

**MACON COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

**MACON COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2021

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION

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November 24, 2021

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Macon County for the fiscal year ended June 30, 2021. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. Their unmodified opinion is included in the basic financial statements. However, this report is presented by the County, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY:

Macon County, founded in 1828, is located in the Southwestern area of the state. Macon County has land area of 516 square miles and an estimated population of 37,102. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include Drake Software (tax software), TekTone Sound & Signal Mfg., Inc. (healthcare communications), Duotech Services (aerospace), Tricorn USA (metal tubular fabrication), and Beasley Flooring Products (flooring). Healthcare includes three medical campuses from two health systems (Hospital Corporation of America Healthcare and Duke LifePoint Healthcare). Tourism and hospitality is especially strong in both the Highlands and Franklin areas, with entities such as Old Edwards Inn & Spa and the Smoky Mountain Center for the Performing Arts gaining national and global recognition. Macon County's natural resources, beauty, and proximity to major population centers have made it a major destination for both green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Three local breweries are located in the county. Real estate and second home/retirement construction are also major contributors to the local economy. Agriculture include vegetables, ornamentals, Christmas trees, trout production, and livestock. In addition, several national, regional, and local banks maintain operations in the county. Two municipalities are located in the County, the largest being the Town of Franklin, which serves as the County seat, and Highlands, a major travel/tourism and vacation home destination. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms.

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

ECONOMIC CONDITIONS AND OUTLOOK:

While the COVID-19 pandemic was a major factor in the 2020-2021 local economy, Macon County fared well when compared to other economies nationally. As of June 2021, the county's unemployment rate was 4.2%, down from a high of 11.3% in April of 2020. Labor force also showed a small increase over 2020. FY 2021 Retail Sales continued at a strong pace, surpassing FY 2020 in just 10 months, continuing at a strong pace going into FY 2022. Occupancy tax collections remain strong, a result of a growing travel and tourism economy. In December 2020, NC Commerce designated Macon County a Tier 3 county, one of the 20 least distressed counties in the state.

Going forward, the economic outlook looks positive. Population estimates indicate continued growth, with the county's location and natural beauty continuing to attract both year-round and part-time residents. There is significant retail development occurring along the 64/441 corridor in Franklin. Highlands continues to be a hot travel and tourism destination for more affluent visitors, as well as vacation homeowners.

The private sector owns 51.74% of Macon County's 329,958 total acres with the U.S. Forest Service owning 46.4% or 153,110 acres. The remaining 1.86% is exempt acreage. There are 43,708 parcels of land and 42,749 are taxable. The total appraised value of taxable property is \$8.25 billion. The tax rate is 37.47 cents per \$100 valuation. Duke Energy Corporation continues to be the County's largest taxpayer with 1.69% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.67% of total assessed value.

Transportation is critical to business and industry development. U.S. 441 is five lanes wide, making the trip to Atlanta, Georgia approximately two hours; this increases the marketability of our area. Additionally, U.S. 441 North is four lanes to Interstate 40, which runs east and west across the country. U.S. Highway 64 West is three and four lanes in a westward direction to the Tennessee line. Macon County has a modern airport facility with a 5,000 feet runway enabling business jet access, a new terminal, hangar space with room for expansion, and plans

for an additional 1,000 feet runway extension. Macon County also operates a bus transit system with local daily routes as well as transportation outside the county for medical care.

LONG-TERM FINANCIAL PLANNING

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

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

MAJOR INITIATIVES:

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

ECONOMIC DEVELOPMENT - The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship, and quality job creation. Economic development projects included beginning construction of a new hospital by the Hospital Corporation of America, letting of bids for a new retail center anchored by Ingles Markets, development of the former Duke Energy tract to include a Chick-Fil-A, Starbucks, Aspen Dental Works and Aldi food store, and a new Harbor Freight tool store in the former Kmart location. Food Lion grocery occupied the former BI-LO grocery location. In an effort to expand broadband, the county awarded a \$580,000 grant to Balsam West for construction of a fiber backbone connecting south Macon, Otto and Scaly Mountain, as well as extending service to Otto Community Center/Volunteer Fire Dept. and Scaly Mtn. Community Center/Volunteer Fire Dept., with plans for fiber/wireless deployment to private residences and businesses in the south portion of the county. The county broadband committee continued to work on broadband deployment to Nantahala Community, one of the more isolated areas of the county. In addition, the county applied for a substantial broadband grant from the National Telecommunications and Information Administration. In addition, the EDC continued operation of the Macon County Business Development Center with three start-up companies occupying space, as well as the Macon County Public Schools STEM program. The EDC also collaborated with NCWorks Career Center and private employers to promote job-hiring events.

SCHOOLS – Macon County continues to meet the challenge of providing school facilities as recommended by the facilities planning committee made up of county and school officials. During the fiscal year, the County entered into an \$8,178,000 contract for the renovation of Macon Middle School. Furthermore, the County funded \$1,163,874 of annual capital needs.

BOND ISSUANCE – Macon County sold \$19,320,000 in bonds, which priced on March 8, 2021 and closed on March 25, 2021; this included \$9,500,000 for the renovation of Macon Middle School and \$9,820,000 in loan refinancings. The county received a True Interest Cost (TIC) Rate on the renovations of 1.90% for a term of twenty years and a 1.07% TIC Rate on the refinancings for a term of fourteen years. The county is anticipating total debt service savings of over \$700,000 during the term of the refinancings.

SOLID WASTE OPERATIONS – The County opened the Macon County MSW Landfill in 1992 and expanded the cell in 1999. During 2020, the County added a new cell to the Macon County MSW Landfill. The County began transitioning to the new cell in January 2020.

The County's solid waste landfill is subject to the Environmental Protection Agency's (EPA's) regulations for municipal solid waste landfill closure and post closure care. Closure, post closure, and corrective action costs of the current and closed cells is estimated to be \$9,530,222. The County has already recognized a liability of \$7,736,874 for closure, post closure, and corrective action costs, based upon the amount of cell capacity used to date. The old

Franklin site has 1 year remaining and the old Highlands site has 2 years remaining of postclosure care. Although the County has complied with the EPA's financial assurance requirements through the use of the local government financial test, a reserve fund has been established to pay for the future costs of closure and postclosure care for the current landfill. Additional information is included in the notes to the financial statements.

AIRPORT ACTIVITIES - With increased air traffic, Macon County Airport continues to make major upgrades and improvements. The Authority began design of a new fuel farm. In addition, plans continued for a 1,000' runway extension (from 5000' to 6000') project as a future need. Future needs also include additional hangar space.

FINANCIAL INFORMATION:

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

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

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

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with the applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2021 provided no material instances of noncompliance.

BUDGETING CONTROLS - In addition to the single audit, the County maintains budgetary controls. The objective of these budgetary controls is to maintain compliance with legal provisions embodied in the annual budget approved by the Board of Commissioners. The activities of the County are included in either the annual budget ordinance or a project budget ordinance, which may extend longer than one fiscal year. The budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level for the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Funds, and at the direct level for the Capital Projects Funds. The County Manager has the authority to make various changes including inter-departmental transfers, executing grant agreements, and other changes as defined in the annual budget ordinance. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end; however, encumbrances generally are reappropriated in the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. There were no significant variances in final amended budget versus actual results.

FINANCIAL POLICIES - Macon County has a fund balance policy to maintain an unassigned fund balance of at least 25% of expenditures and transfers out. Over the years, the county has maintained a very healthy financial position. The County considers the 10-year payout ratio, debt to assessed value ratio, and debt service to expenditures ratio when evaluating new debt issuance.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Macon County has received twenty-four annual GFOA Certificates for Excellence in Financial Reporting.

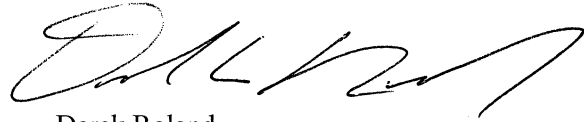
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

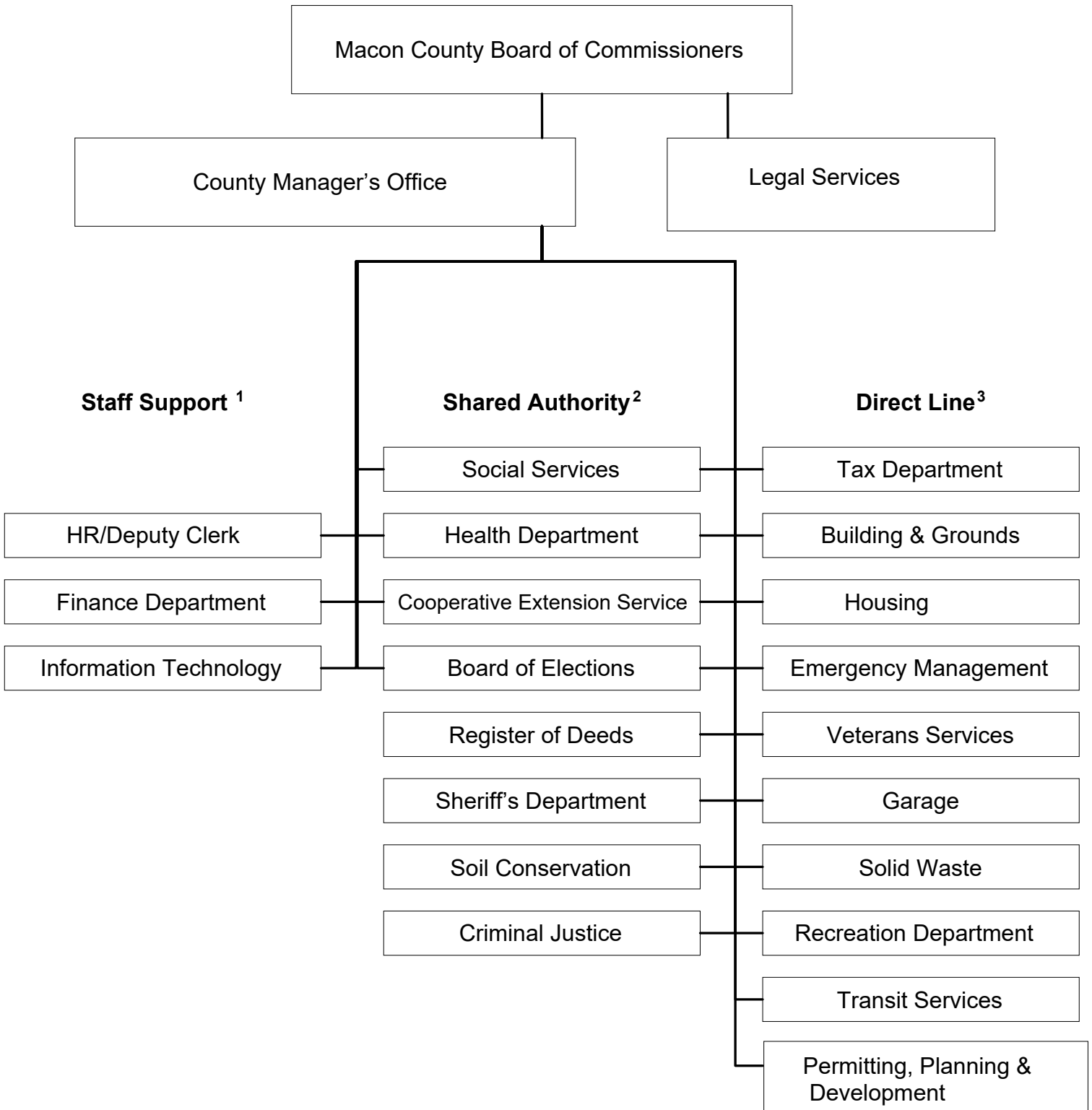


Lori M. Carpenter
Finance Director



Derek Roland
County Manager

Macon County Government



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

MACON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2021

Board of Commissioners

Jim Tate, Chairman
Ronnie Beale, Vice-Chairman
Josh Young, Commissioner
Paul Higdon, Commissioner
Gary Shields, Commissioner

Principal Officials

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Macon County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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

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

Independent Auditor's Report

To the Board of Commissioners
Macon County
Franklin, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Macon County Airport Authority were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in note 6 to the financial statements, for fiscal year ended June 30, 2021 Macon County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Macon County's basic financial statements. The introductory section, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021 on our consideration of Macon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Macon County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 24, 2021

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Management's Discussion and Analysis

As management of Macon County, we offer readers of Macon County's financial statements this narrative overview and analysis of the financial activities of Macon County (the "County") for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

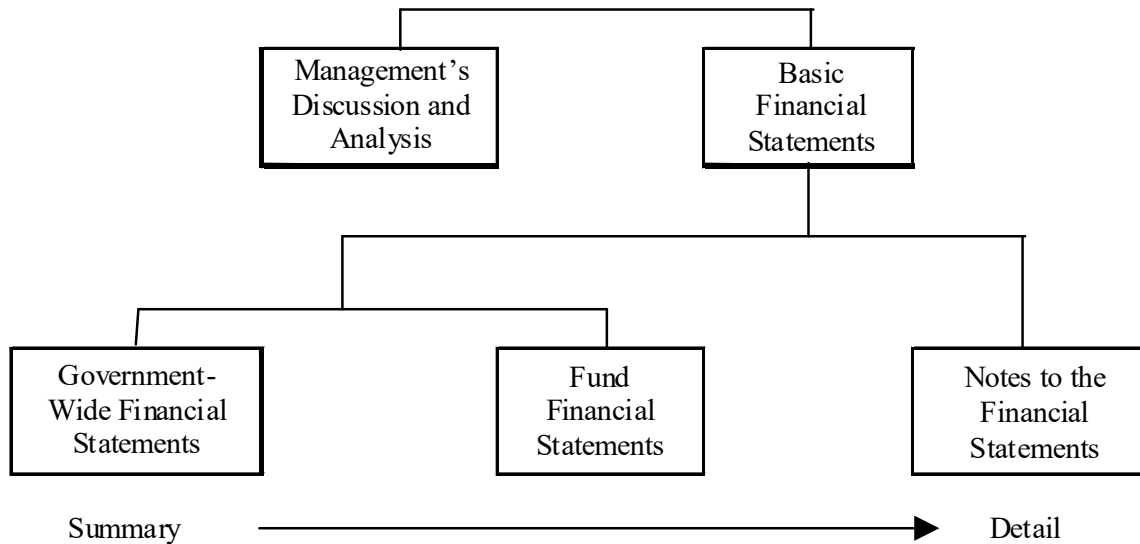
Financial Highlights

- The liabilities and deferred inflows of resources of Macon County exceeded its assets and deferred outflows of resources at the close of the fiscal year by (\$13,485,204) (*net position*).
- The County's total net position decreased by (\$136,940), primarily due to a decrease in the net position of governmental activities, as well as the implementation of GASB Statement No. 84, *Fiduciary Activities*, which created five new special revenue funds that were once treated as agency funds.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$37,876,856, an increase of \$6,379,671 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$52,696,773. Approximately 33.46% of this total amount, or \$17,634,711, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32,122,385, or 62.44%, of total General Fund expenditures and transfers out for the fiscal year.
- Macon County's total debt increased by \$6,778,366 or 23.64% during the fiscal year. The key factor in this increase was the issuance of \$9,500,000 of limited obligation bonds as well as making current year payments on installment contracts and special obligation bonds. The County is rated Aa2 by Moody's Investors Service.
- Macon County's total liabilities increased by \$36,899,079 or 32.74%, during the past fiscal year, primarily due to an increase in total OPEB liability and an increase in bond payments.

Overview of the Financial Statements

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

**Required Components of Annual Financial Report
Figure 1**



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring the net position is one way to gauge the County's financial condition.

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

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

Fund Financial Statements

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

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

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

Proprietary Funds. Macon County maintains two types of proprietary funds: the Enterprise Fund and the Internal Service Fund. *Enterprise funds* report the same functions presented as business-type activities in the government-wide financial statements. Macon County uses an enterprise fund to account for its solid waste operations. This fund is the same as the separate activities shown in the business-type activities in the Statement of Net Position and Statement of Activities. Macon County uses an internal service fund to account for health insurance on a cost reimbursement basis. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Macon County has two fiduciary funds, both 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 follow Exhibit K of this report.

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

Government-Wide Financial Analysis

Macon County's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 41,001,267	\$ 58,424,178	\$ 12,965,459	\$ 13,241,081	\$ 53,966,726	\$ 71,665,259
Capital assets	24,248,512	23,459,827	11,598,250	11,655,620	35,846,762	35,115,447
Total assets	65,249,779	81,884,005	24,563,709	24,896,701	89,813,488	106,780,706
Deferred outflows of resources	16,411,588	34,066,086	985,305	2,116,221	17,396,893	36,182,307
Long-term liabilities						
outstanding	89,299,364	124,011,382	16,103,842	17,673,719	105,403,206	141,685,101
Other liabilities	5,946,450	6,605,268	1,365,833	1,324,199	7,312,283	7,929,467
Total liabilities	95,245,814	130,616,650	17,469,675	18,997,918	112,715,489	149,614,568
Deferred inflows of resources	7,491,837	6,434,077	443,887	399,572	7,935,724	6,833,649
Net position:						
Net investment in capital assets	23,024,724	22,424,684	6,191,482	7,204,226	29,216,206	29,628,910
Restricted	6,470,552	7,519,573	-	-	6,470,552	7,519,573
Unrestricted	(50,571,560)	(51,044,893)	1,443,970	411,206	(49,127,590)	(50,633,687)
Total net position	\$ (21,076,284)	\$ (21,100,636)	\$ 7,635,452	\$ 7,615,432	\$ (13,440,832)	\$ (13,485,204)

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by (\$13,485,204) as of June 30, 2021. The County's net position decreased by (\$136,940) for the fiscal year ended June 30, 2021. One of the largest portions of Macon County's net position, \$29,628,910, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Macon County's investment in its capital assets is reported net of outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$7,519,573, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is reporting a negative balance in unrestricted net position in the amount of \$50,633,687 for the government as a whole. The primary reason for the deficit is the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, in the fiscal year ended June 30, 2018 and the resulting total OPEB liability. Another reason for the deficit is the County holds title to certain Macon County Board of Education properties that have not been included in the County's capital assets. These properties have been deeded to the County to allow for debt financings on school construction. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title back to the Board of Education after all restrictions of the debt financings have been met. These properties are reflected as capital assets in the financial statements of the Macon County Board of Education. Since the County, as the issuing government, doesn't include these properties as capital assets, the County has incurred a liability without a corresponding increase in assets.

Macon County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues:						
Charges for services	\$ 5,073,917	\$ 6,390,491	\$ 4,468,721	\$ 5,171,154	\$ 9,542,638	\$ 11,561,645
Operating grants and contributions	9,969,610	10,501,362	-	-	9,969,610	10,501,362
Capital grants and contributions	235,664	175,563	-	320,000	235,664	495,563
General revenues:						
Property taxes	34,760,708	35,465,402	-	-	34,760,708	35,465,402
Other taxes	12,334,674	16,025,767	-	-	12,334,674	16,025,767
Other	1,023,410	542,801	111,642	12,259	1,135,052	555,060
Total revenues	<u>63,397,983</u>	<u>69,101,386</u>	<u>4,580,363</u>	<u>5,503,413</u>	<u>67,978,346</u>	<u>74,604,799</u>
Expenses:						
General government	14,294,811	16,345,979	-	-	14,294,811	16,345,979
Public safety	20,316,737	20,773,669	-	-	20,316,737	20,773,669
Transportation	1,014,124	1,118,357	-	-	1,014,124	1,118,357
Economic and physical development	2,529,161	3,208,328	-	-	2,529,161	3,208,328
Human services	11,021,630	12,046,235	-	-	11,021,630	12,046,235
Cultural and recreational	2,983,597	3,283,056	-	-	2,983,597	3,283,056
Education	12,025,506	11,698,340	-	-	12,025,506	11,698,340
Interest on long-term debt	780,972	744,342	-	-	780,972	744,342
Solid waste	-	-	4,236,713	5,523,433	4,236,713	5,523,433
Total expenses	<u>64,966,538</u>	<u>69,218,306</u>	<u>4,236,713</u>	<u>5,523,433</u>	<u>69,203,251</u>	<u>74,741,739</u>
Change in net position before special items	(1,568,555)	(116,920)	343,650	(20,020)	(1,224,905)	(136,940)
Special item - increase in landfill capacity	-	-	3,889,458	-	3,889,458	-
Change in net position	<u>(1,568,555)</u>	<u>(116,920)</u>	<u>4,233,108</u>	<u>(20,020)</u>	<u>2,664,553</u>	<u>(136,940)</u>
Net Position:						
Beginning of year - July 1	(19,507,729)	(21,076,284)	3,402,344	7,635,452	(16,105,385)	(13,440,832)
Restatement	-	92,568	-	-	-	92,568
Beginning of year - July 1, as restated	<u>(19,507,729)</u>	<u>(20,983,716)</u>	<u>3,402,344</u>	<u>7,635,452</u>	<u>(16,105,385)</u>	<u>(13,348,264)</u>
End of year - June 30	<u>\$ (21,076,284)</u>	<u>\$ (21,100,636)</u>	<u>\$ 7,635,452</u>	<u>\$ 7,615,432</u>	<u>\$ (13,440,832)</u>	<u>\$ (13,485,204)</u>

Governmental Activities. Of the total net position, governmental activities account for (\$21,100,636), (156.47%). Property taxes provide 51.32% of funding at \$35,465,402, charges for services funded at \$6,390,491, local option sales tax and occupancy tax funded at \$16,025,767, and operating grants funded at \$10,501,362 of Macon County's governmental activities. Governmental activities decreased Macon County's net position by \$116,920. This decrease is primarily due to an increase in spending in general government, human services, and economic and physical development.

Business-Type Activities. Business-type activities decreased the County's net position by \$20,020. This decrease is primarily attributable to an increase in landfill closure and post-closure care cost.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Macon County. At the end of the current fiscal year, fund balance available in the General Fund was \$32,617,937, while total fund balance reached \$37,876,856. The County currently has an available fund balance of 63.40% of General Fund expenditures and transfers out, while total fund balance represents 73.63% of that same amount. Total fund balance in the General Fund increased by \$6,379,671. This increase is primarily attributable to an increase in sales tax and ad valorem tax revenues. Sales tax revenues increased by 26% due to an increase in taxable sales and purchases within the County. Ad valorem tax revenues increased by 2.33% due to a 1.72% increase in tax levy and an increase of 0.23% in the collection percentage.

The Debt Service Fund's total fund balance increased by \$1,006,251. This increase is primarily attributable to the transfers from the schools capital fund to the debt service fund increasing by \$495,586 and the principal and interest payments being \$262,850 less than FY2020.

The Consolidated Capital Project Fund's total fund balance increased by \$9,034,374. This increase is primarily attributable to the issuance of \$9,500,000 limited obligation bonds and the associated premium of \$996,435.

As of the end of the current fiscal year, Macon County's total governmental funds reported combined ending fund balances of \$52,696,773, an increase of \$16,398,038 in comparison with the prior year. This increase is primarily attributable to an increase in sales tax, ad valorem tax, and occupancy tax revenues as well as the issuance of \$9,500,000 limited obligation bonds and the associated premium of \$996,435.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the budget by \$7,625,000. The majority of this increase was attributable to additional sales tax

revenues, ad valorem tax revenues, and restricted intergovernmental revenues. The difference between the final budgeted amount and the actual expenditures and transfers out was \$8,481,866. This difference is primarily due to underspending the budget in human services, general government, and public safety.

Proprietary Funds. Macon County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the year totaled \$411,206. The decrease of \$1,032,764 over the prior year is primarily attributable to an increase in landfill closure and post-closure care cost. Other factors concerning the finances of the fund have already been addressed in the discussion of the County’s business-type activities.

Capital Asset and Debt Administration

Capital Assets. Macon County’s capital assets for its governmental and business-type activities as of June 30, 2021 amount to \$35,115,447, (net of accumulated depreciation). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- Purchased 1 van for Transit
- Purchased 1 SUV for Sheriff
- Purchased new tax software
- Purchased data storage
- Completed dog park
- Purchased 2 skid-steer loaders for Solid Waste
- Upgraded landfill convenience centers in Solid Waste

**Macon County’s Capital Assets
Figure 4**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Land	\$ 9,930,051	\$ 10,062,224	\$ 1,773,021	\$ 2,093,021	\$ 11,703,072	\$ 12,155,245
Buildings and improvements	32,541,908	32,945,228	16,911,694	17,196,101	49,453,602	50,141,329
Furniture and equipment	4,760,306	5,042,473	4,896,912	5,292,454	9,657,218	10,334,927
Vehicles	7,812,746	7,760,777	849,858	849,858	8,662,604	8,610,635
Construction in progress	1,530,797	1,374,421	107,105	48,942	1,637,902	1,423,363
Subtotal	56,575,808	57,185,123	24,538,590	25,480,376	81,114,398	82,665,499
Less accumulated depreciation	<u>(32,327,296)</u>	<u>(33,725,296)</u>	<u>(12,940,340)</u>	<u>(13,824,756)</u>	<u>(45,267,636)</u>	<u>(47,550,052)</u>
Total	<u>\$ 24,248,512</u>	<u>\$ 23,459,827</u>	<u>\$ 11,598,250</u>	<u>\$ 11,655,620</u>	<u>\$ 35,846,762</u>	<u>\$ 35,115,447</u>

Additional information on the County’s capital assets can be found in the notes to the financial statements beginning on page 49.

Long-Term Debt. As of June 30, 2021, Macon County had total bonded debt outstanding of \$26,830,794, all of which is debt backed by full faith and credit of the County.

Macon County's Outstanding Debt
Figure 5

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Installment contracts	\$ 22,548,157	\$ 8,620,200	\$ -	\$ -	\$ 22,548,157	\$ 8,620,200
Special obligation bonds	-	-	6,124,471	5,161,073	6,124,471	5,161,073
Limited obligation bonds	-	21,669,721	-	-	-	21,669,721
Total	<u>\$ 22,548,157</u>	<u>\$ 30,289,921</u>	<u>\$ 6,124,471</u>	<u>\$ 5,161,073</u>	<u>\$ 28,672,628</u>	<u>\$ 35,450,994</u>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Macon County is approximately \$624,894,000, which is significantly greater than Macon County's outstanding debt.

More detailed information on the County's long-term debt can be found in the notes to the financial statements beginning on page 72.

Economic Factors and Next Year's Budgets and Rates

The following factors reflect the economic activity of the County.

- The County's June 2021 unadjusted unemployment rate is 4.2% compared to the state's unadjusted unemployment rate of 4.9%. The County's June 2021 rate is 2.4% lower than it was a year ago.
- Sales tax distributions increased 26% over the prior year and occupancy tax receipts increased 54% over the prior year.
- Low debt burden and property tax rate – The County's existing debt obligations are only 5.37% of its statutory limit. The FY2021 property tax rate of \$0.3747/\$100 is below the State average of \$0.6755/\$100 and the third lowest of all 100 counties in North Carolina.

All of these factors were considered in preparing Macon County's budget for the 2020-2021 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities. Taxes are based on \$8.16 billion in property valuation, with the tax rate increasing \$0.0253 to \$0.40 per \$100 of assessed value. The County adjusted the tax collection rate from 97.3% to 98.35%. Sales tax revenues were budgeted with 3% growth on the FY2021 year-end projection.

Budgeted expenditures in the General Fund are \$56,681,218, which is \$4,378,773 more than the FY2021 original budget, or 8.37%. The budget includes an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees at a cost of approximately \$197,000, a 2% COLA at a cost of \$417,000, and \$1,876,758 earmarked for increasing employee compensation at the conclusion of a pay study. The budget contains \$2,892,542 in capital outlay.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$5,802,993, which represents an increase of \$393,211, or 7.27%. The budget includes a \$120,000 increase in recycling revenue and an \$86,000 increase in tipping fees. This increase in revenue is due to consumption increases not rate increases. The budget includes an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees, a 2% COLA, and \$125,000 earmarked for increasing employee compensation at the conclusion of a pay study. The budget contains \$795,000 in capital outlay.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

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MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Assets:				
Cash and cash equivalents	\$ 40,404,891	\$ 12,160,443	\$ 52,565,334	\$ 112,463
Taxes receivable, net	605,182	-	605,182	-
Interest receivable	1,288	161	1,449	-
Accounts receivable, net	1,304,159	370,798	1,674,957	-
Due from other governments	5,759,021	-	5,759,021	-
Inventories	15,632	-	15,632	-
Prepaid items	358,145	-	358,145	-
Restricted cash and cash equivalents	9,636,345	709,679	10,346,024	-
Notes receivable - long term	250,000	-	250,000	-
Net pension asset - ROD	89,515	-	89,515	-
Non-depreciable capital assets	11,436,645	2,141,963	13,578,608	2,997,004
Depreciable capital assets, net	12,023,182	9,513,657	21,536,839	10,438,262
Total assets	81,884,005	24,896,701	106,780,706	13,547,729
Deferred Outflows of Resources:				
Pension deferrals	5,059,655	258,179	5,317,834	-
OPEB deferrals	29,006,431	1,858,042	30,864,473	-
Total deferred outflows of resources	34,066,086	2,116,221	36,182,307	-
Liabilities:				
Accounts payable and accrued liabilities	3,678,958	276,240	3,955,198	232
Grants received in advance	57,372	-	57,372	-
Non-current liabilities:				
Current portion of compensated absences	113,674	6,678	120,352	-
Due in less than one year: bonds, installment purchases	2,755,264	1,041,281	3,796,545	-
Due in more than one year:				
Non-current compensated absences	1,023,061	60,105	1,083,166	-
Due in more than one year: bonds, installment purchases	27,534,657	11,856,666	39,391,323	-
Net pension liability - LGERS	8,062,475	474,082	8,536,557	-
Total pension liability - LEOSA	1,928,606	-	1,928,606	-
Total OPEB liability	85,462,583	5,282,866	90,745,449	-
Total liabilities	130,616,650	18,997,918	149,614,568	232
Deferred Inflows of Resources:				
Prepaid taxes	61,565	-	61,565	-
Pension deferrals	281,547	9,408	290,955	-
OPEB deferrals	6,090,965	390,164	6,481,129	-
Total deferred inflows of resources	6,434,077	399,572	6,833,649	-
Net Position:				
Net investment in capital assets	22,424,684	7,204,226	29,628,910	13,435,266
Restricted for:				
Stabilization by state statute	6,155,610	-	6,155,610	-
Register of Deeds' pension plan	87,612	-	87,612	-
Public safety	1,091,448	-	1,091,448	-
Economic and physical development	17,113	-	17,113	-
Education	141,377	-	141,377	-
Human services	26,413	-	26,413	-
Unrestricted	(51,044,893)	411,206	(50,633,687)	112,231
Total net position	\$ (21,100,636)	\$ 7,615,432	\$ (13,485,204)	\$ 13,547,497

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 16,345,979	\$ 2,396,275	\$ 112,760	\$ -
Public safety	20,773,669	2,725,508	874,099	-
Transportation	1,118,357	85,638	211,693	109,631
Economic and physical development	3,208,328	168,802	368,421	59,818
Human services	12,046,235	973,479	8,107,542	6,114
Cultural and recreational	3,283,056	40,789	-	-
Education	11,698,340	-	826,847	-
Interest on long-term debt	744,342	-	-	-
Total governmental activities	<u>69,218,306</u>	<u>6,390,491</u>	<u>10,501,362</u>	<u>175,563</u>
Business-Type Activities:				
Solid waste	<u>5,523,433</u>	<u>5,171,154</u>	<u>-</u>	<u>320,000</u>
Total primary government	<u>\$ 74,741,739</u>	<u>\$ 11,561,645</u>	<u>\$ 10,501,362</u>	<u>\$ 495,563</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 842,730</u>	<u>\$ -</u>	<u>\$ 33,650</u>	<u>\$ 66,466</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position			Component Unit Macon County Airport Authority
	Primary Government		Total	
	Governmental Activities	Business-Type Activities		
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (13,836,944)	\$ -	\$ (13,836,944)	
Public safety	(17,174,062)	-	(17,174,062)	
Transportation	(711,395)	-	(711,395)	
Economic and physical development	(2,611,287)	-	(2,611,287)	
Human services	(2,959,100)	-	(2,959,100)	
Cultural and recreational	(3,242,267)	-	(3,242,267)	
Education	(10,871,493)	-	(10,871,493)	
Interest on long-term debt	(744,342)	-	(744,342)	
Total governmental activities	<u>(52,150,890)</u>	<u>-</u>	<u>(52,150,890)</u>	
Business-Type Activities:				
Solid waste	<u>-</u>	<u>(32,279)</u>	<u>(32,279)</u>	
Total primary government	<u>(52,150,890)</u>	<u>(32,279)</u>	<u>(52,183,169)</u>	
Component Unit:				
Macon County Airport Authority				\$ (742,614)
General Revenues:				
Ad valorem taxes	35,465,402	-	35,465,402	-
Local option sales tax	13,915,746	-	13,915,746	-
Occupancy taxes	2,110,021	-	2,110,021	-
Unrestricted intergovernmental revenues:				
Other taxes	413,257	-	413,257	-
Gross receipts tax	38,887	-	38,887	-
Interest earned on investments	90,657	12,259	102,916	-
Total general revenues	<u>52,033,970</u>	<u>12,259</u>	<u>52,046,229</u>	<u>-</u>
Change in net position	<u>(116,920)</u>	<u>(20,020)</u>	<u>(136,940)</u>	<u>(742,614)</u>
Net Position:				
Beginning of year - July 1	(21,076,284)	7,635,452	(13,440,832)	14,290,111
Restatement	92,568	-	92,568	-
Beginning of year - July 1, as restated	<u>(20,983,716)</u>	<u>7,635,452</u>	<u>(13,348,264)</u>	<u>14,290,111</u>
End of year - June 30	<u>\$ (21,100,636)</u>	<u>\$ 7,615,432</u>	<u>\$ (13,485,204)</u>	<u>\$ 13,547,497</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major			Non-Major	Total Governmental Funds
	General Fund	Debt Service Fund	Consolidated Capital Projects	Other Governmental Funds	
Assets:					
Cash and cash equivalents	\$ 34,356,236	\$ 1,826,667	\$ 1,339,152	\$ 2,351,270	\$ 39,873,325
Taxes receivable, net	520,194	-	-	84,988	605,182
Interest receivable	1,288	-	-	-	1,288
Accounts receivable, net	1,252,829	-	-	51,330	1,304,159
Notes receivable, long term	250,000	-	-	-	250,000
Due from other funds	-	340,643	-	-	340,643
Due from other governments	4,638,697	41,112	-	1,079,212	5,759,021
Inventories	7,461	-	-	8,171	15,632
Prepaid items	358,145	-	-	-	358,145
Cash and cash equivalents, restricted	39,528	23,240	9,555,733	17,844	9,636,345
Total assets	<u>\$ 41,424,378</u>	<u>\$ 2,231,662</u>	<u>\$ 10,894,885</u>	<u>\$ 3,592,815</u>	<u>\$ 58,143,740</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,676,734	\$ -	\$ 897,227	\$ 558,743	\$ 3,132,704
Due to other funds	-	-	-	340,643	340,643
Liabilities to be paid from restricted assets:					
Grants received in advance	39,528	-	-	17,844	57,372
Total liabilities	<u>1,716,262</u>	<u>-</u>	<u>897,227</u>	<u>917,230</u>	<u>3,530,719</u>
Deferred Inflows of Resources:					
Property taxes receivable	520,194	-	-	84,988	605,182
Ambulance receivable	920,547	-	-	-	920,547
Public health receivable	328,954	-	-	-	328,954
Prepaid taxes	61,565	-	-	-	61,565
Total deferred inflows of resources	<u>1,831,260</u>	<u>-</u>	<u>-</u>	<u>84,988</u>	<u>1,916,248</u>
Fund Balances:					
Non-spendable, not in spendable form:					
Inventories	7,461	-	-	8,171	15,632
Prepays	358,145	-	-	-	358,145
Notes receivable, long term	250,000	-	-	-	250,000
Restricted for:					
Stabilization by state statute	4,643,313	381,755	-	1,130,542	6,155,610
Public safety	345,685	-	-	745,763	1,091,448
Economic and physical development	-	-	-	17,113	17,113
Human services	-	-	-	26,413	26,413
Education	141,377	23,240	9,555,733	-	9,720,350
Committed for:					
General government	-	-	-	689,390	689,390
Economic and physical development	-	-	-	589,643	589,643
Education	-	-	441,925	-	441,925

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	Major			Non-Major	Total Governmental Funds
	General Fund	Debt Service Fund	Consolidated Capital Projects	Other Governmental Funds	
Assigned for:					
Subsequent year's expenditures	8,490	-	-	-	8,490
Debt service	-	1,826,667	-	-	1,826,667
Unassigned	32,122,385	-	-	(616,438)	31,505,947
Total fund balances	37,876,856	2,231,662	9,997,658	2,590,597	52,696,773
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,424,378	\$ 2,231,662	\$ 10,894,885	\$ 3,592,815	

Amounts reported in the governmental activities in the Statement of Net
Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,459,827
Net pension asset	89,515
Net pension liability - LGERS	(8,062,475)
Total pension liability - LEOSSA	(1,928,606)
Total OPEB liability	(85,462,583)
Internal service funds are used by management to charge the cost of health insurance. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	248,769
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(31,690,113)
Deferred outflows of resources related to pensions are not reported in the funds.	5,059,655
Deferred inflows of resources related to pensions are not reported in the funds.	(281,547)
Deferred outflows of resources related to OPEB are not reported in the funds.	29,006,431
Deferred inflows of resources related to OPEB are not reported in the funds.	(6,090,965)
Deferred inflows of resources for taxes receivables	605,182
Deferred inflows of resources for other unavailable revenues	1,249,501
Net position of governmental activities	\$ (21,100,636)

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major			Non-Major	Total Governmental Funds
	General Fund	Debt Service Fund	Consolidated Capital Project	Other Governmental Funds	
Revenues:					
Ad valorem taxes	\$ 31,216,927	\$ -	\$ -	\$ 4,346,844	\$ 35,563,771
Local option sales taxes	11,125,535	-	-	2,790,211	13,915,746
Unrestricted intergovernmental revenues	452,144	-	-	-	452,144
Restricted intergovernmental revenues	9,077,397	671,287	-	922,127	10,670,811
Occupancy taxes	-	-	-	2,110,021	2,110,021
Permits and fees	2,071,826	-	-	58,683	2,130,509
Sales and services	3,022,549	-	-	186,568	3,209,117
Interest earned on investments	89,652	2	572	347	90,573
Miscellaneous	464,220	41,112	-	-	505,332
Total revenues	<u>57,520,250</u>	<u>712,401</u>	<u>572</u>	<u>10,414,801</u>	<u>68,648,024</u>
Expenditures:					
Current:					
General government	10,420,891	-	-	287,173	10,708,064
Public safety	14,119,057	-	-	4,562,683	18,681,740
Transportation	943,651	-	-	-	943,651
Economic and physical development	595,985	-	-	2,540,748	3,136,733
Human services	10,771,830	-	-	227,817	10,999,647
Education	10,391,184	-	1,307,156	-	11,698,340
Cultural and recreational	2,712,926	-	-	-	2,712,926
Debt service:					
Principal repayments	-	2,924,149	-	-	2,924,149
Interest	-	730,577	-	-	730,577
Issuance costs	-	177,882	172,077	-	349,959
Total expenditures	<u>49,955,524</u>	<u>3,832,608</u>	<u>1,479,233</u>	<u>7,618,421</u>	<u>62,885,786</u>
Revenues over (under) expenditures	<u>7,564,726</u>	<u>(3,120,207)</u>	<u>(1,478,661)</u>	<u>2,796,380</u>	<u>5,762,238</u>
Other Financing Sources (Uses):					
Issuance of long-term debt	-	9,820,000	9,500,000	-	19,320,000
Premium on long-term debt issued	-	1,384,929	996,435	-	2,381,364
Payments to escrow agent for refunded debt	-	(11,003,808)	-	-	(11,003,808)
Transfers in	305,000	3,925,337	16,600	145,348	4,392,285
Transfers (out)	(1,490,055)	-	-	(2,963,986)	(4,454,041)
Total other financing sources (uses)	<u>(1,185,055)</u>	<u>4,126,458</u>	<u>10,513,035</u>	<u>(2,818,638)</u>	<u>10,635,800</u>
Net change in fund balances	<u>6,379,671</u>	<u>1,006,251</u>	<u>9,034,374</u>	<u>(22,258)</u>	<u>16,398,038</u>
Fund Balances:					
Beginning of year - July 1, as previously reported	31,497,185	1,225,411	963,284	2,520,287	36,206,167
Prior period restatement - change in accounting principle	-	-	-	92,568	92,568
Beginning of year - July 1, as restated	<u>31,497,185</u>	<u>1,225,411</u>	<u>963,284</u>	<u>2,612,855</u>	<u>36,298,735</u>
End of year - June 30	<u>\$ 37,876,856</u>	<u>\$ 2,231,662</u>	<u>\$ 9,997,658</u>	<u>\$ 2,590,597</u>	<u>\$ 52,696,773</u>

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

MACON COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds	\$ 16,398,038
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(98,369)
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenues types:</p>	
Ambulance revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	179,276
Public health fees in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	39,157
Accrued interest and amortization of refunding costs and premiums and amortized expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(13,765)
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	8,350
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.	2,924,149
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense - LEOSSA	(175,031)
Pension expense - LGERS	(1,092,317)
Pension expense - ROD	6,245
OPEB plan expense	(6,760,884)
Contribution of capital assets is reported as a revenue in the Statement of Activities and is not reported in the governmental funds.	6,114
Capital assets (net) disposed of during the year are not recognized on the modified accrual basis.	(55,823)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense; rather it is an increase in capital assets.	1,394,879
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,133,855)
The issuance of long-term debt (e.g., bonds, leases) and the refunding of long-term debt provide current financial resources to governmental funds. The repayment of refunded long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, is reported in the Statement of Activities.	(10,697,556)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>(45,528)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (116,920)</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 30,137,247	\$ 31,023,246	\$ 31,216,927	\$ 193,681
Local option sales taxes	8,063,941	10,714,063	11,125,535	411,472
Unrestricted intergovernmental revenues	417,000	428,416	452,144	23,728
Restricted intergovernmental revenues	8,465,129	11,774,058	9,077,397	(2,696,661)
Permits and fees	1,136,861	1,982,544	2,071,826	89,282
Sales and services	2,807,625	2,845,707	3,022,549	176,842
Investment earnings	110,000	88,000	89,652	1,652
Miscellaneous	55,330	455,461	464,220	8,759
Total revenues	<u>51,193,133</u>	<u>59,311,495</u>	<u>57,520,250</u>	<u>(1,791,245)</u>
Expenditures:				
Current:				
General government	9,311,764	11,987,397	10,420,891	1,566,506
Public safety	14,322,286	16,304,195	14,119,057	2,185,138
Transportation	1,457,822	1,687,804	943,651	744,153
Economic and physical development	555,730	746,743	595,985	150,758
Human services	12,527,737	14,197,446	10,771,830	3,425,616
Cultural and recreational	2,644,647	2,803,331	2,712,926	90,405
Intergovernmental:				
Education	10,036,908	10,543,378	10,391,184	152,194
Total expenditures	<u>50,856,894</u>	<u>58,270,294</u>	<u>49,955,524</u>	<u>8,314,770</u>
Revenues over (under) expenditures	<u>336,239</u>	<u>1,041,201</u>	<u>7,564,726</u>	<u>6,523,525</u>
Other Financing Sources (Uses):				
Transfers in	407,000	602,000	305,000	(297,000)
Transfers (out)	(1,445,551)	(1,657,151)	(1,490,055)	167,096
Appropriated fund balance	702,312	13,950	-	(13,950)
Total other financing sources (uses)	<u>(336,239)</u>	<u>(1,041,201)</u>	<u>(1,185,055)</u>	<u>(143,854)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	6,379,671	<u>\$ 6,379,671</u>
Fund Balance:				
Beginning of year - July 1			<u>31,497,185</u>	
End of year - June 30			<u>\$ 37,876,856</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 12,160,443	\$ 531,566
Interest receivable	161	-
Accounts receivable, net	370,798	-
Total current assets	<u>12,531,402</u>	<u>531,566</u>
Non-current assets:		
Cash and cash equivalents, restricted	<u>709,679</u>	-
Non-depreciable capital assets	2,141,963	-
Depreciable capital assets, net	<u>9,513,657</u>	-
Total capital assets	<u>11,655,620</u>	-
Total non-current assets	<u>12,365,299</u>	-
Total assets	<u>24,896,701</u>	<u>531,566</u>
Deferred Outflows of Resources:		
Pension deferrals	258,179	-
OPEB deferrals	<u>1,858,042</u>	-
Total deferred outflows of resources	<u>2,116,221</u>	-
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	276,240	282,797
Current portion of accrued landfill closure and post-closure care cost	52,817	-
Current portion of long-term liabilities	988,464	-
Compensated absences payable - current	<u>6,678</u>	-
Total current liabilities	<u>1,324,199</u>	<u>282,797</u>
Non-current liabilities:		
Net pension liability - LGERS	474,082	-
Accrued landfill closure and post-closure care cost	7,684,057	-
Compensated absences payable	60,105	-
Total OPEB liability	5,282,866	-
Long-term liabilities - non-current	<u>4,172,609</u>	-
Total non-current liabilities	<u>17,673,719</u>	-
Total liabilities	<u>18,997,918</u>	<u>282,797</u>
Deferred Inflows of Resources:		
Pension deferrals	9,408	-
OPEB deferrals	<u>390,164</u>	-
Total deferred inflows of resources	<u>399,572</u>	-
Net Position:		
Net investment in capital assets	7,204,226	-
Unrestricted	<u>411,206</u>	<u>248,769</u>
Total net position	<u>\$ 7,615,432</u>	<u>\$ 248,769</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Landfill fees	\$ 2,947,237	\$ -
Solid waste disposal fees	29,898	-
Charges for services	-	5,007,947
Tipping fees	1,817,571	-
Scrap tire revenues	52,816	-
Other	323,632	-
Total operating revenues	<u>5,171,154</u>	<u>5,007,947</u>
Operating Expenses:		
Salaries	1,157,369	-
Employee benefits	960,926	-
Benefit payments	-	59,117
Insurance premiums	-	5,056,198
Operating expenses	1,455,725	-
Landfill closure and post-closure care cost	939,316	-
Depreciation	884,416	-
Total operating expenses	<u>5,397,752</u>	<u>5,115,315</u>
Operating income (loss)	<u>(226,598)</u>	<u>(107,368)</u>
Non-Operating Revenues (Expenses):		
Capital contribution	320,000	-
Interest earned on investments	12,259	84
Interest and fees	(125,681)	-
Total non-operating revenues (expenses)	<u>206,578</u>	<u>84</u>
Net income (loss) before transfers	(20,020)	(107,284)
Transfers in (out)	-	61,756
Change in net position	(20,020)	(45,528)
Net Position:		
Beginning of year - July 1	<u>7,635,452</u>	<u>294,297</u>
End of year - June 30	<u>\$ 7,615,432</u>	<u>\$ 248,769</u>

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,713,166	\$ 5,007,947
Cash paid for goods and services	(1,560,249)	(5,100,308)
Cash paid to employees for services	(1,630,628)	-
Other operating revenues	455,494	-
Net cash provided (used) by operating activities	<u>1,977,783</u>	<u>(92,361)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	-	<u>61,756</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(621,786)	-
Principal paid on long-term debt	(963,398)	-
Interest paid on long-term debt	(131,730)	-
Net cash provided (used) for capital and related financing activities	<u>(1,716,914)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>12,259</u>	<u>84</u>
Net increase (decrease) in cash and cash equivalents	273,128	(30,521)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,596,994</u>	<u>562,087</u>
End of year - June 30	<u>\$ 12,870,122</u>	<u>\$ 531,566</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (226,598)	\$ (107,368)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	884,416	-
Change in estimate of closure and post-closure care cost	898,696	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	(2,494)	-
(Increase) decrease in deferred outflows - pension	(39,007)	-
(Increase) decrease in deferred outflows - OPEB	(1,091,909)	-
Increase (decrease) in net pension liability	103,234	-
Increase (decrease) in deferred inflows - pension	81	-
Increase (decrease) in deferred inflows - OPEB	(44,396)	-
Increase (decrease) in accounts payable and accrued liabilities	(58,810)	15,007
Increase (decrease) in OPEB liability	1,552,358	-
Increase (decrease) in accrued vacation pay	<u>2,212</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,977,783</u>	<u>\$ (92,361)</u>

Non-Cash Transactions:

The County recorded \$320,000 in contributed capital assets during the fiscal year ended June 30, 2021.

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 33,061
Taxes receivable for other governments, net	<u>16,778</u>
Total assets	<u>49,839</u>
Liabilities:	
Due to other governments	<u>16,721</u>
Net Position:	
Restricted for:	
Individuals, organizations and other governments	<u>33,118</u>
Total net position	<u><u>\$ 33,118</u></u>

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Custodial Funds</u>
Additions:	
Property taxes collected for other governments	\$ 2,906,557
Collections on behalf of individuals/organizations	<u>187,129</u>
Total additions	<u>3,093,686</u>
Deductions:	
Property taxes distributed to other governments	2,907,288
Payments on behalf of individuals/organizations	<u>182,447</u>
Total deductions	<u>3,089,735</u>
Net increase (decrease) in fiduciary net position	<u>3,951</u>
Net Position:	
Beginning of year - July 1, as previously reported	-
Prior period restatement - change in accounting principle	<u>29,167</u>
Beginning of year - July 1, as restated	<u>29,167</u>
End of year - June 30	<u>\$ 33,118</u>

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

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MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

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

Macon County Airport Authority

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

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type activities* of

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

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

Consolidated Capital Projects Fund. The Consolidated Capital Projects Fund is used to account for projects related to education facilities.

The County reports the following nonmajor governmental funds:

Special Revenue Funds. Special revenue funds are used to account for specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains nine special

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

revenue funds: the Emergency Telephone System Fund, the Fire Districts Fund, the Occupancy Tax Fund, the Housing Grants Fund, the Western Carolina Industrial Partners Fund, the Deed of Trust Fund, the Representative Payee Fund, the Relief Fund, and the Fines and Forfeitures Fund.

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

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 Tax Fund, which accounts for motor vehicle property taxes that are billed and collected by the state for municipalities within the County and ad valorem taxes that are billed and collected by the County for municipalities within the County; and the Jail Inmate Pay Fund, which account for monies deposited with the jail for the benefit of certain individuals.

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. The government-wide, proprietary fund, 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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, Enterprise Fund, and Internal Service Fund, or at the object level for the capital projects funds. The Finance Director is authorized by the budget ordinance to transfer appropriations between objects of expenditure within a department. During the year, several amendments to the original budget were necessary, the effects of which increased expenditures and appropriated fund balance by approximately \$5 million and \$2 million, respectively. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

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

The majority of the County's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of an SEC-registered fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

Restricted Assets

The unexpended grant funds are classified as restricted assets in the General Fund and the Housing Grants Fund because their use is completely restricted to the purpose for which the funds were originally granted. The unexpended bond proceeds of the Debt Service Fund and the Consolidated Capital Projects Fund's limited obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. The unexpended bond proceeds of the Solid Waste Fund's special obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended grant funds	\$ 39,528
Debt Service Fund	Unexpended bond proceeds	23,240
Consolidated Capital Projects Fund	Unexpended bond proceeds	9,555,733
Housing Grants Fund	Unexpended grant funds	<u>17,844</u>
		9,636,345
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>709,679</u>
Total restricted cash		<u>\$ 10,346,024</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, 2020.

Allowances for Doubtful Accounts

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

Inventories and Prepaid Items

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County has elected not to capitalize those interest costs, which are incurred during the construction period of capital assets. The County's capitalization threshold is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

Deferred Outflows/Inflows of Resources

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Notes Receivable, long term – portion of fund balance that is not an available resource because it represents the year-end balance of ending long-term notes receivables, which are not spendable resources.

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

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

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

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for advertising and promotions for western North Carolina industries in the Western Carolina Industrial Partners Fund.

Restricted for Human Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee program.

Restricted for Education – portion of fund balance in the General Fund restricted by revenue source to be used to support public education, including timber receipts, which are restricted by the federal government for educational purposes. The Consolidated Capital Fund and the Debt Service Fund had \$9,555,733 and \$23,240 in unspent bond proceeds at June 30, 2021, respectively.

The difference in restricted fund balance on Exhibit C from restricted net position on Exhibit A is the unspent bond proceeds of \$9,578,973 and the net ROD pension plan of \$87,612.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

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

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

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Total fund balance - General Fund	\$	37,876,856
Less:		
Inventories		7,461
Prepays		358,145
Notes receivable, long term		250,000
Stabilization by state statute		4,643,313
Total available fund balance	\$	<u>32,617,937</u>

E. Revenues, Expenditures, and Expenses

Other Resources

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

F. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowances for doubtful accounts, depreciation lives, and landfill closure and post-closure care costs.

G. Defined Benefit Cost-Sharing Plans

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the deposits of Macon County and the Airport Authority had a carrying amount of \$36,749,021 and a bank balance of \$37,899,241. Of the bank balance, \$750,000 was covered by federal depository insurance and the remaining balance by collateral held under the Pooling Method. Cash on hand was \$3,100.

Investments

At June 30, 2021, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management				
Trust - Government Portfolio *	Fair Value - Level 1	\$ 26,304,761	\$ 26,304,761	\$ -

* 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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active market for identical assets.

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

Credit Risk. The County had no formal policy on managing credit risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2021.

Property Tax – Use-Value Assessment on Certain Lands

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

Fiscal Year Levied	Tax	Interest	Total
2018	\$ 859,896	\$ 281,616	\$ 1,141,512
2019	863,436	205,066	1,068,502
2020	803,381	118,499	921,880
2021	799,668	45,981	845,649
Total	<u>\$ 3,326,381</u>	<u>\$ 651,162</u>	<u>\$ 3,977,543</u>

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Receivables

Receivables at the government-wide level at June 30, 2021 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Notes Receivable</u>	<u>Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:						
General	\$ 2,349,894	\$ 1,152,665	\$ 250,000	\$ 1,288	\$ 4,638,697	\$ 8,392,544
Other governmental	51,330	191,120	-	-	1,120,324	1,362,774
Allowance for doubtful accounts	<u>(1,097,065)</u>	<u>(738,603)</u>	-	-	-	<u>(1,835,668)</u>
Total governmental activities	<u>\$ 1,304,159</u>	<u>\$ 605,182</u>	<u>\$ 250,000</u>	<u>\$ 1,288</u>	<u>\$ 5,759,021</u>	<u>\$ 7,919,650</u>
Not expected to be collected during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>
Business-Type Activities:						
Solid waste	\$ 600,670	\$ -	\$ -	\$ 161	\$ -	\$ 600,831
Allowance for doubtful accounts	<u>(229,872)</u>	-	-	-	-	<u>(229,872)</u>
Total business-type activities	<u>\$ 370,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 370,959</u>

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

	<u>Governmental Activities</u>
Local option sales and use tax/sales tax refund	\$ 4,192,462
Due from State DMV	174,125
Grants receivable	218,359
Others	<u>1,174,075</u>
Total	<u>\$ 5,759,021</u>

At June 30, 2021, property taxes for other governments in the custodial fund is net of an allowance for doubtful accounts of \$11,451.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Governmental Capital Assets

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

	July 1, 2020	Additions	Retirements	Transfers	June 30, 2021
Non-Depreciable Assets:					
Land	\$ 9,930,051	\$ 163,073	\$ (30,900)	\$ -	\$ 10,062,224
Construction in progress	1,530,797	129,722	-	(286,098)	1,374,421
Total non-depreciable assets	11,460,848	292,795	(30,900)	(286,098)	11,436,645
Depreciable Assets:					
Buildings and improvements	32,541,908	167,222	(50,000)	286,098	32,945,228
Equipment	4,760,306	799,680	(517,513)	-	5,042,473
Vehicles	7,812,746	141,296	(193,265)	-	7,760,777
Total depreciable assets	45,114,960	1,108,198	(760,778)	286,098	45,748,478
Less Accumulated Depreciation:					
Buildings and improvements	23,127,387	1,159,650	(50,000)	-	24,237,037
Equipment	3,229,600	372,801	(517,513)	-	3,084,888
Vehicles	5,970,309	601,404	(168,342)	-	6,403,371
Total accumulated depreciation	32,327,296	\$ 2,133,855	\$ (735,855)	\$ -	33,725,296
Total capital assets being depreciated, net	12,787,664				12,023,182
Capital assets, net	\$ 24,248,512				\$ 23,459,827

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

Governmental Activities:

General government	\$ 541,655
Public safety	665,234
Economic and physical development	13,289
Transportation	200,955
Human services	79,211
Cultural and recreational	633,511
Total	\$ 2,133,855

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2021 are as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2021</u>
Non-Depreciable Assets:					
Construction in progress	\$ 107,105	\$ 131,671	\$ -	\$ (189,834)	\$ 48,942
Land	<u>1,773,021</u>	<u>320,000</u>	<u>-</u>	<u>-</u>	<u>2,093,021</u>
Total non-depreciable assets	<u>1,880,126</u>	<u>451,671</u>	<u>-</u>	<u>(189,834)</u>	<u>2,141,963</u>
Depreciable Assets:					
Buildings and improvements	16,911,694	94,573	-	189,834	17,196,101
Equipment	4,896,912	395,542	-	-	5,292,454
Vehicles	<u>849,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,858</u>
Total depreciable assets	<u>22,658,464</u>	<u>490,115</u>	<u>-</u>	<u>189,834</u>	<u>23,338,413</u>
Less Accumulated Depreciation:					
Buildings and improvements	9,043,935	454,455	-	-	9,498,390
Equipment	3,139,030	386,820	-	-	3,525,850
Vehicles	<u>757,375</u>	<u>43,141</u>	<u>-</u>	<u>-</u>	<u>800,516</u>
Total accumulated depreciation	<u>12,940,340</u>	<u>\$ 884,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>13,824,756</u>
Total capital assets being depreciated, net	<u>9,718,124</u>				<u>9,513,657</u>
Capital assets, net	<u>\$ 11,598,250</u>				<u>\$ 11,655,620</u>

Construction Commitments

The County has active construction projects as of June 30, 2021. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Macon Middle School	\$ 1,692,825	\$ 7,564,182
Airport projects	<u>71,997</u>	<u>20,839</u>
Total	<u>\$ 1,764,822</u>	<u>\$ 7,585,021</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2021 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
Governmental Activities	\$ 2,317,572	\$ 815,132	\$ 263,457	\$ 282,797	\$ 3,678,958
Business-Type Activities:					
Solid waste	\$ 195,952	\$ 52,676	\$ 27,612	\$ -	\$ 276,240

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

Survivor benefits are available to eligible beneficiaries of members who die while in active service, or within 180 days of their last day of service, and who have either completed 20 years of creditable service regardless of age (15 years of credible service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 was 10.84% of compensation for law enforcement officers and 10.23% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,739,355 for the year ended June 30, 2021.

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

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

At June 30, 2021, the County reported a liability of \$8,536,557 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 0.239% (measured as of June 30, 2020), which was a decrease of 0.006% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of \$2,895,980. At June 30, 2021, 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	\$ 1,078,017	\$ -
Changes of assumptions and other inputs	635,287	-
Net difference between projected and actual earnings on pension plan investments	1,201,292	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	174,362
Employer contributions subsequent to the measurement date	1,739,355	-
Total	\$ 4,653,951	\$ 174,362

\$1,739,355 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, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 759,356
2023	1,036,109
2024	589,249
2025	355,520
2026	-
Thereafter	-
Total	\$ 2,740,234

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The plan actuary currently uses mortality rates based on the *RP2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e., general, law enforcement officer), and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 17,319,745</u>	<u>\$ 8,536,557</u>	<u>\$ 1,237,111</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 for the State of North Carolina.

Law Enforcement Officers’ Special Separation Allowance

Plan Description. Macon County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance’s membership consisted of three retirees receiving benefits and 53 active members.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 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	1.93 percent

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

The actuarial assumptions used in the December 31, 2019 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 are based on the following:

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.

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$26,812 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, 2021, the County reported a total pension liability of \$1,928,606. The total pension liability was measured as of December 31, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2020, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$200,082.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 69,946	\$ 67,053
Changes of assumptions and other inputs	568,631	33,263
Benefit payments and administrative expenses paid subsequent to the measurement date	10,932	-
Total	\$ 649,509	\$ 100,316

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

\$10,932 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 92,389
2023	93,524
2024	95,364
2025	104,079
2026	108,444
Thereafter	44,461
Total	\$ 538,261

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 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (0.93 percent) or one-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$ 2,109,282</u>	<u>\$ 1,928,606</u>	<u>\$ 1,762,914</u>

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

	2021
Beginning balance	\$ 1,153,313
Service cost	69,819
Interest on the total pension liability	37,161
Differences between expected and actual experience in the measurement of the total pension liability	82,875
Changes of assumptions and other inputs	612,250
Benefit payments	(26,812)
Net changes	5,387
Ending balance of the total pension liability	<u>\$ 1,928,606</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.26% at December 31, 2019 (measurement date) to 1.93% at December 31, 2020 (measurement date).

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

The actuarial assumptions used in the December 31, 2019 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.

Supplemental Retirement Income Plan

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 for the State of North Carolina. The State's Annual Comprehensive Financial Report includes pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$125,088 for the year ended June 30, 2021. No amounts were forfeited.

General Employees

The County has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Participation begins immediately with full-time employment status. The County has elected to make contributions each month in an amount equal to 2% of each participating employee's salary, and all amounts contributed are vested immediately. Also, the employees may make additional voluntary contributions to the plan. The County contributed \$286,315 for the year ended June 30, 2021. No amounts were forfeited.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the 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.

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 \$4,823 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$89,515 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 0.391%, which was an increase of 0.054% from its proportion measured as of June 30, 2019.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of (\$1,420). At June 30, 2021, 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	\$ -	\$ 1,824
Net difference between projected and actual earnings on pension plan investments	-	7,659
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,551	6,794
County contributions subsequent to the measurement date	4,823	-
Total	\$ 14,374	\$ 16,277

\$4,823, 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, 2022. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2022	\$ 46
2023	(1,386)
2024	(3,457)
2025	(1,929)
2026	-
Thereafter	-
Total	\$ (6,726)

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by 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, 2020 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one-percentage-point lower (2.75%) or one-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (76,032)	\$ (89,515)	\$ (100,925)

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.

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 8,536,557	\$ -	\$ (89,515)	\$ 8,447,042
Proportion of the net pension liability (asset)	0.239%	NA	-0.391%	-
Total pension liability	-	1,928,606	-	1,928,606
Pension expense	2,895,980	200,082	(1,420)	3,094,642

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,078,017	\$ 69,946	\$ -	\$ 1,147,963
Changes of assumptions	635,287	568,631	-	1,203,918
Net difference between projected and actual earnings on pension plan investments	1,201,292	-	-	1,201,292
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	9,551	9,551
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,739,355</u>	<u>10,932</u>	<u>4,823</u>	<u>1,755,110</u>
Total deferred outflows of resources	<u>\$ 4,653,951</u>	<u>\$ 649,509</u>	<u>\$ 14,374</u>	<u>\$ 5,317,834</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 67,053	\$ 1,824	\$ 68,877
Changes of assumptions	-	33,263	-	33,263
Net difference between projected and actual earnings on pension plan investments	-	-	7,659	7,659
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>174,362</u>	<u>-</u>	<u>6,794</u>	<u>181,156</u>
Total deferred inflows of resources	<u>\$ 174,362</u>	<u>\$ 100,316</u>	<u>\$ 16,277</u>	<u>\$ 290,955</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Other Post-Employment Benefits – Healthcare

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

Years of Service at Retirement	Group Medical Insurance	Group Prescription Insurance	Medicare Supplement Coverage	Medicare Prescription Coverage	Spouse Coverage Available to Retiree
15 – 24 years hired prior to 7/1/2014*	Until Age 65	Until Age 65	No	No	No
25 – 29 years hired prior to 7/1/2014*	Until Age 65	Until Age 65	Yes	Yes	No
30 or more years hired prior to 7/1/2014*	Until Age 65	Until Age 65	Yes	Yes	Yes
30 or more years hired 7/1/2014 – 6/30/2019*	Until Age 65	Until Age 65	Yes	Yes	No
30 or more years hired on/after 7/1/2019^	Until Age 65	Until Age 65	Yes	Yes	No

*As determined by NCLGERS

^All service must be permanent service with Macon County

For pre-Medicare retirees, medical and prescription drug coverage are provided through the County’s Group Health Insurance Plan. Medicare supplemental insurance is offered for Medicare eligible retirees. The County pays the full premium for all qualifying pre-Medicare retirees. The County pays the full Blue Cross Blue Shield Attained Age Plan G premium and the full Blue Cross Blue Shield Part D Prescription Plan premium for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$394 per month. Spouse coverage terminates upon the retiree’s death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 75 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2021, the County contributed \$607,799 for post-retirement medical claims, prescription drug claims, stop loss premiums, administrative fees, medical premiums, and prescription drug premiums. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Membership of the plan consisted of the following as of the June 30, 2019 valuation date:

Retirees and dependents receiving benefits	75
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	384
Total	459

Total OPEB Liability

The County's total OPEB liability of \$90,745,449 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 to 7.75 percent
Firefighters	3.50 to 7.75 percent
Law enforcement officers	3.50 to 7.35 percent
Municipal bond index rate	
Prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2026
Medicare medical and prescription drug	5.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2021

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	<u>\$ 64,958,776</u>
Changes for the Year:	
Service cost	2,236,587
Interest	2,339,212
Differences between expected and actual experience	(228,050)
Changes of assumptions or other inputs	22,166,655
Benefit payments	<u>(727,731)</u>
Net changes	25,786,673
Balance at June 30, 2021	<u><u>\$ 90,745,449</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 114,876,838	\$ 90,745,449	\$ 72,867,699

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 70,618,851	\$ 90,745,449	\$ 118,806,323

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$7,791,353. At June 30, 2021, 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	\$ 10,823,269	\$ 199,930
Changes of assumptions	19,433,405	6,281,199
Benefit payments and plan administrative expense made subsequent to the measurement date	607,799	-
Total	\$ 30,864,473	\$ 6,481,129

\$607,799 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2022	\$ 3,208,937
2023	3,208,937
2024	3,208,937
2025	3,208,937
2026	3,617,312
Thereafter	7,322,485
Total	\$ 23,775,545

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Other Employment Benefits

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

Landfill Closure and Post-Closure Care Costs

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

The old landfills continue to require monitoring and some remediation activities. Macon County opened the Macon County MSW Landfill in May 1992. During 1999, the County expanded the cell; and during 2020, the County added a new cell to the Macon County MSW Landfill.

Although the closure and post-closure care costs for these landfills are being paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$7,736,874 reported as landfill closure and post-closure care liability at June 30, 2021 represents the cumulative amount reported to date for the closure and post-closure care costs of all landfills noted above. Of the cumulative amount reported to date, \$7,603,773 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 80.92% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,793,348 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2021. The County began transitioning to the new cell of the Macon County MSW Landfill in January 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 5,317,834	\$ 290,955
OPEB deferrals	30,864,473	6,481,129
Prepaid taxes not yet earned (General)	-	61,565
Taxes receivable, net (General)	-	520,194
Taxes receivable, net (Fire District)	-	84,988
Ambulance receivable (General)	-	920,547
Public health receivable (General)	-	328,954
Total	<u>\$ 36,182,307</u>	<u>\$ 8,688,332</u>

Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County manages this exposure by purchasing Property and Casualty Insurance from several private insurance companies including BITCO General Insurance Corporation, U.S. Specialty Insurance Company, and Great American Spirit Insurance Company.

Through these companies, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$1 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation employer liability limit of \$1 million. There is also a \$10,000,000 Excess Liability policy. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The insurance companies are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

U.S. Specialty Insurance Company, Great American Spirit Insurance Company, and BITCO General Insurance Corporation are fully suited to pay claims without reinsurance support. They are also subject to the NC State Guarantee Fund should they ever become insolvent. U.S. Specialty has an A++ rating with assets greater than \$2 Billion. Great American Spirit Insurance Company has an A+ rating with assets greater than \$2 Billion. BITCO General Insurance Corporation has an A+ rating with assets greater than \$2 Billion.

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

The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

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

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

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

	<u>2021</u>	<u>2020</u>
Unpaid claims - beginning	\$ 260,451	\$ 326,306
Incurred claims	5,035,432	5,294,578
Claim payments	<u>(5,013,086)</u>	<u>(5,360,433)</u>
Unpaid claims - ending	<u>\$ 282,797</u>	<u>\$ 260,451</u>

Contingent Liabilities

At June 30, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Long-Term Obligations

Installment Purchase Contract

Serviced by Governmental Funds:

\$2,000,000 East Franklin School qualified zone academy bonds requiring 30 semi-annual deposits of \$52,795 into a Debt Service Fund; final payment of the bonds is December 13, 2022.	\$ 574,543
The County entered into an installment purchase contract dated December 10, 2007 in the amount of \$2,600,000 for acquisition of land to be used for public school purposes. The contract is payable in 30 semi-annual installments of \$86,667, plus interest at 2.49% per annum.	346,667
\$1,800,000 Nantahala School qualified zone academy bonds requiring 30 semi-annual deposits of \$60,000, plus interest into a Debt Service Fund; final payment of the bonds is December 18, 2024.	480,000
\$12,889,667 Iotla Valley School project qualified school construction bonds requiring 34 semi-annual deposits of \$379,108, plus interest into a Debt Service Fund; final payment of the bonds is October 12, 2028.	4,928,402
\$1,500,000 Highlands School renovation qualified zone academy bonds requiring 10 annual payments of \$150,000; final payment of the bonds is April 26, 2023.	300,000
\$2,985,878 Highlands School and Union Academy qualified zone academy bonds requiring 15 annual payments of \$199,058; final payment of the bonds is August 1, 2030.	<u>1,990,588</u>
Total installment contracts	<u>\$ 8,620,200</u>

The County's outstanding note from direct placement related to governmental activities of \$574,543 is secured by a deed of trust on East Franklin Elementary School. The note contains provisions that upon the occurrence of any event of default, the bank may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the entire amount of the installment payments to be immediately due and payable; 2) exercise all remedies available at law or in equity or under the deed of trust, including sale of the mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, toward the balance of installment payments due; 3) exercise its rights as a secured party under the Uniform Commercial Code in effect in North Carolina; 4) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof.

The County's outstanding note from direct placement related to governmental activities of \$346,667 is secured by a deed of trust on Mountain View Intermediate School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2)

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$480,000 is secured by a deed of trust on Nantahala School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$4,928,402 is secured by a deed of trust on Iotla Valley Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$300,000 is secured by a deed of trust on Highlands School. The note contains provisions that on the occurrence of any event of default, the bank may exercise any one or more of the following remedies as the bank, in its sole discretion, shall elect: 1) declare the unpaid portion of the then outstanding principal components of the installment payments immediately due and payable, without notice or demand to the County; 2) proceed by appropriate court action to enforce the performance by the County of the applicable covenants of the contract or to recover for any breach thereof; 3) exercise or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the state with respect to the enforcement of the security interest granted or reserved hereunder and under the deed of trust; 4) enforce its security interest or direct the deed of trust trustee to institute foreclosure proceedings under the deed of trust and sell the mortgaged property.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County's outstanding note from direct placement related to governmental activities of \$1,990,588 is secured by a deed of trust on Highlands School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of reasonable attorneys' fees and other expenses.

Debt Service Requirements

The following tables summarize the annual requirements to amortize all direct placement long-term debt outstanding (excluding vacation pay and pension benefit obligation) as of June 30, 2021:

Year Ending June 30	Principal	Interest
2022	\$ 1,506,196	\$ 297,191
2023	1,869,560	243,209
2024	1,077,274	190,666
2025	1,077,274	141,180
2026	957,274	93,659
2027-2031	<u>2,132,622</u>	<u>62,439</u>
Total	<u>\$ 8,620,200</u>	<u>\$ 1,028,344</u>

At June 30, 2021, the County had a legal debt margin of approximately \$624,894,000.

Limited Obligation Indebtedness

The County's limited obligation bonds, Series 2021 is serviced by the Debt Service Fund. They are collateralized by the full faith credit and taxing power of the County. Approximately 42% of the limited obligation bonds, Series 2021 were issued to provide funds for the acquisition and construction of the Macon Middle School project. These bonds, which are recorded in the Consolidated Capital Project Fund, are collateralized by the full faith credit and taxing power of the fund. The remaining 58% of the limited obligation bonds, Series 2021 were issued for the refunding of 2011 NCDEQ drinking water loan, the refunding of 2012 Truist installment purchase contract, the refunding of 2013 Truist installment purchase contract, and the refunding of 2018 First Citizens installment purchase contract. These bonds, which are recorded in the Debt Service Fund, are collateralized by full faith credit and taxing power of the County. Principal and interest payments are appropriated when due.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The County's limited obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

Serviced by Governmental Funds:

\$6,775,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$210,000 to 495,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2012 Truist installment purchase contract and 2013 Truist installment purchase contract.	\$ 6,775,000
\$895,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$85,000 to \$95,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2011 NCDEQ Drinking Water loan.	895,000
\$2,150,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$75,000 to \$175,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2018 First Citizens installment purchase contract.	2,150,000
\$9,500,000 Series 2021 limited obligation bonds, due in annual principal payments of \$500,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 2.125% to 4.000%.	<u>9,500,000</u>
Total limited obligation bonds	<u>\$ 19,320,000</u>

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

Governmental Activities:

Year Ending June 30	Principal	Interest
2022	\$ 1,130,000	\$ 695,781
2023	1,655,000	639,175
2024	1,650,000	589,525
2025	1,665,000	523,525
2026	1,670,000	456,925
2027-2031	6,125,000	1,350,825
2032-2036	2,925,000	507,375
2037-2041	<u>2,500,000</u>	<u>166,875</u>
Total	<u>\$ 19,320,000</u>	<u>\$ 4,930,006</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$1,035,143 relates to assets the County holds title. The unspent debt proceeds of \$9,578,973 are not related to the County. The business-type activities unspent debt proceeds of \$709,679 are related to assets for which the County holds title.

Special Obligation Bonds

On April 7, 2016, the County issued \$9,800,000 of special obligation bonds at 2.14% interest, for the purpose to expand the County's landfill capacity. The bond is secured by a first lien on net revenues of the Solid Waste Fund. The principal and interest on the bonds are payable semi-annually on April 1 and October 1. The special obligation bonds, which mature through April 1, 2026, will be reported on the Solid Waste Fund's financial statements. \$ 5,161,073

The County's outstanding special obligation bond from direct placement related to business-type activities of \$5,161,073 is not secured by a pledge of the faith and credit of the County nor its taxing power, but is payable solely from the obligated revenues, except to the extent payable from the proceeds of bonds or investment earnings on such proceeds or on the obligated revenues. The note contains provisions that during the continuation of any event of default, the bondholders may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal of the bonds, and the accrued interest thereon, immediately due and payable; 2) incur and pay such reasonable expenses for the County's account as may be necessary to cure the cause of any default (with the County then being obligated to repay those amounts); 3) proceed by appropriate court action to protect and enforce their rights under the bonds and the agreement, or any supplemental agreement or proceeding, by an action at law or in equity, either for the specific performance of any covenant or agreement, or execution of any power, or to have or enforce any proper legal or equitable remedy as may be most effectual to protect and enforce such rights, including the fixing of service charges and the collection and application of the obligated revenues.

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

Solid Waste Fund:

Special Obligation Bonds

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 988,464	\$ 106,664
2023	1,010,027	85,101
2024	1,031,903	63,225
2025	1,054,572	40,557
2026	1,076,107	17,551
Total	<u>\$ 5,161,073</u>	<u>\$ 313,098</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
Limited obligation bonds	\$ -	\$ 19,320,000	\$ -	\$ 19,320,000	\$ 1,130,000
Plus: Premium on issuance	-	2,381,364	31,643	2,349,721	119,068
Total limited obligation bonds	-	21,701,364	31,643	21,669,721	1,249,068
Direct placement installment purchases	22,548,157	-	13,927,957	8,620,200	1,506,196
Compensated absences	1,145,085	781,335	789,685	1,136,735	113,674
Total OPEB liability	61,228,268	24,234,315	-	85,462,583	-
Net pension liability (LGERS)	6,308,987	1,753,488	-	8,062,475	-
Total pension liability (LEOSSA)	1,153,313	775,293	-	1,928,606	-
Total governmental activities	<u>\$ 92,383,810</u>	<u>\$ 49,245,795</u>	<u>\$ 14,749,285</u>	<u>\$ 126,880,320</u>	<u>\$ 2,868,938</u>
Business-Type Activities:					
Direct placement special obligation bonds	\$ 6,124,471	\$ -	\$ 963,398	\$ 5,161,073	\$ 988,464
Accrued landfill closure and post-closure care cost	6,838,178	898,696	-	7,736,874	52,817
Total OPEB liability	3,730,508	1,552,358	-	5,282,866	-
Net pension liability (LGERS)	370,848	103,234	-	474,082	-
Compensated absences	64,571	50,697	48,485	66,783	6,678
Total business-type activities	<u>\$ 17,128,576</u>	<u>\$ 2,604,985</u>	<u>\$ 1,011,883</u>	<u>\$ 18,721,678</u>	<u>\$ 1,047,959</u>

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

Advance Refunding

On March 8, 2021, the County issued \$9,820,000 limited obligation bonds, Series 2021 to refund the 2011 NCDEQ drinking water loan, 2012 Truist installment purchase contract, 2013 Truist installment purchase contract, and 2018 First Citizens installment purchase contract. As a result, the refunded debt is considered defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The net proceeds of \$11,003,808 were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The Series 2021 limited obligation bonds, with payment dates of October 1 and April 1, will mature April 1, 2034. The refunding was undertaken to reduce the total debt service payments by \$704,218 and resulted in an economic gain of \$709,992.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

C. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2021 is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 23,459,827	\$ 11,655,620
Less capital debt:		
Gross debt	30,289,921	5,161,073
Less school debt related to assets to which the County does not hold title	<u>(29,254,778)</u>	<u>-</u>
County related debt	1,035,143	5,161,073
Less unspent debt proceeds*	<u>-</u>	<u>(709,679)</u>
Total net debt	<u>1,035,143</u>	<u>4,451,394</u>
Net investment in capital assets	<u>\$ 22,424,684</u>	<u>\$ 7,204,226</u>

*Unexpended debt proceeds related to education debt in the amount of \$9,578,973 is not included in the calculation of governmental net investment in capital assets.

D. Interfund Balances and Activity

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
Transfers From/To Other Funds:			
General Fund	\$ 1,490,055	\$ -	Various purposes
Debt Service Fund	-	1,266,351	Debt retirement
Nonmajor Governmental Funds:			
Housing Grants Fund	-	117,444	Salary & benefit cost
Emergency Telephone System Fund	-	27,904	Reimbursement of ineligible expenditures
Health Insurance Fund	-	61,756	Excess claims
Consolidated Capital Projects Fund	-	16,600	Fund capital projects
Schools Capital Fund	2,658,986	-	Debt retirement
Debt Service Fund	-	2,658,986	Debt retirement
Capital Reserve Fund	305,000	-	Economic development
General Fund	-	305,000	Economic development
Total	<u>\$ 4,454,041</u>	<u>\$ 4,454,041</u>	

The following is a summary of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service Fund	Schools Capital Fund - short term (paid within two months of year end)	<u>\$ 340,643</u>	Debt retirement

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

3. Joint Venture

Fontana Regional Library

The County participates in a joint venture to operate the Fontana Regional Library (Library) with five other local governments. Each participating county may appoint three Board members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,019,390 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 33 Fryemont Street, Bryson City, North Carolina 28713.

Vaya Health

The County participates in a joint venture to operate the Vaya Health Local Management Entity (LME), which provides mental health, development disability, and substance abuse services to residents of the 22-county area: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Swain, Transylvania, Watauga, Wilkes, and Yancey. The County Commissioners are responsible for appointing two members of the Board of Directors of Vaya Health. The County has an ongoing financial responsibility for the joint venture because the LME's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the LME, so no equity interest has been reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$106,623 to the LME to supplement its activities during the fiscal year ended June 30, 2021. Complete financial statements for Vaya Health may be obtained from their offices at 200 Ridgefield Court, Suite 206, Asheville, NC 28806.

4. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

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

Southwestern Community College

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$289,177 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2021. 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, 2021. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 275 Webster Road, Franklin, North Carolina 28779.

5. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19), a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 may continue to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

6. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net Position - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ 39,001	\$ 39,001	\$ -	Cash received under the Social Security Administration's Representative Payee program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
36,454	36,454	-	Cash related to funds held by the County for individuals who were impacted by natural disasters were reclassified out of the Agency Fund into Relief Special Revenue Fund. This portion of liabilities in Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
17,113	17,113	-	Cash related to funds held by the County for advertising and promotions for Western North Carolina industries were reclassified out of the Agency Fund into Western Carolina Industrial Partners Special Revenue Fund. This portion of liabilities in Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
-	-	11,658	Cash related to funds held on behalf of incarcerated inmates net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into Jail Inmate Pay Custodial Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year restated as fund balance.
-	-	17,509	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into the Municipal Tax Collection Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year were restated as custodial net position.
<u>\$ 92,568</u>	<u>\$ 92,568</u>	<u>\$ 29,167</u>	

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

7. Subsequent Event

Macon County was awarded \$6,964,996 from the Federal American Rescue Plan (ARP). Subsequent to year end, the County received \$3,482,498. The remaining amount of \$3,482,498 will be released no sooner than one year after the first disbursement and may vary slightly depending on funds returned and other factors.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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MACON COUNTY, NORTH CAROLINA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance as reported	\$ 1,153,313	\$ 1,113,115	\$ 1,107,728	\$ 1,044,146	\$ 1,010,346
Service cost	69,819	56,634	63,937	55,368	60,876
Interest on the total pension liability	37,161	39,886	34,445	39,537	35,480
Difference between expected and actual experience in the measurement of the total pension liability	82,875	(59,281)	(6,940)	(73,031)	-
Changes in assumptions or other inputs	612,250	37,659	(50,680)	81,463	(29,536)
Benefit payments	<u>(26,812)</u>	<u>(34,700)</u>	<u>(35,375)</u>	<u>(39,755)</u>	<u>(33,020)</u>
Ending balance of the total pension liability	<u>\$ 1,928,606</u>	<u>\$ 1,153,313</u>	<u>\$ 1,113,115</u>	<u>\$ 1,107,728</u>	<u>\$ 1,044,146</u>

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,928,606	\$ 1,153,313	\$ 1,113,115	\$ 1,107,728	\$ 1,044,146
Covered-employee payroll*	2,720,056	2,423,278	2,506,335	2,429,891	2,333,739
Total pension liability as a percentage of covered-employee payroll	70.9%	47.6%	44.4%	45.6%	44.7%

Notes to Schedule:

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

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

*Valuation payroll

MACON COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS***

	Other Post-Employment Benefits			
	2021	2020	2019	2018
Service cost	\$ 2,236,587	\$ 1,885,908	\$ 2,036,577	\$ 2,375,420
Interest	2,339,212	1,891,355	1,742,381	1,563,194
Differences between expected and actual experience	(228,050)	13,771,079	362,835	408,280
Changes of assumptions or other inputs	22,166,655	(771,846)	(3,588,209)	(6,447,964)
Benefit payments	(727,731)	(869,036)	(883,376)	(895,699)
Net change in total OPEB liability	25,786,673	15,907,460	(329,792)	(2,996,769)
Total OPEB liability - beginning	64,958,776	49,051,316	49,381,108	52,377,877
Total OPEB liability - ending	<u>\$ 90,745,449</u>	<u>\$ 64,958,776</u>	<u>\$ 49,051,316</u>	<u>\$ 49,381,108</u>
Covered-employee payroll	\$ 15,407,009	\$ 15,407,009	\$ 15,451,187	\$ 15,451,187
Total OPEB liability as a percentage of covered-employee payroll	588.99%	421.62%	317.46%	319.59%

Notes to the Required Schedules:

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

Fiscal Year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension liability (asset) (%)	0.239%	0.245%	0.263%	0.262%
Proportion of the net pension liability (asset) (\$)	\$ 8,536,557	\$ 6,679,835	\$ 6,227,872	\$ 4,014,856
Covered payroll	\$ 17,029,367	\$ 16,777,581	\$ 16,784,623	\$ 16,631,172
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.13%	39.81%	37.10%	24.14%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%

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

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.266%	0.246%	-0.242%	0.237%
Proportion of the net pension liability (asset) (\$)	\$ 5,643,925	\$ 1,102,597	\$ (1,428,012)	\$ 2,855,555
Covered payroll	\$ 15,171,727	\$ 14,608,630	\$ 14,448,030	\$ 13,707,426
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.20%	7.55%	-9.88%	20.83%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

MACON COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,739,355	\$ 1,546,837	\$ 1,312,991	\$ 1,280,658
Contributions in relation to the contractually required contribution	<u>1,739,355</u>	<u>1,546,837</u>	<u>1,312,991</u>	<u>1,280,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,994,860	\$ 17,029,367	\$ 16,777,581	\$ 16,784,623
Contributions as a percentage of covered payroll	10.23%	9.08%	7.83%	7.63%

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

MACON COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

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

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST EIGHT FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension liability (asset) (%)	-0.391%	-0.337%	-0.436%	-0.426%
Proportion of the net pension liability (asset) (\$)	\$ (89,515)	\$ (66,517)	\$ (72,138)	\$ (72,709)
Plan fiduciary net position as a percentage of the total pension liability**	173.62%	164.11%	153.31%	153.77%

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

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

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

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST EIGHT FISCAL YEARS***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	-0.430%	-0.424%	-0.387%	-0.438%
Proportion of the net pension liability (asset) (\$)	\$ (80,342)	\$ (98,269)	\$ (87,744)	\$ (93,555)
Plan fiduciary net position as a percentage of the total pension liability**	160.17%	197.29%	193.88%	190.50%

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,823	\$ 3,740	\$ 3,524	\$ 3,727
Contributions in relation to the contractually required contribution	<u>4,823</u>	<u>3,740</u>	<u>3,524</u>	<u>3,727</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,701	\$ 3,511	\$ 3,393	\$ 3,161
Contributions in relation to the contractually required contribution	<u>3,701</u>	<u>3,511</u>	<u>3,393</u>	<u>3,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES

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THE GENERAL FUND

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

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 30,433,246	\$ 30,148,872	\$ (284,374)	\$ 29,646,880
Taxes - prior	420,000	871,997	451,997	696,668
Interest and advertising	170,000	196,058	26,058	161,274
Total	<u>31,023,246</u>	<u>31,216,927</u>	<u>193,681</u>	<u>30,504,822</u>
Local Option Sales Taxes:				
Article 39 one percent	7,058,107	7,357,032	298,925	5,876,999
Article 40 one-half of one percent	2,039,602	2,095,183	55,581	1,644,281
Article 42 one-half of one percent	1,616,354	1,673,398	57,044	1,300,286
Article 44 one-half of one percent	-	(78)	(78)	4,311
Total	<u>10,714,063</u>	<u>11,125,535</u>	<u>411,472</u>	<u>8,825,877</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	390,000	413,257	23,257	416,539
Gross receipts tax	38,416	38,887	471	28,738
Total	<u>428,416</u>	<u>452,144</u>	<u>23,728</u>	<u>445,277</u>
Restricted Intergovernmental Revenues:				
Federal and state grants	10,650,868	7,941,239	(2,709,629)	7,609,114
Local grants	57,142	57,141	(1)	72,838
ABC revenues	13,000	15,805	2,805	13,813
Facility fees/CSC	56,000	43,535	(12,465)	47,611
Federal forfeiture and controlled substance	12,500	14,037	1,537	4,014
Local health and social services	984,548	1,005,640	21,092	935,552
Total	<u>11,774,058</u>	<u>9,077,397</u>	<u>(2,696,661)</u>	<u>8,682,942</u>
Permits and Fees:				
Inspection fees	526,253	556,249	29,996	424,474
Register of Deeds	1,183,486	1,233,716	50,230	699,778
Occupancy tax	161,000	168,802	7,802	109,211
Board of Elections fees	-	30	30	1,555
Civil license fees	3,000	2,479	(521)	2,033
Addressing fees	-	-	-	44,102
Concealed handgun permits	108,805	110,550	1,745	63,679
Total	<u>1,982,544</u>	<u>2,071,826</u>	<u>89,282</u>	<u>1,344,832</u>

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Sales and Services:				
Rents, concessions, and fees	250,382	251,723	1,341	279,100
Ambulance fees	1,536,111	1,572,869	36,758	1,469,833
Other public safety fees	363,629	397,850	34,221	411,748
Cable television franchise fees	78,000	75,210	(2,790)	75,888
Health fees	609,385	723,100	113,715	635,077
Aging program income	8,200	1,797	(6,403)	9,272
Total	<u>2,845,707</u>	<u>3,022,549</u>	<u>176,842</u>	<u>2,880,918</u>
Investment Earnings	<u>88,000</u>	<u>89,652</u>	<u>1,652</u>	<u>526,210</u>
Miscellaneous:				
Other	<u>455,461</u>	<u>464,220</u>	<u>8,759</u>	<u>462,115</u>
Total revenues	<u>59,311,495</u>	<u>57,520,250</u>	<u>(1,791,245)</u>	<u>53,672,993</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	125,625	123,445		121,854
Operating expenditures	<u>689,700</u>	<u>373,444</u>		<u>352,827</u>
Total	<u>815,325</u>	<u>496,889</u>	<u>318,436</u>	<u>474,681</u>
Administration:				
Salaries and employee benefits	834,208	821,983		432,255
Operating expenditures	<u>55,156</u>	<u>31,786</u>		<u>40,684</u>
Total	<u>889,364</u>	<u>853,769</u>	<u>35,595</u>	<u>472,939</u>
Finance:				
Salaries and employee benefits	488,313	487,909		483,675
Operating expenditures	<u>111,000</u>	<u>94,720</u>		<u>92,334</u>
Total	<u>599,313</u>	<u>582,629</u>	<u>16,684</u>	<u>576,009</u>
Tax Office:				
Salaries and employee benefits	450,639	450,284		480,143
Operating expenditures	<u>278,475</u>	<u>218,616</u>		<u>221,695</u>
Total	<u>729,114</u>	<u>668,900</u>	<u>60,214</u>	<u>701,838</u>

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Legal:				
Contracted services	126,000	94,350		128,512
Total	126,000	94,350	31,650	128,512
Mapping:				
Salaries and employee benefits	157,225	157,222		148,989
Operating expenditures	16,820	12,650		13,363
Capital outlay	-	-		12,496
Total	174,045	169,872	4,173	174,848
Tax Assessment:				
Salaries and employee benefits	335,740	307,171		322,253
Operating expenditures	275,133	263,640		50,110
Capital outlay	411,180	368,064		-
Total	1,022,053	938,875	83,178	372,363
Board of Elections:				
Salaries and employee benefits	206,990	201,984		208,353
Operating expenditures	227,218	115,971		106,380
Total	434,208	317,955	116,253	314,733
Register of Deeds:				
Salaries and employee benefits	234,966	214,599		228,711
Operating expenditures	110,548	97,969		90,138
Total	345,514	312,568	32,946	318,849
Information Technology:				
Salaries and employee benefits	558,043	527,932		476,025
Operating expenditures	722,727	572,474		571,025
Capital outlay	303,763	180,342		-
Total	1,584,533	1,280,748	303,785	1,047,050
Garage:				
Salaries and employee benefits	301,452	297,972		296,462
Operating expenditures	94,880	57,348		70,719
Capital outlay	51,700	51,696		31,453
Total	448,032	407,016	41,016	398,634

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Buildings and Grounds:				
Salaries and employee benefits	1,172,292	1,151,110		1,437,272
Operating expenditures	980,078	803,031		769,018
Capital outlay	-	-		47,027
Total	<u>2,152,370</u>	<u>1,954,141</u>	198,229	<u>2,253,317</u>
Human Resources:				
Salaries and employee benefits	208,065	192,110		156,808
Operating expenditures	<u>65,850</u>	<u>51,193</u>		<u>52,190</u>
Total	<u>273,915</u>	<u>243,303</u>	30,612	<u>208,998</u>
CARES Act:				
Salaries and employee benefits	467,757	467,756		496,135
Operating expenditures	68,464	68,465		109,463
Capital outlay	5,195	5,195		-
Town of Franklin	160,051	160,051		31,118
Town of Highlands	<u>131,169</u>	<u>131,169</u>		<u>60,000</u>
Total	<u>832,636</u>	<u>832,636</u>	-	<u>696,716</u>
Non-Departmental:				
Operating expenditures	1,313,675	1,019,940		901,939
Capital outlay	<u>247,300</u>	<u>247,300</u>		-
Total	<u>1,560,975</u>	<u>1,267,240</u>	293,735	<u>901,939</u>
Total general government	<u>11,987,397</u>	<u>10,420,891</u>	1,566,506	<u>9,041,426</u>
Public Safety:				
Sheriff:				
Salaries and employee benefits	3,874,656	3,515,188		3,674,923
Operating expenditures	994,986	888,450		829,040
Capital outlay	<u>304,048</u>	<u>120,304</u>		<u>284,278</u>
Total	<u>5,173,690</u>	<u>4,523,942</u>	649,748	<u>4,788,241</u>
Federal/State Forfeitures:				
Operating expenditures	<u>26,450</u>	<u>650</u>		<u>22,399</u>
Total	<u>26,450</u>	<u>650</u>	25,800	<u>22,399</u>
Juvenile Crime Prevention Council Grants	<u>150,382</u>	<u>150,382</u>	-	<u>135,091</u>

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Actual
Jail/Law Enforcement Center:			
Salaries and employee benefits	1,487,575	1,391,832	1,300,905
Operating expenditures	1,889,495	1,356,298	995,389
Capital outlay	20,875	20,875	54,534
Total	3,397,945	2,769,005	2,350,828
Courthouse Security:			
Salaries and employee benefits	715,048	546,708	605,996
Operating expenditures	5,543	3,962	34,927
Capital outlay	31,507	-	165,923
Total	752,098	550,670	806,846
Emergency Medical Service:			
Salaries and employee benefits	3,148,883	3,036,393	3,112,678
Operating expenditures	418,456	376,583	443,716
Capital outlay	190,267	39,995	578,861
Total	3,757,606	3,452,971	4,135,255
Emergency Management:			
Salaries and employee benefits	1,333,187	1,268,972	1,263,023
Operating expenditures	214,073	101,976	121,374
Capital outlay	70,000	6,267	23,318
Total	1,617,260	1,377,215	1,407,715
Fire Task Force:			
Salaries and employee benefits	295,703	225,345	241,996
Operating expenditures	14,530	11,892	15,628
Total	310,233	237,237	257,624
Inspections:			
Salaries and employee benefits	519,281	510,458	509,568
Operating expenditures	52,608	37,822	45,436
Capital outlay	-	-	24,814
Total	571,889	548,280	579,818
Emergency 911:			
Salaries and employee benefits	103,931	100,058	98,064
Operating expenditures	27,044	25,625	24,166
Total	130,975	125,683	122,230

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Animal Control:				
Salaries and employee benefits	269,817	253,491		251,338
Operating expenditures	59,850	56,012		47,725
Capital outlay	16,000	15,866		31,280
Total	345,667	325,369	20,298	330,343
Forest Service:				
Operating expenditures	70,000	57,653	12,347	71,735
Total public safety	16,304,195	14,119,057	2,185,138	15,008,125
Transit:				
Transit Services:				
Salaries and employee benefits	844,772	643,116		647,764
Operating expenditures	271,696	151,758		142,734
Capital outlay	537,686	115,127		143,813
Total	1,654,154	910,001	744,153	934,311
Contribution to Macon County Airport Authority	33,650	33,650	-	33,650
Total transit	1,687,804	943,651	744,153	967,961
Economic and Physical Development:				
Economic Development:				
Operating expenditures	181,844	167,177		79,495
Total	181,844	167,177	14,667	79,495
Cooperative Extension:				
Salaries and employee benefits	240,798	229,192		222,873
Operating expenditures	19,965	17,349		14,483
Capital outlay	-	-		22,651
Total	260,763	246,541	14,222	260,007
Soil Conservation:				
Salaries and employee benefits	136,178	133,105		156,783
Operating expenditures	116,938	16,590		25,897
Total	253,116	149,695	103,421	182,680

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Special Appropriations:				
Cowee School	51,020	32,572		32,796
Total	51,020	32,572	18,448	32,796
Total economic and physical development	746,743	595,985	150,758	554,978
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	164,477	154,833		114,532
Operating expenditures	225,014	198,704		173,292
Total	389,491	353,537	35,954	287,824
Management Support:				
Salaries and employee benefits	465,314	326,066		417,174
Operating expenditures	117,272	103,346		102,626
Total	582,586	429,412	153,174	519,800
COVID-19:				
Salaries and employee benefits	-	-		12,187
Operating expenditures	13,659	13,659		33,669
Capital outlay	7,419	7,419		-
Total	21,078	21,078	-	45,856
EPI Lab Capacity Inf Disease:				
Salaries and employee benefits	83,135	22,117		-
Operating expenditures	348,065	129,564		-
Capital outlay	61,000	-		-
Total	492,200	151,681	340,519	-
Coronavirus Relief Fund:				
Salaries and employee benefits	162,681	162,676		-
Operating expenditures	89,695	445		-
Total	252,376	163,121	89,255	-
ED Regional Prev Support Teams:				
Operating expenditures	77,509	-		-
Total	77,509	-	77,509	-

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
CDC COVID Vaccine Program:				
Operating expenditures	73,936	15,429		-
Capital outlay	87,000	-		-
Total	160,936	15,429	145,507	-
School Health Nurse:				
Salaries and employee benefits	328,978	256,700		257,166
Operating expenditures	9,900	9,502		13,093
Capital outlay	4,000	3,649		-
Total	342,878	269,851	73,027	270,259
CARES Act Provider Relief:				
Salaries and employee benefits	23,306	23,304		14,788
Operating expenditures	30,600	30,602		-
Total	53,906	53,906	-	14,788
NC Tobacco Settlement Funds:				
Operating expenditures	92,033	87,036		85,359
Total	92,033	87,036	4,997	85,359
Women, Infants, and Children:				
Salaries and employee benefits	237,169	207,897		183,435
Operating expenditures	16,437	7,546		13,748
Total	253,606	215,443	38,163	197,183
Nutrition Education:				
Salaries and employee benefits	31,532	8,543		38,150
Operating expenditures	210,677	126,543		117,364
Total	242,209	135,086	107,123	155,514
Maternal and Childcare:				
Salaries and employee benefits	108,562	83,587		70,332
Operating expenditures	36,116	19,754		25,445
Total	144,678	103,341	41,337	95,777
Child Health:				
Salaries and employee benefits	37,011	31,485		9,694
Operating expenditures	1,561	1,089		1,268
Capital outlay	4,000	3,649		-
Total	42,572	36,223	6,349	10,962

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Family Planning:				
Salaries and employee benefits	72,260	52,540		50,778
Operating expenditures	25,521	13,551		32,062
Total	97,781	66,091	31,690	82,840
Dental Health Program:				
Salaries and employee benefits	434,134	335,805		330,224
Operating expenditures	48,906	23,738		33,903
Capital outlay	-	-		24,831
Total	483,040	359,543	123,497	388,958
Adult Dental Health:				
Salaries and employee benefits	3,216	51		101,447
Operating expenditures	3,351	3,350		191,309
Total	6,567	3,401	3,166	292,756
Adult Health:				
Salaries and employee benefits	75,204	61,611		26,389
Operating expenditures	149,386	123,264		174,911
Total	224,590	184,875	39,715	201,300
NC Wisewoman Program:				
Salaries and employee benefits	15,357	10,125		5,694
Total	15,357	10,125	5,232	5,694
Breast and Cervical Cancer:				
Salaries and employee benefits	27,893	18,435		31,672
Operating expenditures	16,970	13,487		19,521
Total	44,863	31,922	12,941	51,193
Laboratory Services:				
Salaries and employee benefits	140,779	95,060		89,958
Operating expenditures	103,059	91,210		90,311
Total	243,838	186,270	57,568	180,269
Communicable Disease:				
Salaries and employee benefits	36,679	2,369		2,156
Operating expenditures	6,439	2,329		33,970
Capital outlay	-	-		6,399
Total	43,118	4,698	38,420	42,525

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
On-Site Wastewater:				
Salaries and employee benefits	290,343	245,337		260,099
Operating expenditures	18,409	15,453		13,193
Capital outlay	-	-		29,202
Total	<u>308,752</u>	<u>260,790</u>	47,962	<u>302,494</u>
Private Drinking Water Wells:				
Salaries and employee benefits	268,027	222,196		227,154
Operating expenditures	<u>27,028</u>	<u>19,881</u>		<u>18,209</u>
Total	<u>295,055</u>	<u>242,077</u>	52,978	<u>245,363</u>
Food and Lodging:				
Salaries and employee benefits	192,050	155,168		163,225
Operating expenditures	<u>16,306</u>	<u>13,179</u>		<u>19,323</u>
Total	<u>208,356</u>	<u>168,347</u>	40,009	<u>182,548</u>
Health Promotion:				
Salaries and employee benefits	111,839	40,206		98,919
Operating expenditures	<u>29,922</u>	<u>17,561</u>		<u>15,249</u>
Total	<u>141,761</u>	<u>57,767</u>	83,994	<u>114,168</u>
General Nursing:				
Salaries and employee benefits	93,593	79,990		111,019
Operating expenditures	153,000	138,038		162,485
Capital outlay	<u>15,750</u>	<u>15,727</u>		-
Total	<u>262,343</u>	<u>233,755</u>	28,588	<u>273,504</u>
Child Service Coordination:				
Salaries and employee benefits	63,082	48,113		60,116
Operating expenditures	<u>1,526</u>	<u>663</u>		<u>11,412</u>
Total	<u>64,608</u>	<u>48,776</u>	15,832	<u>71,528</u>
Regional Chronic Disease 1422 Grant:				
Operating expenditures	<u>982,581</u>	<u>446,699</u>		<u>291,214</u>
Total	<u>982,581</u>	<u>446,699</u>	535,882	<u>291,214</u>

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Community Health Grant:				
Operating expenditures	-	-		82,088
Total	-	-	-	82,088
OB Care Management Program:				
Salaries and employee benefits	36,764	6,894		45,771
Operating expenditures	2,899	751		2,290
Total	39,663	7,645	32,018	48,061
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	10,186	10,225		10,071
Operating expenditures	4,814	79		-
Total	15,000	10,304	4,696	10,071
Employee and Family Health:				
Salaries and employee benefits	83,522	60,584		51,853
Operating expenditures	57,092	40,330		8,175
Total	140,614	100,914	39,700	60,028
Behavioral Health:				
Operating expenditures	45,105	-		118,038
Total	45,105	-	45,105	118,038
Community Health - School Based:				
Salaries and employee benefits	16,455	16,455		-
Operating expenditures	128,845	43,143		90,961
Total	145,300	59,598	85,702	90,961
Total health	6,956,350	4,518,741	2,437,609	4,818,923
Social Services:				
Administration:				
Salaries and employee benefits	433,451	391,524		402,845
Operating expenditures	692,698	503,286		444,161
Total	1,126,149	894,810	231,339	847,006
Social Work Services/Special Programs:				
Salaries and employee benefits	1,185,808	1,038,519		1,148,681
Operating expenditures	1,320,712	1,016,501		862,948
Total	2,506,520	2,055,020	451,500	2,011,629

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Child Daycare:				
Salaries and employee benefits	54,008	53,775	233	52,941
Child Support:				
Salaries and employee benefits	164,433	159,426		182,813
Operating expenditures	67,000	25,084		29,360
Total	231,433	184,510	46,923	212,173
Medicaid:				
County participation only	321,668	271,230	50,438	173,466
WorkFirst:				
Operating expenditures	5,000	125	4,875	1,327
Program Integrity:				
Salaries and employee benefits	64,753	64,632		63,291
Total	64,753	64,632	121	63,291
Medicaid/FS Administration:				
Salaries and employee benefits	1,344,347	1,333,158	11,189	1,303,093
Total social services	5,653,878	4,857,260	796,618	4,664,926
Department On Aging:				
Administration:				
Salaries and employee benefits	343,538	338,888		335,677
Operating expenditures	59,012	45,777		63,001
Total	402,550	384,665	17,885	398,678
Home-Delivered Meals:				
Salaries and employee benefits	54,266	53,333		52,765
Operating expenditures	116,795	88,291		117,579
Total	171,061	141,624	29,437	170,344
Congregate Meals:				
Salaries and employee benefits	52,660	42,087		51,392
Operating expenditures	169,200	154,120		86,420
Total	221,860	196,207	25,653	137,812

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Adult Daycare:				
Salaries and employee benefits	136,206	104,942		121,203
Operating expenditures	5,000	4,033		24,288
Total	141,206	108,975	32,231	145,491
SR Svcs Families First Act:				
Operating expenditures	41,830	10,088		-
Total	41,830	10,088	31,742	-
SR Svcs CARES Act:				
Operating expenditures	39,497	30,776		-
Capital outlay	60,498	24,675		-
Total	99,995	55,451	44,544	-
Total department on aging	1,078,502	897,010	181,492	852,325
Miscellaneous Human Services:				
Veterans' Service:				
Salaries and employee benefits	121,843	119,642		117,910
Operating expenditures	8,880	6,184		4,522
Total	130,723	125,826	4,897	122,432
Contributions to Organizations:				
Smoky Mountain Mental Health	106,623	106,623		106,623
Macon County Citizens for Handicapped	62,370	62,370		62,370
Macon Program for Progress	12,000	12,000		12,000
Total	180,993	180,993	-	180,993
Special Appropriations:				
State of Franklin	14,000	14,000		14,000
Other special appropriations	183,000	178,000		231,560
Total	197,000	192,000	5,000	245,560
Total miscellaneous human services	508,716	498,819	9,897	548,985
Total human services	14,197,446	10,771,830	3,425,616	10,885,159

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Cultural and Recreational:				
Salaries and employee benefits	765,300	685,855		430,382
Operating expenditures	849,957	839,689		792,587
Capital outlay	158,684	157,992		81,770
Total	1,773,941	1,683,536	90,405	1,304,739
Library and Cultural:				
Macon County Library	1,019,390	1,019,390		1,019,390
Macon County Historical Society	10,000	10,000		-
Total	1,029,390	1,029,390	-	1,019,390
Total cultural and recreational	2,803,331	2,712,926	90,405	2,324,129
Education:				
Public schools - current expenditures	8,838,641	8,805,907		8,835,344
Public schools - capital outlay	1,260,000	1,163,874		1,163,300
Timber sales pass-through	155,560	132,226		124,116
Southwestern Community College	289,177	289,177		301,917
Total education	10,543,378	10,391,184	152,194	10,424,677
Total expenditures	58,270,294	49,955,524	8,314,770	49,206,455
Revenues over (under) expenditures	1,041,201	7,564,726	6,523,525	4,466,538
Other Financing Sources (Uses):				
Transfers In:				
From Capital Reserve Fund	602,000	305,000	(297,000)	264,500
Transfers Out:				
To Consolidated Capital Project Fund	(16,600)	(16,600)	-	(1,072,268)
To E911 Fund	(195,000)	(27,904)	167,096	(3,252)
To Community Development Block Grant Fund	(117,444)	(117,444)	-	(120,603)
To debt service	(1,266,351)	(1,266,351)	-	(1,266,351)
To Health Insurance Fund	(61,756)	(61,756)	-	(61,756)
To County buildings project	-	-	-	(254,500)
Total	(1,657,151)	(1,490,055)	167,096	(2,778,730)
Appropriated fund balance	13,950	-	(13,950)	-
Total other financing sources (uses)	(1,041,201)	(1,185,055)	(143,854)	(2,514,230)

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Variance Over/Under Actual
Revenues and other financing sources over (under) expenditures and other financing sources	\$ -	6,379,671	\$ 6,379,671 1,952,308
Reconciliation from Budgetary Basis to Modified Accrual:			
Long-term notes receivable:			
Reopening Macon Loan program		-	250,000
Net change in fund balance		6,379,671	2,202,308
Fund Balance:			
Beginning of year - July 1		31,497,185	29,294,877
End of year - June 30		\$ 37,876,856	\$ 31,497,185

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DEBT SERVICE FUND

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

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MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
MAJOR - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
Revenues:			
NC Lottery funds	\$ 381,584	\$ 381,584	\$ -
Federal subsidy rebate	288,903	289,703	800
Town of Franklin	41,113	41,112	(1)
Interest earned	-	2	2
Total revenues	<u>711,600</u>	<u>712,401</u>	<u>801</u>
Expenditures:			
Debt service:			
Principal repayments	2,924,151	2,924,149	2
Interest	730,650	730,577	73
Issuance costs	201,121	177,882	23,239
Debt service reserve	<u>982,136</u>	<u>-</u>	<u>982,136</u>
Total expenditures	<u>4,838,058</u>	<u>3,832,608</u>	<u>1,005,450</u>
Revenues over (under) expenditures	<u>(4,126,458)</u>	<u>(3,120,207)</u>	<u>1,006,251</u>
Other Financing Sources (Uses):			
Issuance of long-term debt	9,820,000	9,820,000	-
Premium on long-term debt issued	1,384,930	1,384,929	(1)
Payments to escrow agent for refunded debt	(11,003,809)	(11,003,808)	1
Transfers in (out)	<u>3,925,337</u>	<u>3,925,337</u>	<u>-</u>
Total other financing sources (uses)	<u>4,126,458</u>	<u>4,126,458</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	1,006,251	<u>\$ 1,006,251</u>
Fund Balance:			
Beginning of year - July 1		<u>1,225,411</u>	
End of year - June 30		<u>\$ 2,231,662</u>	

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CONSOLIDATED CAPITAL PROJECTS FUND

The Consolidated Capital Projects Fund is used to account for all expenditures for projects related to education facilities.

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MACON COUNTY, NORTH CAROLINA

**MAJOR - CONSOLIDATED CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 120,491	\$ 278,686	\$ 572	\$ 279,258
NC Department of Transportation	50,000	50,000	-	50,000
Contribution from Board of Education	15,000	15,000	-	15,000
Miscellaneous revenues	533,990	533,990	-	533,990
Total revenues	<u>719,481</u>	<u>877,676</u>	<u>572</u>	<u>878,248</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,800,000	1,800,000	-	1,800,000
Highlands QZAB	1,583,720	1,583,719	-	1,583,719
Union/Highlands QZAB	3,035,757	3,035,756	-	3,035,756
South Macon Elementary School expansion	3,291,022	3,266,689	-	3,266,689
Macon Middle School renovation	11,387,477	393,169	1,307,156	1,700,325
Debt service:				
Issuance costs	217,872	20,046	172,077	192,123
Total expenditures	<u>40,677,658</u>	<u>29,359,534</u>	<u>1,479,233</u>	<u>30,838,767</u>
Revenues over (under) expenditures	<u>(39,958,177)</u>	<u>(28,481,858)</u>	<u>(1,478,661)</u>	<u>(29,960,519)</u>
Other Financing Sources (Uses):				
Issuance of long-term debt	35,449,539	25,949,539	9,500,000	35,449,539
Premium on long-term debt issued	996,435	-	996,435	996,435
Transfer from the General Fund	3,512,203	3,495,603	16,600	3,512,203
Total other financing sources (uses)	<u>39,958,177</u>	<u>29,445,142</u>	<u>10,513,035</u>	<u>39,958,177</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 963,284</u>	<u>\$ 9,034,374</u>	<u>\$ 9,997,658</u>

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2021

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 1,260,900	\$ 1,090,370	\$ 2,351,270
Taxes receivable, net	84,988	-	84,988
Accounts receivable, net	51,330	-	51,330
Inventories	8,171	-	8,171
Due from other governmental agencies	281,139	798,073	1,079,212
Restricted assets:			
Cash and cash equivalents, restricted	17,844	-	17,844
Total assets	<u>\$ 1,704,372</u>	<u>\$ 1,888,443</u>	<u>\$ 3,592,815</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 551,480	\$ 7,263	\$ 558,743
Due to other funds	-	340,643	340,643
Liabilities to be paid from restricted assets:			
Grants received in advance	17,844	-	17,844
Total liabilities	<u>569,324</u>	<u>347,906</u>	<u>917,230</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>84,988</u>	<u>-</u>	<u>84,988</u>
Fund Balances:			
Non-spendable:			
Inventories	8,171	-	8,171
Restricted:			
Stabilization by state statute	332,469	798,073	1,130,542
Restricted for public safety	745,763	-	745,763
Restricted for economic and physical development	17,113	-	17,113
Restricted for human services	26,413	-	26,413
Committed:			
Committed for general government	-	689,390	689,390
Committed for economic and physical development	195,926	393,717	589,643
Unassigned	<u>(275,795)</u>	<u>(340,643)</u>	<u>(616,438)</u>
Total fund balances	<u>1,050,060</u>	<u>1,540,537</u>	<u>2,590,597</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,704,372</u>	<u>\$ 1,888,443</u>	<u>\$ 3,592,815</u>

MACON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2021**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,346,844	\$ -	\$ 4,346,844
Local option sales taxes	-	2,790,211	2,790,211
Restricted intergovernmental revenues	862,309	59,818	922,127
Occupancy taxes	2,110,021	-	2,110,021
Permits and fees	58,683	-	58,683
Sales and services	186,568	-	186,568
Interest earned on investments	45	302	347
Total revenues	<u>7,564,470</u>	<u>2,850,331</u>	<u>10,414,801</u>
Expenditures:			
Current:			
General government	279,001	8,172	287,173
Public safety	4,562,683	-	4,562,683
Economic and physical development	2,474,282	66,466	2,540,748
Human services	227,817	-	227,817
Total expenditures	<u>7,543,783</u>	<u>74,638</u>	<u>7,618,421</u>
Revenues over (under) expenditures	<u>20,687</u>	<u>2,775,693</u>	<u>2,796,380</u>
Other Financing Sources (Uses):			
Transfers in	145,348	-	145,348
Transfers out	-	(2,963,986)	(2,963,986)
Total other financing sources (uses)	<u>145,348</u>	<u>(2,963,986)</u>	<u>(2,818,638)</u>
Net change in fund balances	<u>166,035</u>	<u>(188,293)</u>	<u>(22,258)</u>
Fund Balances:			
Beginning of year - July 1, as previously reported	791,457	1,728,830	2,520,287
Prior period restatement - change in accounting principle	92,568	-	92,568
Beginning of year - July 1, as restated	<u>884,025</u>	<u>1,728,830</u>	<u>2,612,855</u>
End of year - June 30	<u>\$ 1,050,060</u>	<u>\$ 1,540,537</u>	<u>\$ 2,590,597</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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

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

Representative Payee Fund – account for assets held by the County as agent for individuals served by these departments.

Relief Fund – accounts for assets held by the County as agent for individuals who were impacted by natural disasters.

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Fund</u>	<u>Occupancy Tax Fund</u>	<u>Housing Grants Fund</u>	<u>Western Carolina Industrial Partners Fund</u>
Assets:					
Cash and cash equivalents	\$ 745,804	\$ 42,601	\$ 210,901	\$ 207,979	\$ 17,113
Taxes receivable, net	-	84,988	-	-	-
Accounts receivable, net	-	-	-	25,079	-
Inventories	-	-	-	8,171	-
Due from government agencies	31,595	24,276	225,268	-	-
Cash and cash equivalents, restricted	-	-	-	17,844	-
Total assets	<u>\$ 777,399</u>	<u>\$ 151,865</u>	<u>\$ 436,169</u>	<u>\$ 259,073</u>	<u>\$ 17,113</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 41	\$ 66,877	\$ 436,169	\$ 14,757	\$ -
Liabilities to be paid from restricted assets:					
Grants received in advance	-	-	-	17,844	-
Total liabilities	<u>41</u>	<u>66,877</u>	<u>436,169</u>	<u>32,601</u>	<u>-</u>
Deferred Inflows of Resources:					
Property taxes receivable	-	84,988	-	-	-
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	8,171	-
Restricted:					
Stabilization by state statute	31,595	24,276	225,268	25,079	-
Restricted for public safety	745,763	-	-	-	-
Restricted for economic and physical development	-	-	-	-	17,113
Restricted for human services	-	-	-	-	-
Committed for economic and physical development	-	-	-	193,222	-
Unassigned	-	(24,276)	(225,268)	-	-
Total fund balances	<u>777,358</u>	<u>-</u>	<u>-</u>	<u>226,472</u>	<u>17,113</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 777,399</u>	<u>\$ 151,865</u>	<u>\$ 436,169</u>	<u>\$ 259,073</u>	<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

	<u>Deed of Trust Fund</u>	<u>Representative Payee Fund</u>	<u>Relief Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 4,774	\$ 29,024	\$ 2,704	\$ -	\$ 1,260,900
Taxes receivable, net	-	-	-	-	84,988
Accounts receivable, net	-	-	-	26,251	51,330
Inventories	-	-	-	-	8,171
Due from government agencies	-	-	-	-	281,139
Cash and cash equivalents, restricted	-	-	-	-	17,844
Total assets	<u>\$ 4,774</u>	<u>\$ 29,024</u>	<u>\$ 2,704</u>	<u>\$ 26,251</u>	<u>\$ 1,704,372</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,774	\$ 2,611	\$ -	\$ 26,251	\$ 551,480
Liabilities to be paid from restricted assets:					
Grants received in advance	-	-	-	-	17,844
Total liabilities	<u>4,774</u>	<u>2,611</u>	<u>-</u>	<u>26,251</u>	<u>569,324</u>
Deferred Inflows of Resources:					
Property taxes receivable	-	-	-	-	84,988
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	-	8,171
Restricted:					
Stabilization by state statute	-	-	-	26,251	332,469
Restricted for public safety	-	-	-	-	745,763
Restricted for economic and physical development	-	-	-	-	17,113
Restricted for human services	-	26,413	-	-	26,413
Committed for economic and physical development	-	-	2,704	-	195,926
Unassigned	-	-	-	(26,251)	(275,795)
Total fund balances	<u>-</u>	<u>26,413</u>	<u>2,704</u>	<u>-</u>	<u>1,050,060</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,774</u>	<u>\$ 29,024</u>	<u>\$ 2,704</u>	<u>\$ 26,251</u>	<u>\$ 1,704,372</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Western Carolina Industrial Partners Fund
Revenues:					
Ad valorem taxes	\$ -	\$ 4,346,844	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	379,139	-	-	267,941	-
Occupancy taxes	-	-	2,110,021	-	-
Permits and fees	-	-	-	-	-
Sales and services	-	-	-	-	-
Investment earnings	45	-	-	-	-
Total revenues	<u>379,184</u>	<u>4,346,844</u>	<u>2,110,021</u>	<u>267,941</u>	<u>-</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	215,839	4,346,844	-	-	-
Economic and physical development	-	-	2,110,021	364,261	-
Human services	-	-	-	-	-
Total expenditures	<u>215,839</u>	<u>4,346,844</u>	<u>2,110,021</u>	<u>364,261</u>	<u>-</u>
Revenues over (under) expenditures	163,345	-	-	(96,320)	-
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	<u>27,904</u>	<u>-</u>	<u>-</u>	<u>117,444</u>	<u>-</u>
Net change in fund balances	<u>191,249</u>	<u>-</u>	<u>-</u>	<u>21,124</u>	<u>-</u>
Fund Balances:					
Beginning of year - July 1, as previously reported	586,109	-	-	205,348	-
Prior period restatement - change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,113</u>
Beginning of year - July 1, as restated	<u>586,109</u>	<u>-</u>	<u>-</u>	<u>205,348</u>	<u>17,113</u>
End of year - June 30	<u>\$ 777,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,472</u>	<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Deed of Trust Fund	Representative Payee Fund	Relief Fund	Fines and Forfeitures Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,346,844
Restricted intergovernmental revenues	-	215,229	-	-	862,309
Occupancy taxes	-	-	-	-	2,110,021
Permits and fees	58,683	-	-	-	58,683
Sales and services	-	-	-	186,568	186,568
Investment earnings	-	-	-	-	45
Total revenues	<u>58,683</u>	<u>215,229</u>	<u>-</u>	<u>186,568</u>	<u>7,564,470</u>
Expenditures:					
General government	58,683	-	33,750	186,568	279,001
Public safety	-	-	-	-	4,562,683
Economic and physical development	-	-	-	-	2,474,282
Human services	-	227,817	-	-	227,817
Total expenditures	<u>58,683</u>	<u>227,817</u>	<u>33,750</u>	<u>186,568</u>	<u>7,543,783</u>
Revenues over (under) expenditures	-	(12,588)	(33,750)	-	20,687
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	-	-	-	-	145,348
Net change in fund balances	<u>-</u>	<u>(12,588)</u>	<u>(33,750)</u>	<u>-</u>	<u>166,035</u>
Fund Balances:					
Beginning of year - July 1, as previously reported	-	-	-	-	791,457
Prior period restatement - change in accounting principle	-	39,001	36,454	-	92,568
Beginning of year - July 1, as restated	<u>-</u>	<u>39,001</u>	<u>36,454</u>	<u>-</u>	<u>884,025</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 26,413</u>	<u>\$ 2,704</u>	<u>\$ -</u>	<u>\$ 1,050,060</u>

MACON COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 379,790	\$ 379,139	\$ (651)	\$ 354,431
Investment earnings	-	45	45	3,010
Total revenues	<u>379,790</u>	<u>379,184</u>	<u>(606)</u>	<u>357,441</u>
Expenditures:				
Public safety:				
Wireless 911:				
Implemental functions	62,548	-	62,548	51,815
Telephone	40,000	111,265	(71,265)	32,746
Furniture	3,272	-	3,272	-
Software and software maintenance	118,562	96,887	21,675	69,300
Hardware and hardware maintenance	73,208	7,300	65,908	21,489
Training	10,000	387	9,613	5,927
Capital outlay	72,200	-	72,200	107,598
Total public safety	<u>379,790</u>	<u>215,839</u>	<u>163,951</u>	<u>288,875</u>
Total expenditures	<u>379,790</u>	<u>215,839</u>	<u>163,951</u>	<u>288,875</u>
Revenues over (under) expenditures	-	163,345	163,345	68,566
Other Financing Sources (Uses):				
Transfers in from General Fund	-	27,904	27,904	3,252
Net change in fund balance	<u>\$ -</u>	<u>191,249</u>	<u>\$ 191,249</u>	<u>71,818</u>
Fund Balance:				
Beginning of year - July 1		<u>586,109</u>		<u>514,291</u>
End of year - June 30		<u>\$ 777,358</u>		<u>\$ 586,109</u>

MACON COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 4,305,797	\$ 4,195,945	\$ (109,852)	\$ 4,108,139
Prior years	186,000	150,899	(35,101)	119,028
Total revenues	<u>4,491,797</u>	<u>4,346,844</u>	<u>(144,953)</u>	<u>4,227,167</u>
Expenditures:				
Public safety:				
Franklin Fire District		894,090		869,179
Clark's Chapel Fire District		338,385		331,203
Otto Fire District		347,879		338,860
Cullasaja Fire District		261,071		255,865
West Macon Fire District		323,088		313,893
Scaly Mountain Fire District		156,759		150,741
Burningtown/Iotla Fire District		237,264		231,826
Cowee Fire District		331,108		317,879
Highlands Fire District		1,082,029		1,055,805
Mountain Valley Fire District		136,397		134,061
Nantahala Fire District		238,774		227,855
Total expenditures	<u>4,491,797</u>	<u>4,346,844</u>	<u>144,953</u>	<u>4,227,167</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

OCCUPANCY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 1,495,555	\$ 1,324,740	\$ (170,815)	\$ 889,186
Nantahala	252,352	196,717	(55,635)	-
Franklin	458,033	419,762	(38,271)	274,200
Administrative fee	191,821	168,802	(23,019)	109,211
Total revenues	<u>2,397,761</u>	<u>2,110,021</u>	<u>(287,740)</u>	<u>1,272,597</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	1,495,555	1,324,740	170,815	889,186
Nantahala District	252,352	196,717	55,635	-
Franklin Chamber	458,033	419,762	38,271	274,200
Administrative fees	191,821	168,802	23,019	109,211
Total expenditures	<u>2,397,761</u>	<u>2,110,021</u>	<u>287,740</u>	<u>1,272,597</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
Community Development Block Grant #07-C-1662	\$ 400,000	\$ 353,250	\$ -	\$ 353,250
Weatherization #1161	47,867	47,122	-	47,122
Urgent repair 1014	75,000	75,000	-	75,000
ARRA Weatherization 18WA	668,109	605,388	-	605,388
Community Development Block Grant #10-C-2124	400,000	275,815	-	275,815
Weatherization #1261	235,990	181,887	-	181,887
SFR 11	160,000	122,208	-	122,208
Urgent repair 1115	75,000	75,000	-	75,000
Urgent repair URP-13	75,000	75,000	-	75,000
Weatherization #1361	129,107	123,180	-	123,180
Weatherization #1461	320,347	234,892	-	234,892
Weatherization #6054	266,322	258,443	-	258,443
SFR 14	170,000	118,453	-	118,453
Duke HHP - Health and Safety	138,526	138,769	-	138,769
Duke HHP - HVAC	252,561	253,317	-	253,317
Duke Weatherization	98,200	98,200	-	98,200
Urgent Repair - URP 15	100,000	100,092	-	100,092
Weatherization #6508	169,604	168,648	-	168,648
Urgent Repair #1619	100,000	100,089	-	100,089
Weatherization #6940	105,683	98,669	-	98,669
Duke Weatherization Direct Reimbursement	140,000	147,567	-	147,567
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	39,214	-	39,214
ESFRLP-17 Grant	175,000	98,875	35,252	134,127
Weatherization DOE 2018 #7305	72,372	65,305	-	65,305
Weatherization LIHEAP 18 #7305	80,722	78,105	-	78,105
Weatherization HARRP 18 #7305	38,613	37,203	-	37,203
Duke Energy 2017 HHF#2017-2200	108,603	108,637	-	108,637
Urgent Repair Program 18	100,000	100,206	-	100,206
Weatherization DOE 2019 #7604	82,919	79,018	-	79,018
Weatherization LIHEAP 19 #7604	63,055	62,928	-	62,928
Weatherization HARRP 19 #7604	9,894	8,680	-	8,680
Urgent Repair Program 19	100,000	100,000	3	100,003
Weatherization DOE 2020 #8000	93,388	75,717	-	75,717
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
Weatherization HARRP 20 #8000	42,126	13,001	-	13,001
ESFRLP-2020 Grant	190,000	-	-	-
Urgent Repair Program 20	100,000	-	32,156	32,156
Weatherization DOE 2021 #8217	127,640	-	118,703	118,703
Weatherization LIHEAP 21 #8217	49,325	-	44,347	44,347
Weatherization HARRP 21 #8217	53,034	-	37,480	37,480
Weatherization LIHEAP COVID 21	2,271	-	-	-
Miscellaneous revenues	11,222	11,469	-	11,469
Total revenues	<u>5,721,430</u>	<u>4,583,297</u>	<u>267,941</u>	<u>4,851,238</u>

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures:				
Economic and physical development:				
Administrative - County	1,296,809	1,022,092	102,028	1,124,120
Community Development Block Grant:				
Grant #07-C-1662 - administrative	40,000	40,965	-	40,965
Grant #07-C-1662 - rehabilitation	360,000	313,058	-	313,058
Weatherization #1161	47,867	47,124	-	47,124
Urgent repair 1014	75,000	74,998	-	74,998
ARRA weatherization 18WA	668,109	605,401	-	605,401
Community Development Block:				
Grant #10-C-2124 - administrative	40,000	30,978	-	30,978
Grant #10-C-2124 - rehabilitation	360,000	244,856	-	244,856
SFR-11 Grant	160,000	122,211	-	122,211
Weatherization #1261	235,990	181,802	-	181,802
Urgent Repair Grant 1115	75,000	74,943	-	74,943
Weatherization #1361	129,107	123,450	-	123,450
Urgent Repair Grant - URP-13	75,000	75,000	-	75,000
Weatherization #1461	320,347	234,894	-	234,894
Weatherization #6054	266,322	258,441	-	258,441
SFR 14	170,000	117,577	-	117,577
Duke HHP - Health and Safety	138,526	114,105	-	114,105
Duke HHP - HVAC	252,561	235,409	-	235,409
Duke Weatherization	98,200	97,616	-	97,616
Urgent Repair - URP 15	100,000	98,363	-	98,363
Weatherization #6508	169,604	168,649	-	168,649
Urgent Repair #1619	100,000	97,430	-	97,430
Weatherization #6940	105,683	98,667	-	98,667
Duke Weatherization Direct Reimbursement	140,000	120,935	17,879	138,814
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	38,493	-	38,493
ESFRLP-17 - rehabilitation	125,000	105,624	7,104	112,728
ESFRLP-17 - program support	50,000	28,285	1,532	29,817
Weatherization DOE 2018 #7305	72,372	65,303	-	65,303
Weatherization LIHEAP 18 #7305	80,722	78,104	-	78,104
Weatherization HARRP 18 #7305	38,613	37,202	-	37,202
Duke Energy 2017 HHF#2017-2200	108,603	108,524	-	108,524
Urgent Repair- URP 19	100,000	99,668	-	99,668
Weatherization DOE 19 #7604	82,919	79,615	-	79,615
Weatherization LIHEAP 19 #7604	63,055	62,931	-	62,931
Weatherization HARRP 2019 #7604	9,894	8,679	-	8,679
Urgent Repair Program 20	100,000	96,971	3,032	100,003
Weatherization HARRP 2020 #8000	42,126	12,999	-	12,999
Weatherization DOE 20 #8000	93,388	75,777	-	75,777
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
ESFRLP-2020 Grant	190,000	-	-	-

MACON COUNTY, NORTH CAROLINA

**HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Urgent Repair Program 20	100,000	-	32,156	32,156
Weatherization DOE 2021 #8217	127,640	-	118,703	118,703
Weatherization LIHEAP 21 #8217	49,325	-	44,347	44,347
Weatherization HARRP 21 #8217	53,034	-	37,480	37,480
Weatherization LIHEAP COVID 21	2,271	-	-	-
Total expenditures	<u>7,007,017</u>	<u>5,551,089</u>	<u>364,261</u>	<u>5,915,350</u>
Revenues over (under) expenditures	(1,285,587)	(967,792)	(96,320)	(1,064,112)
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	<u>1,285,587</u>	<u>1,173,140</u>	<u>117,444</u>	<u>1,290,584</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 205,348</u>	<u>\$ 21,124</u>	<u>\$ 226,472</u>

MACON COUNTY, NORTH CAROLINA

**WESTERN CAROLINA INDUSTRIAL PARTNERS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1, as previously reported		-	
Prior period restatement - change in accounting principle		<u>17,113</u>	
Beginning of year - July 1, as restated		<u>17,113</u>	
End of year - June 30		<u>\$ 17,113</u>	

MACON COUNTY, NORTH CAROLINA

**DEED OF TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	2021		Variance Over/Under
	Budget	Actual	
Revenues:			
Permits and fees:			
Register of Deeds	\$ 70,000	\$ 58,683	\$ (11,317)
Expenditures:			
General government:			
Payments of fees collected to the State of North Carolina	70,000	58,683	11,317
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ -</u>	

MACON COUNTY, NORTH CAROLINA

**REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental revenues	\$ 282,000	\$ 215,229	\$ (66,771)
Expenditures:			
Human services:			
Payments made for the benefit of beneficiaries	<u>282,000</u>	<u>227,817</u>	<u>54,183</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,588)</u>	<u>\$ (12,588)</u>
Fund Balance:			
Beginning of year - July 1, as previously reported		-	
Prior period restatement - change in accounting principle		<u>39,001</u>	
Beginning of year - July 1, as restated		<u>39,001</u>	
End of year - June 30		<u>\$ 26,413</u>	

MACON COUNTY, NORTH CAROLINA

**RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Miscellaneous revenues:			
Hurricane Ivan relief funds	\$ 33,750	\$ -	\$ (33,750)
Expenditures:			
General government:			
Payments made for the benefit of beneficiaries	33,750	33,750	-
Net change in fund balance	<u>\$ -</u>	<u>(33,750)</u>	<u>\$ (33,750)</u>
Fund Balance:			
Beginning of year - July 1, as previously reported		-	
Prior period restatement - change in accounting principle		<u>36,454</u>	
Beginning of year - July 1, as restated		<u>36,454</u>	
End of year - June 30		<u>\$ 2,704</u>	

MACON COUNTY, NORTH CAROLINA

**FINES AND FORFEITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2021</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and services:			
Penalties, fines and forfeitures	\$ 220,000	\$ 186,568	\$ (33,432)
Expenditures:			
General government:			
Payments to Board of Education	220,000	186,568	33,432
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ -</u>	

CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions:

Nonmajor Funds:

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2021

	Airport Improvements Fund	County Buildings Project Fund	Riverbend Estates Waterline Project Fund
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 195,936	\$ 132,505	\$ 40,685
Due from governmental agencies	4,225	-	-
Total assets	<u>\$ 200,161</u>	<u>\$ 132,505</u>	<u>\$ 40,685</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,695	\$ 2,568	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,695</u>	<u>2,568</u>	<u>-</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	4,225	-	-
Committed for general government	-	129,937	-
Committed for economic and physical development	191,241	-	40,685
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>195,466</u>	<u>129,937</u>	<u>40,685</u>
Total liabilities and fund balances	<u>\$ 200,161</u>	<u>\$ 132,505</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2021

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Assets:				
Cash and cash equivalents	\$ 161,791	\$ -	\$ 559,453	\$ 1,090,370
Due from governmental agencies	-	793,848	-	798,073
Total assets	<u>\$ 161,791</u>	<u>\$ 793,848</u>	<u>\$ 559,453</u>	<u>\$ 1,888,443</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 7,263
Due to other funds	-	340,643	-	340,643
Total liabilities	<u>-</u>	<u>340,643</u>	<u>-</u>	<u>347,906</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	793,848	-	798,073
Committed for general government	-	-	559,453	689,390
Committed for economic and physical development	161,791	-	-	393,717
Unassigned	-	(340,643)	-	(340,643)
Total fund balances	<u>161,791</u>	<u>453,205</u>	<u>559,453</u>	<u>1,540,537</u>
Total liabilities and fund balances	<u>\$ 161,791</u>	<u>\$ 793,848</u>	<u>\$ 559,453</u>	<u>\$ 1,888,443</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>
Revenues:			
Restricted intergovernmental revenues	\$ 59,818	\$ -	\$ -
Local option sales tax	-	-	-
Interest earned on investments	-	-	-
Total revenues	<u>59,818</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	-	8,172	-
Economic and physical development	66,466	-	-
Total expenditures	<u>66,466</u>	<u>8,172</u>	<u>-</u>
Revenues over (under) expenditures	<u>(6,648)</u>	<u>(8,172)</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers out:			
To Debt Service Fund	-	-	-
To General Fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,648)	(8,172)	-
Fund Balances:			
Beginning of year - July 1	<u>202,114</u>	<u>138,109</u>	<u>40,685</u>
End of year - June 30	<u>\$ 195,466</u>	<u>\$ 129,937</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 59,818
Local option sales tax	-	2,790,211	-	2,790,211
Interest earned on investments	-	142	160	302
Total revenues	<u>-</u>	<u>2,790,353</u>	<u>160</u>	<u>2,850,331</u>
Expenditures:				
General government	-	-	-	8,172
Economic and physical development	-	-	-	66,466
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,638</u>
Revenues over (under) expenditures	<u>-</u>	<u>2,790,353</u>	<u>160</u>	<u>2,775,693</u>
Other Financing Sources (Uses):				
Transfers out:				
To Debt Service Fund	-	(2,658,986)	-	(2,658,986)
To General Fund	-	-	(305,000)	(305,000)
Total other financing sources (uses)	<u>-</u>	<u>(2,658,986)</u>	<u>(305,000)</u>	<u>(2,963,986)</u>
Net change in fund balances	-	131,367	(304,840)	(188,293)
Fund Balances:				
Beginning of year - July 1	<u>161,791</u>	<u>321,838</u>	<u>864,293</u>	<u>1,728,830</u>
End of year - June 30	<u>\$ 161,791</u>	<u>\$ 453,205</u>	<u>\$ 559,453</u>	<u>\$ 1,540,537</u>

MACON COUNTY, NORTH CAROLINA

AIRPORT IMPROVEMENTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
State aid to airports	\$ 7,423,967	\$ 6,191,713	\$ 59,818	\$ 6,251,531
Airport Improvements Program	2,618,609	2,283,474	-	2,283,474
2013 NPE 36237.1.14.1	150,000	150,001	-	150,001
2014 NPE 36237.1.NPE.14	150,000	149,999	-	149,999
2015 NPE 36237.1.NPE.15	150,000	150,000	-	150,000
Taxiway/Lighting 36237.1.14.2	2,250,000	2,225,451	-	2,225,451
Miscellaneous revenues	61,167	88,051	-	88,051
Total revenues	<u>12,803,743</u>	<u>11,238,689</u>	<u>59,818</u>	<u>11,298,507</u>
Expenditures:				
Capital outlay:				
Runway extension phase II - site improvements	3,147,244	2,832,984	-	2,832,984
Phase I EA - runway extension	1,000,000	369,694	-	369,694
2004 Vision 100	166,667	152,571	-	152,571
Runway improvements	792,000	635,301	-	635,301
2008 Vision 100	166,667	-	-	-
SWPPP/SPCC & AWOS	131,602	31,775	-	31,775
Runway rehabilitation design	222,223	220,800	-	220,800
Runway rehabilitation construction	2,687,343	2,500,951	-	2,500,951
Apron improvements	2,511,340	2,601,454	-	2,601,454
2013 NPE 36237.1.141	166,667	126,644	-	126,644
2014 NPE 36237.1.NPE.14	166,667	166,666	-	166,666
2015 NPE 36237.1.NPE.15	166,667	166,667	-	166,667
2016 NPE 36237.1.NPE.16	166,667	38,026	66,466	104,492
2017 NPE 36237.1.NPE.17	166,667	-	-	-
Taxiway/Lighting 36237.1.14.2	2,500,000	2,484,562	-	2,484,562
Total expenditures	<u>14,158,421</u>	<u>12,328,095</u>	<u>66,466</u>	<u>12,394,561</u>
Revenues over (under) expenditures	(1,354,678)	(1,089,406)	(6,648)	(1,096,054)
Other Financing Sources (Uses):				
Transfers in from General Fund	<u>1,354,678</u>	<u>1,291,520</u>	<u>-</u>	<u>1,291,520</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 202,114</u>	<u>\$ (6,648)</u>	<u>\$ 195,466</u>

MACON COUNTY, NORTH CAROLINA

**COUNTY BUILDING PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
PARTF Grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
NC Grant-In-Aid 2017.51.0	100,000	100,000	-	100,000
Miscellaneous	-	20,360	-	20,360
Total revenues	<u>600,000</u>	<u>620,360</u>	<u>-</u>	<u>620,360</u>
Expenditures:				
General government:				
Animal shelter	500,000	498,905	-	498,905
Old library renovations	300,000	299,928	-	299,928
Renovations - Barrett Building	458,303	445,581	-	445,581
Renovations - Old Senior Services Building	118,550	118,531	-	118,531
Renovations - Patton Avenue Building	200,000	175,205	-	175,205
Garage construction	120,000	119,080	-	119,080
Radio communication upgrade	1,395,360	1,347,249	8,172	1,355,421
Dog park construction	115,957	112,820	-	112,820
Cultural and recreational:				
Parker Meadows Recreation Complex	3,774,801	3,747,923	-	3,747,923
Carpenter building renovations	899,965	899,965	-	899,965
Total expenditures	<u>7,882,936</u>	<u>7,765,187</u>	<u>8,172</u>	<u>7,773,359</u>
Revenues over (under) expenditures	<u>(7,282,936)</u>	<u>(7,144,827)</u>	<u>(8,172)</u>	<u>(7,152,999)</u>
Other Financing Sources (Uses):				
Debt issued	1,800,000	1,800,000	-	1,800,000
Transfers in:				
From General Fund	5,110,867	5,110,867	-	5,110,867
From Emergency Telephone System Fund	326,095	326,095	-	326,095
From Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund	303,216	303,216	-	303,216
Transfers out:				
(To) Emergency Telephone System Fund	<u>(257,242)</u>	<u>(257,242)</u>	<u>-</u>	<u>(257,242)</u>
Total other financing sources (uses)	<u>7,282,936</u>	<u>7,282,936</u>	<u>-</u>	<u>7,282,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 138,109</u>	<u>\$ (8,172)</u>	<u>\$ 129,937</u>

MACON COUNTY, NORTH CAROLINA

**RIVERBEND ESTATES WATERLINE PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

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

MACON COUNTY, NORTH CAROLINA

LITTLE TENNESSEE RIVER/CARTOOGECHAYE CREEK
SEWER TRUNK PROJECTSCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
NC High Unit Cost grant	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 3,000,000
NC Rural Center grant	750,000	712,092	-	712,092
Town of Franklin contribution	16,970	16,970	-	16,970
Investment earnings	-	87	-	87
Miscellaneous revenue	-	91,584	-	91,584
Total revenues	<u>3,766,970</u>	<u>3,820,733</u>	<u>-</u>	<u>3,820,733</u>
Expenditures:				
Sewer project expense:				
Legal fees	25,688	25,688	-	25,688
Issuance cost	11,986	11,986	-	11,986
Engineering	760,088	760,088	-	760,088
Surveying	6,445	6,445	-	6,445
General contract	5,010,742	4,902,715	-	4,902,715
Land	208,637	208,636	-	208,636
Total expenditures	<u>6,023,586</u>	<u>5,915,558</u>	<u>-</u>	<u>5,915,558</u>
Revenues over (under) expenditures	<u>(2,256,616)</u>	<u>(2,094,825)</u>	<u>-</u>	<u>(2,094,825)</u>
Other Financing Sources (Uses):				
Debt issued	2,043,250	2,043,250	-	2,043,250
Transfer to County Building Projects Fund	(303,216)	(303,216)	-	(303,216)
Transfer from General Fund	516,582	516,582	-	516,582
Total other financing sources (uses)	<u>2,256,616</u>	<u>2,256,616</u>	<u>-</u>	<u>2,256,616</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 161,791</u>	<u>\$ -</u>	<u>\$ 161,791</u>

MACON COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 2,000	\$ 142	\$ (1,858)	\$ 11,813
Local option sales tax	2,656,986	2,790,211	133,225	2,236,200
Total revenues	<u>2,658,986</u>	<u>2,790,353</u>	<u>131,367</u>	<u>2,248,013</u>
Revenues over (under) expenditures	2,658,986	2,790,353	131,367	2,248,013
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	<u>(2,658,986)</u>	<u>(2,658,986)</u>	<u>-</u>	<u>(2,163,400)</u>
Net change in fund balance	<u>\$ -</u>	131,367	<u>\$ 131,367</u>	84,613
Fund Balance:				
Beginning of year - July 1		<u>321,838</u>		<u>237,225</u>
End of year - June 30		<u>\$ 453,205</u>		<u>\$ 321,838</u>

MACON COUNTY, NORTH CAROLINA

CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 2,000	\$ 160	\$ (1,840)	\$ 14,135
Other Financing Sources (Uses):				
Transfers out:				
(To) General Fund	(602,000)	(305,000)	297,000	(264,500)
Appropriated fund balance	600,000	-	(600,000)	-
Total other financing sources (uses)	(2,000)	(305,000)	(303,000)	(264,500)
Net change in fund balance	\$ -	(304,840)	\$ (304,840)	(250,365)
Fund Balance:				
Beginning of year - July 1		864,293		1,114,658
End of year - June 30		\$ 559,453		\$ 864,293

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ENTERPRISE FUND

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

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MACON COUNTY, NORTH CAROLINA

**SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020**

	2021		Variance Over/Under	2020
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Landfill fees	\$ 2,958,097	\$ 2,947,237		\$ 2,530,501
Tipping fees	1,757,499	1,817,571		1,627,267
Recycling revenue	271,659	288,385		199,523
Other operating revenue	7,463	8,666		8,724
Scrap tire disposal fee	50,000	52,816		49,093
Restricted intergovernmental revenue	19,000	26,581		24,144
Total operating revenues	<u>5,063,718</u>	<u>5,141,256</u>	\$ 77,538	<u>4,439,252</u>
Non-operating revenues:				
Solid waste disposal tax	30,000	29,898		29,469
Investment earnings	263	9,316		107,806
Total non-operating revenues	<u>30,263</u>	<u>39,214</u>	8,951	<u>137,275</u>
Total revenues	<u>5,093,981</u>	<u>5,180,470</u>	86,489	<u>4,576,527</u>
Expenditures:				
Operating expenditures:				
Salaries	1,197,725	1,155,157		1,143,896
Employee benefits	538,013	480,565		459,907
Operating expenditures	1,556,143	1,376,679		1,282,294
Interest and fees	127,700	131,730		149,130
Debt principal	967,429	963,398		945,999
Post-closure costs	483,389	40,620		16,477
Capital outlay	818,016	610,819		761,306
Solid waste disposal tax remittance	80,386	79,046		73,232
Total operating expenditures	<u>5,768,801</u>	<u>4,838,014</u>	930,787	<u>4,832,241</u>
Total expenditures	<u>5,768,801</u>	<u>4,838,014</u>	930,787	<u>4,832,241</u>
Revenues over (under) expenditures	(674,820)	342,456	1,017,276	(255,714)
Other Financing Sources (Uses):				
Appropriated fund balance	<u>674,820</u>	-	(674,820)	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 342,456</u>	<u>\$ 342,456</u>	<u>\$ (255,714)</u>

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021		2020
	Budget	Actual	Actual
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 342,456	
Reconciling items:			
Payment of debt principal		963,398	
Solid waste capital project fund interest income		2,943	
(Increase) decrease in accrued interest payable		6,049	
Capital outlay		610,819	
Capital contributions		320,000	
Increase (decrease) in deferred outflows - pension		39,007	
(Increase) decrease in net pension liability LGERS		(103,234)	
(Increase) decrease in deferred inflows - pension LGERS		(81)	
(Increase) decrease in post-closure care costs		(898,696)	
(Increase) decrease in OPEB liability		(1,552,358)	
Increase (decrease) in deferred outflows - OPEB		1,091,909	
(Increase) decrease in deferred inflows - OPEB		44,396	
(Increase) decrease in compensated absences		(2,212)	
Depreciation		<u>(884,416)</u>	
Change in net position - Exhibit H		<u>\$ (20,020)</u>	

MACON COUNTY, NORTH CAROLINA

SOLID WASTE CAPITAL PROJECT FUND

LANDFILL EXPANSION PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ -	\$ 42,684	\$ 2,943	\$ 45,627
Sales tax refund	-	30,613	-	30,613
Total revenues	-	73,297	2,943	76,240
Expenditures:				
Construction	201,541	-	8,197	8,197
Capital equipment	77	-	-	-
Construction administration	1,635	-	-	-
Water line installation/relocation	240,000	14,000	-	14,000
Building renovations	182,775	5,757	-	5,757
Professional fees	34,700	13,850	2,770	16,620
Contingency	17,285	-	-	-
Total expenditures	678,013	33,607	10,967	44,574
Revenues over (under) expenditures	(678,013)	39,690	(8,024)	31,666
Other Financing Sources (Uses):				
Proceeds from issuance of debt	2,429,558	2,429,558	-	2,429,558
Transfer to Solid Waste Fund	(1,751,545)	(1,751,545)	-	(1,751,545)
Total other financing sources (uses)	678,013	678,013	-	678,013
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 717,703	\$ (8,024)	\$ 709,679

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INTERNAL SERVICE FUND

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

Individual Fund Description:

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

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MACON COUNTY, NORTH CAROLINA

**SELF-INSURANCE FUND
STATEMENT OF NET POSITION
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 531,566	\$ 562,087
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>282,797</u>	<u>267,790</u>
Net Position:		
Unrestricted net position	<u>\$ 248,769</u>	<u>\$ 294,297</u>

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN

FUND NET POSITION - FINANCIAL PLAN AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	2021			2020
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 5,231,823	\$ 5,007,947	\$ (223,876)	\$ 5,033,126
Operating Expenses:				
Insurance premiums	5,293,579	5,056,198	237,381	5,049,407
Benefit payments	150,000	59,117	90,883	305,823
Total operating expenses	5,443,579	5,115,315	328,264	5,355,230
Operating income (loss)	(211,756)	(107,368)	104,388	(322,104)
Non-Operating Revenues:				
Investment earnings	-	84	84	6,188
Other Financing Sources (Uses):				
Appropriated fund balance	150,000	-	(150,000)	-
Transfer from General Fund	61,756	61,756	-	61,756
Total other financing sources (uses)	211,756	61,756	(150,000)	61,756
Change in net position	\$ -	(45,528)	\$ (45,528)	(254,160)
Net Position:				
Beginning of year - July 1		294,297		548,457
End of year - June 30		\$ 248,769		\$ 294,297

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 5,007,947	\$ 5,033,126
Cash paid for goods and services	<u>(5,100,308)</u>	<u>(5,512,550)</u>
Net cash provided (used) by operating activities	<u>(92,361)</u>	<u>(479,424)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>84</u>	<u>6,188</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>61,756</u>	<u>61,756</u>
Net increase (decrease) in cash and cash equivalents	(30,521)	(411,480)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>562,087</u>	<u>973,567</u>
End of year - June 30	<u>\$ 531,566</u>	<u>\$ 562,087</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (107,368)	\$ (322,104)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable and accrued liabilities	<u>15,007</u>	<u>(157,320)</u>
Net cash provided (used) by operating activities	<u>\$ (92,361)</u>	<u>\$ (479,424)</u>

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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.

Individual Fund Descriptions:

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

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

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MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 16,721	\$ 16,340	\$ 33,061
Taxes receivable for other governments, net	<u>16,778</u>	<u>-</u>	<u>16,778</u>
Total assets	<u>33,499</u>	<u>16,340</u>	<u>49,839</u>
Liabilities:			
Due to other governments	<u>16,721</u>	<u>-</u>	<u>16,721</u>
Net Position:			
Restricted for:			
Individuals, organizations and other governments	<u>16,778</u>	<u>16,340</u>	<u>33,118</u>
Total net position	<u>\$ 16,778</u>	<u>\$ 16,340</u>	<u>\$ 33,118</u>

MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Property taxes collected for other governments	\$ 2,906,557	\$ -	\$ 2,906,557
Collections on behalf of individuals/organizations	-	187,129	187,129
Total additions	<u>2,906,557</u>	<u>187,129</u>	<u>3,093,686</u>
Deductions:			
Property taxes distributed to other governments	2,907,288	-	2,907,288
Payments on behalf of individuals/organizations	-	182,447	182,447
Total deductions	<u>2,907,288</u>	<u>182,447</u>	<u>3,089,735</u>
Net increase (decrease) in fiduciary net position	<u>(731)</u>	<u>4,682</u>	<u>3,951</u>
Net Position:			
Beginning of year - July 1, as previously reported	-	-	-
Prior period restatement - change in accounting principle	<u>17,509</u>	<u>11,658</u>	<u>29,167</u>
Beginning of year - July 1, as restated	<u>17,509</u>	<u>11,658</u>	<u>29,167</u>
End of year - June 30	<u>\$ 16,778</u>	<u>\$ 16,340</u>	<u>\$ 33,118</u>

ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2021.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 30,928,764	\$ 30,510,957	\$ 417,807
2019-2020	479,454	318	290,276	189,496
2018-2019	225,126	-	95,691	129,435
2017-2018	153,813	-	46,190	107,623
2016-2017	94,961	-	21,533	73,428
2015-2016	74,132	-	16,643	57,489
2014-2015	69,362	-	13,692	55,670
2013-2014	60,565	-	10,507	50,058
2012-2013	49,785	-	10,424	39,361
2011-2012	39,763	-	7,465	32,298
2010-2011	30,736	-	30,736	-
Total	<u>\$ 1,277,697</u>	<u>\$ 30,929,082</u>	<u>\$ 31,054,114</u>	1,152,665
Less allowance for uncollectible ad valorem taxes receivable				<u>(632,471)</u>
Ad valorem taxes receivable - net				<u>\$ 520,194</u>
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 31,216,927
Reconciling items:				
Advertising/attorney fees				(30,203)
Interest collected				(165,855)
Refunds and other adjustments				6,753
Amounts written off per Statute of Limitations				<u>26,492</u>
Total collections and credits				<u>\$ 31,054,114</u>

MACON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,623,038,431	\$ 0.3747	\$ 28,563,525	\$ 28,563,525	\$ -
Motor vehicles taxed at current year's rate	443,311,716	0.3747	1,661,089	-	1,661,089
Motor vehicles taxed at prior year's rate	478,510	0.3490	1,670	-	1,670
Total	<u>8,066,828,657</u>		<u>30,226,284</u>	<u>28,563,525</u>	<u>1,662,759</u>
Discoveries:					
Current year taxes	19,338,671	0.3747	72,462	72,462	-
Utilities	173,065,385	0.3747	648,476	648,476	-
Less releases and adjustments	(4,926,074)	0.3747	(18,458)	(18,458)	-
Total property valuation	<u>\$ 8,254,306,639</u>				
Net Levy			30,928,764	29,266,005	1,662,759
Uncollected taxes at June 30, 2021			(417,807)	(417,807)	-
Current Year's Taxes Collected			<u>\$ 30,510,957</u>	<u>\$ 28,848,198</u>	<u>\$ 1,662,759</u>
Current Levy Collection Percentage			<u>98.65%</u>	<u>98.57%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property					\$ 7,519,567,555
Personal property					561,673,699
Public service companies					173,065,385
Total assessed valuation					<u>\$ 8,254,306,639</u>
Tax rate per \$100					<u>0.3747</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 30,928,764</u>
In addition to the County-wide rate, the County had the following levy on behalf of fire-protection districts for the fiscal year ended June 30, 2021.					<u>\$ 4,302,530</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 4,302,530	\$ 4,237,034	\$ 65,496
2019-2020	77,104	-	44,057	33,047
2018-2019	35,739	-	13,576	22,163
2017-2018	27,155	-	8,476	18,679
2016-2017	15,476	-	3,779	11,697
2015-2016	12,045	-	2,386	9,659
2014-2015	12,212	-	2,255	9,957
2013-2014	10,602	-	1,734	8,868
2012-2013	8,229	-	1,923	6,306
2011-2012	6,553	-	1,305	5,248
2010-2011	4,878	-	4,878	-
Total	<u>\$ 209,993</u>	<u>\$ 4,302,530</u>	<u>\$ 4,321,403</u>	<u>191,120</u>

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund	<u>(106,132)</u>
Fire districts taxes receivable - net	<u>\$ 84,988</u>

Reconciliation of Revenues with Collections and Credits:

Taxes - ad valorem - Fire Districts Fund	\$ 4,346,844
Taxes written off	4,285
Interest collected	(25,472)
Miscellaneous adjustments	<u>(4,254)</u>
Total collections and credits	<u>\$ 4,321,403</u>

MACON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 886,564
Clarks Chapel Fire District	337,457
Otto Fire District	343,635
Cullasaja Fire District	259,871
West Macon Fire District	320,321
Scaly Mountain Fire District	152,897
Burningtown / Iotla Fire District	235,381
Cowee Fire District	323,834
Nantahala Fire District	230,959
Highlands Fire District	1,075,135
Mountain Valley Fire District	<u>136,476</u>
Net Levy	4,302,530
Less uncollected taxes at June 30, 2021	<u>65,496</u>
Current Year's Taxes Collected	<u>\$ 4,237,034</u>
Current Levy Collection Percentage	<u>98.48%</u>

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Table 1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 18,601,883	\$ 18,778,181	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499	\$ 22,785,923	\$ 23,024,724	\$ 22,424,684
Restricted	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573
Unrestricted	(18,641,028)	(24,500,469)	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)	(48,719,428)	(50,571,560)	(51,044,893)
Total governmental activities net position	\$ 6,895,369	\$ 4,258,092	\$ 4,887,970	\$ 5,265,939	\$ 7,500,577	\$ 8,917,957	\$ (18,957,930)	\$ (19,507,729)	\$ (21,076,284)	\$ (21,100,636)
Business-type activities										
Net investment in capital assets	\$ 2,071,354	\$ 2,103,456	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729	\$ 5,099,569	\$ 6,191,482	\$ 7,204,226
Unrestricted	2,863,231	3,140,097	1,295,966	(288,998)	634,732	1,925,721	(279,241)	(1,697,225)	1,443,970	411,206
Total business-type activities net position	\$ 4,934,585	\$ 5,243,553	\$ 3,404,070	\$ 3,310,090	\$ 4,069,511	\$ 5,448,446	\$ 4,013,488	\$ 3,402,344	\$ 7,635,452	\$ 7,615,432
Primary government										
Net investment in capital assets	\$ 20,673,237	\$ 20,881,637	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228	\$ 27,885,492	\$ 29,216,206	\$ 29,628,910
Restricted	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573
Unrestricted	(15,777,797)	(21,360,372)	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)	(50,416,653)	(49,127,590)	(50,633,667)
Total primary government net position	\$ 11,829,954	\$ 9,501,645	\$ 8,292,040	\$ 8,576,029	\$ 11,570,088	\$ 14,366,403	\$ (14,944,442)	\$ (16,105,385)	\$ (13,440,832)	\$ (13,485,204)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 10,544,326	\$ 11,086,204	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722	\$ 15,128,363	\$ 14,294,811	\$ 16,345,979
Public safety	13,462,012	13,874,996	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121	16,494,724	20,316,737	20,773,669
Transportation	709,086	781,330	1,037,139	1,222,986	881,675	974,256	968,563	1,209,095	1,014,124	1,118,357
Economic development	2,977,859	5,083,894	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161	2,335,493	2,529,161	3,208,328
Human Services	9,376,517	10,369,682	10,752,050	10,118,181	10,933,958	11,807,885	10,447,531	10,632,450	11,021,630	12,046,235
Culture and recreation	2,349,816	2,400,236	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859	2,045,243	2,983,597	3,283,056
Education	16,309,605	11,698,110	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340
Interest on long-term debt	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	744,342
Total governmental activities expenses	<u>57,847,517</u>	<u>57,162,856</u>	<u>53,333,870</u>	<u>52,455,256</u>	<u>55,106,692</u>	<u>58,488,330</u>	<u>57,439,952</u>	<u>60,677,281</u>	<u>64,966,538</u>	<u>69,218,306</u>
Business-type activities:										
Solid Waste	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081	4,236,713	5,523,433
Total business-type activities expenses	<u>2,880,580</u>	<u>3,093,050</u>	<u>5,320,092</u>	<u>3,491,676</u>	<u>2,851,060</u>	<u>3,095,465</u>	<u>4,103,556</u>	<u>5,213,081</u>	<u>4,236,713</u>	<u>5,523,433</u>
Total primary government expenses	<u>\$ 60,728,097</u>	<u>\$ 60,255,906</u>	<u>\$ 58,653,962</u>	<u>\$ 55,946,932</u>	<u>\$ 57,957,752</u>	<u>\$ 61,583,795</u>	<u>\$ 61,543,508</u>	<u>\$ 65,890,362</u>	<u>\$ 69,203,251</u>	<u>\$ 74,741,739</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,047,612	\$ 1,271,567	\$ 1,340,914	\$ 1,366,746	\$ 1,466,218	\$ 1,551,834	\$ 1,963,765	\$ 1,346,353	\$ 1,422,557	\$ 2,396,275
Public Safety	2,110,943	1,720,635	1,713,989	1,835,759	2,233,562	2,435,643	2,334,702	2,453,626	2,673,219	2,725,508
Transportation	-	-	-	-	-	-	125,210	159,903	130,192	85,638
Economic Development	476,355	506,736	629,929	65,941	62,232	69,766	77,491	90,552	110,782	168,802
Human Services	684,473	519,738	800,254	1,072,805	1,167,074	1,168,345	890,230	1,121,223	700,901	973,479
Culture and recreation	-	-	-	-	-	-	60,137	53,126	36,266	40,789
Education	-	133,505	-	-	-	49,695	-	-	-	-
Operating grants and contributions	10,647,327	9,918,241	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890	9,893,267	9,969,610	10,501,362
Capital grants and contributions	133,681	3,329,169	1,206,665	1,688,310	863,822	1,303,437	1,469,947	263,163	235,664	175,563
Total governmental activities program revenues	<u>15,100,391</u>	<u>17,399,591</u>	<u>16,337,260</u>	<u>15,703,759</u>	<u>16,384,646</u>	<u>18,143,623</u>	<u>17,128,372</u>	<u>15,381,213</u>	<u>15,279,191</u>	<u>17,067,416</u>
Business-type activities:										
Charges for services:										
Solid Waste	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973	4,468,721	5,171,154
Capital grants and contributions	-	-	-	-	-	-	-	-	-	320,000
Total business-type activities program revenues	<u>3,458,349</u>	<u>3,388,477</u>	<u>3,470,358</u>	<u>3,489,389</u>	<u>3,577,947</u>	<u>4,410,967</u>	<u>4,517,245</u>	<u>4,444,973</u>	<u>4,468,721</u>	<u>5,491,154</u>
Total primary government program revenues	<u>\$ 18,558,740</u>	<u>\$ 20,788,068</u>	<u>\$ 19,807,618</u>	<u>\$ 19,193,148</u>	<u>\$ 19,962,593</u>	<u>\$ 22,554,590</u>	<u>\$ 21,645,617</u>	<u>\$ 19,826,186</u>	<u>\$ 19,747,912</u>	<u>\$ 22,558,570</u>
Net (expense)/revenue										
Governmental activities	\$ (42,747,126)	\$ (39,763,265)	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)	\$ (45,296,068)	\$ (49,687,347)	\$ (52,150,890)
Business-type activities	577,769	295,427	(1,849,734)	(2,287)	726,887	1,315,502	413,689	(768,108)	232,008	(32,279)
Total primary government net (expense)	<u>\$ (42,169,357)</u>	<u>\$ (39,467,838)</u>	<u>\$ (38,846,344)</u>	<u>\$ (36,753,784)</u>	<u>\$ (37,995,159)</u>	<u>\$ (39,029,205)</u>	<u>\$ (39,897,891)</u>	<u>\$ (46,064,176)</u>	<u>\$ (49,455,339)</u>	<u>\$ (52,183,169)</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Taxes										
Property taxes	\$ 28,747,033	\$ 28,912,689	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629	\$ 31,967,564	\$ 34,760,708	\$ 35,465,402
Sales taxes	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746
Occupancy taxes	-	-	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021
Unrestricted intergovernmental revenues	359,342	357,318	357,068	330,950	393,453	380,677	417,271	431,018	445,277	452,144
Investment earnings	78,464	62,754	49,365	47,358	88,299	174,298	433,676	829,678	578,133	90,657
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>36,794,479</u>	<u>37,125,988</u>	<u>37,626,488</u>	<u>38,761,406</u>	<u>40,956,684</u>	<u>42,188,749</u>	<u>43,410,742</u>	<u>44,746,269</u>	<u>48,118,792</u>	<u>52,033,970</u>
Business-type activities:										
Investment earnings	13,013	13,541	10,251	9,110	32,534	63,433	95,295	156,964	111,642	12,259
Transfers	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	-	-	-	-	-	-	3,889,458	-
Total business-type activities	<u>13,013</u>	<u>13,541</u>	<u>10,251</u>	<u>9,110</u>	<u>32,534</u>	<u>63,433</u>	<u>95,295</u>	<u>156,964</u>	<u>4,001,100</u>	<u>12,259</u>
Total primary government	<u>\$ 36,807,492</u>	<u>\$ 37,139,529</u>	<u>\$ 37,636,739</u>	<u>\$ 38,770,516</u>	<u>\$ 40,989,218</u>	<u>\$ 42,252,182</u>	<u>\$ 43,506,037</u>	<u>\$ 44,903,233</u>	<u>\$ 52,119,892</u>	<u>\$ 52,046,229</u>
Change in Net Position										
Governmental activities	\$ (5,952,647)	\$ (2,637,277)	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162	\$ (549,799)	\$ (1,568,555)	\$ (116,920)
Business-type activities	590,782	308,968	(1,839,483)	6,823	759,421	1,378,935	508,984	(611,144)	4,233,108	(20,020)
Total primary government	<u>\$ (5,361,865)</u>	<u>\$ (2,328,309)</u>	<u>\$ (1,209,605)</u>	<u>\$ 2,016,732</u>	<u>\$ 2,994,059</u>	<u>\$ 3,222,977</u>	<u>\$ 3,608,146</u>	<u>\$ (1,160,943)</u>	<u>\$ 2,664,553</u>	<u>\$ (136,940)</u>

Table 3

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2012	\$ 25,924,926	\$ 6,095,609	\$ 93,896	\$ 11,602	\$ 32,126,033
2013	26,149,786	6,243,883	92,557	13,211	32,499,437
2014	26,792,489	6,152,792	89,219	11,602	33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936
2019	28,456,704	8,383,227	77,870	12,786	36,930,587
2020	30,504,822	8,825,877	75,888	13,813	39,420,400
2021	31,216,927	11,125,535	75,210	15,805	42,433,477

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non Spendable	\$ 209,732	\$ 311,383	\$ 286,403	\$ 327,791	\$ 276,961	\$ 313,233	\$ 263,820	\$ 397,881	\$ 680,502	\$ 615,606
Restricted	3,483,255	5,338,833	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853	4,695,531	4,638,471	5,130,375
Assigned	1,680,769	2,121,220	566,642	-	-	-	1,050,000	250,000	702,312	8,490
Unassigned	15,992,802	12,842,335	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076	23,951,465	25,475,900	32,122,385
Total General Fund	\$ 21,366,558	\$ 20,613,771	\$ 20,117,522	\$ 21,995,231	\$ 25,438,347	\$ 26,210,471	\$ 28,660,749	\$ 29,294,877	\$ 31,497,185	\$ 37,876,856
All other governmental funds										
Assigned in Debt Service	\$ 976,150	\$ 1,022,379	\$ 354,003	\$ 13,355	\$ 262,427	\$ 335,334	\$ 443,117	\$ 659,532	\$ 928,423	\$ 1,826,667
Restricted in Debt Service	44,145	-	430,358	598,000	395,347	328,238	338,417	349,223	296,988	404,995
Restricted Other Governmental Funds	1,354,059	2,401,394	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558	2,190,056	1,453,726	1,919,831
Restricted in Capital Project	2,053,055	2,240,153	-	-	-	-	-	-	-	9,555,733
Non Spendable-Other Governmental Funds	-	-	-	-	-	-	-	-	-	8,171
Committed in Other Governmental Funds	1,663,942	1,337,859	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606	2,723,933	2,484,905	1,279,033
Committed in Capital Project	533,308	93,037	-	-	-	-	-	-	-	441,925
Unassigned Other Governmental Funds	(327,127)	(1,622,132)	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)	(478,827)	(455,060)	(616,438)
Unassigned in Capital Project	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 6,297,532	\$ 5,472,690	\$ 5,328,222	\$ 3,719,000	\$ 4,184,127	\$ 4,993,785	\$ 4,663,247	\$ 5,443,917	\$ 4,708,982	\$ 14,819,917

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad Valorem Taxes	\$ 28,634,156	\$ 28,888,191	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244	\$ 31,918,809	\$ 34,731,989	\$ 35,563,771
Sales Taxes	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746
Intergovernmental revenues	10,731,178	13,604,728	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783	10,584,828	10,650,551	11,122,955
Sales & Services	2,697,408	2,436,510	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491	2,953,579	2,880,918	3,209,117
Permits & Fees	1,432,807	1,409,574	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734	1,285,649	1,344,832	2,130,509
Investment earnings	75,819	61,031	49,112	47,116	86,955	172,914	430,777	824,308	571,945	90,573
Occupancy taxes	-	-	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021
Miscellaneous	409,172	358,493	303,346	246,020	178,396	259,707	580,114	288,176	505,620	505,332
Total revenues	51,590,180	54,551,754	53,832,980	54,198,407	56,924,458	59,944,196	59,598,309	59,353,358	63,020,529	68,648,024
Expenditures										
General government	6,449,113	7,000,158	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443	9,123,663	9,199,381	10,708,064
Public safety	13,707,106	14,673,633	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314	17,437,977	19,524,167	18,681,740
Transportation	754,920	748,894	1,016,489	1,228,966	1,073,513	1,262,628	895,088	1,325,908	967,961	943,651
Economic and physical development	3,004,228	5,088,994	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492	2,354,295	2,534,701	3,136,733
Human Services	9,649,735	10,786,673	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367	11,283,006	10,885,159	10,999,647
Culture and recreation	2,021,075	2,710,790	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178	2,363,042	2,436,949	2,712,926
Education	8,084,457	8,294,839	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340
Capital Projects	8,225,148	3,403,271	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal repayments	4,637,634	4,927,727	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890	3,039,148	3,136,604	2,924,149
Issuance costs	-	-	-	-	-	-	-	-	-	349,959
Interest	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	730,577
Total expenditures	58,651,712	59,503,383	54,473,697	55,729,920	56,002,093	57,662,414	56,616,767	59,758,952	61,491,400	62,885,786
Revenues over (under) expenditures	(7,061,532)	(4,951,629)	(640,717)	(1,531,513)	922,365	2,281,782	2,981,542	(405,594)	1,529,129	5,762,238
Other financing sources (uses)										
Issuance of long-term debt	728,296	3,374,000	-	1,800,000	2,985,878	-	-	2,923,674	-	19,320,000
Premium on long-term debt issued	-	-	-	-	-	-	-	-	-	2,381,364
Payments to escrow agent for refunded debt	-	-	-	-	-	-	-	-	-	(11,003,808)
Transfers in	6,780,477	5,987,522	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227	3,842,108	5,144,874	4,392,285
Transfers (out)	(6,780,477)	(5,987,522)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)	(4,945,390)	(5,206,630)	(4,454,041)
Total other financing sources (uses)	728,296	3,374,000	-	1,800,000	2,985,878	(700,000)	(861,802)	1,820,392	(61,756)	10,635,800
Net change in fund balances	\$ (6,333,236)	\$ (1,577,629)	\$ (640,717)	\$ 268,487	\$ 3,908,243	\$ 1,581,782	\$ 2,119,740	\$ 1,414,798	\$ 1,467,373	\$ 16,398,038
Debt service as a percentage of noncapital expenditures	11.7%	11.9%	11.6%	9.7%	8.0%	10.4%	7.1%	6.7%	6.6%	5.9%

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

Table 6

Fiscal Year Ended	Real Property			Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Public Svc Co. Property	Personal Property	Public Svc Co. Property				
2012	\$ 8,285,147,048	\$ 626,617,400	\$ 265,300,947	\$ 115,761,649		\$ 9,292,827,044	0.2790	\$ 7,674,305,713	121.09%
2013	8,313,378,529	627,278,460	271,119,713	118,000,717		9,329,777,419	0.2790	7,315,374,325	127.54%
2014	8,226,560,114	638,500,225	483,874,786	128,362,366		9,477,297,491	0.2790	7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771		9,472,645,160	0.2790	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092		7,945,408,883	0.3490	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966		8,003,397,136	0.3490	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797		8,053,753,869	0.3490	7,683,414,581	104.82%
2019	6,737,815,936	749,821,559	483,978,551	162,970,201		8,134,586,247	0.3490	7,795,451,607	104.35%
2020	6,734,571,033	728,008,990	488,645,357	169,344,809		8,120,570,189	0.3747	8,107,502,402	100.16%
2021	6,448,116,725	1,071,450,830	561,673,699	173,065,385		8,254,306,639	0.3747	8,546,600,372	96.58%

Source: Macon County Tax Department

Note: The County underwent revaluation in 2015 which impacted fiscal year 2016 and in 2019 which impacted fiscal year 2020. The next revaluation is due in 2023 which will impact fiscal year 2024. Tax rates are per \$100 of assessed value.

Table 7

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

Year	<u>County Direct Rate</u>		<u>Overlapping Rates</u>	
	MACON	Total	FRANKLIN	HIGHLANDS
	Millage	Millage	Millage	Millage
2012	0.2790	0.2790	0.2500	0.1350
2013	0.2790	0.2790	0.2500	0.1350
2014	0.2790	0.2790	0.2500	0.1350
2015	0.2790	0.2790	0.2700	0.1500
2016	0.3490	0.3490	0.2800	0.1640
2017	0.3490	0.3490	0.2800	0.1640
2018	0.3490	0.3490	0.3200	0.1640
2019	0.3490	0.3490	0.3200	0.1640
2020	0.3747	0.3747	0.3200	0.1565
2021	0.3747	0.3747	0.3200	0.1565

Source: County and Municipal Tax Departments

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

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

Table 8

	2021				2012			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Duke Energy	\$ 139,658,785	1	1.69%	Duke Power	\$ 82,409,529	1	0.89%
	Drake Enterprises	57,089,181	2	0.69%	Drake Enterprises	47,576,806	2	0.51%
	Old Edwards Inn and Spa, LLC	52,395,834	3	0.63%	Old Edwards Inn & Spa	45,494,045	3	0.49%
	Mission Hospital	26,058,597	4	0.32%	Macon Bank	24,837,439	4	0.27%
	Highlands Golf Club	24,251,094	5	0.29%	Highlands Golf Club	23,099,980	5	0.25%
	Entegra Bank	18,702,600	6	0.23%	Shaw Industries	19,723,623	6	0.21%
	Cullasaja Club, Inc	17,836,687	7	0.22%	TRI Investments Inc	17,825,264	7	0.19%
	Jane Woodruff Revocable Trust	16,946,670	8	0.21%	Cullasaja Club Inc.	17,794,252	8	0.19%
	Ingles	16,606,443	9	0.20%	Rainbow Springs Partnership	17,044,960	9	0.18%
	Wild Cat Cliffs Country Club	15,755,448	10	0.19%	Rockwood Lodge LLC	16,152,470	10	0.17%
	Totals	\$ 385,301,339		4.67%		\$ 311,958,368		3.36%
	Total Taxable Assessed Value	\$ 8,254,306,639			Total Taxable Assessed Value	\$ 9,292,827,044		

Source: Macon County Tax Department

Table 9

Macon County
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 25,926,987	\$ 24,987,407	96.38%	\$ 907,282	\$ 25,894,689	99.88%
2013	26,048,336	25,098,148	96.35%	910,827	26,008,975	99.85%
2014	26,441,660	25,705,256	97.21%	686,346	26,391,602	99.81%
2015	26,428,680	25,818,391	97.69%	554,619	26,373,010	99.79%
2016	27,729,477	27,244,243	98.25%	427,745	27,671,988	99.79%
2017	27,931,856	27,506,161	98.48%	352,267	27,858,428	99.74%
2018	28,107,601	27,656,763	98.40%	343,215	27,999,978	99.62%
2019	28,389,706	27,927,674	98.37%	332,597	28,260,271	99.54%
2020	30,407,062	29,927,608	98.42%	289,958	30,217,566	99.38%
2021	30,928,764	30,510,957	98.65%	-	30,510,957	98.65%

Table 10

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Limited Obligation Bonds	Installment Contracts	Unamortized Premium	Special Obligation Bonds	General Obligation Bonds	Installment Contracts	Capital Leases	Total			
2012	\$ -	\$ 42,453,279	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 42,653,279	3.93%	1,248	
2013	-	40,899,552	-	-	-	-	-	40,899,552	3.71%	1,193	
2014	-	36,050,897	-	-	-	-	-	36,050,897	3.14%	1,048	
2015	-	33,986,857	-	-	-	-	-	33,986,857	2.85%	985	
2016	-	33,673,231	-	9,800,000	-	-	-	43,473,231	3.44%	1,247	
2017	-	28,819,125	-	8,902,964	-	-	-	37,722,089	2.82%	1,076	
2018	-	25,800,235	-	7,996,638	-	-	-	33,796,873	2.42%	949	
2019	-	25,684,761	-	7,070,470	-	-	-	32,755,231	2.24%	907	
2020	-	22,548,157	-	6,124,471	-	-	-	28,672,628	1.79%	785	
2021	19,320,000	8,620,200	2,349,721	5,161,073	-	-	-	35,450,994	N/A	956	

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
Personal income for 2021 is not available.

Table 11

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

Fiscal Year	Assessed Value	Gross General Obligation Bonded Debt	Net General Obligation Bonded Debt	Ratio Net General Obligation Bonded Debt to Assessed Value	Population	Net General Obligation Bonded Debt Per Capita
2012	\$ 9,292,827,044	\$ -	\$ -	0.00%	34,164	\$ -
2013	9,329,777,419	-	-	0.00%	34,276	-
2014	9,477,297,491	-	-	0.00%	34,385	-
2015	9,472,645,160	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	0.00%	35,596	-
2019	8,134,586,247	-	-	0.00%	36,101	-
2020	8,120,570,189	-	-	0.00%	36,544	-
2021	8,254,306,639	-	-	0.00%	37,102	-

Source: Population Estimate from LINC for years 2012-2016 and from NC Office of State Budget and Management for 2017-2021.
Assessed Value from Macon County Tax Department.

Table 12

**Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Macon County	\$ 30,289,921	100.00%	\$ 30,289,921
Total Direct Debt	<u>30,289,921</u>		<u>30,289,921</u>
Overlapping Debt:			
Town of Franklin	615,114	11.28%	69,383
Town of Highlands	12,486,666	2.87%	358,425
Total Overlapping Debt	<u>13,101,780</u>		<u>427,808</u>
Total direct and overlapping debt	<u>\$ 43,391,701</u>		<u>\$ 30,717,729</u>

Source: Macon County and municipal finance departments.

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 743,426,164	\$ 746,382,194	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310	\$ 650,766,900	\$ 649,645,615	\$ 660,344,531
Total net debt applicable to limit	42,653,279	40,899,552	36,050,897	33,986,857	43,473,231	37,722,089	33,796,873	32,755,231	28,672,628	35,450,994
Legal debt margin	\$ 700,772,885	\$ 705,482,642	\$ 722,132,902	\$ 723,824,756	\$ 592,159,480	\$ 602,549,682	\$ 610,503,437	\$ 618,011,669	\$ 620,972,987	\$ 624,893,537
Total net debt applicable to the limit as a percentage of debt limit	5.74%	5.48%	4.75%	4.48%	6.84%	5.89%	5.25%	5.03%	4.41%	5.37%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 8,254,306,639
Add back: exempt real property	-
Total assessed value	\$ 8,254,306,639
Debt Limit (8% of total assessed value)	\$ 660,344,531
Debt applicable to limit:	
Installment Contracts	8,620,200
Limited Obligation Bonds	19,320,000
Special Obligation Bonds	5,161,073
Unamortized Premium	2,349,721
Legal debt margin	\$ 624,893,537

Table 14
Macon County
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	34,164	\$ 1,084,766,000	\$ 31,752	48.5	4,417	10.1
2013	34,276	1,101,781,000	32,144	48.5	4,462	9.8
2014	34,385	1,149,612,000	33,434	48.6	4,484	6.3
2015	34,494	1,193,465,000	34,599	48.7	4,475	6.3
2016	34,851	1,263,179,000	36,245	Age	4,475	5.3
2017	35,047	1,337,726,000	38,169	48.8	4,379	4.2
2018	35,596	1,396,257,000	39,225	48.8	4,436	4.2
2019	36,101	1,464,730,000	40,573	49.0	4,416	4.4
2020	36,544	1,604,020,000	43,893	49.0	4,507	6.6
2021	37,102	N/A	N/A	49.0	4,312	4.2

Note: Population for 2017-2021 and median age for 2012-2021 is from N C Office of State Budget and Management.

Personal income from 2012-2020 obtained from Bureau of Economic Analysis.

Personal income for 2021 is not available.

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

Unemployment rate for 2012-2021 and population for 2012-2016 is from LINC.

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

Table 15

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

	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	675	1	4.14%	715	1	4.39%
Macon County	652	2	4.00%	549	3	3.37%
Drake Software, Inc.*	377	3	2.31%			
Ingles Markets, Inc.	322	4	1.98%	179	8	1.10%
Wal-Mart Associates Inc.	239	5	1.47%	300	5	1.84%
Mission Health (formerly Angel Medical Center)	172	6	1.06%	461	4	2.83%
Drake Enterprises LTD (A Corp)	152	7	0.93%	700	2	4.30%
Lowe's Home Centers Inc.	130	8	0.80%			
Madison's	113	9	0.69%			
Beasley Flooring (formerly Shaw Industries Group Inc.)	98	10	0.60%	156	10	0.96%
Macon Program for Progress Inc.						
Highlands-Cashiers Hospital				249	6	1.53%
Caterpillar Inc.				188	7	1.15%
Entegra Bank (formerly Macon Bank)				172	9	1.06%
Total	2,930		17.98%	3,669		22.53%
Total Labor Force estimate	16,292			16,278		

Source: Employers' Human Resource Departments

* Formerly part of Drake Enterprises LTD (A Corp)

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	97.0	97.0	97.5	98.5	97.0	98.0	97.0	95.0	99.0	95.0
Public Safety	150.0	159.0	161.0	162.4	163.0	172.0	181.0	180.0	180.0	185.0
Human Services	108.0	110.0	111.0	115.0	121.0	123.0	123.0	124.0	124.0	114.0
Culture and Recreation	10.0	10.0	11.5	12.0	12.0	12.0	11.0	11.0	12.0	15.0
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Transportation	14.0	15.5	17.0	16.8	16.0	17.0	18.0	18.0	16.0	15.0
Landfill	37.0	35.5	36.0	35.0	35.0	36.0	37.0	36.0	36.0	36.0
Total	416	427	434	440	444	458	467	464	467	460

Source: Macon County Human Resource Department

Table 17

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Law Enforcement										
Physical arrests	1,303	1,303	1,232	1,278	1,442	1,917	1,926	1,842	2,048	1,563
Traffic violations	946	1,100	1,179	1,054	447	374	394	405	245	161
Fire										
Number of calls answered	3,621	3,791	4,244	4,571	4,626	5,068	5,873	5,161	4,549	4,737
Inspections	520	525	490	450	452	560	525	550	500	300
Economic Development										
Number of industrial parks	1	1	1	1	1	1	1	1	1	1
Human Services										
Dept. of Social Services										
Number of CHIP cases eligible	447	467	228	278	321	457	272	317	323	311
Number of Food & Nutrition cases eligible	3,144	3,091	3,043	2,763	2,622	2,410	2,075	2,038	2,099	2,362
Number of Medicaid eligible cases	5,020	4,557	4,491	5,885	5,675	7,397	5,577	5,432	5,590	6,088
Health										
Number of WIC cases	1,044	1,076	1,087	1,064	1,117	1,076	971	942	959	939
Number of family planning cases	657	585	526	558	737	648	442	421	583	535
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	6	6	7	7	7	7	7	7	8	8
Number of libraries	3	3	3	3	3	3	3	3	3	3

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

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

Table 18

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Police:										
Stations	3	3	4	4	6	6	5	5	5	6
Patrol units	45	45	45	57	56	56	55	55	55	55
Fire stations	13	16	16	17	18	20	20	20	20	20
Culture and recreation										
Parks acreage	353	401	401	401	401	401	401	401	407	407
Parks	6	6	7	7	7	7	7	7	8	8
Swimming pools	2	3	3	3	3	3	3	3	3	3
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	11	11	11	11	11	11	11	11	11	11
Landfill										
Number of municipal solid waste sites	2	2	2	2	2	2	2	2	2	2
Number of construction and demolition sites	-	-	-	-	-	-	-	-	-	-
Number of convenience centers	11	11	11	11	11	11	11	11	11	11

Source: Various county departments.
Note: No capital asset indicators are available for the general government function.

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