-	420,132
Equipment	14,789	251	-	15,040
Total accumulated depreciation	406,843	\$ 28,329	\$ -	435,172
Total depreciable capital assets, net	1,012,035			983,706
Economic Development Fund capital assets, net	\$ 1,012,035			\$ 983,706

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

	Beginning Balances	Increases	Decreases	Ending Balances
Green Energy Park Fund:				
Depreciable Capital Assets:				
Buildings	\$ 48,228	\$ -	\$ -	\$ 48,228
Equipment	70,661	-	-	70,661
Total depreciable capital assets	118,889	-	-	118,889
Less Accumulated Depreciation:				
Buildings	11,656	965	-	12,621
Equipment	60,711	1,223	-	61,934
Total accumulated depreciation	72,367	\$ 2,188	\$ -	74,555
Total depreciable capital assets, net	46,522			44,334
Green Energy Park Fund capital assets, net	\$ 46,522			\$ 44,334

Right-to-Use Leased Assets

The County has recorded six right-to-use leased assets. The assets are right-to-use assets for leased equipment for governmental and business-type activities. The related leases are discussed in the leases subsection of the long-term obligations section of the footnotes. The right-to-use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right-to-use asset activity for the County for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Governmental Activities:				
Right-to-Use Assets				
Leased equipment	\$ -	\$ 282,175	\$ -	\$ 282,175
Less Accumulated Amortization For:				
Leased equipment	-	\$ 55,667	-	55,667
Right-to-use assets, net	\$ -			\$ 226,508

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Business-type Activities:				
Right-to-Use Assets				
Leased equipment	\$ -	\$ 223,578	\$ -	\$ 223,578
 Less Accumulated Amortization For:				
Leased equipment	-	<u>\$ 67,145</u>	<u>\$ -</u>	<u>67,145</u>
 Right-to-use assets, net	 <u>\$ -</u>			 <u>\$ 156,433</u>

At June 20, 2022, the County has constructions commitments as follows:

Project:	Contractor:	Contract	Spent-to-Date	Remaining Commitment
Aquatics Center	New Atlantic Contracting, Inc.	\$ 21,174,000	\$ -	\$ 21,174,000
Blue Ridge School Security	Buchanan and Sons, Inc.	1,750,000	805,956	944,044
Dillsboro Complex	H&M Constructors	4,486,660	3,436,554	1,050,106
Fairview Concession	Owle Construction, LLC	686,094	651,789	34,305
Fairview Elementary School Security	Buchanan and Sons, Inc.	1,874,300	113,193	1,761,108
SCC Health Science Building	The Christman Company	18,343,533	18,236,144	107,389
Smokey Mtn Elem School Security	Buchanan and Sons, Inc.	850,000	422,408	427,592
Smokey Mtn High School Security	Buchanan and Sons, Inc.	2,548,000	105,118	2,442,883
		<u>\$ 51,712,587</u>	<u>\$ 23,771,161</u>	<u>\$ 27,941,426</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Discretely Presented Component Units

Capital asset activity for the ABC Board for the year ended June 30, 2022 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	298,018	2,070	-	300,088
Total depreciable capital assets:	1,162,855	2,070	-	1,164,925
Less Accumulated Depreciation:				
Buildings	149,102	23,847	-	172,949
Furniture and equipment	165,436	30,361	-	195,797
Total accumulated depreciation	314,538	<u>\$ 54,208</u>	<u>\$ -</u>	368,746
Total depreciable capital assets, net	848,317			796,179
ABC Board capital assets, net	\$ 860,618			\$ 808,480

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2022 were as follows:

	<u>Vendors</u>	<u>Contact Retainage</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 1,924,087	\$ -	\$ 1,059,346	\$ 2,983,433
School Improvements Fund	2,144	76,142	-	78,286
American Rescue Plan Fund	1,942	-	-	1,942
SCC Health Science Building Fund	4,193	45,644	-	49,837
County Capital Project Fund	1,398	-	-	1,398
Recreation Center Fund	37,328	-	-	37,328
Other governmental	402,604	180,871	-	583,475
Total governmental activities	<u>\$ 2,373,696</u>	<u>\$ 302,657</u>	<u>\$ 1,059,346</u>	<u>\$ 3,735,699</u>
Business-Type Activities:				
Landfill	\$ 93,541	\$ -	\$ -	\$ 93,541
Other proprietary	26,143	-	-	26,143
Total business-type activities	<u>\$ 119,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,684</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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The state's ACFR 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, 2022

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, 2022 was 12.040% of compensation for law enforcement officers and 11.420% 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 \$2,069,273 for the year ended June 30, 2022.

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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

At June 30, 2022, the County reported a liability of \$3,337,412 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was 0.21762% (measured as of June 30, 2021), which was a decrease of 0.00335% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$1,532,721. At June 30, 2022, 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	\$ 1,061,752	\$ -
Changes of assumptions	2,096,747	-
Net difference between projected and actual earnings on pension plan investments	-	4,768,159
Changes in proportion and differences between County contributions and proportionate share of contributions	143,326	12,366
County contributions subsequent to the measurement date	2,069,273	-
Total	\$ 5,371,098	\$ 4,780,525

\$2,069,273 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. 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
2023	\$ 357,551
2024	(41,560)
2025	(335,607)
2026	(1,459,084)
Total	\$ (1,478,700)

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2020 valuation was based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic fixed income	7.0%	6.0%
Inflation sensitive	6.0%	4.0%
Total	100.0%	

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 12,955,554</u>	<u>\$ 3,337,412</u>	<u>\$ (4,577,761)</u>

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020 the Separation Allowance's membership consisted of:

Retirees receiving benefits	7
Active plan members	<u>57</u>
Total	<u><u>64</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, 2020 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	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

Mortality Rates

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Deaths after Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths after Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths after Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

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 \$151,188 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, 2022, the County reported a total pension liability of \$2,810,783. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$398,069.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,319	\$ 2,351
Changes of assumptions	469,169	72,523
Benefit payments and administrative expense subsequent to the measurement date	76,960	-
Total	\$ 792,448	\$ 74,874

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

\$76,960 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 ending June 30, 2023. 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
2023	\$ 210,853
2024	187,408
2025	176,072
2026	70,965
2027	(4,684)
Thereafter	-
Total	<u>\$ 640,614</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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current (2.25%)	1% Increase (3.25%)
Total pension liability	<u>\$ 3,021,811</u>	<u>\$ 2,810,783</u>	<u>\$ 2,615,811</u>

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

	Pension Liability
Beginning balance	\$ 2,828,932
Changes for the year:	
Service cost	121,759
Interest on the total pension liability	53,139
Differences between expected and actual experience in the measurement of the total pension liability	23,890
Changes of assumption of other inputs	(65,749)
Benefit payments	<u>(151,188)</u>
Ending balance of total pension liability	<u>\$ 2,810,783</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at December 31, 2020 to 2.25 percent at December 31, 2021.

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The state’s ACFR 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, 2022, were \$229,547, which consisted of \$160,343 from the County and \$69,204 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 Governmental 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 Annual Comprehensive Financial Report for the State of North Carolina. The state’s Annual Comprehensive Financial Report 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, 2022

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 \$5,820 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$105,904 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the County's proportion was (0.55121%), which was a decrease of 0.05319% from its proportion measured as of June 30, 2020 of (0.60440%).

For the year ended June 30, 2022, the County recognized pension expense of \$9,965. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,130	\$ 1,284
Changes of assumptions	7,722	-
Net difference between projected and actual earnings on pension plan investments	-	325
Changes in proportion and differences between County contributions and proportionate share of contributions	9,689	2,502
County contributions subsequent to the measurement date	<u>5,820</u>	<u>-</u>
Total	<u>\$ 24,361</u>	<u>\$ 4,111</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

\$5,820 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2023	\$ 6,553
2024	5,655
2025	(248)
2026	2,470
Total	<u>\$ 14,430</u>

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2019.

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, 2021 is 1.4%.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy study for the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess return expectations over benchmarks averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. 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 3.00%, 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 (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (84,120)	\$ (105,904)	\$ (124,210)

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020. 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)	\$ 3,337,412	N/A	\$ (105,904)	\$ 3,231,508
Proportion of the net pension liability (asset)	0.21762%	N/A	-0.55121%	-
Total pension liability	-	2,810,783	-	2,810,783
Pension expense	1,532,721	398,069	9,965	1,940,755

At June 30, 2022, 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	\$ 1,061,752	\$ 246,319	\$ 1,130	\$ 1,309,201
Changes of assumptions	2,096,747	469,169	7,722	2,573,638
Changes in proportion and differences between County contributions and proportionate share of contributions	143,326	-	9,689	153,015
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,069,273</u>	<u>76,960</u>	<u>5,820</u>	<u>2,152,053</u>
Totals	<u>\$ 5,371,098</u>	<u>\$ 792,448</u>	<u>\$ 24,361</u>	<u>\$ 6,187,907</u>

Deferred Inflows of Resources:				
Differences between expected and actual experience	\$ -	\$ 2,351	\$ 1,284	\$ 3,635
Net difference between projected and actual earnings on pension plan investments	4,768,159	-	325	4,768,484
Changes of assumptions	-	72,523	-	72,523
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>12,366</u>	<u>-</u>	<u>2,502</u>	<u>14,868</u>
Totals	<u>\$ 4,780,525</u>	<u>\$ 74,874</u>	<u>\$ 4,111</u>	<u>\$ 4,859,510</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 were \$4,380 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 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 \$192 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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Plan Membership. At June 30, 2021, the HCB Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	138
Active plan members	<u>381</u>
Total	<u><u>519</u></u>

Actuarial Assumptions. The total OPEB liability was determined by actuarial valuations as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	3.25 to 8.41 percent for general employees, including inflation and productivity factor 3.25 to 7.90 percent for law enforcement officers, including inflation and productivity factor
Healthcare cost trend rates	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031 for Pre-Medicare 5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024 for Medicare
Dental	3.50 percent

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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021, valuation were based on a review of recent plan experience done concurrently with the June 30, 2021, valuation.

JACKSON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Summary of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balance, July 1, 2021	\$ 57,373,317
Changes for the year:	
Service cost	1,929,053
Interest on the total pension liability	1,301,095
Difference between expected and actual experience in the measurement of the total pension liability	76,653
Changes of assumption or other inputs	3,317,636
Benefit payments	(863,338)
Ending balance, June 30, 2022	<u>\$ 63,134,416</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, 2022, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 75,748,859	\$ 63,134,416	\$ 53,361,663

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, 2022, 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:

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 52,634,331	\$ 63,134,416	\$ 76,920,076

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21 percent in 2020 to 2.16 percent in 2021.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2022, the County recognized OPEB expense of \$3,225,691. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,715	\$ 4,053,214
Changes of assumptions	10,632,764	2,758,019
County contributions subsequent to the measurement date	1,236,948	-
Total	\$ 12,072,427	\$ 6,811,233

\$1,236,948 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 ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2023	\$ (4,457)
2024	17,590
2025	741,649
2026	1,323,485
2027	1,753,849
Thereafter	192,130
Total	\$ 4,024,246

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

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 30 years after closure. The landfill has been closed but will be monitored for the next 14 years. Post-closure costs are included in operating expenses of the current year. The \$1,556,758 reported as landfill post-closure care liability at June 30, 2022, 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.

Long-Term Debt

Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On July 1, 2021, Jackson County, NC entered into a 60-month lease as lessee for the use of gym equipment. An initial lease liability was recorded in the amount of \$39,520. As of June 30, 2022, the value of the lease liability is \$28,144. Jackson County is required to make monthly payments of \$991. There are no variable payment components of the lease. The lease has an interest rate of 1.7%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$27,664 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

On July 1, 2022, Jackson County, NC entered into a 60-month lease as lessee for the use of gym equipment. An initial lease liability was recorded in the amount of \$42,516. As of June 30, 2022, the value of the lease liability is \$29,964. Jackson County is required to make monthly payments of \$1,092. There are no variable payment components of the lease. The lease has an interest rate of 1.7%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$29,761 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On 7/1/2021, Jackson County, NC entered into a 60-month lease as lessee for the use of solid waste equipment. An initial lease liability was recorded in the amount of \$52,108. As of 6/30/2022, the value of the lease liability of \$35,871. Jackson County is required to make monthly payments of \$1,403. There are no variable payment components of the lease. The lease has an interest rate of 1.5%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$35,653 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On July 1, 2021, Jackson County, NC entered into a 60-month lease as lessee for the use of solid waste equipment. An initial lease liability was recorded in the amount of \$74,213. As of June 30, 2022, the value of the lease liability of \$44,077. Jackson County is required to make monthly payments of \$2,644. There are no variable payment components of the lease. The lease has an interest rate of 2.6%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$43,504 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On July 1, 2021, Jackson County, NC entered into a 60-month lease as lessee for the use of solid waste equipment. An initial lease liability was recorded in the amount of \$97,257. As of June 30, 2022, the value of the lease liability of \$78,336. Jackson County is required to make monthly payments of \$1,643. There are no variable payment components of the lease. The lease has an interest rate of 1.3%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$77,806 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

On August 1, 2021, Jackson County, NC entered into a 60-month lease as lessee for the use of Copiers for all General Fund departments. An initial lease liability was recorded in the amount of \$200,139. As of June 30, 2022, the value of the lease liability is \$171,377. Jackson County is required to make monthly payments of \$3,720. There are no variable payment components of the lease. The lease has an interest rate of 3.0%. As a result of the lease, the County has recorded a right-to-use asset with a net book value of \$169,083 at June 30, 2022. The right-to-use asset is discussed in more detail in the right-to-use asset section of this note.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 69,633	\$ 5,371	\$ 75,004
2024	69,633	3,748	73,381
2025	52,780	2,155	54,935
2026	33,719	827	34,546
2027	3,720	9	3,729
Total	<u>\$ 229,485</u>	<u>\$ 12,110</u>	<u>\$ 241,595</u>

Business-Type Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 68,282	\$ 1,756	\$ 70,038
2024	49,772	552	50,324
2025	40,230	55	40,285
2026	-	-	-
2027	-	-	-
Total	<u>\$ 158,284</u>	<u>\$ 2,363</u>	<u>\$ 160,647</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County's long-term debt for governmental activities at June 30, 2022 was comprised of the following:

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.	\$ 1,715,908
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.	3,666,665
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.	330,167
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.	417,100
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.	6,000,000
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>8,500,000</u>
Total	<u>\$ 20,629,840</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Repayment requirements of the notes payable for governmental activities as of June 30, 2022 are:

Year Ending June 30	Principal	Interest	Total
2023	\$ 3,061,264	\$ 499,744	\$ 3,561,008
2024	2,592,063	420,388	3,012,451
2025	2,109,848	349,382	2,459,230
2026	1,766,666	303,787	2,070,453
2027	1,766,666	266,137	2,032,803
2028-2032	5,833,333	830,300	6,663,633
2033-2037	2,500,000	452,435	2,952,435
2038-2039	1,000,000	47,624	1,047,624
Total	<u>\$ 20,629,840</u>	<u>\$ 3,169,797</u>	<u>\$ 23,799,637</u>

General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

The County's general obligation bonds payable at June 30, 2022, are comprised of the following issues:

A \$20,000,000 general obligation bond was executed on June 16, 2022, for the indoor pool facilities Series 2022 and is payable in 15 annual principal payments of \$1,334,000 and semi annual interest payments at 3.228%.

\$ 20,000,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 1,334,000	\$ 618,700	\$ 1,952,700
2024	1,334,000	602,538	1,936,538
2025	1,334,000	559,477	1,893,477
2026	1,334,000	516,415	1,850,415
2027	1,334,000	473,354	1,807,354
2028-2032	6,665,000	1,721,169	8,386,169
2033-2037	6,665,000	645,438	7,310,438
2038-2039	-	-	-
Total	<u>\$20,000,000</u>	<u>\$5,137,091</u>	<u>\$25,137,091</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The County's long-term debt for business-type activities at June 30, 2022 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. \$ 586,501

Repayment requirements of the note payable for business-type activities as of June 30, 2022 are:

Year Ending June 30	Principal	Interest	Total
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>\$ 586,501</u>	<u>\$ 20,850</u>	<u>\$ 607,351</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. General obligation bonds issued to finance the construction of facilities utilized in the operations of the governmental funds which are being retired by resources from users are reported as long-term debt in the governmental funds. 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, 2022

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	\$ 24,021,270	\$ -	\$ 3,391,430	\$ 20,629,840	\$ 3,061,264
Genreal obligation bonds	-	20,000,000	-	20,000,000	1,334,000
Lease liabilities	-	282,175	52,690	229,485	69,633
Compensated absences	1,617,268	1,453,228	1,121,472	1,949,024	487,256
Net pension liability - LGERS	7,706,592	-	4,422,023	3,284,569	-
Total pension liability - LEOSSA	2,828,932	133,039	151,188	2,810,783	-
Total OPEB liability	<u>56,076,794</u>	<u>6,425,704</u>	<u>837,438</u>	<u>61,665,060</u>	<u>-</u>
Total governmental activities	<u>\$ 92,250,856</u>	<u>\$ 28,294,146</u>	<u>\$ 9,976,241</u>	<u>\$ 110,568,761</u>	<u>\$ 4,952,153</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Landfill Fund:					
Direct Placement -					
installment purchases	\$ 821,102	\$ -	\$ 234,601	\$ 586,501	\$ 234,601
Lease liabilities	-	223,578	65,294	158,284	68,282
Landfill closure and					
post-closure costs	1,570,120	16,320	29,682	1,556,758	-
Compensated absences	18,801	15,705	12,189	22,317	5,579
Net pension liability - LGERS	133,293	-	91,176	42,117	-
Total OPEB liability	<u>926,221</u>	<u>132,489</u>	<u>17,267</u>	<u>1,041,443</u>	<u>-</u>
Total business-type activities	<u>\$ 3,469,537</u>	<u>\$ 388,092</u>	<u>\$ 450,209</u>	<u>\$ 3,407,420</u>	<u>\$ 308,462</u>

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Green Energy Park Fund:					
Compensated absences	\$ 18,647	\$ 10,881	\$ 8,238	\$ 21,290	\$ 5,323
Net pension liability - LGERS	56,314	-	45,588	10,726	-
Total OPEB liability	<u>370,302</u>	<u>66,244</u>	<u>8,633</u>	<u>427,913</u>	<u>-</u>
Total business-type activities	<u>\$ 445,263</u>	<u>\$ 77,125</u>	<u>\$ 62,459</u>	<u>\$ 459,929</u>	<u>\$ 5,323</u>

At June 30, 2022, Jackson County had a legal debt margin of approximately \$878,663,000.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Deferred Inflows/Outflows of Resources:

At June 30, 2022, deferred inflows/outflows of resources for Jackson County consisted of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities:		
LGERS	\$ 5,249,046	\$ 4,637,630
LEOSSA	792,448	74,874
RODSPF	24,361	4,111
OPEB	11,710,256	6,606,896
Prepaid taxes	-	125,681
Total governmental activities	\$ 17,776,111	\$ 11,449,192
 Business-Type Activities:		
Landfill Fund:		
LGERS	\$ 87,062	\$ 95,261
OPEB	241,448	136,225
Total Landfill Fund	328,510	231,486
 Green Energy Park Fund:		
LGERS	34,990	47,634
OPEB	120,723	68,112
Total Green Energy Park Fund	155,713	115,746
Total business-type activities	\$ 484,223	\$ 347,232

Net Investment in Capital Assets

The net investment in capital assets at June 30, 2022 is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$ 96,863,605	\$ 4,775,332
Right-to-use leased assets	226,508	156,433
Less capital debt:		
Gross debt	40,629,840	586,501
School debt related to assets to which the the County does not hold title	(9,775,620)	-
Unexpended debt proceeds	(20,010,115)	-
Lease liability	229,485	158,284
Net capital debt	11,073,590	744,785
Net investment in capital assets	\$ 86,016,523	\$ 4,186,980

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Interfund Balances and Activity

Transfers to/from Other Funds

Transfers to/from other funds for the year ended June 30, 2022, 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	4,041,985
From the General Fund to the Revaluation Fund for operations	350,500
From the General Fund to the Green Energy Park Fund for operations	223,653
From the General Fund to the Conservation/Preservation Fund for conservation expenditures	1,000,000
From the School Capital Reserve Fund to the School Improvement Fund for operations	4,009,447
From the General Fund to the Recreation Fund for architectural services for the indoor pool facility	2,693,820
From the Health Department Project Fund to the Dillsboro Complex Project Fund for construction	46,697
From the General Fund to the Clean Water Revolving Loan Fund for grant operations	23,000
From American Rescue Plan Fund to County Capital Project Fund for allowable projects	36,466
From the School Capital Reserve Fund to the General Fund for debt service	838,138
From the Capital Reserve Fund to the Dillsboro Complex Project Fund for construction	3,390,000
From the School Capital Reserve Fund to the School Improvements Fund for current school construction and projects	3,400,000

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, 2022

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:

	<u>June 30, 2022</u>
Total fund balance - General Fund	\$ 38,307,037
Amounts not available for appropriation:	
Stabilization by state statute	<u>(6,771,493)</u>
Fund balance available for appropriation	<u>\$ 31,535,544</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.

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.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$1,201,566 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 \$2,401,296 and \$175,555 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. 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, 2022. 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.

Tuckasee Water and Sewer Authority

The County, in conjunction with the Towns of Sylva, Dillsboro and Webster, participates in the Tuckasee 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, 2022. Complete financial statements for the TWSA can be obtained from the TWSA’s administrative offices at 1246 West Main Street, Sylva, North Carolina 28779.

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. The County contributed \$123,081 to the Vaya Health LME to fund operations during fiscal year June 30, 2022. 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 15 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 22-member governing board. The County paid membership fees of \$30,988 to the Commission during the fiscal year ended June 30, 2022.

6. Related Party Transactions

The County and its discretely presented component units engaged in the following transactions during the year ended June 30, 2022:

Jackson County ABC Board:

Payments to the County for alcohol education	\$ 38,983
Payments to the County for profit distributions	480,000
Payments to the County for law enforcement	<u>27,844</u>
Total	<u>\$ 546,827</u>

Jackson County Tourism Development Authority:

Payments of occupancy tax due to the Authority from the County	<u>\$ 304,044</u>
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Jackson County Airport Authority:

Revenue appropriations from Jackson County	\$ 31,000
Account receivables due from Jackson County	<u>41,879</u>
Total	<u>\$ 72,879</u>

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

7. Summary Disclosure of Significant Commitments and 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.

Contingent Liabilities

At June 30, 2022, 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.

Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the state ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund

The County received \$125,634 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option B, which allows a wide array of strategies to address the impact of the opioid epidemic.

Reimbursement for Pandemic-Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the coronavirus state and local fiscal recovery funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$8,534,441 of fiscal recovery funds to be paid in two equal installments. The first installment of \$4,267,221 was received in June 2021. The second installment of \$4,267,220 was received in June 2022. County staff

JACKSON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

and the Board of Commissioners elected to use \$184,129 of the ARPA funds for public safety equipment and \$36,466 for the beginning of capital project needs in the 2022 fiscal year. The remaining funds of \$8,313,846 have not yet been appropriated, but the County is discussing using the funds for additional Capital Project Fund needs.

8. Change in Accounting Principle

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.



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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 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

JACKSON COUNTY, NORTH CAROLINA

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

	Local Governmental Employees' Retirement System				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset)	0.21762%	0.22097%	0.22819%	0.23003%	0.24867%
County's proportionate share of the net pension liability (asset)	\$ 3,337,412	\$ 7,896,199	\$ 6,231,691	\$ 5,457,098	\$ 3,798,989
County's covered payroll	\$ 17,692,288	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520	\$ 16,337,368
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.86%	45.68%	36.32%	33.60%	23.25%
Plan fiduciary net position as a percentage of total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%

* 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 PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS***

	Local Governmental Employees' Retirement System			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.23779%	0.23674%	0.33193%	0.33680%
County's proportionate share of the net pension liability (asset)	\$ 5,046,700	\$ 1,062,475	\$ (1,403,478)	\$ 2,984,531
County's covered payroll	\$ 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	32.90%	7.25%	-9.62%	20.75%
Plan fiduciary net position as a percentage of total pension liability**	91.47%	98.09%	102.64%	94.35%

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS**

	Local Governmental Employees' Retirement System				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 2,069,273	\$ 1,814,755	\$ 1,568,779	\$ 1,350,670	\$ 1,240,857
Contributions in relation to the contractually required contribution	<u>2,069,273</u>	<u>1,814,755</u>	<u>1,568,779</u>	<u>1,350,670</u>	<u>1,240,857</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 18,056,545	\$ 17,692,288	\$ 17,285,086	\$ 17,156,591	\$ 16,242,520
Contributions as a percentage of covered payroll	11.46%	10.26%	9.08%	7.87%	7.64%

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 NINE FISCAL YEARS**

	Local Governmental Employees' Retirement System			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,214,999	\$ 1,044,564	\$ 1,040,014	\$ 1,035,268
Contributions in relation to the contractually required contribution	<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>
County's covered payroll	\$ 16,337,368	\$ 15,339,109	\$ 14,661,544	\$ 14,595,534
Contributions as a percentage of covered payroll	7.44%	6.81%	7.09%	7.09%

JACKSON COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST SIX FISCAL YEARS

	Law Enforcement Officers' Special Separation Allowance					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,828,932	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570	\$ 1,457,331
Service cost	121,759	74,189	66,976	64,455	59,012	57,251
Interest on the total pension liability	53,139	63,028	60,183	53,912	54,527	50,569
Differences between expected and actual experience in the measurement of the total pension liability	23,890	153,664	234,536	(8,347)	162,075	-
Changes of assumptions or other inputs	(65,749)	678,601	53,908	(60,795)	96,079	(32,913)
Benefit payments	(151,188)	(147,854)	(123,340)	(80,529)	(75,918)	(81,668)
Ending balance of the total pension liability	<u>\$ 2,810,783</u>	<u>\$ 2,828,932</u>	<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 EMPLOYEE PAYROLL
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

	Law Enforcement Officers' Special Separation Allowance					
	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 2,810,783	\$ 2,828,932	\$ 2,007,304	\$ 1,715,041	\$ 1,746,345	\$ 1,450,570
Covered employee payroll	\$ 2,760,155	\$ 2,545,474	\$ 2,561,837	\$ 2,344,325	\$ 2,422,322	\$ 2,185,217
Total pension liability as a percentage of covered employee payroll	101.83%	111.14%	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 FIVE FISCAL YEARS***

	Health Retiree Plan				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,929,053	\$ 1,256,798	\$ 1,806,653	\$ 1,919,639	\$ 2,179,388
Interest	1,301,095	1,594,845	1,888,493	1,733,478	1,546,018
Differences between expected and actual experience	76,653	(509,796)	(6,958,626)	285,749	57,853
Changes of assumptions	3,317,636	11,115,752	(106,853)	(2,896,912)	(5,179,868)
Benefit payments	(863,338)	(782,259)	(949,091)	(1,423,053)	(1,126,877)
Net change in total OPEB liability	5,761,099	12,675,340	(4,319,424)	(381,099)	(2,523,486)
Total OPEB liability - beginning	<u>57,373,317</u>	<u>44,697,977</u>	<u>49,017,401</u>	<u>49,398,500</u>	<u>51,921,986</u>
Total OPEB liability - ending	<u>\$ 63,134,416</u>	<u>\$ 57,373,317</u>	<u>\$ 44,697,977</u>	<u>\$ 49,017,401</u>	<u>\$ 49,398,500</u>
Covered employee payroll	\$ 16,354,083	\$ 16,100,312	\$ 16,100,312	\$ 15,148,982	\$ 15,148,982
Total OPEB liability as a percentage of covered employee payroll	386.05%	356.35%	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:

<u>Fiscal Year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
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.



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JACKSON COUNTY, NORTH CAROLINA

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

	Register of Deeds' Supplemental Pension Fund				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset) (%)	-0.55121%	-0.60440%	-0.56488%	-0.61492%	-0.67648%
County's proportionate share of the net pension liability (asset) (\$)	\$(105,904)	\$ (138,516)	\$ (111,519)	\$ (101,849)	\$ (115,468)
Plan fiduciary net position as a percentage of total pension liability	156.53%	173.62%	164.11%	153.31%	153.77%

* 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 PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS***

Register of Deeds' Supplemental Pension Fund				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	-0.66058%	-0.47653%	-0.46101%	-0.45802%
County's proportionate share of the net pension liability (asset) (\$)	\$ (123,502)	\$ (110,431)	\$ (104,937)	\$ (97,833)
Plan fiduciary net position as a percentage of total pension liability	160.17%	197.29%	193.88%	190.50%

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,820	\$ 6,615	\$ 5,787	\$ 5,369	\$ 5,262
Contributions in relation to the contractually required contribution	<u>5,820</u>	<u>6,615</u>	<u>5,787</u>	<u>5,369</u>	<u>5,262</u>
Contribution deficiency (excess)	<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.

JACKSON COUNTY, NORTH CAROLINA

**JACKSON COUNTY'S SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS**

Register of Deeds' Supplemental Pension Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,878	\$ 5,397	\$ 3,813	\$ 3,764
Contributions in relation to the contractually required contribution	<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>



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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.*

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.

RECREATION CENTER FUND – This fund is used to account for various recreation projects.

AMERICAN RESCUE PLAN FUND: This fund accounts for federal funds received from the Federal Government in the form of American Rescue Plan Fund.

COUNTY CAPITAL PROJECTS FUND – This fund was established to account for the construction of various County administration projects.

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

**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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Current year and prior	\$ 41,681,652	\$ 41,567,662	\$ (113,990)
Penalties and interest	382,200	376,440	(5,760)
Total ad valorem taxes	<u>42,063,852</u>	<u>41,944,102</u>	<u>(119,750)</u>
Other Taxes:			
Local option sales tax	21,717,231	22,192,455	475,224
Beer and wine tax distribution	165,000	157,287	(7,713)
Tax refund - sales and gasoline	200,000	112,733	(87,267)
Total other taxes	<u>22,082,231</u>	<u>22,462,475</u>	<u>380,244</u>
Unrestricted Intergovernmental:			
Payments in lieu of taxes	115,872	227,963	112,091
ABC profit distribution	585,000	478,419	(106,581)
ABC 1 and 5 cent bottle charge	47,200	16,833	(30,367)
Total unrestricted governmental	<u>748,072</u>	<u>723,215</u>	<u>(24,857)</u>
Restricted Intergovernmental:			
School resource officers - Board of Education and community college	<u>636,616</u>	<u>636,615</u>	<u>(1)</u>
Federal and state grants:			
NC Department of Commerce - planning/zoning:			
Registration fees			
Home and Community Care Block grant	262,062	322,374	60,312
Nantahala Forest timber receipts	128,000	99,950	(28,050)
DARE grant	6,000	6,030	30
Civil defense	63,553	63,049	(504)
Soil conservation - matching	33,563	22,891	(10,672)
Tennessee Valley Authority	780	697	(83)
Older American Act Title III	28,387	19,186	(9,201)
Health department	1,159,513	883,804	(275,709)
Senior care	16,015	12,681	(3,334)
Smart Start	120,000	108,814	(11,186)
Governor's Crime Commission	24,500	21,714	(2,786)
Juvenile Crime Prevention Commission	152,939	152,363	(576)
Safe Roads Act	4,000	3,365	(635)
Veteran's service	2,084	2,109	25
Erosion control	-	(490)	(490)
Extension grant project	1,750	855	(895)
SCAAP - State Criminal Alien grant	15,000	-	(15,000)
Social services	5,337,684	4,462,506	(875,178)
Title XIX - Medicaid	155,000	160,011	5,011

JACKSON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Department of Transportation:			
Governor's Highway Safety program	25,000	14,609	(10,391)
Section 18 - administration	192,747	172,085	(20,662)
Section 18 - capital	132,717	56,967	(75,750)
Department of Justice grant	256,795	-	(256,795)
Contracts - EDTAP	204,727	203,875	(852)
FEMA Disaster Assistance grant	123,779	123,779	-
COVID-19	476,595	302,300	(174,295)
Resources	6,200	3,920	(2,280)
Emergency food and shelter	17,075	3,139	(13,936)
Cherokee Preservation grant	500	-	(500)
Department of Justice	<u>358,679</u>	<u>357,082</u>	<u>(1,597)</u>
Total	<u>9,355,644</u>	<u>7,579,665</u>	<u>(1,775,979)</u>
Court facilities fees	<u>55,340</u>	<u>33,551</u>	<u>(21,789)</u>
Total restricted intergovernmental	<u>10,047,600</u>	<u>8,249,831</u>	<u>(1,797,769)</u>
Other Restricted Revenues:			
Dogwood Health Trust Grant	115,025	101,000	(14,025)
Vocational rehabilitation	2,500	1,267	(1,233)
Transportation contracts	<u>50,200</u>	<u>37,393</u>	<u>(12,807)</u>
Total other restricted	<u>167,725</u>	<u>139,660</u>	<u>(28,065)</u>
Permits and Fees:			
ABC permit fees	2,100	1,200	(900)
Cashiers permit fees	3,500	2,300	(1,200)
Cullowhee permit fees	750	700	(50)
Board of Elections fees	-	7,380	7,380
Erosion control fees	93,650	72,245	(21,405)
Building permits and inspection fees	720,000	745,263	25,263
Environmental health fees	273,500	287,465	13,965
Sheriff's fees	130,800	85,225	(45,575)
Officers fees - court	35,110	30,110	(5,000)
Animal adoption fees	26,600	25,689	(911)
Road sign fees	67,100	53,496	(13,604)
Health and social services fees	391,945	329,799	(62,146)
Register of Deeds	478,000	367,885	(110,115)
Real property transfer tax	1,150,000	1,180,342	30,342
Marriage licenses	7,500	8,175	675
Excise tax	20,000	23,595	3,595
Senior citizens fees	53,350	50,893	(2,457)
ABC fees	<u>4,600</u>	<u>4,920</u>	<u>320</u>
Total permits and fees	<u>3,458,505</u>	<u>3,276,682</u>	<u>(181,823)</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and Services:			
Jail fees	51,000	45,417	(5,583)
Civil process fees	60,000	13,832	(46,168)
Ambulance fees	465,688	449,249	(16,439)
Ancillary services	67,500	44,865	(22,635)
Travel and tourism administrative fees	52,750	38,250	(14,500)
Video programming distribution	72,500	56,871	(15,629)
Telephone charges	42,000	18,606	(23,394)
Vending machines	1,000	270	(730)
Recreation department	703,765	594,676	(109,089)
Rents	50,950	52,025	1,075
Unclaimed property	25,000	-	(25,000)
Trolley fares	7,000	3,936	(3,064)
Total sales and services	<u>1,599,153</u>	<u>1,317,997</u>	<u>(281,156)</u>
Investment Earnings	<u>100,000</u>	<u>36,233</u>	<u>(63,767)</u>
Miscellaneous	<u>1,101,952</u>	<u>620,461</u>	<u>(481,491)</u>
Total revenues	<u>81,369,090</u>	<u>78,770,656</u>	<u>(2,598,434)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits	152,083	147,182	4,901
Operating	192,518	175,737	16,781
Capital outlay	61,381	56,127	5,254
Total	<u>405,982</u>	<u>379,046</u>	<u>26,936</u>
Administration:			
Salaries and employee benefits	333,005	332,769	236
Operating	28,085	19,297	8,788
Total	<u>429,917</u>	<u>420,546</u>	<u>9,371</u>
Elections:			
Salaries and employee benefits	324,125	265,824	58,301
Operating	294,107	178,803	115,304
Capital outlay	4,450	880	3,570
Total	<u>622,682</u>	<u>445,507</u>	<u>177,175</u>
Finance:			
Salaries and employee benefits	767,907	768,292	(385)
Operating	44,520	35,727	8,793
Total	<u>812,427</u>	<u>804,019</u>	<u>8,408</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Human resources:			
Salaries and employee benefits	167,317	167,305	12
Operating	<u>40,864</u>	<u>27,214</u>	<u>13,650</u>
Total	<u>208,181</u>	<u>194,519</u>	<u>13,662</u>
Computer services:			
Salaries and employee benefits	420,545	420,306	239
Operating	309,526	288,563	20,963
Capital outlay	<u>23,918</u>	<u>23,332</u>	<u>586</u>
Total	<u>753,989</u>	<u>732,201</u>	<u>21,788</u>
Tax collections:			
Salaries and employee benefits	277,523	274,104	3,419
Operating	48,350	35,093	13,257
Capital outlay	<u>53,578</u>	<u>6,320</u>	<u>47,258</u>
Total	<u>379,451</u>	<u>315,517</u>	<u>63,934</u>
Tax assessments:			
Salaries and employee benefits	624,907	614,533	10,374
Operating	133,180	112,637	20,543
Capital outlay	<u>25,147</u>	<u>20,163</u>	<u>4,984</u>
Total	<u>783,234</u>	<u>747,333</u>	<u>35,901</u>
GIS mapping:			
Salaries and employee benefits	140,499	69,329	71,170
Operating	<u>22,800</u>	<u>9,340</u>	<u>13,460</u>
Total	<u>163,299</u>	<u>78,669</u>	<u>84,630</u>
Legal services	<u>340,252</u>	<u>284,160</u>	<u>56,092</u>
Register of Deeds:			
Salaries and employee benefits	388,533	359,579	28,954
Operating	146,301	133,479	12,822
Capital outlay	<u>98,116</u>	<u>96,401</u>	<u>1,715</u>
Total	<u>632,950</u>	<u>589,459</u>	<u>43,491</u>
Public Works:			
Salaries and employee benefits	66,263	64,372	1,891
Operating	<u>1,100</u>	<u>1,001</u>	<u>99</u>
Total	<u>67,363</u>	<u>65,373</u>	<u>1,990</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Maintenance:			
Salaries and employee benefits	3,294,344	3,150,969	143,375
Operating	2,091,039	1,947,564	143,475
Capital outlay	381,986	372,230	9,756
Total	<u>5,767,369</u>	<u>5,470,763</u>	<u>296,606</u>
Court facilities:			
Operating	54,240	35,158	19,082
Total	<u>55,340</u>	<u>36,257</u>	<u>19,083</u>
Professional services	85,000	51,100	33,900
Central services:			
Operating	187,000	119,770	67,230
Total general government	<u>11,694,436</u>	<u>10,734,239</u>	<u>960,197</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits	5,451,421	5,431,636	19,785
Operating	1,047,206	947,560	99,646
Capital outlay	468,248	272,256	195,992
Total	<u>6,966,875</u>	<u>6,651,452</u>	<u>315,423</u>
Jail:			
Salaries and employee benefits	1,733,917	1,597,706	136,211
Operating	863,241	757,727	105,514
Capital outlay	135,047	65,909	69,138
Total	<u>2,732,205</u>	<u>2,421,342</u>	<u>310,863</u>
Code enforcement:			
Salaries and employee benefits	1,447,799	1,446,219	1,580
Operating	131,355	131,222	133
Capital outlay	28,303	28,269	34
Total	<u>1,607,457</u>	<u>1,605,710</u>	<u>1,747</u>
Emergency management:			
Salaries and employee benefits	1,332,597	1,325,761	6,836
COVID-19	53,779	1,375	52,404
Operating	184,548	166,400	18,148
Capital outlay	122,363	118,138	4,225
Total	<u>1,693,287</u>	<u>1,611,674</u>	<u>81,613</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Fire:			
Salaries and employee benefits	629,316	586,883	42,433
Operating	2,060,902	1,965,422	95,480
Capital outlay	213,417	208,377	5,040
Total	<u>2,903,635</u>	<u>2,760,682</u>	<u>142,953</u>
Ambulance:			
Operating	2,793,251	2,620,586	172,665
Capital outlay	547,883	547,595	288
Total	<u>3,341,134</u>	<u>3,168,181</u>	<u>172,953</u>
Total public safety	<u>19,244,593</u>	<u>18,219,041</u>	<u>1,025,552</u>
Transportation:			
Salaries and employee benefits	700,315	583,815	116,500
Operating	261,292	135,038	126,254
Capital outlay	63,189	63,182	7
Total	<u>1,024,796</u>	<u>782,035</u>	<u>242,761</u>
Airport authority	<u>31,000</u>	<u>31,000</u>	<u>-</u>
Total transportation	<u>1,055,796</u>	<u>813,035</u>	<u>242,761</u>
Environmental Protection:			
Forestry	<u>108,594</u>	<u>69,700</u>	<u>38,894</u>
Economic and Physical Development:			
Planning and zoning:			
Salaries and employee benefits	341,784	339,803	1,981
Operating	37,240	18,449	18,791
Capital outlay	27,554	27,554	-
Total	<u>406,578</u>	<u>385,806</u>	<u>20,772</u>
Community development	<u>238,230</u>	<u>197,380</u>	<u>40,850</u>
Agricultural extension:			
Salaries and employee benefits	183,140	135,348	47,792
Operating	38,055	30,816	7,239
Total	<u>221,195</u>	<u>166,164</u>	<u>55,031</u>
Conservation:			
Salaries and employee benefits	178,478	177,327	1,151
Operating	30,133	12,831	17,302
Total	<u>208,611</u>	<u>190,158</u>	<u>18,453</u>
Total economic and physical development	<u>1,074,614</u>	<u>939,508</u>	<u>135,106</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Human Services:			
Health:			
General health:			
Salaries and employee benefits	3,212,453	3,071,522	140,931
Operating	1,338,718	813,487	525,231
Capital outlay	<u>250,157</u>	<u>137,065</u>	<u>113,092</u>
Total	<u>4,801,328</u>	<u>4,022,074</u>	<u>779,254</u>
County health clinic:			
Salaries and employee benefits	178,674	178,674	-
Operating	<u>48,500</u>	<u>33,892</u>	<u>14,608</u>
Total	<u>227,174</u>	<u>212,566</u>	<u>14,608</u>
Health assurance:			
Salaries and employee benefits	27,995	27,995	-
Operating	<u>44,820</u>	<u>24,042</u>	<u>20,778</u>
Total	<u>72,815</u>	<u>52,037</u>	<u>20,778</u>
Maternal and child health:			
Salaries and employee benefits	125,124	124,908	216
Operating	<u>15,303</u>	<u>12,564</u>	<u>2,739</u>
Total	<u>140,427</u>	<u>137,472</u>	<u>2,955</u>
WIC - administration and nutrition:			
Salaries and employee benefits	162,850	147,458	15,392
Operating	<u>9,629</u>	<u>7,930</u>	<u>1,699</u>
Total	<u>172,479</u>	<u>155,388</u>	<u>17,091</u>
Family planning:			
Salaries and employee benefits	164,402	149,709	14,693
Operating	<u>46,802</u>	<u>38,710</u>	<u>8,092</u>
Total	<u>211,204</u>	<u>188,419</u>	<u>22,785</u>
Mothers Too:			
Salaries and employee benefits	<u>84,786</u>	<u>84,512</u>	<u>274</u>
Communicable diseases:			
Operating	<u>11,408</u>	<u>10,343</u>	<u>1,065</u>
WNC HIV/AIDS Consortium:			
Salaries and employee benefits	66,379	66,201	178
Operating	<u>2,247</u>	<u>1,023</u>	<u>1,224</u>
Total	<u>68,626</u>	<u>67,224</u>	<u>1,402</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
NC healthy start:			
Salaries and employee benefits	42,842	42,641	201
Operating	<u>44,708</u>	<u>41,698</u>	<u>3,010</u>
Total	<u>87,550</u>	<u>84,339</u>	<u>3,211</u>
Immunization action program:			
Operating	<u>9,014</u>	<u>9,014</u>	<u>-</u>
Breastfeeding:			
Salaries and employee benefits	15,757	12,528	3,229
Operating	<u>2,559</u>	<u>2,420</u>	<u>139</u>
Total	<u>18,316</u>	<u>14,948</u>	<u>3,368</u>
Child services coordinator:			
Salaries and employee benefits	74,282	74,157	125
Operating	<u>5,186</u>	<u>2,722</u>	<u>2,464</u>
Total	<u>79,468</u>	<u>76,879</u>	<u>2,589</u>
Smart start:			
Salaries and employee benefits	122,788	122,650	138
Operating	2,369	549	1,820
Capital outlay	<u>10,941</u>	<u>9,248</u>	<u>1,693</u>
Total	<u>136,098</u>	<u>132,447</u>	<u>3,651</u>
Other health services:			
Operating	<u>177,636</u>	<u>50,055</u>	<u>127,581</u>
Total health	<u>6,298,329</u>	<u>5,297,717</u>	<u>1,000,612</u>
Environmental Health:			
Animal shelter:			
Salaries and employee benefits	312,810	290,581	22,229
Operating	<u>78,069</u>	<u>66,072</u>	<u>11,997</u>
Total	<u>390,879</u>	<u>356,653</u>	<u>34,226</u>
Environmental health:			
Operating	<u>12,000</u>	<u>11,356</u>	<u>644</u>
Bioterrorism:			
Salaries and employee benefits	(863)	(862)	(1)
Operating	<u>34,940</u>	<u>23,245</u>	<u>11,695</u>
Total	<u>34,077</u>	<u>22,383</u>	<u>11,694</u>
Total environmental health	<u>436,956</u>	<u>390,392</u>	<u>46,564</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Mental health:			
Vaya health	123,081	123,081	-
Social Services:			
Administration:			
Salaries and employee benefits	5,482,272	5,191,862	290,410
Operating	462,379	365,958	96,421
Capital outlay	86,168	63,731	22,437
Total	<u>6,030,819</u>	<u>5,621,551</u>	<u>409,268</u>
Other services:			
Adult guardianship	10,500	3,384	7,116
Special assistance	201,000	143,555	57,445
Medical care	110,000	58,293	51,707
Foster care	799,025	555,847	243,178
Aid to the blind	4,193	4,193	-
Food stamp administration	7,014	6,405	609
Crisis intervention	173,196	59,864	113,332
Adult day care	10,663	3,472	7,191
Emergency assistance	23,452	2,650	20,802
IV-D	30,800	16,922	13,878
LIEAP	566,209	379,819	186,390
Child care services	80,000	80,000	-
Other	314,354	182,290	132,064
Total	<u>2,330,406</u>	<u>1,496,694</u>	<u>833,712</u>
Indian reservation:			
Salaries and employee benefits	73,185	49,685	23,500
Operating	106,488	25,376	81,112
Total	<u>179,673</u>	<u>75,061</u>	<u>104,612</u>
Emergency food and shelter	<u>11,871</u>	<u>4,276</u>	<u>7,595</u>
Focal point on aging:			
Salaries and employee benefits	605,750	579,950	25,800
Operating	226,583	199,427	27,156
Capital outlay	71,005	71,005	-
Total	<u>903,338</u>	<u>850,382</u>	<u>52,956</u>
Total social services	<u>9,456,107</u>	<u>8,047,964</u>	<u>1,408,143</u>
Eldercare coalition:			
Salaries and employee benefits	331,223	322,600	8,623
Operating	322,050	320,351	1,699
Total	<u>653,273</u>	<u>642,951</u>	<u>10,322</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Veteran's service officer:			
Salaries and employee benefits	142,284	142,163	121
Operating	17,420	14,889	2,531
Total	<u>159,704</u>	<u>157,052</u>	<u>2,652</u>
Other human services	<u>643,040</u>	<u>601,675</u>	<u>41,365</u>
Total human services	<u>17,770,490</u>	<u>15,260,832</u>	<u>2,509,658</u>
Culture and Recreation:			
Recreation:			
Salaries and employee benefits	1,042,288	1,030,820	11,468
Operating	546,906	457,955	88,951
Capital outlay	193,913	183,989	9,924
Total	<u>1,783,107</u>	<u>1,672,764</u>	<u>110,343</u>
Arts council	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Library	<u>1,201,566</u>	<u>1,201,566</u>	<u>-</u>
Swimming pool:			
Salaries and employee benefits	31,342	23,052	8,290
Operating	37,300	39,718	(2,418)
Capital outlay	3,199	2,598	601
Total	<u>71,841</u>	<u>65,368</u>	<u>6,473</u>
Cashiers recreation:			
Salaries and employee benefits	472,497	411,580	60,917
Operating	326,875	228,682	98,193
Capital outlay	47,371	44,635	2,736
Total	<u>846,743</u>	<u>684,897</u>	<u>161,846</u>
Cashiers swimming pool:			
Salaries and employee benefits	38,661	9,460	29,201
Operating	17,000	2,319	14,681
Total	<u>59,615</u>	<u>15,733</u>	<u>43,882</u>
Total culture and recreation	<u>3,972,872</u>	<u>3,650,328</u>	<u>322,544</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Education:			
Public schools - current	7,855,423	7,855,423	-
Public schools - timber receipts	141,928	141,928	-
Public schools - capital outlay	1,485,759	1,485,759	-
Public schools - counselors	434,117	434,117	-
Community colleges - current	2,401,296	2,401,296	-
Community colleges - capital outlay	528,032	175,555	352,477
Total education	<u>12,846,555</u>	<u>12,494,078</u>	<u>352,477</u>
Debt Service:			
Principal retirement	3,444,432	3,444,120	312
Interest and other charges	548,313	547,993	320
Total debt service	<u>3,992,745</u>	<u>3,992,113</u>	<u>632</u>
Contingency	<u>1,233,270</u>	-	<u>(1,233,270)</u>
Total expenditures	<u>72,993,965</u>	<u>66,172,874</u>	<u>6,821,091</u>
Revenues over (under) expenditures	<u>8,375,125</u>	<u>12,597,782</u>	<u>4,222,657</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	(4,041,985)	(4,041,985)	-
Revaluation Fund	(350,500)	(350,500)	-
Recreation Fund	(2,693,820)	(2,693,820)	-
Clean Water Revolving Loan Fund	(23,000)	(23,000)	-
Green Energy Park Fund	(223,653)	(223,653)	-
Conservation/Preservation Fund	(1,000,000)	(1,000,000)	-
School Capital Reserve Fund	838,138	838,138	-
Proceeds from sale of capital assets	219,695	228,478	8,783
Lease liabilities issued	-	282,175	282,175
Total other financing sources (uses)	<u>(8,375,125)</u>	<u>(8,084,167)</u>	<u>290,958</u>
Net change in fund balance	<u>\$ -</u>	<u>4,513,615</u>	<u>\$ 4,513,615</u>
Fund Balance:			
Beginning of year, July 1		<u>28,796,777</u>	
End of year, June 30		<u>\$ 33,310,392</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General government:			
Tax listing	\$ 464,479	\$ 276,913	\$ 187,566
Capital outlay	14,655	12,800	1,855
Total expenditures	<u>479,134</u>	<u>289,713</u>	<u>189,421</u>
Revenues over (under) expenditures	<u>(479,134)</u>	<u>(289,713)</u>	<u>(189,421)</u>
Other Financing Sources (Uses):			
Transfers from General Fund	350,500	350,500	-
Fund balance appropriation	<u>128,634</u>	<u>-</u>	<u>(128,634)</u>
Total other financing sources (uses)	<u>479,134</u>	<u>350,500</u>	<u>(128,634)</u>
Net change in fund balance	<u>\$ -</u>	60,787	<u>\$ 60,787</u>
Fund Balance:			
Beginning of year, July 1		<u>295,106</u>	
Ending of year, June 30		<u>\$ 355,893</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ 1,000	\$ 645	\$ (355)
Other Financing Sources (Uses):			
Transfer from General Fund	1,000,000	1,000,000	-
Transfer to Dillsboro Complex Project Fund	(3,390,000)	(3,390,000)	-
Transfer to County Capital Projects Fund	(750,000)	-	750,000
Appropriated fund balance	<u>3,139,000</u>	<u>-</u>	<u>(3,139,000)</u>
Total other financing sources (uses)	<u>(1,000)</u>	<u>(2,390,000)</u>	<u>(2,389,000)</u>
Net change in fund balance	<u>\$ -</u>	(2,389,355)	<u>\$ (2,389,355)</u>
Fund Balance:			
Beginning of year, July 1		<u>3,170,010</u>	
End of year, June 30		<u>\$ 780,655</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Environmental protection: Conservation	\$ 2,398,850	\$ 1,650,358	\$ 748,492
Revenues over (under) expenditures	<u>(2,398,850)</u>	<u>(1,650,358)</u>	<u>748,492</u>
Other Financing Sources (Uses):			
Transfers from General Fund	1,000,000	1,000,000	-
Appropriated fund balance	<u>1,398,850</u>	<u>-</u>	<u>(1,398,850)</u>
Total other financing sources (uses)	<u>2,398,850</u>	<u>1,000,000</u>	<u>(1,398,850)</u>
Net change in fund balance	<u>\$ -</u>	<u>(650,358)</u>	<u>\$ (650,358)</u>
Fund Balance:			
Beginning of year, July 1		<u>1,800,889</u>	
End of year, June 30		<u>\$ 1,150,531</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Insurance contributions:			
General government	\$ 1,907,407	\$ 1,911,649	\$ 4,242
Public safety	2,298,168	2,303,280	5,112
Transportation	165,693	166,061	368
Economic and physical development	180,159	180,560	401
Human services	2,708,094	2,714,117	6,023
Recreation	335,973	336,720	747
Stop loss reimbursement	400,000	-	(400,000)
Refunds	10,000	29,803	19,803
Total revenues	<u>8,005,494</u>	<u>7,642,190</u>	<u>(363,304)</u>
Expenditures:			
Insurance claims:			
General government	1,993,140	1,511,772	481,368
Public safety	2,401,466	1,821,482	579,984
Transportation	173,140	131,325	41,815
Economic and physical development	188,257	142,790	45,467
Human services	2,829,817	2,146,381	683,436
Recreation	351,074	266,286	84,788
Contract services	53,600	56,817	(3,217)
Miscellaneous	15,000	14,819	181
Total expenditures	<u>8,005,494</u>	<u>6,091,672</u>	<u>1,913,822</u>
Net change in fund balance	<u>\$ -</u>	1,550,518	<u>\$ 1,550,518</u>
Fund Balance:			
Beginning of year, July 1		<u>1,159,048</u>	
End of year, June 30		<u>\$ 2,709,566</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, 2022**

	<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:					
State grants:					
NC Division of Water infrastructure	\$ 1,288,707	\$ 1,288,707	\$ -	\$ 1,288,707	\$ -
Other restricted revenues:					
Eastern Band Cherokee Indians	118,560	118,560	-	118,560	-
Investment earnings	1,500	1,096	-	1,096	(404)
Total revenues	<u>1,408,767</u>	<u>1,408,363</u>	<u>-</u>	<u>1,408,363</u>	<u>(404)</u>
Expenditures:					
Education:					
Security upgrades	426,600	148,078	250,938	399,016	27,584
Water and sewer	1,441,207	1,387,033	37,563	1,424,596	16,611
Water infrastructure	68,400	11,383	-	11,383	57,017
Blue Ridge School	3,525,359	1,775,315	850,519	2,625,834	899,525
Fairview Elementary School	3,228,060	1,353,674	119,150	1,472,824	1,755,236
Smoky Mountain High	6,317,487	3,919,322	110,650	4,029,972	2,287,515
Cullowhee Valley School	1,393,615	1,392,260	-	1,392,260	1,355
Scotts Creek School	20,743	9,475	2,907	12,382	8,361
Smoky Mountain Elementary	1,851,233	1,000,793	444,640	1,445,433	405,800
Capital outlay	855,947	468,650	409	469,059	386,888
Contingency	31,293	-	-	-	31,293
Total expenditures	<u>19,159,944</u>	<u>11,465,983</u>	<u>1,816,776</u>	<u>13,282,759</u>	<u>5,877,185</u>
Revenues over (under) expenditures	<u>(17,751,177)</u>	<u>(10,057,620)</u>	<u>(1,816,776)</u>	<u>(11,874,396)</u>	<u>5,876,781</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
School Capital Reserve Fund	8,751,177	1,341,730	3,400,000	4,741,730	(4,009,447)
General Fund	2,050,000	2,050,000	-	2,050,000	-
School Capital Project Fund	(2,050,000)	(2,050,000)	4,009,447	1,959,447	4,009,447
Proceeds from installment obligation	9,000,000	9,000,000	-	9,000,000	-
Total other financing sources (uses)	<u>17,751,177</u>	<u>10,341,730</u>	<u>7,409,447</u>	<u>17,751,177</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 284,110</u>	<u>5,592,671</u>	<u>\$ 5,876,781</u>	<u>\$ 5,876,781</u>
Fund Balance:					
Beginning of year, July 1			<u>284,110</u>		
End of year, June 30			5,876,781		
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			4,041,985		
Transfers to General Fund			(838,138)		
Transfer to School Capital Projects Fund			(7,409,447)		
Fund balance, beginning (School Capital Reserve Fund)			<u>4,886,357</u>		
Fund balance, ending (Consolidated School Improvements Fund)			<u>\$ 6,557,538</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	\$ 3,916,616	\$ 4,041,985	\$ 125,369
Transfers to other funds:			
General Fund for debt service	(838,138)	(838,138)	-
School Improvements Fund	(7,409,447)	(7,409,447)	-
Appropriated fund balance	<u>4,330,969</u>	<u>-</u>	<u>(4,330,969)</u>
Total other financing sources (uses)	<u>-</u>	<u>(4,205,600)</u>	<u>(4,205,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,205,600)</u>	<u>\$ (4,205,600)</u>
Fund Balance:			
Beginning of year, July 1		<u>4,886,357</u>	
End of year, June 30		<u>\$ 680,757</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, 2022**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental:					
NC Connect bonds	\$ 5,445,597	\$ 5,445,597	\$ -	\$ 5,445,597	\$ -
Economic Development Grant	2,015,395	1,826,512	-	1,826,512	(188,883)
Investment earnings	5,000	16,054	-	16,054	11,054
Total revenues	<u>7,465,992</u>	<u>7,288,163</u>	<u>-</u>	<u>7,288,163</u>	<u>(177,829)</u>
Expenditures:					
Education:					
Architect fees	1,623,832	1,622,953	115,723	1,738,676	(114,844)
Engineering costs	374,785	194,511	-	194,511	180,274
Construction	30,000	27,398	-	27,398	2,602
Technology and security	18,308,342	18,307,574	181,707	18,489,281	(180,939)
Furnishing and fixtures	121,238	-	-	-	121,238
Contingency	227,958	-	-	-	227,958
Total expenditures	<u>20,686,155</u>	<u>20,152,436</u>	<u>297,430</u>	<u>20,449,866</u>	<u>236,289</u>
Revenues over (under) expenditures	<u>(13,220,163)</u>	<u>(12,864,273)</u>	<u>(297,430)</u>	<u>(13,161,703)</u>	<u>58,460</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>13,220,163</u>	<u>-</u>	<u>13,220,163</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 355,890</u>	<u>(297,430)</u>	<u>\$ 58,460</u>	<u>\$ 58,460</u>
Fund Balance:					
Beginning of year, July 1			<u>355,890</u>		
End of year, June 30			<u>\$ 58,460</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, 2022**

	<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:					
Miscellaneous	\$ 15,000	\$ 15,000	\$ -	\$ 15,000	\$ -
Investment earnings	<u>70,000</u>	<u>67,919</u>	<u>-</u>	<u>67,919</u>	<u>(2,081)</u>
Total revenues	<u>85,000</u>	<u>82,919</u>	<u>-</u>	<u>82,919</u>	<u>(2,081)</u>
Expenditures:					
Human services:					
Architect fees	534,438	534,388	-	534,388	50
Engineering costs	18,658	18,658	-	18,658	-
Construction	6,585,446	6,554,527	30,918	6,585,445	1
Technology and security	295,165	295,160	-	295,160	5
Furnishing and fixtures	465,780	464,207	1,197	465,404	376
Displacement expenditures	<u>288,308</u>	<u>286,659</u>	<u>-</u>	<u>286,659</u>	<u>1,649</u>
Total expenditures	<u>8,187,795</u>	<u>8,153,599</u>	<u>32,115</u>	<u>8,185,714</u>	<u>2,081</u>
Revenues over (under) expenditures	<u>(8,102,795)</u>	<u>(8,070,680)</u>	<u>(32,115)</u>	<u>(8,102,795)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	7,800,000	7,800,000	-	7,800,000	-
School Capital Reserve Fund	349,492	349,492	-	349,492	-
Transfers to other funds:					
Dillsboro Complex CPF	<u>(46,697)</u>	<u>-</u>	<u>(46,697)</u>	<u>(46,697)</u>	<u>-</u>
Total other financing sources (uses)	<u>8,102,795</u>	<u>8,149,492</u>	<u>(46,697)</u>	<u>8,102,795</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 78,812</u>	<u>(78,812)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year, July 1			<u>78,812</u>		
End of year, June 30			<u>\$ -</u>		

JACKSON COUNTY, NORTH CAROLINA

MAJOR 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, 2022

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 2,174,498	\$ -	\$ -	\$ -	\$ (2,174,498)
Expenditures:					
General government:					
Skyland Services Center:					
Architect fees	72,000	60,965	-	60,965	11,035
Construction	5,694,679	1,342,684	36,466	1,379,150	4,315,529
Site acquisition	408,625	408,625	-	408,625	-
Furnishings	141,980	131,995	-	131,995	9,985
Total Skyland Services Center	<u>6,317,284</u>	<u>1,944,269</u>	<u>36,466</u>	<u>1,980,735</u>	<u>4,336,549</u>
Cashiers code enforcement:					
Construction	211,505	211,505	-	211,505	-
Equipment	7,000	7,000	-	7,000	-
Total cashiers code enforcement	<u>218,505</u>	<u>218,505</u>	<u>-</u>	<u>218,505</u>	<u>-</u>
Contingency	106,711	-	-	-	106,711
Total expenditures	<u>6,642,500</u>	<u>2,162,774</u>	<u>36,466</u>	<u>2,199,240</u>	<u>4,443,260</u>
Revenues over (under) expenditures	<u>(4,468,002)</u>	<u>(2,162,774)</u>	<u>(36,466)</u>	<u>(2,199,240)</u>	<u>2,268,762</u>
Other Financing Sources (Uses):					
Operating transfers in:					
Capital Reserve Fund	2,293,504	2,075,000	-	2,075,000	(218,504)
ARPA Fund	2,174,498	-	36,466	36,466	(2,138,032)
Total other financing sources (uses)	<u>4,468,002</u>	<u>2,075,000</u>	<u>36,466</u>	<u>2,111,466</u>	<u>(2,356,536)</u>
Closed out projects	-	223,254	-	223,254	223,254
Net change in fund balance	\$ <u>-</u>	\$ <u>135,480</u>	-	\$ <u>135,480</u>	\$ <u>135,480</u>
Fund Balance:					
Beginning of year, July 1			<u>135,480</u>		
End of year, June 30			<u>\$ 135,480</u>		

JACKSON COUNTY, NORTH CAROLINA

MAJOR 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, 2022

	<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:					
Investment earnings	\$ -	\$ -	\$ 10,115	\$ 10,115	\$ 10,115
Expenditures:					
Culture and recreation:					
Savannah/Greens Creek Park	24,066,308	733,464	985,392	1,718,856	22,347,452
Total expenditures	24,066,308	733,464	985,392	1,718,856	22,347,452
Revenues over (under) expenditures	(24,066,308)	(733,464)	(975,277)	(1,708,741)	22,357,567
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	4,066,308	1,928,952	2,693,820	4,622,772	556,464
Installment purchase obligations issued	20,000,000	-	20,000,000	20,000,000	-
Total other financing sources (uses)	24,066,308	1,928,952	22,693,820	24,622,772	556,464
Net change in fund balance	\$ -	\$ 1,195,488	21,718,543	\$ 22,914,031	\$ 22,914,031
Fund Balance:					
Beginning of year, July 1			1,195,488		
End of year, June 30			\$ 22,914,031		

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,594,319	\$ 2,094,712	\$ 3,689,031
Accounts receivable, net	36,566	3,994	40,560
Taxes receivable	22,389	-	22,389
Restricted assets - cash and cash equivalents	125,634	-	125,634
Notes receivable, net	3,334	-	3,334
Total assets	<u>\$ 1,782,242</u>	<u>\$ 2,098,706</u>	<u>\$ 3,880,948</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 81,504	\$ 501,971	\$ 583,475
Unearned revenue	125,634	-	125,634
Total liabilities	<u>207,138</u>	<u>501,971</u>	<u>709,109</u>
Deferred Inflows of Resources:			
Prepaid taxes	3,788	-	3,788
Property taxes receivable	22,389	-	22,389
Total deferred inflows of resources	<u>26,177</u>	<u>-</u>	<u>26,177</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	39,900	3,994	43,894
Public safety	712,897	-	712,897
Economic and physical development	796,130	-	796,130
Committed:			
Recreation	-	1,592,741	1,592,741
Total fund balances	<u>1,548,927</u>	<u>1,596,735</u>	<u>3,145,662</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,782,242</u>	<u>\$ 2,098,706</u>	<u>\$ 3,880,948</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Ad valorem taxes	\$ 1,931,040	\$ -	\$ 1,931,040
Restricted intergovernmental	294,821	-	294,821
Sales and services	417	-	417
Investment earnings	386	-	386
Total revenues	<u>2,226,664</u>	<u>-</u>	<u>2,226,664</u>
Expenditures:			
Current:			
Public safety	2,209,061	2,928,918	5,137,979
Economic and physical development	177,958	-	177,958
Total expenditures	<u>2,387,019</u>	<u>2,928,918</u>	<u>5,315,937</u>
Revenues over (under) expenditures	(160,355)	(2,928,918)	(3,089,273)
Other Financing Sources (Uses):			
Transfers from other funds	<u>123,000</u>	<u>3,436,697</u>	<u>3,559,697</u>
Net change in fund balances	(37,355)	507,779	470,424
Fund Balances:			
Beginning of year, July 1	<u>1,586,282</u>	<u>1,088,956</u>	<u>2,675,238</u>
End of year, June 30	<u>\$ 1,548,927</u>	<u>\$ 1,596,735</u>	<u>\$ 3,145,662</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.
- **Opioid Fund** – This fund accounts for federal money received from an opioid settlement and is restricted for its intended use.
- **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, 2022

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Assets:				
Cash and cash equivalents	\$ 415,369	\$ 95,834	\$ 286,958	\$ 3,437
Accounts receivable, net	31,142	1,164	3,941	-
Taxes receivable	-	-	22,389	-
Restricted assets - cash and cash equivalents	-	-	-	-
Notes receivable, net	-	-	-	-
Total assets	<u>\$ 446,511</u>	<u>\$ 96,998</u>	<u>\$ 313,288</u>	<u>\$ 3,437</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 64,478	\$ 16,998	\$ -	\$ -
Unearned revenue	-	-	-	-
Total liabilities	<u>64,478</u>	<u>16,998</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Prepaid taxes	-	-	3,788	-
Taxes receivable	-	-	22,389	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>26,177</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	31,142	1,164	3,941	-
Public safety	350,891	78,836	283,170	-
Economic and physical development	-	-	-	3,437
Total fund balances	<u>382,033</u>	<u>80,000</u>	<u>287,111</u>	<u>3,437</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 446,511</u>	<u>\$ 96,998</u>	<u>\$ 313,288</u>	<u>\$ 3,437</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	<u>Clean Water Revolving Loan Fund</u>	<u>Economic Development Fund</u>	<u>Economic Development Commission Fund</u>	<u>Opioid Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:					
Cash and cash equivalents	\$ 1,842	\$ 660,443	\$ 130,436	\$ -	\$ 1,594,319
Accounts receivable, net	-	-	319	-	36,566
Taxes receivable	-	-	-	-	22,389
Restricted assets - cash and cash equivalents	-	-	-	125,634	125,634
Notes receivable, net	-	3,334	-	-	3,334
	<u>1,842</u>	<u>663,777</u>	<u>130,755</u>	<u>125,634</u>	<u>1,782,242</u>
Total assets	<u>\$ 1,842</u>	<u>\$ 663,777</u>	<u>\$ 130,755</u>	<u>\$ 125,634</u>	<u>\$ 1,782,242</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 28	\$ -	\$ 81,504
Unearned revenue	-	-	-	125,634	125,634
Total liabilities	<u>-</u>	<u>-</u>	<u>28</u>	<u>125,634</u>	<u>207,138</u>
Deferred Inflows of Resources:					
Prepaid taxes	-	-	-	-	3,788
Taxes receivable	-	-	-	-	22,389
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,177</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	3,334	319	-	39,900
Public safety	-	-	-	-	712,897
Economic and physical development	1,842	660,443	130,408	-	796,130
Total fund balances	<u>1,842</u>	<u>663,777</u>	<u>130,727</u>	<u>-</u>	<u>1,548,927</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,842</u>	<u>\$ 663,777</u>	<u>\$ 130,755</u>	<u>\$ 125,634</u>	<u>\$ 1,782,242</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, 2022**

	Emergency Telephone System Fund	Law Enforcement Block Grant Fund	Fire Service Districts Fund	Community Development Scattered Site Project Fund
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 1,931,040	\$ -
Restricted intergovernmental	220,419	74,402	-	-
Sales and services	-	-	-	-
Investment earnings	-	-	-	-
Total revenues	<u>220,419</u>	<u>74,402</u>	<u>1,931,040</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	286,264	47,627	1,875,170	-
Economic and physical development	-	-	-	14,640
Total expenditures	<u>286,264</u>	<u>47,627</u>	<u>1,875,170</u>	<u>14,640</u>
Revenues over (under) expenditures	(65,845)	26,775	55,870	(14,640)
Other Financing Sources (Uses):				
Transfers from other funds	-	-	-	-
Net change in fund balances	(65,845)	26,775	55,870	(14,640)
Fund Balances:				
Beginning of year, July 1	<u>447,878</u>	<u>53,225</u>	<u>231,241</u>	<u>18,077</u>
End of year, June 30	<u>\$ 382,033</u>	<u>\$ 80,000</u>	<u>\$ 287,111</u>	<u>\$ 3,437</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, 2022**

	Clean Water Revolving Loan Fund	Economic Development Fund	Economic Development Commission Fund	Total Nonmajor Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,931,040
Restricted intergovernmental	-	-	-	294,821
Sales and services	-	417	-	417
Investment earnings	-	310	76	386
Total revenues	<u>-</u>	<u>727</u>	<u>76</u>	<u>2,226,664</u>
Expenditures:				
Current:				
Public safety	-	-	-	2,209,061
Economic and physical development	23,000	5,000	135,318	177,958
Total expenditures	<u>23,000</u>	<u>5,000</u>	<u>135,318</u>	<u>2,387,019</u>
Revenues over (under) expenditures	(23,000)	(4,273)	(135,242)	(160,355)
Other Financing Sources (Uses):				
Transfers from other funds	<u>23,000</u>	<u>-</u>	<u>100,000</u>	<u>123,000</u>
Net change in fund balances	-	(4,273)	(35,242)	(37,355)
Fund Balances:				
Beginning of year, July 1	<u>1,842</u>	<u>668,050</u>	<u>165,969</u>	<u>1,586,282</u>
End of year, June 30	<u>\$ 1,842</u>	<u>\$ 663,777</u>	<u>\$ 130,727</u>	<u>\$ 1,548,927</u>

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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Other taxes and licenses:			
Restricted intergovernmental:			
Wireless 911 funds	\$ 314,070	\$ 220,419	\$ (93,651)
Expenditures:			
Public safety:			
Implementation services	1,432	-	1,432
Operating	235,838	210,714	25,124
Capital outlay	76,800	75,550	1,250
Total expenditures	<u>314,070</u>	<u>286,264</u>	<u>27,806</u>
Net change in fund balance	<u>\$ -</u>	<u>(65,845)</u>	<u>\$ (65,845)</u>
Fund Balance:			
Beginning of year, July 1		<u>447,878</u>	
End of year, June 30		<u>\$ 382,033</u>	
PSAP RECONCILIATION FOR THE YEAR ENDED JUNE 30, 2022			
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		\$ 447,878	
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>758,958</u>	
Beginning fund balance, PSAP revenue-expenditure report		<u>1,206,836</u>	
Net change in fund balance, reported budget and actual		(65,845)	
Current expenditures not reported on the PSAP report but reported on the Emergency Telephone System Fund budget and actual schedule		<u>(6,761)</u>	
Net change in fund balance, PSAP report		<u>(72,606)</u>	
Ending fund balance, PSAP revenue-expenditure report		<u>\$ 1,134,230</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 31,125	\$ 74,402	\$ 43,277
Expenditures:			
Public safety:			
Capital outlay	<u>71,125</u>	<u>47,627</u>	<u>23,498</u>
Revenues over (under) expenditures	(40,000)	26,775	66,775
Other Financing Sources (Uses):			
Appropriated fund balance	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balance	<u>\$ -</u>	26,775	<u>\$ 26,775</u>
Fund Balance:			
Beginning balance, July 1		<u>53,225</u>	
Ending balance, June 30		<u>\$ 80,000</u>	

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 1,871,523	\$ 1,925,064	\$ 53,541
Penalties and interest	4,250	5,976	1,726
Total revenues	<u>1,875,773</u>	<u>1,931,040</u>	<u>55,267</u>
Expenditures:			
Public safety:			
Fire districts:			
Cashiers-Glenville	1,791,170	1,791,170	-
Highlands	84,000	84,000	-
Contingency	603	-	603
Total expenditures	<u>1,875,773</u>	<u>1,875,170</u>	<u>603</u>
Net change in fund balance	<u>\$ -</u>	55,870	<u>\$ 55,870</u>
Fund Balance:			
Beginning of year, July 1		<u>231,241</u>	
End of year, June 30		<u>\$ 287,111</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, 2022

	<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	1,000	1,000	-	1,000	-
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>94,900</u>	<u>79,900</u>	<u>14,640</u>	<u>94,540</u>	<u>360</u>
Revenues over (under) expenditures	<u>(80,795)</u>	<u>(65,795)</u>	<u>(14,640)</u>	<u>(80,435)</u>	<u>360</u>
Other Financing Sources (Uses):					
Appropriated fund balance	14,279	-	-	-	(14,279)
Transfers from other funds	<u>66,516</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>17,356</u>
Total other financing sources (uses)	<u>80,795</u>	<u>83,872</u>	<u>-</u>	<u>83,872</u>	<u>3,077</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,077</u>	<u>(14,640)</u>	<u>\$ 3,437</u>	<u>\$ 3,437</u>
Fund Balance:					
Beginning of year, July 1			<u>18,077</u>		
End of year, June 30			<u>\$ 3,437</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
Economic and physical development:			
Operating	\$ 23,000	\$ 23,000	\$ -
Revenues over (under) expenditures	(23,000)	(23,000)	-
Other Financing Sources (Uses):			
Transfer from General Fund	23,000	23,000	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		<u>1,842</u>	
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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and services	\$ 10,000	\$ 417	\$ (9,583)
Investment earnings	-	310	310
Total revenues	<u>10,000</u>	<u>727</u>	<u>(9,273)</u>
Expenditures:			
Economic and physical development:			
Operating	5,000	5,000	-
Reserve for economic development	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,273)</u>	<u>\$ (4,273)</u>
Fund Balance:			
Beginning of year, July 1		<u>668,050</u>	
End of year, June 30		<u>\$ 663,777</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Investment earnings	\$ -	\$ 76	\$ 76
Expenditures:			
Economic and physical development:			
Salaries and employee benefits	101,797	99,428	2,369
Operating	<u>43,188</u>	<u>35,890</u>	<u>7,298</u>
Total expenditures	<u>144,985</u>	<u>135,318</u>	<u>9,667</u>
Revenues over (under) expenditures	<u>(144,985)</u>	<u>(135,242)</u>	<u>9,743</u>
Other Financing Sources (Uses):			
Transfers in:			
Transfer from General Fund	100,000	100,000	-
Appropriated fund balance	<u>44,985</u>	<u>-</u>	<u>(44,985)</u>
Total other financing sources (uses)	<u>144,985</u>	<u>100,000</u>	<u>(44,985)</u>
Net change in fund balance	<u>\$ -</u>	<u>(35,242)</u>	<u>\$ (35,242)</u>
Fund Balance:			
Beginning of year, July 1		<u>165,969</u>	
End of year, June 30		<u>\$ 130,727</u>	

CAPITAL PROJECT FUNDS

- **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.
- **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, 2022

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Assets:			
Cash and cash equivalents	\$ 1,954,247	\$ 140,465	\$ 2,094,712
Accounts receivable, net	<u>3,994</u>	<u>-</u>	<u>3,994</u>
Total assets	<u>\$ 1,958,241</u>	<u>\$ 140,465</u>	<u>\$ 2,098,706</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	<u>\$ 501,971</u>	<u>\$ -</u>	<u>\$ 501,971</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	3,994	-	3,994
Committed:			
Recreation	<u>1,452,276</u>	<u>140,465</u>	<u>1,592,741</u>
Total fund balances	<u>1,456,270</u>	<u>140,465</u>	<u>1,596,735</u>
Total liabilities and fund balances	<u>\$ 1,958,241</u>	<u>\$ 140,465</u>	<u>\$ 2,098,706</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, 2022**

	Dillsboro Complex Project Fund	Greenways Project Fund	Total Nonmajor Capital Projects Funds
Expenditures:			
Current:			
Public safety	\$ 2,928,918	\$ -	\$ 2,928,918
Revenues over (under) expenditures	(2,928,918)	-	(2,928,918)
Other Financing Sources (Uses):			
Transfers from other funds	3,436,697	-	3,436,697
Net change in fund balances	507,779	-	507,779
Fund Balances:			
Beginning of year, July 1	948,491	140,465	1,088,956
End of year, June 30	<u>\$ 1,456,270</u>	<u>\$ 140,465</u>	<u>\$ 1,596,735</u>

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, 2022

	<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:					
Recreation:					
Construction cost	\$ 5,661,023	\$ 1,275,835	\$ 2,928,918	\$ 4,204,753	\$ 1,456,270
				-	
Revenues over (under) expenditures	<u>(5,661,023)</u>	<u>(1,275,835)</u>	<u>(2,928,918)</u>	<u>(4,204,753)</u>	<u>1,456,270</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	224,326	224,326	-	224,326	-
Health department	46,697	-	46,697	46,697	-
Capital Reserve Fund	<u>5,390,000</u>	<u>2,000,000</u>	<u>3,390,000</u>	<u>5,390,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,661,023</u>	<u>2,224,326</u>	<u>3,436,697</u>	<u>5,661,023</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 948,491</u>	507,779	<u>\$ 1,456,270</u>	<u>\$ 1,456,270</u>
Fund Balance:					
Beginning of year, July 1			<u>948,491</u>		
End of year, June 30			<u>\$ 1,456,270</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, 2022

	<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	\$ 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	1,841,648	1,706,926	-	1,706,926	134,722
Engineering fees	95,415	89,664	-	89,664	5,751
Total expenditures	<u>1,937,063</u>	<u>1,796,590</u>	<u>-</u>	<u>1,796,590</u>	<u>140,473</u>
Revenues over (under) expenditures	(1,282,313)	(1,141,848)	-	(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>\$ 140,465</u>	<u>-</u>	<u>\$ 140,465</u>	<u>\$ 140,465</u>
Fund Balance:					
Beginning of year, July 1			<u>140,465</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	\$ -	\$ 156,607	\$ 156,607

**Reconciliation from Budgetary Basis (Modified
Accrual) to Full Accrual Basis:**

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 156,607
Lease liabilities issued	(223,578)
Right to use leased assets	223,578
Change in compensated absences	(3,516)
Decrease in deferred outflow - OPEB	30,989
Increase in deferred inflow - OPEB	44,538
(Increase) decrease in other post-employment benefits	(115,222)
Increase in deferred outflow - pensions	14,671
Increase in deferred inflow - pensions	(95,116)
(Increase) decrease in pensions	91,176
Debt principal payment	299,895
Landfill closure and post-closure costs	25,112
Capital outlay	44,572
Depreciation and amortization	<u>(216,998)</u>
Change in net position	<u>\$ 276,708</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 4,066,583	\$ 4,197,122	\$ 130,539
Non-operating revenues:			
Scrap tire disposal fee	68,000	72,090	4,090
White goods tax	15,000	22,759	7,759
Electronics tax	73,202	769	(72,433)
Scrap tire grant	10,497	11,165	668
Miscellaneous	69,450	2,411	(67,039)
Interest earned on investments	25,650	24,673	(977)
Total non-operating revenues	<u>261,799</u>	<u>133,867</u>	<u>(127,932)</u>
Total revenues	<u>4,328,382</u>	<u>4,330,989</u>	<u>2,607</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	572,646	532,370	40,276
Operations	2,208,691	2,134,370	74,321
Supplies	35,950	34,500	1,450
Repairs and maintenance	154,452	128,880	25,572
Contracted services	990,400	980,597	9,803
Capital outlay	44,572	44,572	-
Total	<u>4,006,711</u>	<u>3,855,289</u>	<u>151,422</u>
Debt service:			
Debt principal	300,601	299,895	706
Interest and other charges	21,070	19,198	1,872
Total	<u>321,671</u>	<u>319,093</u>	<u>2,578</u>
Total expenditures	<u>4,328,382</u>	<u>4,174,382</u>	<u>154,000</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF FUND NET POSITION
JUNE 30, 2022

	<u>Green Energy Park Fund</u>	<u>Economic Development Commission Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 198,033	\$ 584,371	\$ 782,404
Accounts receivable, net	<u>1,495</u>	<u>-</u>	<u>1,495</u>
Total current assets	<u>199,528</u>	<u>584,371</u>	<u>783,899</u>
Non-current assets:			
Depreciable assets, net of depreciation	<u>44,334</u>	<u>983,706</u>	<u>1,028,040</u>
Total assets	<u>243,862</u>	<u>1,568,077</u>	<u>1,811,939</u>
Deferred Outflows of Resources:			
Pension deferrals	34,990	-	34,990
OPEB deferrals	<u>120,723</u>	<u>-</u>	<u>120,723</u>
Total deferred outflows of resources	<u>155,713</u>	<u>-</u>	<u>155,713</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	26,143	-	26,143
Compensated absences, current	<u>5,323</u>	<u>-</u>	<u>5,323</u>
Total current liabilities	<u>31,466</u>	<u>-</u>	<u>31,466</u>
Non-current liabilities:			
Net pension liability - LGERS	10,726	-	10,726
Compensated absences, non-current	15,967	-	15,967
Total OPEB liability	<u>427,913</u>	<u>-</u>	<u>427,913</u>
Total non-current liabilities	<u>454,606</u>	<u>-</u>	<u>454,606</u>
Total liabilities	<u>486,072</u>	<u>-</u>	<u>486,072</u>
Deferred Inflows of Resources:			
Pension deferrals	47,634	-	47,634
OPEB deferrals	<u>68,112</u>	<u>-</u>	<u>68,112</u>
Total deferred inflows of resources	<u>115,746</u>	<u>-</u>	<u>115,746</u>
Net Position:			
Restricted for:			
Net investment in capital assets	44,334	983,706	1,028,040
Unrestricted	<u>(246,577)</u>	<u>584,371</u>	<u>337,794</u>
Total net position	<u>\$ (202,243)</u>	<u>\$ 1,568,077</u>	<u>\$ 1,365,834</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, 2022**

	<u>Green Energy Park Fund</u>	<u>Economic Development Commission Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
Operating Revenues:			
Charges for services	\$ 19,627	\$ 25,074	\$ 44,701
Operating Expenses:			
Park operations	280,603	-	280,603
Economic development operations	-	31,718	31,718
Depreciation	2,188	28,329	30,517
Total expenses	<u>282,791</u>	<u>60,047</u>	<u>342,838</u>
Operating income (loss)	<u>(263,164)</u>	<u>(34,973)</u>	<u>(298,137)</u>
Non-Operating Revenues:			
Investment earnings	-	320	320
Conservation fund grant	28,125	-	28,125
Donations	32	-	32
Total non-operating revenues	<u>28,157</u>	<u>320</u>	<u>28,477</u>
Income (loss) before transfers	(235,007)	(34,653)	(269,660)
Transfers (to) from other funds	<u>223,653</u>	<u>-</u>	<u>223,653</u>
Change in net position	(11,354)	(34,653)	(46,007)
Net Position:			
Beginning of year, July 1	<u>(190,889)</u>	<u>1,602,730</u>	<u>1,411,841</u>
End of year, June 30	<u>\$ (202,243)</u>	<u>\$ 1,568,077</u>	<u>\$ 1,365,834</u>

JACKSON COUNTY, NORTH CAROLINA

NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Green Energy Park Fund	Economic Development Commission Fund	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 19,348	\$ 25,074	\$ 44,422
Cash paid for goods and services	(116,807)	(31,718)	(148,525)
Cash paid to employees for services	(134,537)	-	(134,537)
Net cash provided by (used for) operating activities	<u>(231,996)</u>	<u>(6,644)</u>	<u>(238,640)</u>
Cash Flows from Non-Capital Financing Activities:			
Grants and donations	28,157	-	28,157
Transfers from other funds	223,653	-	223,653
Net cash provided by non-capital financing activities	<u>251,810</u>	<u>-</u>	<u>251,810</u>
Cash Flows from Investing Activities:			
Principal payments on notes receivable	-	24,811	24,811
Interest earned on investments	-	320	320
Net cash provided by investing activities	<u>-</u>	<u>25,131</u>	<u>25,131</u>
Net increase in cash and cash equivalents	19,814	18,487	38,301
Cash and Cash Equivalents:			
Beginning of year, July 1	178,219	565,884	744,103
End of year, June 30	<u>\$ 198,033</u>	<u>\$ 584,371</u>	<u>\$ 782,404</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Uses) by Operating Activities:			
Operating income (loss)	<u>\$ (263,164)</u>	<u>\$ (34,973)</u>	<u>\$ (298,137)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	2,188	28,329	30,517
Changes in assets and liabilities:			
Change in deferred outflow - OPEB	(15,492)	-	(15,492)
Change in deferred inflow - OPEB	(22,118)	-	(22,118)
Change in other post-employment benefits	57,611	-	57,611
Change in deferred outflow - pensions	(7,336)	-	(7,336)
Change in deferred inflow - pensions	47,558	-	47,558
Change in pensions	(45,588)	-	(45,588)
Change in accounts receivable	(279)	-	(279)
Change in accounts payable and accrued liabilities	11,981	-	11,981
Change in compensated absences	2,643	-	2,643
Total adjustments	<u>31,168</u>	<u>28,329</u>	<u>59,497</u>
Net cash provided (used) by operating activities	<u>\$ (231,996)</u>	<u>\$ (6,644)</u>	<u>\$ (238,640)</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Rents	\$ 8,000	\$ 18,804	\$ 10,804
Registration fees	15,000	360	(14,640)
Gallery commission	<u>1,000</u>	<u>463</u>	<u>(537)</u>
Total operating revenues	<u>24,000</u>	<u>19,627</u>	<u>(4,373)</u>
Non-operating revenues:			
Conservation Fund grant	28,125	28,125	-
Donations	<u>1,000</u>	<u>32</u>	<u>(968)</u>
Total non-operating revenues	<u>29,125</u>	<u>28,157</u>	<u>(968)</u>
Total revenues	<u>53,125</u>	<u>47,784</u>	<u>(5,341)</u>
Expenditures:			
Park operations:			
Salaries and employee benefits	193,538	194,791	(1,253)
Operating	<u>83,240</u>	<u>71,177</u>	<u>12,063</u>
Total	<u>276,778</u>	<u>265,968</u>	<u>10,810</u>
Revenues over (under) expenditures	<u>(223,653)</u>	<u>(218,184)</u>	<u>5,469</u>
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>223,653</u>	<u>223,653</u>	<u>-</u>
Total expenditures and other financing sources (uses)	<u>53,125</u>	<u>42,315</u>	<u>10,810</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	5,469	<u>\$ 5,469</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Increase in deferred outflow - OPEB		15,492	
Decrease in deferred inflow - OPEB		22,118	
(Increase) decrease in other post-employment benefits		(57,611)	
Increase in deferred outflow - pensions		7,336	
Increase in deferred inflow - pensions		(47,558)	
(Increase) decrease in pensions		45,588	
Depreciation		<u>(2,188)</u>	
Change in net position		<u>\$ (11,354)</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Rents	\$ 54,718	\$ 25,074	\$ (29,644)
Non-operating revenues:			
Interest earned on investments	417	320	(97)
Total revenues	<u>55,135</u>	<u>25,394</u>	<u>(29,741)</u>
Expenditures:			
Economic development operations:			
Operating	35,135	11,718	23,417
Insurance	20,000	20,000	-
Total expenditures	<u>55,135</u>	<u>31,718</u>	<u>23,417</u>
Revenues over (under) expenditures	<u>\$ -</u>	(6,324)	<u>\$ (6,324)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual Basis:			
Depreciation		<u>(28,329)</u>	
Change in net position		<u>\$ (34,653)</u>	



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FIDUCIARY FUND SCHEDULES

The custodial funds 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

**CUSTODIAL FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2022**

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 870	\$ 211,108	\$ 211,978
Taxes receivables for other governments, net	13,872	3,321	17,193
Total assets	<u>14,742</u>	<u>214,429</u>	<u>229,171</u>
Liabilities:			
Accounts payable and accrued liabilities	<u>7,903</u>	<u>2,890</u>	<u>10,793</u>
Net Position:			
Restricted for:			
Individuals, organizations, and other governments	<u>\$ 6,839</u>	<u>\$ 211,539</u>	<u>\$ 218,378</u>

JACKSON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
Additions:			
Ad valorem taxes for other governments	\$ 536,659	\$ -	\$ 536,659
Collections on behalf of inmates	-	246,426	246,426
Total additions	<u>536,659</u>	<u>246,426</u>	<u>783,085</u>
Deductions:			
Tax distributions to other governments	551,626	-	551,626
Payments on behalf of inmates	-	219,131	219,131
Total deductions	<u>551,626</u>	<u>219,131</u>	<u>770,757</u>
Change in fiduciary net position	(14,967)	27,295	12,328
Net position, beginning	<u>21,806</u>	<u>184,244</u>	<u>206,050</u>
Net position, ending	<u>\$ 6,839</u>	<u>\$ 211,539</u>	<u>\$ 218,378</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, 2022**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 41,394,561	\$ 40,974,350	\$ 420,211
2020-2021	442,941	-	282,420	160,521
2019-2020	279,053	-	162,786	116,267
2018-2019	173,950	-	88,063	85,887
2017-2018	128,079	-	50,873	77,206
2016-2017	83,879	-	30,117	53,762
2015-2016	113,032	-	17,477	95,555
2014-2015	97,136	-	14,914	82,222
2013-2014	95,471	-	12,270	83,201
2012-2013	87,023	-	8,590	78,433
2011-2012	61,957	-	61,957	-
Total	<u>\$ 1,562,521</u>	<u>\$ 41,394,561</u>	<u>\$ 41,703,817</u>	<u>\$ 1,253,265</u>
Less: allowance for uncollectible accounts				<u>(823,000)</u>
Ad valorem taxes receivable - net: General Fund				<u>\$ 430,265</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				<u>\$ 41,944,102</u>
Reconciling items:				
Penalties and interest collected				(376,440)
Amounts written off for tax year 2011-2012				61,957
Rental vehicle tax				(9,357)
Prior year releases, refunds, and other adjustments				71,423
Other reconciling items				<u>12,132</u>
Total reconciling items				<u>(240,285)</u>
Total collections and credits				<u>\$ 41,703,817</u>

JACKSON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2022

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$11,183,415,487	\$ 0.36	\$ 40,260,296	\$ 38,514,643	\$ 1,745,653
Utilities at current year's rate	<u>255,237,420</u>	0.36	<u>918,855</u>	<u>918,855</u>	<u>-</u>
Total	<u>11,438,652,907</u>		<u>41,179,151</u>	<u>39,433,498</u>	<u>1,745,653</u>
Discoveries:					
Current year taxes	<u>64,323,278</u>	0.36	<u>231,564</u>	<u>231,564</u>	<u>-</u>
Abatements/releases	<u>(4,487,281)</u>	0.36	<u>(16,154)</u>	<u>(11,451)</u>	<u>(4,703)</u>
Total property valuation	<u>\$11,498,488,904</u>				
Net levy			41,394,561	39,653,611	1,740,950
Uncollected taxes at June 30, 2022			<u>420,211</u>	<u>418,559</u>	<u>1,652</u>
Current year's taxes collected			<u>\$ 40,974,350</u>	<u>\$ 39,235,052</u>	<u>\$ 1,739,298</u>
Current levy collection percentage			98.98%	98.94%	99.91%

JACKSON COUNTY, NORTH CAROLINA**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2022****Secondary Market Disclosures:****Assessed Valuation:**

Assessment ratio (1)	100%
Real property	\$ 10,825,618,971
Personal property	<u>672,869,933</u>
Total assessed valuation	<u>\$ 11,498,488,904</u>
Tax rate per \$100 (2)	<u>\$ 0.3600</u>
Levy (includes discoveries, releases, and abatements) (3)	<u>\$ 41,394,561</u>
In addition to the County-wide rate, the County levies taxes on behalf of two fire districts:	
Fire districts	<u>\$ 1,898,902</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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