

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2020

**MACON COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2020

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

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INTRODUCTORY SECTION

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December 7, 2020

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Macon County for the fiscal year ended June 30, 2020. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. Their unmodified opinion is included in the basic financial statements. However, this report is presented by the County, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY:

Macon County, founded in 1828, is located in the Southwestern area of the state. Macon County has land area of 516 square miles and an estimated population of 36,544. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include Drake Software (tax software), TekTone Sound & Signal Mfg., Inc. (healthcare communications), Duotech Services (aerospace), Tricorn USA (metal tubular fabrication), and Beasley Flooring Products (flooring). Healthcare includes three medical campuses from two health systems (Hospital Corporation of America Healthcare and Duke LifePoint Healthcare). Tourism and hospitality is especially strong in both the Highlands and Franklin areas, with entities such as Old Edwards Inn & Spa and the Smoky Mountain Center for the Performing Arts gaining national and global recognition. Macon County's natural resources, beauty, and proximity to major population centers have made it a major destination for both green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Three local breweries are located in the county. Real estate and second home/retirement construction are also major contributors to the local economy. Agriculture include vegetables, ornamentals, Christmas trees, trout production, and livestock. In addition, several national, regional, and local banks maintain operations in the county. Two municipalities are located in the County, the largest being the Town of Franklin, which serves as the County seat, and Highlands, a major travel/tourism and vacation home destination. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms.

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

ECONOMIC CONDITIONS AND OUTLOOK:

The COVID-19 pandemic has been a major factor in the 2020 economy, affecting practically every business in the County. Unemployment began the year at 4.2%, topping out at 11.3% in April 2020, before dropping down to 6.6% in June 2020. Labor force estimates remained relatively flat (15K-16K), a cause for concern for future economic growth. Sales tax revenues began the year strong, saw a decline March – May 2020, but rebounded in June 2020, finishing the year 5.3% higher than the prior year. Occupancy tax collections took a significant hit March – May 2020, but rebounded in June 2020 resulting in a 14.8% increase over the prior year.

The economic outlook going forward is dependent upon the COVID-19 pandemic. While some sectors of the economy have recovered rather quickly, many businesses have had to close or restrict hours/capacity due to pandemic restrictions. How quickly these businesses rebound depends on how soon the pandemic situation is deemed safe enough for a full reopening.

The private sector owns 51.74% of Macon County's 329,958 total acres with the U.S. Forest Service owning 46.4% or 153,110 acres. The remaining 1.86% is exempt acreage. There are 43,757 parcels of land and 42,747 are taxable. The total appraised value of taxable property is \$8.12 billion. The tax rate is 37.47 cents per \$100 valuation and current year taxes collected were \$29,927,608. Duke Energy Corporation continues to be the County's largest taxpayer with 1.66% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.4% 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 Comprehensive Annual Financial Report reflects the sound fiscal policies our elected officials have established to achieve their annual priorities for programs, services, and capital improvements. These policies have resulted in the County's strong financial position.

Macon County has developed a process 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. The COVID-19 pandemic dealt a harsh blow to the local economy, especially during the first two quarters of 2020. Much of the county's economic development efforts were focused on providing assistance and resources to local businesses affected by the pandemic. EDC worked with strategic partners such as Southwestern Community College's Small Business Center, NC Rural Center, the Small Business Administration, the Franklin Area and Highlands Chambers of Commerce, private financial institutions, and others in facilitating financial assistance for local businesses. Local businesses were able to access assistance in such programs as the SBA's Paycheck Protection Program (PPP), the Economic Injury Disaster Loan Program (EIDL), and the NC Rapid Recovery loan program. In addition, the county funded a local small business loan program, Reopening Macon Fund, with an appropriation of \$250,000. New projects announced included the development of the former Walmart Center by the Ingles Markets supermarket chain, to include a new grocery store building, an iMarket, gas station, car wash, and other large retail tenants. Hospital Corporation of America Healthcare (HCA) confirmed its intention to build a new hospital in Franklin and a group of local investors filed an application with the NC Banking Commission for a new bank in Highlands (the Highlands Banking Company). STEM education continued to be a major initiative of the Macon County Public School system, as the county and region continues to struggle with providing an adequate workforce for local employers. The county broadband committee continued efforts to expand broadband access by amending the county's Wireless Telecommunications Facilities Ordinance to fast-track internet service providers' (ISPs) applications for tower construction. In addition, the county released a Request for Proposal for broadband expansion, allocating grants of up to \$580,000 for successful proposals. The county also worked with providers applying for state GREAT grants.

SCHOOLS – Macon County continues to meet the challenge of providing school facilities as recommended by the facilities planning committee made up of county and school officials. During the fiscal year, the County completed construction of an addition to South Macon Elementary School at a total project cost of \$3,266,690. In addition, the County entered into a contract with SGA | NarmourWright Design for architectural services associated with a complete renovation of Macon Middle School. Furthermore, the County funded \$1,170,145 of annual capital needs.

PUBLIC SAFETY – The County equipped the Sheriff's Department patrol division with in car cameras and body cameras. A \$65,000 grant from the State helped fund this \$216,795 project. Macon County EMS upgraded several pieces of medical equipment through a \$195,000 grant received from the Dogwood Health Trust Fund.

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 \$8,894,376. The County has already recognized a liability of \$6,838,178 for closure, post closure, and corrective action costs, based upon the amount of cell capacity used to date. The old Franklin site has 2 years remaining and the old Highlands site has 3 years remaining of postclosure care. Although the County has complied with the EPA's financial assurance requirements through the use of the local government financial test, a reserve fund has been established to pay for the future costs of closure and postclosure care for the current landfill. Additional information is included in the notes to the financial statements.

AIRPORT ACTIVITIES - With increased air traffic, Macon County Airport continues to make major upgrades and improvements. The Authority completed the update of its Airport Layout Plan. Design of a new fuel farm began. 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, 2020 provided no material instances of noncompliance.

BUDGETING CONTROLS - In addition to the single audit, the County maintains budgetary controls. The objective of these budgetary controls is to maintain compliance with legal provisions embodied in the annual budget approved by the Board of Commissioners. The activities of the County are included in either the annual budget ordinance or a project budget ordinance, which may extend longer than one fiscal year. The budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level for the General Fund, Special Revenue Funds, Debt Service Fund, and Enterprise Funds, and at the direct level for the Capital Projects Funds. The County Manager has the authority to make various changes including inter-departmental transfers, executing grant agreements, and other changes as defined in the annual budget ordinance. The County also maintains an encumbrance accounting system as one technique of

accomplishing budgetary control. Encumbered amounts lapse at year-end; however, encumbrances generally are reappropriated in the following year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. There were no significant variances in final amended budget versus actual results.

FINANCIAL POLICIES - Macon County has a fund balance policy to maintain an unassigned fund balance of at least 25% of expenditures and transfers out. Over the years, the county has maintained a very healthy financial position, which has been very beneficial during the downturn of the economy. Because of that position, the county has only reduced its workforce through attrition.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Macon County for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Macon County has received twenty-three annual GFOA Certificates for Excellence in Financial Reporting.

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

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

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

Respectfully submitted,

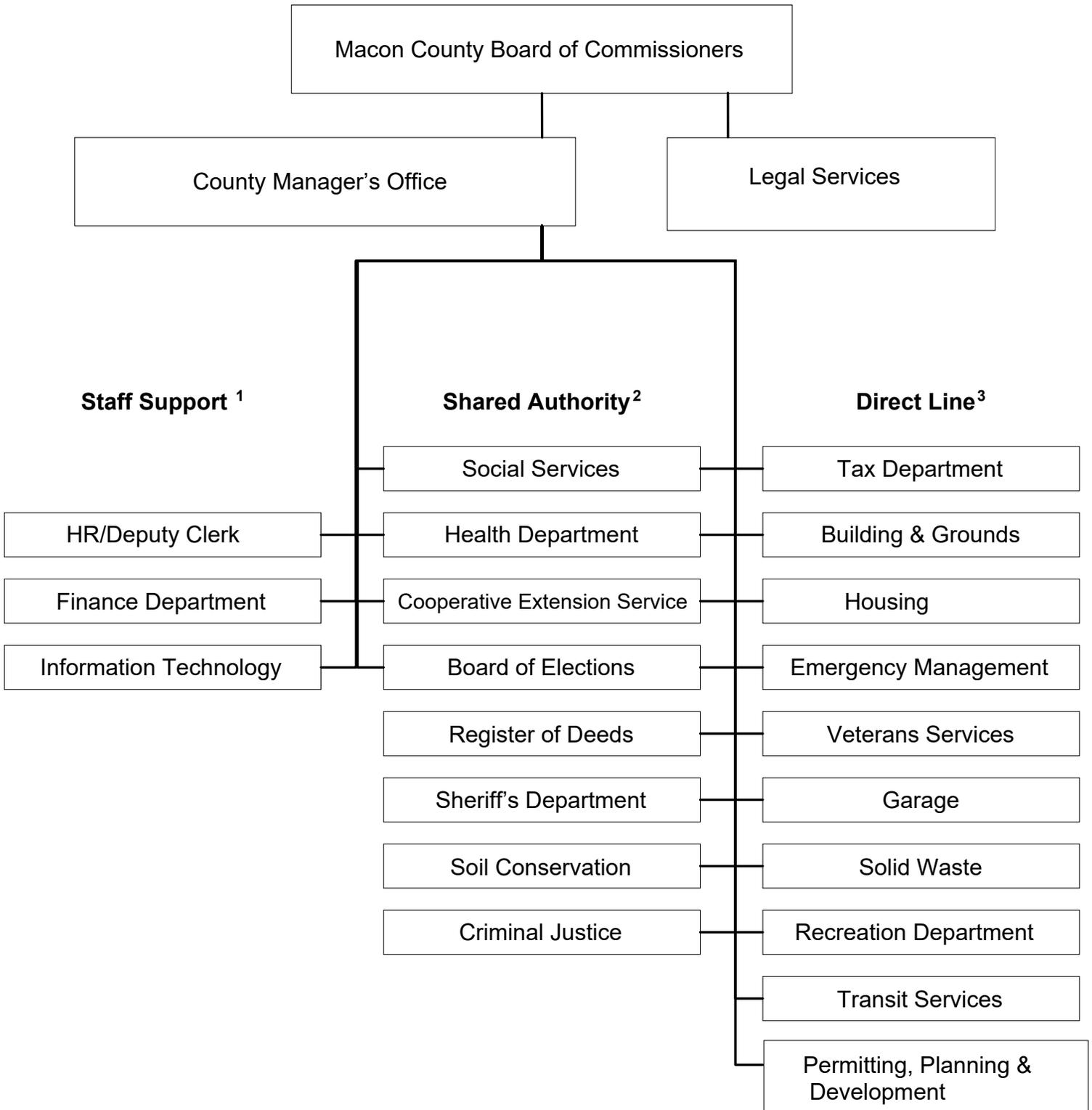


Lori M. Carpenter
Finance Director



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, 2020

Board of Commissioners

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

Principal Officials

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Macon County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Board of Commissioners
Macon County
Franklin, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020 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
December 7, 2020

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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, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

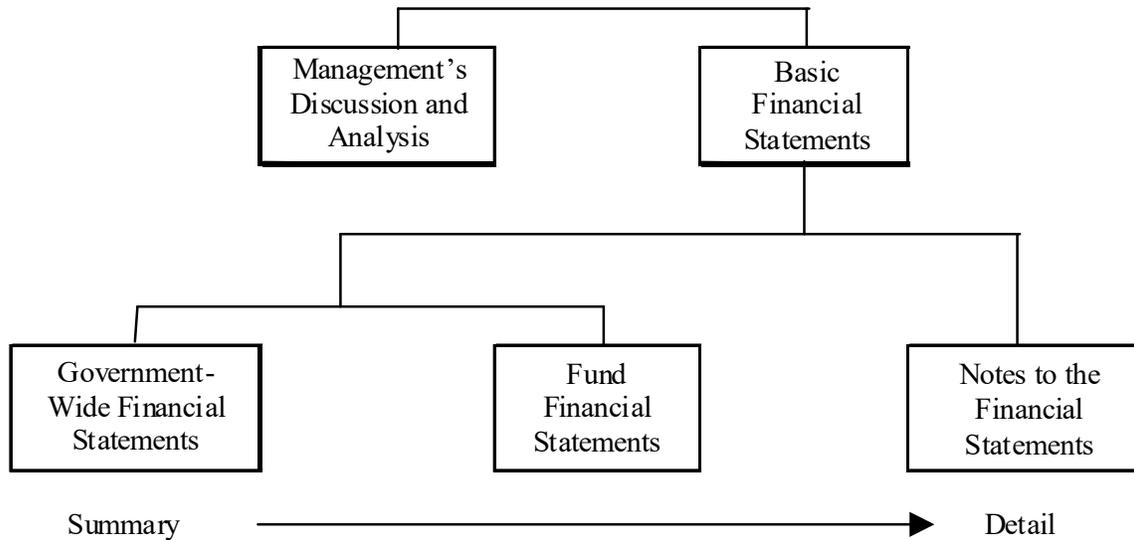
Financial Highlights

- The liabilities and deferred inflows of resources of Macon County exceeded its assets and deferred outflows of resources at the close of the fiscal year by (\$13,440,832) (*net position*).
- The County's total net position increased by \$2,664,553, primarily due to an increase in the net position of business-type activities.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$31,497,185, an increase of \$2,202,308 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$36,206,167. Approximately 19.53% of this total amount, or \$7,069,687, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$25,475,900, or 49.24%, of total General Fund expenditures and transfers out for the fiscal year.
- Macon County's total debt decreased by \$4,082,603 (12.46%) during the fiscal year. The key factor in this decrease was making current year payments on installment contracts and special obligation bonds. The County is not currently rated by the rating agencies.
- Macon County's total liabilities increased by \$8,682,603, or 8.35%, during the past fiscal year, primarily due to an increase in total OPEB liability.

Overview of the Financial Statements

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

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



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Macon County's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 40,917,158	\$ 41,001,267	\$ 13,335,615	\$ 12,965,459	\$ 54,252,773	\$ 53,966,726
Capital assets	24,311,874	24,248,512	11,272,519	11,598,250	35,584,393	35,846,762
Total assets	65,229,032	65,249,779	24,608,134	24,563,709	89,837,166	89,813,488
Deferred outflows of resources	6,056,436	16,411,588	353,257	985,305	6,409,693	17,396,893
Long-term liabilities						
outstanding	76,761,584	89,299,364	19,808,130	16,103,842	96,569,714	105,403,206
Other liabilities	6,179,469	5,946,450	1,283,703	1,365,833	7,463,172	7,312,283
Total liabilities	82,941,053	95,245,814	21,091,833	17,469,675	104,032,886	112,715,489
Deferred inflows of resources	7,852,144	7,491,837	467,214	443,887	8,319,358	7,935,724
Net position:						
Net investment in capital assets	22,785,923	23,024,724	5,099,569	6,191,482	27,885,492	29,216,206
Restricted	6,425,776	6,470,552	-	-	6,425,776	6,470,552
Unrestricted	(48,719,428)	(50,571,560)	(1,697,225)	1,443,970	(50,416,653)	(49,127,590)
Total net position	\$ (19,507,729)	\$ (21,076,284)	\$ 3,402,344	\$ 7,635,452	\$ (16,105,385)	\$ (13,440,832)

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by (\$13,440,832) as of June 30, 2020. The County's net position increased by \$2,664,553 for the fiscal year ended June 30, 2020. One of the largest portions of Macon County's net position, \$29,216,206, 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, \$6,470,552, 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 \$49,127,590 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	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 5,224,783	\$ 5,073,917	\$ 4,444,973	\$ 4,468,721	\$ 9,669,756	\$ 9,542,638
Operating grants and contributions	9,893,267	9,969,610	-	-	9,893,267	9,969,610
Capital grants and contributions	263,163	235,664	-	-	263,163	235,664
General revenues:						
Property taxes	31,967,564	34,760,708	-	-	31,967,564	34,760,708
Other taxes	11,518,009	12,334,674	-	-	11,518,009	12,334,674
Other	1,260,696	1,023,410	156,964	111,642	1,417,660	1,135,052
Total revenues	<u>60,127,482</u>	<u>63,397,983</u>	<u>4,601,937</u>	<u>4,580,363</u>	<u>64,729,419</u>	<u>67,978,346</u>
Expenses:						
General government	15,128,363	14,294,811	-	-	15,128,363	14,294,811
Public safety	16,494,724	20,316,737	-	-	16,494,724	20,316,737
Transportation	1,209,095	1,014,124	-	-	1,209,095	1,014,124
Economic and physical development	2,335,493	2,529,161	-	-	2,335,493	2,529,161
Human services	10,632,450	11,021,630	-	-	10,632,450	11,021,630
Cultural and recreational	2,045,243	2,983,597	-	-	2,045,243	2,983,597
Education	12,005,306	12,025,506	-	-	12,005,306	12,025,506
Interest on long-term debt	826,607	780,972	-	-	826,607	780,972
Solid waste	-	-	5,213,081	4,236,713	5,213,081	4,236,713
Total expenses	<u>60,677,281</u>	<u>64,966,538</u>	<u>5,213,081</u>	<u>4,236,713</u>	<u>65,890,362</u>	<u>69,203,251</u>
Change in net position before special items	(549,799)	(1,568,555)	(611,144)	343,650	(1,160,943)	(1,224,905)
Special item - increase in landfill capacity	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,889,458</u>	<u>-</u>	<u>3,889,458</u>
Change in net position	(549,799)	(1,568,555)	(611,144)	4,233,108	(1,160,943)	2,664,553
Net Position:						
Beginning of year - July 1	<u>(18,957,930)</u>	<u>(19,507,729)</u>	<u>4,013,488</u>	<u>3,402,344</u>	<u>(14,944,442)</u>	<u>(16,105,385)</u>
End of year - June 30	<u>\$ (19,507,729)</u>	<u>\$ (21,076,284)</u>	<u>\$ 3,402,344</u>	<u>\$ 7,635,452</u>	<u>\$ (16,105,385)</u>	<u>\$ (13,440,832)</u>

Governmental Activities. Of the total net position, governmental activities account for (\$21,076,284), (156.81%). Property taxes provide 54.83% of funding at \$34,760,708, charges for services funded at \$5,073,917, local option sales tax and occupancy tax funded at \$12,334,674, and operating grants funded at \$9,969,610 of Macon County's governmental activities. Governmental activities decreased Macon County's net position by \$1,568,555. This decrease is primarily due to an increase in spending in public safety, human services, and cultural and recreational.

Business-Type Activities. Business-type activities increased the County's net position by \$4,233,108. This increase is primarily attributable to an increase in landfill capacity.

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 \$26,641,940, while total fund balance reached \$31,497,185. The County currently has an available fund balance of 51.50% of General Fund expenditures and transfers out, while total fund balance represents 60.88% of that same amount. Total fund balance in the General Fund increased by \$2,202,308. This increase is primarily attributable to an increase in sales tax and ad valorem tax revenues.

As of the end of the current fiscal year, Macon County's governmental funds reported combined ending fund balances of \$36,206,167, an increase of \$1,467,373 in comparison with the prior year. This increase is primarily attributable to an increase in sales tax, ad valorem tax, and occupancy 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 \$5,311,601. The majority of this increase was attributable to additional restricted intergovernmental revenues, as well as appropriated fund balance. The difference between the final budgeted amount and the actual expenditures and transfers out was \$6,579,918. This difference is primarily due to underspending the budget in human services, general government, and public safety.

Proprietary Funds. Macon County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the year totaled \$1,443,970. The increase of \$3,141,195 over the prior year is primarily attributable to an increase in landfill capacity. 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, 2020 amount to \$35,846,762, (net of accumulated depreciation). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- Purchased 5 new vehicles for the Sheriff’s Department
- Purchased 26 in car cameras for the Sheriff’s Department
- Purchased 1 new van for Transit
- Purchased 1 new ambulance for EMS
- Completed an ambulance remount for EMS
- Purchased an excavator, loader, and tractor for Solid Waste
- Added a new cell to the MSW landfill in Solid Waste

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 9,858,171	\$ 9,930,051	\$ 1,773,021	\$ 1,773,021	\$ 11,631,192	\$ 11,703,072
Buildings and improvements	32,504,342	32,541,908	9,779,175	16,911,694	42,283,517	49,453,602
Furniture and equipment	4,435,762	4,760,306	4,071,965	4,896,912	8,507,727	9,657,218
Vehicles	7,136,062	7,812,746	827,737	849,858	7,963,799	8,662,604
Construction in progress	941,749	1,530,797	7,141,733	107,105	8,083,482	1,637,902
Subtotal	<u>54,876,086</u>	<u>56,575,808</u>	<u>23,593,631</u>	<u>24,538,590</u>	<u>78,469,717</u>	<u>81,114,398</u>
Less accumulated depreciation	<u>(30,564,212)</u>	<u>(32,327,296)</u>	<u>(12,321,112)</u>	<u>(12,940,340)</u>	<u>(42,885,324)</u>	<u>(45,267,636)</u>
Total	<u>\$ 24,311,874</u>	<u>\$ 24,248,512</u>	<u>\$ 11,272,519</u>	<u>\$ 11,598,250</u>	<u>\$ 35,584,393</u>	<u>\$ 35,846,762</u>

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

Long-Term Debt. As of June 30, 2020, Macon County has special obligation bonds outstanding of \$6,124,471.

Macon County's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Installment contracts	\$ 25,684,761	\$ 22,548,157	\$ -	\$ -	\$ 25,684,761	\$ 22,548,157
Special obligation bonds	-	-	7,070,470	6,124,471	7,070,470	6,124,471
Total	<u>\$ 25,684,761</u>	<u>\$ 22,548,157</u>	<u>\$ 7,070,470</u>	<u>\$ 6,124,471</u>	<u>\$ 32,755,231</u>	<u>\$ 28,672,628</u>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Macon County is approximately \$620,973,000, which is significantly greater than Macon County's outstanding debt.

More detailed information on the County's long-term debt can be found in the notes to the financial statements beginning on page 70.

Economic Factors and Next Year's Budgets and Rates

The following factors reflect the economic activity of the County.

- During the first half of the fiscal year, the County's unemployment rate averaged 3.6%; however, due to the COVID-19 pandemic, the second half of the fiscal year averaged 7% with a jump in the rate from 4.5% in March 2020 to 11.3% in April 2020. The County is experiencing some degree of recovery with a June 2020 unadjusted unemployment rate of 6.6% compared to the state's unadjusted unemployment rate of 7.9%. The County's June 2020 rate is 2.2% higher than it was a year ago.
- Despite the COVID-19 pandemic, sales tax distributions increased 5.3% over the prior year and occupancy tax receipts increased 14.8% over the prior year.
- Low debt burden and property tax rate – The County's existing debt obligations are only 4.6% of its statutory limit. The property tax rate of \$0.3747/\$100 is below the State average of \$0.6786/\$100 and the third lowest of all 100 counties in North Carolina.

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

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities. Taxes are based on \$8.09 billion in property valuation, with the tax rate remaining at \$0.3747 per \$100 of assessed value. The County adjusted the tax collection rate from 98.3% to 97.3% to compensate for the anticipated decline in the taxpayers' ability to pay. Sales tax revenues were budgeted 5.2% less than the FY2020 budget. These budgeted declines in the tax collection rate and sales tax collections are due to the economic uncertainty brought about by the COVID-19 pandemic. The County balanced the budget using \$702,312 of fund balance for new tax collection software, SAN/NAS data storage, and matching funds for a 1,200 SF addition to the Transit facility.

Budgeted expenditures in the General Fund are \$52,302,445, which is \$951,057 less than the FY2020 original budget, or 1.8%. The budget includes an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees at a cost of approximately \$199,000 and an increase to the County's contribution for employees' health insurance of approximately \$186,000. The budget contains \$702,312 in capital outlay.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$5,409,782, which represents a decrease of \$36,256, or 0.7%. The budget includes a \$13.00 increase in the annual solid waste availability fee, which generates approximately \$325,000 in revenue. This new revenue offsets a decline in revenue from the sale of recyclables as well as costs for unfunded mandatory recycling programs.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

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MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Macon County Airport Authority
Assets:				
Cash and cash equivalents	\$ 33,234,922	\$ 11,879,291	\$ 45,114,213	\$ 103,296
Taxes receivable, net	703,551	-	703,551	-
Interest receivable	11,763	413	12,176	-
Accounts receivable, net	874,644	368,052	1,242,696	-
Due from other governments	5,233,571	-	5,233,571	-
Inventories	6,145	-	6,145	-
Prepaid items	424,357	-	424,357	-
Restricted cash and cash equivalents	195,797	717,703	913,500	-
Notes receivable - long term	250,000	-	250,000	-
Net pension asset - ROD	66,517	-	66,517	-
Non-depreciable capital assets	11,460,848	1,880,126	13,340,974	2,930,538
Depreciable capital assets, net	12,787,664	9,718,124	22,505,788	11,257,559
Total assets	65,249,779	24,563,709	89,813,488	14,291,393
Deferred Outflows of Resources:				
Pension deferrals	3,837,211	219,172	4,056,383	-
OPEB deferrals	12,574,377	766,133	13,340,510	-
Total deferred outflows of resources	16,411,588	985,305	17,396,893	-
Liabilities:				
Accounts payable and accrued liabilities	2,666,207	341,099	3,007,306	1,282
Grants received in advance	195,797	-	195,797	-
Current portion of compensated absences	114,509	6,457	120,966	-
Non-current liabilities:				
Non-current compensated absences	1,030,576	58,114	1,088,690	-
Due in less than one year	2,969,937	1,018,277	3,988,214	-
Due in more than one year	19,578,220	11,944,372	31,522,592	-
Net pension liability - LGERS	6,308,987	370,848	6,679,835	-
Total pension liability - LEOSSA	1,153,313	-	1,153,313	-
Total OPEB liability	61,228,268	3,730,508	64,958,776	-
Total liabilities	95,245,814	17,469,675	112,715,489	1,282
Deferred Inflows of Resources:				
Prepaid taxes	55,712	-	55,712	-
Pension deferrals	303,783	9,327	313,110	-
OPEB deferrals	7,132,342	434,560	7,566,902	-
Total deferred inflows of resources	7,491,837	443,887	7,935,724	-
Net Position:				
Net investment in capital assets	23,024,724	6,191,482	29,216,206	14,188,097
Restricted for:				
Stabilization by state statute	5,368,884	-	5,368,884	-
Register of Deeds' pension plan	81,367	-	81,367	-
Public safety	878,924	-	878,924	-
Education	141,377	-	141,377	-
Unrestricted	(50,571,560)	1,443,970	(49,127,590)	102,014
Total net position	\$ (21,076,284)	\$ 7,635,452	\$ (13,440,832)	\$ 14,290,111

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 14,294,811	\$ 1,422,557	\$ 61,424	\$ -
Public safety	20,316,737	2,673,219	991,940	-
Transportation	1,014,124	130,192	253,265	72,720
Economic and physical development	2,529,161	110,782	379,591	162,944
Human services	11,021,630	700,901	7,474,824	-
Cultural and recreational	2,983,597	36,266	-	-
Education	12,025,506	-	808,566	-
Interest on long-term debt	780,972	-	-	-
Total governmental activities	<u>64,966,538</u>	<u>5,073,917</u>	<u>9,969,610</u>	<u>235,664</u>
Business-Type Activities:				
Solid waste	<u>4,236,713</u>	<u>4,468,721</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 69,203,251</u>	<u>\$ 9,542,638</u>	<u>\$ 9,969,610</u>	<u>\$ 235,664</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 847,097</u>	<u>\$ -</u>	<u>\$ 33,650</u>	<u>\$ 181,049</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, 2020

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (12,810,830)	\$ -	\$ (12,810,830)	\$ -
Public safety	(16,651,578)	-	(16,651,578)	-
Transportation	(557,947)	-	(557,947)	-
Economic and physical development	(1,875,844)	-	(1,875,844)	-
Human services	(2,845,905)	-	(2,845,905)	-
Cultural and recreational	(2,947,331)	-	(2,947,331)	-
Education	(11,216,940)	-	(11,216,940)	-
Interest on long-term debt	(780,972)	-	(780,972)	-
Total governmental activities	<u>(49,687,347)</u>	<u>-</u>	<u>(49,687,347)</u>	<u>-</u>
Business-Type Activities:				
Solid waste	<u>-</u>	<u>232,008</u>	<u>232,008</u>	<u>-</u>
Total primary government	<u>(49,687,347)</u>	<u>232,008</u>	<u>(49,455,339)</u>	<u>-</u>
Component Unit:				
Macon County Airport Authority				<u>(632,398)</u>
General Revenues:				
Ad valorem taxes	34,760,708	-	34,760,708	-
Local option sales tax	11,062,077	-	11,062,077	-
Occupancy taxes	1,272,597	-	1,272,597	-
Unrestricted intergovernmental revenues:				
Other taxes	416,539	-	416,539	-
Gross receipts tax	28,738	-	28,738	-
Interest earned on investments	578,133	111,642	689,775	-
Total general revenues	<u>48,118,792</u>	<u>111,642</u>	<u>48,230,434</u>	<u>-</u>
Special item - increase in landfill capacity	<u>-</u>	<u>3,889,458</u>	<u>3,889,458</u>	<u>-</u>
Total general revenues and special items	<u>48,118,792</u>	<u>4,001,100</u>	<u>52,119,892</u>	<u>-</u>
Change in net position	(1,568,555)	4,233,108	2,664,553	(632,398)
Net Position:				
Beginning of year - July 1	<u>(19,507,729)</u>	<u>3,402,344</u>	<u>(16,105,385)</u>	<u>14,922,509</u>
End of year - June 30	<u>\$ (21,076,284)</u>	<u>\$ 7,635,452</u>	<u>\$ (13,440,832)</u>	<u>\$ 14,290,111</u>

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

MACON COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 28,409,634	\$ 928,423	\$ 3,334,778	\$ 32,672,835
Taxes receivable, net	605,340	-	98,211	703,551
Interest receivable	11,763	-	-	11,763
Accounts receivable, net	783,925	-	90,719	874,644
Notes receivable, long term	250,000	-	-	250,000
Due from other funds	-	279,974	-	279,974
Due from other governments	4,410,123	17,014	806,434	5,233,571
Inventories	6,145	-	-	6,145
Prepaid items	424,357	-	-	424,357
Cash and cash equivalents, restricted	195,797	-	-	195,797
Total assets	\$ 35,097,084	\$ 1,225,411	\$ 4,330,142	\$ 40,652,637
 Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,711,982	\$ -	\$ 468,386	\$ 2,180,368
Due to other funds	-	-	279,974	279,974
Grants received in advance	195,797	-	-	195,797
Total liabilities	1,907,779	-	748,360	2,656,139
 Deferred Inflows of Resources:				
Property taxes receivable	605,340	-	98,211	703,551
Ambulance receivable	741,271	-	-	741,271
Public health receivable	289,797	-	-	289,797
Prepaid taxes	55,712	-	-	55,712
Total deferred inflows of resources	1,692,120	-	98,211	1,790,331
 Fund Balances:				
Non-spendable, not in spendable form:				
Inventories	6,145	-	-	6,145
Prepays	424,357	-	-	424,357
Notes receivable, long term	250,000	-	-	250,000
Restricted for:				
Stabilization by state statute	4,174,743	296,988	897,153	5,368,884
Public safety	322,351	-	556,573	878,924
Education	141,377	-	-	141,377
Committed for:				
General government	-	-	1,002,402	1,002,402
Economic and physical development	-	-	519,219	519,219
Education	-	-	963,284	963,284

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assigned for:				
Subsequent year's expenditures	702,312	-	-	702,312
Debt service	-	928,423	-	928,423
Unassigned	<u>25,475,900</u>	<u>-</u>	<u>(455,060)</u>	<u>25,020,840</u>
Total fund balances	<u>31,497,185</u>	<u>1,225,411</u>	<u>3,483,571</u>	<u>36,206,167</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,097,084</u>	<u>\$ 1,225,411</u>	<u>\$ 4,330,142</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,248,512
Net pension asset	66,517
Net pension liability - LGERS	(6,308,987)
Total pension liability - LEOSSA	(1,153,313)
Total OPEB liability	(61,228,268)
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.	294,297
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.	(23,911,291)
Deferred outflows of resources related to pensions are not reported in the funds.	3,837,211
Deferred inflows of resources related to pensions are not reported in the funds.	(303,783)
Deferred outflows of resources related to OPEB are not reported in the funds.	12,574,377
Deferred inflows of resources related to OPEB are not reported in the funds.	(7,132,342)
Deferred inflows of resources for taxes receivables	703,551
Deferred inflows of resources for other unavailable revenues	<u>1,031,068</u>
Net position of governmental activities	<u>\$ (21,076,284)</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, 2020

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 30,504,822	\$ -	\$ 4,227,167	\$ 34,731,989
Local option sales taxes	8,825,877	-	2,236,200	11,062,077
Unrestricted intergovernmental revenues	445,277	-	-	445,277
Restricted intergovernmental revenues	8,682,942	662,547	859,785	10,205,274
Occupancy taxes	-	-	1,272,597	1,272,597
Permits and fees	1,344,832	-	-	1,344,832
Sales and services	2,880,918	-	-	2,880,918
Interest earned on investments	526,210	-	45,735	571,945
Miscellaneous	462,115	41,934	1,571	505,620
Total revenues	<u>53,672,993</u>	<u>704,481</u>	<u>8,643,055</u>	<u>63,020,529</u>
Expenditures:				
Current:				
General government	8,791,426	-	407,955	9,199,381
Public safety	15,008,125	-	4,516,042	19,524,167
Transportation	967,961	-	-	967,961
Economic and physical development	554,978	-	1,979,723	2,534,701
Human services	10,885,159	-	-	10,885,159
Education	10,424,677	-	1,600,829	12,025,506
Cultural and recreational	2,324,129	-	112,820	2,436,949
Debt service:				
Principal repayments	-	3,136,604	-	3,136,604
Interest	-	780,972	-	780,972
Total expenditures	<u>48,956,455</u>	<u>3,917,576</u>	<u>8,617,369</u>	<u>61,491,400</u>
Revenues over (under) expenditures	<u>4,716,538</u>	<u>(3,213,095)</u>	<u>25,686</u>	<u>1,529,129</u>
Other Financing Sources (Uses):				
Transfers in	264,500	3,429,751	1,450,623	5,144,874
Transfers (out)	<u>(2,778,730)</u>	<u>-</u>	<u>(2,427,900)</u>	<u>(5,206,630)</u>
Total other financing sources (uses)	<u>(2,514,230)</u>	<u>3,429,751</u>	<u>(977,277)</u>	<u>(61,756)</u>
Net change in fund balances	2,202,308	216,656	(951,591)	1,467,373
Fund Balances:				
Beginning of year - July 1	<u>29,294,877</u>	<u>1,008,755</u>	<u>4,435,162</u>	<u>34,738,794</u>
End of year - June 30	<u>\$ 31,497,185</u>	<u>\$ 1,225,411</u>	<u>\$ 3,483,571</u>	<u>\$ 36,206,167</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, 2020

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	\$ 1,467,373
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.	28,719
<p>Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected, or is expected to be collected, within 90 days of year-end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenues types:</p>	
Ambulance revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds statement.	(1,119,181)
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.	8,754
Expenses related to accrued interest that do not require current financial resources are not reported as expenditures in the governmental funds statement.	28,906
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(51,974)
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.	3,136,604
Pension expense - LEOSSA	(53,600)
Pension expense - LGERS	(1,342,283)
Pension expense - ROD	(5,294)
OPEB plan expense	(3,349,057)
Capital assets (net) disposed of during the year are not recognized on the modified accrual basis.	(10,264)
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.	2,197,090
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,250,188)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>(254,160)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ (1,568,555)</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, 2020

	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 30,474,019	\$ 30,474,019	\$ 30,504,822	\$ 30,803
Local option sales taxes	8,506,185	8,506,185	8,825,877	319,692
Unrestricted intergovernmental revenues	379,000	417,000	445,277	28,277
Restricted intergovernmental revenues	8,124,076	10,786,643	8,682,942	(2,103,701)
Permits and fees	1,280,502	1,316,502	1,344,832	28,330
Sales and services	3,093,390	3,203,251	2,880,918	(322,333)
Investment earnings	694,000	510,000	526,210	16,210
Miscellaneous	45,330	446,184	462,115	15,931
Total revenues	<u>52,596,502</u>	<u>55,659,784</u>	<u>53,672,993</u>	<u>(1,986,791)</u>
Expenditures:				
Current:				
General government	9,230,679	10,588,561	9,041,426	1,547,135
Public safety	15,357,767	16,227,659	15,008,125	1,219,534
Transportation	998,098	1,296,628	967,961	328,667
Economic and physical development	639,800	646,146	554,978	91,168
Human services	12,692,365	14,064,081	10,885,159	3,178,922
Cultural and recreational	2,324,175	2,470,435	2,324,129	146,306
Intergovernmental:				
Education	10,311,908	10,492,863	10,424,677	68,186
Total expenditures	<u>51,554,792</u>	<u>55,786,373</u>	<u>49,206,455</u>	<u>6,579,918</u>
Revenues over (under) expenditures	<u>1,041,710</u>	<u>(126,589)</u>	<u>4,466,538</u>	<u>4,593,127</u>
Other Financing Sources (Uses):				
Transfers in	407,000	407,000	264,500	(142,500)
Transfers (out)	(1,698,710)	(2,778,730)	(2,778,730)	-
Appropriated fund balance	250,000	2,498,319	-	(2,498,319)
Total other financing sources (uses)	<u>(1,041,710)</u>	<u>126,589</u>	<u>(2,514,230)</u>	<u>(2,640,819)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,952,308</u>	<u>\$ 1,952,308</u>
Reconciliation from Budgetary Basis to Modified Accrual:				
Long-term notes receivable:				
Reopening Macon Loan Program			<u>250,000</u>	
Net change in fund balance			2,202,308	
Fund Balance:				
Beginning of year - July 1			<u>29,294,877</u>	
End of year - June 30			<u>\$ 31,497,185</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<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	\$ 11,879,291	\$ 562,087
Interest receivable	413	-
Accounts receivable, net	368,052	-
Total current assets	<u>12,247,756</u>	<u>562,087</u>
Non-current assets:		
Cash and cash equivalents, restricted	717,703	-
Non-depreciable capital assets	1,880,126	-
Depreciable capital assets, net	9,718,124	-
Total capital assets	<u>11,598,250</u>	<u>-</u>
Total non-current assets	<u>12,315,953</u>	<u>-</u>
Total assets	<u>24,563,709</u>	<u>562,087</u>
Deferred Outflows of Resources:		
Pension deferrals	219,172	-
OPEB deferrals	766,133	-
Total deferred outflows of resources	<u>985,305</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	341,099	267,790
Current portion of accrued landfill closure and post-closure care cost	52,669	-
Current portion of long-term liabilities	965,608	-
Compensated absences payable - current	6,457	-
Total current liabilities	<u>1,365,833</u>	<u>267,790</u>
Non-current liabilities:		
Net pension liability - LGERS	370,848	-
Accrued landfill closure and post-closure care cost	6,785,509	-
Compensated absences payable	58,114	-
Total OPEB liability	3,730,508	-
Long-term liabilities - non-current	5,158,863	-
Total non-current liabilities	<u>16,103,842</u>	<u>-</u>
Total liabilities	<u>17,469,675</u>	<u>267,790</u>
Deferred Inflows of Resources:		
Pension deferrals	9,327	-
OPEB deferrals	434,560	-
Total deferred inflows of resources	<u>443,887</u>	<u>-</u>
Net Position:		
Net investment in capital assets	6,191,482	-
Unrestricted	1,443,970	294,297
Total net position	<u>\$ 7,635,452</u>	<u>\$ 294,297</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, 2020

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Landfill fees	\$ 2,530,501	\$ -
Solid waste disposal fees	29,469	-
Charges for services	-	5,033,126
Tipping fees	1,627,267	-
Scrap tire revenues	49,093	-
Other	232,391	-
Total operating revenues	<u>4,468,721</u>	<u>5,033,126</u>
Operating Expenses:		
Salaries	1,152,810	-
Employee benefits	743,212	-
Benefit payments	-	305,823
Insurance premiums	-	5,049,407
Operating expenses	1,355,526	-
Landfill closure and post-closure care cost	221,593	-
Depreciation	619,228	-
Total operating expenses	<u>4,092,369</u>	<u>5,355,230</u>
Operating income (loss)	<u>376,352</u>	<u>(322,104)</u>
Non-Operating Revenues (Expenses):		
Interest earned on investments	111,642	6,188
Interest and fees	(144,344)	-
Total non-operating revenues (expenses)	<u>(32,702)</u>	<u>6,188</u>
Net income (loss) before transfers and special item	343,650	(315,916)
Transfers in (out)	-	61,756
Special item - increase in landfill capacity	<u>3,889,458</u>	<u>-</u>
Change in net position	4,233,108	(254,160)
Net Position:		
Beginning of year - July 1	<u>3,402,344</u>	<u>548,457</u>
End of year - June 30	<u>\$ 7,635,452</u>	<u>\$ 294,297</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, 2020

	<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	\$ 4,093,445	\$ 5,033,126
Cash paid for goods and services	(1,311,788)	(5,512,550)
Cash paid to employees for services	(1,598,643)	-
Other operating revenues	354,716	-
Net cash provided (used) by operating activities	<u>1,537,730</u>	<u>(479,424)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	-	<u>61,756</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(944,959)	-
Principal paid on long-term debt	(945,999)	-
Interest paid on long-term debt	(149,130)	-
Net cash provided (used) for capital and related financing activities	<u>(2,040,088)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>111,642</u>	<u>6,188</u>
Net increase (decrease) in cash and cash equivalents	(390,716)	(411,480)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,987,710</u>	<u>973,567</u>
End of year - June 30	<u>\$ 12,596,994</u>	<u>\$ 562,087</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 376,352	\$ (322,104)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	619,228	-
Change in estimate of closure and post-closure care cost	205,116	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	(20,560)	-
(Increase) decrease in deferred outflows - pension	47,946	-
(Increase) decrease in deferred outflows - OPEB	(679,994)	-
Increase (decrease) in net pension liability	25,129	-
Increase (decrease) in deferred inflows - pension	5,949	-
Increase (decrease) in deferred inflows - OPEB	(29,276)	-
Increase (decrease) in accounts payable and accrued liabilities	65,375	(157,320)
Increase (decrease) in OPEB liability	913,551	-
Increase (decrease) in accrued vacation pay	8,914	-
Net cash provided (used) by operating activities	<u>\$ 1,537,730</u>	<u>\$ (479,424)</u>

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

MACON COUNTY, NORTH CAROLINA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 133,353
Accounts receivable	<u>17,369</u>
Total assets	<u>\$ 150,722</u>
Liabilities:	
Miscellaneous liabilities	\$ 112,325
Intergovernmental payable	<u>38,397</u>
Total liabilities	<u>\$ 150,722</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, 2020

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

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

Macon County Airport Authority

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

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

MACON COUNTY, NORTH CAROLINA

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

The County reports the following major governmental funds:

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

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.

MACON COUNTY, NORTH CAROLINA

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

The County reports the following nonmajor governmental funds:

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

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

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

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.

MACON COUNTY, NORTH CAROLINA

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

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

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

C. Budgetary Data

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

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

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

Deposits and Investments

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

MACON COUNTY, NORTH CAROLINA

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

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

The majority of the County's investments are carried at fair value as determined by quoted market prices. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

Cash and Cash Equivalents

The County pools 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 because their use is completely restricted to the purpose for which the funds were originally granted. The unexpended bond proceeds of the Solid Waste Fund's special obligation bonds are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued.

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended grant funds	\$ 195,797
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>717,703</u>
Total restricted cash		<u>\$ 913,500</u>

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

MACON COUNTY, NORTH CAROLINA

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

Allowances for Doubtful Accounts

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

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

MACON COUNTY, NORTH CAROLINA

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

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

MACON COUNTY, NORTH CAROLINA

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

Restricted for 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.

MACON COUNTY, NORTH CAROLINA

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

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is the net ROD pension plan of \$81,367.

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

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

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

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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	\$	31,497,185
Less:		
Inventories		6,145
Prepays		424,357
Notes receivable, long term		250,000
Stabilization by state statute		<u>4,174,743</u>
Total available fund balance	\$	<u><u>26,641,940</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, 2020

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, 2020, the deposits of Macon County and the Airport Authority had a carrying amount of \$17,653,193 and a bank balance of \$17,984,473. Of the bank balance, \$275,489 was covered by federal depository insurance and the remaining balance by collateral held under the Pooling Method. Cash on hand was \$3,000.

Investments

At June 30, 2020, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation</u>		<u>Less Than</u>	
	<u>Measurement Method</u>	<u>Fair Value</u>	<u>6 Months</u>	<u>6-12 Months</u>
Commercial paper	Fair Value - Level 2	\$ 1,972,028	\$ -	\$ 1,972,028
NC Capital Management				
Trust - Government Portfolio *	Fair Value - Level 1	26,636,141	26,636,141	-
Total		<u>\$ 28,608,169</u>	<u>\$ 26,636,141</u>	<u>\$ 1,972,028</u>

* 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.

MACON COUNTY, NORTH CAROLINA

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

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

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

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

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2020, the County's investments in commercial paper were rated A1 by Standard & Poor's, F1 by Fitch Ratings, and P1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020.

Property Tax – Use-Value Assessment on Certain Lands

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

Fiscal Year				
	Levied	Tax	Interest	Total
2017		\$ 861,406	\$ 282,111	\$ 1,143,517
2018		859,896	204,225	1,064,121
2019		863,436	127,357	990,793
2020		803,381	46,194	849,575
Total		<u>\$ 3,388,119</u>	<u>\$ 659,887</u>	<u>\$ 4,048,006</u>

MACON COUNTY, NORTH CAROLINA

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

Receivables

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

	<u>Accounts</u>	<u>Taxes</u>	<u>Notes Receivable</u>	<u>Interest</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:						
General	\$ 1,902,757	\$ 1,277,697	\$ 250,000	\$ 11,763	\$ 4,410,123	\$ 7,852,340
Other governmental	90,719	209,993	-	-	823,448	1,124,160
Allowance for doubtful accounts	<u>(1,118,832)</u>	<u>(784,139)</u>	-	-	-	<u>(1,902,971)</u>
Total governmental activities	<u>\$ 874,644</u>	<u>\$ 703,551</u>	<u>\$ 250,000</u>	<u>\$ 11,763</u>	<u>\$ 5,233,571</u>	<u>\$ 7,073,529</u>
Not expected to be collected during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:						
Solid waste	\$ 595,990	\$ -	\$ -	\$ 413	\$ -	\$ 596,403
Allowance for doubtful accounts	<u>(227,938)</u>	-	-	-	-	<u>(227,938)</u>
Total business-type activities	<u>\$ 368,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413</u>	<u>\$ -</u>	<u>\$ 368,465</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	\$ 3,397,254
Due from State DMV	139,811
Grants receivable	407,502
Others	<u>1,289,004</u>
Total	<u>\$ 5,233,571</u>

MACON COUNTY, NORTH CAROLINA

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

Governmental Capital Assets

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

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Non-Depreciable Assets:					
Land	\$ 9,858,171	\$ 71,880	\$ -	\$ -	\$ 9,930,051
Construction in progress	941,749	590,969	-	(1,921)	1,530,797
Total non-depreciable assets	<u>10,799,920</u>	<u>662,849</u>	<u>-</u>	<u>(1,921)</u>	<u>11,460,848</u>
Depreciable Assets:					
Buildings and improvements	32,504,342	37,566	-	-	32,541,908
Equipment	4,435,762	746,982	(424,359)	1,921	4,760,306
Vehicles	7,136,062	749,693	(73,009)	-	7,812,746
Total depreciable assets	<u>44,076,166</u>	<u>1,534,241</u>	<u>(497,368)</u>	<u>1,921</u>	<u>45,114,960</u>
Less Accumulated Depreciation:					
Buildings and improvements	21,806,244	1,321,143	-	-	23,127,387
Equipment	3,288,474	355,221	(414,095)	-	3,229,600
Vehicles	5,469,494	573,824	(73,009)	-	5,970,309
Total accumulated depreciation	<u>30,564,212</u>	<u>\$ 2,250,188</u>	<u>\$ (487,104)</u>	<u>\$ -</u>	<u>32,327,296</u>
Total capital assets being depreciated, net	<u>13,511,954</u>				<u>12,787,664</u>
Capital assets, net	<u>\$ 24,311,874</u>				<u>\$ 24,248,512</u>

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

Governmental Activities:

General government	\$ 541,555
Public safety	788,287
Economic and physical development	13,156
Transportation	188,401
Human services	91,416
Cultural and recreational	627,373
Total	<u>\$ 2,250,188</u>

MACON COUNTY, NORTH CAROLINA

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

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2020 are as follows:

	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2020</u>
Non-Depreciable Assets:					
Construction in progress	\$ 7,141,733	\$ 97,891	\$ -	\$(7,132,519)	\$ 107,105
Land	<u>1,773,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,773,021</u>
Total non-depreciable assets	<u>8,914,754</u>	<u>97,891</u>	<u>-</u>	<u>(7,132,519)</u>	<u>1,880,126</u>
Depreciable Assets:					
Buildings and improvements	9,779,175	-	-	7,132,519	16,911,694
Equipment	4,071,965	824,947	-	-	4,896,912
Vehicles	<u>827,737</u>	<u>22,121</u>	<u>-</u>	<u>-</u>	<u>849,858</u>
Total depreciable assets	<u>14,678,877</u>	<u>847,068</u>	<u>-</u>	<u>7,132,519</u>	<u>22,658,464</u>
Less Accumulated Depreciation:					
Buildings and improvements	8,797,930	246,005	-	-	9,043,935
Equipment	2,809,963	329,067	-	-	3,139,030
Vehicles	<u>713,219</u>	<u>44,156</u>	<u>-</u>	<u>-</u>	<u>757,375</u>
Total accumulated depreciation	<u>12,321,112</u>	<u>\$ 619,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>12,940,340</u>
Total capital assets being depreciated, net	<u>2,357,765</u>				<u>9,718,124</u>
Capital assets, net	<u>\$ 11,272,519</u>				<u>\$ 11,598,250</u>

Commitments

At June 30, 2020, the County had commitments of approximately \$679,000 for renovations at Macon Middle School, and \$80,200 for Airport projects.

B. Liabilities

Payables

Payables at the government-wide level at June 30, 2020 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	<u>\$ 1,413,299</u>	<u>\$ 774,408</u>	<u>\$ 218,049</u>	<u>\$ 260,451</u>	<u>\$ 2,666,207</u>
Business-Type Activities:					
Solid waste	<u>\$ 259,856</u>	<u>\$ 47,582</u>	<u>\$ 33,661</u>	<u>\$ -</u>	<u>\$ 341,099</u>

MACON COUNTY, NORTH CAROLINA

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

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

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

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

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

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.

MACON COUNTY, NORTH CAROLINA

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020 was 9.70% of compensation for law enforcement officers and 9.03% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,546,837 for the year ended June 30, 2020.

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

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

At June 30, 2020, the County reported a liability of \$6,679,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.245% (measured as of June 30, 2019), which was a decrease of 0.018% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

MACON COUNTY, NORTH CAROLINA

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

For the year ended June 30, 2020, the County recognized pension expense of \$2,968,142. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,143,757	\$ -
Changes of assumptions and other inputs	1,088,702	-
Net difference between projected and actual earnings on pension plan investments	162,930	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,163	172,897
Employer contributions subsequent to the measurement date	1,546,837	-
Total	<u>\$ 3,952,389</u>	<u>\$ 172,897</u>

\$1,546,837 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, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 1,157,017
2022	322,260
2023	605,514
2024	147,864
2025	-
Thereafter	-
Total	<u>\$ 2,232,655</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

MACON COUNTY, NORTH CAROLINA

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

MACON COUNTY, NORTH CAROLINA

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	<u>\$ 15,278,005</u>	<u>\$ 6,679,835</u>	<u>\$ (466,985)</u>

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

Law Enforcement Officers’ Special Separation Allowance

Plan Description. Macon County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers 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, 2018, the Separation Allowance’s membership consisted of three retirees receiving benefits and 47 active members.

MACON COUNTY, NORTH CAROLINA

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

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The Entry Age Normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 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, 2018 valuation were based on the results of an experience study completed by the actuary for the Local Government Employees' Retirement System for the five year period ended December 31, 2014.

Mortality rates are based on the following:

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

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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 \$34,700 as benefits came due for the reporting period.

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

At June 30, 2020, the County reported a total pension liability of \$1,153,313. The total pension liability was measured as of December 31, 2019, based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2019, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$81,189.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 90,328
Changes of assumptions and other inputs	71,841	45,988
Benefit payments and administrative expenses paid subsequent to the measurement date	13,406	-
Total	\$ 85,247	\$ 136,316

\$13,406 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, 2021. 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
2021	\$ (16,055)
2022	(16,055)
2023	(14,920)
2024	(13,080)
2025	(4,365)
Thereafter	-
Total	\$ (64,475)

MACON COUNTY, NORTH CAROLINA

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

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

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 1,258,535	\$ 1,153,313	\$ 1,056,873

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

	2020
Beginning balance	\$ 1,113,115
Service cost	56,634
Interest on the total pension liability	39,886
Differences between expected and actual experience in the measurement of the total pension liability	(59,281)
Changes of assumptions and other inputs	37,659
Benefit payments	(34,700)
Net changes	5,387
Ending balance of the total pension liability	\$ 1,153,313

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 3.64% at December 31, 2018 to 3.26% at December 31, 2019.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

MACON COUNTY, NORTH CAROLINA

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

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5.0% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County contributed \$127,387 for the year ended June 30, 2020. 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 \$285,969 for the year ended June 30, 2020. No amounts were forfeited.

Register of Deeds' Supplemental Pension Fund

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

MACON COUNTY, NORTH CAROLINA

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,740 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$66,517 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was (0.337%), which was a decrease of 0.099% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$9,032. At June 30, 2020, 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	\$ -	\$ 3,208
Net difference between projected and actual earnings on pension plan investments	681	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,326	689
County contributions subsequent to the measurement date	<u>3,740</u>	<u>-</u>
Total	<u>\$ 18,747</u>	<u>\$ 3,897</u>

MACON COUNTY, NORTH CAROLINA

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

\$3,740, 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, 2021. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
June 30	
2021	\$ 2,792
2022	5,432
2023	4,199
2024	(1,313)
2025	-
Thereafter	-
Total	<u>\$ 11,110</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

MACON COUNTY, NORTH CAROLINA

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2019 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	<u>\$ (54,984)</u>	<u>\$ (66,517)</u>	<u>\$ (76,267)</u>

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

MACON COUNTY, NORTH CAROLINA

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

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Proportionate share of net pension liability (asset)	\$ 6,679,835	\$ -	\$ (66,517)	\$ 6,613,318
Proportion of the net pension liability (asset)	0.245%	NA	-0.337%	-
Total pension liability	-	1,153,313	-	1,153,313
Pension expense	2,968,142	81,189	9,032	3,058,363

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

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,143,757	\$ -	\$ -	\$ 1,143,757
Changes of assumptions	1,088,702	71,841	-	1,160,543
Net difference between projected and actual earnings on pension plan investments	162,930	-	681	163,611
Changes in proportion and differences between County contributions and proportionate share of contributions	10,163	-	14,326	24,489
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,546,837	13,406	3,740	1,563,983
Total deferred outflows of resources	<u>\$ 3,952,389</u>	<u>\$ 85,247</u>	<u>\$ 18,747</u>	<u>\$ 4,056,383</u>

<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 90,328	\$ 3,208	\$ 93,536
Changes of assumptions	-	45,988	-	45,988
Changes in proportion and differences between County contributions and proportionate share of contributions	172,897	-	689	173,586
Total deferred inflows of resources	<u>\$ 172,897</u>	<u>\$ 136,316</u>	<u>\$ 3,897</u>	<u>\$ 313,110</u>

MACON COUNTY, NORTH CAROLINA

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

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 Drug Insurance	Medicare Supplement Coverage	Spouse Coverage Available to Retiree
15 – 24 hired prior to 7/1/2014	Until Age 65	Until Age 65	No	No
25 – 29 hired prior to 7/1/2014	Until Age 65	Lifetime	Yes	No
30 or more hired prior to 7/1/2014	Until Age 65	Lifetime	Yes	Yes
30 or more hired on/after 7/1/2014	Until Age 65	Lifetime	Yes	No

**As determined by NCLGERS*

For pre-Medicare retirees, healthcare and prescription drug coverage are provided through the County’s Group Health Insurance Plan. Medicare supplemental insurance is offered for Medicare eligible retirees. The County pays the full premium for all qualifying pre-Medicare retirees. The County pays the full Blue Cross Blue Shield Attained Age Plan G premium and the full Blue Cross Blue Shield Part D Prescription Plan premium for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$394 per month. Spouse coverage terminates upon the retiree’s death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 75 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2020, the County contributed \$727,731 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, 2020

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

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

Total OPEB Liability

The County's total OPEB liability of \$64,958,776 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent, including wage inflation
Discount rate	3.50 percent
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026
Medicare medical and prescription drug	5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 49,051,316
Changes for the Year:	
Service cost	1,885,908
Interest	1,891,355
Differences between expected and actual experience	13,771,079
Changes of assumptions or other inputs	(771,846)
Benefit payments	(869,036)
Net changes	15,907,460
Balance at June 30, 2020	\$ 64,958,776

MACON COUNTY, NORTH CAROLINA

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

Changes in assumptions and other inputs reflect a change in the Municipal Bond Index Rate from 3.89% to 3.50%, and changes in the medical trend rates.

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	<u>\$ 80,684,284</u>	<u>\$ 64,958,776</u>	<u>\$ 53,109,891</u>

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	<u>\$ 52,064,981</u>	<u>\$ 64,958,776</u>	<u>\$ 82,478,623</u>

MACON COUNTY, NORTH CAROLINA

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

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$4,287,665. At June 30, 2020, 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	\$ 12,612,779	\$ -
Changes of assumptions	-	7,566,902
Benefit payments and plan administrative expense made subsequent to the measurement date	727,731	-
Total	\$ 13,340,510	\$ 7,566,902

\$727,731 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021. 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
2021	\$ 503,807
2022	503,807
2023	503,807
2024	503,807
2025	503,807
Thereafter	2,526,842
Total	\$ 5,045,877

Other Employment Benefits

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

MACON COUNTY, NORTH CAROLINA

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

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 \$6,838,178 reported as landfill closure and post-closure care liability at June 30, 2020 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, \$6,652,814 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 76.39% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$2,056,198 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. The County began transitioning to the new cell of the Macon County MSW Landfill in January 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

MACON COUNTY, NORTH CAROLINA

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

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	\$ 4,056,383	\$ 313,110
OPEB deferrals	13,340,510	7,566,902
Prepaid taxes not yet earned (General)	-	55,712
Taxes receivable, net (General)	-	605,340
Taxes receivable, net (Fire District)	-	98,211
Ambulance receivable (General)	-	741,271
Public health receivable (General)	-	289,797
Total	<u>\$ 17,396,893</u>	<u>\$ 9,670,343</u>

Risk Management

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

	<u>2020</u>	<u>2019</u>
Unpaid claims - beginning	\$ 326,306	\$ 227,701
Incurred claims	5,294,578	4,909,528
Claim payments	<u>(5,360,433)</u>	<u>(4,810,923)</u>
Unpaid claims - ending	<u>\$ 260,451</u>	<u>\$ 326,306</u>

Contingent Liabilities

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

MACON COUNTY, NORTH CAROLINA

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

Long-Term Obligations

Installment Purchase Contract

Serviced by Governmental Funds:

The County entered into an installment purchase contract dated July 29, 2005 in the amount of \$5,000,000 for library and community college expansion. The contract is payable in 30 semi-annual installments of \$166,667, plus interest at 2.19% per annum.	\$ 166,667
\$2,000,000 East Franklin School Qualified Zone Academy Bonds requiring 30 semi-annual deposits of \$52,795 into a Debt Service Fund; final payment of the bonds is December 13, 2022.	680,132
The County entered into an installment purchase contract dated December 10, 2007 in the amount of \$2,600,000 for acquisition of land to be used for public school purposes. The contract is payable in 30 semi-annual installments of \$86,667, plus interest at 2.49% per annum.	520,000
The County entered into an installment purchase contract dated July 8, 2009 in the amount of \$20,000,000 for 5-6 Grade School and an addition to East Franklin Elementary. The contract is payable in 40 semi-annual installments of \$500,000, plus interest at 2.61% per annum.	8,500,000
\$1,800,000 Nantahala School Qualified Zone Academy Bonds requiring 30 semi-annual deposits of \$60,000, plus interest into a Debt Service Fund; final payment of the bonds is December 18, 2024.	600,000
\$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.	5,686,618
The County entered into a note payable agreement dated September 1, 2009 in the amount of \$2,043,250, 2.56% interest, with annual installments of \$102,163, with a final payment due in 2031, secured by water lines.	1,123,787
\$1,500,000 Highlands School Renovation Qualified Zone Academy Bonds requiring 10 annual payments of \$150,000; final payment of the bonds is April 26, 2023.	450,000
\$2,985,878 Highlands School and Union Academy Qualified Zone Academy Bonds requiring 15 annual payments of \$199,058; final payment of the bonds is August 1, 2030.	2,189,646
The County entered into an installment financing agreement dated July 30, 2018 in the amount of \$2,923,674 for South Macon Elementary School expansion. The agreement is payable in 30 bi-annual installments of \$97,456, plus interest at 3.35% per annum.	<u>2,631,307</u>
Total installment contracts	<u>\$ 22,548,157</u>

MACON COUNTY, NORTH CAROLINA

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

The County's outstanding note from direct placement related to governmental activities of \$166,667 is secured by a deed of trust on Macon County Public Library and Southwestern Community College Macon Campus. 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 \$680,132 is secured by a deed of trust on East Franklin Elementary School. The note contains provisions that upon the occurrence of any event of default, the bank may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the entire amount of the installment payments to be immediately due and payable; 2) exercise all remedies available at law or in equity or under the deed of trust, including sale of the mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, toward the balance of installment payments due; 3) exercise its rights as a secured party under the Uniform Commercial Code in effect in North Carolina; 4) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof.

The County's outstanding note from direct placement related to governmental activities of \$520,000 is secured by a deed of trust on Mountain View Intermediate School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$8,500,000 is secured by a deed of trust on Mountain View Intermediate School and East Franklin 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, 2020

The County's outstanding note from direct placement related to governmental activities of \$600,000 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 \$5,686,618 is secured by a deed of trust on Iotla Valley Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$1,123,787 is not secured by a pledge of the faith and credit of the State of North Carolina or of the County, but is payable solely from the revenues of the project or benefited systems, or other available funds. The note contains provisions that any other monies due to the County from the state may be withheld by the state and applied to the payment of this obligation whenever the County fails to pay any payment of principal or interest on the note when due.

The County's outstanding note from direct placement related to governmental activities of \$450,000 is secured by a deed of trust on Highlands School. The note contains provisions that on the occurrence of any event of default, the bank may exercise any one or more of the following remedies as the bank, in its sole discretion, shall elect: 1) declare the unpaid portion of the then outstanding principal components of the installment payments immediately due and payable, without notice or demand to the County; 2) proceed by appropriate court action to enforce the performance by the County of the applicable covenants of the contract or to recover for any breach thereof; 3) exercise or direct the deed of trust trustee to exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the state with respect to the enforcement of the security interest granted or reserved hereunder and under the deed of trust; 4) enforce its security interest or direct the deed of trust trustee to institute foreclosure proceedings under the deed of trust and sell the mortgaged property.

MACON COUNTY, NORTH CAROLINA

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

The County's outstanding note from direct placement related to governmental activities of \$2,189,646 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.

The County's outstanding note from direct placement related to governmental activities of \$2,631,307 is secured by a deed of trust on South Macon Elementary School. The note contains provisions that whenever any event of default shall have happened and is continuing, the lender may take any one or more of the following remedial steps, without further demand or notice: 1) declare the whole unpaid principal balance of installment payments due and thereafter to become at once due and payable; 2) exercise its rights as a beneficiary under the deed of trust, including taking possession of any part or all of the project pursuant to the deed of trust, excluding the County from possession, and selling or leasing the project for the account of the County; 3) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof; 4) the lender may take directly all funds held in the deposit account and apply such funds to the advance.

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, 2020:

Year Ending		
June 30	Principal	Interest
2021	\$ 2,969,937	\$ 684,861
2022	2,803,271	593,654
2023	3,166,634	504,336
2024	2,374,348	416,457
2025	2,374,348	331,808
2026-2030	7,876,200	598,019
2031-2034	983,419	48,930
Total	<u>\$ 22,548,157</u>	<u>\$ 3,178,065</u>

At June 30, 2020, the County had a legal debt margin of approximately \$620,973,000.

MACON COUNTY, NORTH CAROLINA

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

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$1,223,788 relates to assets the County holds title. The business-type activities unspent debt proceeds of \$717,703 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.

\$ 6,124,471

The County's outstanding special obligation bond from direct placement related to business-type activities of \$6,124,471 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
2021	\$ 965,608	\$ 129,521
2022	988,512	106,616
2023	1,010,077	85,052
2024	1,031,954	63,174
2025	1,054,623	40,505
2026	1,073,697	17,499
Total	\$ 6,124,471	\$ 442,367

MACON COUNTY, NORTH CAROLINA

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

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, 2020:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
Direct placement installment purchases	\$ 25,684,761	\$ -	\$ 3,136,604	\$ 22,548,157	\$ 2,969,937
Compensated absences	1,093,111	895,837	843,863	1,145,085	114,509
Total OPEB liability	46,234,359	14,993,909	-	61,228,268	-
Net pension liability (LGERS)	5,882,153	426,834	-	6,308,987	-
Total pension liability (LEOSSA)	<u>1,113,115</u>	<u>40,198</u>	<u>-</u>	<u>1,153,313</u>	<u>-</u>
Total governmental activities	<u>\$ 80,007,499</u>	<u>\$ 16,356,778</u>	<u>\$ 3,980,467</u>	<u>\$ 92,383,810</u>	<u>\$ 3,084,446</u>
Business-Type Activities:					
Direct placement special obligation bonds	\$ 7,070,470	\$ -	\$ 945,999	\$ 6,124,471	\$ 965,608
Accrued landfill closure and post-closure care cost	10,522,520	-	3,684,342	6,838,178	52,669
Total OPEB liability	2,816,957	913,551	-	3,730,508	-
Net pension liability (LGERS)	345,719	25,129	-	370,848	-
Compensated absences	<u>55,657</u>	<u>56,600</u>	<u>47,686</u>	<u>64,571</u>	<u>6,457</u>
Total business-type activities	<u>\$ 20,811,323</u>	<u>\$ 995,280</u>	<u>\$ 4,678,027</u>	<u>\$ 17,128,576</u>	<u>\$ 1,024,734</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.

C. Net Investment in Capital Assets

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets, net of accumulated depreciation	\$ 24,248,512	\$ 11,598,250
Less capital debt:		
Gross debt	22,548,157	6,124,471
Less school debt related to assets to which the County does not hold title	<u>(21,324,369)</u>	<u>-</u>
County related debt	1,223,788	6,124,471
Less unspent debt proceeds	<u>-</u>	<u>(717,703)</u>
Total net debt	<u>1,223,788</u>	<u>5,406,768</u>
Net investment in capital assets	<u>\$ 23,024,724</u>	<u>\$ 6,191,482</u>

MACON COUNTY, NORTH CAROLINA

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

D. Interfund Balances and Activity

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
Transfers From/To Other Funds:			
General Fund	\$ 2,778,730	\$ -	Various purposes
Debt Service Fund	-	1,266,351	Debt retirement
Nonmajor Governmental Funds:			
Housing Grants Fund	-	120,603	Salary & benefit cost
County Buildings Project Fund	-	254,500	Radio Communications Project & Dog Park
Emergency Telephone System Fund	-	3,252	Reimbursement of ineligible expenditures
Health Insurance Fund	-	61,756	Excess Claims
Consolidated Capital Projects Fund	-	1,072,268	Fund capital projects
Schools Capital Fund	2,163,400	-	Debt retirement
Debt Service Fund	-	2,163,400	Debt retirement
Capital Reserve Fund	264,500	-	Economic development
General Fund	-	264,500	Economic Development
Total	<u>\$ 5,206,630</u>	<u>\$ 5,206,630</u>	

The following is a summary of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service Fund	Schools Capital Fund - Short Term (paid within two months of year end)	<u>\$ 279,974</u>	Debt retirement

3. Joint Venture

Fontana Regional Library

The County participates in a joint venture to operate the Fontana Regional Library (Library) with five other local governments. Each participating county may appoint three Board members to the nine-member Board of the Library. The County has an ongoing financial responsibility for the joint venture, because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2020. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,019,390 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 33 Fryemont Street, Bryson City, North Carolina 28713.

MACON COUNTY, NORTH CAROLINA

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

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, 2020. 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.

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 \$301,917 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 275 Webster Road, Franklin, North Carolina 28779.

MACON COUNTY, NORTH CAROLINA

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

5. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

6. Subsequent Events

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

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REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

Note to Schedule:

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

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

MACON COUNTY, NORTH CAROLINA

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

Other Post-Employment Benefits			
	2020	2019	2018
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	(869,036)	(883,376)	(895,699)
Net change in total OPEB liability	15,907,460	(329,792)	(2,996,769)
Total OPEB liability - beginning	49,051,316	49,381,108	52,377,877
Total OPEB liability - ending	<u>\$ 64,958,776</u>	<u>\$ 49,051,316</u>	<u>\$ 49,381,108</u>
Covered payroll	\$ 15,407,009	\$ 15,451,187	\$ 15,451,187
Total OPEB liability as a percentage of covered payroll	421.62%	317.46%	319.59%

Notes to the Required Schedules:

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

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.245%	0.263%	0.262%	0.266%	0.246%	-0.242%	0.237%
Proportion of the net pension liability (asset) (\$)	\$ 6,679,835	\$ 6,227,872	\$ 4,014,856	\$ 5,643,925	\$ 1,102,597	\$ (1,428,012)	\$ 2,855,555
Covered payroll	\$16,777,581	\$16,784,623	\$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	39.81%	37.10%	24.14%	37.20%	7.55%	-9.88%	20.83%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,546,837	\$ 1,312,991	\$ 1,280,658	\$ 1,229,365	\$ 1,028,062	\$ 1,040,335	\$ 1,026,095
Contributions in relation to the contractually required contribution	<u>1,546,837</u>	<u>1,312,991</u>	<u>1,280,658</u>	<u>1,229,365</u>	<u>1,028,062</u>	<u>1,040,335</u>	<u>1,026,095</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Covered payroll	\$ 17,029,367	\$ 16,777,581	\$ 16,784,623	\$ 16,631,172	\$ 15,171,727	\$ 14,608,630	\$ 14,448,030
Contributions as a percentage of covered payroll	9.08%	7.83%	7.63%	7.39%	6.78%	7.12%	7.10%

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	-0.337%	-0.436%	-0.426%	-0.430%	-0.424%	-0.387%	-0.438%
Proportion of the net pension liability (asset) (\$)	\$ (66,517)	\$ (72,138)	\$ (72,709)	\$ (80,342)	\$ (98,269)	\$ (87,744)	\$ (93,555)
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,740	\$ 3,524	\$ 3,727	\$ 3,701	\$ 3,511	\$ 3,393	\$ 3,161
Contributions in relation to the contractually required contribution	<u>3,740</u>	<u>3,524</u>	<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>						

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

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SUPPLEMENTARY INFORMATION

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

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THE GENERAL FUND

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

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 29,656,219	\$ 29,646,880	\$ (9,339)	\$ 27,678,283
Taxes - prior	600,000	696,668	96,668	622,786
Interest and advertising	217,800	161,274	(56,526)	155,635
Total	<u>30,474,019</u>	<u>30,504,822</u>	<u>30,803</u>	<u>28,456,704</u>
Local Option Sales Taxes:				
Article 39 one percent	5,501,254	5,876,999	375,745	5,419,886
Article 40 one-half of one percent	1,735,140	1,644,281	(90,859)	1,717,145
Article 42 one-half of one percent	1,268,740	1,300,286	31,546	1,246,119
Article 44 one-half of one percent	1,051	4,311	3,260	77
Total	<u>8,506,185</u>	<u>8,825,877</u>	<u>319,692</u>	<u>8,383,227</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	390,000	416,539	26,539	399,049
Gross receipts tax	27,000	28,738	1,738	31,969
Total	<u>417,000</u>	<u>445,277</u>	<u>28,277</u>	<u>431,018</u>
Restricted Intergovernmental Revenues:				
Federal and State grants	9,631,919	7,592,262	(2,039,657)	7,336,905
Local grants	120,366	89,690	(30,676)	131,272
ABC revenues	12,000	13,813	1,813	12,786
Facility fees/CSC	56,000	47,611	(8,389)	59,185
Federal forfeiture and controlled substance	4,000	4,014	14	96,281
Local health and social services	962,358	935,552	(26,806)	967,843
Total	<u>10,786,643</u>	<u>8,682,942</u>	<u>(2,103,701)</u>	<u>8,604,272</u>
Permits and Fees:				
Inspection fees	438,100	424,474	(13,626)	440,826
Register of Deeds	670,000	699,778	29,778	653,445
Occupancy tax	87,402	109,211	21,809	80,946
Board of Elections fees	-	1,555	1,555	25
Civil license fees	3,000	2,033	(967)	2,639
Addressing fees	50,000	44,102	(5,898)	46,203
Concealed handgun permits	68,000	63,679	(4,321)	61,565
Total	<u>1,316,502</u>	<u>1,344,832</u>	<u>28,330</u>	<u>1,285,649</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Rents, concessions, and fees	296,176	279,100	(17,076)	288,462
Ambulance fees	1,520,000	1,469,833	(50,167)	1,477,652
Other public safety fees	421,000	411,748	(9,252)	397,983
Cable television franchise fees	82,000	75,888	(6,112)	77,870
Health fees	870,575	635,077	(235,498)	687,113
Aging program income	13,500	9,272	(4,228)	24,499
Total	<u>3,203,251</u>	<u>2,880,918</u>	<u>(322,333)</u>	<u>2,953,579</u>
Investment Earnings	<u>510,000</u>	<u>526,210</u>	<u>16,210</u>	<u>721,774</u>
Miscellaneous:				
Other	<u>446,184</u>	<u>462,115</u>	<u>15,931</u>	<u>235,815</u>
Total	<u>446,184</u>	<u>462,115</u>	<u>15,931</u>	<u>235,815</u>
Total revenues	<u>55,659,784</u>	<u>53,672,993</u>	<u>(1,986,791)</u>	<u>51,072,038</u>
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	122,941	121,854		112,544
Operating expenditures	<u>509,100</u>	<u>352,827</u>		<u>82,640</u>
Total	<u>632,041</u>	<u>474,681</u>	<u>157,360</u>	<u>195,184</u>
Administration:				
Salaries and employee benefits	433,198	432,255		403,129
Operating expenditures	<u>57,726</u>	<u>40,684</u>		<u>40,653</u>
Total	<u>490,924</u>	<u>472,939</u>	<u>17,985</u>	<u>443,782</u>
Finance:				
Salaries and employee benefits	482,554	483,675		455,933
Operating expenditures	<u>117,000</u>	<u>92,334</u>		<u>111,294</u>
Total	<u>599,554</u>	<u>576,009</u>	<u>23,545</u>	<u>567,227</u>
Tax Office:				
Salaries and employee benefits	490,013	480,143		456,003
Operating expenditures	<u>247,000</u>	<u>221,695</u>		<u>216,067</u>
Total	<u>737,013</u>	<u>701,838</u>	<u>35,175</u>	<u>672,070</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Legal:				
Contracted services	140,000	128,512		126,356
Total	140,000	128,512	11,488	126,356
Mapping:				
Salaries and employee benefits	175,300	148,989		168,858
Operating expenditures	20,894	13,363		12,349
Capital outlay	12,496	12,496		-
Total	208,690	174,848	33,842	181,207
Tax Assessment:				
Salaries and employee benefits	335,642	322,253		310,461
Operating expenditures	97,250	50,110		179,779
Capital outlay	374,827	-		-
Total	807,719	372,363	435,356	490,240
Board of Elections:				
Salaries and employee benefits	211,145	208,353		176,253
Operating expenditures	114,800	106,380		79,518
Total	325,945	314,733	11,212	255,771
Register of Deeds:				
Salaries and employee benefits	231,699	228,711		221,664
Operating expenditures	96,761	90,138		84,413
Total	328,460	318,849	9,611	306,077
Information Technology:				
Salaries and employee benefits	552,078	476,025		470,241
Operating expenditures	626,818	571,025		718,893
Capital outlay	-	-		217,545
Total	1,178,896	1,047,050	131,846	1,406,679
Garage:				
Salaries and employee benefits	302,165	296,462		274,283
Operating expenditures	80,589	70,719		76,051
Capital outlay	31,453	31,453		7,000
Total	414,207	398,634	15,573	357,334

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Buildings and Grounds:				
Salaries and employee benefits	1,451,337	1,437,272		1,367,232
Operating expenditures	900,373	769,018		911,386
Capital outlay	47,027	47,027		137,271
Total	2,398,737	2,253,317	145,420	2,415,889
Human Resources:				
Salaries and employee benefits	157,555	156,808		147,871
Operating expenditures	66,150	52,190		64,558
Total	223,705	208,998	14,707	212,429
CARES Act:				
Salaries and employee benefits	496,135	496,135		-
Operating expenditures	265,340	109,463		-
Town of Franklin	60,000	31,118		-
Town of Highlands	60,000	60,000		-
Total	881,475	696,716	184,759	-
Non-Departmental:				
Operating expenditures	1,221,195	901,939		1,110,524
Total	1,221,195	901,939	319,256	1,110,524
Total general government	10,588,561	9,041,426	1,547,135	8,740,769
Public Safety:				
Sheriff:				
Salaries and employee benefits	3,808,335	3,674,923		3,629,413
Operating expenditures	956,222	829,040		759,110
Capital outlay	284,478	284,278		98,681
Total	5,049,035	4,788,241	260,794	4,487,204
Federal/State Forfeitures:				
Operating expenditures	36,225	22,399		16,372
Capital outlay	-	-		57,919
Total	36,225	22,399	13,826	74,291
Juvenile Crime Prevention Council Grants	135,091	135,091	-	115,438

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Budget	Actual	Variance Over/Under
Jail/Law Enforcement Center:			
Salaries and employee benefits	1,434,737	1,300,905	1,423,234
Operating expenditures	1,204,809	995,389	1,153,215
Capital outlay	75,409	54,534	(1,631)
Total	2,714,955	2,350,828	2,574,818
Courthouse Security:			
Salaries and employee benefits	737,561	605,996	383,210
Operating expenditures	34,846	34,927	11,801
Capital outlay	166,169	165,923	1,921
Total	938,576	806,846	396,932
Emergency Medical Service:			
Salaries and employee benefits	3,197,080	3,112,678	2,957,875
Operating expenditures	552,633	443,716	362,293
Capital outlay	608,872	578,861	112,941
Total	4,358,585	4,135,255	3,433,109
Emergency Management:			
Salaries and employee benefits	1,350,445	1,263,023	1,178,940
Operating expenditures	158,388	121,374	104,850
Capital outlay	23,319	23,318	-
Total	1,532,152	1,407,715	1,283,790
Fire Task Force:			
Salaries and employee benefits	244,121	241,996	229,615
Operating expenditures	26,555	15,628	15,263
Capital outlay	-	-	8,560
Total	270,676	257,624	253,438
Inspections:			
Salaries and employee benefits	512,087	510,448	484,580
Operating expenditures	52,353	44,556	46,801
Capital outlay	24,820	24,814	22,989
Total	589,260	579,818	554,370

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Emergency 911:				
Salaries and employee benefits	98,327	98,064		93,800
Operating expenditures	27,500	24,166		26,682
Total	125,827	122,230	3,597	120,482
Animal Control:				
Salaries and employee benefits	287,186	251,338		239,486
Operating expenditures	65,343	47,725		48,280
Capital outlay	32,000	31,280		31,098
Total	384,529	330,343	54,186	318,864
Forest Service:				
Operating expenditures	92,748	71,735	21,013	61,198
Total public safety	16,227,659	15,008,125	1,219,534	13,673,934
Transit:				
Transit Services:				
Salaries and employee benefits	818,655	647,764		648,502
Operating expenditures	265,965	142,734		424,434
Capital outlay	178,358	143,813		216,772
Total	1,262,978	934,311	328,667	1,289,708
Contribution to Macon County Airport Authority	33,650	33,650	-	36,200
Total transit	1,296,628	967,961	328,667	1,325,908
Economic and Physical Development:				
Economic Development:				
Operating expenditures	105,794	79,495		103,817
Total	105,794	79,495	26,299	103,817
Cooperative Extension:				
Salaries and employee benefits	237,881	222,873		215,235
Operating expenditures	22,600	14,483		18,453
Capital outlay	34,000	22,651		-
Total	294,481	260,007	34,474	233,688

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Soil Conservation:				
Salaries and employee benefits	172,100	156,783		149,596
Operating expenditures	32,751	25,897		86,842
Total	204,851	182,680	22,171	236,438
Special Appropriations:				
Cowee School	41,020	32,796		52,040
Total	41,020	32,796	8,224	52,040
Total economic and physical development	646,146	554,978	91,168	625,983
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	180,712	114,532		200,506
Operating expenditures	213,824	173,292		229,966
Total	394,536	287,824	106,712	430,472
Management Support:				
Salaries and employee benefits	482,258	417,174		449,519
Operating expenditures	108,816	102,626		89,961
Total	591,074	519,800	71,274	539,480
COVID-19:				
Salaries and employee benefits	12,187	12,187		-
Operating expenditures	47,328	33,669		-
Capital outlay	7,419	-		-
Total	66,934	45,856	21,078	-
School Health Nurse:				
Salaries and employee benefits	354,358	257,166		303,859
Operating expenditures	15,542	13,093		24,472
Total	369,900	270,259	99,641	328,331
CARES Act Provider Relief:				
Salaries and employee benefits	20,640	14,788		-
Total	20,640	14,788	5,852	-

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
NC Tobacco Settlement Funds:				
Operating expenditures	85,378	85,359		125,313
Total	85,378	85,359	19	125,313
Women, Infants, and Children:				
Salaries and employee benefits	207,972	183,435		175,999
Operating expenditures	17,494	13,748		17,178
Total	225,466	197,183	28,283	193,177
Nutrition Education:				
Salaries and employee benefits	70,170	38,150		50,655
Operating expenditures	201,881	117,364		155,318
Total	272,051	155,514	116,537	205,973
Maternal and Childcare:				
Salaries and employee benefits	100,421	70,332		94,545
Operating expenditures	33,350	25,445		34,354
Total	133,771	95,777	37,994	128,899
Child Health:				
Salaries and employee benefits	14,565	9,694		12,275
Operating expenditures	1,944	1,268		5,996
Total	16,509	10,962	5,547	18,271
Family Planning:				
Salaries and employee benefits	74,200	50,778		68,703
Operating expenditures	38,031	32,062		33,730
Total	112,231	82,840	29,391	102,433
Dental Health Program:				
Salaries and employee benefits	419,656	330,224		380,339
Operating expenditures	48,807	33,903		42,311
Capital outlay	25,017	24,831		-
Total	493,480	388,958	104,522	422,650
Adult Dental Health:				
Salaries and employee benefits	188,428	101,447		132,862
Operating expenditures	232,399	191,309		243,130
Total	420,827	292,756	128,071	375,992

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Budget	Actual	Variance Over/Under
Adult Health:			
Salaries and employee benefits	37,037	26,389	33,841
Operating expenditures	179,726	174,911	151,657
Total	216,763	201,300	185,498
NC Wisewoman Program:			
Salaries and employee benefits	17,594	5,694	15,953
Total	17,594	5,694	15,953
Breast and Cervical Cancer:			
Salaries and employee benefits	44,762	31,672	39,611
Operating expenditures	18,810	19,521	19,306
Total	63,572	51,193	58,917
Laboratory Services:			
Salaries and employee benefits	132,365	89,958	131,396
Operating expenditures	97,100	90,311	97,034
Total	229,465	180,269	228,430
Communicable Disease:			
Salaries and employee benefits	16,628	2,156	38,364
Operating expenditures	34,399	33,970	5,313
Capital outlay	6,399	6,399	-
Total	57,426	42,525	43,677
On-Site Wastewater:			
Salaries and employee benefits	296,867	260,099	270,581
Operating expenditures	16,173	13,193	13,877
Capital outlay	31,000	29,202	-
Total	344,040	302,494	284,458
Private Drinking Water Wells:			
Salaries and employee benefits	242,900	227,154	250,910
Operating expenditures	27,825	18,209	23,710
Total	270,725	245,363	274,620

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Food and Lodging:				
Salaries and employee benefits	187,470	163,225		177,151
Operating expenditures	20,093	19,323		27,067
Total	207,563	182,548	25,015	204,218
Health Promotion:				
Salaries and employee benefits	145,336	98,919		138,084
Operating expenditures	29,380	15,249		20,073
Total	174,716	114,168	60,548	158,157
General Nursing:				
Salaries and employee benefits	157,303	111,019		148,361
Operating expenditures	169,991	162,485		120,462
Total	327,294	273,504	53,790	268,823
Child Service Coordination:				
Salaries and employee benefits	65,421	60,116		54,614
Operating expenditures	13,456	11,412		646
Total	78,877	71,528	7,349	55,260
Smart Start:				
Salaries and employee benefits	-	-		6,602
Total	-	-	-	6,602
Regional Chronic Disease 1422 Grant:				
Operating expenditures	1,182,146	291,214		360,435
Total	1,182,146	291,214	890,932	360,435
Community Health Grant:				
Operating expenditures	150,000	82,088		111,485
Total	150,000	82,088	67,912	111,485
OB Care Management Program:				
Salaries and employee benefits	67,674	45,771		60,663
Operating expenditures	2,714	2,290		1,350
Total	70,388	48,061	22,327	62,013

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	10,186	10,071		8,874
Total	10,186	10,071	115	8,874
Employee and Family Health:				
Salaries and employee benefits	78,489	51,853		82,032
Operating expenditures	10,569	8,175		10,265
Total	89,058	60,028	29,030	92,297
Behavioral Health:				
Operating expenditures	182,402	118,038		77,795
Total	182,402	118,038	64,364	77,795
Community Health - School Based:				
Operating expenditures	150,000	90,961		-
Total	150,000	90,961	59,039	-
Total health	7,025,012	4,818,923	2,206,089	5,368,503
Social Services:				
Administration:				
Salaries and employee benefits	424,355	402,845		394,490
Operating expenditures	655,755	444,161		486,902
Capital outlay	-	-		76,993
Total	1,080,110	847,006	233,104	958,385
Social Work Services/Special Programs:				
Salaries and employee benefits	1,180,878	1,148,681		892,654
Operating expenditures	1,442,468	862,948		1,041,472
Total	2,623,346	2,011,629	611,717	1,934,126
Child Daycare:				
Salaries and employee benefits	53,106	52,941	165	49,452
Child Support:				
Salaries and employee benefits	184,833	182,813		146,653
Operating expenditures	55,947	29,360		41,475
Total	240,780	212,173	28,607	188,128

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Medicaid:				
County participation only	197,616	173,466	24,150	178,401
WorkFirst:				
Operating expenditures	5,000	1,327	3,673	1,255
CAP/DA:				
Salaries and employee benefits	-	-	-	124,606
DSS AMC Outpost Worker:				
Salaries and employee benefits	-	-	-	90,709
Program Integrity:				
Salaries and employee benefits	63,280	63,291		57,964
Total	63,280	63,291	(11)	57,964
Medicaid/FS Administration:				
Salaries and employee benefits	1,314,195	1,303,093	11,102	1,126,876
Total social services	5,577,433	4,664,926	912,507	4,709,902
Department On Aging:				
Administration:				
Salaries and employee benefits	343,104	335,677		276,870
Operating expenditures	71,920	63,001		52,734
Total	415,024	398,678	16,346	329,604
Home-Delivered Meals:				
Salaries and employee benefits	52,843	52,765		50,534
Operating expenditures	134,836	117,579		118,728
Total	187,679	170,344	17,335	169,262
Congregate Meals:				
Salaries and employee benefits	52,004	51,392		51,517
Operating expenditures	75,000	86,420		62,382
Total	127,004	137,812	(10,808)	113,899

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Budget	Actual	Actual
Adult Daycare:			
Salaries and employee benefits	133,835	121,203	115,864
Operating expenditures	42,200	24,288	39,908
Total	176,035	145,491	155,772
Total department on aging	905,742	852,325	768,537
Miscellaneous Human Services:			
Veterans' Service:			
Salaries and employee benefits	118,379	117,910	111,502
Operating expenditures	8,150	4,522	4,869
Total	126,529	122,432	116,371
Contributions to Organizations:			
Smoky Mountain Mental Health	106,623	106,623	106,623
Macon County Citizens for Handicapped	62,370	62,370	62,370
Macon Program for Progress	12,000	12,000	-
Total	180,993	180,993	168,993
Special Appropriations:			
State of Franklin	14,000	14,000	14,000
Other special appropriations	234,372	231,560	136,700
Total	248,372	245,560	150,700
Total miscellaneous human services	555,894	548,985	436,064
Total human services	14,064,081	10,885,159	11,283,006
Cultural and Recreational:			
Salaries and employee benefits	460,950	430,382	399,834
Operating expenditures	820,825	792,587	820,649
Capital outlay	149,270	81,770	-
Total	1,431,045	1,304,739	1,220,483
Library and Cultural:			
Macon County Library	1,019,390	1,019,390	1,019,390
Macon County Historical Society	20,000	-	20,000
Total	1,039,390	1,019,390	1,039,390
Total cultural and recreational	2,470,435	2,324,129	2,259,873

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Education:				
Public schools - current expenditures	8,891,531	8,835,344		8,418,715
Public schools - capital outlay	1,163,300	1,163,300		852,118
Timber sales pass-through	132,320	124,116		137,983
Southwestern Community College	305,712	301,917		328,208
Total education	10,492,863	10,424,677	68,186	9,737,024
Total expenditures	55,786,373	49,206,455	6,579,918	47,646,497
Revenues over (under) expenditures	(126,589)	4,466,538	4,593,127	3,425,541
Other Financing Sources (Uses):				
Transfers In:				
From Capital Reserve Fund	407,000	264,500	(142,500)	26,500
Total	407,000	264,500	(142,500)	26,500
Transfers Out:				
To Airport Fund	-	-	-	(33,334)
To Consolidated Capital Project Fund	(1,072,268)	(1,072,268)	-	-
To E911 Fund	(3,252)	(3,252)	-	-
To Community Development Block Grant Fund	(120,603)	(120,603)	-	(103,489)
To Debt service	(1,266,351)	(1,266,351)	-	(1,266,351)
To Health Insurance Fund	(61,756)	(61,756)	-	(1,103,282)
To County Buildings Project	(254,500)	(254,500)	-	(311,457)
Total	(2,778,730)	(2,778,730)	-	(2,817,913)
Appropriated fund balance	2,498,319	-	(2,498,319)	-
Total other financing sources (uses)	126,589	(2,514,230)	(2,640,819)	(2,791,413)
Revenues and other financing sources over (under) expenditures and other financing sources	\$ -	1,952,308	\$ 1,952,308	634,128
Reconciliation from Budgetary Basis to Modified Accrual:				
Long-term notes receivable:				
Reopening Macon Loan Program		250,000		-
Net change in fund balance		2,202,308		
Fund Balance:				
Beginning of year - July 1		29,294,877		28,660,749
End of year - June 30		\$ 31,497,185		\$ 29,294,877

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, 2020**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
Revenues:			
NC Lottery funds	\$ 300,000	\$ 330,777	\$ 30,777
Federal subsidy rebate	328,531	331,770	3,239
Town of Franklin	41,934	41,934	-
Total revenues	<u>670,465</u>	<u>704,481</u>	<u>34,016</u>
Expenditures:			
Debt service:			
Principal repayments	3,136,607	3,136,604	3
Interest	781,054	780,972	82
Debt Service reserve	182,555	-	182,555
Total expenditures	<u>4,100,216</u>	<u>3,917,576</u>	<u>182,640</u>
Revenues over (under) expenditures	(3,429,751)	(3,213,095)	216,656
Other Financing Sources (Uses):			
Transfers in (out)	<u>3,429,751</u>	<u>3,429,751</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	216,656	<u>\$ 216,656</u>
Fund Balance:			
Beginning of year - July 1		<u>1,008,755</u>	
End of year - June 30		<u>\$ 1,225,411</u>	

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 841,835	\$ 2,492,943	\$ 3,334,778
Taxes receivable, net	98,211	-	98,211
Accounts receivable, net	90,719	-	90,719
Due from other governmental agencies	204,622	601,812	806,434
Total assets	<u>\$ 1,235,387</u>	<u>\$ 3,094,755</u>	<u>\$ 4,330,142</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 345,719	\$ 122,667	\$ 468,386
Due to other funds	-	279,974	279,974
Total liabilities	<u>345,719</u>	<u>402,641</u>	<u>748,360</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>98,211</u>	<u>-</u>	<u>98,211</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	295,341	601,812	897,153
Restricted for public safety	556,573	-	556,573
Committed for general government	-	1,002,402	1,002,402
Committed for education	-	963,284	963,284
Committed for economic and physical development	114,629	404,590	519,219
Unassigned	<u>(175,086)</u>	<u>(279,974)</u>	<u>(455,060)</u>
Total fund balances	<u>791,457</u>	<u>2,692,114</u>	<u>3,483,571</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,235,387</u>	<u>\$ 3,094,755</u>	<u>\$ 4,330,142</u>

MACON COUNTY, NORTH CAROLINA

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Ad valorem taxes	\$ 4,227,167	\$ -	\$ 4,227,167
Local option sales taxes	-	2,236,200	2,236,200
Restricted intergovernmental revenues	696,841	162,944	859,785
Occupancy taxes	1,272,597	-	1,272,597
Miscellaneous revenues	-	1,571	1,571
Interest earned on investments	3,010	42,725	45,735
Total revenues	<u>6,199,615</u>	<u>2,443,440</u>	<u>8,643,055</u>
Expenditures:			
Current:			
General government	-	407,955	407,955
Public safety	4,516,042	-	4,516,042
Education	-	1,600,829	1,600,829
Economic and physical development	1,736,362	243,361	1,979,723
Cultural and recreational	-	112,820	112,820
Total expenditures	<u>6,252,404</u>	<u>2,364,965</u>	<u>8,617,369</u>
Revenues over (under) expenditures	<u>(52,789)</u>	<u>78,475</u>	<u>25,686</u>
Other Financing Sources (Uses):			
Transfers in	123,855	1,326,768	1,450,623
Transfers out	-	(2,427,900)	(2,427,900)
Total other financing sources (uses)	<u>123,855</u>	<u>(1,101,132)</u>	<u>(977,277)</u>
Net change in fund balances	71,066	(1,022,657)	(951,591)
Fund Balances:			
Beginning of year - July 1	<u>720,391</u>	<u>3,714,771</u>	<u>4,435,162</u>
End of year - June 30	<u>\$ 791,457</u>	<u>\$ 2,692,114</u>	<u>\$ 3,483,571</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Assets:					
Cash and cash equivalents	\$ 560,229	\$ 37,641	\$ 119,222	\$ 124,743	\$ 841,835
Taxes receivable, net	-	98,211	-	-	98,211
Accounts receivable, net	-	-	-	90,719	90,719
Due from government agencies	29,536	19,691	155,395	-	204,622
Total assets	<u>\$ 589,765</u>	<u>\$ 155,543</u>	<u>\$ 274,617</u>	<u>\$ 215,462</u>	<u>\$ 1,235,387</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	<u>\$ 3,656</u>	<u>\$ 57,332</u>	<u>\$ 274,617</u>	<u>\$ 10,114</u>	<u>\$ 345,719</u>
Deferred Inflows of Resources:					
Property taxes receivable	<u>-</u>	<u>98,211</u>	<u>-</u>	<u>-</u>	<u>98,211</u>
Fund Balances:					
Restricted:					
Stabilization by state statute	29,536	19,691	155,395	90,719	295,341
Restricted for public safety	556,573	-	-	-	556,573
Committed for economic and physical development	-	-	-	114,629	114,629
Unassigned	<u>-</u>	<u>(19,691)</u>	<u>(155,395)</u>	<u>-</u>	<u>(175,086)</u>
Total fund balances	<u>586,109</u>	<u>-</u>	<u>-</u>	<u>205,348</u>	<u>791,457</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 589,765</u>	<u>\$ 155,543</u>	<u>\$ 274,617</u>	<u>\$ 215,462</u>	<u>\$ 1,235,387</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, 2020**

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Total
Revenues:					
Ad valorem taxes	\$ -	\$ 4,227,167	\$ -	\$ -	\$ 4,227,167
Restricted intergovernmental revenues	354,431	-	-	342,410	696,841
Occupancy taxes	-	-	1,272,597	-	1,272,597
Investment earnings	3,010	-	-	-	3,010
Total revenues	<u>357,441</u>	<u>4,227,167</u>	<u>1,272,597</u>	<u>342,410</u>	<u>6,199,615</u>
Expenditures:					
Public safety	288,875	4,227,167	-	-	4,516,042
Economic and physical development	-	-	1,272,597	463,765	1,736,362
Total expenditures	<u>288,875</u>	<u>4,227,167</u>	<u>1,272,597</u>	<u>463,765</u>	<u>6,252,404</u>
Revenues over (under) expenditures	68,566	-	-	(121,355)	(52,789)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	<u>3,252</u>	<u>-</u>	<u>-</u>	<u>120,603</u>	<u>123,855</u>
Net change in fund balances	71,818	-	-	(752)	71,066
Fund Balances:					
Beginning of year - July 1	<u>514,291</u>	<u>-</u>	<u>-</u>	<u>206,100</u>	<u>720,391</u>
End of year - June 30	<u>\$ 586,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,348</u>	<u>\$ 791,457</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 354,431	\$ 354,431	\$ -	\$ 155,594
Investment earnings	5,000	3,010	(1,990)	4,908
Total revenues	<u>359,431</u>	<u>357,441</u>	<u>(1,990)</u>	<u>160,502</u>
Expenditures:				
Public safety:				
Wireless 911:				
Implemental functions	70,000	51,815	18,185	47,010
Telephone	42,000	32,746	9,254	33,327
Furniture	7,500	-	7,500	2,327
Software and software maintenance	69,270	69,300	(30)	26,920
Hardware and hardware maintenance	33,480	21,489	11,991	34,878
Training	6,000	5,927	73	930
Capital outlay	272,895	107,598	165,297	156,546
Total public safety	<u>501,145</u>	<u>288,875</u>	<u>212,270</u>	<u>301,938</u>
Total expenditures	<u>501,145</u>	<u>288,875</u>	<u>212,270</u>	<u>301,938</u>
Revenues over (under) expenditures	<u>(141,714)</u>	<u>68,566</u>	<u>210,280</u>	<u>(141,436)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	141,714	-	(141,714)	-
Transfers in from General Fund	-	3,252	3,252	-
Total other financing sources (uses)	<u>141,714</u>	<u>3,252</u>	<u>(138,462)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>71,818</u>	<u>\$ 71,818</u>	<u>(141,436)</u>
Fund Balance:				
Beginning of year - July 1		<u>514,291</u>		<u>655,727</u>
End of year - June 30		<u>\$ 586,109</u>		<u>\$ 514,291</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, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 4,133,742	\$ 4,108,139	\$ (25,603)	\$ 3,354,971
Prior years	136,300	119,028	(17,272)	107,134
Total revenues	<u>4,270,042</u>	<u>4,227,167</u>	<u>(42,875)</u>	<u>3,462,105</u>
Expenditures:				
Public safety:				
Franklin Fire District		869,179		851,134
Clark's Chapel Fire District		331,203		325,939
Otto Fire District		338,860		328,863
Cullasaja Fire District		255,865		250,682
West Macon Fire District		313,893		310,987
Scaly Mountain Fire District		150,741		121,831
Burningtown/Iotla Fire District		231,826		222,896
Cowee Fire District		317,879		312,318
Highlands Fire District		1,055,805		377,823
Mountain Valley Fire District		134,061		135,466
Nantahala Fire District		227,855		224,166
Total expenditures	<u>4,270,042</u>	<u>4,227,167</u>	<u>42,875</u>	<u>3,462,105</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

OCCUPANCY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 890,000	\$ 889,186	\$ (814)	\$ 665,941
Nantahala	77,000	-	(77,000)	61,820
Franklin	260,000	274,200	14,200	203,120
Administrative fee	106,696	109,211	2,515	80,946
Total revenues	<u>1,333,696</u>	<u>1,272,597</u>	<u>(61,099)</u>	<u>1,011,827</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	890,000	889,186	814	665,941
Nantahala District	77,000	-	77,000	61,820
Franklin Chamber	260,000	274,200	(14,200)	203,120
Administrative fees	106,696	109,211	(2,515)	80,946
Total expenditures	<u>1,333,696</u>	<u>1,272,597</u>	<u>61,099</u>	<u>1,011,827</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, 2020

	Project Authorization	Actual			
		Prior Years	Current Year	Closed Projects	Total to Date
Revenues:					
Restricted intergovernmental revenues:					
Community Development Block Grant #07-C-1662	\$ 400,000	\$ 353,250	\$ -	\$ -	\$ 353,250
Weatherization #1161	47,867	47,122	-	-	47,122
Urgent repair 1014	75,000	75,000	-	-	75,000
ARRA Weatherization 18WA	668,109	605,388	-	-	605,388
Community Development Block Grant #10-C-2124	400,000	275,815	-	-	275,815
Weatherization #1261	235,990	181,887	-	-	181,887
SFR 11	160,000	122,208	-	-	122,208
Urgent repair 1115	75,000	75,000	-	-	75,000
Urgent repair URP-13	75,000	75,000	-	-	75,000
Weatherization #1361	129,107	123,180	-	-	123,180
Weatherization #1461	320,347	234,892	-	-	234,892
Weatherization #6054	266,322	258,443	-	-	258,443
SFR 14	170,000	118,453	-	-	118,453
Duke HHP - Health and Safety	138,526	138,769	-	-	138,769
Duke HHP - HVAC	252,561	253,317	-	-	253,317
Duke Weatherization	98,200	98,200	-	-	98,200
Urgent Repair - URP 15	100,000	100,092	-	-	100,092
Weatherization #6508	169,604	168,648	-	-	168,648
Urgent Repair #1619	100,000	100,089	-	-	100,089
Weatherization #6940	105,683	98,669	-	-	98,669
Duke Weatherization Direct Reimbursement	140,000	127,659	19,908	-	147,567
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	39,214	-	-	39,214
ESFRLP-17 Grant	175,000	19,247	79,628	-	98,875
Weatherization DOE 2018 #7305	72,372	65,305	-	-	65,305
Weatherization LIHEAP 18 #7305	80,722	78,105	-	-	78,105
Weatherization HARRP 18 #7305	38,613	37,203	-	-	37,203
Duke Energy 2017 HHF#2017-2200	108,603	108,637	-	-	108,637
Urgent Repair Program 18	100,000	100,000	206	-	100,206
Weatherization DOE 2019 #7604	82,919	79,018	-	-	79,018
Weatherization LIHEAP 19 #7604	63,055	62,928	-	-	62,928
Weatherization HARRP 19 #7604	9,894	8,680	-	-	8,680
Urgent Repair Program 19	100,000	-	100,000	-	100,000
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
Miscellaneous revenues	11,222	11,469	-	-	11,469
Total revenues	5,199,160	4,240,887	342,410	-	4,583,297

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Expenditures:					
Economic and physical development:					
Administrative - County	1,179,365	931,171	90,921	-	1,022,092
Community Development Block Grant:					
Grant #07-C-1662 - administrative	40,000	40,965	-	-	40,965
Grant #07-C-1662 - rehabilitation	360,000	313,058	-	-	313,058
Weatherization #1161	47,867	47,124	-	-	47,124
Urgent repair 1014	75,000	74,998	-	-	74,998
ARRA weatherization 18WA	668,109	605,401	-	-	605,401
Community Development Block:					
Grant #10-C-2124 - administrative	40,000	30,978	-	-	30,978
Grant #10-C-2124 - rehabilitation	360,000	244,856	-	-	244,856
SFR-11 Grant	160,000	122,211	-	-	122,211
Weatherization #1261	235,990	181,802	-	-	181,802
Urgent Repair Grant 1115	75,000	74,943	-	-	74,943
Weatherization #1361	129,107	123,450	-	-	123,450
Urgent Repair Grant - URP-13	75,000	75,000	-	-	75,000
Weatherization #1461	320,347	234,894	-	-	234,894
Weatherization #6054	266,322	258,441	-	-	258,441
SFR 14	170,000	117,577	-	-	117,577
Duke HHP - Health and Safety	138,526	114,105	-	-	114,105
Duke HHP - HVAC	252,561	235,409	-	-	235,409
Duke Weatherization	98,200	97,447	169	-	97,616
Urgent Repair - URP 15	100,000	98,363	-	-	98,363
Weatherization #6508	169,604	168,649	-	-	168,649
Urgent Repair #1619	100,000	97,430	-	-	97,430
Weatherization #6940	105,683	98,667	-	-	98,667
Duke Weatherization Direct Reimbursement	140,000	95,335	25,600	-	120,935
PNC Healthy Housing Energy & Neighborhood					
Beautification Improvement Program	37,800	38,493	-	-	38,493
ESFRLP-17 - rehabilitation	125,000	25,954	79,670	-	105,624
ESFRLP-17 - program support	50,000	6,290	21,995	-	28,285
Weatherization DOE 2018 #7305	72,372	65,303	-	-	65,303
Weatherization LIHEAP 18 #7305	80,722	78,104	-	-	78,104
Weatherization HARRP 18 #7305	38,613	37,202	-	-	37,202
Duke Energy 2017 HHF#2017-2200	108,603	106,009	2,515	-	108,524
Urgent Repair- URP 19	100,000	96,470	3,198	-	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

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual</u>			<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Closed Projects</u>	
Urgent Repair Program 20	100,000	-	96,971	-	96,971
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
Total expenditures	<u>6,367,303</u>	<u>5,087,324</u>	<u>463,765</u>	-	<u>5,551,089</u>
Revenues over (under) expenditures	(1,168,143)	(846,437)	(121,355)	-	(967,792)
Other Financing Sources (Uses):					
Transfers in:					
From General Fund	<u>1,168,143</u>	<u>1,052,537</u>	<u>120,603</u>	-	<u>1,173,140</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 206,100</u>	<u>\$ (752)</u>	<u>\$ -</u>	<u>\$ 205,348</u>

CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions:

Nonmajor Funds:

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Consolidated Capital Projects Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>
Assets:				
Cash and cash equivalents	\$ 202,114	\$ 139,004	\$ 1,085,056	\$ 40,685
Due from governmental agencies	-	-	-	-
Notes receivable - long term	-	-	-	-
Total assets	<u>\$ 202,114</u>	<u>\$ 139,004</u>	<u>\$ 1,085,056</u>	<u>\$ 40,685</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 895	\$ 121,772	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>895</u>	<u>121,772</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	-	-	-
Committed for general government	-	138,109	-	-
Committed for economic and physical development	202,114	-	-	40,685
Committed for education	-	-	963,284	-
Unassigned	-	-	-	-
Total fund balances	<u>202,114</u>	<u>138,109</u>	<u>963,284</u>	<u>40,685</u>
Total liabilities and fund balances	<u>\$ 202,114</u>	<u>\$ 139,004</u>	<u>\$ 1,085,056</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Assets:				
Cash and cash equivalents	\$ 161,791	\$ -	\$ 864,293	\$ 2,492,943
Due from governmental agencies	-	601,812	-	601,812
Total assets	<u>\$ 161,791</u>	<u>\$ 601,812</u>	<u>\$ 864,293</u>	<u>\$ 3,094,755</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 122,667
Due to other funds	-	279,974	-	279,974
Total liabilities	<u>-</u>	<u>279,974</u>	<u>-</u>	<u>402,641</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	601,812	-	601,812
Committed for general government	-	-	864,293	1,002,402
Committed for economic and physical development	161,791	-	-	404,590
Committed for education	-	-	-	963,284
Unassigned	-	(279,974)	-	(279,974)
Total fund balances	<u>161,791</u>	<u>321,838</u>	<u>864,293</u>	<u>2,692,114</u>
Total liabilities and fund balances	<u>\$ 161,791</u>	<u>\$ 601,812</u>	<u>\$ 864,293</u>	<u>\$ 3,094,755</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, 2020

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Consolidated Capital Projects Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>
Revenues:				
Restricted intergovernmental revenues	\$ 162,944	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Miscellaneous revenues	1,571	-	-	-
Interest earned on investments	-	-	16,777	-
Total revenues	<u>164,515</u>	<u>-</u>	<u>16,777</u>	<u>-</u>
Expenditures:				
General government	-	407,955	-	-
Economic and physical development	181,049	-	-	-
Education	-	-	1,600,829	-
Cultural and recreational	-	112,820	-	-
Total expenditures	<u>181,049</u>	<u>520,775</u>	<u>1,600,829</u>	<u>-</u>
Revenues over (under) expenditures	<u>(16,534)</u>	<u>(520,775)</u>	<u>(1,584,052)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	-	254,500	1,072,268	-
Transfers out:				
To Debt Service Fund	-	-	-	-
To General Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>254,500</u>	<u>1,072,268</u>	<u>-</u>
Net change in fund balances	(16,534)	(266,275)	(511,784)	-
Fund Balances:				
Beginning of year - July 1	<u>218,648</u>	<u>404,384</u>	<u>1,475,068</u>	<u>40,685</u>
End of year - June 30	<u>\$ 202,114</u>	<u>\$ 138,109</u>	<u>\$ 963,284</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

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

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 162,944
Local option sales tax	-	2,236,200	-	2,236,200
Miscellaneous revenues	-	-	-	1,571
Interest earned on investments	-	11,813	14,135	42,725
Total revenues	<u>-</u>	<u>2,248,013</u>	<u>14,135</u>	<u>2,443,440</u>
Expenditures:				
General government	-	-	-	407,955
Economic and physical development	62,312	-	-	243,361
Education	-	-	-	1,600,829
Cultural and recreational	-	-	-	112,820
Total expenditures	<u>62,312</u>	<u>-</u>	<u>-</u>	<u>2,364,965</u>
Revenues over (under) expenditures	<u>(62,312)</u>	<u>2,248,013</u>	<u>14,135</u>	<u>78,475</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	-	-	-	1,326,768
Transfers out:				
To Debt Service Fund	-	(2,163,400)	-	(2,163,400)
To General Fund	-	-	(264,500)	(264,500)
Total other financing sources (uses)	<u>-</u>	<u>(2,163,400)</u>	<u>(264,500)</u>	<u>(1,101,132)</u>
Net change in fund balances	(62,312)	84,613	(250,365)	(1,022,657)
Fund Balances:				
Beginning of year - July 1	<u>224,103</u>	<u>237,225</u>	<u>1,114,658</u>	<u>3,714,771</u>
End of year - June 30	<u>\$ 161,791</u>	<u>\$ 321,838</u>	<u>\$ 864,293</u>	<u>\$ 2,692,114</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, 2020

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
State aid to airports	\$ 7,423,967	\$ 6,157,489	\$ 34,224	\$ 6,191,713
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	21,280	128,720	150,000
Taxiway/Lighting 36237.1.14.2	2,250,000	2,225,451	-	2,225,451
Miscellaneous revenues	61,167	86,480	1,571	88,051
Total revenues	<u>12,803,743</u>	<u>11,074,174</u>	<u>164,515</u>	<u>11,238,689</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	23,644	143,023	166,667
2016 NPE 36237.1.NPE.16	166,667	-	38,026	38,026
2017 NPE 36237.1.NPE.17	166,667	-	-	-
Taxiway/Lighting 36237.1.14.2	<u>2,500,000</u>	<u>2,484,562</u>	<u>-</u>	<u>2,484,562</u>
Total expenditures	<u>14,158,421</u>	<u>12,147,046</u>	<u>181,049</u>	<u>12,328,095</u>
Revenues over (under) expenditures	(1,354,678)	(1,072,872)	(16,534)	(1,089,406)
Other Financing Sources (Uses):				
Transfers in from General Fund	<u>1,354,678</u>	<u>1,291,520</u>	<u>-</u>	<u>1,291,520</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 218,648</u>	<u>\$ (16,534)</u>	<u>\$ 202,114</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, 2020

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
PARTF Grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
NC Grant-In-Aid 2017.51.0	100,000	100,000	-	100,000
Miscellaneous	-	20,360	-	20,360
Total revenues	<u>600,000</u>	<u>620,360</u>	<u>-</u>	<u>620,360</u>
Expenditures:				
General government:				
Animal shelter	500,000	498,905	-	498,905
Old library renovations	300,000	299,928	-	299,928
Renovations - Barrett Building	458,303	445,581	-	445,581
Renovations - Old Senior Services Building	118,550	118,531	-	118,531
Renovations - Patton Avenue Building	200,000	175,205	-	175,205
Garage construction	120,000	119,080	-	119,080
Radio communication upgrade	1,395,360	939,294	407,955	1,347,249
Dog park construction	115,957	-	112,820	112,820
Cultural and recreational:				
Parker Meadows Recreation Complex	3,774,801	3,747,923	-	3,747,923
Carpenter building renovations	899,965	899,965	-	899,965
Total expenditures	<u>7,882,936</u>	<u>7,244,412</u>	<u>520,775</u>	<u>7,765,187</u>
Revenues over (under) expenditures	<u>(7,282,936)</u>	<u>(6,624,052)</u>	<u>(520,775)</u>	<u>(7,144,827)</u>
Other Financing Sources (Uses):				
Debt issued	1,800,000	1,800,000	-	1,800,000
Transfers in:				
From General Fund	5,110,867	4,856,367	254,500	5,110,867
From Emergency Telephone System Fund	326,095	326,095	-	326,095
From Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund	303,216	303,216	-	303,216
Transfers out:				
(To) Emergency Telephone System Fund	<u>(257,242)</u>	<u>(257,242)</u>	<u>-</u>	<u>(257,242)</u>
Total other financing sources (uses)	<u>7,282,936</u>	<u>7,028,436</u>	<u>254,500</u>	<u>7,282,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 404,384</u>	<u>\$ (266,275)</u>	<u>\$ 138,109</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, 2020**

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ 120,491	\$ 261,909	\$ 16,777	\$ 278,686
NC Department of Transportation	50,000	50,000	-	50,000
Contribution from Board of Education	15,000	15,000	-	15,000
Miscellaneous revenues	533,990	533,990	-	533,990
Total revenues	<u>719,481</u>	<u>860,899</u>	<u>16,777</u>	<u>877,676</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
Issuance costs	20,046	20,046	-	20,046
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,800,000	1,793,155	6,845	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	2,065,874	1,200,815	3,266,689
Macon Middle School Renovation	1,072,268	-	393,169	393,169
Total expenditures	<u>30,164,623</u>	<u>27,758,705</u>	<u>1,600,829</u>	<u>29,359,534</u>
Revenues over (under) expenditures	<u>(29,445,142)</u>	<u>(26,897,806)</u>	<u>(1,584,052)</u>	<u>(28,481,858)</u>
Other Financing Sources (Uses):				
Debt issued	25,949,539	25,949,539	-	25,949,539
Transfer from the General Fund	3,495,603	2,423,335	1,072,268	3,495,603
Total other financing sources (uses)	<u>29,445,142</u>	<u>28,372,874</u>	<u>1,072,268</u>	<u>29,445,142</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,475,068</u>	<u>\$ (511,784)</u>	<u>\$ 963,284</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, 2020

	<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

**LITTLE TENNESSEE RIVER/CARTOOGECHAYE CREEK
SEWER TRUNK PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Years</u>	<u>Current Year</u>	
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	4,840,403	62,312	4,902,715
Land	208,637	208,636	-	208,636
Total expenditures	<u>6,023,586</u>	<u>5,853,246</u>	<u>62,312</u>	<u>5,915,558</u>
Revenues over (under) expenditures	<u>(2,256,616)</u>	<u>(2,032,513)</u>	<u>(62,312)</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>\$ 224,103</u>	<u>\$ (62,312)</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 20,250	\$ 11,813	\$ (8,437)	\$ 21,649
Local option sales tax	2,143,150	2,236,200	93,050	2,122,955
Total revenues	<u>2,163,400</u>	<u>2,248,013</u>	<u>84,613</u>	<u>2,144,604</u>
Revenues over (under) expenditures	2,163,400	2,248,013	84,613	2,144,604
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	<u>(2,163,400)</u>	<u>(2,163,400)</u>	<u>-</u>	<u>(2,100,977)</u>
Net change in fund balance	<u>\$ -</u>	84,613	<u>\$ 84,613</u>	43,627
Fund Balance:				
Beginning of year - July 1		<u>237,225</u>		<u>193,598</u>
End of year - June 30		<u>\$ 321,838</u>		<u>\$ 237,225</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 7,000	\$ 14,135	\$ 7,135	\$ 23,580
Expenditures:				
Economic development	257,500	-	(257,500)	-
Revenues over (under) expenditures	(250,500)	14,135	264,635	23,580
Other Financing Sources (Uses):				
Transfers out:				
(To) General Fund	(407,000)	(264,500)	142,500	(26,500)
Appropriated fund balance	657,500	-	(657,500)	-
Total other financing sources (uses)	250,500	(264,500)	(515,000)	(26,500)
Net change in fund balance	\$ -	(250,365)	\$ (250,365)	(2,920)
Fund Balance:				
Beginning of year - July 1		1,114,658		1,117,578
End of year - June 30		\$ 864,293		\$ 1,114,658

ENTERPRISE FUND

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

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MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		Variance Over/Under	2019
	Budget	Actual		Actual
Revenues:				
Operating revenues:				
Landfill fees	\$ 2,575,000	\$ 2,530,501		\$ 2,544,035
Tipping fees	1,600,000	1,627,267		1,523,883
Recycling revenue	275,000	199,523		205,398
Other operating revenue	7,478	8,724		52,660
Scrap tire disposal fee	43,000	49,093		49,524
Restricted intergovernmental revenue	30,800	24,144		41,074
Total operating revenues	<u>4,531,278</u>	<u>4,439,252</u>	\$ (92,026)	<u>4,416,574</u>
Non-operating revenues:				
Solid waste disposal tax	24,000	29,469		28,399
Investment earnings	12,945	107,806		153,218
Total non-operating revenues	<u>36,945</u>	<u>137,275</u>	100,330	<u>181,617</u>
Total revenues	<u>4,568,223</u>	<u>4,576,527</u>	8,304	<u>4,598,191</u>
Expenditures:				
Operating expenditures:				
Salaries	1,158,492	1,143,896		1,060,169
Employee benefits	486,445	459,907		404,150
Operating expenditures	1,519,591	1,282,294		1,256,577
Interest and fees	148,816	149,130		168,960
Debt principal	946,313	945,999		926,168
Post-closure costs	514,659	16,477		33,970
Capital outlay	1,026,888	761,306		274,822
Solid waste disposal tax remittance	70,000	73,232		68,601
Total operating expenditures	<u>5,871,204</u>	<u>4,832,241</u>	1,038,963	<u>4,193,417</u>
Total expenditures	<u>5,871,204</u>	<u>4,832,241</u>	1,038,963	<u>4,193,417</u>
Revenues over (under) expenditures	(1,302,981)	(255,714)	1,047,267	404,774
Other Financing Sources (Uses):				
Appropriated fund balance	<u>1,302,981</u>	<u>-</u>	<u>(1,302,981)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (255,714)</u>	<u>\$ (255,714)</u>	<u>\$ 404,774</u>

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020		2019
	Budget	Actual	Actual
		Variance	
		Over/Under	
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual:			
Revenues and other financing sources over (under) expenditures and other financing uses		\$ (255,714)	
Reconciling items:			
Payment of debt principal		945,999	
Solid waste capital project fund interest income		3,836	
(Increase) decrease in accrued interest payable		4,786	
Capital outlay		761,306	
Increase (decrease) in deferred outflows - pension		(47,946)	
(Increase) decrease in net pension liability LGERS		(25,129)	
(Increase) decrease in deferred inflows - pension LGERS		(5,949)	
(Increase) decrease in post-closure care costs		3,684,342	
(Increase) decrease in OPEB liability		(913,551)	
Increase (decrease) in deferred outflows - OPEB		679,994	
(Increase) decrease in deferred inflows - OPEB		29,276	
(Increase) decrease in compensated absences		(8,914)	
Depreciation		(619,228)	
Change in net position - Exhibit H		\$ 4,233,108	

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, 2020**

	Project Authorization	Actual			Total to Date
		Prior Years	Current Year	Closed Projects	
Revenues:					
Investment earnings	\$ -	\$ 38,848	\$ 3,836	\$ -	\$ 42,684
Sales tax refund	-	30,613	-	-	30,613
Total revenues	-	69,461	3,836	-	73,297
Expenditures:					
Construction	6,676,126	6,464,042	10,543	(6,474,585)	-
Capital equipment	238,000	78,663	159,260	(237,923)	-
Construction administration	447,600	445,965	-	(445,965)	-
Water line installation/relocation	240,000	14,000	-	-	14,000
Building renovations	182,775	5,757	-	-	5,757
Professional fees	94,154	59,454	13,850	(59,454)	13,850
Ground water monitoring	92,315	92,315	-	(92,315)	-
Issuance costs	60,200	60,200	-	(60,200)	-
Contingency	17,285	-	-	-	-
Total expenditures	8,048,455	7,220,396	183,653	(7,370,442)	33,607
Revenues over (under) expenditures	(8,048,455)	(7,150,935)	(179,817)	7,370,442	39,690
Other Financing Sources (Uses):					
Proceeds from issuance of debt	9,800,000	9,800,000	-	(7,370,442)	2,429,558
Transfer to Solid Waste Fund	(1,751,545)	(1,751,545)	-	-	(1,751,545)
Total other financing sources (uses)	8,048,455	8,048,455	-	(7,370,442)	678,013
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 897,520	\$ (179,817)	\$ -	\$ 717,703

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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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 562,087	\$ 973,567
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>267,790</u>	<u>425,110</u>
Net Position:		
Unrestricted net position	<u>\$ 294,297</u>	<u>\$ 548,457</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, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	<u>2020</u>			<u>2019</u>
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 5,016,197	\$ 5,033,126	\$ 16,929	\$ 4,686,725
Operating Expenses:				
Insurance premiums	5,084,253	5,049,407	34,846	749,381
Benefit payments	510,000	305,823	204,177	4,909,528
Total operating expenses	<u>5,594,253</u>	<u>5,355,230</u>	<u>239,023</u>	<u>5,658,909</u>
Operating income (loss)	(578,056)	(322,104)	255,952	(972,184)
Non-Operating Revenues:				
Investment earnings	<u>6,300</u>	<u>6,188</u>	<u>(112)</u>	<u>5,370</u>
Other Financing Sources (Uses):				
Appropriated fund balance	510,000	-	(510,000)	-
Transfer from General Fund	<u>61,756</u>	<u>61,756</u>	<u>-</u>	<u>1,103,282</u>
Total other financing sources (uses)	<u>571,756</u>	<u>61,756</u>	<u>(510,000)</u>	<u>1,103,282</u>
Change in net position	<u>\$ -</u>	<u>(254,160)</u>	<u>\$ (254,160)</u>	<u>136,468</u>
Net Position:				
Beginning of year - July 1		<u>548,457</u>		<u>411,989</u>
End of year - June 30		<u>\$ 294,297</u>		<u>\$ 548,457</u>

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 5,033,126	\$ 4,687,773
Cash paid for goods and services	<u>(5,512,550)</u>	<u>(5,578,463)</u>
Net cash provided (used) by operating activities	<u>(479,424)</u>	<u>(890,690)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>6,188</u>	<u>5,370</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>61,756</u>	<u>1,103,282</u>
Net increase (decrease) in cash and cash equivalents	(411,480)	217,962
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>973,567</u>	<u>755,605</u>
End of year - June 30	<u>\$ 562,087</u>	<u>\$ 973,567</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (322,104)	\$ (972,184)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	-	1,048
Increase (decrease) in accounts payable and accrued liabilities	<u>(157,320)</u>	<u>80,446</u>
Net cash provided (used) by operating activities	<u>\$ (479,424)</u>	<u>\$ (890,690)</u>

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AGENCY FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	<u>Social Services Trust Fund</u>	<u>Inmate Trust Fund</u>	<u>Fines and Forfeitures Fund</u>	<u>Motor Vehicle Tax Fund</u>
Assets:				
Cash and cash equivalents	\$ 47,100	\$ 11,658	\$ -	\$ 19,862
Accounts receivable	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>10,910</u>
Total assets	<u>\$ 47,100</u>	<u>\$ 11,658</u>	<u>\$ 6,459</u>	<u>\$ 30,772</u>
Liabilities:				
Miscellaneous liabilities	\$ 47,100	\$ 11,658	\$ -	\$ -
Intergovernmental payable	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>30,772</u>
Total liabilities	<u>\$ 47,100</u>	<u>\$ 11,658</u>	<u>\$ 6,459</u>	<u>\$ 30,772</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

	<u>Deed of Trust Fund</u>	<u>Western Carolina Industrial Partners Fund</u>	<u>Hurricane Ivan Relief Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 1,166	\$ 17,113	\$ 36,454	\$ 133,353
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,369</u>
Total assets	<u>\$ 1,166</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 150,722</u>
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 17,113	\$ 36,454	\$ 112,325
Intergovernmental payable	<u>1,166</u>	<u>-</u>	<u>-</u>	<u>38,397</u>
Total liabilities	<u>\$ 1,166</u>	<u>\$ 17,113</u>	<u>\$ 36,454</u>	<u>\$ 150,722</u>

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Social Services Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 24,868	\$ 239,239	\$ 217,007	\$ 47,100
Liabilities:				
Miscellaneous liabilities	\$ 24,868	\$ 245,862	\$ 223,630	\$ 47,100
Inmate Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 15,524	\$ 174,629	\$ 178,495	\$ 11,658
Liabilities:				
Miscellaneous liabilities	\$ 15,524	\$ 38,277	\$ 42,143	\$ 11,658
Fines and Forfeitures Fund:				
Assets:				
Accounts receivable	\$ 11,317	\$ 6,459	\$ 11,317	\$ 6,459
Liabilities:				
Intergovernmental payable	\$ 11,317	\$ 134,513	\$ 139,371	\$ 6,459
Motor Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 17,592	2,890,374	2,888,104	\$ 19,862
Accounts receivable	13,466	10,910	13,466	10,910
Cash and accounts receivable	\$ 31,058	\$ 2,901,284	\$ 2,901,570	\$ 30,772
Liabilities:				
Intergovernmental payable	\$ 31,058	\$ 2,849,533	\$ 2,849,819	\$ 30,772

MACON COUNTY, NORTH CAROLINA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 856	\$ 11,544	\$ 11,234	\$ 1,166
Liabilities:				
Intergovernmental payable	\$ 856	\$ 11,544	\$ 11,234	\$ 1,166
Western Carolina Industrial Partners Fund:				
Assets:				
Cash and cash equivalents	\$ 17,113	\$ -	\$ -	\$ 17,113
Liabilities:				
Miscellaneous liabilities	\$ 17,113	\$ -	\$ -	\$ 17,113
Hurricane Ivan Relief Fund:				
Assets:				
Cash and cash equivalents	\$ 36,454	\$ -	\$ -	\$ 36,454
Liabilities:				
Miscellaneous liabilities	\$ 36,454	\$ -	\$ -	\$ 36,454
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 112,407	\$ 3,315,786	\$ 3,294,840	\$ 133,353
Accounts receivable	24,783	17,369	24,783	17,369
Total assets	<u>\$ 137,190</u>	<u>\$ 3,333,155</u>	<u>\$ 3,319,623</u>	<u>\$ 150,722</u>
Liabilities:				
Miscellaneous liabilities	\$ 93,959	\$ 284,139	\$ 265,773	\$ 112,325
Intergovernmental payable	43,231	2,995,590	3,000,424	38,397
Total liabilities	<u>\$ 137,190</u>	<u>\$ 3,279,729</u>	<u>\$ 3,266,197</u>	<u>\$ 150,722</u>

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ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2020.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 30,407,062	\$ 29,927,608	\$ 479,454
2018-2019	462,032	678	237,584	225,126
2017-2018	229,818	-	76,005	153,813
2016-2017	125,961	-	31,000	94,961
2015-2016	99,995	-	25,863	74,132
2014-2015	85,662	-	16,300	69,362
2013-2014	72,003	-	11,438	60,565
2012-2013	55,225	-	5,440	49,785
2011-2012	44,594	-	4,831	39,763
2010-2011	33,748	-	3,012	30,736
2009-2010	23,412	-	23,412	-
Total	<u>\$ 1,232,450</u>	<u>\$ 30,407,740</u>	<u>\$ 30,362,493</u>	1,277,697
Less allowance for uncollectible ad valorem taxes receivable				<u>(672,357)</u>
Ad valorem taxes receivable - net				<u>\$ 605,340</u>
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 30,504,822
Reconciling items:				
Advertising/attorney fees				(14,617)
Interest collected				(146,657)
Refunds and other adjustments				(1,887)
Amounts written off per Statute of Limitations				<u>20,832</u>
Total collections and credits				<u>\$ 30,362,493</u>

MACON COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,549,094,476	\$ 0.3747	\$ 28,286,457	\$ 28,286,457	\$ -
Motor vehicles taxed at current year's rate	295,792,901	0.3747	1,108,336	-	1,108,336
Motor vehicles taxed at prior year's rate	80,601,146	0.3490	281,298	-	281,298
Total	<u>7,925,488,523</u>		<u>29,676,091</u>	<u>28,286,457</u>	<u>1,389,634</u>
Discoveries:					
Current year taxes	30,624,500	0.3747	114,750	114,750	-
Utilities	169,344,809	0.3747	634,535	634,535	-
Less releases and adjustments	<u>(4,887,643)</u>	0.3747	<u>(18,314)</u>	<u>(18,314)</u>	<u>-</u>
Total property valuation	<u>\$ 8,120,570,189</u>				
Net Levy			30,407,062	29,017,428	1,389,634
Uncollected taxes at June 30, 2020			<u>(479,454)</u>	<u>(479,454)</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 29,927,608</u>	<u>\$ 28,537,974</u>	<u>\$ 1,389,634</u>
Current Levy Collection Percentage			<u>98.42%</u>	<u>98.35%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property					\$ 7,462,580,023
Personal property					488,645,357
Public service companies					169,344,809
Total assessed valuation					<u>\$ 8,120,570,189</u>
Tax rate per \$100					<u>0.3747</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 30,407,062</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, 2020.					<u>\$ 4,225,443</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 4,225,443	\$ 4,148,339	\$ 77,104
2018-2019	71,817	-	36,078	35,739
2017-2018	38,584	-	11,429	27,155
2016-2017	20,330	-	4,854	15,476
2015-2016	15,961	-	3,916	12,045
2014-2015	14,682	-	2,470	12,212
2013-2014	12,129	-	1,527	10,602
2012-2013	8,993	-	764	8,229
2011-2012	7,265	-	712	6,553
2010-2011	5,307	-	429	4,878
2009-2010	3,597	-	3,597	-
Total	<u>\$ 198,665</u>	<u>\$ 4,225,443</u>	<u>\$ 4,214,115</u>	209,993

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund	<u>(111,782)</u>
Fire districts taxes receivable - net	<u>\$ 98,211</u>

Reconciliation of Revenues with Collections and Credits:

Taxes - ad valorem - Fire Districts Fund	\$ 4,227,167
Taxes written off	3,152
Miscellaneous adjustments	<u>(16,204)</u>
Total collections and credits	<u>\$ 4,214,115</u>

MACON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 867,283
Clarks Chapel Fire District	331,302
Otto Fire District	336,878
Cullasaja Fire District	256,309
West Macon Fire District	313,728
Scaly Mountain Fire District	150,905
Burningtown / Iotla Fire District	229,606
Cowee Fire District	317,111
Nantahala Fire District	227,453
Highlands Fire District	1,060,327
Mountain Valley Fire District	<u>134,541</u>
Net Levy	4,225,443
Less uncollected taxes at June 30, 2020	<u>77,104</u>
Current Year's Taxes Collected	<u>\$ 4,148,339</u>
Current Levy Collection Percentage	<u>98.18%</u>

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Table 1

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 20,496,868	\$ 18,601,883	\$ 18,778,181	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499	\$ 22,785,923	\$ 23,024,724
Restricted	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552
Unrestricted	(13,738,145)	(18,641,028)	(24,500,469)	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)	(48,719,428)	(50,571,560)
Total governmental activities net position	\$ 12,848,016	\$ 6,895,369	\$ 4,258,092	\$ 4,887,970	\$ 5,265,939	\$ 7,500,577	\$ 8,917,957	\$ (18,957,930)	\$ (19,507,729)	\$ (21,076,284)
Business-type activities										
Net investment in capital assets	\$ 1,836,224	\$ 2,071,354	\$ 2,103,456	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729	\$ 5,099,569	\$ 6,191,482
Unrestricted	2,507,579	2,863,231	3,140,097	1,295,966	(288,998)	634,732	1,925,721	(279,241)	(1,697,225)	1,443,970
Total business-type activities net position	\$ 4,343,803	\$ 4,934,585	\$ 5,243,553	\$ 3,404,070	\$ 3,310,090	\$ 4,069,511	\$ 5,448,446	\$ 4,013,488	\$ 3,402,344	\$ 7,635,452
Primary government										
Net investment in capital assets	\$ 22,333,092	\$ 20,673,237	\$ 20,881,637	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228	\$ 27,885,492	\$ 29,216,206
Restricted	6,089,293	6,934,514	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552
Unrestricted	(11,230,566)	(15,777,797)	(21,360,372)	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)	(50,416,653)	(49,127,590)
Total primary government net position	\$ 17,191,819	\$ 11,829,954	\$ 9,501,645	\$ 8,292,040	\$ 8,576,029	\$ 11,570,088	\$ 14,366,403	\$ (14,944,442)	\$ (16,105,385)	\$ (13,440,832)

Table 2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 10,770,642	\$ 10,544,326	\$ 11,086,204	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722	\$ 15,128,363	\$ 14,294,811
Public safety	12,147,316	13,462,012	13,874,996	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121	16,494,724	20,316,737
Transportation	638,415	709,086	781,330	1,037,139	1,222,986	881,675	974,256	968,563	1,209,095	1,014,124
Economic development	8,671,741	2,977,859	5,083,894	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161	2,335,493	2,529,161
Human Services	7,734,446	9,376,517	10,369,682	10,752,050	10,118,181	10,933,958	11,807,685	10,447,531	10,632,450	11,021,630
Culture and recreation	2,430,596	2,349,816	2,400,236	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859	2,045,243	2,983,597
Education	14,553,807	16,309,605	11,698,110	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506
Interest on long-term debt	1,887,654	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972
Total governmental activities expenses	58,834,617	57,847,517	57,162,856	53,333,870	52,455,256	55,106,692	58,488,330	57,439,952	60,677,281	64,966,538
Business-type activities:										
Solid Waste	3,351,735	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081	4,236,713
Total business-type activities expenses	3,351,735	2,880,580	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081	4,236,713
Total primary government expenses	\$ 62,186,352	\$ 60,728,097	\$ 60,255,906	\$ 58,653,962	\$ 55,946,932	\$ 57,957,752	\$ 61,583,795	\$ 61,543,508	\$ 65,890,362	\$ 69,203,251
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,045,549	\$ 1,047,612	\$ 1,271,567	\$ 1,340,914	\$ 1,386,746	\$ 1,486,218	\$ 1,551,834	\$ 1,983,765	\$ 1,346,353	\$ 1,422,557
Public Safety	2,143,743	2,110,943	1,720,635	1,713,989	1,835,759	2,233,562	2,435,643	2,334,702	2,453,626	2,673,219
Transportation	526,092	476,355	506,736	629,929	65,941	62,232	69,766	125,210	159,903	130,192
Economic Development	806,249	684,473	519,738	800,254	1,072,805	1,167,074	1,168,345	890,230	90,552	110,782
Human Services	-	-	-	-	-	-	-	60,137	1,121,223	700,901
Culture and recreation	-	-	-	-	-	-	-	-	53,126	36,266
Education	-	-	133,505	-	-	-	49,695	-	-	-
Operating grants and contributions	7,645,348	10,647,327	9,918,241	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890	9,893,267	9,969,610
Capital grants and contributions	5,814,683	133,681	3,329,169	1,206,665	1,688,310	863,822	1,303,437	1,469,947	263,163	235,664
Total governmental activities program revenues	17,981,664	15,100,391	17,399,591	16,337,260	15,703,759	16,384,646	18,143,623	17,128,372	15,381,213	15,279,191
Business-type activities:										
Charges for services:										
Solid Waste	3,654,347	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973	4,468,721
Total business-type activities program revenues	3,654,347	3,458,349	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973	4,468,721
Total primary government program revenues	\$ 21,636,011	\$ 18,558,740	\$ 20,788,068	\$ 19,807,618	\$ 19,193,148	\$ 19,962,593	\$ 22,554,590	\$ 21,645,617	\$ 19,826,186	\$ 19,747,912
Net (expense)/revenue	\$ (40,852,953)	\$ (42,747,126)	\$ (39,763,265)	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)	\$ (45,296,068)	\$ (49,687,347)
Governmental activities	302,612	577,769	295,427	(1,849,734)	(2,287)	726,887	1,315,502	413,689	(768,108)	232,008
Business-type activities	(40,550,341)	(42,169,357)	(39,467,838)	(38,846,344)	(36,753,784)	(37,995,159)	(39,029,205)	(39,897,891)	(46,064,176)	(49,455,339)
Total primary government net (expense)										

Table 2

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Taxes										
Property taxes	\$ 28,883,855	\$ 28,747,033	\$ 28,912,689	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629	\$ 31,967,564	\$ 34,760,708
Sales taxes	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077
Occupancy taxes	-	-	-	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597
Unrestricted intergovernmental revenues	348,668	359,342	357,318	357,068	330,950	393,453	380,677	417,271	431,018	445,277
Investment earnings	97,930	78,464	62,754	49,365	47,358	88,299	174,298	433,676	829,678	578,133
Miscellaneous	432,900	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	36,458,954	36,794,479	37,125,988	37,626,488	38,761,406	40,956,684	42,188,749	43,410,742	44,746,269	48,118,792
Business-type activities:										
Investment earnings	18,830	13,013	13,541	10,251	9,110	32,534	63,433	95,295	156,964	111,642
Transfers	-	-	-	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	-	-	-
Total business-type activities	18,830	13,013	13,541	10,251	9,110	32,534	63,433	95,295	156,964	111,642
Total primary government	\$ 36,477,784	\$ 36,807,492	\$ 37,139,529	\$ 37,636,739	\$ 38,770,516	\$ 40,989,218	\$ 42,252,182	\$ 43,506,037	\$ 44,903,233	\$ 52,119,892
Change in Net Position										
Governmental activities	\$ (4,393,999)	\$ (5,952,647)	\$ (2,637,277)	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162	\$ (549,799)	\$ (1,568,555)
Business-type activities	321,442	590,782	308,968	(1,839,483)	6,823	759,421	1,378,935	508,984	(611,144)	4,233,108
Total primary government	\$ (4,072,557)	\$ (5,361,865)	\$ (2,328,309)	\$ (1,209,605)	\$ 2,016,732	\$ 2,994,059	\$ 3,222,977	\$ 3,608,146	\$ (1,160,943)	\$ 2,664,553

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

Table 3

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2011	25,914,401	5,367,796	102,842	11,767	31,396,806
2012	25,924,926	6,095,609	93,896	11,602	32,126,033
2013	26,149,786	6,243,883	92,557	13,211	32,499,437
2014	26,792,489	6,152,792	89,219	11,602	33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936
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

Table 4

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non Spendable	\$ 144,038	\$ 209,732	\$ 311,383	\$ 286,403	\$ 327,791	\$ 276,961	\$ 313,233	\$ 263,820	\$ 397,881	\$ 680,502
Restricted	2,551,146	3,483,255	5,338,833	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853	4,695,531	4,638,471
Assigned	-	1,690,769	2,121,220	566,642	-	-	-	1,050,000	250,000	702,312
Unassigned	16,508,831	15,992,802	12,842,335	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076	23,951,465	25,475,900
Total General Fund	\$ 19,204,015	\$ 21,366,558	\$ 20,613,771	\$ 20,117,522	\$ 21,995,231	\$ 25,438,347	\$ 26,210,471	\$ 28,660,749	\$ 29,294,877	\$ 31,497,185
All other governmental funds										
Assigned in Debt Service	\$ 567,085	\$ 976,150	\$ 1,022,379	\$ 354,003	\$ 13,355	\$ 262,427	\$ 335,334	\$ 443,117	\$ 659,532	\$ 928,423
Restricted in Debt Service	447,641	44,145	-	430,358	598,000	395,347	328,238	338,417	349,223	296,988
Restricted Other Governmental Funds	1,400,346	1,354,059	2,401,394	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558	2,190,056	1,453,726
Restricted in Capital Project	11,441,057	2,053,055	2,240,153	-	-	-	-	-	-	-
Committed in Other Governmental Funds	2,061,553	1,663,942	1,337,859	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606	2,723,933	2,484,905
Committed in Capital Project	55,037	533,308	93,037	-	-	-	-	-	-	-
Unassigned Other Governmental Funds	(497,733)	(327,127)	(1,622,132)	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)	(478,827)	(455,060)
Unassigned in Capital Project	(681,675)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 14,793,311	\$ 6,297,532	\$ 5,472,690	\$ 5,328,222	\$ 3,719,000	\$ 4,184,127	\$ 4,993,785	\$ 4,663,247	\$ 5,443,917	\$ 4,708,982

Table 5

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Ad Valorem Taxes	\$ 28,602,628	\$ 28,634,156	\$ 28,888,191	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244	\$ 31,918,809	\$ 34,731,989
Sales Taxes	6,695,601	7,609,640	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077
Intergovernmental revenues	13,808,699	10,731,178	13,604,728	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783	10,564,828	10,650,551
Sales & Services	2,219,945	2,697,408	2,436,510	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491	2,953,579	2,890,918
Permits & Fees	1,222,418	1,432,807	1,409,574	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734	1,285,649	1,344,832
Investment earnings	90,979	75,819	61,031	49,112	47,116	86,955	172,914	430,777	824,308	571,945
Occupancy taxes	-	409,172	358,493	303,346	654,427	731,629	825,345	905,223	1,011,827	1,272,597
Miscellaneous	615,775	-	-	-	246,020	178,396	259,707	580,114	288,176	505,620
Total revenues	<u>53,256,045</u>	<u>51,590,180</u>	<u>54,551,754</u>	<u>53,832,980</u>	<u>54,198,407</u>	<u>56,924,458</u>	<u>59,944,196</u>	<u>59,598,309</u>	<u>59,353,358</u>	<u>63,020,529</u>
Expenditures										
General government	6,301,602	6,449,113	7,000,158	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443	9,123,663	9,199,381
Public safety	12,622,842	13,707,106	14,673,633	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314	17,437,977	19,524,167
Transportation	635,137	754,920	748,894	1,016,489	1,228,966	1,073,513	1,262,628	895,088	1,325,908	967,961
Economic and physical development	5,168,426	3,004,228	5,088,994	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492	2,354,295	2,534,701
Human Services	8,054,680	9,649,735	10,786,673	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367	11,283,006	10,885,159
Culture and recreation	2,093,121	2,021,075	2,710,790	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178	2,363,042	2,436,949
Education	7,878,559	8,084,457	8,294,839	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506
Capital Projects	10,213,175	8,225,148	3,403,271	-	-	-	-	-	-	-
Debt service	4,161,363	4,637,634	4,927,727	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890	3,039,148	3,136,604
Principal repayments	1,887,655	2,118,296	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972
Interest	59,016,560	58,651,712	59,503,383	54,473,697	55,729,920	56,002,093	57,662,414	56,616,767	59,758,952	61,491,400
Total expenditures	<u>(5,760,515)</u>	<u>(7,061,532)</u>	<u>(4,951,629)</u>	<u>(640,717)</u>	<u>(1,531,513)</u>	<u>922,365</u>	<u>2,281,782</u>	<u>2,981,542</u>	<u>(405,594)</u>	<u>1,529,129</u>
Revenues over (under) expenditures										
Other financing sources (uses)										
Issuance of long-term debt	14,204,621	728,296	3,374,000	-	1,800,000	2,985,878	-	-	2,923,674	-
Transfers in	6,908,135	6,780,477	5,987,522	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227	3,842,108	5,144,874
Transfers out	(6,908,135)	(6,780,477)	(5,987,522)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)	(4,945,390)	(5,206,630)
Total other financing sources (uses)	<u>14,204,621</u>	<u>728,296</u>	<u>3,374,000</u>	<u>-</u>	<u>1,800,000</u>	<u>2,985,878</u>	<u>(700,000)</u>	<u>(861,802)</u>	<u>1,820,392</u>	<u>(61,756)</u>
Net change in fund balances	\$ 8,444,106	\$ (6,333,236)	\$ (1,577,629)	\$ (640,717)	\$ 268,487	\$ 3,908,243	\$ 1,581,782	\$ 2,119,740	\$ 1,414,798	\$ 1,467,373
Debt service as a percentage of noncapital expenditures	12.4%	11.7%	11.9%	11.6%	9.7%	8.0%	10.4%	7.1%	6.7%	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	Co. Property	Public Svc Co. Property				
2011	\$ 5,925,219,476	\$ 2,965,584,466	\$ 259,761,022	\$ 132,595,699		\$ 9,283,160,663	0.279	\$ 9,283,160,663	100.00%
2012	8,285,147,048	626,617,400	265,300,947	115,761,649		9,292,827,044	0.279	7,674,305,713	121.09%
2013	8,313,378,529	627,278,460	271,119,713	118,000,717		9,329,777,419	0.279	7,315,374,325	127.54%
2014	8,226,560,114	638,500,225	483,874,786	128,362,366		9,477,297,491	0.279	7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771		9,472,645,160	0.279	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092		7,945,408,883	0.349	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966		8,003,397,136	0.349	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797		8,053,753,869	0.349	7,683,414,581	104.82%
2019	6,737,815,936	749,821,559	483,978,551	162,970,201		8,134,586,247	0.349	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%

Source: Macon County Tax Department

Note: The County underwent revaluation 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. In prior years, the breakdown between residential and commercial property was estimated. In FY 2012, a new program was written to track the commercial properties and provide actual values.

Table 7

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

Year	County Direct Rate		Overlapping Rates	
	MACON Total Millage		FRANKLIN Total Millage	HIGHLANDS Total Millage
2011	0.279		0.250	0.135
2012	0.279		0.250	0.135
2013	0.279		0.250	0.135
2014	0.279		0.250	0.135
2015	0.279		0.270	0.150
2016	0.349		0.280	0.164
2017	0.349		0.280	0.164
2018	0.349		0.320	0.164
2019	0.349		0.320	0.164
2020	0.3747		0.320	0.1565

Source: County and Municipal Tax Departments

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

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

Table 8

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 134,600,764	1	1.66%	\$ 95,665,802	1	1.03%
Drake Enterprises	56,162,128	2	0.69%	49,704,159	2	0.54%
Old Edwards Inn and Spa, LLC	42,051,232	3	0.52%	46,764,588	3	0.50%
Highlands Golf Club	22,846,631	4	0.28%	32,027,295	4	0.35%
Entegra Bank	20,523,521	5	0.25%	29,217,238	5	0.31%
Shaw Industries Group	17,136,521	6	0.21%	23,239,166	6	0.25%
Cullasaja Club Inc.	17,005,285	7	0.21%	20,440,493	7	0.22%
Ingles Markets Inc.	15,950,100	8	0.20%	20,151,060	8	0.22%
Rainbow Springs	15,647,780	9	0.19%	17,629,526	9	0.19%
Wildcat Cliffs Country Club	15,597,899	10	0.19%	17,044,960	10	0.18%
Totals	\$ 357,521,861		4.40%	\$ 351,884,287		3.79%
Total Taxable Assessed Value	\$ 8,120,570,189			\$ 9,283,160,663		

Source: Macon County Tax Department

Table 9

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

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2011	\$ 25,888,937	\$ 25,047,774	96.75%	\$ 810,427		\$ 25,858,201	99.88%
2012	25,926,987	24,987,407	96.38%	899,817		25,887,224	99.85%
2013	26,048,336	25,098,148	96.35%	900,403		25,998,551	99.81%
2014	26,441,660	25,705,256	97.21%	675,839		26,381,095	99.77%
2015	26,428,680	25,818,391	97.69%	540,927		26,359,318	99.74%
2016	27,729,477	27,244,243	98.25%	411,102		27,655,345	99.73%
2017	27,931,856	27,506,161	98.48%	330,734		27,836,895	99.66%
2018	28,107,601	27,656,763	98.40%	297,025		27,953,788	99.45%
2019	28,389,706	27,927,674	98.37%	236,906		28,164,580	99.21%
2020	30,407,062	29,927,608	98.42%	-		29,927,608	98.42%

Table 10

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Capital Leases		Special Obligation Bonds	General Obligation Bonds	Installment Contracts	Capital Leases			
2011	\$ -	\$ 46,362,617	\$ -	-	\$ -	-	\$ 700,000	\$ -	\$ 47,062,617	4.57%	1,312
2012	-	42,453,279	-	-	-	-	200,000	-	42,653,279	3.93%	1,248
2013	-	40,899,552	-	-	-	-	-	-	40,899,552	3.71%	1,193
2014	-	36,050,897	-	-	-	-	-	-	36,050,897	3.14%	1,048
2015	-	33,986,857	-	-	-	-	-	-	33,986,857	2.85%	985
2016	-	33,673,231	-	-	9,800,000	-	-	-	43,473,231	3.44%	1,247
2017	-	28,819,125	-	-	8,902,964	-	-	-	37,722,089	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	N/A	785

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
Personal income for 2020 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		Population	Net General Obligation Bonded Debt Per Capita
				Net General Obligation Bonded Debt to Assessed Value	Net General Obligation Bonded Debt to Assessed Value		
2011	\$ 9,283,160,663	-	\$ -	-	0.00%	35,869	\$ -
2012	9,292,827,044	-	-	-	0.00%	34,164	-
2013	9,329,777,419	-	-	-	0.00%	34,276	-
2014	9,477,297,491	-	-	-	0.00%	34,385	-
2015	9,472,645,160	-	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	-	0.00%	35,596	-
2019	8,134,586,247	-	-	-	0.00%	36,101	-
2020	8,120,570,189	-	-	-	0.00%	36,544	-

Source: Population Estimate from LINC for years 2011-2016 and from NC Office of State Budget and Management for 2017-2020.
Assessed Value from Macon County Tax Department.

**Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020**

Table 12

<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	\$ 22,548,157	100.00%	\$ 22,548,157
Total Direct Debt	<u>22,548,157</u>		<u>22,548,157</u>
Overlapping Debt:			
Town of Franklin	532,440	11.36%	60,465
Town of Highlands	4,354,415	2.62%	113,913
Total Overlapping Debt	<u>4,886,855</u>		<u>174,378</u>
Total direct and overlapping debt	\$ <u>27,435,012</u>		\$ <u>22,722,535</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**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 742,652,853	\$ 743,426,164	\$ 746,382,194	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310	\$ 650,766,900	\$ 649,645,615
Total net debt applicable to limit	<u>47,062,617</u>	<u>42,653,279</u>	<u>40,899,552</u>	<u>36,050,897</u>	<u>33,986,857</u>	<u>43,473,231</u>	<u>37,722,089</u>	<u>33,796,873</u>	<u>32,755,231</u>	<u>28,672,628</u>
Legal debt margin	\$ 695,590,236	\$ 700,772,885	\$ 705,482,642	\$ 722,132,902	\$ 723,824,756	\$ 592,159,480	\$ 602,549,682	\$ 610,503,437	\$ 618,011,669	\$ 620,972,987
Total net debt applicable to the limit as a percentage of debt limit	6.34%	5.74%	5.48%	4.75%	4.48%	6.84%	5.89%	5.25%	5.03%	4.41%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 8,120,570,189
Add back: exempt real property	-
Total assessed value	<u>\$ 8,120,570,189</u>
Debt Limit (8% of total assessed value)	\$ 649,645,615
Debt applicable to limit:	
Installment Contracts	22,548,157
Special Obligation Bonds	6,124,471
Promissory Notes	-
Legal debt margin	<u>\$ 620,972,987</u>

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
2011	35,869	\$ 1,030,664,000	\$ 28,734	45.2	4,382	10.3
2012	34,164	1,084,766,000	31,752	48.5	4,417	10.1
2013	34,276	1,101,781,000	32,144	48.5	4,462	9.8
2014	34,385	1,149,612,000	33,434	48.6	4,484	6.3
2015	34,494	1,193,465,000	34,599	48.7	4,475	6.3
2016	34,851	1,263,179,000	36,245	48.7	4,475	5.3
2017	35,047	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	N/A	N/A	49.0	4,507	6.6

Note: Population for 2017-2020 and median age for 2011-2020 is from N C Office of State Budget and Management.

Personal income from 2010-2019 obtained from Bureau of Economic Analysis.

Personal income for 2020 is not available.

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

Unemployment rate for 2011-2020 and population for 2011-2016 is from LINC.

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

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

Table 15

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	670	1	4.27%	707	2	4.50%
Macon County	644	2	4.10%	562	3	3.58%
Drake Enterprises LTD (A Corp)	567	3	3.61%	711	1	4.52%
Ingles Markets, Inc.	328	4	2.09%	191	7	1.22%
Wal-Mart Associates Inc.	217	5	1.38%	210	6	1.34%
Mission Health (formerly Angel Medical Center)	207	6	1.32%	442	4	2.81%
Lowe's Home Centers Inc.	154	7	0.98%			
Beasley Flooring (formerly Shaw Industries Group Inc.)	145	8	0.92%			
Madison's	135	9	0.86%			
Macon Program for Progress Inc.	125	10	0.80%	134	10	0.85%
Entegra Bank (formerly Macon Bank)				173	9	1.10%
Highlands-Cashiers Hospital				280	5	1.78%
Caterpillar Inc.				186	8	1.18%
Total	3,192		20.34%	3,596		22.88%

Total Labor Force estimate 15,714

Source: Employers' Human Resource Departments

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

Table 16

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	97.0	97.0	97.0	97.5	98.5	97.0	98.0	97.0	95.0	99.0
Public Safety	150.0	150.0	159.0	161.0	162.4	163.0	172.0	181.0	180.0	180.0
Human Services	111.0	108.0	110.0	111.0	115.0	121.0	123.0	123.0	124.0	124.0
Culture and Recreation	11.0	10.0	10.0	11.5	12.0	12.0	12.0	11.0	11.0	12.0
Economic and Physical Development	1.0	-	-	-	-	-	-	-	-	-
Transportation	13.0	14.0	15.5	17.0	16.8	16.0	17.0	18.0	18.0	16.0
Landfill	35.0	37.0	35.5	36.0	35.0	35.0	36.0	37.0	36.0	36.0
Total	418	416	427	434	440	444	458	467	464	467

Source: Macon County Human Resource Department

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

Table 17

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Law Enforcement										
Physical arrests	1,547	1,303	1,303	1,232	1,278	1,442	1,917	1,926	1,842	2,048
Traffic violations	1,516	946	1,100	1,179	1,054	447	374	394	405	245
Fire										
Number of calls answered	3,642	3,621	3,791	4,244	4,571	4,626	5,068	5,873	5,161	4,549
Inspections	550	520	525	490	450	452	560	525	550	500
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	402	447	467	228	278	321	457	272	317	323
Number of Food & Nutrition cases eligible	2,987	3,144	3,091	3,043	2,763	2,622	2,410	2,075	2,038	2,099
Number of Medicaid eligible cases	4,975	5,020	4,557	4,491	5,885	5,675	7,397	5,577	5,432	5,590
Health										
Number of WIC cases	1,049	1,044	1,076	1,087	1,064	1,117	1,076	971	942	959
Number of family planning cases	639	657	585	526	558	737	648	442	421	583
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	6	6	6	7	7	7	7	7	7	8
Number of libraries	3	3	3	3	3	3	3	3	3	3

Source: Various county departments.

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

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

Table 18

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police:										
Stations	3	3	3	4	4	6	6	5	5	5
Patrol units	45	45	45	45	57	56	56	55	55	55
Fire stations	13	13	16	16	17	18	20	20	20	20
Culture and recreation										
Parks acreage	353	353	401	401	401	401	401	401	401	407
Parks	6	6	6	7	7	7	7	7	7	8
Swimming pools	2	2	3	3	3	3	3	3	3	3
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	11	11	11	11	11	11	11	11	11	11
Landfill										
Number of municipal solid waste sites	2	2	2	2	2	2	2	2	2	2
Number of construction and demolition sites	-	-	-	-	-	-	-	-	-	-
Number of convenience centers	11	11	11	11	11	11	11	11	11	11

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

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