

**MACON COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

**MACON COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2023

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

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INTRODUCTORY SECTION

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November 22, 2023

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Macon County for the fiscal year ended June 30, 2023. 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 519 square miles and an estimated population of 37,636. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include Drake Software (tax software), TekTone Sound & Signal Mfg., Inc. (healthcare communications), Duotech Services (aerospace), Landers USA (metal tubular fabrication), and Beasley Flooring Products (flooring). Healthcare includes three medical campuses from two health systems (Hospital Corporation of America Healthcare and Duke LifePoint Healthcare). Tourism and hospitality is especially strong in both the Highlands and Franklin areas, with entities such as Old Edwards Inn & Spa and the Smoky Mountain Center for the Performing Arts gaining national and global recognition. Macon County's natural resources, beauty, and proximity to major population centers have made it a major destination for both green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Three local breweries are located in the county. Real estate and second home/retirement construction are also major contributors to the local economy. Agriculture includes vegetables, ornamentals, Christmas trees, trout production, and livestock. In addition, several national, regional, and local banks maintain operations in the county. Two municipalities are located in the County, the largest being the Town of Franklin, which serves as the County seat, and Highlands, a major travel/tourism and vacation home destination. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms.

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

ECONOMIC CONDITIONS AND OUTLOOK:

Post-covid economic recovery continued at a strong pace. As of June 2023, the county's unemployment rate was 3.2%, down from 3.8% in June 2022. Sales tax collections continued at a strong pace, with a 13% increase over the prior fiscal year. Tourism spending continued to be a driving force in the local economy with over \$337 million dollars spent in 2022, an increase of 4.2% over 2021. NC Commerce designated Macon County a Tier 2 county.

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

The private sector owns 51.81% of Macon County's 332,551 total acres with the U.S. Forest Service owning 46.04% or 153,110 acres. The remaining 2.15% is exempt acreage. There are 44,112 parcels and 43,119 are taxable. The total appraised value of taxable property is \$8.55 billion. The tax rate is 40 cents per \$100 valuation. Duke Energy Carolinas, LLC continues to be the County's largest taxpayer with 1.99% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.45% of total assessed value.

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

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

LONG-TERM FINANCIAL PLANNING

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

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

MAJOR INITIATIVES:

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

ECONOMIC DEVELOPMENT - The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship, and quality job creation. Development of the former Duke Energy tract continued with the completion of Aspen Dental and Aldi, with a new Starbucks in development stages. Frontier Communications of the Carolinas received a Growing Rural Economies with Access to Technology grant from the North Carolina Department of Information Technology. This \$3.7 million grant will provide high-speed internet access to approximately 2,700 locations across Macon County. Charter Communications continued planning on their winning bid for \$9 million to provide broadband for 8,191 customers across Macon County.

In addition, the EDC continued operation of the Macon County Business Development Center with three start-up companies occupying space, as well as the Macon County Public Schools STEM program. The EDC also collaborated with NCWorks Career Center and private employers to promote job-hiring events. Housing and workforce development continue to present challenges for the local economy.

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. Renovations of Macon Middle School were completed during the fiscal year. In addition, the County entered into a construction contract for an athletic building at Macon Middle School. Also, the County amended the architect contract with LS3P to include construction documents and bidding of a new stadium facility for Franklin High School as well as schematic design and design development of a new Franklin High School campus.

TRANSIT – Macon County entered into a construction contract with Owle Construction for a storage facility for the transit vans. The County also entered into a construction contract with Owle Construction for expansion of the existing transit facility. Both projects are 80% grant funded.

RECREATION – The Commissioners approved a proposal from McGill Associates for a Recreation Park Master Plan. The plan is for redevelopment of the existing facility located at 1288 Georgia Road in Franklin, NC. The plan was approximately 27% completed at year end.

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

The County's solid waste landfill is subject to the Environmental Protection Agency's (EPA's) regulations for municipal solid waste landfill closure and post closure care. Closure, post closure, and corrective action costs of the current and closed cells is estimated to be \$15,022,290. The County has already recognized a liability of \$13,800,650 for closure, post closure, and corrective action costs, based upon the amount of cell capacity used to date. 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 post-closure care for the current landfill. Additional information is included in the notes to the financial statements.

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

FINANCIAL INFORMATION:

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

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

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

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with the applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2023 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.

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Macon County has received twenty-six annual GFOA Certificates for Excellence in Financial Reporting.

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

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

Respectfully submitted,

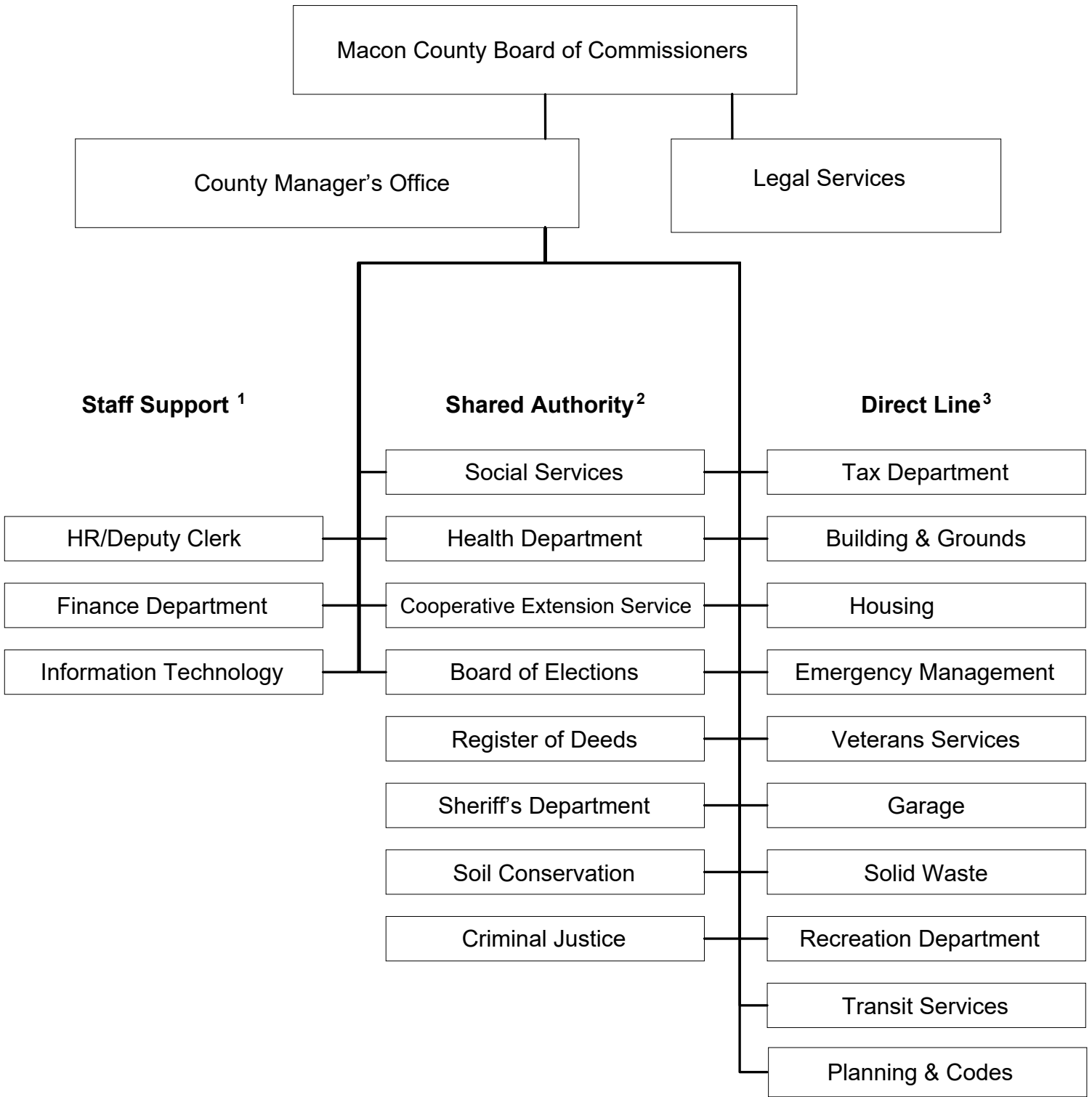


Lori M. Carpenter
Finance Director



Derek Roland
County Manager

Macon County Government



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

MACON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2023

Board of Commissioners

Paul Higdon, Chairman
Josh Young, Vice-Chairman
Danny Antoine, Commissioner
John Shearl, Commissioner
Gary Shields, Commissioner

Principal Officials

Derek Roland, County Manager
Lori M. Carpenter, Finance Director
Tammy Keezer, Human Resources Director
Eric Ridenour, County Attorney
Abby Braswell, Tax Supervisor
Delena Raby, Tax Collector
Joe Allen, Planning Director
Bobby Bishop, Code Enforcement Director
Melanie Thibault, Board of Elections Director
Todd Raby, Register of Deeds
Andy Muncey, Information Technology Director
Mike Cope, Buildings and Grounds Director
Brent Holbrooks, Sheriff
Warren Cabe, Emergency Medical Services Director
M. Chris Stahl, Solid Waste Director
Doug Johnson, Soil and Water Conservation
Christy Bredenkamp, Cooperative Extension Director
R. Patrick Betancourt, Social Services Director
Darlene Asher, Transit Director
Kathy McGaha, Health Director
Leigh Tabor, Veterans' Service Officer
Seth D. Adams, Recreation Director
Chris Queen, Garage Services
Tommy Jenkins, Economic Development Director
John Fay, Housing Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Macon County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

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 Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Opioid Settlement Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise a substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered-Employee Payroll, the Other Post-Employment Benefits' Schedules of Changes in the Total OPEB Liability and Related Rations, the Local Governmental 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 is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Macon County's basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023 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 22, 2023

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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, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

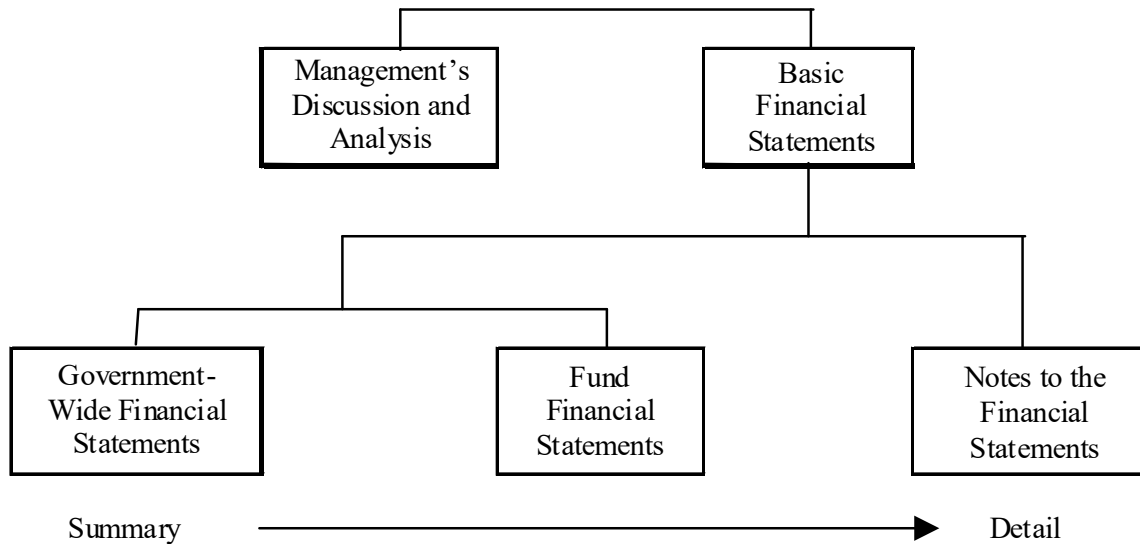
Financial Highlights

- The assets and deferred outflows of resources of Macon County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,610,903 (*net position*).
- The County's total net position increased by \$15,371,408, primarily due to an increase in the net position of governmental activities. This increase is due to an increase in ad valorem taxes, local option sales tax, and interest earned as well as a decrease in spending in education.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$51,703,201, an increase of \$7,657,842 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$64,022,183. Approximately 14.60% of this total amount, or \$9,347,666, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$45,106,813, or 73.74%, of total General Fund expenditures and transfers out.
- Macon County's total debt decreased by \$4,261,749, or 13.40%, during the fiscal year. The key factor in this decrease was making current year payments on installment contracts, limited obligation bonds, and special obligation bonds. The County is rated Aa2 by Moody's Investors Service.
- Macon County's total liabilities increased by \$4,153,892, or 4.44%, during the past fiscal year, primarily due to an increase in total LGERS liability and grants received in advance.

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 L) are the **fund financial statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements, and 4) the fiduciary fund statements.

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Macon County has two fiduciary funds, both of which are custodial funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow Exhibit L 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	
	2022	2023	2022	2023	2022	2023
Current and other assets	\$ 64,118,510	\$ 79,141,103	\$ 14,313,726	\$ 15,115,789	\$ 78,432,236	\$ 94,256,892
Capital assets	22,472,038	24,367,106	10,819,499	10,019,075	33,291,537	34,386,181
Total assets	86,590,548	103,508,209	25,133,225	25,134,864	111,723,773	128,643,073
Deferred outflows of resources	32,275,801	30,794,707	2,108,935	2,014,996	34,384,736	32,809,703
Long-term liabilities						
outstanding	67,260,917	66,209,554	14,629,017	18,220,781	81,889,934	84,430,335
Other liabilities	10,328,504	11,903,552	1,402,867	1,441,310	11,731,371	13,344,862
Total liabilities	77,589,421	78,113,106	16,031,884	19,662,091	93,621,305	97,775,197
Deferred inflows of resources	57,688,489	51,579,928	3,871,675	3,486,748	61,560,164	55,066,676
Net position:						
Net investment in capital assets	21,530,233	23,037,582	7,357,451	7,510,566	28,887,684	30,548,148
Restricted	8,437,616	8,944,299	-	-	8,437,616	8,944,299
Unrestricted	(46,379,410)	(27,371,999)	(18,850)	(3,509,545)	(46,398,260)	(30,881,544)
Total net position	\$ (16,411,561)	\$ 4,609,882	\$ 7,338,601	\$ 4,001,021	\$ (9,072,960)	\$ 8,610,903

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$8,610,903 as of June 30, 2023. The County's net position increased by \$15,371,408 for the fiscal year ended June 30, 2023. One of the largest portions of Macon County's net position, \$30,548,148, 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, \$8,944,299, 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 \$30,881,544 for the government as a whole. The primary reason for the deficit is the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*, in the fiscal year ended June 30, 2018 and the resulting total OPEB liability. Another reason for the deficit is the County holds title to certain Macon County Board of Education properties that have not been included in the County's capital assets. These properties have been deeded to the County to allow for debt financings on school construction. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title back to the Board of Education after all restrictions of the debt financings have been met. These properties are reflected as capital assets in the financial statements of the Macon County Board of Education. Since the County, as the issuing government, doesn't include these properties as capital assets, the County has incurred a liability without a corresponding increase in assets.

Macon County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues:						
Program revenues:						
Charges for services	\$ 6,108,851	\$ 5,918,064	\$ 5,560,226	\$ 5,551,531	\$ 11,669,077	\$ 11,469,595
Operating grants and contributions	12,112,974	14,317,916	-	-	12,112,974	14,317,916
Capital grants and contributions	30,023	1,369,491	-	-	30,023	1,369,491
General revenues:						
Property taxes	38,345,888	39,420,977	-	-	38,345,888	39,420,977
Other taxes	18,258,296	20,259,739	-	-	18,258,296	20,259,739
Other	583,089	3,513,884	13,331	292,188	596,420	3,806,072
Total revenues	<u>75,439,121</u>	<u>84,800,071</u>	<u>5,573,557</u>	<u>5,843,719</u>	<u>81,012,678</u>	<u>90,643,790</u>
Expenses:						
General government	13,345,895	12,366,566	-	-	13,345,895	12,366,566
Public safety	19,234,772	19,553,169	-	-	19,234,772	19,553,169
Transportation	1,060,591	1,072,755	-	-	1,060,591	1,072,755
Economic and physical development	3,574,303	4,676,727	-	-	3,574,303	4,676,727
Human services	10,520,367	10,158,686	-	-	10,520,367	10,158,686
Cultural and recreational	3,364,946	3,381,145	-	-	3,364,946	3,381,145
Education	18,666,457	13,969,994	-	-	18,666,457	13,969,994
Interest on long-term debt	823,020	753,707	-	-	823,020	753,707
Solid waste	-	-	6,010,083	9,339,633	6,010,083	9,339,633
Total expenses	<u>70,590,351</u>	<u>65,932,749</u>	<u>6,010,083</u>	<u>9,339,633</u>	<u>76,600,434</u>	<u>75,272,382</u>
Change in net position before transfers	4,848,770	18,867,322	(436,526)	(3,495,914)	4,412,244	15,371,408
Transfers	(159,695)	(158,334)	159,695	158,334	-	-
Change in net position	<u>4,689,075</u>	<u>18,708,988</u>	<u>(276,831)</u>	<u>(3,337,580)</u>	<u>4,412,244</u>	<u>15,371,408</u>
Net Position:						
Beginning of year - July 1	(21,100,636)	(16,411,561)	7,615,432	7,338,601	(13,485,204)	(9,072,960)
Restatement	-	2,312,455	-	-	-	2,312,455
Beginning of year - July 1, as restated	<u>(21,100,636)</u>	<u>(14,099,106)</u>	<u>7,615,432</u>	<u>7,338,601</u>	<u>(13,485,204)</u>	<u>(6,760,505)</u>
End of year - June 30	<u>\$ (16,411,561)</u>	<u>\$ 4,609,882</u>	<u>\$ 7,338,601</u>	<u>\$ 4,001,021</u>	<u>\$ (9,072,960)</u>	<u>\$ 8,610,903</u>

Governmental Activities. Of the total net position, governmental activities account for \$4,609,882, 53.54%. Property taxes provide 46.49% of funding at \$39,420,977, charges for services funded at \$5,918,064, local option sales tax and occupancy tax funded at \$20,259,739, and operating grants funded at \$14,317,916 of Macon County's governmental activities. Governmental activities increased Macon County's net position by \$18,708,988. This increase is primarily due to an increase in operating grants and contributions, capital grants and contributions, ad valorem taxes, local option sales taxes, and interest earned on investments. Operating grants and contributions increased due to an increase of \$1.7 million in unavailable opioid revenue. Capital grants and contributions increased due to receipt of a \$548,000 transit capital grant and a \$784,000 airport capital grant. Ad valorem taxes increased primarily due to Franklin Fire District's tax rate increasing by 1.55 cents, Cullasaja Fire District's tax rate increasing by 1.63 cents, and Burningtown Fire District's tax rate increasing by 1 cent, as well as growth of 1.86% in the taxable property values. Local option sales taxes increased due to an increase in taxable sales and purchases within the County. Interest earned on investments increased by \$2.9 million due to the Federal Reserve raising interest rates multiple times.

Business-Type Activities. Business-type activities decreased the County's net position by (\$3,337,580). This decrease is primarily attributable to an increase in landfill closure and post-closure care cost.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Macon County. At the end of the current fiscal year, fund balance available in the General Fund was \$45,643,569, while total fund balance reached \$51,703,201. The County currently has an available fund balance of 74.62% of General Fund expenditures and transfers out less lease and subscription liabilities issued, while total fund balance represents 85.43% of that same amount. Total fund balance in the General Fund increased by \$7,657,842. This increase is primarily attributable to an increase in local option sales tax, investment earnings, and ad valorem tax revenues. Sales tax revenues increased by 13.39% due to an increase in taxable sales and purchases within the County. Investment earnings increased by \$2.3million due to the Federal Reserve raising interest rates multiple times. Ad valorem tax revenues increased by 1.50% due to \$155,776,000 or 1.86% increase in assessed valuation. Assessed valuation increased in all three categories: real property, personal property, and public service companies.

The Debt Service Fund's total fund balance increased by \$985,888. This increase is primarily attributable to the transfers from the general fund to the debt service fund exceeding the payments that were due from this transfer.

The Opioid Settlement Fund total fund balance increased by \$401,346. This increase is primarily attributable to receiving opioid settlement revenues but not spending any funds.

As of the end of the current fiscal year, Macon County's total governmental funds reported combined ending fund balances of \$64,002,183, an increase of \$8,620,773 in comparison with the prior year. This increase is primarily attributable to an increase in sales tax, investment earnings, and ad valorem tax revenues.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the budget by \$14,006,934. The majority of this increase was attributable to additional sales tax revenues, ad valorem tax revenues, and restricted intergovernmental revenues, investment earnings, and a transfer from the American Rescue Plan Special Revenue Fund. The difference between the final budgeted amount and the actual expenditures and transfers out was \$11,887,784. This difference is primarily due to underspending the budget in human services, public safety, and general government.

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 (\$3,509,545). The decrease of \$3,337,580 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, 2023 amount to \$34,386,181, (net of accumulated depreciation and amortization). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- Purchased new voting equipment
- Completed an ambulance remount for EMS
- Purchased 1 ambulance for EMS
- Purchased 4 Transit vans
- Purchased network switches
- Purchased property to be used by Macon County Schools

Macon County’s Capital Assets
Figure 4

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Land	\$ 10,062,224	\$ 10,939,142	\$ 2,093,021	\$ 2,031,662	\$ 12,155,245	\$ 12,970,804
Buildings and improvements	33,150,310	33,642,237	17,209,763	17,209,763	50,360,073	50,852,000
Furniture and equipment	5,056,036	6,815,828	5,345,969	5,316,811	10,402,005	12,132,639
Vehicles	8,074,827	8,481,759	862,710	877,996	8,937,537	9,359,755
Right to use assets	174,553	744,864	-	-	174,553	744,864
Construction in progress	1,405,925	366,808	54,215	132,592	1,460,140	499,400
Subtotal	<u>57,923,875</u>	<u>60,990,638</u>	<u>25,565,678</u>	<u>25,568,824</u>	<u>83,489,553</u>	<u>86,559,462</u>
Less accumulated depreciation and amortization	<u>(35,186,529)</u>	<u>(36,623,532)</u>	<u>(14,746,179)</u>	<u>(15,549,749)</u>	<u>(49,932,708)</u>	<u>(52,173,281)</u>
Total	<u>\$ 22,737,346</u>	<u>\$ 24,367,106</u>	<u>\$ 10,819,499</u>	<u>\$ 10,019,075</u>	<u>\$ 33,556,845</u>	<u>\$ 34,386,181</u>

Additional information on the County’s capital assets can be found in the notes to the financial statements beginning on page 54.

Long-Term Debt. As of June 30, 2023, Macon County had total bonded debt outstanding of \$21,809,137, all of which is debt backed by full faith and credit of the County.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Installment contracts	\$ 7,114,004	\$ 5,244,444	\$ -	\$ -	\$ 7,114,004	\$ 5,244,444
Special obligation bonds	-	-	4,172,609	3,162,552	4,172,609	3,162,552
Limited obligation bonds	20,420,653	18,646,585	-	-	20,420,653	18,646,585
Lease liability	82,522	219,094	4,115	-	86,637	219,094
Subscription liability	-	259,479	-	-	-	259,479
Total	\$ 27,617,179	\$ 24,369,602	\$ 4,176,724	\$ 3,162,552	\$ 31,793,903	\$ 27,532,154

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 \$657,207,000, 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 75.

Economic Factors and Next Year’s Budgets and Rates

The following factors reflect the economic activity of the County:

- The County’s June 2023 unadjusted unemployment rate is 3.2% compared to the state’s unadjusted unemployment rate of 3.6%. The County’s June 2023 rate is 0.6% lower than it was a year ago.
- Sales tax distributions increased 13.39% over the prior year
- Low debt burden and property tax rate – The County’s existing debt obligations are only 3.95% of its statutory limit. The FY2023 property tax rate of \$0.4000/\$100 is below the state average of \$0.6660/\$100 and the fifth lowest of all 100 counties in North Carolina.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities. Taxes are based on \$12.8 billion in property valuation, with the tax rate being lowered to the revenue neutral tax rate, adjusted for growth, of \$0.27 per \$100 of assessed value. Sales tax revenues were budgeted with no growth on the FY2023 year-end projection. This results in revenue increases of \$1,521,541 and \$1,960,071 respectively.

Budgeted expenditures in the General Fund are \$63,754,537, which is \$4,707,424 more than the FY2023 original budget, or 7.97%. The budget includes an increase to the County’s required contribution to the Local Governmental Employees’ Retirement System for employees at a cost of \$157,600, a 3% COLA at a cost of \$772,400, and a one-step pay scale advancement at a cost of \$424,200. The budget contains \$5,462,257 in capital outlay, which is an increase of approximately \$1,301,000.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$6,958,150, which represents an increase of \$707,651, or 11.32%. The budget includes a \$82,750 increase in tipping fees. The Highlands transfer fee increased from \$8.75 to \$12.50 per ton and the brush/stumps fee increased for \$30.00 to \$35.00 per ton. The budget includes an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees, a 3% COLA, and a one-step pay scale advancement. The budget contains \$1,480,000 in capital outlay.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Assets:				
Current assets:				
Cash and cash equivalents	\$ 60,550,014	\$ 14,080,373	\$ 74,630,387	\$ 116,419
Taxes receivable, net	577,687	-	577,687	-
Interest receivable	7,778	-	7,778	-
Accounts receivable, net	2,138,892	381,373	2,520,265	-
Due from other governments	6,956,321	-	6,956,321	-
Lease receivable	8,324	-	8,324	-
Internal balance	-	-	-	-
Inventories	11,938	-	11,938	-
Prepaid items	377,557	-	377,557	-
Restricted cash and cash equivalents	5,046,033	654,043	5,700,076	-
Total current assets	<u>75,674,544</u>	<u>15,115,789</u>	<u>90,790,333</u>	<u>116,419</u>
Non-current assets:				
Lease receivable, non-current	97,145	-	97,145	-
Receivables, non-current	3,290,956	-	3,290,956	-
Notes receivable - long term	28,335	-	28,335	-
Net pension asset - ROD	50,123	-	50,123	-
Right to use leased assets, net of amortization	218,732	-	218,732	-
Right to use subscription assets, net of amortization	360,530	-	360,530	-
Non-depreciable capital assets	11,305,950	2,164,254	13,470,204	2,930,538
Depreciable capital assets, net	12,481,894	7,854,821	20,336,715	9,780,836
Total non-current assets	<u>27,833,665</u>	<u>10,019,075</u>	<u>37,852,740</u>	<u>12,711,374</u>
Total assets	<u>103,508,209</u>	<u>25,134,864</u>	<u>128,643,073</u>	<u>12,827,793</u>
Deferred Outflows of Resources:				
Pension deferrals	8,547,730	493,835	9,041,565	-
OPEB deferrals	22,246,977	1,521,161	23,768,138	-
Total deferred outflows of resources	<u>30,794,707</u>	<u>2,014,996</u>	<u>32,809,703</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	4,145,218	364,859	4,510,077	759
Grants received in advance	4,621,683	-	4,621,683	-
Unearned revenues	12,058	-	12,058	-
Current portion of compensated absences	128,250	9,121	137,371	-
Current portion of long-term debt	2,996,343	1,067,330	4,063,673	-
Total current liabilities	<u>11,903,552</u>	<u>1,441,310</u>	<u>13,344,862</u>	<u>759</u>
Long-term liabilities:				
Due in more than one year:				
Non-current compensated absences	1,154,246	82,090	1,236,336	-
Bonds, installment purchases, leases	21,373,259	15,895,872	37,269,131	-
Net pension liability - LGERS	11,766,099	710,483	12,476,582	-
Total pension liability - LEOSA	1,709,071	-	1,709,071	-
Total OPEB liability	30,206,879	1,532,336	31,739,215	-
Total long-term liabilities	<u>66,209,554</u>	<u>18,220,781</u>	<u>84,430,335</u>	<u>-</u>
Total liabilities	<u>78,113,106</u>	<u>19,662,091</u>	<u>97,775,197</u>	<u>759</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Deferred Inflows of Resources:				
Prepaid taxes	50,773	-	50,773	-
Pension deferrals	628,552	13,492	642,044	-
OPEB deferrals	50,796,366	3,473,256	54,269,622	-
Leases	104,237	-	104,237	-
Total deferred inflows of resources	<u>51,579,928</u>	<u>3,486,748</u>	<u>55,066,676</u>	<u>-</u>
Net Position:				
Net investment in capital assets	23,037,582	7,510,566	30,548,148	12,711,374
Restricted for:				
Stabilization by state statute	7,029,104	-	7,029,104	-
Register of Deeds' pension plan	50,123	-	50,123	-
Cultural and recreational	3,834	-	3,834	-
Public safety	1,279,583	-	1,279,583	-
Economic and physical development	17,113	-	17,113	-
Education	141,376	-	141,376	-
Human services	423,166	-	423,166	-
Unrestricted	<u>(27,371,999)</u>	<u>(3,509,545)</u>	<u>(30,881,544)</u>	<u>115,660</u>
Total net position	<u>\$ 4,609,882</u>	<u>\$ 4,001,021</u>	<u>\$ 8,610,903</u>	<u>\$ 12,827,034</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, 2023

	<u>Expenses</u>	<u>Program Revenues</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	\$ 12,366,566	\$ 1,888,329	\$ 1,943,745	\$ -
Public safety	19,553,169	2,978,554	720,379	-
Transportation	1,072,755	145,555	297,828	548,044
Economic and physical development	4,676,727	196,124	910,116	792,036
Human services	10,158,686	658,595	9,788,271	-
Cultural and recreational	3,381,145	50,907	-	-
Education	13,969,994	-	657,577	29,411
Interest on long-term debt	753,707	-	-	-
Total governmental activities	<u>65,932,749</u>	<u>5,918,064</u>	<u>14,317,916</u>	<u>1,369,491</u>
Business-Type Activities:				
Solid waste	<u>9,339,633</u>	<u>5,551,531</u>	-	-
Total primary government	<u>\$ 75,272,382</u>	<u>\$ 11,469,595</u>	<u>\$ 14,317,916</u>	<u>\$ 1,369,491</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 837,661</u>	<u>\$ -</u>	<u>\$ 33,650</u>	<u>\$ 871,855</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, 2023

	<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Macon County Airport Authority</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (8,534,492)	\$ -	\$ (8,534,492)	
Public safety	(15,854,236)	-	(15,854,236)	
Transportation	(81,328)	-	(81,328)	
Economic and physical development	(2,778,451)	-	(2,778,451)	
Human services	288,180	-	288,180	
Cultural and recreational	(3,330,238)	-	(3,330,238)	
Education	(13,283,006)	-	(13,283,006)	
Interest on long-term debt	(753,707)	-	(753,707)	
Total governmental activities	<u>(44,327,278)</u>	<u>-</u>	<u>(44,327,278)</u>	
Business-Type Activities:				
Solid waste	<u>-</u>	<u>(3,788,102)</u>	<u>(3,788,102)</u>	
Total primary government	<u>(44,327,278)</u>	<u>(3,788,102)</u>	<u>(48,115,380)</u>	
Component Unit:				
Macon County Airport Authority				<u>\$ 67,844</u>
General Revenues:				
Ad valorem taxes	39,420,977	-	39,420,977	-
Local option sales tax	17,954,435	-	17,954,435	-
Occupancy taxes	2,305,304	-	2,305,304	-
Unrestricted intergovernmental revenues:				
Other taxes	453,620	-	453,620	-
Gross receipts tax	42,372	-	42,372	-
Interest earned on investments	<u>3,017,892</u>	<u>292,188</u>	<u>3,310,080</u>	<u>-</u>
Total general revenues	63,194,600	292,188	63,486,788	-
Transfers	<u>(158,334)</u>	<u>158,334</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>63,036,266</u>	<u>450,522</u>	<u>63,486,788</u>	<u>-</u>
Change in net position	<u>18,708,988</u>	<u>(3,337,580)</u>	<u>15,371,408</u>	<u>67,844</u>
Net Position:				
Beginning of year - July 1	(16,411,561)	7,338,601	(9,072,960)	12,759,190
Restatement	<u>2,312,455</u>	<u>-</u>	<u>2,312,455</u>	<u>-</u>
Beginning of year - July 1, as restated	<u>(14,099,106)</u>	<u>7,338,601</u>	<u>(6,760,505)</u>	<u>12,759,190</u>
End of year - June 30	<u>\$ 4,609,882</u>	<u>\$ 4,001,021</u>	<u>\$ 8,610,903</u>	<u>\$ 12,827,034</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Major				Nonmajor	Total Governmental Funds
	General Fund	Debt Service Fund	American Rescue Plan Fund	Opioid Settlement Fund	Other Governmental Funds	
Assets:						
Cash and cash equivalents	\$ 48,008,903	\$ 4,641,027	\$ -	\$ -	\$ 7,228,304	\$ 59,878,234
Taxes receivable, net	489,503	-	-	-	88,184	577,687
Interest receivable	7,527	-	-	-	-	7,527
Accounts receivable, net	1,333,803	-	-	4,033,803	62,242	5,429,848
Notes receivable, long term	28,335	-	-	-	-	28,335
Due from other governments	5,630,029	98,073	-	-	1,228,219	6,956,321
Lease receivable	105,469	-	-	-	-	105,469
Inventories	11,938	-	-	-	-	11,938
Prepaid items	377,557	-	-	-	-	377,557
Cash and cash equivalents, restricted	764,764	-	3,247,414	401,346	632,509	5,046,033
Total assets	<u>\$ 56,757,828</u>	<u>\$ 4,739,100</u>	<u>\$ 3,247,414</u>	<u>\$ 4,435,149</u>	<u>\$ 9,239,458</u>	<u>\$ 78,418,949</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,302,503	\$ -	\$ -	\$ -	\$ 1,363,233	\$ 3,665,736
Unearned revenues	12,058	-	-	-	-	12,058
Liabilities to be paid from restricted assets:						
Grants received in advance	764,764	-	3,247,414	-	609,505	4,621,683
Total liabilities	<u>3,079,325</u>	<u>-</u>	<u>3,247,414</u>	<u>-</u>	<u>1,972,738</u>	<u>8,299,477</u>
Deferred Inflows of Resources:						
Property taxes receivable	489,503	-	-	-	88,184	577,687
Unavailable revenue	-	-	-	4,033,803	-	4,033,803
Ambulance receivable	782,475	-	-	-	-	782,475
Public health receivable	548,314	-	-	-	-	548,314
Prepaid taxes	50,773	-	-	-	-	50,773
Leases	104,237	-	-	-	-	104,237
Total deferred inflows of resources	<u>1,975,302</u>	<u>-</u>	<u>-</u>	<u>4,033,803</u>	<u>88,184</u>	<u>6,097,289</u>
Fund Balances:						
Non-spendable, not in spendable form:						
Inventories	11,938	-	-	-	-	11,938
Prepays	377,557	-	-	-	-	377,557
Notes receivable, long term	28,335	-	-	-	-	28,335
Leases	1,232	-	-	-	-	1,232
Restricted for:						
Stabilization by state statute	5,640,570	98,073	-	-	1,290,461	7,029,104
Public safety	395,380	-	-	-	884,203	1,279,583
Economic and physical development	-	-	-	-	17,113	17,113
Human services	-	-	-	401,346	21,820	423,166
Cultural and recreational	-	-	-	-	3,834	3,834
Education	141,376	-	-	-	35,660	177,036
Committed for:						
General government	-	-	-	-	1,108,856	1,108,856
Economic and physical development	-	-	-	-	598,832	598,832
Education	-	-	-	-	3,496,009	3,496,009
Assigned for:						
Debt service	-	4,641,027	-	-	-	4,641,027
Unassigned	45,106,813	-	-	-	(278,252)	44,828,561
Total fund balances	<u>51,703,201</u>	<u>4,739,100</u>	<u>-</u>	<u>401,346</u>	<u>7,178,536</u>	<u>64,022,183</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,757,828</u>	<u>\$ 4,739,100</u>	<u>\$ 3,247,414</u>	<u>\$ 4,435,149</u>	<u>\$ 9,239,458</u>	<u>\$ 78,418,949</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Total Governmental Funds</u>
Amounts reported in the governmental activities in the Statement of Net Position are different because:	
Total fund balances	\$ 64,022,183
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,787,844
Other long-term assets (accrued interest receivable from leases) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Accrued interest on leases	251
Right to use leased and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Right to use assets at historical cost	744,864
Accumulated amortization	(165,602)
Net pension asset	50,123
Net pension liability - LGERS	(11,766,099)
Total pension liability - LEOSSA	(1,709,071)
Total OPEB liability	(30,206,879)
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.	382,284
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.	(25,842,084)
Deferred outflows of resources related to pensions are not reported in the funds.	8,547,730
Deferred inflows of resources related to pensions are not reported in the funds.	(628,552)
Deferred outflows of resources related to OPEB are not reported in the funds.	22,246,977
Deferred inflows of resources related to OPEB are not reported in the funds.	(50,796,366)
Deferred inflows of resources for taxes receivables	577,687
Deferred inflows of resources for other unavailable revenues	<u>5,364,592</u>
Net position of governmental activities	<u>\$ 4,609,882</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, 2023

	Major				Nonmajor	Total Governmental Funds
	General Fund	Debt Service Fund	American Rescue Plan Fund	Opioid Settlement Fund	Other Governmental Funds	
Revenues:						
Ad valorem taxes	\$ 34,363,339	\$ -	\$ -	\$ -	\$ 4,994,429	\$ 39,357,768
Local option sales taxes	14,369,525	-	-	-	3,584,910	17,954,435
Unrestricted intergovernmental revenues	495,992	-	-	-	-	495,992
Restricted intergovernmental revenues	9,202,425	499,324	1,875,659	389,719	1,998,932	13,966,059
Occupancy taxes	-	-	-	-	2,305,304	2,305,304
Permits and fees	1,712,284	-	-	-	37,212	1,749,496
Sales and services	3,313,169	-	-	-	156,979	3,470,148
Interest earned on investments	2,422,215	418,858	-	11,597	146,587	2,999,257
Miscellaneous	309,419	36,597	-	-	-	346,016
Total revenues	<u>66,188,368</u>	<u>954,779</u>	<u>1,875,659</u>	<u>401,316</u>	<u>13,224,353</u>	<u>82,644,475</u>
Expenditures:						
Current:						
General government	10,190,695	-	-	-	202,686	10,393,381
Public safety	17,974,908	-	-	-	5,144,327	23,119,235
Transportation	1,816,675	-	-	-	-	1,816,675
Economic and physical development	646,584	-	-	-	4,147,955	4,794,539
Human services	12,502,255	-	-	-	191,835	12,694,090
Education	11,744,567	-	-	-	2,225,427	13,969,994
Cultural and recreational	2,987,206	-	-	-	7,482	2,994,688
Debt service:						
Principal repayments	252,208	3,524,560	-	-	-	3,776,768
Interest	7,217	885,284	-	-	-	892,501
Total expenditures	<u>58,122,315</u>	<u>4,409,844</u>	<u>-</u>	<u>-</u>	<u>11,919,712</u>	<u>74,451,871</u>
Revenues over (under) expenditures	<u>8,066,053</u>	<u>(3,455,065)</u>	<u>1,875,659</u>	<u>401,316</u>	<u>1,304,641</u>	<u>8,192,604</u>
Other Financing Sources (Uses):						
Lease liabilities issued	193,331	-	-	-	-	193,331
Subscription liabilities issued	454,928	-	-	-	-	454,928
Transfers in	1,987,478	4,440,953	-	-	1,740,688	8,169,119
Transfers (out)	(3,043,948)	-	(1,875,659)	-	(3,469,602)	(8,389,209)
Total other financing sources (uses)	<u>(408,211)</u>	<u>4,440,953</u>	<u>(1,875,659)</u>	<u>-</u>	<u>(1,728,914)</u>	<u>428,169</u>
Net change in fund balances	7,657,842	985,888	-	401,316	(424,273)	8,620,773
Fund Balances:						
Beginning of year - July 1	<u>44,045,359</u>	<u>3,753,212</u>	<u>-</u>	<u>30</u>	<u>7,602,809</u>	<u>55,401,410</u>
End of year - June 30	<u>\$ 51,703,201</u>	<u>\$ 4,739,100</u>	<u>\$ -</u>	<u>\$ 401,346</u>	<u>\$ 7,178,536</u>	<u>\$ 64,022,183</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, 2023**

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	\$ 8,620,773
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.	63,209
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenues types:	
Ambulance revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(137,726)
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.	117,271
Other revenues in the Statement of Activities that were not recognized as revenue under the modified accrual method.	1,721,348
Change in interest receivable	242
Accrued interest and amortization of refunding costs and premiums and amortized expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	138,794
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(40,123)
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.	3,776,768
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense - LEOSSA	(107,597)
Pension expense - LGERS	(829,897)
Pension expense - ROD	(7,518)
OPEB plan expense	4,128,959
Capital assets (net) disposed of during the year are not recognized on the modified accrual basis.	(26,823)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense; rather it is an increase in capital assets.	3,318,495
Right to use leased and subscription asset capital outlay expenditures, which were capitalized	651,009
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(1,975,866)
Amortization expense for leases and subscriptions	(155,545)
The issuance of long-term debt (e.g., bonds, leases) and the refunding of long-term debt provide current financial resources to governmental funds. The repayment of refunded long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, is reported in the Statement of Activities.	(648,259)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>101,474</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 18,708,988</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, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 33,343,295	\$ 34,343,295	\$ 34,363,339	\$ 20,044
Local option sales taxes	12,173,788	14,133,988	14,369,525	235,537
Unrestricted intergovernmental revenues	428,000	428,000	495,992	67,992
Restricted intergovernmental revenues	8,412,892	11,137,917	9,202,425	(1,935,492)
Permits and fees	1,390,294	1,705,294	1,712,284	6,990
Sales and services	3,137,614	3,300,889	3,313,169	12,280
Investment earnings	110,000	2,310,000	2,422,215	112,215
Miscellaneous	51,230	215,668	309,419	93,751
Total revenues	<u>59,047,113</u>	<u>67,575,051</u>	<u>66,188,368</u>	<u>(1,386,683)</u>
Expenditures:				
Current:				
General government	9,697,780	15,080,136	10,190,695	4,889,441
Public safety	17,861,392	19,819,835	17,974,908	1,844,927
Transportation	2,222,422	3,283,017	1,816,675	1,466,342
Economic and physical development	641,303	1,108,343	646,584	461,759
Human services	12,960,304	15,388,649	12,502,255	2,886,394
Cultural and recreational	3,055,439	3,245,757	2,987,206	258,551
Intergovernmental:				
Education	10,314,908	11,824,908	11,744,567	80,341
Debt service:				
Principal	-	252,222	252,208	14
Interest and fees	-	7,232	7,217	15
Total expenditures	<u>56,753,548</u>	<u>70,010,099</u>	<u>58,122,315</u>	<u>11,887,784</u>
Revenues over (under) expenditures	<u>2,293,565</u>	<u>(2,435,048)</u>	<u>8,066,053</u>	<u>10,501,101</u>
Other Financing Sources (Uses):				
Lease liabilities issued	-	750,000	193,331	(556,669)
Subscription liabilities issued	-	2,700,000	454,928	(2,245,072)
Transfers in	-	2,012,501	1,987,478	(25,023)
Transfers (out)	(2,293,565)	(3,043,948)	(3,043,948)	-
Appropriated fund balance	-	16,495	-	(16,495)
Total other financing sources (uses)	<u>(2,293,565)</u>	<u>2,435,048</u>	<u>(408,211)</u>	<u>(2,843,259)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>7,657,842</u>	<u>\$ 7,657,842</u>
Fund Balance:				
Beginning of year - July 1			<u>44,045,359</u>	
End of year - June 30			<u>\$ 51,703,201</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
OPIOID SETTLEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Opioid Settlement funds	\$ -	\$ -	\$ 389,719	\$ 389,719
Investment earnings	-	-	11,597	11,597
Total revenues	<u>-</u>	<u>-</u>	<u>401,316</u>	<u>401,316</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	401,316	<u>\$ 401,316</u>
Fund Balance:				
Beginning of year - July 1			<u>30</u>	
End of year - June 30			<u>\$ 401,346</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 14,080,373	\$ 671,780
Accounts receivable, net	381,373	-
Total current assets	<u>14,461,746</u>	<u>671,780</u>
Non-current assets:		
Cash and cash equivalents, restricted	654,043	-
Non-depreciable capital assets	2,164,254	-
Depreciable capital assets, net	<u>7,854,821</u>	<u>-</u>
Total capital assets	<u>10,019,075</u>	<u>-</u>
Total non-current assets	<u>10,673,118</u>	<u>-</u>
Total assets	<u>25,134,864</u>	<u>671,780</u>
Deferred Outflows of Resources:		
Pension deferrals	493,835	-
OPEB deferrals	<u>1,521,161</u>	<u>-</u>
Total deferred outflows of resources	<u>2,014,996</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	364,859	289,496
Current portion of accrued landfill closure and post-closure care cost	35,427	-
Current portion of long-term liabilities	1,031,903	-
Compensated absences payable - current	<u>9,121</u>	<u>-</u>
Total current liabilities	<u>1,441,310</u>	<u>289,496</u>
Non-current liabilities:		
Net pension liability - LGERS	710,483	-
Accrued landfill closure and post-closure care cost	13,765,223	-
Compensated absences payable	82,090	-
Total OPEB liability	1,532,336	-
Long-term liabilities - non-current	<u>2,130,649</u>	<u>-</u>
Total non-current liabilities	<u>18,220,781</u>	<u>-</u>
Total liabilities	<u>19,662,091</u>	<u>289,496</u>
Deferred Inflows of Resources:		
Pension deferrals	13,492	-
OPEB deferrals	<u>3,473,256</u>	<u>-</u>
Total deferred inflows of resources	<u>3,486,748</u>	<u>-</u>
Net Position:		
Net investment in capital assets	7,510,566	-
Unrestricted	<u>(3,509,545)</u>	<u>382,284</u>
Total net position	<u>\$ 4,001,021</u>	<u>\$ 382,284</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, 2023**

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Operating Revenues:		
Landfill fees	\$ 2,957,919	\$ -
Solid waste disposal fees	34,539	-
Charges for services	-	5,037,319
Tipping fees	1,855,666	-
Scrap tire revenues	70,469	-
Other	638,916	-
Total operating revenues	<u>5,557,509</u>	<u>5,037,319</u>
Operating Expenses:		
Salaries	1,596,255	-
Employee benefits	335,185	-
Benefit payments	-	13,783
Insurance premiums	-	5,002,453
Operating expenses	1,808,290	-
Landfill closure and post-closure care cost	4,642,854	-
Depreciation and amortization	877,370	-
Total operating expenses	<u>9,259,954</u>	<u>5,016,236</u>
Operating income (loss)	<u>(3,702,445)</u>	<u>21,083</u>
Non-Operating Revenues (Expenses):		
Interest earned on investments	292,188	18,635
Gain (loss) on disposal of capital assets	(5,978)	-
Interest and fees	(79,679)	-
Total non-operating revenues (expenses)	<u>206,531</u>	<u>18,635</u>
Net income (loss) before transfers	(3,495,914)	39,718
Transfers in (out)	<u>158,334</u>	<u>61,756</u>
Change in net position	(3,337,580)	101,474
Net Position:		
Beginning of year - July 1	<u>7,338,601</u>	<u>280,810</u>
End of year - June 30	<u>\$ 4,001,021</u>	<u>\$ 382,284</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, 2023

	<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	\$ 4,698,938	\$ 5,037,319
Cash paid for goods and services	(1,891,081)	(5,021,510)
Cash paid to employees for services	(2,132,709)	-
Other operating revenues	844,184	-
Net cash provided (used) by operating activities	<u>1,519,332</u>	<u>15,809</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	<u>158,334</u>	<u>61,756</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(134,199)	-
Lease liability payments made	(4,115)	-
Principal paid on long-term debt	(1,010,057)	-
Proceeds from sale of assets	55,381	-
Interest paid on long-term debt	<u>(85,082)</u>	<u>-</u>
Net cash provided (used) for capital and related financing activities	<u>(1,178,072)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>292,188</u>	<u>18,635</u>
Net increase (decrease) in cash and cash equivalents	791,782	96,200
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>13,942,634</u>	<u>575,580</u>
End of year - June 30	<u>\$ 14,734,416</u>	<u>\$ 671,780</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (3,702,445)	\$ 21,083
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	877,370	-
Change in estimate of closure and post-closure care cost	4,524,747	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	(14,387)	-
(Increase) decrease in deferred outflows - pension	(188,333)	-
(Increase) decrease in deferred outflows - OPEB	282,272	-
Increase (decrease) in net pension liability	541,541	-
Increase (decrease) in deferred inflows - pension	(300,236)	-
Increase (decrease) in deferred inflows - OPEB	(84,691)	-
Increase (decrease) in accounts payable and accrued liabilities	43,019	(5,274)
Increase (decrease) in OPEB liability	(465,144)	-
Increase (decrease) in accrued vacation pay	<u>5,619</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 1,519,332</u>	<u>\$ 15,809</u>

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 29,275
Taxes receivable for other governments, net	<u>18,451</u>
Total assets	<u>47,726</u>
Liabilities:	
Due to other governments	<u>21,497</u>
Net Position:	
Restricted for:	
Individuals, organizations and other governments	<u>26,229</u>
Total net position	<u>\$ 26,229</u>

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Custodial Funds</u>
Additions:	
Property taxes collected for other governments	\$ 2,981,608
Collections on behalf of individuals/organizations	<u>138,920</u>
Total additions	<u>3,120,528</u>
Deductions:	
Property taxes distributed to other governments	2,988,615
Payments on behalf of individuals/organizations	<u>143,501</u>
Total deductions	<u>3,132,116</u>
Net increase (decrease) in fiduciary net position	(11,588)
Net Position:	
Beginning of year - July 1	<u>37,817</u>
End of year - June 30	<u>\$ 26,229</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, 2023

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

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

Macon County Airport Authority

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

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

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

American Rescue Plan Fund. This special revenue fund is used to track the revenue and expenditures of funds received from the American Rescue Plan Act.

Opioid Settlement Fund. This special revenue fund is used to track the revenue and expenditures of funds received from opioid settlements and abatements.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for motor vehicle property taxes that are billed and collected by the state for municipalities within the County and ad valorem taxes that are billed and collected by the County for municipalities within the County; and the Jail Inmate Pay Fund, which account for monies deposited with the jail for the benefit of certain individuals.

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 and amortization 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 leases and IT subscriptions are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 American Rescue Plan Act 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, The American Rescue (Special Revenue) Fund, and all capital project funds except for the Schools Capital Fund and the Capital Reserve Fund. The enterprise capital projects funds are consolidated with the enterprise funds for operating purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund, special revenue funds, Enterprise Fund, and Internal Service Fund, or at the object level for the capital projects funds. The Finance Director is authorized by the budget ordinance to transfer appropriations between objects of expenditure within a department. During the year, several amendments to the original budget were necessary, the effects of which increased revenues and expenditures by approximately \$14 million. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30] 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).

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

Cash and Cash Equivalents

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

Restricted Assets

The unexpended grant funds are classified as restricted assets in the General Fund, the Housing Grants Fund, the County Building Project Fund, and the American Rescue Plan Fund because their use is completely restricted to the purpose for which the funds were originally granted. The unexpended opioid settlement proceeds are classified as restricted assets because their use is restricted for opioid abatement. The unexpended bond proceeds of the Consolidated Capital Projects Fund’s limited obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. The unexpended bond proceeds of the Solid Waste Fund’s special obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. The unexpended interest earned in the Opioid Settlement Fund and the County Buildings Project Fund is restricted for the purpose of allowable costs.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended grant funds	\$ 764,764
Consolidated Capital Projects Fund	Unexpended bond proceeds	35,660
Opioid Settlement Fund	Unexpended settlement proceeds	389,749
Opioid Settlement Fund	Unexpended interest earned	11,597
American Rescue Plan Fund	Unexpended grant funds	3,247,414
County Buildings Project Fund	Unexpended grant funds	442,517
County Buildings Project Fund	Unexpended interest earned	3,834
Housing Grants Fund	Unexpended grant funds	150,498
		<u>5,046,033</u>
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>654,043</u>
Total restricted cash		<u>\$ 5,700,076</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2022.

Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

The County’s capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

Deferred Outflows/Inflows of Resources

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

County has several items that meet the criteria for this category – prepaid taxes, property taxes receivable, miscellaneous receivables, leases, 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.

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.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

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

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

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

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

Restricted for Cultural and Recreational – portion of fund balance restricted by revenue source for cultural and recreational activities.

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 had \$35,660 in unspent bond proceeds June 30, 2023.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The difference in restricted fund balance on Exhibit C from restricted net position on Exhibit A is the unspent bond proceeds of \$35,660 and the net ROD pension plan of \$50,123.

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

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

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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	\$	51,703,201
Less:		
Inventories		11,938
Prepays		377,557
Notes receivable, long term		28,335
Leases		1,232
Stabilization by state statute		<u>5,640,570</u>
Total available fund balance	\$	<u><u>45,643,569</u></u>

E. Revenues, Expenditures, and Expenses

Other Resources

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

F. Accounting Estimates

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

G. Defined Benefit Cost-Sharing Plans

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2. Detail Notes on All Funds

A. Assets

Deposits

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

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

At June 30, 2023, the deposits of Macon County had a carrying amount of \$23,812,313 and a bank balance of \$24,215,703. Of the bank balance, \$633,581 was covered by federal depository insurance and the remaining balance by collateral held under the Pooling Method. Cash on hand was \$3,200.

At June 30, 2023, the Airport Authority’s deposits had a book balance of \$116,419 and a bank balance of \$116,419. Of the bank balance, \$116,419 was covered by federal depository insurance.

Investments

At June 30, 2023, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management				
Trust - Government Portfolio *	Fair Value - Level 1	\$ 56,544,225	\$ 56,544,225	\$ -

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

Credit Risk. The County had no formal policy on managing credit risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2023.

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>
2020	\$ 803,381	\$ 263,107	\$ 1,066,488
2021	799,668	189,921	989,589
2022	847,749	125,043	972,792
2023	841,497	48,386	889,883
Total	<u>\$ 3,292,295</u>	<u>\$ 626,457</u>	<u>\$ 3,918,752</u>

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Receivables

Receivables at the government-wide level at June 30, 2023 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Lease Receivable</u>	<u>Notes Receivable</u>	<u>Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:							
General	\$ 2,443,983	\$ 1,047,443	\$ 105,469	\$ 28,335	\$ 7,778	\$ 5,630,029	\$ 9,263,037
Other governmental	4,096,045	188,192	-	-	-	1,326,292	5,610,529
Allowance for doubtful accounts	<u>(1,110,180)</u>	<u>(657,948)</u>	-	-	-	-	<u>(1,768,128)</u>
Total governmental activities	<u>\$ 5,429,848</u>	<u>\$ 577,687</u>	<u>\$ 105,469</u>	<u>\$ 28,335</u>	<u>\$ 7,778</u>	<u>\$ 6,956,321</u>	<u>\$ 13,105,438</u>
Not expected to be collected during the subsequent year							
	<u>\$ 3,290,956</u>	<u>\$ -</u>	<u>\$ 97,145</u>	<u>\$ 28,335</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,416,436</u>
Business-Type Activities:							
Solid waste	\$ 609,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609,497
Allowance for doubtful accounts	<u>(228,124)</u>	-	-	-	-	-	<u>(228,124)</u>
Total business-type activities	<u>\$ 381,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,373</u>

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

	<u>Governmental Activities</u>
Local option sales and use tax/sales tax refund	\$ 4,394,689
Due from State DMV	207,953
Grants receivable	730,061
Others	<u>1,623,618</u>
Total	<u>\$ 6,956,321</u>

At June 30, 2023, property taxes for other governments in the custodial fund is net of an allowance for doubtful accounts of \$5,400.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Lease Receivable

On 1/01/2023, Macon County entered into a 120-month lease as lessor for the use of Communication Tower – Sutton Radiocasting Corporation 2023-2032. An initial lease receivable was recorded in the amount of \$73,171. As of 06/30/2023, the value of the lease receivable is \$70,333. The lessee is required to make monthly fixed payments of \$615. The lease has an interest rate of 0.28530%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$69,512, and Macon County recognized lease revenue of \$3,659 during the fiscal year.

On 01/01/2023, Macon County entered into a 120-month lease as lessor for the use of Communication Tower – Blue Ridge Broadcasting 2023-2032. An initial lease receivable was recorded in the amount of \$36,553. As of 06/30/2023, the value of the lease receivable is \$35,136. The lessee is required to make monthly fixed payments of \$307. The lease has an interest rate of 0.28350%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$34,725, and Macon County recognized lease revenue of \$1,828 during the fiscal year.

On 07/01/2021, Macon County entered into a 17-month lease as lessor for the use of Macon County Business Development Center - Unit A. An initial lease receivable was recorded in the amount of \$31,199. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$1,840. The lease has an interest rate of 0.3870%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Macon County recognized lease revenue of \$9,176 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 16-month lease as lessor for the use of Macon County Business Development Center - Unit B. An initial lease receivable was recorded in the amount of \$19,438. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$1,218. The lease has an interest rate of 0.3870%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Macon County recognized lease revenue of \$5,244 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 21-month lease as Lessor for the use of USDA Service Center - 189 Thomas Heights Road. An initial lease receivable was recorded in the amount of \$17,286. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$827. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Macon County recognized lease revenue of \$7,408 during the fiscal year.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, Macon County entered into an 18-month lease as lessor for the use of Communication Tower - Sutton Radiocasting Corporation. An initial lease receivable was recorded in the amount of \$8,967. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Macon County recognized lease revenue of \$2,989 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into an 18-month lease as lessor for the use of Communication Tower - Blue Ridge Broadcasting. An initial lease receivable was recorded in the amount of \$4,484. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$250. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Macon County recognized lease revenue of \$1,495 during the fiscal year.

The future minimum lease receivable payments as of June 30, 2023, were as follows:

Year Ending			
June 30	Principal		Interest
2024	\$ 8,324	\$	2,902
2025	8,905		2,657
2026	9,515		2,395
2027	10,155		2,115
2028	10,825		1,817
2029-2033	57,745		3,941
Total	<u>\$ 105,469</u>	<u>\$</u>	<u>15,827</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Governmental Capital Assets

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

	July 1, 2022	Additions	Retirements	Transfers	June 30, 2023
Non-Depreciable Assets:					
Land	\$ 10,062,224	\$ 893,218	\$ (16,300)	\$ -	\$ 10,939,142
Construction in progress	1,405,925	345,253	-	(1,384,370)	366,808
Total non-depreciable assets	11,468,149	1,238,471	(16,300)	(1,384,370)	11,305,950
Depreciable Assets:					
Buildings and improvements	33,150,310	491,927	-	-	33,642,237
Equipment	5,056,036	643,439	(268,017)	1,384,370	6,815,828
Vehicles	8,074,827	944,658	(537,726)	-	8,481,759
Total depreciable assets	46,281,173	2,080,024	(805,743)	1,384,370	48,939,824
Right to Use Assets:					
Leased equipment	132,953	193,331	(80,698)	-	245,586
Leased buildings and infrastructure	41,600	-	-	-	41,600
Subscriptions	-	457,678	-	-	457,678
Total right to use assets	174,553	651,009	(80,698)	-	744,864
Less Accumulated Depreciation:					
Buildings and improvements	25,415,608	949,982	-	-	26,365,590
Equipment	3,317,437	399,559	(257,494)	-	3,459,502
Vehicles	6,544,239	626,325	(537,726)	-	6,632,838
Total accumulated depreciation	35,277,284	1,975,866	(795,220)	-	36,457,930
Less Accumulated Amortization:					
Leased equipment	82,457	50,099	(80,698)	-	51,858
Leased buildings and infrastructure	8,298	8,298	-	-	16,596
Subscriptions	-	97,148	-	-	97,148
Total accumulated amortization	90,755	155,545	(80,698)	-	165,602
Total capital assets being depreciated, net	11,087,687				13,061,156
Capital assets, net	\$ 22,555,836				\$ 24,367,106

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

Governmental Activities:

General government	\$ 446,927
Public safety	715,167
Economic and physical development	9,063
Transportation	155,566
Human services	163,727
Cultural and recreational	640,961
Total	\$ 2,131,411

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2023 are as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>
Non-Depreciable Assets:				
Construction in progress	\$ 54,215	\$ 78,377	\$ -	\$ 132,592
Land	2,093,021	-	(61,359)	2,031,662
Total non-depreciable assets	2,147,236	78,377	(61,359)	2,164,254
Depreciable Assets:				
Buildings and improvements	17,209,763	-	-	17,209,763
Equipment	5,345,969	29,036	(58,194)	5,316,811
Vehicles	862,710	26,786	(11,500)	877,996
Total depreciable assets	23,418,442	55,822	(69,694)	23,404,570
Right to Use Assets:				
Leased land	8,585	-	(8,585)	-
Less Accumulated Depreciation:				
Buildings and improvements	9,967,018	468,949	-	10,435,967
Equipment	3,929,739	398,199	(58,194)	4,269,744
Vehicles	849,422	6,116	(11,500)	844,038
Total accumulated depreciation	14,746,179	873,264	(69,694)	15,549,749
Less Accumulated Amortization:				
Leased land	4,479	4,106	(8,585)	-
Total capital assets being depreciated, net	8,676,369			7,854,821
Capital assets, net	\$ 10,823,605			\$ 10,019,075

Construction Commitments

The County has active construction projects as of June 30, 2023. At year-end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Macon Middle School	\$ 10,439,816	\$ 2,038,806
Franklin High School	1,680,478	450,925
Transit Awning Construction	241,300	12,700
Transit Building Addition	7,600	707,400
Landfill vertical expansion	58,907	54,543
Total	\$ 12,428,101	\$ 3,264,374

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2023 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Insurance Claims Incurred But Not Reported</u>	<u>Total</u>
Governmental Activities	\$ 2,486,382	\$ 1,183,428	\$ 185,912	\$ 289,496	\$ 4,145,218
Business-Type Activities:					
Solid waste	\$ 269,973	\$ 77,966	\$ 16,920	\$ -	\$ 364,859

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

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

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

Survivor benefits are available to eligible beneficiaries of members who die while in active service, or within 180 days of their last day of service, and who have either completed 20 years of creditable service regardless of age (15 years of credible service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023 was 13.10% of compensation for law enforcement officers and 12.10% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,575,654 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$12,476,582 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, measurement date, the County's proportion was 0.22116% which was a decrease of 0.00386% from its proportion measured as of June 30, 2021.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

For the year ended June 30, 2023, the County recognized pension expense of \$3,458,523. At June 30, 2023, 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	\$ 537,605	\$ 52,709
Changes of assumptions and other inputs	1,244,883	-
Net difference between projected and actual earnings on pension plan investments	4,123,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	99,776	189,717
Employer contributions subsequent to the measurement date	2,575,654	-
Total	\$ 8,581,559	\$ 242,426

\$2,575,654 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, 2024. 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
2024	\$ 1,756,940
2025	1,544,506
2026	497,454
2027	1,964,579
2028	-
Total	\$ 5,763,479

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation, were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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, 2022 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	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	<u>6.0%</u>	2.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Liability 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 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 22,518,624</u>	<u>\$ 12,476,582</u>	<u>\$ 4,201,357</u>

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

Law Enforcement Officers’ Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance’s membership consisted of 3 retirees receiving benefits and 52 active members.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.31 percent

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ended December 31, 2019.

Mortality rates are based on the following:

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$34,193 as benefits came due for the reporting period.

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

At June 30, 2023, the County reported a total pension liability of \$1,709,071. The total pension liability was measured as of December 31, 2022, based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2022, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$170,479.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 44,088	\$ 81,545
Changes of assumptions and other inputs	338,256	314,562
Benefit payments and administrative expenses paid subsequent to the measurement date	43,279	-
Total	\$ 425,623	\$ 396,107

\$43,279 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, 2024. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2024	\$ 17,618
2025	26,333
2026	30,698
2027	(33,285)
2028	(55,127)
Thereafter	-
Total	\$ (13,763)

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 4.31 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 (3.31 percent) or one-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 1,858,072	\$ 1,709,071	\$ 1,573,512

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

	2023
Beginning balance	\$ 1,913,012
Service cost	111,288
Interest on the total pension liability	42,658
Differences between expected and actual experience in the measurement of the total pension liability	(1,073)
Changes of assumptions and other inputs	(322,621)
Benefit payments	(34,193)
Ending balance of the total pension liability	\$ 1,709,071

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 2.25% at December 31, 2021 (measurement date) to 4.31% at December 31, 2022 (measurement date).

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

Supplemental Retirement Income Plan

Law Enforcement Officers

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$172,365 for the year ended June 30, 2023. No amounts were forfeited.

General Employees

The County has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Participation begins immediately with full-time employment status. The County has elected to make contributions each month in an amount equal to 2% of each participating employee's salary, and all amounts contributed are vested immediately. Also, the employees may make additional voluntary contributions to the plan. The County contributed \$349,694 for the year ended June 30, 2023. 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 Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the state of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,650 for the year ended June 30, 2023.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

At June 30, 2023, the County reported an asset of \$50,123 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 0.3786%, which was a decrease of 0.0501% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$11,167. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 386	\$ 909
Changes of assumptions	2,654	-
Net difference between projected and actual earnings on pension plan investments	20,833	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,860	2,602
County contributions subsequent to the measurement date	<u>3,650</u>	<u>-</u>
Total	<u><u>\$ 34,383</u></u>	<u><u>\$ 3,511</u></u>

\$3,650 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, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 7,002
2025	8,045
2026	6,935
2027	<u>5,240</u>
Total	<u><u>\$ 27,222</u></u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Discount rate	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 99.9% 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, 2022 is 1.1%.

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one-percentage-point lower (2.00%) or one-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (57,774)	\$ (50,123)	\$ (85,307)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2021.

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

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 12,476,582	NA	\$ (50,123)	\$ 12,426,459
Proportion of the net pension liability (asset)	0.221%	NA	-0.379%	
Total pension liability	NA	1,709,071	NA	1,709,071
Pension expense	3,458,523	170,479	11,167	3,640,169

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	LGERS	LEOSSA	ROD	Total
Differences between expected and actual experience	\$ 537,605	\$ 44,088	\$ 386	\$ 582,079
Changes of assumptions	1,244,883	338,256	2,654	1,585,793
Net difference between projected and actual earnings on pension plan investments	4,123,641	-	20,833	4,144,474
Changes in proportion and differences between County contributions and proportionate share of contributions	99,776	-	6,860	106,636
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,575,654</u>	<u>43,279</u>	<u>3,650</u>	<u>2,622,583</u>
Total deferred outflows of resources	<u>\$ 8,581,559</u>	<u>\$ 425,623</u>	<u>\$ 34,383</u>	<u>\$ 9,041,565</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$ 52,709	\$ 81,545	\$ 909	\$ 135,163
Changes of assumptions	-	314,562	-	314,562
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>189,717</u>	<u>-</u>	<u>2,602</u>	<u>192,319</u>
Total deferred inflows of resources	<u>\$ 242,426</u>	<u>\$ 396,107</u>	<u>\$ 3,511</u>	<u>\$ 642,044</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Other Post-Employment Benefits – Healthcare

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

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

*As determined by NCLGERS

^All service must be permanent service with Macon County

For pre-Medicare retirees, medical and prescription drug coverage are provided through the County’s Group Health Insurance Plan. Medicare supplemental insurance is offered for Medicare eligible retirees. The County pays the full premium for all qualifying pre-Medicare retirees. The County pays the full Blue Cross Blue Shield Attained Age Plan G premium and the full Blue Cross Blue Shield Part D Prescription Plan premium for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$394 per month. Spouse coverage terminates upon the retiree’s death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 86 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2023, the County contributed \$845,267 for post-retirement medical claims, prescription drug claims, stop loss premiums, administrative fees, medical premiums, and prescription drug premiums. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Membership of the plan consisted of the following as of the June 30, 2021 valuation date:

Retirees and dependents receiving benefits	86
Active plan members	366
Total	452

Total OPEB Liability

The County’s total OPEB liability of \$31,739,215 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	
General employees	3.25 to 8.41 percent
Firefighters	3.25 to 8.15 percent
Law enforcement officers	3.25 to 7.90 percent
Municipal bond index rate	
Prior measurement date	2.16 percent
Measurement date	3.54 percent
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2031
Medicare medical and prescription drug	5.125 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2024

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2022	\$ 39,007,081
Changes for the Year:	
Service cost	1,439,358
Interest	864,736
Differences between expected and actual experience	195,744
Changes of assumptions or other inputs	(8,938,568)
Benefit payments	(829,136)
Net changes	(7,267,866)
Balance at June 30, 2023	\$ 31,739,215

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

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

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021, valuation were based on a review of recent plan experience done concurrently with the June 30, 2021, 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 37,882,186	\$ 31,739,215	\$ 26,966,638

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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	\$ 26,304,983	\$ 31,739,215	\$ 38,890,076

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$(3,541,512). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,412,957	\$ 42,855,870
Changes of assumptions	15,509,914	11,413,752
Benefit payments and plan administrative expense made subsequent to the measurement date	845,267	-
Total	\$ 23,768,138	\$ 54,269,622

\$845,267 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total
2024	\$ (5,855,349)
2025	(5,855,349)
2026	(5,446,974)
2027	(4,920,809)
2028	(6,182,843)
Thereafter	(3,085,427)
Total	\$ (31,346,751)

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Other Employment Benefits

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

Landfill Closure and Post-Closure Care Costs

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

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

Although the closure and post-closure care costs for these landfills are being paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$13,800,650 reported as landfill closure and post-closure care liability at June 30, 2023 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, \$13,724,787 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 91.83% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,221,640 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. 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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 9,041,565	\$ 642,044
OPEB deferrals	23,768,138	54,269,622
Prepaid taxes not yet earned (General)	-	50,773
Leases	-	104,237
Taxes receivable, net (General)	-	489,503
Taxes receivable, net (Fire District)	-	88,184
Unavailable revenue (Opioid Settlement)	-	4,033,803
Ambulance receivable (General)	-	782,475
Public health receivable (General)	-	548,314
Total	<u>\$ 32,809,703</u>	<u>\$ 61,008,955</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 Travelers and West Bend Mutual Insurance Company.

Through these companies, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$1 million per occurrence; auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation employer liability limit of \$1 million. There is also a \$10,000,000 Excess Liability policy. All property coverage and some liability coverages 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.

Travelers and West Bend Mutual Insurance Company are fully suited to pay claims without reinsurance support. They are also subject to the NC State Guarantee Fund should they ever become insolvent. Travelers has an A++ rating with assets greater than \$2 Billion. West Bend Mutual Insurance Company has an A rating with assets up to \$2 Billion.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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. Effective with the bond renewal on July 1, 2023 the County increased the bonding for the Finance Officer to \$1 million in order to comply with S.L. 2022-53, Section 9(a).

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

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

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

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

	<u>2023</u>	<u>2022</u>
Unpaid claims - beginning	\$ 294,770	\$ 282,797
Incurred claims	4,982,388	4,800,626
Claim payments	<u>(4,987,662)</u>	<u>(4,788,653)</u>
Unpaid claims - ending	<u>\$ 289,496</u>	<u>\$ 294,770</u>

Contingent Liabilities

At June 30, 2023, 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.

Long-Term Obligations

Leases

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 12/01/2022, Macon County entered into a 60-month lease as lessee for the use of TSAChoice Mitel Phone Equipment. An initial lease liability was recorded in the amount of \$193,331. As of 06/30/2023, the value of the lease liability is \$171,911. Macon County is required to make monthly fixed payments of \$3,491. The lease has an interest rate of 0.3305%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$193,331 with accumulated amortization of \$22,555. Macon County has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 42-month lease as lessee for the use of Postage Meter - Health. An initial lease liability was recorded in the amount of \$12,409. As of 06/30/2023, the value of the lease liability is \$5,358. Macon County is required to make quarterly fixed payments of \$900. The lease has an interest rate of 0.8930%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$12,409 with accumulated amortization of \$6,932.

On 07/01/2021, Macon County entered into a 39-month lease as lessee for the use of Postage Meter-DM475 - Administration. An initial lease liability was recorded in the amount of \$10,062. As of 06/30/2023, the value of the lease liability is \$3,893. Macon County is required to make quarterly fixed payments of \$783. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$10,062 with accumulated amortization of \$6,042.

On 07/01/2021, Macon County entered into a 31-month lease as lessee for the use of Macon County Tax Administration - DS-40i. An initial lease liability was recorded in the amount of \$4,398. As of 06/30/2023, the value of the lease liability is \$885. Macon County is required to make quarterly fixed payments of \$444. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$4,398 with accumulated amortization of \$3,369.

On 07/01/2021, Macon County entered into a 36-month lease as lessee for the use of Postage Meter - DSS. An initial lease liability was recorded in the amount of \$5,420. As of 06/30/2023, the value of the lease liability is \$1,817. Macon County is required to make quarterly fixed payments of \$456. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$5,420 with accumulated amortization of \$3,613.

On 07/01/2021, Macon County entered into a 246-month lease as lessee for the use of Cowee Bald Communication Site. An initial lease liability was recorded in the amount of \$25,493. As of 06/30/2023, the value of the lease liability is \$23,178. Macon County is required to make annual fixed payments of \$1,601. The lease has an interest rate of 2.3980%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$25,493 with accumulated amortization of \$2,487.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 07/01/2021, Macon County entered into a 67-month lease as lessee for the use of Pressure Tank & Non WL Cooler - DSS. An initial lease liability was recorded in the amount of \$6,996. As of 06/30/2023, the value of the lease liability is \$4,542. Macon County is required to make monthly fixed payments of \$108. The lease has an interest rate of 1.2170%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$6,996 with accumulated amortization of \$2,496. Macon County has 1 extension option(s), each for 60 months.

On 07/01/2021, Macon County entered into a 27-month lease as lessee for the use of Judicial Office Space - 61 East Main Street. An initial lease liability was recorded in the amount of \$16,107. As of 06/30/2023, the value of the lease liability is \$1,798. Macon County is required to make monthly fixed payments of \$600. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$16,107 with accumulated amortization of \$14,109. Macon County has 2 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 49-month lease as lessee for the use of Water Dispenser-B4 - Maintenance. An initial lease liability was recorded in the amount of \$2,647. As of 06/30/2023, the value of the lease liability is \$1,362. Macon County is required to make monthly fixed payments of \$55. The lease has an interest rate of 0.8930%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$2,647 with accumulated amortization of \$1,295. Macon County has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 26-month lease as lessee for the use of Water Purifier Dispenser - Senior Services. An initial lease liability was recorded in the amount of \$1,267. As of 06/30/2023, the value of the lease liability is \$98. Macon County is required to make monthly fixed payments of \$49. The lease has an interest rate of 0.5140%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$1,267 with accumulated amortization of \$1,143. Macon County has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County entered into a 39-month lease as lessee for the use of Water Purifier Dispenser-PC - Health. An initial lease liability was recorded in the amount of \$1,748. As of 06/30/2023, the value of the lease liability is \$5,584. Macon County is required to make annual fixed payments of \$588.00. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$1,748 with accumulated amortization of \$1,064.

On 09/01/2021, Macon County entered into a 48-month lease as lessee for the use of NCSU - Apple Computer Systems. An initial lease liability was recorded in the amount of \$7,308. As of 06/30/2023, the value of the lease liability is \$3,668. Macon County is required to make annual fixed payments of \$1,857. The lease has an interest rate of 0.8300%. The computer equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2023 is \$7,308 with accumulated amortization of \$3,349.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 53,386	\$ 5,845
2025	45,398	4,485
2026	41,696	3,143
2027	42,459	1,784
2028	18,458	595
2029-2033	6,170	1,833
2034-2038	6,946	1,057
2039-2042	4,581	221
Total	\$ 219,094	\$ 18,963

Subscriptions

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 03/07/2023, Macon County entered into a 36-month subscription for the use of Small Government Term Enterprise License Agreement. An initial subscription liability was recorded in the amount of \$112,537. As of 06/30/2023, the value of the subscription liability is \$74,037. Macon County is required to make annual fixed payments of \$38,500. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 is \$112,537 with accumulated amortization of \$11,879.

On 10/20/2022, Macon County entered into a 24-month subscription for the use of Tyto Software. An initial subscription liability was recorded in the amount of \$85,680. As of 06/30/2023, the value of the subscription liability is \$0.00. Macon County is required to make annual fixed payments of \$85,680. The subscription has an interest rate of 3.1440%. The value of the right to use asset as of 06/30/2023 is \$86,430 with accumulated amortization of \$30,131.

On 07/01/2022, Macon County entered into a 68-month subscription for the use of Public Health Billing Software. An initial subscription liability was recorded in the amount of \$185,512. As of 06/30/2023, the value of the subscription liability is \$149,002. Macon County is required to make annual variable principal and interest payments of \$18,084 based on a CPI index of 3.00%. Additionally, there are annual other reasonably certain payments of \$21,000. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of 06/30/2023 is \$185,512 with accumulated amortization of \$32,770. Macon County, NC has 1 extension option(s), each for 84 months.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

On 03/01/2023, Macon County entered into a 24-month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$25,657. As of 06/30/2023, the value of the subscription liability is \$12,657. Macon County is required to make annual fixed payments of \$13,000. The subscription has an interest rate of 2.7070%. The value of the right to use asset as of 06/30/2023 is \$27,657 with accumulated amortization of \$4,610. Macon County, NC had a termination period of 1 month as of the subscription commencement.

On 07/01/2022, Macon County entered into a 19-month subscription for the use of TeamViewer Corporate. An initial subscription liability was recorded in the amount of \$3,087. As of 06/30/2023, the value of the subscription liability is \$0.00. Macon County is required to make annual fixed payments of \$3,124. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$3,087 with accumulated amortization of \$1,947.

On 07/01/2022, Macon County entered into a 21-month subscription for the use of Standalone ZixMail License. An initial subscription liability was recorded in the amount of \$7,005. As of 06/30/2023, the value of the subscription liability is \$0.00. Macon County is required to make annual fixed payments of \$7,140. The subscription has an interest rate of 2.5600%. The value of the right to use asset as of 06/30/2023 is \$7,005 with accumulated amortization of \$3,996.

On 07/01/2022, Macon County entered into a 36-month subscription for the use of Transportation Software. An initial subscription liability was recorded in the amount of \$35,449. As of 06/30/2023, the value of the subscription liability is \$23,781. Macon County is required to make annual fixed payments of \$11,667. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$35,449 with accumulated amortization of \$11,816.

The future minimum subscription obligations and the net present value of the minimum subscription payments as of June 30, 2023 were as follows:

Year Ending		
June 30	Principal	Interest
2024	\$ 96,615	\$ 6,584
2025	86,507	4,114
2026	37,702	1,924
2027	38,655	974
Total	<u>\$ 259,479</u>	<u>\$ 13,596</u>

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Installment Purchase Contract

Serviced by Governmental Funds:

\$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.	\$ 240,000
\$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.	3,411,972
\$2,985,878 Highlands School and Union Academy qualified zone academy bonds requiring 15 annual payments of \$199,058; final payment of the bonds is August 1, 2030.	<u>1,592,472</u>
Total installment contracts	<u>\$ 5,244,444</u>

The County's outstanding note from direct placement related to governmental activities of \$240,000 is secured by a deed of trust on Nantahala School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$3,411,972 is secured by a deed of trust on Iotla Valley Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The County's outstanding note from direct placement related to governmental activities of \$1,592,472 is secured by a deed of trust on Highlands School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of reasonable attorneys' fees and other expenses.

Debt Service Requirements

The following tables summarize the annual requirements to amortize all direct placement long-term debt outstanding (excluding vacation pay and pension benefit obligation) as of June 30, 2023:

Year Ending		
June 30	Principal	Interest
2024	\$ 1,077,274	\$ 243,209
2025	1,077,274	190,666
2026	957,274	141,180
2027	957,274	93,659
2028	578,166	52,033
2029-2031	597,182	10,407
Total	<u>\$ 5,244,444</u>	<u>\$ 731,154</u>

At June 30, 2023, the County had a legal debt margin of approximately \$657,207,000.

Limited Obligation Indebtedness

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The County’s limited obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Serviced by Governmental Funds:

\$6,775,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$210,000 to 495,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2012 Truist installment purchase contract and 2013 Truist installment purchase contract.	\$ 5,005,000
\$895,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$85,000 to \$95,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2011 NCDEQ Drinking Water loan.	725,000
\$2,150,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$75,000 to \$175,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2018 First Citizens installment purchase contract.	1,805,000
\$9,500,000 Series 2021 limited obligation bonds, due in annual principal payments of \$500,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 2.125% to 4.000%.	<u>9,000,000</u>
Total limited obligation bonds	<u><u>\$ 16,535,000</u></u>

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

Governmental Activities:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,650,000	\$ 589,525
2025	1,665,000	523,525
2026	1,670,000	456,925
2027	1,680,000	390,125
2028	1,695,000	322,925
2029-2033	4,100,000	901,025
2034-2038	2,575,000	343,500
2039-2043	1,500,000	67,500
Total	<u><u>\$ 16,535,000</u></u>	<u><u>\$ 3,595,050</u></u>

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$850,951 relates to assets the County holds title and \$478,573 relates to right-to-use assets. The unspent debt proceeds of \$35,660 are not related to the County. The business-type activities unspent debt proceeds of \$654,051 are related to assets for which the County holds title.

Special Obligation Bonds

On April 7, 2016, the County issued \$9,800,000 of special obligation bonds at 2.14% interest, for the purpose to expand the County's landfill capacity. The bond is secured by a first lien on net revenues of the Solid Waste Fund. The principal and interest on the bonds are payable semi-annually on April 1 and October 1. The special obligation bonds, which mature through April 1, 2026, will be reported on the Solid Waste Fund's financial statements. \$ 3,162,552

The County's outstanding special obligation bond from direct placement related to business-type activities of \$3,162,552 is not secured by a pledge of the faith and credit of the County nor its taxing power, but is payable solely from the obligated revenues, except to the extent payable from the proceeds of bonds or investment earnings on such proceeds or on the obligated revenues. The note contains provisions that during the continuation of any event of default, the bondholders may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal of the bonds, and the accrued interest thereon, immediately due and payable; 2) incur and pay such reasonable expenses for the County's account as may be necessary to cure the cause of any default (with the County then being obligated to repay those amounts); 3) proceed by appropriate court action to protect and enforce their rights under the bonds and the agreement, or any supplemental agreement or proceeding, by an action at law or in equity, either for the specific performance of any covenant or agreement, or execution of any power, or to have or enforce any proper legal or equitable remedy as may be most effectual to protect and enforce such rights, including the fixing of service charges and the collection and application of the obligated revenues.

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

Solid Waste Fund:

Special Obligation Bonds

Year Ending June 30	Principal	Interest
2024	\$ 1,031,903	\$ 63,225
2025	1,054,572	40,557
2026	1,076,077	17,551
Total	<u>\$ 3,162,552</u>	<u>\$ 121,333</u>

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
Governmental Activities:					
Limited obligation bonds	\$ 18,190,000	\$ -	\$ 1,655,000	\$ 16,535,000	\$ 1,650,000
Plus: Premium on issuance	2,230,653	-	119,068	2,111,585	119,068
Total limited obligation bonds	20,420,653	-	1,774,068	18,646,585	1,769,068
Direct placement installment purchases	7,114,004	-	1,869,560	5,244,444	1,077,274
Lease liabilities	82,522	193,331	56,759	219,094	53,386
Subscription liabilities	-	454,928	195,449	259,479	96,615
Compensated absences	1,242,373	1,052,953	1,012,830	1,282,496	128,250
Total OPEB liability	37,009,601	-	6,802,722	30,206,879	-
Net pension liability (LGERS)	3,281,956	8,484,143	-	11,766,099	-
Total pension liability (LEOSSA)	1,913,012	-	203,941	1,709,071	-
Total governmental activities	<u>\$ 71,064,121</u>	<u>\$ 10,185,355</u>	<u>\$ 11,915,329</u>	<u>\$ 69,334,147</u>	<u>\$ 3,124,593</u>
Business-Type Activities:					
Direct placement special obligation bonds	\$ 4,172,609	\$ -	\$ 1,010,057	\$ 3,162,552	\$ 1,031,903
Lease liabilities	4,115	-	4,115	-	-
Accrued landfill closure and post-closure care cost	9,275,903	4,549,353	24,606	13,800,650	35,427
Total OPEB liability	1,997,480	-	465,144	1,532,336	-
Net pension liability (LGERS)	168,942	541,541	-	710,483	-
Compensated absences	85,592	70,526	64,907	91,211	9,121
Total business-type activities	<u>\$ 15,704,641</u>	<u>\$ 5,161,420</u>	<u>\$ 1,568,829</u>	<u>\$ 19,297,232</u>	<u>\$ 1,076,451</u>

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

Advance Refunding

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

MACON COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

C. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2023 is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets & right to use assets	\$ 24,367,106	\$ 10,019,075
Less capital debt:		
Gross debt	24,369,602	3,162,552
Less school debt related to assets to which the County does not hold title	(23,040,078)	-
County related debt	1,329,524	3,162,552
Less unspent debt proceeds*	-	(654,043)
Total net debt	1,329,524	2,508,509
Net investment in capital assets	\$ 23,037,582	\$ 7,510,566

*Unexpended debt proceeds related to education debt in the amount of \$35,660 are not included in the calculation of governmental net investment in capital assets.

D. Interfund Balances and Activity

	Transfers		Purpose
	From	To	
Transfers From/To Other Funds:			
General Fund:			
General Fund	\$ 3,043,948	\$ -	
Debt Service Fund	-	1,266,351	Debt retirement
ARPA Fund	1,875,659	-	Fund premium pay
Nonmajor Governmental Funds:			
Housing Grants Fund	-	154,175	Salary/fringe & operating costs
Housing Grants Fund	-	24,847	Premium pay - ARPA
Solid Waste	-	158,334	Premium pay - ARPA
General Fund	-	1,692,478	Premium pay - ARPA
General Fund	-	295,000	Economic development
Health Insurance Fund	-	61,756	Excess claims
Consolidated Capital Projects Fund	-	1,561,666	Fund capital projects
Schools Capital Fund	3,174,602	-	Debt retirement
Debt Service Fund	-	3,174,602	Debt retirement
Capital Reserve Fund	295,000	-	
Total	\$ 8,389,209	\$ 8,389,209	

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,101,860 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 33 Fryemont Street, Bryson City, North Carolina 28713.

Vaya Health

The County participates in a joint venture to operate the Vaya Health Local Management Entity (LME), which provides mental health, development disability, and substance abuse services to residents of the 22-county area: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Swain, Transylvania, Watauga, Wilkes, and Yancey. The County Commissioners are responsible for appointing two members of the Board of Directors of Vaya Health. The County has an ongoing financial responsibility for the joint venture because the LME's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the LME, so no equity interest has been reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County contributed \$106,623 to the LME to supplement its activities during the fiscal year ended June 30, 2023. Complete financial statements for Vaya Health may be obtained from their offices at 200 Ridgefield Court, Suite 206, Asheville, NC 28806.

4. Jointly Governed Organizations

Southwestern North Carolina Planning and Economic Development Commission

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

Southwestern Community College

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

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$289,177 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2023. 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, 2023. 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. Related Organizations

Macon County Airport Authority is a Component Unit of Macon County. Therefore Macon County Airport Authority and Macon County are related parties. For the year ended June 30, 2023, the Authority received \$33,650 in appropriation and \$871,855 in capital contributions from the County.

6. 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.

7. Opioid Settlement Funds

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

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

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

As of June 30, 2023 the County has received \$389,749 as part of this settlement in fiscal year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County has not selected an option yet.

MACON COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

8. Reimbursement for Pandemic-Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$6,964,996 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,482,498 was received in July 2021. The Second installment of \$3,482,498 was received in August 2022. County staff and the Board of Commissioners elected to use \$6,964,996 of the ARPA funds for revenue replacement in the 2022 fiscal year and these funds were transferred to the General Fund, Housing Grants Fund, and Solid Waste Fund for premium pay in the 2022 fiscal year. The County used \$1,841,923 and \$1,850,659 of the ARPA funds for premium pay in the 2022 and 2023 fiscal years, respectively and \$25,000 for a GREAT grant match in the 2023 fiscal year. Out of the remaining funds of \$3,247,414, \$175,000 has been allocated for the GREAT grant match and the remaining \$3,072,414 is unallocated.

9. Restatement

For the year ended June 30, 2023, the financial statements included a prior period adjustment to beginning net position of the governmental activities on the Statement of Activities (full accrual statements) in the amount of \$2,312,455. The adjustment relates to new information on how to account for Opioid Settlement Fund receivable and allowance recognition.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

MACON COUNTY, NORTH CAROLINA**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance as reported	\$ 1,913,012	\$ 1,928,606	\$ 1,153,313	\$ 1,113,115
Service cost	111,288	116,852	69,819	56,634
Interest on the total pension liability	42,658	36,969	37,161	39,886
Difference between expected and actual experience in the measurement of the total pension liability	(1,073)	(87,864)	82,875	(59,281)
Changes in assumptions or other inputs	(322,621)	(55,274)	612,250	37,659
Benefit payments	<u>(34,193)</u>	<u>(26,277)</u>	<u>(26,812)</u>	<u>(34,700)</u>
Ending balance of the total pension liability	<u>\$ 1,709,071</u>	<u>\$ 1,913,012</u>	<u>\$ 1,928,606</u>	<u>\$ 1,153,313</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 CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

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

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,709,071	\$ 1,913,012	\$ 1,928,606	\$ 1,153,313
Covered-employee payroll*	2,828,788	2,677,580	2,720,056	2,423,278
Total pension liability as a percentage of covered-employee payroll	60.4%	71.4%	70.9%	47.6%

Notes to Schedule:

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

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

*Valuation payroll

MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS SPECIAL SEPARATION ALLOWANCE
LAST SEVEN FISCAL YEARS**

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

MACON COUNTY, NORTH CAROLINA

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

Other Post-Employment Benefits			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service cost	\$ 1,439,358	\$ 3,672,188	\$ 2,236,587
Interest	864,736	2,079,949	2,339,212
Differences between expected and actual experience	195,744	(59,014,540)	(228,050)
Changes of assumptions or other inputs	(8,938,568)	2,131,943	22,166,655
Benefit payments	<u>(829,136)</u>	<u>(607,908)</u>	<u>(727,731)</u>
Net change in total OPEB liability	(7,267,866)	(51,738,368)	25,786,673
Total OPEB liability - beginning	<u>39,007,081</u>	<u>90,745,449</u>	<u>64,958,776</u>
Total OPEB liability - ending	<u>\$ 31,739,215</u>	<u>\$ 39,007,081</u>	<u>\$ 90,745,449</u>
Covered-employee payroll	\$ 15,520,496	\$ 15,520,496	\$ 15,407,009
Total OPEB liability as a percentage of covered-employee payroll	204.50%	251.33%	588.99%

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>
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

There are no assets accumulated in a trust that meets the criteria for GASB codification P22.101 or P52.101 to pay related benefits for the OPEB/pension fund.

MACON COUNTY, NORTH CAROLINA

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability (asset) (%)	0.221%	0.225%	0.239%	0.245%	0.263%
Proportion of the net pension liability (asset) (\$)	\$ 12,476,582	\$ 3,450,898	\$ 8,536,557	\$ 6,679,835	\$ 6,227,872
Covered payroll	\$ 19,034,317	\$ 16,994,860	\$ 17,029,367	\$ 16,777,581	\$ 16,784,623
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	65.55%	20.31%	50.13%	39.81%	37.10%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%

* 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.

MACON COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST TEN 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%

MACON COUNTY, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,575,654	\$ 2,176,776	\$ 1,739,355	\$ 1,546,837	\$ 1,312,991
Contributions in relation to the contractually required contribution	<u>2,575,654</u>	<u>2,176,776</u>	<u>1,739,355</u>	<u>1,546,837</u>	<u>1,312,991</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,108,481	\$ 19,034,317	\$ 16,994,860	\$ 17,029,367	\$ 16,777,581
Contributions as a percentage of covered payroll	12.20%	11.44%	10.23%	9.08%	7.83%

MACON COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST TEN 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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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%

MACON COUNTY, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability (asset) (%)	-0.379%	-0.429%	-0.391%	-0.337%	-0.436%
Proportion of the net pension liability (asset) (\$)	\$ (50,123)	\$ (82,366)	\$ (89,515)	\$ (66,517)	\$ (72,138)
Plan fiduciary net position as a percentage of the total pension liability**	139.04%	156.53%	173.62%	164.11%	153.31%

* 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.

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST TEN 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)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

MACON COUNTY, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 3,650	\$ 4,340	\$ 4,823	\$ 3,740	\$ 3,524
Contributions in relation to the contractually required contribution	<u>3,650</u>	<u>4,340</u>	<u>4,823</u>	<u>3,740</u>	<u>3,524</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
MACON COUNTY'S CONTRIBUTIONS
LAST TEN 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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SUPPLEMENTARY INFORMATION

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

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THE GENERAL FUND

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

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 33,753,295	\$ 33,411,498	\$ (341,797)	\$ 32,871,691
Taxes - prior	420,000	738,692	318,692	793,207
Interest and advertising	170,000	213,149	43,149	190,118
Total	<u>34,343,295</u>	<u>34,363,339</u>	<u>20,044</u>	<u>33,855,016</u>
Local Option Sales Taxes:				
Medicaid hold harmless	-	152,509	152,509	-
Article 39 one percent	9,356,174	9,438,145	81,971	8,338,990
Article 40 one-half of one percent	2,657,609	2,642,361	(15,248)	2,435,866
Article 42 one-half of one percent	2,120,205	2,136,526	16,321	1,898,098
Article 44 one-half of one percent	-	(16)	(16)	223
Total	<u>14,133,988</u>	<u>14,369,525</u>	<u>235,537</u>	<u>12,673,177</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	390,000	453,620	63,620	423,334
Gross receipts tax	38,000	42,372	4,372	45,252
Total	<u>428,000</u>	<u>495,992</u>	<u>67,992</u>	<u>468,586</u>
Restricted Intergovernmental Revenues:				
Federal and state grants	10,275,823	8,441,006	(1,834,817)	7,966,207
Local grants	256,665	134,607	(122,058)	18,335
ABC revenues	15,000	16,629	1,629	16,914
Facility fees/CSC	56,000	51,457	(4,543)	55,841
Federal forfeiture and controlled substance	2,963	4,447	1,484	6,680
Local health and social services	531,466	554,279	22,813	597,202
Total	<u>11,137,917</u>	<u>9,202,425</u>	<u>(1,935,492)</u>	<u>8,661,179</u>
Permits and Fees:				
Inspection fees	539,700	532,038	(7,662)	579,520
Register of Deeds	900,000	925,554	25,554	1,079,505
Occupancy tax	194,594	184,424	(10,170)	189,418
Board of Elections fees	-	30	30	9,703
Civil license fees	3,000	2,778	(222)	2,722
Concealed handgun permits	68,000	67,460	(540)	67,355
Total	<u>1,705,294</u>	<u>1,712,284</u>	<u>6,990</u>	<u>1,928,223</u>
Sales and Services:				
Rents, concessions, and fees	292,400	325,402	33,002	323,683
Ambulance fees	1,955,989	1,984,097	28,108	1,714,945
Other public safety fees	379,200	318,878	(60,322)	415,385
Cable television franchise fees	75,000	69,477	(5,523)	75,377
Health fees	592,300	608,946	16,646	557,628
Aging program income	6,000	6,369	369	8,940
Total	<u>3,300,889</u>	<u>3,313,169</u>	<u>12,280</u>	<u>3,095,958</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022
	Budget	Actual	Variance Over/Under
Investment Earnings	2,310,000	2,422,215	112,215
Miscellaneous:			
Other	215,668	309,419	93,751
Total revenues	67,575,051	66,188,368	(1,386,683)
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	127,971	122,160	124,529
Operating expenditures	381,000	367,087	72,334
Total	508,971	489,247	19,724
Administration:			
Salaries and employee benefits	496,552	495,833	447,565
Operating expenditures	90,535	37,402	29,039
Capital outlay	-	-	16,107
Total	587,087	533,235	53,852
Finance:			
Salaries and employee benefits	601,197	600,515	561,080
Operating expenditures	127,929	118,250	92,980
Capital outlay	-	-	10,897
Total	729,126	718,765	10,361
Tax Office:			
Salaries and employee benefits	523,644	522,454	479,106
Operating expenditures	280,781	256,428	243,713
Capital outlay	33,327	33,326	5,233
Total	837,752	812,208	25,544
Legal:			
Contracted services	130,000	96,500	121,670
Total	130,000	96,500	33,500
Mapping:			
Salaries and employee benefits	199,008	199,003	186,251
Operating expenditures	12,715	11,431	11,308
Capital outlay	-	-	981
Total	211,723	210,434	1,289

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
Tax Assessment:				
Salaries and employee benefits	412,186	411,148		385,581
Operating expenditures	229,464	216,811		167,424
Capital outlay	-	-		49,068
Total	641,650	627,959	13,691	602,073
Board of Elections:				
Salaries and employee benefits	260,168	231,648		243,588
Operating expenditures	98,488	72,688		66,410
Capital outlay	196,800	169,309		-
Total	555,456	473,645	81,811	309,998
Register of Deeds:				
Salaries and employee benefits	275,025	270,595		248,484
Operating expenditures	107,380	104,908		96,281
Total	382,405	375,503	6,902	344,765
Information Technology:				
Salaries and employee benefits	608,685	576,005		538,618
Operating expenditures	524,012	423,108		464,814
Capital outlay	2,877,646	514,957		101,337
Total	4,010,343	1,514,070	2,496,273	1,104,769
Garage:				
Salaries and employee benefits	375,992	356,326		321,057
Operating expenditures	94,686	71,267		83,973
Capital outlay	5,700	5,700		-
Total	476,378	433,293	43,085	405,030
Buildings and Grounds:				
Salaries and employee benefits	1,433,836	1,404,769		1,304,261
Operating expenditures	1,040,306	895,007		795,682
Capital outlay	212,535	31,785		36,059
Total	2,686,677	2,331,561	355,116	2,136,002
Human Resources:				
Salaries and employee benefits	373,975	371,386		331,945
Operating expenditures	35,441	19,681		12,652
Total	409,416	391,067	18,349	344,597
Non-Departmental:				
Operating expenditures	2,913,152	1,183,208		938,058
Total	2,913,152	1,183,208	1,729,944	938,058
Total general government	15,080,136	10,190,695	4,889,441	8,588,085

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022
	Budget	Actual	Variance Over/Under
Public Safety:			
Sheriff:			
Salaries and employee benefits	4,787,117	4,657,954	4,191,463
Operating expenditures	1,069,869	916,340	911,719
Capital outlay	416,928	44,340	531,039
Total	6,273,914	5,618,634	655,280
Federal/State Forfeitures:			
Operating expenditures	8,048	4,961	12,641
Capital outlay	8,910	8,910	-
Total	16,958	13,871	3,087
Juvenile Crime Prevention Council Grants	146,382	146,377	5
Jail/Law Enforcement Center:			
Salaries and employee benefits	1,645,449	1,476,467	1,483,864
Operating expenditures	1,686,244	1,333,006	1,174,406
Capital outlay	64,815	64,078	169,800
Total	3,396,508	2,873,551	522,957
Courthouse Security:			
Salaries and employee benefits	840,973	778,533	646,126
Operating expenditures	46,574	45,074	5,721
Capital outlay	-	-	37,184
Total	887,547	823,607	63,940
Emergency Medical Service:			
Salaries and employee benefits	4,064,746	4,044,641	3,584,775
Operating expenditures	655,571	573,375	465,474
Capital outlay	615,336	451,790	173,903
Total	5,335,653	5,069,806	265,847
Emergency Management:			
Salaries and employee benefits	1,629,939	1,577,071	1,487,862
Operating expenditures	148,738	122,589	207,521
Capital outlay	75,946	25,946	86,121
Total	1,854,623	1,725,606	129,017
Fire Task Force:			
Salaries and employee benefits	288,194	260,666	299,317
Operating expenditures	32,155	30,076	25,986
Capital outlay	16,914	16,914	-
Total	337,263	307,656	29,607

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022
	Budget	Actual	Variance Over/Under
Inspections:			
Salaries and employee benefits	653,526	619,511	593,481
Operating expenditures	126,232	98,882	70,685
Capital outlay	59,603	58,844	700
Total	839,361	777,237	62,124
Emergency 911:			
Salaries and employee benefits	144,656	129,670	128,664
Operating expenditures	27,700	22,290	23,307
Total	172,356	151,960	20,396
Animal Control:			
Salaries and employee benefits	337,342	282,968	305,222
Operating expenditures	102,872	84,176	60,372
Capital outlay	16,430	14,323	8,568
Total	456,644	381,467	75,177
Forest Service:			
Operating expenditures	102,626	85,136	17,490
Total public safety	19,819,835	17,974,908	1,844,927
Transit:			
Transit Services:			
Salaries and employee benefits	1,022,644	829,622	781,163
Operating expenditures	173,254	118,090	211,516
Capital outlay	1,888,454	670,298	2,555
Total	3,084,352	1,618,010	1,466,342
Transit CARES Act:			
Salaries and employee benefits	78,072	78,072	-
Operating expenditures	86,943	86,943	4,200
Total	165,015	165,015	-
Contribution to Macon County Airport Authority	33,650	33,650	-
Total transit	3,283,017	1,816,675	1,466,342
Economic and Physical Development:			
Economic Development:			
Operating expenditures	150,036	76,884	75,700
Total	150,036	76,884	73,152

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
Cooperative Extension:				
Salaries and employee benefits	276,098	244,892		219,237
Operating expenditures	20,561	17,294		13,742
Capital outlay	-	-		8,143
Total	<u>296,659</u>	<u>262,186</u>	<u>34,473</u>	<u>241,122</u>
Soil Conservation:				
Salaries and employee benefits	168,296	164,443		156,076
Operating expenditures	<u>422,552</u>	<u>74,188</u>		<u>19,300</u>
Total	<u>590,848</u>	<u>238,631</u>	<u>352,217</u>	<u>175,376</u>
Special Appropriations:				
Cowee School - operating expenditures	70,800	68,883		26,067
Cowee School - capital outlay	-	-		10,000
Total	<u>70,800</u>	<u>68,883</u>	<u>1,917</u>	<u>36,067</u>
Total economic and physical development	<u>1,108,343</u>	<u>646,584</u>	<u>461,759</u>	<u>528,265</u>
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	290,582	270,370		254,153
Operating expenditures	196,631	188,392		199,429
Capital outlay	<u>400,000</u>	<u>271,943</u>		<u>44,502</u>
Total	<u>887,213</u>	<u>730,705</u>	<u>156,508</u>	<u>498,084</u>
Management Support:				
Salaries and employee benefits	342,973	316,037		276,484
Operating expenditures	<u>107,529</u>	<u>101,445</u>		<u>107,056</u>
Total	<u>450,502</u>	<u>417,482</u>	<u>33,020</u>	<u>383,540</u>
EPI Lab Capacity Inf Disease:				
Salaries and employee benefits	23,351	19,940		32,192
Operating expenditures	93,740	49,727		67,427
Capital outlay	<u>25,000</u>	<u>22,223</u>		<u>6,930</u>
Total	<u>142,091</u>	<u>91,890</u>	<u>50,201</u>	<u>106,549</u>
CDC COVID Vaccine Program:				
Salaries and employee benefits	60,000	-		-
Operating expenditures	76,791	13,319		38,609
Capital outlay	<u>31,000</u>	-		-
Total	<u>167,791</u>	<u>13,319</u>	<u>154,472</u>	<u>38,609</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
ELC Reopening Schools:				
Salaries and employee benefits	100,435	9,756		13,702
Operating expenditures	14,565	-		-
Total	115,000	9,756	105,244	13,702
School Health Nurse:				
Salaries and employee benefits	338,995	227,550		284,575
Operating expenditures	13,360	11,849		9,067
Total	352,355	239,399	112,956	293,642
Advancing Equity:				
Salaries and employee benefits	63,898	12,028		2,305
Operating expenditures	4,082	-		5,000
Total	67,980	12,028	55,952	7,305
Communicable Disease Pandemic Recovery:				
Operating expenditures	193,148	99,457		-
Capital outlay	50,000	-		-
Total	243,148	99,457	143,691	-
ARPA COVID-19 School Health Team Workforce:				
Operating expenditures	19,036	11,010		-
Capital outlay	41,500	41,496		-
Total	60,536	52,506	8,030	-
NC Tobacco Settlement Funds:				
Operating expenditures	88,307	88,306		88,523
Total	88,307	88,306	1	88,523
Women, Infants, and Children:				
Salaries and employee benefits	187,503	122,246		212,507
Operating expenditures	60,043	15,033		3,482
Total	247,546	137,279	110,267	215,989
Nutrition Education:				
Salaries and employee benefits	63,571	13,208		12,589
Operating expenditures	141,257	137,097		142,172
Total	204,828	150,305	54,523	154,761
Maternal and Childcare:				
Salaries and employee benefits	136,453	93,411		119,650
Operating expenditures	32,638	27,564		34,281
Total	169,091	120,975	48,116	153,931

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
Child Health:				
Salaries and employee benefits	46,946	46,549		43,225
Operating expenditures	6,461	6,376		6,576
Total	53,407	52,925	482	49,801
Family Planning:				
Salaries and employee benefits	84,803	59,755		68,696
Operating expenditures	24,076	22,951		16,800
Total	108,879	82,706	26,173	85,496
Dental Health Program:				
Salaries and employee benefits	497,270	486,756		448,514
Operating expenditures	56,614	53,437		37,726
Capital outlay	7,701	7,701		-
Total	561,585	547,894	13,691	486,240
Adult Health:				
Salaries and employee benefits	161,350	154,453		93,340
Operating expenditures	136,270	132,594		133,918
Total	297,620	287,047	10,573	227,258
NC Wisewoman Program:				
Salaries and employee benefits	17,579	17,520		16,528
Total	17,579	17,520	59	16,528
Breast and Cervical Cancer:				
Salaries and employee benefits	31,975	31,099		28,273
Operating expenditures	19,388	19,054		10,244
Total	51,363	50,153	1,210	38,517
Laboratory Services:				
Salaries and employee benefits	154,482	153,822		145,649
Operating expenditures	109,796	53,749		90,429
Total	264,278	207,571	56,707	236,078
Communicable Disease:				
Salaries and employee benefits	104,552	96,501		15,173
Operating expenditures	6,513	5,834		3,751
Total	111,065	102,335	8,730	18,924
On-Site Wastewater:				
Salaries and employee benefits	360,720	325,796		240,244
Operating expenditures	65,427	46,005		44,052
Capital outlay	66,600	61,796		-
Total	492,747	433,597	59,150	284,296

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
Private Drinking Water Wells:				
Salaries and employee benefits	302,128	231,687		220,353
Operating expenditures	39,066	30,533		31,625
Capital outlay	34,000	30,823		-
Total	375,194	293,043	82,151	251,978
Food and Lodging:				
Salaries and employee benefits	212,032	200,941		97,165
Operating expenditures	26,828	21,391		47,342
Total	238,860	222,332	16,528	144,507
Health Promotion:				
Salaries and employee benefits	161,639	119,775		57,328
Operating expenditures	22,617	13,509		12,242
Total	184,256	133,284	50,972	69,570
General Nursing:				
Salaries and employee benefits	154,452	141,828		129,590
Operating expenditures	175,522	162,565		153,874
Total	329,974	304,393	25,581	283,464
Child Service Coordination:				
Salaries and employee benefits	74,522	73,189		69,892
Operating expenditures	1,449	962		753
Total	75,971	74,151	1,820	70,645
Regional Chronic Disease 1422 Grant:				
Operating expenditures	536,043	344,635		426,899
Total	536,043	344,635	191,408	426,899
Community Health Grant:				
Salaries and employee benefits	115,875	93,850		-
Operating expenditures	18,849	16,005		-
Total	134,724	109,855	24,869	-
OB Care Management Program:				
Salaries and employee benefits	84,394	7,519		6,932
Operating expenditures	2,902	449		455
Total	87,296	7,968	79,328	7,387
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	17,527	-		8,874
Operating expenditures	2,483	-		718
Total	20,010	-	20,010	9,592

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022	
	Budget	Actual	Variance Over/Under	Actual
Employee and Family Health:				
Salaries and employee benefits	104,268	100,213		84,838
Operating expenditures	43,390	38,991		36,897
Total	147,658	139,204	8,454	121,735
Community Health - School Based:				
Salaries and employee benefits	-	-		6,474
Operating expenditures	-	-		45,533
Total	-	-	-	52,007
Total health	7,284,897	5,574,020	1,710,877	4,835,557
Social Services:				
Administration:				
Salaries and employee benefits	487,876	474,860		442,082
Operating expenditures	716,419	495,305		455,953
Capital outlay	-	-		20,700
Total	1,204,295	970,165	234,130	918,735
Social Work Services/Special Programs:				
Salaries and employee benefits	1,442,950	1,334,516		1,238,716
Operating expenditures	1,428,516	1,015,648		981,915
Total	2,871,466	2,350,164	521,302	2,220,631
Child Daycare:				
Salaries and employee benefits	66,240	65,924	316	62,591
Child Support:				
Salaries and employee benefits	252,082	232,826		177,412
Operating expenditures	38,000	17,965		18,260
Total	290,082	250,791	39,291	195,672
Medicaid:				
County participation only	303,419	204,943	98,476	475,784
WorkFirst:				
Operating expenditures	5,000	-	5,000	400
Program Integrity:				
Salaries and employee benefits	78,911	78,318		74,292
Total	78,911	78,318	593	74,292

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022
	Budget	Actual	Variance Over/Under
Medicaid/FS Administration:			
Salaries and employee benefits	1,549,270	1,487,374	61,896
Total social services	6,368,683	5,407,679	961,004
Department On Aging:			
Administration:			
Salaries and employee benefits	419,826	414,185	396,999
Operating expenditures	62,556	51,385	56,165
Total	482,382	465,570	16,812
Home-Delivered Meals:			
Salaries and employee benefits	66,555	66,470	62,226
Operating expenditures	159,978	90,682	88,754
Total	226,533	157,152	69,381
Congregate Meals:			
Salaries and employee benefits	81,816	78,854	61,598
Operating expenditures	127,924	103,090	141,982
Total	209,740	181,944	27,796
Adult Daycare:			
Salaries and employee benefits	161,457	128,215	90,697
Operating expenditures	19,615	14,281	7,084
Total	181,072	142,496	38,576
SR Svcs CARES Act:			
Operating expenditures	-	-	6,372
Capital outlay	-	-	35,282
Total	-	-	41,654
NCOA Vaccine Uptake Grant:			
Salaries and employee benefits	17,752	1,322	-
Operating expenditures	32,465	5,091	-
Total	50,217	6,413	43,804
Total department on aging	1,149,944	953,575	196,369
Miscellaneous Human Services:			
Veterans' Service:			
Salaries and employee benefits	151,006	150,399	139,651
Operating expenditures	8,550	8,014	6,685
Total	159,556	158,413	1,143

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Contributions to Organizations:				
Smoky Mountain Mental Health	106,623	106,623		106,623
Macon County Citizens for Handicapped	62,370	62,370		62,370
Macon Program for Progress	12,000	-		-
Total	180,993	168,993	12,000	168,993
Special Appropriations:				
Kids Place	-	-		75,000
State of Franklin	14,000	14,000		14,000
Other special appropriations	230,576	225,575		127,500
Total	244,576	239,575	5,001	216,500
Total miscellaneous human services	585,125	566,981	18,144	531,829
Total human services	15,388,649	12,502,255	2,886,394	11,654,254
Cultural and Recreational:				
Salaries and employee benefits	974,480	946,902		884,483
Operating expenditures	1,001,391	928,444		943,607
Capital outlay	158,026	-		41,993
Total	2,133,897	1,875,346	258,551	1,870,083
Library and Cultural:				
Macon County Library	1,101,860	1,101,860		1,049,390
Macon County Historical Society	10,000	10,000		10,000
Total	1,111,860	1,111,860	-	1,059,390
Total cultural and recreational	3,245,757	2,987,206	258,551	2,929,473
Education:				
Public schools - current expenditures	8,820,731	8,819,056		8,805,653
Public schools - capital outlay	2,540,000	2,501,819		1,229,000
Timber sales pass-through	160,000	134,515		147,087
Southwestern Community College	304,177	289,177		289,177
Total education	11,824,908	11,744,567	80,341	10,470,917
Debt Service:				
Principal	252,222	252,208		92,031
Interest	7,232	7,217		859
Total debt service	259,454	259,425	29	92,890
Total expenditures	70,010,099	58,122,315	11,887,784	52,204,515

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022	
	Budget	Actual	Variance Over/Under	Actual
Revenues over (under) expenditures	(2,435,048)	8,066,053	10,501,101	8,943,355
Other Financing Sources (Uses):				
Transfers In:				
From ARPA Fund	1,717,501	1,692,478	(25,023)	1,659,020
From Capital Reserve Fund	295,000	295,000	-	-
Total	2,012,501	1,987,478	(25,023)	1,659,020
Transfers Out:				
To Airport Fund	-	-	-	(100,000)
To Consolidated Capital Project Fund	(1,561,666)	(1,561,666)	-	(2,312,564)
To E911 Fund	-	-	-	(10,382)
To Community Development Block Grant Fund	(154,175)	(154,175)	-	(127,479)
To Capital Reserve Fund	-	-	-	(229,893)
To debt service	(1,266,351)	(1,266,351)	-	(1,266,351)
To Health Insurance Fund	(61,756)	(61,756)	-	(61,756)
To County buildings project	-	-	-	(500,000)
Total	(3,043,948)	(3,043,948)	-	(4,608,425)
Lease liabilities issued	750,000	193,331	(556,669)	174,553
Subscription liabilities issued	2,700,000	454,928	(2,245,072)	-
Appropriated fund balance	16,495	-	(16,495)	-
Total other financing sources (uses)	2,435,048	(408,211)	(2,843,259)	(2,774,852)
Net change in fund balance	\$ -	7,657,842	\$ 7,657,842	6,168,503
Fund Balance:				
Beginning of year - July 1		44,045,359		37,876,856
End of year - June 30		\$ 51,703,201		\$ 44,045,359

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DEBT SERVICE FUND

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

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MACON COUNTY, NORTH CAROLINA

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
MAJOR - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance from Final Budget Over/Under
Revenues:			
NC Lottery funds	\$ 300,000	\$ 292,107	\$ (7,893)
Federal subsidy rebate	205,022	207,217	2,195
Town of Franklin	36,597	36,597	-
Interest earned	<u>416,063</u>	<u>418,858</u>	<u>2,795</u>
Total revenues	<u>957,682</u>	<u>954,779</u>	<u>(2,903)</u>
Expenditures:			
Debt service:			
Principal repayments	3,524,562	3,524,560	2
Interest	885,385	885,284	101
Debt service reserve	<u>1,464,346</u>	<u>-</u>	<u>1,464,346</u>
Total expenditures	<u>5,874,293</u>	<u>4,409,844</u>	<u>1,464,449</u>
Revenues over (under) expenditures	(4,916,611)	(3,455,065)	1,461,546
Other Financing Sources (Uses):			
Transfers in (out)	<u>4,916,611</u>	<u>4,440,953</u>	<u>(475,658)</u>
Net change in fund balance	<u>\$ -</u>	985,888	<u>\$ 985,888</u>
Fund Balance:			
Beginning of year - July 1		<u>3,753,212</u>	
End of year - June 30		<u>\$ 4,739,100</u>	

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AMERICAN RESCUE PLAN FUND

The American Rescue Plan Fund is used to track the revenue and expenditures of funds received from the American Rescue Plan Act.

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MACON COUNTY, NORTH CAROLINA

AMERICAN RESCUE PLAN FUND - MAJOR
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2023				
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
ARPA Funds	\$ 6,964,996	\$ 1,841,923	\$ 1,875,659	\$ 3,717,582	\$ (3,247,414)
Expenditures:					
Unallocated funds	3,072,386	-	-	-	3,072,386
Grant match	150,000	-	-	-	150,000
Total expenditures	3,222,386	-	-	-	3,222,386
Revenues over (under) expenditures	3,742,610	1,841,923	1,875,659	3,717,582	(25,028)
Other Financing Sources (Uses):					
Transfers out - Housing Grants Fund	(48,056)	(23,208)	(24,847)	(48,055)	1
Transfer out - General Fund	(3,376,521)	(1,659,020)	(1,692,478)	(3,351,498)	25,023
Transfer out - Solid Waste	(318,033)	(159,695)	(158,334)	(318,029)	4
Total other financing sources (uses)	(3,742,610)	(1,841,923)	(1,875,659)	(3,717,582)	25,028
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

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OPIOID SETTLEMENT FUND

Opioid Settlement Fund – accounts for opioid settlement funds that are required to be used for opioid abatement

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MACON COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Opioid Settlement funds	\$ -	\$ 389,719	\$ 389,719	\$ -
Investment earnings	-	11,597	11,597	30
Total revenues	-	<u>401,316</u>	<u>401,316</u>	<u>30</u>
Net change in fund balance	\$ -	401,316	\$ 401,316	30
Fund Balance:				
Beginning of year - July 1		<u>30</u>		<u>-</u>
End of year - June 30		<u>\$ 401,346</u>		<u>\$ 30</u>

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,793,668	\$ 5,434,636	\$ 7,228,304
Taxes receivable, net	88,184	-	88,184
Accounts receivable, net	62,242	-	62,242
Due from other governmental agencies	283,613	944,606	1,228,219
Restricted assets:			
Cash and cash equivalents, restricted	150,498	482,011	632,509
Total assets	<u>\$ 2,378,205</u>	<u>\$ 6,861,253</u>	<u>\$ 9,239,458</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 918,827	\$ 444,406	\$ 1,363,233
Liabilities to be paid from restricted assets:			
Grants received in advance	150,498	459,007	609,505
Total liabilities	<u>1,069,325</u>	<u>903,413</u>	<u>1,972,738</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>88,184</u>	<u>-</u>	<u>88,184</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	345,855	944,606	1,290,461
Restricted for public safety	884,203	-	884,203
Restricted for economic and physical development	17,113	-	17,113
Restricted for human services	21,820	-	21,820
Restricted for cultural and recreational	-	3,834	3,834
Restricted for education	-	35,660	35,660
Committed:			
Committed for general government	-	1,108,856	1,108,856
Committed for education	-	3,496,009	3,496,009
Committed for economic and physical development	229,957	368,875	598,832
Unassigned	<u>(278,252)</u>	<u>-</u>	<u>(278,252)</u>
Total fund balances	<u>1,220,696</u>	<u>5,957,840</u>	<u>7,178,536</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,378,205</u>	<u>\$ 6,861,253</u>	<u>\$ 9,239,458</u>

MACON COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,994,429	\$ -	\$ 4,994,429
Local option sales taxes	-	3,584,910	3,584,910
Restricted intergovernmental revenues	1,177,485	821,447	1,998,932
Occupancy taxes	2,305,304	-	2,305,304
Permits and fees	37,212	-	37,212
Sales and services	156,979	-	156,979
Interest earned on investments	9,319	137,268	146,587
Total revenues	<u>8,680,728</u>	<u>4,543,625</u>	<u>13,224,353</u>
Expenditures:			
Current:			
General government	194,191	8,495	202,686
Public safety	5,144,327	-	5,144,327
Education	-	2,225,427	2,225,427
Economic and physical development	3,276,100	871,855	4,147,955
Human services	191,835	-	191,835
Cultural and recreational	-	7,482	7,482
Total expenditures	<u>8,806,453</u>	<u>3,113,259</u>	<u>11,919,712</u>
Revenues over (under) expenditures	<u>(125,725)</u>	<u>1,430,366</u>	<u>1,304,641</u>
Other Financing Sources (Uses):			
Transfers in	179,022	1,561,666	1,740,688
Transfers out	-	(3,469,602)	(3,469,602)
Total other financing sources (uses)	<u>179,022</u>	<u>(1,907,936)</u>	<u>(1,728,914)</u>
Net change in fund balances	53,297	(477,570)	(424,273)
Fund Balances:			
Beginning of year - July 1	<u>1,167,399</u>	<u>6,435,410</u>	<u>7,602,809</u>
End of year - June 30	<u>\$ 1,220,696</u>	<u>\$ 5,957,840</u>	<u>\$ 7,178,536</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Western Carolina Industrial Partners Fund
Assets:					
Cash and cash equivalents	\$ 884,244	\$ 49,832	\$ 563,110	\$ 248,299	\$ 17,113
Taxes receivable, net	-	88,184	-	-	-
Accounts receivable, net	-	-	-	54,105	-
Due from government agencies	13,498	29,746	240,369	-	-
Cash and cash equivalents, restricted	-	-	-	150,498	-
Total assets	\$ 897,742	\$ 167,762	\$ 803,479	\$ 452,902	\$ 17,113
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 41	\$ 79,578	\$ 803,479	\$ 21,046	\$ -
Liabilities to be paid from restricted assets:					
Grants received in advance	-	-	-	150,498	-
Total liabilities	41	79,578	803,479	171,544	-
Deferred Inflows of Resources:					
Property taxes receivable	-	88,184	-	-	-
Fund Balances:					
Restricted:					
Stabilization by state statute	13,498	29,746	240,369	54,105	-
Restricted for public safety	884,203	-	-	-	-
Restricted for economic and physical development	-	-	-	-	17,113
Restricted for human services	-	-	-	-	-
Committed for economic and physical development	-	-	-	227,253	-
Unassigned	-	(29,746)	(240,369)	-	-
Total fund balances	897,701	-	-	281,358	17,113
Total liabilities, deferred inflows of resources, and fund balances	\$ 897,742	\$ 167,762	\$ 803,479	\$ 452,902	\$ 17,113

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	<u>Deed of Trust Fund</u>	<u>Representative Payee Fund</u>	<u>Relief Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 3,131	\$ 25,235	\$ 2,704	\$ -	\$ 1,793,668
Taxes receivable, net	-	-	-	-	88,184
Accounts receivable, net	-	-	-	8,137	62,242
Due from government agencies	-	-	-	-	283,613
Cash and cash equivalents, restricted	-	-	-	-	150,498
Total assets	<u>\$ 3,131</u>	<u>\$ 25,235</u>	<u>\$ 2,704</u>	<u>\$ 8,137</u>	<u>\$ 2,378,205</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,131	\$ 3,415	\$ -	\$ 8,137	\$ 918,827
Liabilities to be paid from restricted assets:					
Grants received in advance	-	-	-	-	150,498
Total liabilities	<u>3,131</u>	<u>3,415</u>	<u>-</u>	<u>8,137</u>	<u>1,069,325</u>
Deferred Inflows of Resources:					
Property taxes receivable	-	-	-	-	88,184
Fund Balances:					
Restricted:					
Stabilization by state statute	-	-	-	8,137	345,855
Restricted for public safety	-	-	-	-	884,203
Restricted for economic and physical development	-	-	-	-	17,113
Restricted for human services	-	21,820	-	-	21,820
Committed for economic and physical development	-	-	2,704	-	229,957
Unassigned	-	-	-	(8,137)	(278,252)
Total fund balances	<u>-</u>	<u>21,820</u>	<u>2,704</u>	<u>-</u>	<u>1,220,696</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,131</u>	<u>\$ 25,235</u>	<u>\$ 2,704</u>	<u>\$ 8,137</u>	<u>\$ 2,378,205</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, 2023

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Western Carolina Industrial Partners Fund
Revenues:					
Ad valorem taxes	\$ -	\$ 4,994,429	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	161,975	-	-	834,169	-
Occupancy taxes	-	-	2,305,304	-	-
Permits and fees	-	-	-	-	-
Sales and services	-	-	-	-	-
Investment earnings	9,319	-	-	-	-
Total revenues	<u>171,294</u>	<u>4,994,429</u>	<u>2,305,304</u>	<u>834,169</u>	<u>-</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	149,898	4,994,429	-	-	-
Economic and physical development	-	-	2,305,304	970,796	-
Human services	-	-	-	-	-
Total expenditures	<u>149,898</u>	<u>4,994,429</u>	<u>2,305,304</u>	<u>970,796</u>	<u>-</u>
Revenues over (under) expenditures	<u>21,396</u>	<u>-</u>	<u>-</u>	<u>(136,627)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in:					
From ARPA Fund	-	-	-	24,847	-
From General Fund	-	-	-	154,175	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,022</u>	<u>-</u>
Net change in fund balances	21,396	-	-	42,395	-
Fund Balances:					
Beginning of year - July 1	<u>876,305</u>	<u>-</u>	<u>-</u>	<u>238,963</u>	<u>17,113</u>
End of year - June 30	<u>\$ 897,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,358</u>	<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	Deed of Trust Fund	Representative Payee Fund	Relief Fund	Fines and Forfeitures Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,994,429
Restricted intergovernmental revenues	-	181,341	-	-	1,177,485
Occupancy taxes	-	-	-	-	2,305,304
Permits and fees	37,212	-	-	-	37,212
Sales and services	-	-	-	156,979	156,979
Investment earnings	-	-	-	-	9,319
Total revenues	<u>37,212</u>	<u>181,341</u>	<u>-</u>	<u>156,979</u>	<u>8,680,728</u>
Expenditures:					
General government	37,212	-	-	156,979	194,191
Public safety	-	-	-	-	5,144,327
Economic and physical development	-	-	-	-	3,276,100
Human services	-	191,835	-	-	191,835
Total expenditures	<u>37,212</u>	<u>191,835</u>	<u>-</u>	<u>156,979</u>	<u>8,806,453</u>
Revenues over (under) expenditures	<u>-</u>	<u>(10,494)</u>	<u>-</u>	<u>-</u>	<u>(125,725)</u>
Other Financing Sources (Uses):					
Transfers in:					
From ARPA Fund	-	-	-	-	24,847
From General Fund	-	-	-	-	154,175
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,022</u>
Net change in fund balances	-	(10,494)	-	-	53,297
Fund Balances:					
Beginning of year - July 1	<u>-</u>	<u>32,314</u>	<u>2,704</u>	<u>-</u>	<u>1,167,399</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 21,820</u>	<u>\$ 2,704</u>	<u>\$ -</u>	<u>\$ 1,220,696</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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental revenues	\$ 173,930	\$ 161,975	\$ (11,955)	\$ 253,283
Investment earnings	-	9,319	9,319	415
Total revenues	<u>173,930</u>	<u>171,294</u>	<u>(2,636)</u>	<u>253,698</u>
Expenditures:				
Wireless 911:				
Implemental functions	10,000	-	10,000	-
Telephone	40,000	23,863	16,137	39,541
Furniture	30,998	10,247	20,751	-
Software and software maintenance	90,227	55,889	34,338	104,353
Hardware and hardware maintenance	80,550	56,184	24,366	15,210
Training	15,000	3,715	11,285	6,029
Capital outlay	17,888	-	17,888	-
Total expenditures	<u>284,663</u>	<u>149,898</u>	<u>134,765</u>	<u>165,133</u>
Revenues over (under) expenditures	<u>(110,733)</u>	<u>21,396</u>	<u>132,129</u>	<u>88,565</u>
Other Financing Sources (Uses):				
Appropriated fund balance	110,733	-	(110,733)	-
Transfers in from General Fund	-	-	-	10,382
Total other financing sources (uses)	<u>110,733</u>	<u>-</u>	<u>(110,733)</u>	<u>10,382</u>
Net change in fund balance	<u>\$ -</u>	<u>21,396</u>	<u>\$ 21,396</u>	<u>98,947</u>
Fund Balance:				
Beginning of year - July 1		<u>876,305</u>		<u>777,358</u>
End of year - June 30		<u>\$ 897,701</u>		<u>\$ 876,305</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, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 4,898,142	\$ 4,856,574	\$ (41,568)	\$ 4,442,743
Prior years	172,000	137,855	(34,145)	138,833
Total revenues	<u>5,070,142</u>	<u>4,994,429</u>	<u>(75,713)</u>	<u>4,581,576</u>
Expenditures:				
Public safety:				
Franklin Fire District		1,190,348		919,884
Clark's Chapel Fire District		357,347		346,765
Otto Fire District		517,846		507,568
Cullasaja Fire District		345,891		266,995
West Macon Fire District		332,222		329,835
Scaly Mountain Fire District		156,029		156,826
Burningtown/Iotla Fire District		267,768		240,101
Cowee Fire District		339,943		341,357
Highlands Fire District		1,104,010		1,096,110
Mountain Valley Fire District		141,918		138,816
Nantahala Fire District		241,107		237,319
Total expenditures	<u>5,070,142</u>	<u>4,994,429</u>	<u>75,713</u>	<u>4,581,576</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

OCCUPANCY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 1,535,990	\$ 1,466,455	\$ (69,535)	\$ 1,502,586
Nantahala	192,625	156,681	(35,944)	190,020
Franklin	509,214	497,744	(11,470)	485,698
Administrative fee	194,594	184,424	(10,170)	189,418
Total revenues	<u>2,432,423</u>	<u>2,305,304</u>	<u>(127,119)</u>	<u>2,367,722</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	1,535,990	1,466,455	69,535	1,502,586
Nantahala District	192,625	156,681	35,944	190,020
Franklin Chamber	509,214	497,744	11,470	485,698
Administrative fees	194,594	184,424	10,170	189,418
Total expenditures	<u>2,432,423</u>	<u>2,305,304</u>	<u>127,119</u>	<u>2,367,722</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
Community Development Block Grant #07-C-1662	\$ 400,000	\$ 353,250	\$ -	\$ 353,250
Weatherization #1161	47,867	47,122	-	47,122
Urgent repair 1014	75,000	75,000	-	75,000
ARRA Weatherization 18WA	668,109	605,388	-	605,388
Community Development Block Grant #10-C-2124	400,000	275,815	-	275,815
Weatherization #1261	235,990	181,887	-	181,887
SFR 11	160,000	122,208	-	122,208
Urgent repair 1115	75,000	75,000	-	75,000
Urgent repair URP-13	75,000	75,000	-	75,000
Weatherization #1361	129,107	123,180	-	123,180
Weatherization #1461	320,347	234,892	-	234,892
Weatherization #6054	266,322	258,443	-	258,443
SFR 14	170,000	118,453	-	118,453
Duke HHP - Health and Safety	138,526	138,769	-	138,769
Duke HHP - HVAC	252,561	253,317	-	253,317
Duke Weatherization	98,200	98,200	-	98,200
Urgent Repair - URP 15	100,000	100,092	-	100,092
Weatherization #6508	169,604	168,648	-	168,648
Urgent Repair #1619	100,000	100,089	-	100,089
Weatherization #6940	105,683	98,669	-	98,669
Duke Weatherization Direct Reimbursement	189,058	182,758	27,300	210,058
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	39,214	-	39,214
ESFRLP-17 Grant	191,647	166,457	-	166,457
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	186,603	118,262	28,261	146,523
Urgent Repair Program 18	100,000	100,206	-	100,206
Weatherization DOE 2019 #7604	82,919	79,018	-	79,018
Weatherization LIHEAP 19 #7604	63,055	62,928	-	62,928
Weatherization HARRP 19 #7604	9,894	8,680	-	8,680
Urgent Repair Program 19	100,000	100,003	-	100,003
Weatherization DOE 2020 #8000	93,388	75,717	-	75,717
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
Weatherization HARRP 20 #8000	42,126	13,001	-	13,001

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
ESFRLP-2020 Grant	190,000	2,692	106,717	109,409
Urgent Repair Program 20	100,105	100,105	-	100,105
Weatherization DOE 2021 #8217	184,937	170,510	-	170,510
Weatherization LIHEAP 21 #8217	49,325	44,347	-	44,347
Weatherization HARRP 21 #8217	53,034	51,480	-	51,480
Weatherization LIHEAP COVID 21	2,271	2,271	-	2,271
Weatherization LIHEAP #22619	98,887	94,935	-	94,935
Weatherization HARRP #22619	33,402	33,396	-	33,396
Urgent Repair Program 21	100,121	94,920	5,200	100,120
Dogwood Grant #1452	50,000	45,868	4,132	50,000
Highlands Cashiers Health	50,000	44,275	5,725	50,000
NCWAP- ARPA Covid	93,238	7,540	85,698	93,238
NCWAP- ARPA HARRP	85,718	49,623	36,093	85,716
Weatherization DOE #CW29746	118,779	-	118,497	118,497
Weatherization HARRP #29746	103,177	-	88,296	88,296
Weatherization LIHEAP #29746	149,106	-	134,743	134,743
Urgent Repair Program 22	132,000	-	124,005	124,005
Dogwood Affordable Housing	110,000	-	180	180
Healthy Homes HCHF/NHF	60,000	-	56,535	56,535
Dogwood ESFRLP & UPR Support	50,000	-	12,787	12,787
Miscellaneous revenues	11,222	11,469	-	11,469
Total revenues	<u>7,156,965</u>	<u>5,437,660</u>	<u>834,169</u>	<u>6,271,829</u>

Expenditures:

Economic and physical development:

Administrative - County	1,626,519	1,266,535	126,530	1,393,065
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

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Weatherization #1361	129,107	123,450	-	123,450
Urgent Repair Grant - URP-13	75,000	75,000	-	75,000
Weatherization #1461	320,347	234,894	-	234,894
Weatherization #6054	266,322	258,441	-	258,441
SFR 14	170,000	117,577	-	117,577
Duke HHP - Health and Safety	138,526	114,105	-	114,105
Duke HHP - HVAC	252,561	235,409	-	235,409
Duke Weatherization	98,200	97,616	-	97,616
Urgent Repair - URP 15	100,000	98,363	-	98,363
Weatherization #6508	169,604	168,649	-	168,649
Urgent Repair #1619	100,000	97,430	-	97,430
Weatherization #6940	105,683	98,667	-	98,667
Duke Weatherization Direct Reimbursement	189,058	172,240	16,398	188,638
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	38,493	-	38,493
ESFRLP-17 - rehabilitation	141,647	135,018	-	135,018
ESFRLP-17 - program support	50,000	31,440	-	31,440
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	186,603	124,112	49,260	173,372
Urgent Repair- URP 19	100,000	99,668	-	99,668
Weatherization DOE 19 #7604	82,919	79,615	-	79,615
Weatherization LIHEAP 19 #7604	63,055	62,931	-	62,931
Weatherization HARRP 2019 #7604	9,894	8,679	-	8,679
Urgent Repair Program 20	100,000	100,003	-	100,003
Weatherization HARRP 2020 #8000	42,126	12,999	-	12,999
Weatherization DOE 20 #8000	93,388	75,777	-	75,777
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
ESFRLP-2020 Grant	190,000	2,692	106,717	109,409
Urgent Repair Program 20	100,105	100,105	-	100,105
Weatherization DOE 2021 #8217	184,937	170,510	-	170,510
Weatherization LIHEAP 21 #8217	49,325	44,347	-	44,347
Weatherization HARRP 21 #8217	53,034	51,480	-	51,480
Weatherization LIHEAP COVID 21	2,271	2,271	-	2,271
Weatherization LIHEAP #22619 (5914)	98,887	94,935	-	94,935
Weatherization HARRP #22619 (5915)	33,402	33,396	-	33,396
Urgent Repair Program 2021(5916)	100,121	94,920	5,200	100,120

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Dogwood Health Grant(5917)	50,000	45,868	4,132	50,000
Highlands Cashiers Health Foun(5918)	50,000	44,275	5,725	50,000
NCWAP ARPA COVID (5920)	93,238	7,540	85,698	93,238
NCWAP ARPA HARRP (5921)	85,718	49,623	36,093	85,716
Weatherization DOE 23 (5922)	118,779	-	118,497	118,497
Weatherization LIHEAP 23 (5923)	149,106	-	134,743	134,743
Weatherization HARRP (5924)	103,177	-	88,296	88,296
Urgent Repair Program 22	132,000	-	124,005	124,005
Healthy Homes HCHF/NHF (5927)	60,000	-	56,535	56,535
Dogwood Affordable Housing (5926)	110,000	-	180	180
Dogwood ESFRLP & URP Support (5928)	50,000	-	12,787	12,787
Total expenditures	<u>8,772,262</u>	<u>6,639,968</u>	<u>970,796</u>	<u>7,610,764</u>
Revenues over (under) expenditures	<u>(1,615,297)</u>	<u>(1,202,308)</u>	<u>(136,627)</u>	<u>(1,338,935)</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	1,567,241	1,418,063	154,175	1,572,238
From ARPA Fund	<u>48,056</u>	<u>23,208</u>	<u>24,847</u>	<u>48,055</u>
Total other financing sources (uses)	<u>1,615,297</u>	<u>1,441,271</u>	<u>179,022</u>	<u>1,620,293</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 238,963</u>	<u>\$ 42,395</u>	<u>\$ 281,358</u>

MACON COUNTY, NORTH CAROLINA

WESTERN CAROLINA INDUSTRIAL PARTNERS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>17,113</u>		<u>17,113</u>
End of year - June 30		<u>\$ 17,113</u>		<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

DEED OF TRUST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2023
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Permits and fees:				
Register of Deeds	\$ 70,000	\$ 37,212	\$ (32,788)	\$ 49,073
Expenditures:				
General government:				
Payments of fees collected to the state of North Carolina	70,000	37,212	32,788	49,073
Net change in fund balance	\$ -	-	\$ -	-
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental revenues	\$ 282,000	\$ 181,341	\$ (100,659)	\$ 168,631
Expenditures:				
Human services:				
Payments made for the benefit of beneficiaries	282,000	191,835	90,165	162,730
Revenues over (under) expenditures	-	(10,494)	(10,494)	5,901
Net change in fund balance	\$ -	(10,494)	\$ (10,494)	5,901
Fund Balance:				
Beginning of year - July 1		32,314		26,413
End of year - June 30		\$ 21,820		\$ 32,314

MACON COUNTY, NORTH CAROLINA

RELIEF FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Miscellaneous revenues:				
Hurricane Ivan relief funds	\$ 2,704	\$ -	\$ (2,704)	\$ -
Expenditures:				
General government:				
Payments made for the benefit of beneficiaries	2,704	-	2,704	-
Net change in fund balance	\$ -	-	\$ -	-
Fund Balance:				
Beginning of year - July 1		2,704		2,704
End of year - June 30		\$ 2,704		\$ 2,704

MACON COUNTY, NORTH CAROLINA

FINES AND FORFEITURES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Sales and services:				
Penalties, fines and forfeitures	\$ 220,000	\$ 156,979	\$ (63,021)	\$ 191,293
Expenditures:				
General government:				
Payments to Board of Education	220,000	156,979	63,021	191,293
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</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.

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.

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Airport Improvements Fund	County Buildings Project Fund	Riverbend Estates Waterline Project Fund	Consolidated Capital Projects Fund
Assets:				
Cash and cash equivalents	\$ 209,250	\$ 592,985	\$ 40,685	\$ 3,913,629
Due from governmental agencies	38,565	-	-	-
Restricted cash and cash equivalents	-	446,351	-	35,660
Total assets	<u>\$ 247,815</u>	<u>\$ 1,039,336</u>	<u>\$ 40,685</u>	<u>\$ 3,949,289</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 42,851	\$ 425	\$ -	\$ 401,130
Unearned revenue	-	442,517	-	16,490
Total liabilities	<u>42,851</u>	<u>442,942</u>	<u>-</u>	<u>417,620</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	38,565	-	-	-
Restricted for cultural and recreational	-	3,834	-	-
Restricted for education	-	-	-	35,660
Committed for general government	-	592,560	-	-
Committed for economic and physical development	166,399	-	40,685	-
Committed for education	-	-	-	3,496,009
Total fund balances	<u>204,964</u>	<u>596,394</u>	<u>40,685</u>	<u>3,531,669</u>
Total liabilities and fund balances	<u>\$ 247,815</u>	<u>\$ 1,039,336</u>	<u>\$ 40,685</u>	<u>\$ 3,949,289</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Assets:				
Cash and cash equivalents	\$ 161,791	\$ -	\$ 516,296	\$ 5,434,636
Due from governmental agencies	-	906,041	-	944,606
Restricted cash and cash equivalents	-	-	-	482,011
Total assets	<u>\$ 161,791</u>	<u>\$ 906,041</u>	<u>\$ 516,296</u>	<u>\$ 6,861,253</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 444,406
Unearned revenue	-	-	-	459,007
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>903,413</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	906,041	-	944,606
Restricted for cultural and recreational	-	-	-	3,834
Restricted for education	-	-	-	35,660
Committed for general government	-	-	516,296	1,108,856
Committed for economic and physical development	161,791	-	-	368,875
Committed for education	-	-	-	3,496,009
Total fund balances	<u>161,791</u>	<u>906,041</u>	<u>516,296</u>	<u>5,957,840</u>
Total liabilities and fund balances	<u>\$ 161,791</u>	<u>\$ 906,041</u>	<u>\$ 516,296</u>	<u>\$ 6,861,253</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, 2023

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>	<u>Consolidated Capital Projects Fund</u>
Revenues:				
Restricted intergovernmental revenues	\$ 784,554	\$ 7,482	\$ -	\$ 29,411
Local option sales tax	-	-	-	-
Interest earned on investments	-	3,834	-	43,649
Total revenues	<u>784,554</u>	<u>11,316</u>	<u>-</u>	<u>73,060</u>
Expenditures:				
General government	-	8,495	-	-
Economic and physical development	871,855	-	-	-
Education	-	-	-	2,225,427
Cultural and recreational	-	7,482	-	-
Total expenditures	<u>871,855</u>	<u>15,977</u>	<u>-</u>	<u>2,225,427</u>
Revenues over (under) expenditures	<u>(87,301)</u>	<u>(4,661)</u>	<u>-</u>	<u>(2,152,367)</u>
Other Financing Sources (Uses):				
From General Fund	-	-	-	1,561,666
Transfers out:				
To Debt Service Fund	-	-	-	-
To General Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,561,666</u>
Net change in fund balances	(87,301)	(4,661)	-	(590,701)
Fund Balances:				
Beginning of year - July 1	<u>292,265</u>	<u>601,055</u>	<u>40,685</u>	<u>4,122,370</u>
End of year - June 30	<u>\$ 204,964</u>	<u>\$ 596,394</u>	<u>\$ 40,685</u>	<u>\$ 3,531,669</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, 2023

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 821,447
Local option sales tax	-	3,584,910	-	3,584,910
Interest earned on investments	-	68,746	21,039	137,268
Total revenues	<u>-</u>	<u>3,653,656</u>	<u>21,039</u>	<u>4,543,625</u>
Expenditures:				
General government	-	-	-	8,495
Economic and physical development	-	-	-	871,855
Education	-	-	-	2,225,427
Cultural and recreational	-	-	-	7,482
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,113,259</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,653,656</u>	<u>21,039</u>	<u>1,430,366</u>
Other Financing Sources (Uses):				
From General Fund	-	-	-	1,561,666
Transfers out:				
To Debt Service Fund	-	(3,174,602)	-	(3,174,602)
To General Fund	-	-	(295,000)	(295,000)
Total other financing sources (uses)	<u>-</u>	<u>(3,174,602)</u>	<u>(295,000)</u>	<u>(1,907,936)</u>
Net change in fund balances	-	479,054	(273,961)	(477,570)
Fund Balances:				
Beginning of year - July 1	<u>161,791</u>	<u>426,987</u>	<u>790,257</u>	<u>6,435,410</u>
End of year - June 30	<u>\$ 161,791</u>	<u>\$ 906,041</u>	<u>\$ 516,296</u>	<u>\$ 5,957,840</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, 2023

	<u>Project Authorization</u>	<u>Actual</u>			<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Closed Projects</u>	
Revenues:					
Restricted intergovernmental revenues:					
State aid to airports	\$ 8,323,967	\$ 6,280,321	\$ 784,554	\$ -	\$ 7,064,875
Airport Improvements Program	2,618,609	2,283,474	-	-	2,283,474
2013 NPE 36237.1.14.1	150,000	150,001	-	-	150,001
2014 NPE 36237.1.NPE.14	150,000	149,999	-	-	149,999
2015 NPE 36237.1.NPE.15	150,000	150,000	-	-	150,000
Taxiway/Lighting 36237.1.14.2	2,250,000	2,225,451	-	-	2,225,451
Miscellaneous revenues	61,167	88,051	-	-	88,051
Total revenues	<u>13,703,743</u>	<u>11,327,297</u>	<u>784,554</u>	<u>-</u>	<u>12,111,851</u>
Expenditures:					
Capital outlay:					
Runway extension phase II - site improvements	3,147,244	2,832,984	-	-	2,832,984
Phase I EA - runway extension	1,000,000	369,694	-	-	369,694
2004 Vision 100	166,667	152,571	-	-	152,571
Runway improvements	792,000	635,301	-	-	635,301
2008 Vision 100	166,667	-	-	-	-
SWPPP/SPCC & AWOS	131,602	31,775	-	-	31,775
Runway rehabilitation design	222,223	220,800	-	-	220,800
Runway rehabilitation construction	2,687,343	2,500,951	-	-	2,500,951
Apron improvements	2,511,340	2,601,454	-	-	2,601,454
2013 NPE 36237.1.141	166,667	126,644	-	-	126,644
2014 NPE 36237.1.NPE.14	166,667	166,666	-	-	166,666
2015 NPE 36237.1.NPE.15	166,667	166,667	-	-	166,667
2016 NPE 36237.1.NPE.16	166,667	118,606	-	-	118,606
2017 NPE 36237.1.NPE.17	166,667	-	-	-	-
New Fuel Farm	1,000,000	17,877	871,855	-	889,732
Taxiway/Lighting 36237.1.14.2	2,500,000	2,484,562	-	-	2,484,562
Total expenditures	<u>15,158,421</u>	<u>12,426,552</u>	<u>871,855</u>	<u>-</u>	<u>13,298,407</u>
Revenues over (under) expenditures	(1,454,678)	(1,099,255)	(87,301)	-	(1,186,556)
Other Financing Sources (Uses):					
Transfers in from General Fund	<u>1,454,678</u>	<u>1,391,520</u>	<u>-</u>	<u>-</u>	<u>1,391,520</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 292,265</u>	<u>\$ (87,301)</u>	<u>\$ -</u>	<u>\$ 204,964</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, 2023**

	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
State Capital Infrastructure	550,000	-	7,482	7,482
Investment earnings	-	66	3,834	3,900
Miscellaneous	-	20,360	-	20,360
Total revenues	<u>1,150,000</u>	<u>620,426</u>	<u>11,316</u>	<u>631,742</u>
Expenditures:				
General government:				
Animal shelter	500,000	498,905	-	498,905
Old library renovations	300,000	299,928	-	299,928
Renovations - Barrett Building	458,303	445,581	-	445,581
Renovations - Old Senior Services Building	118,550	118,531	-	118,531
Renovations - Patton Avenue Building	200,000	175,205	-	175,205
Garage construction	120,000	119,080	-	119,080
Radio communication upgrade	1,395,360	1,384,369	8,495	1,392,864
Dog park construction	115,957	112,820	-	112,820
Cultural and recreational:				
Nantahala Library renovation	800,000	-	3,151	3,151
Parker Meadows Recreation Complex	3,774,801	3,747,923	-	3,747,923
Greenway improvements	250,000	-	4,331	4,331
Carpenter building renovations	899,965	899,965	-	899,965
Total expenditures	<u>8,932,936</u>	<u>7,802,307</u>	<u>15,977</u>	<u>7,818,284</u>
Revenues over (under) expenditures	<u>(7,782,936)</u>	<u>(7,181,881)</u>	<u>(4,661)</u>	<u>(7,186,542)</u>
Other Financing Sources (Uses):				
Debt issued	1,800,000	1,800,000	-	1,800,000
Transfers in:				
From General Fund	5,610,867	5,610,867	-	5,610,867
From Emergency Telephone System Fund	326,095	326,095	-	326,095
From Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund	303,216	303,216	-	303,216
Transfers out:				
(To) Emergency Telephone System Fund	<u>(257,242)</u>	<u>(257,242)</u>	<u>-</u>	<u>(257,242)</u>
Total other financing sources (uses)	<u>7,782,936</u>	<u>7,782,936</u>	<u>-</u>	<u>7,782,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 601,055</u>	<u>\$ (4,661)</u>	<u>\$ 596,394</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, 2023**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</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

**CONSOLIDATED CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Revenues:				
Investment earnings	\$ 120,491	\$ 283,180	\$ 43,649	\$ 326,829
Repair Renovation Fund - Lottery	63,430	-	29,411	29,411
NC Department of Transportation	50,000	50,000	-	50,000
Contribution from Board of Education	15,000	15,000	-	15,000
Miscellaneous revenues	533,990	537,756	-	537,756
Total revenues	<u>782,911</u>	<u>885,936</u>	<u>73,060</u>	<u>958,996</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,800,000	1,800,000	-	1,800,000
Highlands QZAB	1,583,720	1,583,719	-	1,583,719
Union/Highlands QZAB	3,035,757	3,035,756	-	3,035,756
South Macon Elementary School expansion	3,291,022	3,266,689	-	3,266,689
Franklin High School	2,198,135	495,485	1,249,978	1,745,463
Macon Middle School renovation	13,028,309	9,400,380	910,776	10,311,156
Highlands School Pre-K	35,263	-	35,262	35,262
Highlands Middle School renovation	63,430	-	29,411	29,411
Debt service:				
Issuance costs	217,872	192,123	-	192,123
Total expenditures	<u>44,615,318</u>	<u>39,034,307</u>	<u>2,225,427</u>	<u>41,259,734</u>
Revenues over (under) expenditures	<u>(43,832,407)</u>	<u>(38,148,371)</u>	<u>(2,152,367)</u>	<u>(40,300,738)</u>
Other Financing Sources (Uses):				
Issuance of long-term debt	35,449,539	35,449,539	-	35,449,539
Premium on long-term debt issued	996,435	996,435	-	996,435
Transfer from the General Fund	7,386,433	5,824,767	1,561,666	7,386,433
Total other financing sources (uses)	<u>43,832,407</u>	<u>42,270,741</u>	<u>1,561,666</u>	<u>43,832,407</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,122,370</u>	<u>\$ (590,701)</u>	<u>\$ 3,531,669</u>

MACON COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

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

MACON COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 75,000	\$ 68,746	\$ (6,254)	\$ 2,128
Local option sales tax	3,575,260	3,584,910	9,650	3,217,397
Total revenues	<u>3,650,260</u>	<u>3,653,656</u>	<u>3,396</u>	<u>3,219,525</u>
Revenues over (under) expenditures	3,650,260	3,653,656	3,396	3,219,525
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	<u>(3,650,260)</u>	<u>(3,174,602)</u>	<u>475,658</u>	<u>(3,245,743)</u>
Net change in fund balance	<u>\$ -</u>	479,054	<u>\$ 479,054</u>	(26,218)
Fund Balance:				
Beginning of year - July 1		<u>426,987</u>		<u>453,205</u>
End of year - June 30		<u>\$ 906,041</u>		<u>\$ 426,987</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, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ -	\$ 21,039	\$ 21,039	\$ 911
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	-	-	-	229,893
Transfers out:				
(To) General Fund	(295,000)	(295,000)	-	-
Appropriated fund balance	295,000	-	(295,000)	-
Total other financing sources (uses)	-	(295,000)	(295,000)	229,893
Net change in fund balance	\$ -	(273,961)	\$ (273,961)	230,804
Fund Balance:				
Beginning of year - July 1		790,257		559,453
End of year - June 30		\$ 516,296		\$ 790,257

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.

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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, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Over/Under	2022
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Landfill fees	\$ 3,000,000	\$ 2,957,919		\$ 2,971,615
Tipping fees	1,900,000	1,855,666		1,941,843
Recycling revenue	450,000	312,349		520,414
Other operating revenue	356,991	355,192		6,968
Scrap tire disposal fee	50,000	70,469		62,045
Restricted intergovernmental revenue	19,000	26,756		25,384
Total operating revenues	<u>5,775,991</u>	<u>5,578,351</u>	\$ (197,640)	<u>5,528,269</u>
Non-operating revenues:				
Solid waste disposal tax	30,000	34,539		31,957
Investment earnings	58,600	289,809		12,439
Total non-operating revenues	<u>88,600</u>	<u>324,348</u>	235,748	<u>44,396</u>
Total revenues	<u>5,864,591</u>	<u>5,902,699</u>	38,108	<u>5,572,665</u>
Expenditures:				
Operating expenditures:				
Salaries	1,615,504	1,590,636		1,449,245
Employee benefits	548,950	549,776		507,782
Operating expenditures	2,012,938	1,728,872		1,425,522
Interest and fees	85,083	85,082		106,694
Debt principal	1,014,172	1,014,172		992,934
Landfill closure and post-closure costs	1,425,786	118,107		83,432
Capital outlay	979,241	75,292		72,450
Solid waste disposal tax remittance	86,000	79,418		82,946
Total operating expenditures	<u>7,767,674</u>	<u>5,241,355</u>	2,526,319	<u>4,721,005</u>
Total expenditures	<u>7,767,674</u>	<u>5,241,355</u>	2,526,319	<u>4,721,005</u>
Revenues over (under) expenditures	<u>(1,903,083)</u>	<u>661,344</u>	<u>2,564,427</u>	<u>851,660</u>
Other Financing Sources (Uses):				
Transfer from ARPA Fund	158,338	158,334	(4)	159,695
Appropriated fund balance	1,744,745	-	(1,744,745)	-
Total other financing sources (uses)	<u>1,903,083</u>	<u>158,334</u>	<u>(1,744,749)</u>	<u>159,695</u>

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Over/Under	Actual
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 819,678	\$ 819,678	\$ 1,011,355

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

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 819,678
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Reconciling items:

Payment of debt principal	1,014,172
Gain (loss) on disposal of capital assets	(61,359)
Solid waste capital project fund interest income	2,379
(Increase) decrease in accrued interest payable	5,403
Capital outlay	75,292
Increase (decrease) in deferred outflows - pension	188,333
(Increase) decrease in net pension liability LGERS	(541,541)
(Increase) decrease in deferred inflows - pension LGERS	300,236
(Increase) decrease in post-closure care costs	(4,524,747)
(Increase) decrease in OPEB liability	465,144
Increase (decrease) in deferred outflows - OPEB	(282,272)
(Increase) decrease in deferred inflows - OPEB	84,691
Amortization	(4,106)
(Increase) decrease in compensated absences	(5,619)
Depreciation	(873,264)

Change in net position - Exhibit I	\$ (3,337,580)
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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, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ 46,519	\$ 2,379	\$ 48,898
Sales tax refund	-	30,613	-	30,613
Total revenues	-	77,132	2,379	79,511
Expenditures:				
Construction	201,541	8,197	-	8,197
Capital equipment	77	-	-	-
Construction administration	1,635	-	-	-
Water line installation/relocation	240,000	14,000	-	14,000
Building renovations	182,775	5,757	-	5,757
Professional fees	34,700	16,620	58,907	75,527
Contingency	17,285	-	-	-
Total expenditures	678,013	44,574	58,907	103,481
Revenues over (under) expenditures	(678,013)	32,558	(56,528)	(23,970)
Other Financing Sources (Uses):				
Proceeds from issuance of debt	2,429,558	2,429,558	-	2,429,558
Transfer to Solid Waste Fund	(1,751,545)	(1,751,545)	-	(1,751,545)
Total other financing sources (uses)	678,013	678,013	-	678,013
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 710,571	\$ (56,528)	\$ 654,043

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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, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 671,780	\$ 575,580
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>289,496</u>	<u>294,770</u>
Net Position:		
Unrestricted net position	<u>\$ 382,284</u>	<u>\$ 280,810</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, 2023

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 5,022,024	\$ 5,037,319	\$ 15,295	\$ 4,820,447
Operating Expenses:				
Insurance premiums	5,101,780	5,002,453	99,327	4,818,001
Benefit payments	50,000	13,783	36,217	32,943
Total operating expenses	5,151,780	5,016,236	135,544	4,850,944
Operating income (loss)	(129,756)	21,083	150,839	(30,497)
Non-Operating Revenues:				
Investment earnings	18,000	18,635	635	782
Other Financing Sources (Uses):				
Appropriated fund balance	50,000	-	(50,000)	-
Transfer from General Fund	61,756	61,756	-	61,756
Total other financing sources (uses)	111,756	61,756	(50,000)	61,756
Change in net position	\$ -	101,474	\$ 101,474	32,041
Net Position:				
Beginning of year - July 1		280,810		248,769
End of year - June 30		\$ 382,284		\$ 280,810

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 5,037,319	\$ 4,820,447
Cash paid for goods and services	<u>(5,021,510)</u>	<u>(4,838,971)</u>
Net cash provided (used) by operating activities	<u>15,809</u>	<u>(18,524)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>18,635</u>	<u>782</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>61,756</u>	<u>61,756</u>
Net increase (decrease) in cash and cash equivalents	96,200	44,014
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>575,580</u>	<u>531,566</u>
End of year - June 30	<u>\$ 671,780</u>	<u>\$ 575,580</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 21,083	\$ (30,497)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable and accrued liabilities	<u>(5,274)</u>	<u>11,973</u>
Net cash provided (used) by operating activities	<u>\$ 15,809</u>	<u>\$ (18,524)</u>

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CUSTODIAL FUNDS

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

Individual Fund Descriptions:

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

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

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MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 21,497	\$ 7,778	\$ 29,275
Taxes receivable for other governments, net	<u>18,451</u>	<u>-</u>	<u>18,451</u>
Total assets	<u>39,948</u>	<u>7,778</u>	<u>47,726</u>
Liabilities:			
Due to other governments	<u>21,497</u>	<u>-</u>	<u>21,497</u>
Net Position:			
Restricted for:			
Individuals, organizations and other governments	<u>18,451</u>	<u>7,778</u>	<u>26,229</u>
Total net position	<u>\$ 18,451</u>	<u>\$ 7,778</u>	<u>\$ 26,229</u>

MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Property taxes collected for other governments	\$ 2,981,608	\$ -	\$ 2,981,608
Collections on behalf of individuals/organizations	-	138,920	138,920
Total additions	<u>2,981,608</u>	<u>138,920</u>	<u>3,120,528</u>
Deductions:			
Property taxes distributed to other governments	2,988,615	-	2,988,615
Payments on behalf of individuals/organizations	-	143,501	143,501
Total deductions	<u>2,988,615</u>	<u>143,501</u>	<u>3,132,116</u>
Change in fiduciary net position	(7,007)	(4,581)	(11,588)
Net Position:			
Beginning of year - July 1	<u>25,458</u>	<u>12,359</u>	<u>37,817</u>
End of year - June 30	<u>\$ 18,451</u>	<u>\$ 7,778</u>	<u>\$ 26,229</u>

ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2023.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 34,212,857	\$ 33,805,041	\$ 407,816
2021-2022	336,650	204	162,596	174,258
2020-2021	166,727	-	60,830	105,897
2019-2020	122,809	-	42,130	80,679
2018-2019	92,459	-	21,285	71,174
2017-2018	76,262	-	18,832	57,430
2016-2017	56,607	-	14,466	42,141
2015-2016	46,114	-	7,750	38,364
2014-2015	45,394	-	7,828	37,566
2013-2014	40,522	-	8,404	32,118
2012-2013	33,354	-	33,354	-
Total	\$ 1,016,898	\$ 34,213,061	\$ 34,182,516	1,047,443
Less allowance for uncollectible ad valorem taxes receivable				(557,940)
Ad valorem taxes receivable - net				\$ 489,503
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 34,363,339
Reconciling items:				
Advertising/attorney fees				(51,652)
Interest collected				(161,496)
Refunds and other adjustments				26,644
Amounts written off per Statute of Limitations				5,681
Total collections and credits				\$ 34,182,516

MACON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$ 7,834,666,250	\$ 0.4000	\$ 31,338,665	\$ 31,338,665	\$ -
Motor vehicles taxed at current year's rate	505,465,683	0.4000	2,021,863	-	2,021,863
Motor vehicles taxed at prior year's rate	594,679	0.3747	2,228	-	2,228
Motor vehicles taxed at prior year's rate	17,014	0.3490	59	-	59
Total	<u>8,340,743,626</u>		<u>33,362,815</u>	<u>31,338,665</u>	<u>2,024,150</u>
Discoveries:					
Current year taxes	17,051,500	0.4000	68,206	68,206	-
Utilities	203,491,559	0.4000	813,968	813,968	-
Less releases and adjustments	<u>(8,033,000)</u>	0.4000	<u>(32,132)</u>	<u>(32,132)</u>	-
Total property valuation	<u>\$ 8,553,253,685</u>				
Net Levy			34,212,857	32,188,707	2,024,150
Uncollected taxes at June 30, 2023			<u>(407,816)</u>	<u>(407,816)</u>	-
Current Year's Taxes Collected			<u>\$ 33,805,041</u>	<u>\$ 31,780,891</u>	<u>\$ 2,024,150</u>
Current Levy Collection Percentage			<u>98.81%</u>	<u>98.73%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property					\$ 7,705,968,411
Personal property					643,793,715
Public service companies					<u>203,491,559</u>
Total assessed valuation					<u>\$ 8,553,253,685</u>
Tax rate per \$100					<u>0.4000</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 34,212,857</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, 2023.					<u>\$ 4,988,591</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 4,988,591	\$ 4,913,830	\$ 74,761
2021-2022	56,406	-	26,360	30,046
2020-2021	29,662	-	10,503	19,159
2019-2020	21,982	-	7,146	14,836
2018-2019	16,167	-	3,508	12,659
2017-2018	13,661	-	2,985	10,676
2016-2017	9,037	-	2,189	6,848
2015-2016	7,932	-	1,345	6,587
2014-2015	8,364	-	1,413	6,951
2013-2014	7,072	-	1,403	5,669
2012-2013	5,493	-	5,493	-
Total	<u>\$ 175,776</u>	<u>\$ 4,988,591</u>	<u>\$ 4,976,175</u>	<u>188,192</u>

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund

(100,008)

Fire districts taxes receivable - net

\$ 88,184**Reconciliation of Revenues with Collections and Credits:**

Taxes - ad valorem - Fire Districts Fund

\$ 4,994,429

Taxes written off

4,414

Interest collected

(25,602)

Miscellaneous adjustments

2,934

Total collections and credits

\$ 4,976,175

MACON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 1,193,052
Clarks Chapel Fire District	357,888
Otto Fire District	517,038
Cullasaja Fire District	344,872
West Macon Fire District	329,132
Scaly Mountain Fire District	157,498
Burningtown / Iotla Fire District	266,633
Cowee Fire District	340,596
Nantahala Fire District	239,068
Highlands Fire District	1,102,193
Mountain Valley Fire District	<u>140,621</u>
Net Levy	4,988,591
Less uncollected taxes at June 30, 2023	<u>74,761</u>
Current Year's Taxes Collected	<u>\$ 4,913,830</u>
Current Levy Collection Percentage	<u>98.50%</u>

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Table 1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499	\$ 22,785,923	\$ 23,024,724	\$ 22,424,684	\$ 21,530,233	\$ 23,037,582
Restricted	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573	8,437,616	8,944,299
Unrestricted	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)	(48,719,428)	(50,571,560)	(51,044,893)	(46,379,410)	(27,371,999)
Total governmental activities net position	\$ 4,887,970	\$ 5,265,939	\$ 7,500,577	\$ 8,917,957	\$ (18,957,930)	\$ (19,507,729)	\$ (21,076,284)	\$ (21,100,636)	\$ (16,411,561)	\$ 4,609,882
Business-type activities										
Net investment in capital assets	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729	\$ 5,099,569	\$ 6,191,482	\$ 7,204,226	\$ 7,357,451	\$ 7,510,566
Unrestricted	1,295,966	(288,998)	634,732	1,925,721	(279,241)	(1,697,225)	1,443,970	411,206	(18,850)	(3,509,545)
Total business-type activities net position	\$ 3,404,070	\$ 3,310,090	\$ 4,069,511	\$ 5,448,446	\$ 4,013,488	\$ 3,402,344	\$ 7,635,452	\$ 7,615,432	\$ 7,338,601	\$ 4,001,021
Primary government										
Net investment in capital assets	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228	\$ 27,885,492	\$ 29,216,206	\$ 29,628,910	\$ 28,887,684	\$ 30,548,148
Restricted	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573	8,437,616	8,944,299
Unrestricted	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)	(50,416,653)	(49,127,590)	(50,633,687)	(46,398,260)	(30,881,544)
Total primary government net position	\$ 8,292,040	\$ 8,576,029	\$ 11,570,088	\$ 14,366,403	\$ (14,944,442)	\$ (16,105,385)	\$ (13,440,832)	\$ (13,485,204)	\$ (9,072,960)	\$ 8,610,903

Table 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722	\$ 15,128,363	\$ 14,294,811	\$ 16,345,979	\$ 13,345,895	\$ 12,366,566
Public safety	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121	16,494,724	20,316,737	20,773,669	19,234,772	19,553,169
Transportation	1,037,139	1,222,986	881,675	974,256	968,563	1,209,095	1,014,124	1,118,357	1,060,591	1,072,755
Economic development	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161	2,335,493	2,529,161	3,208,328	3,574,303	4,676,727
Human Services	10,752,050	10,118,181	10,933,958	11,807,685	10,447,531	10,632,450	11,021,630	12,046,235	10,520,367	10,158,686
Culture and recreation	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859	2,045,243	2,983,597	3,283,056	3,364,946	3,381,145
Education	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340	18,666,457	13,969,994
Interest on long-term debt	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	744,342	823,020	753,707
Total governmental activities expenses	\$ 53,333,870	\$ 52,455,256	\$ 55,106,692	\$ 58,488,330	\$ 57,439,952	\$ 60,677,281	\$ 64,966,538	\$ 69,218,306	\$ 70,590,351	\$ 65,932,749
Business-type activities:										
Solid Waste	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081	4,236,713	5,523,433	6,010,083	9,339,633
Total business-type activities expenses	\$ 5,320,092	\$ 3,491,676	\$ 2,851,060	\$ 3,095,465	\$ 4,103,556	\$ 5,213,081	\$ 4,236,713	\$ 5,523,433	\$ 6,010,083	\$ 9,339,633
Total primary government expenses	\$ 58,653,962	\$ 55,946,932	\$ 57,957,752	\$ 61,583,795	\$ 61,543,508	\$ 65,890,362	\$ 69,203,251	\$ 74,741,739	\$ 76,600,434	\$ 75,272,382
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,340,914	\$ 1,366,746	\$ 1,466,218	\$ 1,551,834	\$ 1,963,765	\$ 1,346,353	\$ 1,422,557	\$ 2,396,275	\$ 2,177,953	\$ 1,888,329
Public Safety	1,713,989	1,835,759	2,233,562	2,436,643	2,334,702	2,453,626	2,673,219	2,725,508	2,855,284	2,978,554
Transportation	-	-	-	-	125,210	159,903	130,192	85,638	98,778	145,555
Economic Development	629,929	65,941	62,232	69,766	77,491	90,552	110,782	168,802	189,418	196,124
Human Services	800,254	1,072,805	1,167,074	1,168,345	890,230	1,121,223	700,901	973,479	728,606	658,595
Culture and recreation	-	-	-	-	60,137	53,126	36,266	40,789	55,046	50,907
Education	-	-	-	49,695	-	-	-	-	3,766	-
Operating grants and contributions	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890	9,893,267	9,969,610	10,501,362	12,112,974	14,317,916
Capital grants and contributions	1,206,665	1,688,310	863,822	1,303,437	1,469,947	263,163	235,664	175,563	30,023	1,369,491
Total governmental activities program revenues	\$ 16,337,260	\$ 15,703,759	\$ 16,384,646	\$ 18,143,623	\$ 17,128,372	\$ 15,381,213	\$ 15,279,191	\$ 17,067,416	\$ 18,251,848	\$ 21,605,471
Business-type activities:										
Charges for services:										
Solid Waste	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973	4,468,721	5,171,154	5,560,226	5,551,531
Capital grants and contributions	-	-	-	-	-	-	-	320,000	-	-
Total business-type activities program revenues	\$ 3,470,358	\$ 3,489,389	\$ 3,577,947	\$ 4,410,967	\$ 4,517,245	\$ 4,444,973	\$ 4,468,721	\$ 5,491,154	\$ 5,560,226	\$ 5,551,531
Total primary government program revenues	\$ 19,807,618	\$ 19,193,148	\$ 19,962,593	\$ 22,554,590	\$ 21,645,617	\$ 19,826,186	\$ 19,747,912	\$ 22,558,570	\$ 23,812,074	\$ 27,157,002
Net (expense)/revenue	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)	\$ (45,296,068)	\$ (49,687,347)	\$ (52,150,890)	\$ (52,338,503)	\$ (44,327,278)
Governmental activities	(1,849,734)	(2,287)	726,887	1,315,502	413,689	(768,108)	232,008	(32,279)	(449,857)	(3,788,102)
Business-type activities	(38,846,344)	(36,753,784)	(37,995,159)	(39,029,205)	(39,897,891)	(46,064,176)	(49,455,339)	(52,183,169)	(52,788,360)	(48,115,380)
Total primary government net (expense)										

Table 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Taxes										
Property taxes	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629	\$ 31,967,564	\$ 34,760,708	\$ 35,465,402	\$ 38,345,888	\$ 39,420,977
Sales taxes	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746	15,890,574	17,954,435
Occupancy taxes	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021	2,367,722	2,305,304
Unrestricted intergovernmental revenues	357,068	330,950	393,453	380,677	417,271	431,018	445,277	452,144	468,586	495,992
Investment earnings	49,365	47,358	88,299	174,298	433,676	829,678	578,133	90,657	114,503	3,017,892
Transfers	-	-	-	-	-	-	-	-	(159,695)	(158,334)
Total governmental activities	<u>37,626,488</u>	<u>38,761,406</u>	<u>40,956,684</u>	<u>42,188,749</u>	<u>43,410,742</u>	<u>44,746,269</u>	<u>48,118,792</u>	<u>52,033,970</u>	<u>57,027,578</u>	<u>63,036,266</u>
Business-type activities:										
Investment earnings	10,251	9,110	32,534	63,433	95,295	156,964	111,642	12,259	13,331	292,188
Transfers	-	-	-	-	-	-	-	-	159,695	158,334
Special Item	-	-	-	-	-	-	3,889,458	-	-	-
Total business-type activities	<u>10,251</u>	<u>9,110</u>	<u>32,534</u>	<u>63,433</u>	<u>95,295</u>	<u>156,964</u>	<u>4,001,100</u>	<u>12,259</u>	<u>173,026</u>	<u>450,522</u>
Total primary government	<u>\$ 37,636,739</u>	<u>\$ 38,770,516</u>	<u>\$ 40,989,218</u>	<u>\$ 42,252,182</u>	<u>\$ 43,506,037</u>	<u>\$ 44,903,233</u>	<u>\$ 52,119,892</u>	<u>\$ 52,046,229</u>	<u>\$ 57,200,604</u>	<u>\$ 63,486,788</u>
Change in Net Position										
Governmental activities	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162	\$ (549,799)	\$ (1,568,555)	\$ (116,920)	\$ 4,689,075	\$ 18,708,988
Business-type activities	(1,839,483)	6,823	759,421	1,378,935	508,984	(611,144)	4,233,108	(20,020)	(276,831)	(3,337,580)
Total primary government	<u>\$ (1,209,605)</u>	<u>\$ 2,016,732</u>	<u>\$ 2,994,059</u>	<u>\$ 3,222,977</u>	<u>\$ 3,608,146</u>	<u>\$ (1,160,943)</u>	<u>\$ 2,664,553</u>	<u>\$ (136,940)</u>	<u>\$ 4,412,244</u>	<u>\$ 15,371,408</u>

Table 3
Macon County
General Fund Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2014	\$ 26,792,489	\$ 6,152,792	\$ 89,219	\$ 11,602	\$ 33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936
2019	28,456,704	8,383,227	77,870	12,786	36,930,587
2020	30,504,822	8,825,877	75,888	13,813	39,420,400
2021	31,216,927	11,125,535	75,210	15,805	42,433,477
2022	33,855,016	12,673,177	75,377	16,914	46,620,484
2023	34,363,339	14,369,525	69,477	16,629	48,818,970

Table 4

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non Spendable	\$ 286,403	\$ 327,791	\$ 276,961	\$ 313,233	\$ 263,820	\$ 397,881	\$ 680,502	\$ 615,606	\$ 459,088	\$ 419,062
Restricted	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853	4,695,531	4,638,471	5,130,375	5,741,639	6,177,326
Assigned	566,642	-	-	-	1,060,000	250,000	702,312	8,490	-	-
Unassigned	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076	23,951,465	25,475,900	32,122,385	37,844,632	45,106,813
Total General Fund	\$ 20,117,522	\$ 21,995,231	\$ 25,438,347	\$ 26,210,471	\$ 28,660,749	\$ 29,294,877	\$ 31,497,185	\$ 37,876,856	\$ 44,045,359	\$ 51,703,201
All other governmental funds										
Non Spendable in Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,171	\$ -	\$ -
Restricted in Debt Service Fund	430,358	598,000	395,347	328,238	338,417	349,223	296,988	404,995	468,188	98,073
Restricted in Consolidated Capital Projects	-	-	-	-	-	-	-	9,555,733	1,000,193	-
Restricted in Opioid Settlement Fund	-	-	-	-	-	-	-	-	-	401,346
Restricted in Other Governmental Funds	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558	2,190,056	1,453,726	1,919,831	2,139,276	2,253,091
Committed in Consolidated Capital Projects	-	-	-	-	-	-	-	441,925	3,122,177	-
Committed in Other Governmental Funds	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606	2,723,933	2,484,905	1,279,033	2,089,356	5,203,697
Assigned in Debt Service Fund	354,003	13,355	262,427	335,334	443,117	659,532	928,423	1,826,667	3,285,024	4,641,027
Unassigned in Other Governmental Funds	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)	(478,827)	(455,060)	(616,438)	(748,163)	(278,252)
Total all other governmental funds	\$ 5,328,222	\$ 3,719,000	\$ 4,184,127	\$ 4,993,785	\$ 4,663,247	\$ 5,443,917	\$ 4,708,982	\$ 14,819,917	\$ 11,356,051	\$ 12,318,982

Table 5

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Ad Valorem Taxes	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244	\$ 31,918,809	\$ 34,731,989	\$ 35,563,771	\$ 38,436,592	\$ 39,357,768
Sales Taxes	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746	15,890,574	17,954,435
Intergovernmental revenues	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783	10,584,828	10,650,551	11,122,955	12,611,583	14,462,051
Sales & Services	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491	2,953,579	2,880,918	3,209,117	3,287,251	3,470,148
Permits & Fees	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734	1,285,649	1,344,832	2,130,509	1,977,296	1,749,496
Investment earnings	49,112	47,116	86,955	172,914	430,777	824,308	571,945	90,573	113,721	2,999,257
Occupancy taxes	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021	2,367,722	2,305,304
Miscellaneous	303,346	246,020	178,396	259,707	580,114	288,176	505,620	505,332	401,105	346,016
Total revenues	53,832,980	54,198,407	56,924,458	59,944,196	59,598,309	59,353,358	63,020,529	68,648,024	75,085,844	82,644,475
Expenditures										
General government	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443	9,123,663	9,199,381	10,708,064	8,857,399	10,393,381
Public safety	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314	17,437,977	19,524,167	18,681,740	21,654,256	23,119,235
Transportation	1,016,489	1,228,966	1,073,513	1,262,628	895,088	1,325,908	967,961	943,651	1,033,084	1,816,675
Economic and physical development	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492	2,354,295	2,534,701	3,136,733	3,652,596	4,794,539
Human Services	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367	11,283,006	10,885,159	10,999,647	11,816,984	12,694,090
Culture and recreation	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178	2,363,042	2,436,949	2,712,926	2,929,473	2,994,688
Education	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340	18,666,457	13,969,994
Debt service										
Principal repayments	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890	3,039,148	3,136,604	2,924,149	2,728,227	3,776,768
Issuance costs	-	-	-	-	-	-	-	349,959	-	-
Interest	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	730,577	995,833	892,501
Total expenditures	54,473,697	55,729,920	56,002,093	57,662,414	56,616,767	59,758,952	61,491,400	62,885,786	72,334,309	74,451,871
Revenues over (under) expenditures	(640,717)	(1,531,513)	922,365	2,281,782	2,981,542	(405,594)	1,529,129	5,762,238	2,751,535	8,192,604
Other financing sources (uses)										
Issuance of long-term debt	-	1,800,000	2,985,878	-	-	2,923,674	-	19,320,000	-	-
Premium on long-term debt issued	-	-	-	-	-	-	-	2,381,364	-	-
Payments to escrow agent for refunded debt	-	-	-	-	-	-	-	(11,003,808)	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-	174,553	193,331
Subscription liabilities issued	-	-	-	-	-	-	-	-	-	454,928
Transfers in	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227	3,842,108	5,144,874	4,392,285	9,474,640	8,169,119
Transfers (out)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)	(4,945,390)	(5,206,630)	(4,454,041)	(9,696,091)	(8,389,209)
Total other financing sources (uses)	-	1,800,000	2,985,878	(700,000)	(861,802)	1,820,392	(61,756)	10,635,800	(46,898)	428,169
Net change in fund balances	\$ (640,717)	\$ 268,487	\$ 3,908,243	\$ 1,581,782	\$ 2,119,740	\$ 1,414,798	\$ 1,467,373	\$ 16,398,038	\$ 2,704,637	\$ 8,620,773
Debt service as a percentage of noncapital expenditures	11.6%	9.7%	8.0%	10.4%	7.1%	6.7%	6.6%	5.9%	5.2%	6.6%

**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				
2014	\$ 8,226,560,114	\$ 638,500,225	\$ 483,874,786	\$ 128,362,366	\$ 9,477,297,491	0.2790	\$ 7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771	9,472,645,160	0.2790	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092	7,945,408,883	0.3490	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966	8,003,397,136	0.3490	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797	8,053,753,869	0.3490	7,683,414,581	104.82%
2019	6,737,815,936	749,821,559	483,978,551	162,970,201	8,134,586,247	0.3490	7,795,451,607	104.35%
2020	6,734,571,033	728,008,990	488,645,357	169,344,809	8,120,570,189	0.3747	8,107,502,402	100.16%
2021	6,448,116,725	1,071,450,830	561,673,699	173,065,385	8,254,306,639	0.3747	8,546,600,372	96.58%
2022	6,531,028,746	1,086,592,590	596,507,750	183,348,500	8,397,477,586	0.4000	8,687,644,927	96.66%
2023	6,594,463,940	1,111,504,471	643,793,715	203,491,559	8,553,253,685	0.4000	9,569,538,694	89.38%

Source: Macon County Tax Department

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

Table 7

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

Year	<u>County Direct Rate</u>		<u>Overlapping Rates</u>	
	<u>MACON</u>	<u>Total Millage</u>	<u>FRANKLIN</u>	<u>HIGHLANDS</u>
2014		0.2790	0.2500	0.1350
2015		0.2790	0.2700	0.1500
2016		0.3490	0.2800	0.1640
2017		0.3490	0.2800	0.1640
2018		0.3490	0.3200	0.1640
2019		0.3490	0.3200	0.1640
2020		0.3747	0.3200	0.1565
2021		0.3747	0.3200	0.1565
2022		0.4000	0.3200	0.1565
2023		0.4000	0.3500	0.1565

Source: County and Municipal Tax Departments

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

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

	2023			2014				
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Duke Energy Carolinas, LLC	\$ 170,252,882	1	1.99%	Duke Energy Corporation	\$ 96,871,424	1	1.02%
	Old Edwards Inn & Spa LLC	42,800,899	2	0.50%	Old Edwards Inn & Spa LLC	59,053,213	2	0.62%
	MH Angel Medical Center LLP	39,097,065	3	0.46%	Drake Enterprises	52,076,795	3	0.55%
	Highlands Golf/Country Club	26,433,642	4	0.31%	Shaw Industries Group	23,508,587	4	0.25%
	Tri Real Estate LLC	20,648,590	5	0.24%	Highlands Golf Club	23,083,698	5	0.24%
	Cullasaja Club Inc	18,370,133	6	0.21%	Macon Bank	21,860,654	6	0.23%
	Beasley Flooring Products	16,584,402	7	0.19%	Cullasaja Club Inc.	18,030,253	7	0.19%
	Ingles Markets	15,943,679	8	0.19%	Rainbow Springs Partnership	17,044,960	8	0.18%
	Sagee Property Investments	15,647,780	9	0.18%	Caterpillar Inc.	16,988,805	9	0.18%
	Rockwood Lodge LLC	15,560,580	10	0.18%	Rockwood Lodge LLC	16,152,470	10	0.17%
	Totals	\$ 381,339,652		4.45%		\$ 344,670,859		3.63%
	Total Taxable Assessed Value	\$ 8,553,253,685			Total Taxable Assessed Value	\$ 9,477,297,491		

Source: Macon County Tax Department

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

Table 9

Fiscal Year Ended	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	
June 30							
2014	\$ 26,441,660	\$ 25,705,256	97.21%	704,286	\$ 26,409,542	99.88%	
2015	26,428,680	25,818,391	97.69%	572,723	26,391,114	99.86%	
2016	27,729,477	27,244,243	98.25%	446,870	27,691,113	99.86%	
2017	27,931,856	27,506,161	98.48%	383,554	27,889,715	99.85%	
2018	28,107,601	27,656,763	98.40%	393,408	28,050,171	99.80%	
2019	28,389,706	27,927,674	98.37%	390,858	28,318,532	99.75%	
2020	30,407,062	29,927,608	98.42%	398,775	30,326,383	99.73%	
2021	30,928,764	30,510,957	98.65%	311,910	30,822,867	99.66%	
2022	33,566,407	33,229,757	99.00%	162,392	33,392,149	99.48%	
2023	34,212,857	33,805,041	98.81%	-	33,805,041	98.81%	

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

Fiscal Year	Governmental Activities						Business-type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Limited Obligation Bonds	Unamortized Premium	Installment Contracts	Lease Liabilities	Subscription Liabilities	Special Obligation Bonds	Installment Contracts	Lease Liabilities	Subscription Liabilities	Primary Government					
2014	\$ -	\$ -	\$ 36,050,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,050,897	3.14%	1,048		
2015	-	-	33,986,857	-	-	-	-	-	-	-	33,986,857	2.85%	985		
2016	-	-	33,673,231	-	-	9,800,000	-	-	-	-	43,473,231	3.44%	1,247		
2017	-	-	28,819,125	-	-	8,902,964	-	-	-	-	37,722,089	2.82%	1,076		
2018	-	-	25,800,235	-	-	7,996,638	-	-	-	-	33,796,873	2.42%	949		
2019	-	-	25,684,761	-	-	7,070,470	-	-	-	-	32,755,231	2.24%	907		
2020	-	-	22,548,157	-	-	6,124,471	-	-	-	-	28,672,628	1.79%	785		
2021	19,320,000	2,349,721	8,620,200	-	-	5,161,073	-	-	-	-	35,450,994	1.93%	956		
2022	18,190,000	2,230,653	7,114,004	82,522	-	4,172,609	-	-	-	-	31,793,903	N/A	851		
2023	16,535,000	2,111,585	5,244,444	219,094	259,479	3,162,552	-	-	-	-	27,532,154	N/A	732		

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
Personal income for 2022 & 2023 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
2014	\$ 9,477,297,491	\$ -	\$ -	0.00%	34,385	-
2015	9,472,645,160	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	0.00%	35,596	-
2019	8,134,586,247	-	-	0.00%	36,101	-
2020	8,120,570,189	-	-	0.00%	36,544	-
2021	8,254,306,639	-	-	0.00%	37,102	-
2022	8,397,477,586	-	-	0.00%	37,347	-
2023	8,553,253,685	-	-	0.00%	37,636	-

Source: Population Estimate from LINC for years 2014-2016 and from NC Office of State Budget and Management for 2017-2023.
 Assessed Value from Macon County Tax Department.

Table 12

**Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023**

<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	\$ 24,369,602	100.00%	\$ 24,369,602
Total Direct Debt	<u>24,369,602</u>		<u>24,369,602</u>
Overlapping Debt:			
Town of Franklin	528,760	11.27%	59,597
Town of Highlands	11,009,533	2.88%	317,391
Total Overlapping Debt	<u>11,538,293</u>		<u>376,988</u>
Total direct and overlapping debt	\$ <u>35,907,895</u>		\$ <u>24,746,590</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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310	\$ 650,766,900	\$ 649,645,615	\$ 660,344,531	\$ 671,798,207	\$ 684,260,295
Total net debt applicable to limit	36,050,897	33,986,857	43,473,231	37,722,089	33,796,873	32,755,231	28,672,628	35,450,994	31,707,266	27,053,581
Legal debt margin	\$ 722,132,902	\$ 723,824,756	\$ 592,159,480	\$ 602,549,682	\$ 610,503,437	\$ 618,011,669	\$ 620,972,987	\$ 624,893,537	\$ 640,090,941	\$ 657,206,714
Total net debt applicable to the limit as a percentage of debt limit	4.75%	4.48%	6.84%	5.89%	5.25%	5.03%	4.41%	5.37%	4.72%	3.95%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	\$ 8,553,253,685
Add back: exempt real property	-
Total assessed value	\$ 8,553,253,685
Debt Limit (8% of total assessed value)	\$ 684,260,295
Debt applicable to limit:	
Installment Contracts	5,244,444
Limited Obligation Bonds	16,535,000
Special Obligation Bonds	3,162,552
Unamortized Premium	2,111,585
Legal debt margin	\$ 657,206,714

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2014	34,385	\$ 1,149,612,000	\$ 33,434	48.6	4,484	6.3
2015	34,494	1,193,465,000	34,599	48.7	4,475	6.3
2016	34,851	1,263,179,000	36,245	48.7	4,475	5.3
2017	35,047	1,337,726,000	38,169	48.8	4,379	4.2
2018	35,596	1,396,257,000	39,225	48.8	4,436	4.2
2019	36,101	1,464,730,000	40,573	49.0	4,416	4.4
2020	36,544	1,604,020,000	43,893	49.0	4,507	6.6
2021	37,102	1,835,954,000	49,484	49.2	4,312	4.2
2022	37,347	N/A	N/A	49.6	4,412	3.8
2023	37,636	N/A	N/A	51.4	4,410	3.2

Note: Population for 2017-2023 and median age for 2014-2023 is from N C Office of State Budget and Management.

Personal income from 2014-2021 obtained from Bureau of Economic Analysis.

Personal income for 2022 & 2023 is not available.

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

Unemployment rate for 2014-2023 and population for 2014-2016 is from LINC.

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

Table 15
Macon County
Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	675	1	4.08%	644	2	4.16%
Macon County	654	2	3.95%	574	3	3.71%
Drake Software, Inc.*	641	3	3.87%			
Ingles Markets, Inc.	509	4	3.08%	175	8	1.13%
Wal-Mart Associates Inc.	270	5	1.63%	220	6	1.42%
Mission Health (formerly Angel Medical Center)	226	6	1.37%	532	4	3.43%
Drake Enterprises LTD (A Corp)	151	7	0.91%	746	1	4.82%
Lowe's Home Centers Inc.	140	8	0.85%			
Madison's	103	9	0.62%			
Beasley Flooring Products, Inc. **	88	10	0.53%	148	10	0.96%
Drake Enterprises LTD (A Corp)				244	5	1.58%
Highlands-Cashiers Hospital				192	7	1.24%
Entegra Bank (formerly Macon Bank)				171	9	1.10%
Caterpillar Inc.						
Total	3,457		20.89%	3,646		23.55%
Total Labor Force estimate	16,550			15,491		

Source: Employers' Human Resource Departments

* Formerly part of Drake Enterprises LTD (A Corp)

** Formerly Shaw Industries Group Inc. (Formally Zickgraf)

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

Table 16

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	97.5	98.5	97.0	98.0	97.0	95.0	99.0	95.0	86.0	85.0
Public Safety	161.0	162.4	163.0	172.0	181.0	180.0	180.0	185.0	185.0	192.0
Human Services	111.0	115.0	121.0	123.0	123.0	124.0	124.0	114.0	105.0	111.0
Culture and Recreation	11.5	12.0	12.0	12.0	11.0	11.0	12.0	15.0	16.0	17.0
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Transportation	17.0	16.8	16.0	17.0	18.0	18.0	16.0	15.0	17.0	18.0
Landfill	36.0	35.0	35.0	36.0	37.0	36.0	36.0	36.0	37.0	37.0
Total	434	440	444	458	467	464	467	460	446	460

Source: Macon County Human Resource Department

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Law Enforcement										
Physical arrests	1,232	1,278	1,442	1,917	1,926	1,842	2,048	1,563	1,462	717
Traffic violations	1,179	1,054	447	374	394	405	245	161	174	458
Fire										
Number of calls answered	4,244	4,571	4,626	5,068	5,873	5,161	4,549	4,737	4,906	5,222
Inspections	490	450	452	560	525	550	500	300	350	300
Economic Development										
Number of industrial parks	1	1	1	1	1	1	1	1	1	1
Human Services										
Dept. of Social Services										
Number of CHIP cases eligible	228	278	321	457	272	317	323	311	238	1,078 **
Number of Food & Nutrition cases eligible	3,043	2,763	2,622	2,410	2,075	2,038	2,099	2,362	2,432	2,329
Number of Medicaid eligible cases	4,491	5,885	5,675	7,397	5,577	5,432	5,590	6,088	6,377	10,087
Health										
Number of WIC cases	1,087	1,064	1,117	1,076	971	942	959	939	970	904
Number of family planning cases	526	558	737	648	442	421	583	535	260	369
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	7	7	7	7	7	7	8	8	10	10
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.

** CHIP program was discontinued as of April 2023

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

Table 18

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police:										
Stations	4	4	6	6	5	5	5	6	6	6
Patrol units	45	57	56	56	55	55	55	55	56	58
Fire stations	16	17	18	20	20	20	20	20	22	21
Culture and recreation										
Parks acreage	401	401	401	401	401	401	407	407	407	407
Parks	7	7	7	7	7	7	8	8	10	10
Swimming pools	3	3	3	3	3	3	3	3	2	2
Tennis courts	6	6	6	6	6	6	6	6	7	7
Community centers	2	2	2	2	2	2	2	2	2	2
Landfill										
Number of municipal solid waste sites	2	2	2	2	2	2	2	2	2	2
Number of construction and demolition sites	-	-	-	-	-	-	-	-	-	-
Number of convenience centers	11	11	11	11	11	11	11	11	11	11

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

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