

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2018

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2018

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

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INTRODUCTORY SECTION

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Macon County



November 13, 2018

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Macon County for the fiscal year ended June 30, 2018. 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 35,596. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture/forestry, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include tax software development, metal tubular fabrication, hardwood flooring production, aerospace/defense and intercommunications. Healthcare includes three medical campuses from two health systems located in the county. Tourism continues to be a strong force within the county, with a growing popularity in green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Agriculture/forestry sectors include vegetables, ornamentals, Christmas trees, wood products, trout production and livestock. Two financial institutions are headquartered in Macon County, including one listed on the NASDAQ. The county also continues to be a regional retail hub as well as home to three microbreweries. Real estate and construction sectors, weakened by the 2009 economic downturn, continue to improve. Two municipalities are located in the County, the largest being the Town of Franklin, which serves as the County seat, and Highlands, a major travel/tourism and vacation home destination. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms.

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

ECONOMIC CONDITIONS AND OUTLOOK:

Macon County's economy has improved as evidenced by an increase in sales tax and occupancy tax revenues. The local unadjusted unemployment rate as of June 2018 is 4.2%, which is the same as last year's rate. Macon County's rate is the same as North Carolina's June 2018 unadjusted unemployment rate of 4.2%. Macon County had a work force of 15,667 at the end of June 2018.

The private sector owns 55.36% of Macon County's 327,763 total acres with the U.S. Forest Service owning 42.79% or 140,256 acres. The remaining 1.85% is exempt acreage. There are 43,516 parcels of land and 42,537 are taxable. The total appraised value of taxable property is \$8.05 billion. The tax rate is 34.9 cents per \$100 valuation and current year county-wide taxes collected were \$27,656,763 in fiscal year 2018.

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

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

largest taxpayer with 1.52% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.36% of total assessed value.

LONG-TERM FINANCIAL PLANNING

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

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

MAJOR INITIATIVES:

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

SOLID WASTE OPERATIONS - The 2018 fiscal year marked the twenty-third year of operation of a lined municipal solid waste landfill containing 202 acres located in Franklin, North Carolina. It is projected that the current cell has a remaining life of approximately 1.09 years and is projected to reach capacity in July 2019. Construction of a new cell began in 2016 and is expected to be operational during 2019.

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 \$9,263,372. The County has already recognized a liability for closure, post closure, and corrective action costs in the amount of \$8,819,100, based upon the amount of cell capacity used to date. The old Franklin site has 4 years remaining and the old Highlands site has 5 years remaining of postclosure care. Although the County has complied with the EPA's financial assurance requirements through the use of the local government financial test, a reserve fund has been established to pay for the future costs of closure and postclosure care for the current landfill. The balance in the reserve fund at June 30 is \$8,380,341. Additional monies will be set aside for these purposes during each year of the landfill's operations. Annual appropriations will continue to fund necessary expenditures for the prior sites throughout the remainder of the postclosure periods. Additional information is included in the notes to the financial statements.

ECONOMIC DEVELOPMENT - The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship and quality job creation. During 2018, Macon County continued to experience a significant increase in taxable sales as reported by the N C Department of Revenue. In addition, occupancy tax revenues continued to be strong, indicating strong travel and tourism activity. Also, real estate and construction activity continued to improve. Local companies such as Franklin Tubular Products, TekTone Sound & Signal Mfg., Inc., Duotech Services, Entegra Bank, and Drake Software reported increased demand for products and services. Several companies announced new hires including TekTone, Shaw Industries, Franklin Tubular Products, as well as service, hospitality and retail sectors. Workforce availability continues to be an issue as several companies reported challenges in recruiting workers. To address those challenges, strategic partners such as NCWorks Career Center, Macon County Schools, Macon County Economic Development Commission and Southwestern Community College, have worked to prepare the workforce of the future through various programs such as STEM, Career and Technical Education Programs, Certification Programs, entrepreneurial training and public awareness initiatives such as job fairs to promote the availability of good jobs in the community. While broadband/internet access continues to be an issue for many parts of the county, the county broadband committee continues work to improve access by working with private and community providers in infrastructure expansion.

AIRPORT ACTIVITIES - With increased air traffic, Macon County Airport continues to make major upgrades and improvements. In 2018, the Airport completed the majority of the taxiway improvement project and continued working on an updated Airport Layout Plan. Also, plans continued for a 1,000' runway extension (from 5000' to 6000') project as a future need. Future needs also include additional hangar space. As the current Fixed Base Operator (FBO) contract expires in October 2018, the Airport Authority explored future FBO options.

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 completed design, bidding, and making application to the LGC for an addition to South Macon Elementary School. The total estimated project cost is \$3,291,022. In addition, capital outlay in the amount of \$599,441 was provided to the school system.

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

FINANCIAL INFORMATION:

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

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

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

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with the applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2018 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 policy relative to fund balance that has served them very well. The policy is that the leadership strives to have an unassigned fund balance of 25% of expenditures. Over the years, the county has maintained a very healthy financial position which has been very beneficial during the downturn of the economy. As a result of that position, the county has only reduced its workforce through attrition.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Macon County has received twenty-two annual GFOA Certificates for Excellence in Financial Reporting.

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

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

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

Respectfully submitted,

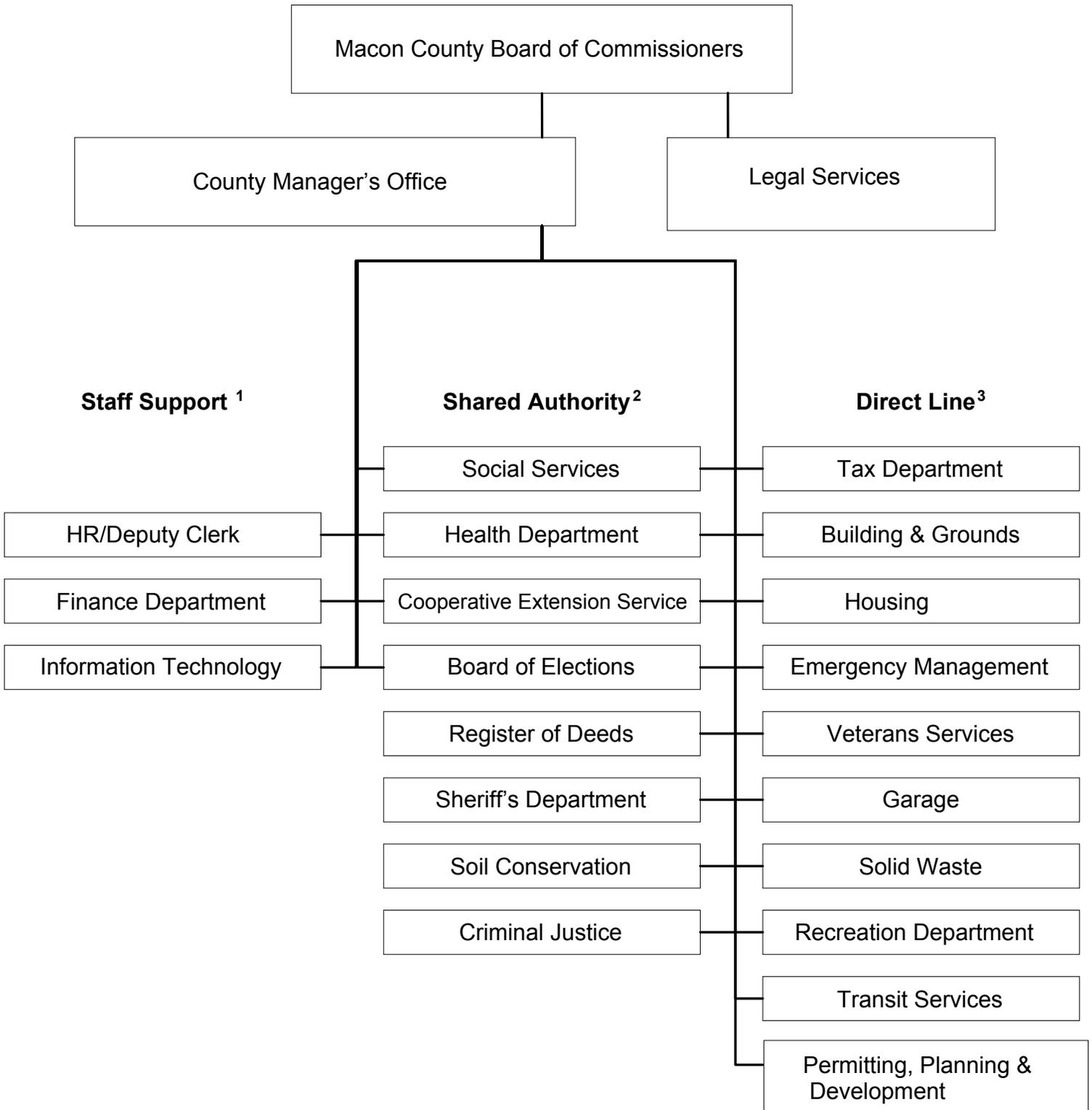


Lori M. Hall
Finance Director



Derek Roland
County Manager

Macon County Government



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

MACON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2018

Board of Commissioners

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

Principal Officials

Derek Roland, County Manager
Mike Decker, Human Resources Director
Lori M. Hall, Finance Director
Chester Jones, County Attorney
Richard Lightner, Tax Supervisor
Teresa McDowell, Tax Collector
Jack Morgan, Permitting, Planning, and Development Director
Melanie Thibault, Board of Elections Director
Todd Raby, Register of Deeds
Andy Muncey, Information Technology Director
Steve Ledford, Buildings and Grounds Director
Robert L. Holland, Sheriff
Warren Cabe, Emergency Medical Services Director
M. Chris Stahl, Solid Waste Director
Mike Breedlove, Soil and Water Conservation
Alan Durden, Cooperative Extension Director
R. Patrick Betancourt, Social Services Director
Kim Angel, Transit Director
James Bruckner, Health Director
Leigh Tabor, Veterans' Service Officer
Seth D. Adams, Recreation Director
Larry D. Conley, 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, 2017

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2018, 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 the fiscal year ended June 30, 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. 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 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 13, 2018 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 13, 2018

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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, 2018. 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.

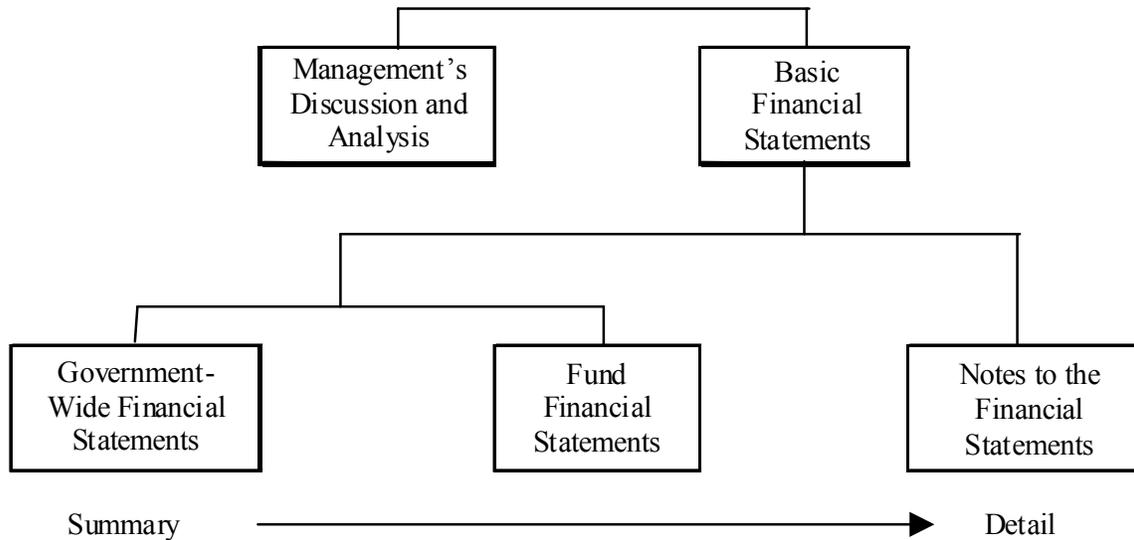
Financial Highlights

- 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 (\$14,944,442) (*net position*).
- The County's total net position increased by \$3,608,146, primarily due to an increase in the net position of governmental-type activities.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$28,660,749, an increase of \$2,450,278 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$33,323,996. Approximately 17.96% of this total amount, or \$5,986,648, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$23,382,076, or 48.61%, of total General Fund expenditures and transfers out for the fiscal year.
- Macon County's total debt decreased by \$3,925,216 (10.41%) during the fiscal year. The key factor in this decrease was making current year payments on installment contracts and special obligation bonds. The County is not currently rated by the rating agencies.
- Macon County's total liabilities increased by \$25,140,473, or 33.05%, during the past fiscal year, primarily due to the implementation of GASB 75 and the resulting total OPEB liability.

Overview of the Financial Statements

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

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



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Macon County has seven agency funds.

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

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

Government-Wide Financial Analysis

Macon County's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 37,038,467	\$ 38,813,939	\$ 13,024,918	\$ 12,971,023	\$ 50,063,385	\$ 51,784,962
Capital assets	24,813,947	24,801,611	10,868,451	11,308,428	35,682,398	36,110,039
Total assets	61,852,414	63,615,550	23,893,369	24,279,451	85,745,783	87,895,001
Deferred outflows of resources	4,750,632	4,173,692	276,329	240,900	5,026,961	4,414,592
Long-term liabilities						
outstanding	43,350,789	75,275,003	17,093,840	18,950,172	60,444,629	94,225,175
Other liabilities	14,014,199	5,767,605	1,616,702	1,223,223	15,630,901	6,990,828
Total liabilities	57,364,988	81,042,608	18,710,542	20,173,395	76,075,530	101,216,003
Deferred inflows of resources	320,101	5,704,564	10,710	333,468	330,811	6,038,032
Net position:						
Net investment in capital assets	22,606,474	22,973,499	3,522,725	4,292,729	26,129,199	27,266,228
Restricted	5,828,677	5,767,882	-	-	5,828,677	5,767,882
Unrestricted	(19,517,194)	(47,699,311)	1,925,721	(279,241)	(17,591,473)	(47,978,552)
Total net position	\$ 8,917,957	\$ (18,957,930)	\$ 5,448,446	\$ 4,013,488	\$ 14,366,403	\$ (14,944,442)

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 (\$14,944,442) as of June 30, 2018. The County's net position increased by \$3,608,146 for the fiscal year ended June 30, 2018. One of the largest portions of Macon County's net position, \$27,266,228, 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, \$5,767,882, 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 \$47,978,552 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. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ended June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result of this restatement, beginning net position for the government as a whole decreased by \$32,918,991. 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		Business-Type		Total	
	Activities		Activities			
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 5,275,283	\$ 5,451,535	\$ 4,410,967	\$ 4,517,245	\$ 9,686,250	\$ 9,968,780
Operating grants and contributions	11,564,903	10,206,890	-	-	11,564,903	10,206,890
Capital grants and contributions	1,303,437	1,469,947	-	-	1,303,437	1,469,947
General revenues:						
Property taxes	31,449,572	31,761,629	-	-	31,449,572	31,761,629
Other taxes	10,184,202	10,798,166	-	-	10,184,202	10,798,166
Other	554,975	850,947	63,433	95,295	618,408	946,242
Total revenues	<u>60,332,372</u>	<u>60,539,114</u>	<u>4,474,400</u>	<u>4,612,540</u>	<u>64,806,772</u>	<u>65,151,654</u>
Expenses:						
General government	12,736,757	12,811,722	-	-	12,736,757	12,811,722
Public safety	16,582,492	16,774,121	-	-	16,582,492	16,774,121
Transportation	974,256	968,563	-	-	974,256	968,563
Economic and physical development	3,531,296	3,210,161	-	-	3,531,296	3,210,161
Human services	11,807,685	10,447,531	-	-	11,807,685	10,447,531
Cultural and recreational	3,269,138	3,484,859	-	-	3,269,138	3,484,859
Education	8,596,489	8,875,771	-	-	8,596,489	8,875,771
Interest on long-term debt	990,217	867,224	-	-	990,217	867,224
Solid waste	-	-	3,095,465	4,103,556	3,095,465	4,103,556
Total expenses	<u>58,488,330</u>	<u>57,439,952</u>	<u>3,095,465</u>	<u>4,103,556</u>	<u>61,583,795</u>	<u>61,543,508</u>
Change in net position	<u>1,844,042</u>	<u>3,099,162</u>	<u>1,378,935</u>	<u>508,984</u>	<u>3,222,977</u>	<u>3,608,146</u>
Net Position:						
Beginning of year - July 1	7,500,577	8,917,957	4,069,511	5,448,446	11,570,088	14,366,403
Restatement	<u>(426,662)</u>	<u>(30,975,049)</u>	<u>-</u>	<u>(1,943,942)</u>	<u>(426,662)</u>	<u>(32,918,991)</u>
Beginning of year - July 1, as restated	<u>7,073,915</u>	<u>(22,057,092)</u>	<u>4,069,511</u>	<u>3,504,504</u>	<u>11,143,426</u>	<u>(18,552,588)</u>
End of year - June 30	<u>\$ 8,917,957</u>	<u>\$ (18,957,930)</u>	<u>\$ 5,448,446</u>	<u>\$ 4,013,488</u>	<u>\$14,366,403</u>	<u>\$ (14,944,442)</u>

Governmental Activities. Of the total net position, governmental activities account for (\$18,957,930), (126.86%). Property taxes provide 52.5% of funding at \$31,761,629, charges for services funded at \$5,451,535, local option sales tax and occupancy tax funded at \$10,798,166, and operating grants funded at \$10,206,890 of Macon County's governmental activities. Governmental activities increased Macon County's net position by \$3,099,162. This increase is primarily due to an increase in ad valorem taxes and local option sales tax revenue in the current year as well as a decrease in spending in economic and physical development and human services.

Business-Type Activities. Business-type activities increased the County's net position by \$508,984. That increase is primarily attributable to an increase in operating revenues.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Macon County. At the end of the current fiscal year, fund balance available in the General Fund was \$24,849,551, while total fund balance reached \$28,660,749. The County currently has an available fund balance of 51.66% of General Fund expenditures and transfers out, while total fund balance represents 59.59% of that same amount. Total fund balance in the General Fund increased by \$2,450,278. This increase is primarily attributable to a decrease in transfers to the debt service fund from the General Fund of \$1,957,084, due to the County paying off a loan early last fiscal year. Also, an increase in General Fund local option sales taxes of \$429,024 was a contributing factor.

As of the end of the current fiscal year, Macon County's governmental funds reported combined ending fund balances of \$33,323,996, an increase of \$2,119,740 in comparison with the prior year. This increase is primarily attributable to a decrease in transfers to the Debt Service Fund from the General Fund of \$1,957,084, due to the County paying off a loan early last fiscal year. Also, an increase in General Fund and Schools Capital Fund local option sales taxes of \$534,086 was a contributing factor. In the County Buildings Fund, expenditures exceeded revenues and other financing sources by \$218,222, due to transfers from the General Fund occurring last fiscal year and project expenditures not occurring until this fiscal year.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the revenue source budget by \$4,212,951. The majority of this increase was attributable to additional local option sales taxes and restricted intergovernmental revenues, as well as appropriated fund balance. The difference between the final budgeted amount and the actual expenditures and uses was \$5,701,861. This difference is primarily due to underspending the budget in human services, general government, public safety, and education.

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 (\$279,241). The decrease of \$2,204,962 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, 2018 amount to \$36,110,039, (net of accumulated depreciation). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- New ambulance - \$228,325
- CAD upgrade - \$129,510
- New roof on detention center - \$91,895
- Seven sheriff’s department vehicles - \$206,473
- Radio communications project - \$556,644
- Building renovations - \$486,239
- New landfill cell project - \$388,470
- Backhoe loader for solid waste - \$108,910

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 9,858,171	\$ 9,858,171	\$ 1,773,021	\$ 1,773,021	\$ 11,631,192	\$ 11,631,192
Buildings and improvements	31,281,489	31,373,384	9,723,352	9,771,175	41,004,841	41,144,559
Furniture and equipment	3,762,271	3,993,733	3,516,865	3,726,480	7,279,136	7,720,213
Vehicles	6,423,121	6,907,024	794,728	827,737	7,217,849	7,734,761
Construction in progress	466,506	1,509,389	6,744,761	7,133,231	7,211,267	8,642,620
Subtotal	51,791,558	53,641,701	22,552,727	23,231,644	74,344,285	76,873,345
Less accumulated depreciation	(26,977,611)	(28,840,090)	(11,684,276)	(11,923,216)	(38,661,887)	(40,763,306)
Total	<u>\$ 24,813,947</u>	<u>\$ 24,801,611</u>	<u>\$ 10,868,451</u>	<u>\$ 11,308,428</u>	<u>\$ 35,682,398</u>	<u>\$ 36,110,039</u>

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

Long-Term Debt. As of June 30, 2018, Macon County has special obligation bonds outstanding of \$7,996,638.

**Macon County's Outstanding Debt
Figure 5**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	Activities		Activities			
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Installment contracts	\$ 28,819,125	\$ 25,800,235	\$ -	\$ -	\$ 28,819,125	\$ 25,800,235
Special obligation bonds	-	-	8,902,964	7,996,638	8,902,964	7,996,638
Total	<u>\$ 28,819,125</u>	<u>\$ 25,800,235</u>	<u>\$ 8,902,964</u>	<u>\$ 7,996,638</u>	<u>\$ 37,722,089</u>	<u>\$ 33,796,873</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 \$610,503,000, 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 70.

Economic Factors and Next Year's Budgets and Rates

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

- The unadjusted unemployment rate for Macon County as of June 30, 2018 is 4.2%, which is the same as it was a year ago. Macon County's rate is the same as the state's unadjusted unemployment rate of 4.2%.
- Sales tax distributions increased 5.7% over the prior year.
- The County has the second lowest tax rate in the state at 34.9 cents, which is substantially less than the state average of 67.17 cents.
- Occupancy tax receipts increased 9.7% over the prior year.

All of these factors were considered in preparing Macon County's budget for the 2018-2019 fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities. Taxes are based on \$8.06 billion in property valuation, with the tax rate remaining at \$0.349 per \$100 of assessed value. The budgeted collection rate increased from 98.18% in FY 2018 to 98.41% in FY 2019. Sales tax revenues were budgeted with 3% growth over FY 2018 projected revenues. The budget was balanced using \$1,050,000 of fund balance - \$750,000 for Education and \$300,000 for capital improvement plan expenditures.

Budgeted expenditures in the General Fund for 2019 are \$51,029,009, which is \$1,441,082 more than the 2018 original budget, or 2.9%. The 2019 budget includes a 2% COLA for all employees at a cost of approximately \$400,000. It also includes a \$750,000 increase in education funding. The 2019 budget contains \$2.36 million in capital outlay.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$5,051,658, which represents an increase of \$200,570, or 4.1%, over last year primarily due to an increase in capital improvements. The budget includes a 2% COLA for all employees at a cost of approximately \$25,000.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

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MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Macon County Airport Authority
Assets:				
Cash and cash equivalents	\$ 31,746,357	\$ 11,632,025	\$ 43,378,382	\$ 81,832
Taxes receivable, net	626,077	-	626,077	-
Interest receivable	34,166	13,988	48,154	-
Accounts receivable, net	1,757,603	344,071	2,101,674	-
Due from other governments	4,260,270	-	4,260,270	-
Inventories	12,230	-	12,230	-
Prepaid items	251,590	-	251,590	-
Restricted cash and cash equivalents	52,937	980,939	1,033,876	-
Net pension asset - ROD	72,709	-	72,709	-
Non-depreciable capital assets	11,367,560	8,906,252	20,273,812	5,373,971
Depreciable capital assets, net	13,434,051	2,402,176	15,836,227	9,890,069
Total assets	<u>63,615,550</u>	<u>24,279,451</u>	<u>87,895,001</u>	<u>15,345,872</u>
Deferred Outflows of Resources:				
Pension deferrals	3,080,947	174,321	3,255,268	-
OPEB deferrals	1,092,745	66,579	1,159,324	-
Total deferred outflows of resources	<u>4,173,692</u>	<u>240,900</u>	<u>4,414,592</u>	-
Liabilities:				
Accounts payable and accrued liabilities	2,715,401	244,180	2,959,581	1,265
Liabilities to be paid from restricted assets	2,584	-	2,584	-
Current portion of compensated absences	107,928	5,489	113,417	-
Non-current liabilities:				
Non-current compensated absences	971,355	49,401	1,020,756	-
Net pension liability - LGERS	3,792,181	222,675	4,014,856	-
Total pension liability - LEOSSA	1,107,728	-	1,107,728	-
Total OPEB liability	46,545,196	2,835,912	49,381,108	-
Due in less than one year	2,941,692	973,554	3,915,246	-
Due in more than one year	22,858,543	15,842,184	38,700,727	-
Total liabilities	<u>81,042,608</u>	<u>20,173,395</u>	<u>101,216,003</u>	<u>1,265</u>
Deferred Inflows of Resources:				
Prepaid taxes	139,371	-	139,371	-
Pension deferrals	208,486	7,094	215,580	-
OPEB deferrals	5,356,707	326,374	5,683,081	-
Total deferred inflows of resources	<u>5,704,564</u>	<u>333,468</u>	<u>6,038,032</u>	-
Net Position:				
Net investment in capital assets	22,973,499	4,292,729	27,266,228	15,264,040
Restricted for:				
Stabilization by state statute	4,633,876	-	4,633,876	-
Register of Deeds' pension plan	95,407	-	95,407	-
Restricted for public safety	897,222	-	897,222	-
Restricted for education	141,377	-	141,377	-
Unrestricted	<u>(47,699,311)</u>	<u>(279,241)</u>	<u>(47,978,552)</u>	<u>80,567</u>
Total net position	<u>\$ (18,957,930)</u>	<u>\$ 4,013,488</u>	<u>\$ (14,944,442)</u>	<u>\$ 15,344,607</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, 2018

	<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	\$ 12,811,722	\$ 1,963,765	\$ 66,909	\$ -
Public safety	16,774,121	2,334,702	843,147	228,325
Transportation	968,563	125,210	316,151	-
Economic and physical development	3,210,161	77,491	436,434	1,141,622
Human services	10,447,531	890,230	7,663,023	-
Cultural and recreational	3,484,859	60,137	-	100,000
Education	8,875,771	-	881,226	-
Interest on long-term debt	867,224	-	-	-
Total governmental activities	<u>57,439,952</u>	<u>5,451,535</u>	<u>10,206,890</u>	<u>1,469,947</u>
Business-Type Activities:				
Solid waste	<u>4,103,556</u>	<u>4,517,245</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 61,543,508</u>	<u>\$ 9,968,780</u>	<u>\$ 10,206,890</u>	<u>\$ 1,469,947</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 736,398</u>	<u>\$ 25,053</u>	<u>\$ 53,800</u>	<u>\$ 995,387</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, 2018

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (10,781,048)	\$ -	\$ (10,781,048)	\$ -
Public safety	(13,367,947)	-	(13,367,947)	-
Transportation	(527,202)	-	(527,202)	-
Economic and physical development	(1,554,614)	-	(1,554,614)	-
Human services	(1,894,278)	-	(1,894,278)	-
Cultural and recreational	(3,324,722)	-	(3,324,722)	-
Education	(7,994,545)	-	(7,994,545)	-
Interest on long-term debt	(867,224)	-	(867,224)	-
Total governmental activities	<u>(40,311,580)</u>	<u>-</u>	<u>(40,311,580)</u>	<u>-</u>
Business-Type Activities:				
Solid waste	<u>-</u>	<u>413,689</u>	<u>413,689</u>	<u>-</u>
Total primary government	<u>(40,311,580)</u>	<u>413,689</u>	<u>(39,897,891)</u>	<u>-</u>
Component Unit:				
Macon County Airport Authority				<u>337,842</u>
General Revenues:				
Ad valorem taxes	31,761,629	-	31,761,629	-
Local option sales tax	9,892,943	-	9,892,943	-
Occupancy taxes	905,223	-	905,223	-
Unrestricted intergovernmental revenues:				
Other taxes	390,408	-	390,408	-
Gross receipts tax	26,863	-	26,863	-
Interest earned on investments	433,676	95,295	528,971	-
Total general revenues	<u>43,410,742</u>	<u>95,295</u>	<u>43,506,037</u>	<u>-</u>
Change in net position	<u>3,099,162</u>	<u>508,984</u>	<u>3,608,146</u>	<u>337,842</u>
Net Position:				
Beginning of year - July 1	8,917,957	5,448,446	14,366,403	15,006,765
Restatement	<u>(30,975,049)</u>	<u>(1,943,942)</u>	<u>(32,918,991)</u>	<u>-</u>
Beginning of year - July 1, as restated	<u>(22,057,092)</u>	<u>3,504,504</u>	<u>(18,552,588)</u>	<u>15,006,765</u>
End of year - June 30	<u>\$ (18,957,930)</u>	<u>\$ 4,013,488</u>	<u>\$ (14,944,442)</u>	<u>\$ 15,344,607</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 26,771,683	\$ 443,117	\$ 3,775,952	\$ 30,990,752
Taxes receivable, net	541,268	-	84,809	626,077
Interest receivable	34,166	-	-	34,166
Accounts receivable, net	1,756,555	-	-	1,756,555
Due from other funds	-	338,417	-	338,417
Due from other governments	3,512,189	-	748,081	4,260,270
Inventories	12,230	-	-	12,230
Prepaid items	251,590	-	-	251,590
Cash and cash equivalents, restricted	2,584	-	50,353	52,937
Total assets	<u>\$ 32,882,265</u>	<u>\$ 781,534</u>	<u>\$ 4,659,195</u>	<u>\$ 38,322,994</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,782,761	\$ -	\$ 354,256	\$ 2,137,017
Due to other funds	-	-	338,417	338,417
Liabilities to be paid from restricted assets	2,584	-	-	2,584
Total liabilities	<u>1,785,345</u>	<u>-</u>	<u>692,673</u>	<u>2,478,018</u>
Deferred Inflows of Resources:				
Property taxes receivable	541,268	-	84,809	626,077
Ambulance receivable	1,498,435	-	-	1,498,435
Public health receivable	257,097	-	-	257,097
Prepaid taxes	139,371	-	-	139,371
Total deferred inflows of resources	<u>2,436,171</u>	<u>-</u>	<u>84,809</u>	<u>2,520,980</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Non-spendable, not in spendable form:				
Inventories	12,230	-	-	12,230
Prepays	251,590	-	-	251,590
Restricted:				
Restricted for stabilization by state statute	3,547,378	338,417	748,081	4,633,876
Restricted for public safety	276,098	-	621,124	897,222
Restricted for education	141,377	-	50,353	191,730
Committed for general government	-	-	1,696,568	1,696,568
Committed for economic and physical development	-	-	507,112	507,112
Committed for education	-	-	716,926	716,926
Assigned for subsequent year's expenditures	1,050,000	-	-	1,050,000
Assigned for debt service	-	443,117	-	443,117
Unassigned	<u>23,382,076</u>	<u>-</u>	<u>(458,451)</u>	<u>22,923,625</u>
Total fund balances	<u>28,660,749</u>	<u>781,534</u>	<u>3,881,713</u>	<u>33,323,996</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,882,265</u>	<u>\$ 781,534</u>	<u>\$ 4,659,195</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,801,611
Net pension asset	72,709
Net pension liability - LGERS	(3,792,181)
Total pension liability - LEOSSA	(1,107,728)
Total OPEB liability	(46,545,196)
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.	411,989
Long-term liabilities, accrued interest, and compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(27,113,238)
Deferred outflows of resources related to pensions are not reported in the funds.	3,080,947
Deferred inflows of resources related to pensions are not reported in the funds.	(208,486)
Deferred outflows of resources related to OPEB are not reported in the funds.	1,092,745
Deferred inflows of resources related to OPEB are not reported in the funds.	(5,356,707)
Deferred inflows of resources for taxes receivables	626,077
Deferred inflows of resources for other unavailable revenues	<u>1,755,532</u>
Net position of governmental activities	<u>\$ (18,957,930)</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 28,337,614	\$ -	\$ 3,444,630	\$ 31,782,244
Local option sales taxes	7,904,155	-	1,988,788	9,892,943
Unrestricted intergovernmental revenues	417,271	-	-	417,271
Restricted intergovernmental revenues	8,812,333	708,264	1,927,915	11,448,512
Occupancy taxes	-	-	905,223	905,223
Permits and fees	1,245,734	-	-	1,245,734
Sales and services	2,895,491	-	-	2,895,491
Interest earned on investments	393,820	-	36,957	430,777
Miscellaneous	535,877	43,576	661	580,114
Total revenues	<u>50,542,295</u>	<u>751,840</u>	<u>8,304,174</u>	<u>59,598,309</u>
Expenditures:				
Current:				
General government	7,972,556	-	696,887	8,669,443
Public safety	13,492,148	-	3,816,166	17,308,314
Transportation	895,088	-	-	895,088
Economic and physical development	631,935	-	2,586,557	3,218,492
Human services	10,828,367	-	-	10,828,367
Education	8,733,597	-	142,174	8,875,771
Cultural and recreational	2,589,182	-	345,996	2,935,178
Debt service:				
Principal repayments	-	3,018,890	-	3,018,890
Interest	-	867,224	-	867,224
Total expenditures	<u>45,142,873</u>	<u>3,886,114</u>	<u>7,587,780</u>	<u>56,616,767</u>
Revenues over (under) expenditures	<u>5,399,422</u>	<u>(3,134,274)</u>	<u>716,394</u>	<u>2,981,542</u>
Other Financing Sources (Uses):				
Transfers in	7,000	3,252,236	827,991	4,087,227
Transfers (out)	<u>(2,956,144)</u>	<u>-</u>	<u>(1,992,885)</u>	<u>(4,949,029)</u>
Total other financing sources (uses)	<u>(2,949,144)</u>	<u>3,252,236</u>	<u>(1,164,894)</u>	<u>(861,802)</u>
Net change in fund balances	2,450,278	117,962	(448,500)	2,119,740
Fund Balances:				
Beginning of year - July 1	<u>26,210,471</u>	<u>663,572</u>	<u>4,330,213</u>	<u>31,204,256</u>
End of year - June 30	<u>\$ 28,660,749</u>	<u>\$ 781,534</u>	<u>\$ 3,881,713</u>	<u>\$ 33,323,996</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, 2018

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	\$ 2,119,740
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.	(20,615)
<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.	77,573
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.	71,978
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	26,840
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(20,800)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	3,018,890
Pension expense - LEOSSA	(54,997)
Pension expense - LGERS	(132,747)
Pension expense - ROD	(5,790)
OPEB plan expense	(2,283,555)
Contribution of capital assets is reported as a revenue in the Statement of Activities and is not reported in the governmental funds.	228,325
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.	1,855,937
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,096,598)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>314,981</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 3,099,162</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, 2018

	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 28,307,525	\$ 28,526,525	\$ 28,337,614	\$ (188,911)
Local option sales taxes	7,362,532	7,841,882	7,904,155	62,273
Unrestricted intergovernmental revenues	361,000	367,000	417,271	50,271
Restricted intergovernmental revenues	9,016,306	10,037,271	8,812,333	(1,224,938)
Permits and fees	1,205,689	1,257,689	1,245,734	(11,955)
Sales and services	2,969,210	2,979,424	2,895,491	(83,933)
Investment earnings	216,000	361,000	393,820	32,820
Miscellaneous	43,102	521,525	535,877	14,352
Total revenues	<u>49,481,364</u>	<u>51,892,316</u>	<u>50,542,295</u>	<u>(1,350,021)</u>
Expenditures:				
Current:				
General government	8,526,022	8,528,425	7,972,556	555,869
Public safety	13,206,241	14,085,304	13,492,148	593,156
Transportation	1,039,306	1,135,686	895,088	240,598
Economic and physical development	564,809	789,147	631,935	157,212
Human services	12,934,452	13,636,140	10,828,367	2,807,773
Cultural and recreational	2,629,331	2,639,331	2,589,182	50,149
Intergovernmental:				
Education	8,656,851	9,994,227	8,733,597	1,260,630
Total expenditures	<u>47,557,012</u>	<u>50,808,260</u>	<u>45,142,873</u>	<u>5,665,387</u>
Revenues over (under) expenditures	<u>1,924,352</u>	<u>1,084,056</u>	<u>5,399,422</u>	<u>4,315,366</u>
Other Financing Sources (Uses):				
Transfers in	106,563	7,000	7,000	-
Transfers (out)	(2,030,915)	(2,992,618)	(2,956,144)	36,474
Appropriated fund balance	-	1,901,562	-	(1,901,562)
Total other financing sources (uses)	<u>(1,924,352)</u>	<u>(1,084,056)</u>	<u>(2,949,144)</u>	<u>(1,865,088)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,450,278	<u>\$ 2,450,278</u>
Fund Balance:				
Beginning of year - July 1			<u>26,210,471</u>	
End of year - June 30			<u>\$ 28,660,749</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 11,632,025	\$ 755,605
Interest receivable	13,988	-
Accounts receivable, net	344,071	1,048
Total current assets	<u>11,990,084</u>	<u>756,653</u>
Non-current assets:		
Cash and cash equivalents, restricted	980,939	-
Non-depreciable capital assets	8,906,252	-
Depreciable capital assets, net	2,402,176	-
Total capital assets	<u>11,308,428</u>	<u>-</u>
Total non-current assets	<u>12,289,367</u>	<u>-</u>
Total assets	<u>24,279,451</u>	<u>756,653</u>
Deferred Outflows of Resources:		
Pension deferrals	174,321	-
OPEB deferrals	66,579	-
Total deferred outflows of resources	<u>240,900</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	244,180	344,664
Current portion of accrued landfill closure and post-closure care cost	52,233	-
Current portion of long-term liabilities	921,321	-
Compensated absences payable - current	5,489	-
Total current liabilities	<u>1,223,223</u>	<u>344,664</u>
Non-current liabilities:		
Net pension liability - LGERS	222,675	-
Accrued landfill closure and post-closure care cost	8,766,867	-
Compensated absences payable	49,401	-
Total OPEB liability	2,835,912	-
Long-term liabilities - non-current	7,075,317	-
Total non-current liabilities	<u>18,950,172</u>	<u>-</u>
Total liabilities	<u>20,173,395</u>	<u>344,664</u>
Deferred Inflows of Resources:		
Pension deferrals	7,094	-
OPEB deferrals	326,374	-
Total deferred inflows of resources	<u>333,468</u>	<u>-</u>
Net Position:		
Net investment in capital assets	4,292,729	-
Unrestricted	(279,241)	411,989
Total net position	<u>\$ 4,013,488</u>	<u>\$ 411,989</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, 2018

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Landfill fees	\$ 2,570,332	\$ -
Solid waste disposal fees	24,870	-
Charges for services	-	4,251,682
Tipping fees	1,492,897	-
Scrap tire revenues	46,811	-
Other	382,335	267,915
Total operating revenues	<u>4,517,245</u>	<u>4,519,597</u>
Operating Expenses:		
Salaries	1,071,154	-
Employee benefits	540,260	-
Benefit payments	-	4,354,345
Insurance premiums	-	714,972
Operating expenses	1,235,921	-
Landfill closure and post-closure care cost	710,330	-
Depreciation	359,399	-
Total operating expenses	<u>3,917,064</u>	<u>5,069,317</u>
Operating income (loss)	<u>600,181</u>	<u>(549,720)</u>
Non-Operating Revenues (Expenses):		
Interest earned on investments	95,295	2,899
Interest and fees	(186,492)	-
Total non-operating revenues (expenses)	<u>(91,197)</u>	<u>2,899</u>
Net income (loss) before transfers	508,984	(546,821)
Transfers in (out)	-	861,802
Change in net position	<u>508,984</u>	<u>314,981</u>
Net Position:		
Beginning of year - July 1	5,448,446	97,008
Restatement	(1,943,942)	-
Beginning of year - July 1, as restated	<u>3,504,504</u>	<u>97,008</u>
End of year - June 30	<u>\$ 4,013,488</u>	<u>\$ 411,989</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, 2018

	<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	\$ 4,051,945	\$ 4,252,777
Cash paid for goods and services	(1,303,595)	(5,070,016)
Cash paid to employees for services	(1,468,336)	-
Other operating revenues	468,038	267,915
Net cash provided (used) by operating activities	<u>1,748,052</u>	<u>(549,324)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	-	<u>861,802</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(799,376)	-
Principal paid on long-term debt	(906,326)	-
Interest paid on long-term debt	(188,802)	-
Net cash provided (used) for capital and related financing activities	<u>(1,894,504)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>95,295</u>	<u>2,899</u>
Net increase (decrease) in cash and cash equivalents	(51,157)	315,377
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,664,121</u>	<u>440,228</u>
End of year - June 30	<u>\$ 12,612,964</u>	<u>\$ 755,605</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 600,181	\$ (549,720)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	359,399	-
Change in estimate of closure and post-closure care cost	681,800	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	2,738	1,095
(Increase) decrease in deferred outflows - pension	102,008	-
(Increase) decrease in deferred outflows - OPEB	(66,579)	-
Increase (decrease) in net pension liability	(90,576)	-
Increase (decrease) in deferred inflows - pension	(3,616)	-
(Increase) decrease in deferred outflows - OPEB	326,374	-
Increase (decrease) in accounts payable and accrued liabilities	(39,894)	(699)
Increase (decrease) in OPEB liability	(120,663)	-
Increase (decrease) in accrued vacation pay	<u>(3,120)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,748,052</u>	<u>\$ (549,324)</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

JUNE 30, 2018

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 129,281
Accounts receivable	19,595
Total assets	<u>\$ 148,876</u>
Liabilities:	
Miscellaneous liabilities	\$ 111,207
Intergovernmental payable	37,669
Total liabilities	<u>\$ 148,876</u>

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

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

Macon County Airport Authority

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

The County reports the following nonmajor governmental funds:

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

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, Enterprise Fund, and Internal Service Fund, or at the object level for the capital projects funds. The County Manager is authorized by the budget ordinance to transfer appropriations within a fund; however, any such transfers must be reported to the Board of Commissioners and recorded in the minutes. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

Cash and Cash Equivalents

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

Restricted Assets

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

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended public school building funds	\$ 2,584
Consolidated Capital Projects Fund	Unexpended bond proceeds	<u>50,353</u>
		52,937
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>980,939</u>
Total restricted cash		<u>\$ 1,033,876</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, 2017.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Allowances for Doubtful Accounts

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Stabilization by State Statute – portion of fund balance that is not an available resource for appropriation in accordance with state law [G.S. 159-8(a)].

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

Restricted for Education – portion of fund balance in the General Fund restricted by revenue source to be used to support public education, including timber receipts, which are restricted by the federal government for educational purposes. The Consolidated Capital Projects Fund also had \$50,353 in unspent bond proceeds at June 30, 2018.

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is the unspent debt proceeds of \$50,353 and ROD pension plan of \$95,407.

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

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

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	\$ 28,660,749
Less:	
Inventories	12,230
Prepays	251,590
Stabilization by state statute	<u>3,547,378</u>
Total available fund balance	<u>\$ 24,849,551</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, 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, 2018, the County's deposits had a carrying amount of \$13,776,498 and a bank balance of \$14,009,544. Of the bank balance, \$442,645 was covered by federal depository insurance and \$13,566,899 by collateral held under the Pooling Method. Cash on hand was \$2,800.

Investments

At June 30, 2018, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation</u>		<u>Less Than</u>	
	<u>Measurement Method</u>	<u>Fair Value</u>	<u>6 Months</u>	<u>6-12 Months</u>
Commercial paper	Fair Value - Level 2	\$ 5,143,652	\$ 2,176,387	\$ 2,967,265
NC Capital Management				
Trust - Government Portfolio	Amortized Cost	<u>25,618,589</u>	<u>N/A</u>	<u>N/A</u>
Total		<u>\$ 30,762,241</u>	<u>\$ 2,176,387</u>	<u>\$ 2,967,265</u>

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

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

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2018, the County’s investments in commercial paper were rated A1 by Standard & Poor’s, F1 by Fitch Ratings, and P1 by Moody’s Investors Service. The County’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor’s as of June 30, 2018.

Concentration of Credit Risk. The County places no limit on the amount that the County may invest in any one issuer of commercial paper. More than 5% of the County’s investments were in the following securities:

<u>Investment Type</u>	<u>% of Total Investment</u>
Commercial Paper:	
Credit Agricole CRP	6.4%
Credit Suisse AG	<u>7.1%</u>
 Total	 <u>13.5%</u>

Property Tax – Use-Value Assessment on Certain Lands

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

<u>Fiscal Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,440,165	\$ 471,654	\$ 1,911,819
2016	860,300	204,321	1,064,621
2017	861,406	127,057	988,463
2018	<u>859,896</u>	<u>49,444</u>	<u>909,340</u>
Total	<u>\$ 4,021,767</u>	<u>\$ 852,476</u>	<u>\$ 4,874,243</u>

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General	\$ 1,756,555	\$ 1,168,726	\$ 34,166	\$ 3,512,189	\$ 6,471,636
Other governmental	1,048	185,552	-	748,081	934,681
Allowance for doubtful accounts	-	(728,201)	-	-	(728,201)
Total governmental activities	<u>\$ 1,757,603</u>	<u>\$ 626,077</u>	<u>\$ 34,166</u>	<u>\$ 4,260,270</u>	<u>\$ 6,678,116</u>
Business-Type Activities:					
Solid waste	\$ 546,047	\$ -	\$ 13,988	\$ -	\$ 560,035
Allowance for doubtful accounts	(201,976)	-	-	-	(201,976)
Total business-type activities	<u>\$ 344,071</u>	<u>\$ -</u>	<u>\$ 13,988</u>	<u>\$ -</u>	<u>\$ 358,059</u>

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

	<u>Governmental Activities</u>
Local option sales and use tax/sales tax refund	\$ 2,853,705
Due from State DMV	125,514
Grants receivable	305,515
Others	975,536
Total	<u>\$ 4,260,270</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Governmental Capital Assets

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

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Non-Depreciable Assets:					
Land	\$ 9,858,171	\$ -	\$ -	\$ -	\$ 9,858,171
Construction in progress	466,506	1,042,883	-	-	1,509,389
Depreciable Assets:					
Buildings and improvements	31,281,489	91,895	-	-	31,373,384
Equipment	3,762,271	231,462	-	-	3,993,733
Vehicles	6,423,121	718,022	(192,974)	(41,145)	6,907,024
Total	<u>51,791,558</u>	<u>2,084,262</u>	<u>(192,974)</u>	<u>(41,145)</u>	<u>53,641,701</u>
Less Accumulated Depreciation:					
Buildings and improvements	19,151,780	1,305,060	-	-	20,456,840
Equipment	2,723,265	270,599	-	-	2,993,864
Vehicles	5,102,566	520,939	(192,974)	(41,145)	5,389,386
Total accumulated depreciation	<u>26,977,611</u>	<u>2,096,598</u>	<u>(192,974)</u>	<u>(41,145)</u>	<u>28,840,090</u>
Capital assets, net	<u>\$ 24,813,947</u>	<u>\$ (12,336)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,801,611</u>

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

Governmental Activities:

General government	\$ 530,374
Public safety	712,525
Economic and physical development	14,758
Transportation	159,100
Human services	97,138
Cultural and recreational	582,703
Total	<u>\$ 2,096,598</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2018 are as follows:

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Non-Depreciable Assets:					
Construction in progress	\$ 6,744,761	\$ 388,470	\$ -	\$ -	\$ 7,133,231
Land	1,773,021	-	-	-	1,773,021
Depreciable Assets:					
Buildings and improvements	9,723,352	47,823	-	-	9,771,175
Equipment	3,516,865	311,371	(101,756)	-	3,726,480
Vehicles	794,728	51,712	(59,848)	41,145	827,737
Total	22,552,727	799,376	(161,604)	41,145	23,231,644
Less Accumulated Depreciation:					
Buildings and improvements	8,606,034	94,619	-	-	8,700,653
Equipment	2,449,995	210,405	(101,756)	-	2,558,644
Vehicles	628,247	54,375	(59,848)	41,145	663,919
Total accumulated depreciation	11,684,276	359,399	(161,604)	41,145	11,923,216
Capital assets, net	\$ 10,868,451	\$ 439,977	\$ -	\$ -	\$ 11,308,428

Commitments

At June 30, 2018, the County had commitments of approximately \$10,206 for landfill expansion and \$103,169 for Carpenter Building renovations.

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2018 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	\$ 1,433,541	\$ 820,439	\$ 233,720	\$ 227,701	\$ 2,715,401
Business-Type Activities:					
Solid waste	\$ 154,431	\$ 44,395	\$ 45,354	\$ -	\$ 244,180

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

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

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

Survivor benefits are available to eligible beneficiaries of members who die while in active service, or within 180 days of their last day of service, and who have either completed 20 years of creditable service regardless of age (15 years of credible service for firefighters and rescue squad members who are killed in the line of duty), or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018 was 8.25% of compensation for law enforcement officers and 7.59% 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 \$1,280,658 for the year ended June 30, 2018.

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, 2018, the County reported a liability of \$4,014,856 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.262%, which was an decrease of 0.004% from its proportion measured as of June 30, 2016.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

For the year ended June 30, 2018, the County recognized pension expense of \$1,421,219. At June 30, 2018, 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	\$ 231,293	\$ 113,648
Changes of assumptions and other inputs	573,377	-
Net difference between projected and actual earnings on pension plan investments	974,812	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	85,590	19,082
Employer contributions subsequent to the measurement date	1,280,658	-
Total	\$ 3,145,730	\$ 132,730

\$1,280,658 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, 2019. 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
2019	\$ 261,020
2020	1,183,141
2021	592,147
2022	(303,966)
2023	-
Thereafter	-
Total	\$ 1,732,342

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 percent, net of pension plan investment expense, including inflation

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. 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, 2017 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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, 2018**

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. 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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	<u>\$ 12,052,689</u>	<u>\$ 4,014,856</u>	<u>\$ (2,694,197)</u>

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

Law Enforcement Officers’ Special Separation Allowance

Plan Description. Macon County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers. 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, 2016, the Separation Allowance’s membership consisted of four retirees receiving benefits and 50 active members.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 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 increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

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

Mortality Rates are based on the following:

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the 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 \$39,755 as benefits came due for the reporting period.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

At June 30, 2018, the County reported a total pension liability of \$1,107,728. The total pension liability was measured as of December 31, 2017, based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2017, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$92,605.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 60,777
Changes of assumptions and other inputs	67,795	20,758
Benefit payments and administrative expenses paid subsequent to the measurement date	<u>17,730</u>	<u>-</u>
Total	<u>\$ 85,525</u>	<u>\$ 81,535</u>

\$17,730 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, 2019. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ (2,975)
2020	(2,975)
2021	(2,975)
2022	(2,975)
2023	(1,840)
Thereafter	<u>-</u>
Total	<u>\$ (13,740)</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 3.16 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 1,217,641	\$ 1,107,728	\$ 1,007,652

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

	2018
Beginning balance	\$ 1,044,146
Service cost	55,368
Interest on the total pension liability	39,537
Differences between expected and actual experience in the measurement of the total pension liability	(73,031)
Changes of assumptions and other inputs	81,463
Benefit payments	(39,755)
Ending balance of the total pension liability	\$ 1,107,728

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.86% at December 31, 2016 to 3.16% at December 31, 2017.

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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$218,810, which consisted of \$123,433 from the County and \$95,377 from the law enforcement officers. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,727 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$72,709 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was (0.426%), which was a decrease of 0.004% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$9,520. At June 30, 2018, 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	\$ 1,248	\$ 234
Changes of assumptions	12,268	-
Net difference between projected and actual earnings on pension plan investments	6,181	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	589	1,081
County contributions subsequent to the measurement date	3,727	-
Total	\$ 24,013	\$ 1,315

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

\$3,727, 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, 2019. 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
2019	\$ 10,626
2020	6,061
2021	707
2022	1,577
2023	-
Thereafter	-
Total	<u>\$ 18,971</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2017 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 3.05%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (57,148)	\$ (72,709)	\$ (85,795)

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 4,014,856	\$ -	\$ (72,709)	\$ 3,942,147
Proportion of the Net Pension Liability (Asset)	0.262%	NA	-0.426%	-
Total pension liability	-	1,107,728	-	1,107,728
Pension expense	1,421,219	92,605	9,520	1,523,344

At June 30, 2018, 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	\$ 231,293	\$ -	\$ 1,248	\$ 232,541
Changes of assumptions	573,377	67,795	12,268	653,440
Net difference between projected and actual earnings on pension plan investments	974,812	-	6,181	980,993
Changes in proportion and differences between County contributions and proportionate share of contributions	85,590	-	589	86,179
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>1,280,658</u>	<u>17,730</u>	<u>3,727</u>	<u>1,302,115</u>
Total deferred outflows of resources	<u>\$ 3,145,730</u>	<u>\$ 85,525</u>	<u>\$ 24,013</u>	<u>\$ 3,255,268</u>

Deferred Inflows of Resources

Differences between expected and actual experience	\$ 113,648	\$ 60,777	\$ 234	\$ 174,659
Changes of assumptions	-	20,758	-	20,758
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>19,082</u>	<u>-</u>	<u>1,081</u>	<u>20,163</u>
Total deferred inflows of resources	<u>\$ 132,730</u>	<u>\$ 81,535</u>	<u>\$ 1,315</u>	<u>\$ 215,580</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Other Post-Employment Benefits – Healthcare Benefits

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

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

**As determined by NCLGERS*

Healthcare and prescription drug coverage are provided in the County’s Group Health Insurance Plan. Supplemental insurance is offered for Medicare eligible retirees. The County pays the full cost of coverage for all qualifying pre-65 retirees. The County pays the full cost of prescription drug coverage and the full Blue Cross Blue Shield Attained Age Plan F premium amount for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$273 per month. Spouse coverage terminates upon the retiree’s death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 76 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2018, the County contributed \$799,476 for post-retirement medical claims, prescription drug claims, stop/loss premiums, and administrative fees. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Membership of the plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

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

Total OPEB Liability

The County's total OPEB liability of \$49,381,108 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50 percent
Salary increases	3.50%-7.75%, including wage inflation
Discount rate	3.56 percent
Healthcare cost trend rates	Pre-Medicare - 7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2017	\$ 52,377,877
Changes for the Year:	
Service cost	2,375,420
Interest	1,563,194
Differences between expected and actual experience	408,280
Changes of assumptions or other inputs	(6,447,964)
Benefit payments	(895,699)
Net changes	(2,996,769)
Balance at June 30, 2018	\$ 49,381,108

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.01% to 3.56%.

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB liability	\$ 61,939,885	\$ 49,381,108	\$ 39,970,953

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	\$ 39,077,203	\$ 49,381,108	\$ 63,491,105

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$3,222,163. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 359,848	\$ -
Changes of assumptions	-	5,683,081
Benefit payments and plan administrative expense made subsequent to the measurement date	<u>799,476</u>	<u>-</u>
Total	<u>\$ 1,159,324</u>	<u>\$ 5,683,081</u>

\$799,476 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Total</u>
2019	\$ (716,451)
2020	(716,451)
2021	(716,451)
2022	(716,451)
2023	(716,451)
Thereafter	<u>(1,740,978)</u>
Total	<u>\$ (5,323,233)</u>

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multi-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the state. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Landfill Closure and Post-Closure Care Costs

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

Although the closure and post-closure care costs for these landfills are being paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8,819,100 reported as landfill closure and post-closure care liability at June 30, 2018 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, \$8,530,900 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 95.05% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$444,300 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2018. The County expects to close the current cells of the Macon County MSW Landfill in July 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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	\$ 3,255,268	\$ 215,580
OPEB deferrals	1,159,324	5,683,081
Prepaid taxes not yet earned (General)	-	139,371
Taxes receivable, net (General)	-	541,268
Taxes receivable, net (Fire District)	-	84,809
Ambulance receivable (General)	-	1,498,435
Public health receivable (General)	-	257,097
Total	<u>\$ 4,414,592</u>	<u>\$ 8,419,641</u>

Risk Management

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

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

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

	<u>2018</u>	<u>2017</u>
Unpaid claims - beginning	\$ 262,473	\$ 119,616
Incurred claims	4,354,345	4,714,487
Claim payments	<u>(4,389,117)</u>	<u>(4,571,630)</u>
Unpaid claims - ending	<u>\$ 227,701</u>	<u>\$ 262,473</u>

Contingent Liabilities

At June 30, 2018, 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, 2018

Long-Term Obligations

Installment Purchase Contract

Serviced by Governmental Funds:

The County entered into an installment purchase contract dated July 29, 2005 in the amount of \$5,000,000 for library and community college expansion.

The contract is payable in 30 semi-annual installments of \$166,667, plus interest at 2.19% per annum.

\$ 833,333

\$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.

891,311

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.

866,667

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

10,500,000

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

840,000

\$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.

7,203,049

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

1,328,113

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

Serviced by Governmental Funds (continued):

\$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. 750,000

\$2,985,878 Highlands School and Union Academy Qualified Zone Academy Bonds requiring 15 annual payments of \$199,058; final payment of the bonds is August 1, 2030. 2,587,762

Total installment contracts \$ 25,800,235

Debt Service Requirements

The following tables summarize the annual requirements to amortize all long-term debt outstanding (excluding vacation pay and pension benefit obligation) as of June 30, 2018:

Year Ending June 30	Principal	Interest
2019	\$ 2,941,692	\$ 776,547
2020	2,941,692	686,729
2021	2,775,026	596,912
2022	2,608,359	512,569
2023	2,971,723	429,872
2024-2028	10,158,073	990,529
2029-2031	<u>1,403,670</u>	<u>22,217</u>
Total	<u><u>\$ 25,800,235</u></u>	<u><u>\$ 4,015,375</u></u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

At June 30, 2018, the County had a legal debt margin of approximately \$610,503,000.

Debt Related to Capital Activities

Of the total governmental activities debt listed, only \$1,828,112 relates to assets the County holds title. The unspent debt proceeds of \$50,353 are not related to assets of the County.

Special Obligation Bonds

On April 7, 2016, the County issued \$9,800,000 of special obligation bonds at 2.14% interest, for the purpose to expand the County's landfill capacity.

The bond is secured by a first lien on net revenues of the Solid Waste Fund.

The principal and interest on the bonds are payable semi-annually on April 1 and October 1. The special obligation bonds, which mature through April 1, 2026, will be reported on the Solid Waste Fund's financial statements.

\$ 7,996,638

Special obligation bonds 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>
2019	\$ 921,321	\$ 173,807
2020	946,312	148,816
2021	967,349	127,780
2022	988,451	106,677
2023	1,010,014	85,114
2024-2026	<u>3,163,191</u>	<u>121,374</u>
Total	<u>\$ 7,996,638</u>	<u>\$ 763,568</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2018:

	Restated Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion of Balance
Governmental Activities:					
Installment contracts	\$ 28,819,125	\$ -	\$ 3,018,890	\$ 25,800,235	\$ 2,941,692
Compensated absences	1,058,483	852,468	831,668	1,079,283	107,928
Total OPEB liability	48,525,603	-	1,980,407	46,545,196	-
Net pension liability (LGERS)	5,330,674	-	1,538,493	3,792,181	-
Total pension liability (LEOSSA)	<u>1,044,146</u>	<u>176,368</u>	<u>112,786</u>	<u>1,107,728</u>	<u>-</u>
Total governmental activities	<u>\$ 84,778,031</u>	<u>\$ 1,028,836</u>	<u>\$ 7,482,244</u>	<u>\$ 78,324,623</u>	<u>\$ 3,049,620</u>
Business-Type Activities:					
Special obligation bonds	\$ 8,902,964	\$ -	\$ 906,326	\$ 7,996,638	\$ 921,321
Accrued landfill closure and post-closure care cost	8,137,300	681,800	-	8,819,100	52,233
Total OPEB liability	2,956,575	-	120,663	2,835,912	-
Net pension liability (LGERS)	313,251	-	90,576	222,675	-
Compensated absences	<u>58,010</u>	<u>57,783</u>	<u>60,903</u>	<u>54,890</u>	<u>5,489</u>
Total business-type activities	<u>\$ 20,368,100</u>	<u>\$ 739,583</u>	<u>\$ 1,178,468</u>	<u>\$ 19,929,215</u>	<u>\$ 979,043</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.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

C. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2018 is computed as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets, net of accumulated depreciation	\$ 24,801,611	\$ 11,308,428
Less capital debt:		
Gross debt	25,800,235	7,996,638
Less school debt related to assets to which the County does not hold title	<u>(23,972,123)</u>	<u>-</u>
County related debt	1,828,112	7,996,638
Less unspent debt proceeds*	<u>-</u>	<u>(980,939)</u>
Net investment in capital assets	<u>\$ 22,973,499</u>	<u>\$ 4,292,729</u>

*Unexpended debt proceeds related to education debt in the amount of \$50,353 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:			
General Fund	\$ 2,956,144	\$ 7,000	Various purposes
Nonmajor Governmental Funds:			
County Buildings Project Fund	-	724,661	Carpenter Bldg Renovations/Radio Communications Project
Emergency Telephone System Fund	-	568	Reimbursement of ineligible expenditures
Health Insurance Fund	-	861,802	Administrative funds
Schools Capital Fund	1,985,885	-	Debt retirement
Housing Grants Fund	-	102,762	Administrative funds
Capital Reserve Fund	7,000	-	Economic development
Debt Service Fund	<u>-</u>	<u>3,252,236</u>	Debt retirement
Total	<u>\$ 4,949,029</u>	<u>\$ 4,949,029</u>	

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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	<u>\$ 338,417</u>	Debt retirement

3. Joint Venture

Fontana Regional Library

The County participates in a joint venture to operate the Fontana Regional Library (Library) with five other local governments. Each participating county may appoint three Board members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture, because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2018. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$999,390 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.

4. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

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

Smoky Mountain Mental Health Center

The County, in conjunction with seven other counties, established the Smoky Mountain Mental Health Center (Center). The participating governments established the Center to provide mental health services to the Western Region of North Carolina. Each participating government appoints one member to the Center's governing board. The County contributed \$106,623 to the Center during the fiscal year ended June 30, 2018.

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, 2018

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 \$281,843 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2018. 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, 2018. 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.

6. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning total OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (fiscal year ending June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. As a result, net position for governmental activities decreased \$30,975,049 and \$1,943,942 for the business-type activities.

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

Note to Schedule:

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

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

MACON COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 JUNE 30, 2018**

<u>Other Post-Employment Benefits</u>	
	<u>2018</u>
Service cost	\$ 2,375,420
Interest	1,563,194
Differences between expected and actual experience	408,280
Changes of assumptions or other inputs	(6,447,964)
Benefit payments	<u>(895,699)</u>
Net change in total OPEB liability	(2,996,769)
Total OPEB liability - beginning	<u>52,377,877</u>
Total OPEB liability - ending	<u>\$ 49,381,108</u>
Covered payroll	\$ 15,451,187
Total OPEB liability as a percentage of covered payroll	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:

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.56%

MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

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

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SUPPLEMENTARY INFORMATION

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

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THE GENERAL FUND

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

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 27,581,725	\$ 27,417,627	\$ (164,098)	\$ 27,153,070
Taxes - prior	727,000	727,437	437	946,801
Interest and advertising	217,800	192,550	(25,250)	240,000
Total	<u>28,526,525</u>	<u>28,337,614</u>	<u>(188,911)</u>	<u>28,339,871</u>
Local Option Sales Taxes:				
Article 39 one percent	5,084,679	5,114,050	29,371	4,860,552
Article 40 one-half of one percent	1,586,597	1,609,996	23,399	1,497,515
Article 42 one-half of one percent	1,170,606	1,179,702	9,096	1,114,931
Article 44 one-half of one percent	-	407	407	2,133
Total	<u>7,841,882</u>	<u>7,904,155</u>	<u>62,273</u>	<u>7,475,131</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	340,000	390,408	50,408	353,506
Gross receipts tax	27,000	26,863	(137)	27,171
Total	<u>367,000</u>	<u>417,271</u>	<u>50,271</u>	<u>380,677</u>
Restricted Intergovernmental Revenues:				
Federal and State grants	7,641,698	7,677,266	35,568	7,358,999
Local grants	116,515	116,515	-	34,499
ABC revenues	12,000	12,166	166	11,715
Facility fees/CSC	61,000	54,743	(6,257)	53,961
Federal forfeiture and controlled substance	13,421	13,646	225	27,183
Local health and social services	2,192,637	937,997	(1,254,640)	2,363,498
Total	<u>10,037,271</u>	<u>8,812,333</u>	<u>(1,224,938)</u>	<u>9,849,855</u>
Permits and Fees:				
Inspection fees	415,800	413,992	(1,808)	486,804
Register of Deeds	609,000	630,107	21,107	619,204
Occupancy tax	75,289	76,830	1,541	69,766
Board of Elections fees	6,000	5,177	(823)	25
Civil license fees	3,600	2,587	(1,013)	3,211
Addressing fees	80,000	49,069	(30,931)	59,425
Concealed handgun permits	68,000	67,972	(28)	64,172
Total	<u>1,257,689</u>	<u>1,245,734</u>	<u>(11,955)</u>	<u>1,302,607</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, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	
Sales and Services:				
Rents, concessions, and fees	265,000	291,332	26,332	299,220
Ambulance fees	1,423,293	1,356,476	(66,817)	1,463,796
Other public safety fees	385,442	408,088	22,646	420,871
Cable television franchise fees	88,000	82,001	(5,999)	85,943
Health fees	804,189	737,681	(66,508)	887,687
Aging program income	13,500	19,913	6,413	20,433
Total	<u>2,979,424</u>	<u>2,895,491</u>	<u>(83,933)</u>	<u>3,177,950</u>
Investment Earnings	<u>361,000</u>	<u>393,820</u>	<u>32,820</u>	<u>158,931</u>
Miscellaneous:				
Other	<u>521,525</u>	<u>535,877</u>	<u>14,352</u>	<u>162,877</u>
Total	<u>521,525</u>	<u>535,877</u>	<u>14,352</u>	<u>162,877</u>
Total revenues	<u>51,892,316</u>	<u>50,542,295</u>	<u>(1,350,021)</u>	<u>50,847,899</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	107,070	105,959		106,711
Operating expenditures	<u>148,000</u>	<u>81,539</u>		<u>90,580</u>
Total	<u>255,070</u>	<u>187,498</u>	<u>67,572</u>	<u>197,291</u>
Administration:				
Salaries and employee benefits	404,011	393,691		379,473
Operating expenditures	<u>57,126</u>	<u>38,241</u>		<u>51,880</u>
Total	<u>461,137</u>	<u>431,932</u>	<u>29,205</u>	<u>431,353</u>
Finance:				
Salaries and employee benefits	444,709	439,651		415,249
Operating expenditures	<u>93,700</u>	<u>90,283</u>		<u>89,799</u>
Total	<u>538,409</u>	<u>529,934</u>	<u>8,475</u>	<u>505,048</u>
Tax Office:				
Salaries and employee benefits	450,515	445,409		443,585
Operating expenditures	<u>227,530</u>	<u>205,817</u>		<u>224,499</u>
Capital outlay	<u>-</u>	<u>-</u>		<u>9,476</u>
Total	<u>678,045</u>	<u>651,226</u>	<u>26,819</u>	<u>677,560</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, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Legal:				
Contracted services	100,000	97,271		81,260
Total	100,000	97,271	2,729	81,260
Mapping:				
Salaries and employee benefits	161,313	161,501		156,803
Operating expenditures	17,900	10,640		12,061
Total	179,213	172,141	7,072	168,864
Tax Assessment:				
Salaries and employee benefits	308,405	298,944		299,836
Operating expenditures	265,071	241,364		138,835
Total	573,476	540,308	33,168	438,671
Board of Elections:				
Salaries and employee benefits	216,197	177,868		195,689
Operating expenditures	91,442	61,782		60,982
Total	307,639	239,650	67,989	256,671
Register of Deeds:				
Salaries and employee benefits	214,954	209,879		201,229
Operating expenditures	101,670	97,180		95,009
Total	316,624	307,059	9,565	296,238
Information Technology:				
Salaries and employee benefits	507,782	503,744		481,697
Operating expenditures	508,371	400,154		347,228
Capital outlay	38,219	38,219		60,446
Total	1,054,372	942,117	112,255	889,371
Garage:				
Salaries and employee benefits	311,617	306,749		286,231
Operating expenditures	72,987	65,358		80,623
Capital outlay	28,000	28,000		21,332
Total	412,604	400,107	12,497	388,186

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Buildings and Grounds:				
Salaries and employee benefits	1,356,887	1,333,784		1,297,826
Operating expenditures	888,488	849,472		802,384
Capital outlay	130,844	130,844		26,143
Total	2,376,219	2,314,100	62,119	2,126,353
Human Resources:				
Salaries and employee benefits	144,534	143,429		139,103
Operating expenditures	64,575	61,138		44,870
Total	209,109	204,567	4,542	183,973
Non-Departmental:				
Operating expenditures	1,066,508	954,646		823,553
Total	1,066,508	954,646	111,862	823,553
Total general government	8,528,425	7,972,556	555,869	7,464,392
Public Safety:				
Sheriff:				
Salaries and employee benefits	3,607,227	3,572,703		3,428,766
Operating expenditures	858,896	792,309		787,811
Capital outlay	185,872	185,872		82,845
Total	4,651,995	4,550,884	101,111	4,299,422
Federal/State Forfeitures:				
Operating expenditures	8,717	7,427		5,637
Capital outlay	32,788	24,500		25,454
Total	41,505	31,927	9,578	31,091
Juvenile Crime Prevention Council Grants	115,439	115,437	2	115,438

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		2017
	Budget	Actual	
Jail/Law Enforcement Center:			
Salaries and employee benefits	1,336,888	1,293,449	1,271,913
Operating expenditures	1,415,624	1,180,374	1,327,312
Capital outlay	24,914	24,914	-
Total	2,777,426	2,498,737	2,599,225
Courthouse Security:			
Salaries and employee benefits	342,195	335,958	324,832
Operating expenditures	3,400	3,069	7,008
Total	345,595	339,027	331,840
Emergency Medical Service:			
Salaries and employee benefits	2,991,911	2,976,927	2,862,848
Operating expenditures	389,375	345,749	378,709
Capital outlay	27,472	27,472	89,448
Total	3,408,758	3,350,148	3,331,005
Emergency Management:			
Salaries and employee benefits	1,207,195	1,183,187	1,045,397
Operating expenditures	247,674	225,342	120,759
Total	1,454,869	1,408,529	1,166,156
Fire Task Force:			
Salaries and employee benefits	119,305	104,166	-
Operating expenditures	65,126	54,484	-
Capital outlay	47,708	46,851	-
Total	232,139	205,501	-
Inspections:			
Salaries and employee benefits	477,756	455,661	445,036
Operating expenditures	56,720	52,567	37,682
Capital outlay	23,830	23,829	-
Total	558,306	532,057	482,718
Emergency 911:			
Salaries and employee benefits	90,968	90,248	89,790
Operating expenditures	25,100	25,003	22,871
Total	116,068	115,251	112,661

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Animal Control:				
Salaries and employee benefits	187,533	180,311		181,059
Operating expenditures	68,451	53,467		50,317
Capital outlay	41,220	40,330		-
Total	297,204	274,108	23,096	231,376
Forest Service:				
Operating expenditures	86,000	70,542	15,458	60,754
Total public safety	14,085,304	13,492,148	593,156	12,761,686
Transit:				
Transit Services:				
Salaries and employee benefits	659,492	630,070		589,495
Operating expenditures	374,894	166,354		226,130
Capital outlay	47,500	44,864		393,203
Total	1,081,886	841,288	240,598	1,208,828
Contribution to Macon County Airport Authority	53,800	53,800	-	53,800
Total transit	1,135,686	895,088	240,598	1,262,628
Economic and Physical Development:				
Economic Development:				
Operating expenditures	105,794	93,224		314,250
Total	105,794	93,224	12,570	314,250
Cooperative Extension:				
Salaries and employee benefits	204,621	203,648		198,215
Operating expenditures	24,500	17,289		19,436
Total	229,121	220,937	8,184	217,651
Soil Conservation:				
Salaries and employee benefits	169,472	169,255		161,774
Operating expenditures	227,760	95,097		13,981
Total	397,232	264,352	132,880	175,755

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Special Appropriations:				
Cowee School	57,000	53,422		52,069
Total	57,000	53,422	3,578	52,069
Total economic and physical development	789,147	631,935	157,212	759,725
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	195,873	178,876		148,731
Operating expenditures	258,081	206,967		182,642
Total	453,954	385,843	68,111	331,373
Management Support:				
Salaries and employee benefits	429,394	421,043		411,770
Operating expenditures	119,699	84,102		60,309
Capital outlay	1,352	-		13,881
Total	550,445	505,145	45,300	485,960
School Health Nurse:				
Salaries and employee benefits	325,720	293,071		301,822
Operating expenditures	34,052	21,176		12,503
Total	359,772	314,247	45,525	314,325
NC Tobacco Settlement Funds:				
Operating expenditures	127,578	127,487		75,613
Total	127,578	127,487	91	75,613
Women, Infants, and Children:				
Salaries and employee benefits	197,128	192,206		193,431
Operating expenditures	17,568	5,182		9,977
Total	214,696	197,388	17,308	203,408
Nutrition Education:				
Salaries and employee benefits	90,303	86,576		86,242
Operating expenditures	176,538	171,459		158,770
Total	266,841	258,035	8,806	245,012

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Maternal and Childcare:				
Salaries and employee benefits	91,426	90,788		90,790
Operating expenditures	59,813	28,961		29,331
Total	151,239	119,749	31,490	120,121
Child Health:				
Salaries and employee benefits	21,499	9,265		20,917
Operating expenditures	1,186	833		979
Total	22,685	10,098	12,587	21,896
Family Planning:				
Salaries and employee benefits	64,753	64,684		60,248
Operating expenditures	27,756	18,650		17,611
Capital outlay	5,459	5,458		-
Total	97,968	88,792	9,176	77,859
Dental Health Program:				
Salaries and employee benefits	396,893	395,749		387,262
Operating expenditures	46,632	37,222		38,681
Capital outlay	-	-		26,947
Total	443,525	432,971	10,554	452,890
Adult Dental Health:				
Salaries and employee benefits	284,001	242,036		303,925
Operating expenditures	115,369	75,988		68,383
Capital outlay	-	-		16,449
Total	399,370	318,024	81,346	388,757
Adult Health:				
Salaries and employee benefits	28,642	28,568		27,450
Operating expenditures	182,693	137,331		120,643
Total	211,335	165,899	45,436	148,093
NC Wisewoman Program:				
Salaries and employee benefits	12,738	12,684		12,627
Operating expenditures	627	594		-
Total	13,365	13,278	87	12,627

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
Breast and Cervical Cancer:				
Salaries and employee benefits	41,813	41,625		41,457
Operating expenditures	17,110	10,434		10,828
Total	58,923	52,059	6,864	52,285
Laboratory Services:				
Salaries and employee benefits	107,706	102,019		105,767
Operating expenditures	70,035	59,631		52,865
Capital outlay	6,600	5,325		-
Total	184,341	166,975	17,366	158,632
Communicable Disease:				
Salaries and employee benefits	53,848	53,684		52,384
Operating expenditures	5,963	4,850		10,556
Total	59,811	58,534	1,277	62,940
On-Site Wastewater:				
Salaries and employee benefits	261,196	260,027		270,135
Operating expenditures	15,830	12,734		13,973
Total	277,026	272,761	4,265	284,108
Private Drinking Water Wells:				
Salaries and employee benefits	243,069	231,964		206,919
Operating expenditures	29,788	29,612		18,377
Total	272,857	261,576	11,281	225,296
Food and Lodging:				
Salaries and employee benefits	200,498	199,142		195,447
Operating expenditures	18,758	12,975		13,329
Total	219,256	212,117	7,139	208,776
Health Promotion:				
Salaries and employee benefits	127,247	110,748		105,255
Operating expenditures	37,674	33,135		19,039
Total	164,921	143,883	21,038	124,294

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
General Nursing:				
Salaries and employee benefits	173,875	152,969		173,292
Operating expenditures	183,660	145,718		141,868
Total	357,535	298,687	58,848	315,160
Child Service Coordination:				
Salaries and employee benefits	75,428	53,239		66,010
Operating expenditures	1,952	831		1,318
Total	77,380	54,070	23,310	67,328
Smart Start:				
Salaries and employee benefits	52,317	28,301		25,474
Operating expenditures	1,285	923		(99)
Total	53,602	29,224	24,378	25,375
Regional Chronic Disease 1422 Grant:				
Operating expenditures	352,580	348,327		347,557
Total	352,580	348,327	4,253	347,557
Community Health Grant:				
Operating expenditures	150,000	131,173		-
Total	150,000	131,173	18,827	-
OB Care Management Program:				
Salaries and employee benefits	65,900	65,777		64,335
Operating expenditures	3,840	3,229		650
Total	69,740	69,006	734	64,985
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	10,035	5,507		7,838
Operating expenditures	536	-		282
Total	10,571	5,507	5,064	8,120
Employee and Family Health:				
Salaries and employee benefits	94,961	90,853		55,338
Operating expenditures	24,659	21,689		18,880
Total	119,620	112,542	7,078	74,218

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	
Behavioral Health:				
Operating expenditures	54,890	46,123		-
Total	54,890	46,123	8,767	-
Total health	5,795,826	5,199,520	596,306	4,897,008
Social Services:				
Administration:				
Salaries and employee benefits	384,041	381,695		379,722
Operating expenditures	606,950	421,167		392,803
Capital outlay	25,000	24,554		23,033
Total	1,015,991	827,416	188,575	795,558
Social Work Services/Special Programs:				
Salaries and employee benefits	820,611	797,646		663,473
Operating expenditures	1,414,471	955,388		979,044
Total	2,235,082	1,753,034	482,048	1,642,517
Child Daycare:				
Salaries and employee benefits	48,066	47,428	638	46,642
Child Support:				
Salaries and employee benefits	155,294	147,210		147,758
Operating expenditures	57,000	47,393		37,384
Total	212,294	194,603	17,691	185,142
Medicaid:				
County participation only	1,576,527	216,507	1,360,020	1,693,667
WorkFirst:				
Operating expenditures	30,000	370		16,291
Total	30,000	370	29,630	16,291
CAP/DA:				
Salaries and employee benefits	120,809	120,008		115,599
Total	120,809	120,008	801	115,599

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2018		Variance Over/Under	2017
	Budget	Actual		
DSS AMC Outpost Worker:				
Salaries and employee benefits	89,946	82,910	7,036	84,882
Program Integrity:				
Salaries and employee benefits	58,321	57,982		56,645
Total	58,321	57,982	339	56,645
Medicaid/FS Administration:				
Salaries and employee benefits	1,154,188	1,128,760		1,108,123
Total	1,154,188	1,128,760	25,428	1,108,123
Total social services	6,541,224	4,429,018	2,112,206	5,745,066
Department On Aging:				
Administration:				
Salaries and employee benefits	293,809	273,513		251,790
Operating expenditures	69,602	55,329		57,912
Total	363,411	328,842	34,569	309,702
Home-Delivered Meals:				
Salaries and employee benefits	48,326	48,324		56,141
Operating expenditures	120,000	114,196		104,727
Total	168,326	162,520	5,806	160,868
Congregate Meals:				
Salaries and employee benefits	54,499	53,032		41,373
Operating expenditures	72,200	69,347		68,385
Total	126,699	122,379	4,320	109,758
Adult Daycare:				
Salaries and employee benefits	132,846	114,349		121,791
Operating expenditures	43,200	34,979		37,242
Total	176,046	149,328	26,718	159,033
Total department on aging	834,482	763,069	71,413	739,361

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>		<u>Variance Over/Under</u>	<u>2017</u>
	<u>Budget</u>	<u>Actual</u>		
Miscellaneous Human Services:				
Veterans' Service:				
Salaries and employee benefits	107,156	106,778		98,320
Operating expenditures	<u>9,750</u>	<u>6,641</u>		<u>6,238</u>
Total	<u>116,906</u>	<u>113,419</u>	3,487	<u>104,558</u>
Contributions to Organizations:				
Smoky Mountain Mental Health	106,623	106,623		106,623
Macon County Citizens for Handicapped	<u>62,370</u>	<u>62,370</u>		<u>62,370</u>
Total	<u>168,993</u>	<u>168,993</u>	-	<u>168,993</u>
Special Appropriations:				
State of Franklin	15,000	14,000		14,000
Other special appropriations	<u>163,709</u>	<u>140,348</u>		<u>191,295</u>
Total	<u>178,709</u>	<u>154,348</u>	24,361	<u>205,295</u>
Total miscellaneous human services	<u>464,608</u>	<u>436,760</u>	27,848	<u>478,846</u>
Total human services	<u>13,636,140</u>	<u>10,828,367</u>	2,807,773	<u>11,860,281</u>
Cultural and Recreational:				
Salaries and employee benefits	427,586	403,988		423,417
Operating expenditures	1,185,355	1,158,804		818,661
Capital outlay	<u>7,000</u>	<u>7,000</u>		<u>147,928</u>
Total	<u>1,619,941</u>	<u>1,569,792</u>	50,149	<u>1,390,006</u>
Library and Cultural:				
Macon County Library	999,390	999,390		999,390
Macon County Historical Society	<u>20,000</u>	<u>20,000</u>		<u>20,000</u>
Total	<u>1,019,390</u>	<u>1,019,390</u>	-	<u>1,019,390</u>
Total cultural and recreational	<u>2,639,331</u>	<u>2,589,182</u>	50,149	<u>2,409,396</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, 2018
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	
Education:				
Public schools - current expenditures	7,722,008	7,705,296		7,695,280
Public schools - capital outlay	617,650	599,441		537,289
Timber sales pass-through	60,121	147,017		58,005
Southwestern Community College	1,594,448	281,843		287,005
Total education	<u>9,994,227</u>	<u>8,733,597</u>	1,260,630	<u>8,577,579</u>
Total expenditures	<u>50,808,260</u>	<u>45,142,873</u>	5,665,387	<u>45,095,687</u>
Revenues over (under) expenditures	<u>1,084,056</u>	<u>5,399,422</u>	4,315,366	<u>5,752,212</u>
Other Financing Sources (Uses):				
Transfers In:				
From Capital Reserve Fund	7,000	7,000	-	7,000
From Clean Water Management Trust Fund	-	-	-	70,443
Total	<u>7,000</u>	<u>7,000</u>	-	<u>77,443</u>
Transfers Out:				
To E911 Fund	(37,042)	(568)	36,474	(27,503)
To Community Development Block Grant Fund	(102,762)	(102,762)	-	(101,968)
To Debt service	(1,266,351)	(1,266,351)	-	(3,223,435)
To Health Insurance Fund	(861,802)	(861,802)	-	(700,000)
To County Buildings Project	(724,661)	(724,661)	-	(1,004,625)
Total	<u>(2,992,618)</u>	<u>(2,956,144)</u>	36,474	<u>(5,057,531)</u>
Appropriated fund balance	<u>1,901,562</u>	-	(1,901,562)	-
Total other financing sources (uses)	<u>(1,084,056)</u>	<u>(2,949,144)</u>	(1,865,088)	<u>(4,980,088)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,450,278</u>	<u>\$ 2,450,278</u>	772,124
Fund Balance:				
Beginning of year - July 1		<u>26,210,471</u>		<u>25,438,347</u>
End of year - June 30		<u>\$ 28,660,749</u>		<u>\$ 26,210,471</u>

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, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
Revenues:			
NC Lottery funds	\$ 300,000	\$ 297,259	\$ (2,741)
Federal subsidy rebate	409,025	411,005	1,980
Town of Franklin	43,576	43,576	-
Total revenues	<u>752,601</u>	<u>751,840</u>	<u>(761)</u>
Expenditures:			
Debt service:			
Principal repayments	3,018,893	3,018,890	3
Interest	867,225	867,224	1
Debt Service reserve	118,720	-	118,720
Total expenditures	<u>4,004,838</u>	<u>3,886,114</u>	<u>118,724</u>
Revenues over (under) expenditures	(3,252,237)	(3,134,274)	117,963
Other Financing Sources (Uses):			
Transfers in (out)	<u>3,252,237</u>	<u>3,252,236</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	117,962	<u>\$ 117,962</u>
Fund Balance:			
Beginning of year - July 1		<u>663,572</u>	
End of year - June 30		<u>\$ 781,534</u>	

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 861,458	\$ 2,914,494	\$ 3,775,952
Taxes receivable, net	84,809	-	84,809
Due from other governmental agencies	216,066	532,015	748,081
Restricted assets:			
Cash and cash equivalents, restricted	-	50,353	50,353
Total assets	<u>\$ 1,162,333</u>	<u>\$ 3,496,862</u>	<u>\$ 4,659,195</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 320,322	\$ 33,934	\$ 354,256
Due to other funds	-	338,417	338,417
Total liabilities	<u>320,322</u>	<u>372,351</u>	<u>692,673</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>84,809</u>	<u>-</u>	<u>84,809</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	216,066	532,015	748,081
Restricted for public safety	621,124	-	621,124
Restricted for education	-	50,353	50,353
Committed for general government	-	1,696,568	1,696,568
Committed for education	-	716,926	716,926
Committed for economic and physical development	40,046	467,066	507,112
Unassigned	<u>(120,034)</u>	<u>(338,417)</u>	<u>(458,451)</u>
Total fund balances	<u>757,202</u>	<u>3,124,511</u>	<u>3,881,713</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,162,333</u>	<u>\$ 3,496,862</u>	<u>\$ 4,659,195</u>

MACON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 3,444,630	\$ -	\$ 3,444,630
Local option sales taxes	-	1,988,788	1,988,788
Restricted intergovernmental revenues	686,293	1,241,622	1,927,915
Occupancy taxes	905,223	-	905,223
Miscellaneous revenues	-	661	661
Interest earned on investments	2,720	34,237	36,957
Total revenues	<u>5,038,866</u>	<u>3,265,308</u>	<u>8,304,174</u>
Expenditures:			
Current:			
General government	-	696,887	696,887
Public safety	3,816,166	-	3,816,166
Education	-	142,174	142,174
Economic and physical development	1,340,195	1,246,362	2,586,557
Cultural and recreational	-	345,996	345,996
Total expenditures	<u>5,156,361</u>	<u>2,431,419</u>	<u>7,587,780</u>
Revenues over (under) expenditures	<u>(117,495)</u>	<u>833,889</u>	<u>716,394</u>
Other Financing Sources (Uses):			
Transfers in	103,330	724,661	827,991
Transfers out	-	(1,992,885)	(1,992,885)
Total other financing sources (uses)	<u>103,330</u>	<u>(1,268,224)</u>	<u>(1,164,894)</u>
Net change in fund balances	(14,165)	(434,335)	(448,500)
Fund Balances:			
Beginning of year - July 1	<u>771,367</u>	<u>3,558,846</u>	<u>4,330,213</u>
End of year - June 30	<u>\$ 757,202</u>	<u>\$ 3,124,511</u>	<u>\$ 3,881,713</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Assets:					
Cash and cash equivalents	\$ 621,165	\$ 39,953	\$ 102,403	\$ 97,937	\$ 861,458
Taxes receivable, net	-	84,809	-	-	84,809
Due from government agencies	34,603	17,120	102,914	61,429	216,066
Total assets	<u>\$ 655,768</u>	<u>\$ 141,882</u>	<u>\$ 205,317</u>	<u>\$ 159,366</u>	<u>\$ 1,162,333</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 41	\$ 57,073	\$ 205,317	\$ 57,891	\$ 320,322
Deferred Inflows of Resources:					
Property taxes receivable	-	84,809	-	-	84,809
Fund Balances:					
Restricted:					
Stabilization by state statute	34,603	17,120	102,914	61,429	216,066
Restricted for public safety	621,124	-	-	-	621,124
Committed for economic and physical development	-	-	-	40,046	40,046
Unassigned	-	(17,120)	(102,914)	-	(120,034)
Total fund balances	<u>655,727</u>	<u>-</u>	<u>-</u>	<u>101,475</u>	<u>757,202</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 655,768</u>	<u>\$ 141,882</u>	<u>\$ 205,317</u>	<u>\$ 159,366</u>	<u>\$ 1,162,333</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, 2018**

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ 3,444,630	\$ -	\$ -	\$ 3,444,630
Restricted intergovernmental revenues	415,231	-	-	271,062	686,293
Occupancy taxes	-	-	905,223	-	905,223
Investment earnings	2,720	-	-	-	2,720
Total revenues	<u>417,951</u>	<u>3,444,630</u>	<u>905,223</u>	<u>271,062</u>	<u>5,038,866</u>
Expenditures:					
Public safety	371,536	3,444,630	-	-	3,816,166
Economic and physical development	-	-	905,223	434,972	1,340,195
Total expenditures	<u>371,536</u>	<u>3,444,630</u>	<u>905,223</u>	<u>434,972</u>	<u>5,156,361</u>
Revenues over (under) expenditures	46,415	-	-	(163,910)	(117,495)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	568	-	-	102,762	103,330
Net change in fund balances	46,983	-	-	(61,148)	(14,165)
Fund Balances:					
Beginning of year - July 1	608,744	-	-	162,623	771,367
End of year - June 30	<u>\$ 655,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,475</u>	<u>\$ 757,202</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, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017**

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 415,231	\$ 415,231	\$ -	\$ 435,319
Investment earnings	-	2,720	2,720	983
Total revenues	<u>415,231</u>	<u>417,951</u>	<u>2,720</u>	<u>436,302</u>
Expenditures:				
Wireless 911:				
Implemental functions	115,043	49,069	65,974	60,116
Telephone	59,000	56,460	2,540	39,649
Furniture	6,000	-	6,000	-
Software and software maintenance	40,000	30,395	9,605	33,865
Hardware and hardware maintenance	35,000	78,074	(43,074)	40,675
Training	4,000	2,516	1,484	1,339
Capital outlay	201,224	155,022	46,202	-
Total public safety	<u>460,267</u>	<u>371,536</u>	<u>88,731</u>	<u>175,644</u>
Total expenditures	<u>460,267</u>	<u>371,536</u>	<u>88,731</u>	<u>175,644</u>
Revenues over (under) expenditures	<u>(45,036)</u>	<u>46,415</u>	<u>91,451</u>	<u>260,658</u>
Other Financing Sources (Uses):				
Appropriated fund balance	45,036	-	(45,036)	-
Transfers in from General Fund	-	568	568	27,503
Total other financing sources (uses)	<u>45,036</u>	<u>568</u>	<u>(44,468)</u>	<u>27,503</u>
Net change in fund balance	<u>\$ -</u>	<u>46,983</u>	<u>\$ 46,983</u>	<u>288,161</u>
Fund Balance:				
Beginning of year - July 1		<u>608,744</u>		<u>320,583</u>
End of year - June 30		<u>\$ 655,727</u>		<u>\$ 608,744</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, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 3,349,449	\$ 3,323,019	\$ (26,430)	\$ 3,103,180
Prior years	165,520	121,611	(43,909)	154,748
Total revenues	<u>3,514,969</u>	<u>3,444,630</u>	<u>(70,339)</u>	<u>3,257,928</u>
Expenditures:				
Public safety:				
Franklin Fire District		842,976		689,539
Clark's Chapel Fire District		320,877		316,648
Otto Fire District		331,079		326,634
Cullasaja Fire District		253,804		252,229
West Macon Fire District		307,796		303,071
Scaly Mountain Fire District		121,397		120,388
Burningtown/Iotla Fire District		224,715		194,876
Cowee Fire District		309,931		308,098
Highlands Fire District		374,430		375,118
Mountain Valley Fire District		132,774		136,949
Nantahala Fire District		224,851		234,378
Total expenditures	<u>3,514,969</u>	<u>3,444,630</u>	<u>70,339</u>	<u>3,257,928</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
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, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 634,878	\$ 628,783	\$ (6,095)	\$ 566,856
Nantahala	54,159	-	(54,159)	-
Franklin	213,257	199,610	(13,647)	188,723
Administrative fee	78,460	76,830	(1,630)	69,766
Total revenues	<u>980,754</u>	<u>905,223</u>	<u>(75,531)</u>	<u>825,345</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	634,878	628,783	6,095	566,856
Nantahala District	54,159	-	54,159	-
Franklin Chamber	213,257	199,610	13,647	188,723
Administrative fees	78,460	76,830	1,630	69,766
Total expenditures	<u>980,754</u>	<u>905,223</u>	<u>75,531</u>	<u>825,345</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
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, 2018

	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	117,298	1,155	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	91,693	6,507	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	100,000	89	100,089
Weatherization #6940	105,683	98,669	-	98,669
Duke Weatherization Direct Reimbursement	100,000	12,177	30,755	42,932
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	-	39,214	39,214
ESFRLP-17 Grant	175,000	-	-	-
Weatherization DOE 2018 #7305	72,372	-	65,305	65,305
Weatherization LIHEAP 18 #7305	80,722	-	78,105	78,105
Weatherization HARRP 18 #7305	38,613	-	37,203	37,203
Duke Energy 2017 HHF#2017-2200	108,603	-	12,729	12,729
Miscellaneous revenues	11,222	11,469	-	11,469
Total revenues	4,611,648	3,519,317	271,062	3,790,379

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Expenditures:				
Economic and physical development:				
Administrative - County	955,273	763,979	91,202	855,181
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	116,112	1,465	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	79,125	8,548	87,673
Urgent Repair - URP 15	100,000	98,363	-	98,363
Weatherization #6508	169,604	168,649	-	168,649
Urgent Repair #1619	100,000	72,149	25,281	97,430
Weatherization #6940	105,683	98,667	-	98,667
Duke Weatherization Direct Reimbursement	100,000	11,597	48,371	59,968
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	16,704	21,789	38,493
ESFRLP-17 - rehabilitation	125,000	-	-	-
ESFRLP-17 - program support	50,000	-	1,699	1,699
Weatherization DOE 2018 #7305	72,372	-	65,303	65,303
Weatherization LIHEAP 18 #7305	80,722	-	78,104	78,104
Weatherization HARRP 18 #7305	38,613	-	37,202	37,202
Duke Energy 2017 HHF#2017-2200	108,603	-	56,008	56,008
Total expenditures	<u>5,555,699</u>	<u>4,202,980</u>	<u>434,972</u>	<u>4,637,952</u>
Revenues over (under) expenditures	(944,051)	(683,663)	(163,910)	(847,573)
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	<u>944,051</u>	<u>846,286</u>	<u>102,762</u>	<u>949,048</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 162,623</u>	<u>\$ (61,148)</u>	<u>\$ 101,475</u>

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CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions:

Nonmajor Funds:

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

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

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

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

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

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

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

Clean Water Management Trust Fund – accounts for costs related to the Little Tennessee stream and riparian restoration program and the Cartoogechaye Stream restoration.

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Airport Improvements Fund	County Buildings Project Fund	Consolidated Capital Projects Fund	Riverbend Estates Waterline Project Fund
Assets:				
Cash and cash equivalents	\$ 202,278	\$ 609,334	\$ 720,516	\$ 40,685
Due from governmental agencies	-	-	-	-
Restricted cash and cash equivalents	-	-	50,353	-
Total assets	<u>\$ 202,278</u>	<u>\$ 609,334</u>	<u>\$ 770,869</u>	<u>\$ 40,685</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 30,344	\$ 3,590	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>30,344</u>	<u>3,590</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	-	-	-
Restricted for education	-	-	50,353	-
Committed for general government	-	578,990	-	-
Committed for economic and physical development	202,278	-	-	40,685
Committed for education	-	-	716,926	-
Unassigned	-	-	-	-
Total fund balances	<u>202,278</u>	<u>578,990</u>	<u>767,279</u>	<u>40,685</u>
Total liabilities and fund balances	<u>\$ 202,278</u>	<u>\$ 609,334</u>	<u>\$ 770,869</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Clean Water Management Trust Fund	Total
Assets:					
Cash and cash equivalents	\$ 224,103	\$ -	\$ 1,117,578	\$ -	\$ 2,914,494
Due from governmental agencies	-	532,015	-	-	532,015
Restricted cash and cash equivalents	-	-	-	-	50,353
Total assets	<u>\$ 224,103</u>	<u>\$ 532,015</u>	<u>\$ 1,117,578</u>	<u>\$ -</u>	<u>\$ 3,496,862</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 33,934
Due to other funds	-	338,417	-	-	338,417
Total liabilities	<u>-</u>	<u>338,417</u>	<u>-</u>	<u>-</u>	<u>372,351</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	-	532,015	-	-	532,015
Restricted for education	-	-	-	-	50,353
Committed for general government	-	-	1,117,578	-	1,696,568
Committed for economic and physical development	224,103	-	-	-	467,066
Committed for education	-	-	-	-	716,926
Unassigned	-	(338,417)	-	-	(338,417)
Total fund balances	<u>224,103</u>	<u>193,598</u>	<u>1,117,578</u>	<u>-</u>	<u>3,124,511</u>
Total liabilities and fund balances	<u>\$ 224,103</u>	<u>\$ 532,015</u>	<u>\$ 1,117,578</u>	<u>\$ -</u>	<u>\$ 3,496,862</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, 2018

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Consolidated Capital Projects Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>
Revenues:				
Restricted intergovernmental revenues	\$ 885,647	\$ 100,000	\$ -	\$ -
Local option sales tax	-	-	-	-
Miscellaneous revenues	661	-	-	-
Interest earned on investments	-	-	9,284	-
Total revenues	<u>886,308</u>	<u>100,000</u>	<u>9,284</u>	<u>-</u>
Expenditures:				
General government	-	696,887	-	-
Economic and physical development	995,387	-	-	-
Education	-	-	142,174	-
Cultural and recreational	-	345,996	-	-
Total expenditures	<u>995,387</u>	<u>1,042,883</u>	<u>142,174</u>	<u>-</u>
Revenues over (under) expenditures	<u>(109,079)</u>	<u>(942,883)</u>	<u>(132,890)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	-	724,661	-	-
Transfers out:				
To Debt Service Fund	-	-	-	-
To General Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>724,661</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(109,079)	(218,222)	(132,890)	-
Fund Balances:				
Beginning of year - July 1	<u>311,357</u>	<u>797,212</u>	<u>900,169</u>	<u>40,685</u>
End of year - June 30	<u>\$ 202,278</u>	<u>\$ 578,990</u>	<u>\$ 767,279</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, 2018

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Clean Water Management Trust Fund	Total
Revenues:					
Restricted intergovernmental revenues	\$ 5,000	\$ -	\$ -	\$ 250,975	\$ 1,241,622
Local option sales tax	-	1,988,788	-	-	1,988,788
Miscellaneous revenues	-	-	-	-	661
Interest earned on investments	-	11,786	13,167	-	34,237
Total revenues	<u>5,000</u>	<u>2,000,574</u>	<u>13,167</u>	<u>250,975</u>	<u>3,265,308</u>
Expenditures:					
General government	-	-	-	-	696,887
Economic and physical development	-	-	-	250,975	1,246,362
Education	-	-	-	-	142,174
Cultural and recreational	-	-	-	-	345,996
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,975</u>	<u>2,431,419</u>
Revenues over (under) expenditures	<u>5,000</u>	<u>2,000,574</u>	<u>13,167</u>	<u>-</u>	<u>833,889</u>
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	-	-	-	-	724,661
Transfers out:					
To Debt Service Fund	-	(1,985,885)	-	-	(1,985,885)
To General Fund	-	-	(7,000)	-	(7,000)
Total other financing sources (uses)	<u>-</u>	<u>(1,985,885)</u>	<u>(7,000)</u>	<u>-</u>	<u>(1,268,224)</u>
Net change in fund balances	5,000	14,689	6,167	-	(434,335)
Fund Balances:					
Beginning of year - July 1	<u>219,103</u>	<u>178,909</u>	<u>1,111,411</u>	<u>-</u>	<u>3,558,846</u>
End of year - June 30	<u>\$ 224,103</u>	<u>\$ 193,598</u>	<u>\$ 1,117,578</u>	<u>\$ -</u>	<u>\$ 3,124,511</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, 2018

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Restricted intergovernmental revenues:				
State aid to airports	\$ 7,123,967	\$ 6,157,489	\$ -	\$ 6,157,489
Airport Improvements Program	2,618,609	2,283,474	-	2,283,474
2013 NPE 36237.1.14.1	150,000	150,001	-	150,001
2014 NPE 36237.1.NPE.14	150,000	125,074	8,548	133,622
2015 NPE 36237.1.NPE.15	150,000	-	-	-
Taxiway/Lighting 36237.1.14.2	2,250,000	1,145,466	877,099	2,022,565
Miscellaneous revenues	61,167	76,213	661	76,874
Total revenues	<u>12,503,743</u>	<u>9,937,717</u>	<u>886,308</u>	<u>10,824,025</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	138,971	9,498	148,469
2015 NPE 36237.1.NPE.15	166,667	-	-	-
Taxiway/Lighting 36237.1.14.2	<u>2,500,000</u>	<u>1,273,401</u>	<u>985,889</u>	<u>2,259,290</u>
Total expenditures	<u>13,825,087</u>	<u>10,884,546</u>	<u>995,387</u>	<u>11,879,933</u>
Revenues over (under) expenditures	<u>(1,321,344)</u>	<u>(946,829)</u>	<u>(109,079)</u>	<u>(1,055,908)</u>
Other Financing Sources (Uses):				
Transfers in from General Fund	<u>1,321,344</u>	<u>1,258,186</u>	<u>-</u>	<u>1,258,186</u>
Total other financing sources (uses)	<u>1,321,344</u>	<u>1,258,186</u>	<u>-</u>	<u>1,258,186</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 311,357</u>	<u>\$ (109,079)</u>	<u>\$ 202,278</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, 2018

	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>520,360</u>	<u>100,000</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	305,094	140,243	445,337
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	945,360	-	556,644	556,644
Cultural and recreational:				
Parker Meadows Recreation Complex	3,774,801	3,747,923	-	3,747,923
Carpenter building renovations	<u>899,965</u>	<u>450,800</u>	<u>345,996</u>	<u>796,796</u>
Total expenditures	<u>7,316,979</u>	<u>5,715,466</u>	<u>1,042,883</u>	<u>6,758,349</u>
Revenues over (under) expenditures	<u>(6,716,979)</u>	<u>(5,195,106)</u>	<u>(942,883)</u>	<u>(6,137,989)</u>
Other Financing Sources (Uses):				
Debt issued	1,800,000	1,800,000	-	1,800,000
Transfers in:				
From General Fund	4,544,910	3,820,249	724,661	4,544,910
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>6,716,979</u>	<u>5,992,318</u>	<u>724,661</u>	<u>6,716,979</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 797,212</u>	<u>\$ (218,222)</u>	<u>\$ 578,990</u>

MACON COUNTY, NORTH CAROLINA

**CONSOLIDATED CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 85,645	\$ 200,228	\$ 9,284	\$ 209,512
NC Department of Transportation	-	50,000	-	50,000
Contribution from Board of Education	15,000	15,000	-	15,000
Miscellaneous revenues	318,836	533,990	-	533,990
Total revenues	<u>419,481</u>	<u>799,218</u>	<u>9,284</u>	<u>808,502</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
Issuance costs	20,046	20,046	-	20,046
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,500,000	1,498,926	1,074	1,500,000
Highlands QZAB	1,583,720	1,583,719	-	1,583,719
Union/Highlands QZAB	3,035,757	2,985,403	-	2,985,403
South Macon Elementary School Expansion	3,291,022	-	141,100	141,100
Total expenditures	<u>28,792,355</u>	<u>25,348,249</u>	<u>142,174</u>	<u>25,490,423</u>
Revenues over (under) expenditures	<u>(28,372,874)</u>	<u>(24,549,031)</u>	<u>(132,890)</u>	<u>(24,681,921)</u>
Other Financing Sources (Uses):				
Debt issued	25,949,539	23,025,865	-	23,025,865
Transfer from the General Fund	<u>2,423,335</u>	<u>2,423,335</u>	<u>-</u>	<u>2,423,335</u>
Total other financing sources (uses)	<u>28,372,874</u>	<u>25,449,200</u>	<u>-</u>	<u>25,449,200</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 900,169</u>	<u>\$ (132,890)</u>	<u>\$ 767,279</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, 2018

	<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 PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
NC High Unit Cost Grant	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 3,000,000
NC Rural Center Grant	750,000	707,092	5,000	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>3,815,733</u>	<u>5,000</u>	<u>3,820,733</u>
Expenditures:				
Sewer project expense:				
Legal fees	28,888	25,688	-	25,688
Issuance cost	11,986	11,986	-	11,986
Engineering	742,305	760,088	-	760,088
Surveying	-	6,445	-	6,445
General contract	4,754,119	4,840,403	-	4,840,403
Land	211,018	208,636	-	208,636
Contingency	102,760	-	-	-
Total expenditures	<u>5,851,076</u>	<u>5,853,246</u>	<u>-</u>	<u>5,853,246</u>
Revenues over (under) expenditures	<u>(2,084,106)</u>	<u>(2,037,513)</u>	<u>5,000</u>	<u>(2,032,513)</u>
Other Financing Sources (Uses):				
Debt issued	2,043,250	2,043,250	-	2,043,250
Transfer to County Building Projects Fund	(303,216)	(303,216)	-	(303,216)
Transfer from General Fund	516,582	516,582	-	516,582
Transfer (to) General Fund	(172,510)	-	-	-
Total other financing sources (uses)	<u>2,084,106</u>	<u>2,256,616</u>	<u>-</u>	<u>2,256,616</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 219,103</u>	<u>\$ 5,000</u>	<u>\$ 224,103</u>

MACON COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Interest	\$ 12,000	\$ 11,786	\$ (214)	\$ 4,059
Local option sales tax	<u>1,973,886</u>	<u>1,988,788</u>	<u>14,902</u>	<u>1,883,726</u>
Total revenues	<u>1,985,886</u>	<u>2,000,574</u>	<u>14,688</u>	<u>1,887,785</u>
Revenues over (under) expenditures	1,985,886	2,000,574	14,688	1,887,785
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	<u>(1,985,886)</u>	<u>(1,985,885)</u>	<u>1</u>	<u>(1,833,554)</u>
Net change in fund balance	<u>\$ -</u>	14,689	<u>\$ 14,689</u>	54,231
Fund Balance:				
Beginning of year - July 1		<u>178,909</u>		<u>124,678</u>
End of year - June 30		<u>\$ 193,598</u>		<u>\$ 178,909</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, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Interest	\$ 4,000	\$ 13,167	\$ 9,167	\$ 4,786
Other Financing Sources (Uses):				
Transfers out:				
(To) General Fund	(7,000)	(7,000)	-	(7,000)
Appropriated fund balance	3,000	-	(3,000)	-
Total other financing sources (uses)	<u>(4,000)</u>	<u>(7,000)</u>	<u>(3,000)</u>	<u>(7,000)</u>
Net change in fund balance	\$ -	6,167	\$ 6,167	(2,214)
Fund Balance:				
Beginning of year - July 1		<u>1,111,411</u>		<u>1,113,625</u>
End of year - June 30		<u>\$ 1,117,578</u>		<u>\$ 1,111,411</u>

MACON COUNTY, NORTH CAROLINA

CLEAN WATER MANAGEMENT TRUST FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Restricted intergovernmental revenues:				
Clean Water Management Trust Fund	\$ 603,269	\$ 143,613	\$ 250,975	\$ 394,588
Expenditures:				
Economic and physical development:				
Little Tennessee stream and riparian restoration	412,269	143,613	59,975	203,588
Cartoogechaye Stream restoration	<u>191,000</u>	<u>-</u>	<u>191,000</u>	<u>191,000</u>
Total expenditures	<u>603,269</u>	<u>143,613</u>	<u>250,975</u>	<u>394,588</u>
Other Financing Sources (Uses):				
Transfer from General Fund	-	70,443	-	70,443
Transfer to General Fund	<u>-</u>	<u>(70,443)</u>	<u>-</u>	<u>(70,443)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017**

	2018		Variance Over/Under	2017
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Landfill fees	\$ 2,542,733	\$ 2,570,332		\$ 2,540,720
Tipping fees	1,440,000	1,492,897		1,481,798
Recycling revenue	316,310	302,906		261,820
Other operating revenue	5,590	4,908		8,547
Scrap tire disposal fee	43,000	46,811		46,554
Restricted intergovernmental revenue	45,420	46,746		37,664
Total operating revenues	<u>4,393,053</u>	<u>4,464,600</u>	\$ 71,547	<u>4,377,103</u>
Non-operating revenues:				
Solid waste disposal tax	22,500	24,870		31,026
Investment earnings	12,200	89,354		43,328
Total non-operating revenues	<u>34,700</u>	<u>114,224</u>	79,524	<u>74,354</u>
Total revenues	<u>4,427,753</u>	<u>4,578,824</u>	151,071	<u>4,451,457</u>
Expenditures:				
Operating expenditures:				
Salaries	1,097,259	1,074,274		992,017
Employee benefits	420,807	393,312		365,878
Operating expenditures	1,320,227	1,169,254		1,132,304
Interest and fees	188,430	188,802		198,093
Debt principal	906,699	906,326		897,036
Post-closure costs	485,959	28,530		30,472
Capital outlay	501,297	410,906		964,787
Solid waste disposal tax remittance	66,700	66,667		65,580
Total operating expenditures	<u>4,987,378</u>	<u>4,238,071</u>	749,307	<u>4,646,167</u>
Total expenditures	<u>4,987,378</u>	<u>4,238,071</u>	749,307	<u>4,646,167</u>
Revenues over (under) expenditures	<u>(559,625)</u>	<u>340,753</u>	<u>900,378</u>	<u>(194,710)</u>
Other Financing Sources (Uses):				
Transfer from Solid Waste Capital Project Fund	-	221,545	221,545	1,530,000
Appropriated fund balance	559,625	-	(559,625)	-
Total other financing sources (uses)	<u>559,625</u>	<u>221,545</u>	<u>(338,080)</u>	<u>1,530,000</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 562,298</u>	<u>\$ 562,298</u>	<u>\$ 1,335,290</u>

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018		2017
	Budget	Actual	Variance Over/Under Actual
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 562,298	
Reconciling items:			
Payment of debt principal		906,326	
Transfer from Solid Waste Capital Project Fund		(221,545)	
Landfill expansion project fund sales tax refund		27,775	
Landfill expansion project fund interest income		5,941	
(Increase) decrease in accrued interest payable		2,310	
Capital outlay		410,906	
Increase (decrease) in deferred outflows - pension		(102,008)	
(Increase) decrease in net pension liability LGERS		90,576	
(Increase) decrease in deferred inflows - pension LGERS		3,616	
(Increase) decrease in post-closure care costs		(681,800)	
(Increase) decrease in OPEB liability		120,663	
Increase (decrease) in deferred outflows - OPEB		66,579	
(Increase) decrease in deferred inflows - OPEB		(326,374)	
(Increase) decrease in compensated absences		3,120	
Depreciation		<u>(359,399)</u>	
Change in net position - Exhibit H		<u>\$ 508,984</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, 2018

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ -	\$ 29,161	\$ 5,941	\$ 35,102
Sales tax refund	-	2,838	27,775	30,613
Total revenues	-	31,999	33,716	65,715
Expenditures:				
Construction	6,755,126	6,177,187	286,855	6,464,042
Construction administration	447,600	443,220	-	443,220
Water line installation/relocation	240,000	14,000	-	14,000
Building renovations	182,775	-	-	-
Professional fees	-	50,154	9,300	59,454
Ground water monitoring	92,315	-	92,315	92,315
Issuance costs	60,200	60,200	-	60,200
Contingency	270,439	-	-	-
Total expenditures	8,048,455	6,744,761	388,470	7,133,231
Revenues over (under) expenditures	(8,048,455)	(6,712,762)	(354,754)	(7,067,516)
Other Financing Sources (Uses):				
Proceeds from issuance of debt	9,800,000	9,800,000	-	9,800,000
Transfer to Solid Waste Fund	(1,751,545)	(1,530,000)	(221,545)	(1,751,545)
Total other financing sources (uses)	8,048,455	8,270,000	(221,545)	8,048,455
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,557,238	\$ (576,299)	\$ 980,939

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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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 755,605	\$ 440,228
Accounts receivable	<u>1,048</u>	<u>2,143</u>
Total assets	<u>756,653</u>	<u>442,371</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>344,664</u>	<u>345,363</u>
Net Position:		
Unrestricted net position	<u>\$ 411,989</u>	<u>\$ 97,008</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, 2018

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017

	2018			2017
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 4,253,986	\$ 4,251,682	\$ (2,304)	\$ 4,104,495
Other operating revenues:				
Stop loss reimbursement	267,915	267,915	-	-
Total operating revenues	<u>4,521,901</u>	<u>4,519,597</u>	<u>(2,304)</u>	<u>4,104,495</u>
Operating Expenses:				
Insurance premiums	716,572	714,972	1,600	667,049
Benefit payments	<u>4,669,631</u>	<u>4,354,345</u>	<u>315,286</u>	<u>4,571,630</u>
Total operating expenses	<u>5,386,203</u>	<u>5,069,317</u>	<u>316,886</u>	<u>5,238,679</u>
Operating income (loss)	(864,302)	(549,720)	314,582	(1,134,184)
Non-Operating Revenues:				
Investment earnings	<u>2,500</u>	<u>2,899</u>	<u>399</u>	<u>1,384</u>
Other Financing Sources (Uses):				
Transfer From General Fund	<u>861,802</u>	<u>861,802</u>	<u>-</u>	<u>700,000</u>
Change in net position	<u>\$ -</u>	314,981	<u>\$ 314,981</u>	(432,800)
Net Position:				
Beginning of year - July 1		<u>97,008</u>		<u>529,808</u>
End of year - June 30		<u>\$ 411,989</u>		<u>\$ 97,008</u>

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,252,777	\$ 4,102,475
Other operating revenues	267,915	-
Cash paid for goods and services	<u>(5,070,016)</u>	<u>(5,087,083)</u>
Net cash provided (used) by operating activities	<u>(549,324)</u>	<u>(984,608)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>2,899</u>	<u>1,384</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>861,802</u>	<u>700,000</u>
Net increase (decrease) in cash and cash equivalents	315,377	(283,224)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>440,228</u>	<u>723,452</u>
End of year - June 30	<u>\$ 755,605</u>	<u>\$ 440,228</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (549,720)	\$ (1,134,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,095	(2,020)
Increase (decrease) in accounts payable and accrued liabilities	<u>(699)</u>	<u>151,596</u>
Net cash provided (used) by operating activities	<u>\$ (549,324)</u>	<u>\$ (984,608)</u>

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AGENCY FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Social Services Trust Fund	Inmate Trust Fund	Fines and Forfeitures Fund	Motor Vehicle Tax Fund
Assets:				
Cash and cash equivalents	\$ 35,769	\$ 14,558	\$ 7,313	\$ 17,237
Accounts receivable	<u>-</u>	<u>-</u>	<u>6,857</u>	<u>12,738</u>
Total assets	<u>\$ 35,769</u>	<u>\$ 14,558</u>	<u>\$ 14,170</u>	<u>\$ 29,975</u>
Liabilities:				
Miscellaneous liabilities	\$ 35,769	\$ 14,558	\$ 7,313	\$ -
Intergovernmental payable	<u>-</u>	<u>-</u>	<u>6,857</u>	<u>29,975</u>
Total liabilities	<u>\$ 35,769</u>	<u>\$ 14,558</u>	<u>\$ 14,170</u>	<u>\$ 29,975</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>Deed of Trust Fund</u>	<u>Western Carolina Industrial Partners Fund</u>	<u>Hurricane Ivan Relief Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 837	\$ 17,113	\$ 36,454	\$ 129,281
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,595</u>
Total assets	<u>\$ 837</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 148,876</u>
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 17,113	\$ 36,454	\$ 111,207
Intergovernmental payable	<u>837</u>	<u>-</u>	<u>-</u>	<u>37,669</u>
Total liabilities	<u>\$ 837</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 148,876</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 21,143	\$ 184,465	\$ 169,839	\$ 35,769
Liabilities:				
Miscellaneous liabilities	\$ 21,143	\$ 186,578	\$ 171,952	\$ 35,769
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 9,957	\$ 145,273	\$ 140,672	\$ 14,558
Liabilities:				
Miscellaneous liabilities	\$ 9,957	\$ 17,258	\$ 12,657	\$ 14,558
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ 7,313	\$ 148,276	\$ 148,276	\$ 7,313
Accounts receivable	9,723	6,857	9,723	6,857
Total assets	<u>\$ 17,036</u>	<u>\$ 155,133</u>	<u>\$ 157,999</u>	<u>\$ 14,170</u>
Liabilities:				
Miscellaneous liabilities	\$ 7,313	\$ -	\$ -	\$ 7,313
Intergovernmental payable	9,723	145,410	148,276	6,857
Total liabilities	<u>\$ 17,036</u>	<u>\$ 145,410</u>	<u>\$ 148,276</u>	<u>\$ 14,170</u>
Motor Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 15,676	\$ 2,865,364	\$ 2,863,803	\$ 17,237
Accounts receivable	11,497	12,738	11,497	12,738
Cash and accounts receivable	<u>\$ 27,173</u>	<u>\$ 2,878,102</u>	<u>\$ 2,875,300</u>	<u>\$ 29,975</u>
Liabilities:				
Intergovernmental payable	<u>\$ 27,173</u>	<u>\$ 2,824,297</u>	<u>\$ 2,821,495</u>	<u>\$ 29,975</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 893	\$ 9,821	\$ 9,877	\$ 837
Liabilities:				
Intergovernmental payable	\$ 893	\$ 9,821	\$ 9,877	\$ 837
Western Carolina Industrial Partners Fund:				
Assets:				
Cash and cash equivalents	\$ 17,113	\$ -	\$ -	\$ 17,113
Liabilities:				
Miscellaneous liabilities	\$ 17,113	\$ -	\$ -	\$ 17,113
Hurricane Ivan Relief Fund:				
Assets:				
Cash and cash equivalents	\$ 36,454	\$ -	\$ -	\$ 36,454
Liabilities:				
Miscellaneous liabilities	\$ 36,454	\$ -	\$ -	\$ 36,454
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 108,549	\$ 3,353,199	\$ 3,332,467	\$ 129,281
Accounts receivable	21,220	19,595	21,220	19,595
Total assets	<u>\$ 129,769</u>	<u>\$ 3,372,794</u>	<u>\$ 3,353,687</u>	<u>\$ 148,876</u>
Liabilities:				
Miscellaneous liabilities	\$ 91,980	\$ 203,836	\$ 184,609	\$ 111,207
Intergovernmental payable	37,789	2,979,528	2,979,648	37,669
Total liabilities	<u>\$ 129,769</u>	<u>\$ 3,183,364</u>	<u>\$ 3,164,257</u>	<u>\$ 148,876</u>

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ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2018.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 28,107,601	\$ 27,656,763	\$ 450,838
2016-2017	425,695	4,952	243,369	187,278
2015-2016	208,938	-	83,573	125,365
2014-2015	167,737	-	62,973	104,764
2013-2014	124,088	-	34,469	89,619
2012-2013	93,083	-	24,114	68,969
2011-2012	68,864	-	15,423	53,441
2010-2011	52,504	-	12,596	39,908
2009-2010	34,784	-	7,488	27,296
2008-2009	25,991	-	4,743	21,248
2007-2008	17,419	-	17,419	-
Total	\$ 1,219,103	\$ 28,112,553	\$ 28,162,930	1,168,726
Less allowance for uncollectible ad valorem taxes receivable				(627,458)
Ad valorem taxes receivable - net				\$ 541,268
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 28,337,614
Reconciling items:				
Advertising/attorney fees				(27,774)
Interest collected				(164,776)
Refunds and other adjustments				3,403
Amounts written off per Statute of Limitations				14,463
Total collections and credits				\$ 28,162,930

MACON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 7,527,219,484	\$ 0.349	\$ 26,269,996	\$ 26,269,996	\$ -
Motor vehicles taxed at current year's rate	346,524,069	0.349	1,209,369	-	1,209,369
Total	<u>7,873,743,553</u>		<u>27,479,365</u>	<u>26,269,996</u>	<u>1,209,369</u>
Discoveries:					
Current year taxes	26,608,596	0.349	92,864	92,864	-
Utilities	158,978,797	0.349	554,836	554,836	-
Less releases and adjustments	(5,577,077)	0.349	(19,464)	(19,464)	-
Total property valuation	<u>\$ 8,053,753,869</u>				
Net Levy			28,107,601	26,898,232	1,209,369
Uncollected taxes at June 30, 2018			(450,838)	(450,838)	-
Current Year's Taxes Collected			<u>\$ 27,656,763</u>	<u>\$ 26,447,394</u>	<u>\$ 1,209,369</u>
Current Levy Collection Percentage			<u>98.40%</u>	<u>98.32%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property					\$7,437,325,357
Personal property					457,449,715
Public service companies					158,978,797
Total assessed valuation					<u>\$8,053,753,869</u>
Tax rate per \$100					<u>0.349</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 28,107,601</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, 2018.					<u>\$ 3,423,610</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 3,423,610	\$ 3,353,340	\$ 70,270
2016-2017	64,673	-	35,503	29,170
2015-2016	34,014	-	13,551	20,463
2014-2015	25,673	-	8,165	17,508
2013-2014	19,354	-	4,910	14,444
2012-2013	14,428	-	3,498	10,930
2011-2012	11,035	-	2,359	8,676
2010-2011	7,900	-	1,581	6,319
2009-2010	5,433	-	1,026	4,407
2008-2009	4,039	-	674	3,365
2007-2008	2,742	-	2,742	-
Total	<u>\$ 189,291</u>	<u>\$ 3,423,610</u>	<u>\$ 3,427,349</u>	185,552

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund	(100,743)
Fire districts taxes receivable - net	<u>\$ 84,809</u>

Reconciliation of Revenues with Collections and Credits:

Taxes - ad valorem - Fire Districts Fund	\$ 3,444,630
Taxes written off	2,278
Miscellaneous adjustments	<u>(19,559)</u>
Total collections and credits	<u>\$ 3,427,349</u>

MACON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 841,824
Clarks Chapel Fire District	320,263
Otto Fire District	327,117
Cullasaja Fire District	249,648
West Macon Fire District	306,271
Scaly Mountain Fire District	121,023
Burningtown/Iotla Fire District	223,273
Cowee Fire District	305,480
Nantahala Fire District	222,517
Highlands Fire District	373,986
Mountain Valley Fire District	<u>132,208</u>
Net Levy	3,423,610
Less uncollected taxes at June 30, 2018	<u>70,270</u>
Current Year's Taxes Collected	<u>\$ 3,353,340</u>
Current Levy Collection Percentage	<u>97.95%</u>

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Table 1

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 21,515,203	\$ 20,884,555	\$ 20,496,868	\$ 18,601,883	\$ 18,778,181	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499
Restricted	207,996	207,708	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882
Unrestricted	3,989,432	(3,850,248)	(13,738,145)	(18,641,028)	(24,500,469)	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)
Total governmental activities net position	\$ 25,712,631	17,242,015	12,848,016	6,895,369	4,258,092	4,887,970	5,265,939	7,500,577	8,917,957	(18,957,930)
Business-type activities										
Net investment in capital assets	\$ 2,323,169	\$ 1,981,161	\$ 1,836,224	\$ 2,071,354	\$ 2,103,456	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729
Unrestricted	1,428,363	2,041,200	2,507,579	2,863,231	3,140,097	1,295,966	(288,998)	634,732	1,925,721	(279,241)
Total business-type activities net position	\$ 3,751,532	\$ 4,022,361	\$ 4,343,803	\$ 4,934,585	\$ 5,243,553	\$ 3,404,070	\$ 3,310,090	\$ 4,069,511	\$ 5,448,446	\$ 4,013,488
Primary government										
Net investment in capital assets	\$ 23,838,372	\$ 22,865,716	\$ 22,333,092	\$ 20,673,237	\$ 20,881,637	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228
Restricted	207,996	207,708	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882
Unrestricted	5,417,795	(1,809,048)	(11,230,566)	(15,777,797)	(21,360,372)	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)
Total primary government net position	\$ 29,464,163	\$ 21,264,376	\$ 17,191,819	\$ 11,829,954	\$ 9,501,645	\$ 8,292,040	\$ 8,576,029	\$ 11,570,088	\$ 14,366,403	\$ (14,944,442)

Table 2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 9,319,928	\$ 11,226,884	\$ 10,770,642	\$ 10,544,326	\$ 11,086,204	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722
Public safety	12,087,459	11,655,558	12,147,316	13,462,012	13,874,996	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121
Transportation	477,873	577,894	638,415	709,086	781,330	1,037,139	1,222,986	881,675	974,256	968,563
Economic development	1,597,548	4,041,113	8,671,741	2,977,859	5,083,894	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161
Human Services	8,752,201	7,878,952	7,734,446	9,376,517	10,369,682	10,752,050	10,118,181	10,933,958	11,807,685	10,447,531
Culture and recreation	2,520,567	2,437,318	2,430,596	2,349,816	2,400,236	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859
Education	20,601,094	18,483,547	14,553,807	16,309,605	11,698,110	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771
Interest on long-term debt	1,206,450	1,545,951	1,887,654	2,118,296	1,868,404	1,359,927	1,178,604	1,084,429	990,217	867,224
Total governmental activities expenses	\$ 56,563,120	\$ 57,847,217	\$ 58,834,617	\$ 57,847,517	\$ 57,162,856	\$ 53,333,870	\$ 52,455,256	\$ 55,106,692	\$ 58,488,330	\$ 57,439,952
Business-type activities:										
Solid Waste	2,989,618	2,889,088	3,351,735	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556
Total business-type activities expenses	2,989,618	2,889,088	3,351,735	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556
Total primary government expenses	\$ 59,552,738	\$ 60,736,305	\$ 62,186,352	\$ 60,728,097	\$ 60,255,906	\$ 58,653,962	\$ 55,946,932	\$ 57,957,752	\$ 61,583,795	\$ 61,543,508
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,592,002	\$ 1,136,094	\$ 1,045,549	\$ 1,047,612	\$ 1,271,567	\$ 1,340,914	\$ 1,366,746	\$ 1,466,218	\$ 1,551,834	\$ 1,963,765
Public Safety	1,650,743	1,614,704	2,143,743	2,110,943	1,720,635	1,713,989	1,835,759	2,233,562	2,435,643	2,334,702
Transportation	-	-	-	-	-	-	-	-	-	125,210
Economic Development	407,720	403,518	526,092	476,355	506,736	629,929	65,941	62,232	69,766	77,491
Human Services	903,849	1,007,881	806,249	684,473	519,738	800,254	1,072,805	1,167,074	1,168,345	890,230
Culture and recreation	-	-	-	-	-	-	-	-	-	60,137
Education	2,042	174,944	-	-	133,505	-	-	-	49,695	-
Operating grants and contributions	7,966,289	7,688,512	7,645,348	10,647,327	9,918,241	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890
Capital grants and contributions	381,385	2,908,017	5,814,683	133,681	3,329,169	1,206,665	1,688,310	863,822	1,303,437	1,469,947
Total governmental activities program revenues	\$ 12,904,030	\$ 14,933,670	\$ 17,981,664	\$ 15,100,391	\$ 17,399,591	\$ 16,337,260	\$ 15,703,759	\$ 16,384,646	\$ 18,143,623	\$ 17,128,372
Business-type activities:										
Charges for services:										
Solid Waste	3,059,573	3,129,554	3,654,347	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245
Total business-type activities program revenues	3,059,573	3,129,554	3,654,347	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245
Total primary government revenues	\$ 15,963,603	\$ 18,063,224	\$ 21,636,011	\$ 18,558,740	\$ 20,788,068	\$ 19,807,618	\$ 19,193,148	\$ 19,962,593	\$ 22,554,590	\$ 21,645,617
Net (expense)/revenue	\$ (43,659,090)	\$ (42,913,547)	\$ (40,852,953)	\$ (42,747,126)	\$ (39,763,265)	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)
Governmental activities	69,955	240,466	302,612	577,769	295,427	(1,849,734)	(2,287)	728,887	1,315,502	413,689
Business-type activities	\$ (43,589,135)	\$ (42,673,081)	\$ (40,550,341)	\$ (42,169,357)	\$ (39,467,838)	\$ (38,846,344)	\$ (36,753,784)	\$ (37,995,159)	\$ (39,029,205)	\$ (39,897,891)
Total primary government net (expense)										

Table 2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Taxes										
Property taxes	\$ 26,520,446	\$ 26,960,198	\$ 28,883,855	\$ 28,747,033	\$ 28,912,689	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629
Sales taxes	8,216,388	7,036,801	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943
Occupancy taxes	-	-	-	-	-	-	654,427	731,629	825,345	905,223
Unrestricted intergovernmental revenues	508,221	340,817	348,668	359,342	357,318	357,068	330,950	393,453	380,677	417,271
Investment earnings	-	-	97,930	78,464	62,754	49,365	47,358	88,299	174,298	433,676
Miscellaneous	-	-	432,900	-	-	-	-	-	-	-
Transfers	725,647	105,115	-	-	-	-	-	-	-	-
Total governmental activities	\$ 35,970,702	\$ 34,442,931	\$ 36,458,954	\$ 36,794,479	\$ 37,125,988	\$ 37,626,488	\$ 38,761,406	\$ 40,956,684	\$ 42,188,749	\$ 43,410,742
Business-type activities:										
Investment earnings	-	-	18,830	13,013	13,541	10,251	9,110	32,534	63,433	95,295
Transfers	137,700	30,363	-	-	-	-	-	-	-	-
Total business-type activities	\$ 137,700	\$ 30,363	\$ 18,830	\$ 13,013	\$ 13,541	\$ 10,251	\$ 9,110	\$ 32,534	\$ 63,433	\$ 95,295
Total primary government	\$ 36,108,402	\$ 34,473,294	\$ 36,477,784	\$ 36,807,492	\$ 37,139,529	\$ 37,636,739	\$ 38,770,516	\$ 40,989,218	\$ 42,252,182	\$ 43,506,037
Change in Net Position										
Governmental activities	\$ (7,688,366)	\$ (8,470,616)	\$ (4,393,999)	\$ (5,952,647)	\$ (2,637,277)	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162
Business-type activities	207,655	270,829	321,442	590,782	308,968	(1,839,483)	6,823	759,421	1,378,935	508,984
Total primary government	\$ (7,480,711)	\$ (8,199,787)	\$ (4,072,557)	\$ (5,361,865)	\$ (2,328,309)	\$ (1,209,605)	\$ 2,016,732	\$ 2,994,059	\$ 3,222,977	\$ 3,608,146

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
2009	\$ 23,856,730	\$ 6,770,736	\$ 104,511	\$ 142,442	\$ 30,874,419
2010	24,213,724	5,713,754	103,686	55,142	30,086,306
2011	25,914,401	5,367,796	102,842	11,767	31,396,806
2012	25,924,926	6,095,609	93,896	11,602	32,126,033
2013	26,149,786	6,243,883	92,557	13,211	32,499,437
2014	26,792,489	6,152,792	89,219	11,602	33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,311,342	\$ 3,490,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,755,300	14,162,233	-	-	-	-	-	-	-	-
Non-spendable	-	-	144,038	209,732	311,383	286,403	327,791	276,961	313,233	263,820
Restricted	-	-	2,551,146	3,483,255	5,338,833	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853
Assigned	-	-	-	1,680,769	2,121,220	566,642	-	-	-	1,050,000
Unassigned	-	-	16,508,831	15,992,802	12,842,335	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076
Total General Fund	\$ 17,066,642	\$ 17,652,884	\$ 19,204,015	\$ 21,366,558	\$ 20,613,771	\$ 20,117,522	\$ 21,995,231	\$ 25,438,347	\$ 26,210,471	\$ 28,660,749
All other governmental funds										
Reserved	\$ 266,060	\$ 271,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,213,556	2,106,283	-	-	-	-	-	-	-	-
Capital projects funds	11,351,188	5,139,163	-	-	-	-	-	-	-	-
Debt Service Fund	1,353,649	383,579	-	-	-	-	-	-	-	-
Assigned in Debt Service	-	-	567,085	976,150	1,022,379	354,003	13,355	262,427	335,334	443,117
Restricted in Debt Service	-	-	447,641	44,145	-	430,358	598,000	395,347	328,238	338,417
Restricted Other Governmental Funds	-	-	1,400,346	1,354,059	2,401,394	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558
Restricted in Capital Project	-	-	11,441,057	2,053,055	2,240,153	-	-	-	-	-
Committed in Other Governmental Funds	-	-	2,061,553	1,663,942	1,337,859	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606
Committed in Capital Project	-	-	55,037	533,308	93,037	-	-	-	-	-
Unassigned Other Governmental Funds	-	-	(497,733)	(327,127)	(1,622,132)	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)
Unassigned in Capital Project	-	-	(681,675)	-	-	-	-	-	-	-
Total all other governmental funds	\$ 15,184,453	\$ 7,900,336	\$ 14,793,311	\$ 6,297,532	\$ 5,472,690	\$ 5,328,222	\$ 3,719,000	\$ 4,184,127	\$ 4,993,785	\$ 4,663,247

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

Table 5

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad Valorem Taxes	\$ 26,438,682	\$ 26,863,202	\$ 28,602,628	\$ 28,634,156	\$ 28,888,191	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244
Sales Taxes	8,216,388	7,036,801	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943
Intergovernmental revenues	8,855,895	10,937,346	13,808,699	10,731,178	13,604,728	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783
Sales & Services	2,570,078	1,264,861	2,219,945	2,697,408	2,436,510	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491
Permits & Fees	1,356,793	2,720,850	1,222,418	1,432,807	1,409,574	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734
Investment earnings	603,699	93,387	90,979	75,819	61,031	49,112	47,116	86,955	172,914	430,777
Occupancy taxes	-	-	-	-	-	-	654,427	731,629	825,345	905,223
Miscellaneous	244,231	353,500	615,775	409,172	358,493	303,346	246,020	178,396	259,707	580,114
Total revenues	48,285,766	49,269,947	53,256,045	51,590,180	54,551,754	53,832,980	54,198,407	56,924,458	59,944,196	59,598,309
Expenditures										
General government	7,002,731	6,865,350	6,301,602	6,449,113	7,000,158	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443
Public safety	12,866,248	12,434,561	12,622,842	13,707,106	14,673,633	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314
Transportation	666,039	655,444	635,137	754,920	748,894	1,016,489	1,228,966	1,073,513	1,262,628	895,088
Economic and physical development	1,619,388	4,077,802	5,168,426	3,004,228	5,088,994	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492
Human Services	9,438,111	8,473,867	8,054,680	9,649,735	10,786,673	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367
Culture and recreation	2,193,716	2,089,043	2,093,121	2,021,075	2,710,790	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178
Education	9,069,891	9,276,564	7,878,559	8,084,457	8,294,839	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771
Capital Projects	11,531,203	9,206,983	10,213,175	8,225,148	3,403,271	-	-	-	-	-
Debt service	3,142,501	3,642,256	4,161,363	4,637,634	4,927,727	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890
Principal repayments	1,206,453	1,545,952	1,887,655	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224
Interest	58,736,281	58,267,822	59,016,560	58,651,712	59,503,383	54,473,697	55,729,920	56,002,093	57,662,414	56,616,767
Total expenditures	10,450,515	(8,997,875)	(5,760,515)	(7,061,532)	(4,951,629)	(640,717)	(1,531,513)	922,365	2,281,782	2,981,542
Revenues over (under) expenditures										
Other financing sources (uses)										
Issuance of long-term debt	20,000,000	2,300,000	14,204,621	728,296	3,374,000	-	1,800,000	2,985,878	-	-
Transfers in	6,494,159	6,343,504	6,908,135	6,780,477	5,987,522	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227
Transfers out	(6,494,159)	(6,343,504)	(6,908,135)	(6,780,477)	(5,987,522)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)
Total other financing sources (uses)	20,000,000	2,300,000	14,204,621	728,296	3,374,000	-	1,800,000	2,985,878	(700,000)	(861,802)
Net change in fund balances	\$ 9,549,485	\$ (6,697,875)	\$ 8,444,106	\$ (6,333,236)	\$ (1,577,629)	\$ (640,717)	\$ 268,487	\$ 3,908,243	\$ 1,581,782	\$ 2,119,740
Debt service as a percentage of non-capital expenditures	9.2%	10.6%	12.4%	11.7%	11.9%	11.6%	9.7%	8.0%	10.4%	7.1%

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

Fiscal Year Ended	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Public Svc Co. Property				
2009	\$ 5,753,163,178	\$ 2,905,118,640	\$ 330,284,672	\$ 110,609,091	\$ 9,099,175,581	0.264	\$ 9,099,175,581	100.00%
2010	5,866,027,575	2,928,645,910	272,522,727	118,964,015	9,186,160,227	0.264	9,186,160,227	100.00%
2011	5,925,219,476	2,965,584,466	259,761,022	132,595,699	9,283,160,663	0.279	9,283,160,663	100.00%
2012	8,285,147,048	626,617,400	265,300,947	115,761,649	9,292,827,044	0.279	7,674,305,713	121.09%
2013	8,313,378,529	627,278,460	271,119,713	118,000,717	9,329,777,419	0.279	7,315,374,325	127.54%
2014	8,226,560,114	638,500,225	483,874,786	128,362,366	9,477,297,491	0.279	7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771	9,472,645,160	0.279	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092	7,945,408,883	0.349	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966	8,003,397,136	0.349	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797	8,053,753,869	0.349	7,683,414,581	104.82%

Source: Macon County Tax Department

Note: The County underwent revaluation in 2015 which impacted fiscal year 2016. The next revaluation is due in 2019.

Tax rates are per \$100 of assessed value. In prior years, the breakdown between residential and commercial property was estimated. In FY 11-12, a new program was written to track the commercial properties and provide actual values.

Table 7

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

Year	County Direct Rate		Overlapping Rates	
	MACON Total Millage		FRANKLIN Total Millage	HIGHLANDS Total Millage
2009	0.264		0.250	0.135
2010	0.264		0.250	0.135
2011	0.279		0.250	0.135
2012	0.279		0.250	0.135
2013	0.279		0.250	0.135
2014	0.279		0.250	0.135
2015	0.279		0.270	0.150
2016	0.349		0.280	0.164
2017	0.349		0.280	0.164
2018	0.349		0.320	0.164

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 122,659,851	1	1.52%	\$ 74,902,572	1	0.82%
Drake Enterprises	59,203,681	2	0.74%	48,680,191	2	0.53%
Old Edwards Inn and Spa, LLC	42,372,569	3	0.53%	35,600,150	3	0.39%
Highlands Golf Club	23,476,216	4	0.29%	35,370,820	4	0.39%
Entegra Bank	21,633,380	5	0.27%	28,089,489	5	0.31%
Shaw Industries Group	19,380,711	6	0.24%	23,541,271	6	0.26%
Cullasaja Club Inc.	17,507,224	7	0.22%	19,714,060	7	0.22%
Rainbow Springs Partnership	15,923,000	8	0.20%	17,601,296	8	0.19%
Wildcat Cliffs Country Club	14,581,573	9	0.18%	16,990,300	9	0.19%
Rockwood Lodge	14,520,160	10	0.18%	16,743,200	10	0.18%
Totals	\$ 351,258,365		4.36%	\$ 317,233,349		3.49%
Total Taxable Assessed Value	\$ 8,053,753,869			\$ 9,099,175,581		

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
2009	\$ 23,965,953	\$ 23,255,354	97.03%	\$ 689,351	\$ 23,944,705	99.91%
2010	24,232,307	23,468,413	96.85%	736,598	24,205,011	99.89%
2011	25,888,937	25,047,774	96.75%	801,255	25,849,029	99.85%
2012	25,926,987	24,987,407	96.38%	886,139	25,873,546	99.79%
2013	26,048,336	25,098,148	96.35%	881,219	25,979,367	99.74%
2014	26,441,660	25,705,256	97.21%	646,785	26,352,041	99.66%
2015	26,428,680	25,818,391	97.69%	505,525	26,323,916	99.60%
2016	27,729,477	27,244,243	98.25%	359,869	27,604,112	99.55%
2017	27,931,856	27,506,161	98.48%	238,417	27,744,578	99.33%
2018	28,107,601	27,656,763	98.40%	-	27,656,763	98.40%

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
	General Obligation Bonds	Installment Contracts	Capital Leases	Special Obligation Bonds	General Obligation Bonds	Installment Contracts	Capital Leases	Government			
2009	\$ -	\$ 37,661,616	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ 39,161,616	3.99%	1,124	
2010	-	36,319,360	-	-	-	1,100,000	-	37,419,360	3.70%	1,063	
2011	-	46,362,617	-	-	-	700,000	-	47,062,617	4.57%	1,312	
2012	-	42,453,279	-	-	-	200,000	-	42,653,279	3.93%	1,248	
2013	-	40,899,552	-	-	-	-	-	40,899,552	3.71%	1,193	
2014	-	36,050,897	-	-	-	-	-	36,050,897	3.14%	1,048	
2015	-	33,986,857	-	-	-	-	-	33,986,857	2.85%	985	
2016	-	33,673,231	-	9,800,000	-	-	-	43,473,231	3.44%	1,247	
2017	-	28,819,125	-	8,902,964	-	-	-	37,722,089	N/A	1,076	
2018	-	25,800,235	-	7,996,638	-	-	-	33,796,873	N/A	949	

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
 Personal income for 2017 & 2018 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
2009	\$ 9,099,175,581	\$ -	\$ -	0.00%	34,850	\$ -
2010	9,186,160,227	-	-	0.00%	35,208	-
2011	9,283,160,663	-	-	0.00%	35,869	-
2012	9,292,827,044	-	-	0.00%	34,164	-
2013	9,329,777,419	-	-	0.00%	34,276	-
2014	9,477,297,491	-	-	0.00%	34,385	-
2015	9,472,645,160	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	0.00%	35,596	-

Source: Population Estimate from www.ncesc.com (LINC) for years 2011-2016 and from NC Office of State Budget and Management for 2009-2010 & 2017-2018.
Assessed Value from Macon County Tax Department.

Table 12
Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Macon County	\$ 25,800,235	100.00%	\$ 25,800,235
Total Direct Debt	<u>25,800,235</u>		<u>25,800,235</u>
Overlapping Debt:			
Town of Franklin	1,022,826	11.47%	117,293
Town of Highlands	183,246	2.63%	4,824
Total Overlapping Debt	<u>1,206,072</u>		<u>122,117</u>
Total direct and overlapping debt	\$ <u>27,006,307</u>		\$ <u>25,922,352</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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 727,934,046	\$ 734,892,818	\$ 742,652,853	\$ 743,426,164	\$ 746,382,194	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310
Total net debt applicable to limit	37,661,616	37,419,360	47,062,617	42,653,279	40,899,552	36,050,897	33,986,857	43,473,231	37,722,089	33,796,873
Legal debt margin	\$ 690,272,430	\$ 697,473,458	\$ 695,590,236	\$ 700,772,885	\$ 705,482,642	\$ 722,132,902	\$ 723,824,756	\$ 592,159,480	\$ 602,549,682	\$ 610,503,437
Total net debt applicable to the limit as a percentage of debt limit	5.17%	5.09%	6.34%	5.74%	5.48%	4.75%	4.48%	6.84%	5.89%	5.25%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 8,053,753,869
Add back: exempt real property	-
Total assessed value	\$ 8,053,753,869
Debt Limit (8% of total assessed value)	\$ 644,300,310
Debt applicable to limit:	
Installment Contracts	25,800,235
Special Obligation Bonds	7,996,638
Promissory Notes	-
Legal debt margin	\$ 610,503,437

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

Fiscal Year	Population	Personal Income	Per Capita			Unemployment Rate
			Personal Income	Median Age	School Enrollment	
2009	34,850	\$ 981,057,000	\$ 28,151	46.7	4,419	10.0
2010	35,208	1,010,822,000	28,710	45.2	4,452	10.2
2011	35,869	1,030,664,000	28,734	45.2	4,382	10.3
2012	34,164	1,084,766,000	31,752	48.5	4,417	10.1
2013	34,276	1,101,781,000	32,144	48.5	4,462	9.8
2014	34,385	1,149,612,000	33,434	48.6	4,484	6.3
2015	34,494	1,193,465,000	34,599	48.7	4,475	6.3
2016	34,851	1,263,179,000	36,245	48.7	4,475	5.3
2017	35,047	N/A	N/A	48.8	4,379	4.2
2018	35,596	N/A	N/A	48.8	4,436	4.2

Note: Population for 2009-2010 & 2017-2018 and median age for 2009-2018 is from N C Office of State Budget and Management.

Personal income from 2009-2016 obtained from Bureau of Economic Analysis.

Personal income for 2017 & 2018 is not available.

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

Unemployment rate for 2009-2018 and population for 2011-2016 is from www.ncesc.com (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

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	681	1	4.35%	691	1	3.93%
Macon County	651	2	4.16%	466	3	2.65%
Drake Enterprises LTD (A Corp)	594	3	3.79%	654	2	3.72%
Ingles Markets, Inc.	318	4	2.03%	193	8	1.10%
Angel Medical Center	242	5	1.54%	436	4	2.48%
Wal-Mart Associates Inc.	236	6	1.51%	228	7	1.30%
Entegra Bank	150	7	0.96%			
Lowe's Home Centers Inc.	147	8	0.94%			
Macon Program for Progress Inc.	143	9	0.91%			
Shaw Industries Group Inc.	140	10	0.89%	230	6	1.31%
Highlands-Cashiers Hospital				292	5	1.66%
Caterpillar Inc.				192	9	1.09%
Britthaven Inc.				150	10	0.85%
Total	3,302		21.08%	3,532		20.09%
Total Labor Force estimate	15,667			17,580		

Source: Employers' Human Resource Departments

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

Table 16

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	81.0	89.0	97.0	97.0	97.0	97.5	98.5	97.0	98.0	97.0
Public Safety	137.0	125.0	150.0	150.0	159.0	161.0	162.4	163.0	172.0	181.0
Human Services	119.0	118.0	111.0	108.0	110.0	111.0	115.0	121.0	123.0	123.0
Culture and Recreation	10.0	9.0	11.0	10.0	10.0	11.5	12.0	12.0	12.0	11.0
Economic and Physical Development	5.0	3.0	1.0	-	-	-	-	-	-	-
Transportation	11.0	8.0	13.0	14.0	15.5	17.0	16.8	16.0	17.0	18.0
Landfill	34.0	34.0	35.0	37.0	35.5	36.0	35.0	35.0	36.0	37.0
Total	397	386	418	416	427	434	440	444	458	467

Source: Macon County Human Resource Department

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

Table 17

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Law Enforcement										
Physical arrests	2,110	1,714	1,547	1,303	1,303	1,232	1,278	1,442	1,917	1,926
Traffic violations	1,228	2,265	1,516	946	1,100	1,179	1,054	447	374	394
Fire										
Number of calls answered	3,093	3,406	3,642	3,621	3,791	4,244	4,571	4,626	5,068	5,873
Inspections	425	500	550	520	525	490	450	452	560	525
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	590	430	402	447	467	228	278	321	457	272
Number of Food & Nutrition cases eligible	1,861	2,361	2,987	3,144	3,091	3,043	2,763	2,622	2,410	2,075
Number of Medicaid eligible cases	5,242	4,785	4,975	5,020	4,557	4,491	5,885	5,675	7,397	5,577
Health										
Number of WIC cases	1,093	1,167	1,049	1,044	1,076	1,087	1,064	1,117	1,076	971
Number of family planning cases	660	798	639	657	585	526	558	737	648	442
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	6	6	6	6	6	7	7	7	7	7
Number of libraries	3	3	3	3	3	3	3	3	3	3

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

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

Table 18

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police:										
Stations	3	3	3	3	3	4	4	6	6	5
Patrol units	25	45	45	45	45	45	57	56	56	55
Fire stations	13	10	13	13	16	16	17	18	20	20
Culture and recreation										
Parks acreage	353	353	353	353	401	401	401	401	401	401
Parks	6	6	6	6	6	7	7	7	7	7
Swimming pools	2	2	2	2	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	1	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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