

**MACON COUNTY
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2022

**MACON COUNTY
NORTH CAROLINA**

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FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2022

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

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MACON COUNTY, NORTH CAROLINA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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INTRODUCTORY SECTION

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November 22, 2022

The Board of Commissioners
Macon County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Macon County for the fiscal year ended June 30, 2022. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. Their unmodified opinion is included in the basic financial statements. However, this report is presented by the County, which is responsible for the accuracy of the data as well as the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

DESCRIPTION OF THE COUNTY:

Macon County, founded in 1828, is located in the Southwestern area of the state. Macon County has land area of 516 square miles and an estimated population of 37,347. Macon County has a diverse economy. Manufacturing, healthcare, tourism, agriculture, finance, retail, and real estate/construction are major components of the economy. Manufacturing industries include Drake Software (tax software), TekTone Sound & Signal Mfg., Inc. (healthcare communications), Duotech Services (aerospace), Landers USA (metal tubular fabrication), and Beasley Flooring Products (flooring). Healthcare includes three medical campuses from two health systems (Hospital Corporation of America Healthcare and Duke LifePoint Healthcare). Tourism and hospitality is especially strong in both the Highlands and Franklin areas, with entities such as Old Edwards Inn & Spa and the Smoky Mountain Center for the Performing Arts gaining national and global recognition. Macon County's natural resources, beauty, and proximity to major population centers have made it a major destination for both green tourism (hiking, whitewater rafting, camping, hunting, fishing, etc.), as well as more traditional activities such as golf and gem mining. Three local breweries are located in the county. Real estate and second home/retirement construction are also major contributors to the local economy. Agriculture 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:

Post-Covid economic recovery continued at a strong pace. As of June 2022, the county's unemployment rate was 3.8%, down from 4.2% in June 2021. Sales tax collections continued at a strong pace, with a 14% increase over FY 2021. Occupancy tax collections remained strong with a 12% increase over the prior year, the result of a growing travel and tourism economy. In December 2021, NC Commerce designated Macon County a Tier 2 county.

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

The private sector owns 51.53% of Macon County's 329,958 total acres with the U.S. Forest Service owning 46.4% or 153,110 acres. The remaining 2.07% is exempt acreage. There are 43,826 parcels and 42,843 are taxable. The total appraised value of taxable property is \$8.4 billion. The tax rate is 40 cents per \$100 valuation. Duke Energy Carolinas, LLC continues to be the County's largest taxpayer with 1.79% of the total assessed valuation. The County's tax base is diverse, with the ten leading taxpayers making up 4.17% of total assessed value.

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

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

LONG-TERM FINANCIAL PLANNING

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

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

MAJOR INITIATIVES:

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

ECONOMIC DEVELOPMENT - The Macon County Economic Development Commission continues to create a climate for business and industry investment, innovative entrepreneurship, and quality job creation. Economic development projects included the final phase of construction of a new hospital by the Hospital Corporation of America and construction of a new retail center anchored by Ingles Markets. Development of the former Duke Energy tract continued with the opening of Chick-Fil-A and construction beginning on Aspen Dental, Starbucks and Aldi. Development along the 441 corridor included a new Cook Out restaurant.

Broadband expansion also continued with Balsam West completing construction of a fiber backbone connecting south Macon, Otto and Scaly Mountain, as well as extending service to the Otto Community Center/Volunteer Fire Dept. and Scaly Mtn. Community Center/Volunteer Fire Dept., with plans for fiber/wireless deployment to private residences and businesses in the south portion of the county. The county broadband committee continued to work on broadband deployment to Nantahala Community, one of the more isolated areas of the county. The county was awarded a \$100,000 grant from the Appalachian Regional Commission for wireless broadband deployment. Charter Communications won a bid for \$9 million to provide broadband for 8,191 customers across Macon County. Frontier Communications was awarded a North Carolina GREAT grant for \$3.7 million to connect 2,700 households and businesses. Vyve Communications expanded their presence with fiber installation through the business district of Franklin. The Town of Highlands continued an aggressive buildout of their municipal fiber network.

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

SCHOOLS – Macon County continues to meet the challenge of providing school facilities as recommended by the facilities planning committee made up of county and school officials. Renovations of Macon Middle School continued during the year and reached 98% completion. In addition, the County entered into an architect contract for the design/construction of an athletic building at Macon Middle School. Also, the County entered into an architect contract for the design of a new stadium facility for Franklin High School as well as a comprehensive facility plan study of the existing Franklin High School building versus a new building.

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 \$10,561,199. The County has already recognized a liability of \$9,275,903 for closure, post closure, and corrective action costs, based upon the amount of cell capacity used to date. The old Highlands site has 1 year remaining of post-closure 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 post-closure care for the current landfill. Additional information is included in the notes to the financial statements.

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

FINANCIAL INFORMATION:

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

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

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

As a part of the County's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with the applicable laws and regulations. The results of the single audit for the fiscal year ended June 30, 2022 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.

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

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

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

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

Respectfully submitted,

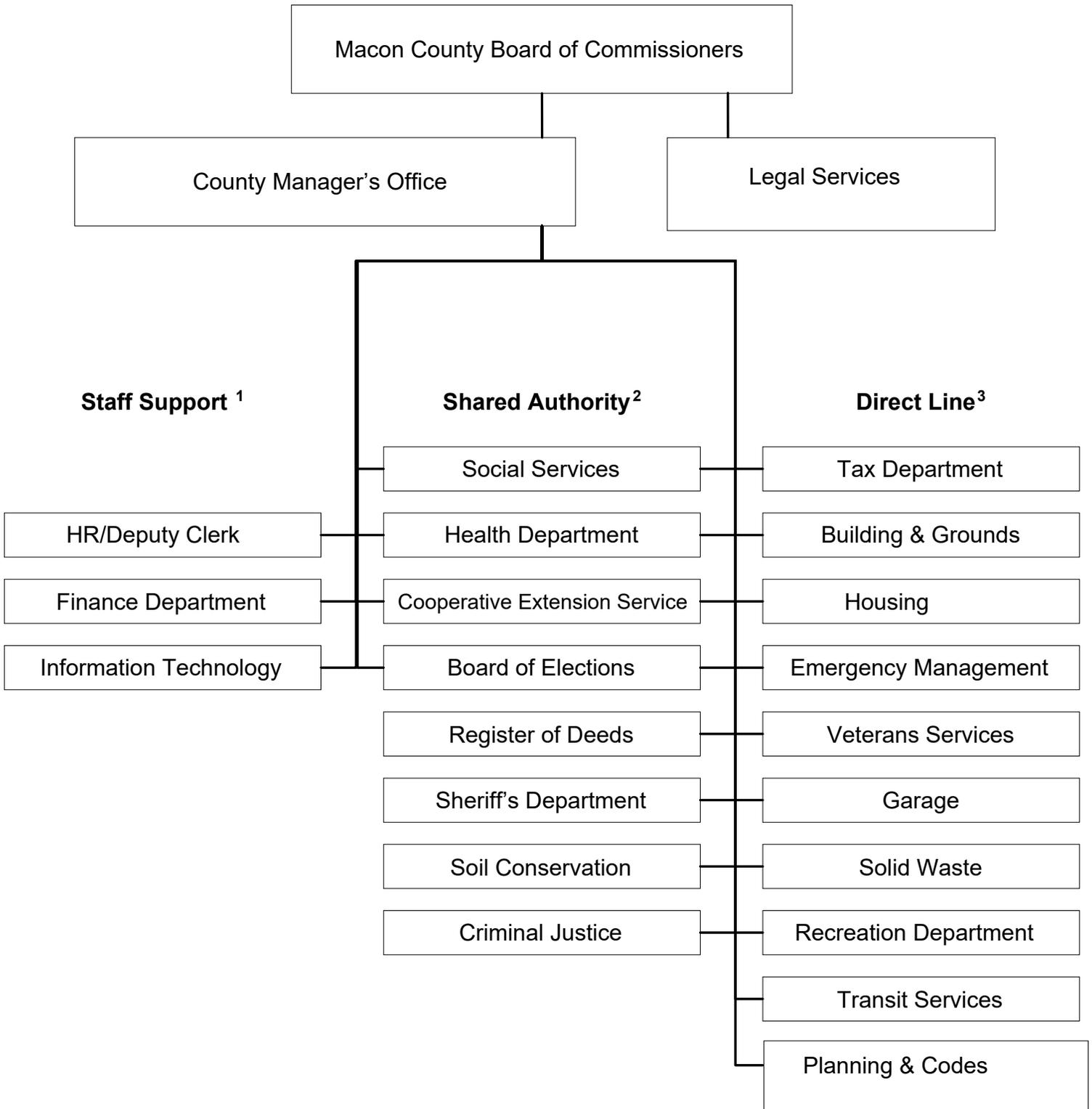


Lori M. Carpenter
Finance Director



Derek Roland
County Manager

Macon County Government



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

MACON COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2022

Board of Commissioners

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

Principal Officials

Derek Roland, County Manager
Mike Decker, Human Resources Director
Lori M. Carpenter, Finance Director
Eric Ridenour, County Attorney
Abby Braswell, Tax Supervisor
Delena Raby, Tax Collector
Joe Allen, Planning Director
Bobby Bishop, Code Enforcement Director
Melanie Thibault, Board of Elections Director
Todd Raby, Register of Deeds
Andy Muncey, Information Technology Director
Mike Cope, Buildings and Grounds Director
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
Darlene Asher, Transit Director
Kathy McGaha, Health Director
Leigh Tabor, Veterans' Service Officer
Seth D. Adams, Recreation Director
Chris Queen, Garage Services
Tommy Jenkins, Economic Development Director
John Fay, Housing Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Macon County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

To the Board of Commissioners
Macon County
Franklin, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Macon County, North Carolina, as of June 30, 2022, 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 accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 9 to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 on our consideration of Macon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Macon County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Macon County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 22, 2022

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, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

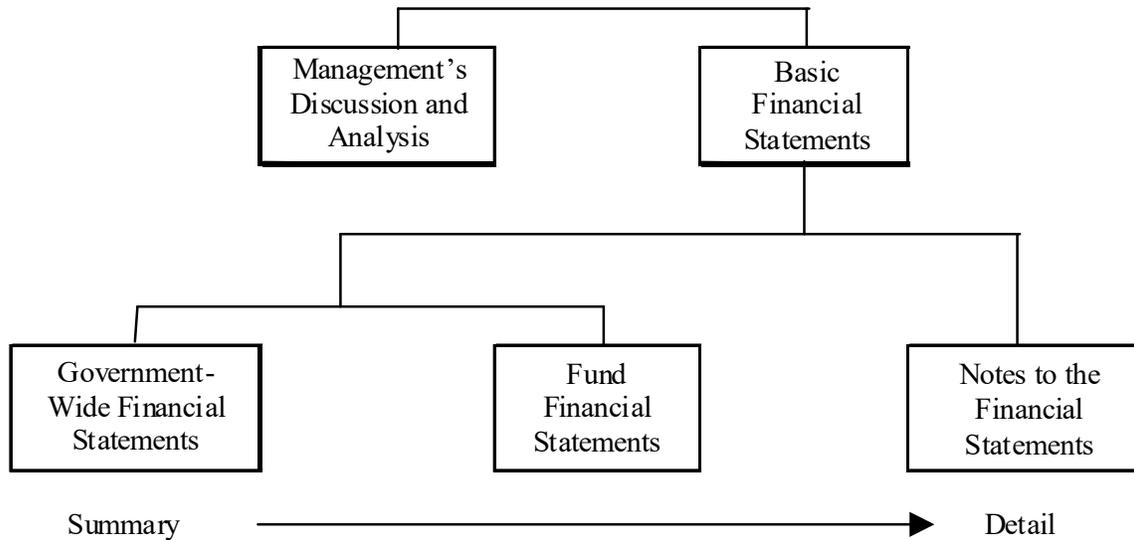
Financial Highlights

- The 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 (\$9,072,960) (*net position*).
- The County's total net position increased by \$4,412,244, primarily due to an increase in the net position of governmental activities. This increase is due to an increase in property taxes, local option sales tax, and occupancy tax as well as a decrease in spending in general government and human services.
- As of the close of the current fiscal year, Macon County's General Fund reported an ending fund balance of \$44,045,359, an increase of \$6,168,503 in comparison with the prior year. Total governmental funds reported combined ending fund balances of \$55,401,410. Approximately 17.70% of this total amount, or \$9,808,384, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$37,844,632, or 66.82%, of total General Fund expenditures and transfers out less lease liabilities issued.
- Macon County's total debt decreased by (\$3,661,206), or 10.33%, during the fiscal year. The key factor in this decrease was making current year payments on installment contracts, limited obligation bonds, and special obligation bonds. The County is rated Aa2 by Moody's Investors Service.
- Macon County's total liabilities decreased by (\$55,993,263), or 37.43%, during the past fiscal year, primarily due to a decrease in total OPEB liability and a decrease in net pension liability-LGERS.

Overview of the Financial Statements

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

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



Basic Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Macon County's Net Position Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 58,424,178	\$ 64,118,510	\$ 13,241,081	\$ 14,313,726	\$ 71,665,259	\$ 78,432,236
Capital assets	23,459,827	22,472,038	11,655,620	10,819,499	35,115,447	33,291,537
Total assets	81,884,005	86,590,548	24,896,701	25,133,225	106,780,706	111,723,773
Deferred outflows of resources	34,066,086	32,275,801	2,116,221	2,108,935	36,182,307	34,384,736
Long-term liabilities						
outstanding	124,011,382	67,260,917	17,673,719	14,629,017	141,685,101	81,889,934
Other liabilities	6,605,268	10,328,504	1,324,199	1,402,867	7,929,467	11,731,371
Total liabilities	130,616,650	77,589,421	18,997,918	16,031,884	149,614,568	93,621,305
Deferred inflows of resources	6,434,077	57,688,489	399,572	3,871,675	6,833,649	61,560,164
Net position:						
Net investment in capital assets	22,424,684	21,530,233	7,204,226	7,357,451	29,628,910	28,887,684
Restricted	7,519,573	8,437,616	-	-	7,519,573	8,437,616
Unrestricted	(51,044,893)	(46,379,410)	411,206	(18,850)	(50,633,687)	(46,398,260)
Total net position	\$ (21,100,636)	\$ (16,411,561)	\$ 7,615,432	\$ 7,338,601	\$ (13,485,204)	\$ (9,072,960)

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 (\$9,072,960) as of June 30, 2022. The County's net position increased by \$4,412,244 for the fiscal year ended June 30, 2022. One of the largest portions of Macon County's net position, \$28,887,684, reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Macon County's investment in its capital assets is reported net of outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$8,437,616, 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 (\$46,398,260) 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	
	2021	2022	2021	2022	2021	2022
Revenues:						
Program revenues:						
Charges for services	\$ 6,390,491	\$ 6,108,851	\$ 5,171,154	\$ 5,560,226	\$ 11,561,645	\$ 11,669,077
Operating grants and contributions	10,501,362	12,112,974	-	-	10,501,362	12,112,974
Capital grants and contributions	175,563	30,023	320,000	-	495,563	30,023
General revenues:						
Property taxes	35,465,402	38,345,888	-	-	35,465,402	38,345,888
Other taxes	16,025,767	18,258,296	-	-	16,025,767	18,258,296
Other	542,801	583,089	12,259	13,331	555,060	596,420
Total revenues	<u>69,101,386</u>	<u>75,439,121</u>	<u>5,503,413</u>	<u>5,573,557</u>	<u>74,604,799</u>	<u>81,012,678</u>
Expenses:						
General government	16,345,979	13,345,895	-	-	16,345,979	13,345,895
Public safety	20,773,669	19,234,772	-	-	20,773,669	19,234,772
Transportation	1,118,357	1,060,591	-	-	1,118,357	1,060,591
Economic and physical development	3,208,328	3,574,303	-	-	3,208,328	3,574,303
Human services	12,046,235	10,520,367	-	-	12,046,235	10,520,367
Cultural and recreational	3,283,056	3,364,946	-	-	3,283,056	3,364,946
Education	11,698,340	18,666,457	-	-	11,698,340	18,666,457
Interest on long-term debt	744,342	823,020	-	-	744,342	823,020
Solid waste	-	-	5,523,433	6,010,083	5,523,433	6,010,083
Total expenses	<u>69,218,306</u>	<u>70,590,351</u>	<u>5,523,433</u>	<u>6,010,083</u>	<u>74,741,739</u>	<u>76,600,434</u>
Change in net position before special items	(116,920)	4,848,770	(20,020)	(436,526)	(136,940)	4,412,244
Transfers	-	(159,695)	-	159,695	-	-
Change in net position	<u>(116,920)</u>	<u>4,689,075</u>	<u>(20,020)</u>	<u>(276,831)</u>	<u>(136,940)</u>	<u>4,412,244</u>
Net Position:						
Beginning of year - July 1	(21,076,284)	(21,100,636)	7,635,452	7,615,432	(13,440,832)	(13,485,204)
Restatement	92,568	-	-	-	92,568	-
Beginning of year - July 1, as restated	<u>(20,983,716)</u>	<u>(21,100,636)</u>	<u>7,635,452</u>	<u>7,615,432</u>	<u>(13,348,264)</u>	<u>(13,485,204)</u>
End of year - June 30	<u>\$ (21,100,636)</u>	<u>\$ (16,411,561)</u>	<u>\$ 7,615,432</u>	<u>\$ 7,338,601</u>	<u>\$ (13,485,204)</u>	<u>\$ (9,072,960)</u>

Governmental Activities. Of the total net position, governmental activities account for (\$16,411,561), (180.88%). Property taxes provide 50.83% of funding at \$38,345,888, charges for services funded at \$6,108,851, local option sales tax and occupancy tax funded at \$18,258,296, and operating grants funded at \$12,112,974 of Macon County's governmental activities. Governmental activities increased Macon County's net position by \$4,689,075. This increase is primarily due to an increase in property taxes, local option sales tax, and occupancy tax as well as a decrease in spending in general government and human services.

Business-Type Activities. Business-type activities decreased the County's net position by (\$276,831). This decrease is primarily attributable to an increase in landfill closure and post-closure care cost.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Macon County. At the end of the current fiscal year, fund balance available in the General Fund was \$38,357,651, while total fund balance reached \$44,045,359. The County currently has an available fund balance of 67.72% of General Fund expenditures and transfers out less lease liabilities issued, while total fund balance represents 77.77% of that same amount. Total fund balance in the General Fund increased by \$6,168,503. This increase is primarily attributable to an increase in sales tax and ad valorem tax revenues. Sales tax revenues increased by 13.91% due to an increase in taxable sales and purchases within the County. Ad valorem tax revenues increased by 8.45% due to a 2.53 cents, or 6.75%, increase in the tax rate, an increase of \$143,171,000 in assessed valuation, and an increase of 0.37% in the collection percentage.

The Debt Service Fund's total fund balance increased by \$1,521,550. This increase is primarily attributable to the transfers from the school's capital fund to the debt service fund increasing by \$586,757 and the principal and interest payments being \$201,438 less than FY2021.

The Consolidated Capital Project Fund's total fund balance decreased by (\$5,875,288). This decrease is primarily attributable to the education expense for school renovation.

As of the end of the current fiscal year, Macon County's total governmental funds reported combined ending fund balances of \$55,401,410, an increase of \$2,704,637 in comparison with the prior year. This increase is primarily attributable to an increase in sales tax and ad valorem tax revenues.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased the budget by \$9,840,999. The majority of this increase was attributable to additional sales tax

revenues, ad valorem tax revenues, and restricted intergovernmental revenues, and a transfer from the American Rescue Plan Special Revenue Fund. The difference between the final budgeted amount and the actual expenditures and transfers out was \$9,709,277. This difference is primarily due to underspending the budget in human services, public safety, and general government.

Proprietary Funds. Macon County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the year totaled (\$18,850). The decrease of \$276,831 over the prior year is primarily attributable to an increase in landfill closure and post-closure care cost. Other factors concerning the finances of the fund have already been addressed in the discussion of the County’s business-type activities.

Capital Asset and Debt Administration

Capital Assets. Macon County’s capital assets for its governmental and business-type activities as of June 30, 2022 amount to \$33,291,537, (net of accumulated depreciation). These assets include land, buildings and systems, improvements, machinery, and equipment.

Major capital asset transactions during the year include:

- Completed an ambulance remount for EMS
- Purchased 1 vehicle for EMS
- Purchased 1 vehicle for emergency services
- Purchased 14 vehicles for sheriff
- Replaced all plumbing at the detention center
- Purchased 2 vehicles for tax
- Purchased servers and routers

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 10,062,224	\$ 10,062,224	\$ 2,093,021	\$ 2,093,021	\$ 12,155,245	\$ 12,155,245
Buildings and improvements	32,945,228	33,150,310	17,196,101	17,209,763	50,141,329	50,360,073
Furniture and equipment	5,042,473	5,056,036	5,292,454	5,345,969	10,334,927	10,402,005
Vehicles	7,760,777	8,074,827	849,858	862,710	8,610,635	8,937,537
Construction in progress	1,374,421	1,405,925	48,942	54,215	1,423,363	1,460,140
Subtotal	57,185,123	57,749,322	25,480,376	25,565,678	82,665,499	83,315,000
Less accumulated depreciation	(33,725,296)	(35,277,284)	(13,824,756)	(14,746,179)	(47,550,052)	(50,023,463)
Total	<u>\$ 23,459,827</u>	<u>\$ 22,472,038</u>	<u>\$ 11,655,620</u>	<u>\$ 10,819,499</u>	<u>\$ 35,115,447</u>	<u>\$ 33,291,537</u>

Additional information on the County’s capital assets can be found in the notes to the financial statements beginning on page 52.

Long-Term Debt. As of June 30, 2022, Macon County had total bonded debt outstanding of \$24,593,262, all of which is debt backed by full faith and credit of the County.

Macon County’s Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Installment contracts	\$ 8,620,200	\$ 7,114,004	\$ -	\$ -	\$ 8,620,200	\$ 7,114,004
Special obligation bonds	-	-	5,161,073	4,172,609	5,161,073	4,172,609
Limited obligation bonds	21,669,721	20,420,653	-	-	21,669,721	20,420,653
Lease liability	-	82,522	-	4,115	-	86,637
Total	\$ 30,289,921	\$ 27,617,179	\$ 5,161,073	\$ 4,176,724	\$ 35,450,994	\$ 31,793,903

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 \$640,091,000, which is significantly greater than Macon County’s outstanding debt.

More detailed information on the County’s long-term debt can be found in the notes to the financial statements beginning on page 75.

Economic Factors and Next Year’s Budgets and Rates

The following factors reflect the economic activity of the County:

- The County’s June 2022 unadjusted unemployment rate is 3.8% compared to the state’s unadjusted unemployment rate of 4.1%. The County’s June 2022 rate is 0.4% lower than it was a year ago.
- Sales tax distributions increased 13.91% over the prior year and occupancy tax receipts increased 12.21% over the prior year.
- Low debt burden and property tax rate – The County’s existing debt obligations are only 4.54% of its statutory limit. The FY2022 property tax rate of \$0.4000/\$100 is below the state average of \$0.6717/\$100 and the fourth lowest of all 100 counties in North Carolina.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities. Taxes are based on \$8.3 billion in property valuation, with the tax rate remaining at \$0.40 per \$100 of assessed value. The County adjusted the tax collection rate from 98.35% to 98.57%. Sales tax revenues were budgeted with no growth on the FY2022 year-end projection.

Budgeted expenditures in the General Fund are \$59,047,113, which is \$2,365,895 more than the FY2022 original budget, or 4.2%. 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 \$146,000, a 3% COLA at a cost of \$727,000, and a one-step pay scale advancement at a cost of approximately \$198,000. The budget contains \$4,160,872 in capital outlay, which is an increase of approximately \$1,286,000.

Business-Type Activities. The budgeted expenditures for the Solid Waste Fund are \$6,250,499, which represents an increase of \$447,506, or 7.71%. The budget includes a \$230,000 increase in recycling revenue and a \$194,000 increase in tipping fees. This increase in revenue is due to consumption increases not rate increases. The budget includes an increase to the County's required contribution to the Local Governmental Employees' Retirement System for employees, a 3% COLA, and a one-step pay scale advancement. The budget contains \$810,000 in capital outlay.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – OVERVIEW

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		Total	Component
	Governmental Activities	Business-Type Activities		Unit Macon County Airport Authority
Assets:				
Current assets:				
Cash and cash equivalents	\$ 52,021,706	\$ 13,232,064	\$ 65,253,770	\$ 111,192
Taxes receivable, net	514,478	-	514,478	-
Interest receivable	2,542	-	2,542	-
Accounts receivable, net	1,409,628	366,986	1,776,614	-
Due from other governments	6,413,386	-	6,413,386	-
Lease receivable	25,976	-	25,976	-
Inventories	8,742	-	8,742	-
Prepaid items	422,011	-	422,011	-
Restricted cash and cash equivalents	3,105,542	710,570	3,816,112	-
Total current assets	<u>63,924,011</u>	<u>14,309,620</u>	<u>78,233,631</u>	<u>111,192</u>
Non-current assets:				
Right to use leased assets, net of amortization	83,798	4,106	87,904	-
Notes receivable - long term	28,335	-	28,335	-
Net pension asset - ROD	82,366	-	82,366	-
Non-depreciable capital assets	11,468,149	2,147,236	13,615,385	3,028,995
Depreciable capital assets, net	11,003,889	8,672,263	19,676,152	9,619,435
Total non-current assets	<u>22,666,537</u>	<u>10,823,605</u>	<u>33,490,142</u>	<u>12,648,430</u>
Total assets	<u>86,590,548</u>	<u>25,133,225</u>	<u>111,723,773</u>	<u>12,759,622</u>
Deferred Outflows of Resources:				
Pension deferrals	5,678,708	305,502	5,984,210	-
OPEB deferrals	26,597,093	1,803,433	28,400,526	-
Total deferred outflows of resources	<u>32,275,801</u>	<u>2,108,935</u>	<u>34,384,736</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	4,412,968	327,243	4,740,211	432
Grants received in advance	2,105,253	-	2,105,253	-
Unearned revenues	7,079	-	7,079	-
Current portion of compensated absences	124,237	8,559	132,796	-
Current portion of long-term debt	3,678,967	1,067,065	4,746,032	-
Total current liabilities	<u>10,328,504</u>	<u>1,402,867</u>	<u>11,731,371</u>	<u>432</u>
Long-term liabilities:				
Due in more than one year:				
Non-current compensated absences	1,118,136	77,033	1,195,169	-
Bonds, installment purchases, leases	23,938,212	12,385,562	36,323,774	-
Net pension liability - LGERS	3,281,956	168,942	3,450,898	-
Total pension liability - LEOSA	1,913,012	-	1,913,012	-
Total OPEB liability	37,009,601	1,997,480	39,007,081	-
Total long-term liabilities	<u>67,260,917</u>	<u>14,629,017</u>	<u>81,889,934</u>	<u>-</u>
Total liabilities	<u>77,589,421</u>	<u>16,031,884</u>	<u>93,621,305</u>	<u>432</u>

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Macon County Airport Authority
Deferred Inflows of Resources:				
Prepaid taxes	62,495	-	62,495	-
Pension deferrals	5,126,963	313,728	5,440,691	-
OPEB deferrals	52,472,719	3,557,947	56,030,666	-
Leases	26,312	-	26,312	-
Total deferred inflows of resources	<u>57,688,489</u>	<u>3,871,675</u>	<u>61,560,164</u>	<u>-</u>
Net Position:				
Net investment in capital assets	21,530,233	7,357,451	28,887,684	12,648,430
Restricted for:				
Stabilization by state statute	6,931,363	-	6,931,363	-
Register of Deeds' pension plan	88,513	-	88,513	-
General Government	66	-	66	-
Public safety	1,226,840	-	1,226,840	-
Economic and physical development	17,113	-	17,113	-
Education	141,377	-	141,377	-
Human services	32,344	-	32,344	-
Unrestricted	<u>(46,379,410)</u>	<u>(18,850)</u>	<u>(46,398,260)</u>	<u>110,760</u>
Total net position	<u>\$ (16,411,561)</u>	<u>\$ 7,338,601</u>	<u>\$ (9,072,960)</u>	<u>\$ 12,759,190</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, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 13,345,895	\$ 2,177,953	\$ 1,914,678	\$ -
Public safety	19,234,772	2,855,284	827,198	-
Transportation	1,060,591	98,778	339,250	1,233
Economic and physical development	3,574,303	189,418	616,022	28,790
Human services	10,520,367	728,606	7,640,013	-
Cultural and recreational	3,364,946	55,046	-	-
Education	18,666,457	3,766	775,813	-
Interest on long-term debt	823,020	-	-	-
Total governmental activities	<u>70,590,351</u>	<u>6,108,851</u>	<u>12,112,974</u>	<u>30,023</u>
Business-Type Activities:				
Solid waste	<u>6,010,083</u>	<u>5,560,226</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 76,600,434</u>	<u>\$ 11,669,077</u>	<u>\$ 12,112,974</u>	<u>\$ 30,023</u>
Component Unit:				
Macon County Airport Authority	<u>\$ 853,948</u>	<u>\$ -</u>	<u>\$ 33,650</u>	<u>\$ 31,991</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, 2022

	<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Macon County Airport Authority</u>
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ (9,253,264)	\$ -	\$ (9,253,264)	
Public safety	(15,552,290)	-	(15,552,290)	
Transportation	(621,330)	-	(621,330)	
Economic and physical development	(2,740,073)	-	(2,740,073)	
Human services	(2,151,748)	-	(2,151,748)	
Cultural and recreational	(3,309,900)	-	(3,309,900)	
Education	(17,886,878)	-	(17,886,878)	
Interest on long-term debt	(823,020)	-	(823,020)	
Total governmental activities	<u>(52,338,503)</u>	<u>-</u>	<u>(52,338,503)</u>	
Business-Type Activities:				
Solid waste	-	(449,857)	(449,857)	
Total primary government	<u>(52,338,503)</u>	<u>(449,857)</u>	<u>(52,788,360)</u>	
Component Unit:				
Macon County Airport Authority				\$ (788,307)
General Revenues:				
Ad valorem taxes	38,345,888	-	38,345,888	-
Local option sales tax	15,890,574	-	15,890,574	-
Occupancy taxes	2,367,722	-	2,367,722	-
Unrestricted intergovernmental revenues:				
Other taxes	423,334	-	423,334	-
Gross receipts tax	45,252	-	45,252	-
Interest earned on investments	114,503	13,331	127,834	-
Total general revenues	<u>57,187,273</u>	<u>13,331</u>	<u>57,200,604</u>	-
Transfers	<u>(159,695)</u>	<u>159,695</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>57,027,578</u>	<u>173,026</u>	<u>57,200,604</u>	<u>-</u>
Change in net position	4,689,075	(276,831)	4,412,244	(788,307)
Net Position:				
Beginning of year - July 1	<u>(21,100,636)</u>	<u>7,615,432</u>	<u>(13,485,204)</u>	<u>13,547,497</u>
End of year - June 30	<u>\$ (16,411,561)</u>	<u>\$ 7,338,601</u>	<u>\$ (9,072,960)</u>	<u>\$ 12,759,190</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major			Nonmajor		Total Governmental Funds
	General Fund	Debt Service Fund	Consolidated Capital Projects	ARPA Fund	Other Governmental Funds	
Assets:						
Cash and cash equivalents	\$ 41,183,865	\$ 3,285,024	\$ 3,579,741	\$ -	\$ 3,397,496	\$ 51,446,126
Taxes receivable, net	438,936	-	-	-	75,542	514,478
Interest receivable	2,533	-	-	-	-	2,533
Accounts receivable, net	1,354,279	-	-	-	55,349	1,409,628
Notes receivable, long term	28,335	-	-	-	-	28,335
Due from other funds	-	457,396	-	-	-	457,396
Due from other governments	5,223,388	10,792	-	-	1,179,206	6,413,386
Lease receivable	25,976	-	-	-	-	25,976
Inventories	8,742	-	-	-	-	8,742
Prepaid items	422,011	-	-	-	-	422,011
Cash and cash equivalents, restricted	84,249	-	1,000,193	1,640,575	380,525	3,105,542
Total assets	<u>\$ 48,772,314</u>	<u>\$ 3,753,212</u>	<u>\$ 4,579,934</u>	<u>\$ 1,640,575</u>	<u>\$ 5,088,118</u>	<u>\$ 63,834,153</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,756,640	\$ -	\$ 457,564	\$ -	\$ 694,282	\$ 3,908,486
Due to other funds	-	-	-	-	457,396	457,396
Unearned revenues	7,079	-	-	-	-	7,079
Grants received in advance	84,249	-	-	1,640,575	380,429	2,105,253
Total liabilities	<u>2,847,968</u>	<u>-</u>	<u>457,564</u>	<u>1,640,575</u>	<u>1,532,107</u>	<u>6,478,214</u>
Deferred Inflows of Resources:						
Property taxes receivable	438,936	-	-	-	75,542	514,478
Ambulance receivable	920,201	-	-	-	-	920,201
Public health receivable	431,043	-	-	-	-	431,043
Prepaid taxes	62,495	-	-	-	-	62,495
Leases	26,312	-	-	-	-	26,312
Total deferred inflows of resources	<u>1,878,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,542</u>	<u>1,954,529</u>
Fund Balances:						
Non-spendable, not in spendable form:						
Inventories	8,742	-	-	-	-	8,742
Prepays	422,011	-	-	-	-	422,011
Notes receivable, long term	28,335	-	-	-	-	28,335
Restricted for:						
Stabilization by state statute	5,228,620	468,188	-	-	1,234,555	6,931,363
General government	-	-	-	-	66	66
Public safety	371,642	-	-	-	855,198	1,226,840
Economic and physical development	-	-	-	-	17,113	17,113
Human services	-	-	-	-	32,344	32,344
Education	141,377	-	1,000,193	-	-	1,141,570
Committed for:						
General government	-	-	-	-	1,391,246	1,391,246
Economic and physical development	-	-	-	-	698,110	698,110
Education	-	-	3,122,177	-	-	3,122,177
Assigned for:						
Debt service	-	3,285,024	-	-	-	3,285,024
Unassigned	37,844,632	-	-	-	(748,163)	37,096,469
Total fund balances	<u>44,045,359</u>	<u>3,753,212</u>	<u>4,122,370</u>	<u>-</u>	<u>3,480,469</u>	<u>55,401,410</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,772,314</u>	<u>\$ 3,753,212</u>	<u>\$ 4,579,934</u>	<u>\$ 1,640,575</u>	<u>\$ 5,088,118</u>	<u>\$ 63,834,153</u>

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

MACON COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Total Governmental Funds</u>
Amounts reported in the governmental activities in the Statement of Net Position are different because:	
Total fund balances	\$ 55,401,410
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,472,038
Other long-term assets (accrued interest receivable from leases) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Accrued interest on leases	9
Right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Right to use assets at historical cost	174,553
Accumulated amortization	(90,755)
Net pension asset	82,366
Net pension liability - LGERS	(3,281,956)
Total pension liability - LEOSSA	(1,913,012)
Total OPEB liability	(37,009,601)
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.	280,810
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.	(29,069,264)
Deferred outflows of resources related to pensions are not reported in the funds.	5,678,708
Deferred inflows of resources related to pensions are not reported in the funds.	(5,126,963)
Deferred outflows of resources related to OPEB are not reported in the funds.	26,597,093
Deferred inflows of resources related to OPEB are not reported in the funds.	(52,472,719)
Deferred inflows of resources for taxes receivables	514,478
Deferred inflows of resources for other unavailable revenues	<u>1,351,244</u>
Net position of governmental activities	<u>\$ (16,411,561)</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, 2022

	Major				Nonmajor	Total Governmental Funds
	General Fund	Debt Service Fund	Consolidated Capital Project	ARPA Fund	Other Governmental Funds	
Revenues:						
Ad valorem taxes	\$ 33,855,016	\$ -	\$ -	\$ -	\$ 4,581,576	\$ 38,436,592
Local option sales taxes	12,673,177	-	-	-	3,217,397	15,890,574
Unrestricted intergovernmental revenues	468,586	-	-	-	-	468,586
Restricted intergovernmental revenues	8,661,179	602,769	-	1,841,923	1,037,126	12,142,997
Occupancy taxes	-	-	-	-	2,367,722	2,367,722
Permits and fees	1,928,223	-	-	-	49,073	1,977,296
Sales and services	3,095,958	-	-	-	191,293	3,287,251
Interest earned on investments	106,239	10	3,922	-	3,550	113,721
Miscellaneous	359,492	37,847	3,766	-	-	401,105
Total revenues	<u>61,147,870</u>	<u>640,626</u>	<u>7,688</u>	<u>1,841,923</u>	<u>11,447,737</u>	<u>75,085,844</u>
Expenditures:						
Current:						
General government	8,588,085	-	-	-	269,314	8,857,399
Public safety	16,907,547	-	-	-	4,746,709	21,654,256
Transportation	1,033,084	-	-	-	-	1,033,084
Economic and physical development	528,265	-	-	-	3,124,331	3,652,596
Human services	11,654,254	-	-	-	162,730	11,816,984
Education	10,470,917	-	8,195,540	-	-	18,666,457
Cultural and recreational	2,929,473	-	-	-	-	2,929,473
Debt service:						
Principal repayments	92,031	2,636,196	-	-	-	2,728,227
Interest	859	994,974	-	-	-	995,833
Total expenditures	<u>52,204,515</u>	<u>3,631,170</u>	<u>8,195,540</u>	<u>-</u>	<u>8,303,084</u>	<u>72,334,309</u>
Revenues over (under) expenditures	<u>8,943,355</u>	<u>(2,990,544)</u>	<u>(8,187,852)</u>	<u>1,841,923</u>	<u>3,144,653</u>	<u>2,751,535</u>
Other Financing Sources (Uses):						
Lease liabilities issued	174,553	-	-	-	-	174,553
Transfers in	1,659,020	4,512,094	2,312,564	-	990,962	9,474,640
Transfers (out)	(4,608,425)	-	-	(1,841,923)	(3,245,743)	(9,696,091)
Total other financing sources (uses)	<u>(2,774,852)</u>	<u>4,512,094</u>	<u>2,312,564</u>	<u>(1,841,923)</u>	<u>(2,254,781)</u>	<u>(46,898)</u>
Net change in fund balances	6,168,503	1,521,550	(5,875,288)	-	889,872	2,704,637
Fund Balances:						
Beginning of year - July 1	<u>37,876,856</u>	<u>2,231,662</u>	<u>9,997,658</u>	<u>-</u>	<u>2,590,597</u>	<u>52,696,773</u>
End of year - June 30	<u>\$ 44,045,359</u>	<u>\$ 3,753,212</u>	<u>\$ 4,122,370</u>	<u>\$ -</u>	<u>\$ 3,480,469</u>	<u>\$ 55,401,410</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, 2022**

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

Net change in fund balances - total governmental funds	\$ 2,704,637
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.	(90,704)
<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.	(346)
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.	102,089
Change in interest receivable	9
Accrued interest and amortization of refunding costs and premiums and amortized expenses that do not require current financial resources are not reported as expenditures in the governmental funds statement.	172,813
Expenses related to compensated absences that do not require current financial resources are not reported as expenditures in the governmental funds statement.	(105,638)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.	2,728,227
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense - LEOSSA	(192,545)
Pension expense - LGERS	754,245
Pension expense - ROD	901
OPEB plan expense	(338,110)
Capital assets (net) disposed of during the year are not recognized on the modified accrual basis.	(45,648)
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense; rather it is an increase in capital assets.	1,253,600
Right to use leased asset capital outlay expenditures, which were capitalized	174,553
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(2,195,741)
Amortization expense for leases	(90,755)
The issuance of long-term debt (e.g., bonds, leases) and the refunding of long-term debt provide current financial resources to governmental funds. The repayment of refunded long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, is reported in the Statement of Activities.	(174,553)
The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>32,041</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 4,689,075</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, 2022

	Budgeted Amounts		Actual	Variance from Final Budget Over/Under
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 32,710,669	\$ 33,785,669	\$ 33,855,016	\$ 69,347
Local option sales taxes	10,526,046	12,790,908	12,673,177	(117,731)
Unrestricted intergovernmental revenues	424,000	424,000	468,586	44,586
Restricted intergovernmental revenues	8,346,610	10,989,826	8,661,179	(2,328,647)
Permits and fees	1,387,521	1,813,721	1,928,223	114,502
Sales and services	2,820,705	3,026,620	3,095,958	69,338
Investment earnings	110,000	110,000	106,239	(3,761)
Miscellaneous	57,177	347,629	359,492	11,863
Total revenues	<u>56,382,728</u>	<u>63,288,373</u>	<u>61,147,870</u>	<u>(2,140,503)</u>
Expenditures:				
Current:				
General government	11,712,742	10,237,224	8,588,085	1,649,139
Public safety	15,325,615	18,817,620	16,907,547	1,910,073
Transportation	1,503,275	2,195,777	1,033,084	1,162,693
Economic and physical development	575,670	722,116	528,265	193,851
Human services	12,918,491	15,472,465	11,654,254	3,818,211
Cultural and recreational	2,887,650	3,092,796	2,929,473	163,323
Intergovernmental:				
Education	10,311,908	11,282,764	10,470,917	811,847
Debt service:				
Principal	-	92,042	92,031	11
Interest and fees	-	870	859	11
Total expenditures	<u>55,235,351</u>	<u>61,913,674</u>	<u>52,204,515</u>	<u>9,709,159</u>
Revenues over (under) expenditures	<u>1,147,377</u>	<u>1,374,699</u>	<u>8,943,355</u>	<u>7,568,656</u>
Other Financing Sources (Uses):				
Lease liabilities issued	-	50,000	174,553	124,553
Transfers in	290,000	1,954,463	1,659,020	(295,443)
Transfers (out)	(1,445,867)	(4,608,543)	(4,608,425)	118
Appropriated fund balance	8,490	1,229,381	-	(1,229,381)
Total other financing sources (uses)	<u>(1,147,377)</u>	<u>(1,374,699)</u>	<u>(2,774,852)</u>	<u>(1,400,153)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>6,168,503</u>	<u>\$ 6,168,503</u>
Fund Balance:				
Beginning of year - July 1			<u>37,876,856</u>	
End of year - June 30			<u>\$ 44,045,359</u>	

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

MACON COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	<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	\$ 13,232,064	\$ 575,580
Accounts receivable, net	366,986	-
Total current assets	<u>13,599,050</u>	<u>575,580</u>
Non-current assets:		
Cash and cash equivalents, restricted	710,570	-
Right to use leased assets, net of amortization	4,106	-
Non-depreciable capital assets	2,147,236	-
Depreciable capital assets, net	<u>8,672,263</u>	<u>-</u>
Total capital assets	<u>10,819,499</u>	<u>-</u>
Total non-current assets	<u>11,534,175</u>	<u>-</u>
Total assets	<u>25,133,225</u>	<u>575,580</u>
Deferred Outflows of Resources:		
Pension deferrals	305,502	-
OPEB deferrals	<u>1,803,433</u>	<u>-</u>
Total deferred outflows of resources	<u>2,108,935</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	327,243	294,770
Current portion of accrued landfill closure and post-closure care cost	52,923	-
Current portion of long-term liabilities	1,014,142	-
Compensated absences payable - current	<u>8,559</u>	<u>-</u>
Total current liabilities	<u>1,402,867</u>	<u>294,770</u>
Non-current liabilities:		
Net pension liability - LGERS	168,942	-
Accrued landfill closure and post-closure care cost	9,222,980	-
Compensated absences payable	77,033	-
Total OPEB liability	1,997,480	-
Long-term liabilities - non-current	<u>3,162,582</u>	<u>-</u>
Total non-current liabilities	<u>14,629,017</u>	<u>-</u>
Total liabilities	<u>16,031,884</u>	<u>294,770</u>
Deferred Inflows of Resources:		
Pension deferrals	313,728	-
OPEB deferrals	<u>3,557,947</u>	<u>-</u>
Total deferred inflows of resources	<u>3,871,675</u>	<u>-</u>
Net Position:		
Net investment in capital assets	7,357,451	-
Unrestricted	<u>(18,850)</u>	<u>280,810</u>
Total net position	<u>\$ 7,338,601</u>	<u>\$ 280,810</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, 2022**

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Solid Waste Fund</u>	<u>Internal Service Fund</u>
Operating Revenues:		
Landfill fees	\$ 2,971,615	\$ -
Solid waste disposal fees	31,957	-
Charges for services	-	4,820,447
Tipping fees	1,941,843	-
Scrap tire revenues	62,045	-
Other	<u>552,766</u>	<u>-</u>
Total operating revenues	<u>5,560,226</u>	<u>4,820,447</u>
Operating Expenses:		
Salaries	1,468,054	-
Employee benefits	396,645	-
Benefit payments	-	32,943
Insurance premiums	-	4,818,001
Operating expenses	1,508,468	-
Landfill closure and post-closure care cost	1,622,461	-
Depreciation and amortization	<u>913,050</u>	<u>-</u>
Total operating expenses	<u>5,908,678</u>	<u>4,850,944</u>
Operating income (loss)	<u>(348,452)</u>	<u>(30,497)</u>
Non-Operating Revenues (Expenses):		
Interest earned on investments	13,331	782
Interest and fees	<u>(101,405)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(88,074)</u>	<u>782</u>
Net income (loss) before transfers	(436,526)	(29,715)
Transfers in (out)	<u>159,695</u>	<u>61,756</u>
Change in net position	(276,831)	32,041
Net Position:		
Beginning of year - July 1	<u>7,615,432</u>	<u>248,769</u>
End of year - June 30	<u>\$ 7,338,601</u>	<u>\$ 280,810</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, 2022**

	Business-Type Activities	Governmental Activities
	Solid Waste Fund	Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,866,442	\$ 4,820,447
Cash paid for goods and services	(1,553,195)	(4,838,971)
Cash paid to employees for services	(1,939,440)	-
Other operating revenues	697,757	-
Net cash provided (used) by operating activities	<u>2,071,564</u>	<u>(18,524)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers to/from other funds	<u>159,695</u>	<u>61,756</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(72,450)	-
Lease liability payments made	(4,470)	-
Principal paid on long-term debt	(988,464)	-
Interest paid on long-term debt	(106,694)	-
Net cash provided (used) for capital and related financing activities	<u>(1,172,078)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>13,331</u>	<u>782</u>
Net increase (decrease) in cash and cash equivalents	1,072,512	44,014
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>12,870,122</u>	<u>531,566</u>
End of year - June 30	<u>\$ 13,942,634</u>	<u>\$ 575,580</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (348,452)	\$ (30,497)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	913,050	-
Change in estimate of closure and post-closure care cost	1,539,029	-
Changes in assets and liabilities:		
(Increase) decrease in receivables	3,973	-
(Increase) decrease in deferred outflows - pension	(47,323)	-
(Increase) decrease in deferred outflows - OPEB	54,609	-
Increase (decrease) in net pension liability	(305,140)	-
Increase (decrease) in deferred inflows - pension	304,320	-
Increase (decrease) in deferred inflows - OPEB	3,167,783	-
Increase (decrease) in accounts payable and accrued liabilities	56,292	11,973
Increase (decrease) in OPEB liability	(3,285,386)	-
Increase (decrease) in accrued vacation pay	18,809	-
Net cash provided (used) by operating activities	<u>\$ 2,071,564</u>	<u>\$ (18,524)</u>
Non-Cash Capital and Related Financing Activities:		
Right to use asset acquired in exchange for lease liability	<u>\$ 8,585</u>	<u>\$ -</u>

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

MACON COUNTY, NORTH CAROLINA

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

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 34,409
Taxes receivable for other governments, net	<u>25,458</u>
Total assets	<u>59,867</u>
Liabilities:	
Due to other governments	<u>22,050</u>
Net Position:	
Restricted for:	
Individuals, organizations and other governments	<u>37,817</u>
Total net position	<u>\$ 37,817</u>

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

MACON COUNTY, NORTH CAROLINA

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

	<u>Custodial Funds</u>
Additions:	
Property taxes collected for other governments	\$ 2,950,484
Collections on behalf of individuals/organizations	<u>191,079</u>
Total additions	<u>3,141,563</u>
Deductions:	
Property taxes distributed to other governments	2,941,804
Payments on behalf of individuals/organizations	<u>195,060</u>
Total deductions	<u>3,136,864</u>
Net increase (decrease) in fiduciary net position	4,699
Net Position:	
Beginning of year - July 1	<u>33,118</u>
End of year - June 30	<u>\$ 37,817</u>

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

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MACON COUNTY, NORTH CAROLINA

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

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Discretely Presented Component Units

Macon County Industrial Facility and Pollution Control Financing Authority

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

Macon County Airport Authority

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

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

MACON COUNTY, NORTH CAROLINA

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

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.

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

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

MACON COUNTY, NORTH CAROLINA

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

The County reports the following nonmajor governmental funds:

Special Revenue Funds. Special revenue funds are used to account for specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains several nonmajor special revenue funds: the Emergency Telephone System Fund, the Fire Districts Fund, the Occupancy Tax Fund, the Housing Grants Fund, the Western Carolina Industrial Partners Fund, the Deed of Trust Fund, the Representative Payee Fund, the Relief Fund, the Fines and Forfeitures Fund, and the Opioid Settlement Fund.

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

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

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

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless

MACON COUNTY, NORTH CAROLINA

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

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.

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-

MACON COUNTY, NORTH CAROLINA

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

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 revenues and expenditures by approximately \$9.8 million. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30(c)(8)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high-quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT).

The majority of the County's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of an SEC-registered fund, is authorized by G.S. 159-30(c)(8).

MACON COUNTY, NORTH CAROLINA

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

The Government Portfolio is a 2a7 fund, which invests in treasuries and government agencies and is rated AAAm by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

Cash and Cash Equivalents

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

Restricted Assets

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

<u>Restricted Cash</u>	<u>Purpose</u>	<u>Amount</u>
Governmental Activities:		
General Fund	Unexpended grant funds	\$ 84,249
Consolidated Capital Projects Fund	Unexpended bond proceeds	1,000,193
Opioid Settlement Fund	Unexpended opioid settlement proceeds	115,492
Opioid Settlement Fund	Unexpended interest earned	30
American Rescue Plan Fund	Unexpended grant funds	1,640,575
County Buildings Project Fund	Unexpended grant funds	250,000
County Buildings Project Fund	Unexpended interest earned	66
Housing Grants Fund	Unexpended grant funds	14,937
		<u>3,105,542</u>
Business-Type Activities:		
Solid Waste Fund	Unexpended bond proceeds	<u>710,570</u>
Total restricted cash		<u><u>\$ 3,816,112</u></u>

MACON COUNTY, NORTH CAROLINA

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

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021.

Lease Receivable

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

Allowances for Doubtful Accounts

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

Inventories and Prepaid Items

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

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

Capital Assets

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

The County holds title to certain Macon County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility

MACON COUNTY, NORTH CAROLINA

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

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

Right-to-Use Assets

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

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

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

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

MACON COUNTY, NORTH CAROLINA

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

Compensated Absences

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

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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.

MACON COUNTY, NORTH CAROLINA

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

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 General Government – portion of fund balance restricted by revenue source for general governmental related activities.

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

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

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

Restricted for Education – portion of fund balance in the General Fund restricted by revenue source to be used to support public education, including timber receipts, which are restricted by the federal government for educational purposes. The Consolidated Capital Projects Fund had \$1,000,193 in unspent bond proceeds June 30, 2022.

The difference in restricted fund balance on Exhibit C from restricted net position on Exhibit A is the unspent bond proceeds of \$1,000,193 and the net ROD pension plan of \$88,513.

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.

MACON COUNTY, NORTH CAROLINA

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

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

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

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

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

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

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

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

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

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	\$	44,045,359
Less:		
Inventories		8,742
Prepays		422,011
Notes receivable, long term		28,335
Stabilization by state statute		<u>5,228,620</u>
Total available fund balance	\$	<u><u>38,357,651</u></u>

MACON COUNTY, NORTH CAROLINA

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

E. Revenues, Expenditures, and Expenses

Other Resources

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

F. Accounting Estimates

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

G. Defined Benefit Cost-Sharing Plans

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

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County’s deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County’s agent in the County’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County’s agent in the entity’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to

MACON COUNTY, NORTH CAROLINA

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

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, 2022, the deposits of Macon County and the Airport Authority had a carrying amount of \$23,777,669 and a bank balance of \$24,413,902. Of the bank balance, \$750,000 was covered by federal depository insurance and the remaining balance by collateral held under the Pooling Method. Cash on hand was \$3,200.

Investments

At June 30, 2022, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management				
Trust - Government Portfolio *	Fair Value - Level 1	<u>\$ 45,434,614</u>	<u>\$ 45,434,614</u>	<u>\$ -</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 and AAA-mf by Moody's Investor Service.

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

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

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

Credit Risk. The County had no formal policy on managing credit risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2022.

MACON COUNTY, NORTH CAROLINA

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

Property Tax – Use-Value Assessment on Certain Lands

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

Fiscal Year Levied	Tax	Interest	Total
2019	\$ 863,436	\$ 282,775	\$ 1,146,211
2020	803,381	190,803	994,184
2021	799,668	117,951	917,619
2022	847,749	48,746	896,495
Total	\$ 3,314,234	\$ 640,275	\$ 3,954,509

Receivables

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

	Accounts	Taxes	Lease Receivable	Notes Receivable	Interest	Due from Other Governments	Total
Governmental Activities:							
General	\$ 2,439,323	\$ 1,016,898	\$ 25,976	\$ 28,335	\$ 2,542	\$ 5,223,388	\$ 8,736,462
Other governmental	55,349	175,776	-	-	-	1,189,998	1,421,123
Allowance for doubtful accounts	(1,085,044)	(678,196)	-	-	-	-	(1,763,240)
Total governmental activities	\$ 1,409,628	\$ 514,478	\$ 25,976	\$ 28,335	\$ 2,542	\$ 6,413,386	\$ 8,394,345
Not expected to be collected during the subsequent year	\$ -	\$ -	\$ -	\$ 28,335	\$ -	\$ -	\$ 28,335
Business-Type Activities:							
Solid waste	\$ 593,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 593,857
Allowance for doubtful accounts	(226,871)	-	-	-	-	-	(226,871)
Total business-type activities	\$ 366,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366,986

MACON COUNTY, NORTH CAROLINA

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

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

	Governmental Activities
Local option sales and use tax/sales tax refund	\$ 4,134,418
Due from State DMV	194,165
Grants receivable	140,588
Others	1,944,215
Total	<u>\$ 6,413,386</u>

At June 30, 2022, property taxes for other governments in the custodial fund is net of an allowance for doubtful accounts of \$10,518.

Lease Receivable

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Macon County, NC entered into a 17-month lease as lessor for the use of Macon County Business Development Center - Unit A. An initial lease receivable was recorded in the amount of \$31,199. As of 06/30/2022, the value of the lease receivable is \$9,191. The lessee is required to make monthly fixed payments of \$1,840. The lease has an interest rate of 0.3870%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,176, and Macon County recognized lease revenue of \$22,023 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into a 16-month lease as lessor for the use of Macon County Business Development Center - Unit B. An initial lease receivable was recorded in the amount of \$19,438. As of 06/30/2022, the value of the lease receivable is \$4,868. The lessee is required to make monthly fixed payments of \$1,218. The lease has an interest rate of 0.3870%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,244, and Macon County recognized lease revenue of \$14,194 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into a 21-month lease as Lessor for the use of USDA Service Center - 189 Thomas Heights Road. An initial lease receivable was recorded in the amount of \$17,286. As of 06/30/2022, the value of the lease receivable is \$7,423. The lessee is required to make monthly fixed payments of \$827. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,408, and Macon County recognized lease revenue of \$9,878 during the fiscal year.

MACON COUNTY, NORTH CAROLINA

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

On 07/01/2021, Macon County, NC entered into an 18-month lease as lessor for the use of Communication Tower - Sutton Radiocasting Corporation. An initial lease receivable was recorded in the amount of \$8,967. As of 06/30/2022, the value of the lease receivable is \$2,996. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,989, and Macon County recognized lease revenue of \$5,978 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into an 18-month lease as lessor for the use of Communication Tower - Blue Ridge Broadcasting. An initial lease receivable was recorded in the amount of \$4,484. As of 06/30/2022, the value of the lease receivable is \$1,498. The lessee is required to make monthly fixed payments of \$250. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,495, and Macon County recognized lease revenue of \$2,989 during the fiscal year.

Governmental Capital Assets

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

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Non-Depreciable Assets:				
Land	\$ 10,062,224	\$ -	\$ -	\$ 10,062,224
Construction in progress	1,374,421	31,504	-	1,405,925
Total non-depreciable assets	<u>11,436,645</u>	<u>31,504</u>	<u>-</u>	<u>11,468,149</u>
Depreciable Assets:				
Buildings and improvements	32,945,228	205,082	-	33,150,310
Equipment	5,042,473	203,737	(190,174)	5,056,036
Vehicles	7,760,777	813,277	(499,227)	8,074,827
Total depreciable assets	<u>45,748,478</u>	<u>1,222,096</u>	<u>(689,401)</u>	<u>46,281,173</u>
Less Accumulated Depreciation:				
Buildings and improvements	24,237,037	1,178,571	-	25,415,608
Equipment	3,084,888	410,519	(177,970)	3,317,437
Vehicles	6,403,371	606,651	(465,783)	6,544,239
Total accumulated depreciation	<u>33,725,296</u>	<u>\$ 2,195,741</u>	<u>\$ (643,753)</u>	<u>35,277,284</u>
Total capital assets being depreciated, net	<u>12,023,182</u>			<u>11,003,889</u>
Capital assets, net	<u>\$ 23,459,827</u>			<u>\$ 22,472,038</u>

MACON COUNTY, NORTH CAROLINA

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

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

Governmental Activities:

General government	\$ 626,531
Public safety	683,409
Economic and physical development	7,058
Transportation	171,228
Human services	69,925
Cultural and recreational	<u>637,590</u>
Total	<u><u>\$ 2,195,741</u></u>

Proprietary Capital Assets

The capital assets of the Proprietary Fund at June 30, 2022 are as follows:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Non-Depreciable Assets:				
Construction in progress	\$ 48,942	\$ 5,273	\$ -	\$ 54,215
Land	<u>2,093,021</u>	<u>-</u>	<u>-</u>	<u>2,093,021</u>
Total non-depreciable assets	<u>2,141,963</u>	<u>5,273</u>	<u>-</u>	<u>2,147,236</u>
Depreciable Assets:				
Buildings and improvements	17,196,101	13,662	-	17,209,763
Equipment	5,292,454	53,515	-	5,345,969
Vehicles	<u>875,458</u>	<u>-</u>	<u>(12,748)</u>	<u>862,710</u>
Total depreciable assets	<u>23,364,013</u>	<u>67,177</u>	<u>(12,748)</u>	<u>23,418,442</u>
Less Accumulated Depreciation:				
Buildings and improvements	9,498,390	468,628	-	9,967,018
Equipment	3,525,850	403,889	-	3,929,739
Vehicles	<u>826,116</u>	<u>36,054</u>	<u>(12,748)</u>	<u>849,422</u>
Total accumulated depreciation	<u>13,850,356</u>	<u>\$ 908,571</u>	<u>\$ (12,748)</u>	<u>14,746,179</u>
Total capital assets being depreciated, net	<u>9,513,657</u>			<u>8,672,263</u>
Capital assets, net	<u>\$ 11,655,620</u>			<u>\$ 10,819,499</u>

MACON COUNTY, NORTH CAROLINA

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

Construction Commitments

The County has active construction projects as of June 30, 2022. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Macon Middle School	\$ 9,533,783	\$ 427,083
Franklin High School	430,500	174,500
Landfill cell 2 closure	37,343	954,127
Airport projects	17,877	873,667
Total	\$ 10,019,503	\$ 2,429,377

B. Liabilities

Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Insurance Claims Incurred But Not Reported	Total
Governmental Activities	\$ 2,867,641	\$ 1,041,202	\$ 209,355	\$ 294,770	\$ 4,412,968
Business-Type Activities:					
Solid waste	\$ 234,657	\$ 70,263	\$ 22,323	\$ -	\$ 327,243

Pension Plan and Other Post-Employment Obligations

Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEO) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial

MACON COUNTY, NORTH CAROLINA

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

Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022 was 12.04% of compensation for law enforcement officers and 11.43% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,176,776 for the year ended June 30, 2022.

MACON COUNTY, NORTH CAROLINA

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

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

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

At June 30, 2022, the County reported a liability of \$3,450,898 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, measurement date, the County’s proportion was 0.22502% which was a decrease of 0.01387% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$1,374,389. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,097,855	\$ -
Changes of assumptions and other inputs	2,168,045	-
Net difference between projected and actual earnings on pension plan investments	-	4,930,296
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	316,062
Employer contributions subsequent to the measurement date	2,176,776	-
Total	\$ 5,442,676	\$ 5,246,358

MACON COUNTY, NORTH CAROLINA

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

\$2,176,776 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ 195,528
2024	(225,106)
2025	(442,179)
2026	(1,508,701)
Total	<u>\$ (1,980,458)</u>

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

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

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, 2020 valuation, with the exception of the discount rate, were based on the results of an actuarial experience study for the period January 1, 2015, through December 31, 2019.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to

MACON COUNTY, NORTH CAROLINA

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

produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 13,396,098	\$ 3,450,898	\$ (4,733,424)

MACON COUNTY, NORTH CAROLINA

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

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

Law Enforcement Officers’ Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance’s membership consisted of two retirees receiving benefits and 50 active members.

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The Entry Age Normal actuarial cost method was used in the December 31, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 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, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees’ Retirement System for the five-year period ended December 31, 2019.

MACON COUNTY, NORTH CAROLINA

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

Mortality rates are based on the following:

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

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

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$26,277 as benefits came due for the reporting period.

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

At June 30, 2022, the County reported a total pension liability of \$1,913,012. The total pension liability was measured as of December 31, 2021, based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to the measurement date of December 31, 2021, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$223,970.

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 57,017	\$ 117,539
Changes of assumptions and other inputs	453,171	66,940
Benefit payments and administrative expenses paid subsequent to the measurement date	15,345	-
Total	\$ 525,533	\$ 184,479

MACON COUNTY, NORTH CAROLINA

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

\$15,345 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, 2023. Other amounts reported as deferred inflows or deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
<u>June 30</u>	<u>Amount</u>
2023	\$ 70,549
2024	72,389
2025	81,104
2026	85,469
2027	21,486
Thereafter	<u>(5,288)</u>
Total	<u>\$ 325,709</u>

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the County's total pension liability calculated using the discount rate of 2.25 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.25 percent) or one-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	<u>\$ 2,091,052</u>	<u>\$ 1,913,012</u>	<u>\$ 1,750,232</u>

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

	2022
Beginning balance	\$ 1,928,606
Service cost	116,852
Interest on the total pension liability	36,969
Differences between expected and actual experience in the measurement of the total pension liability	(87,864)
Changes of assumptions and other inputs	(55,274)
Benefit payments	<u>(26,277)</u>
Ending balance of the total pension liability	<u>\$ 1,913,012</u>

MACON COUNTY, NORTH CAROLINA

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

Changes of Assumptions. Changes of assumption and other inputs reflect a change in the Municipal Bond Index Rate from 1.93% at December 31, 2020 (measurement date) to 2.25% at December 31, 2021 (measurement date).

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

Supplemental Retirement Income Plan

Law Enforcement Officers

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

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 \$150,125 for the year ended June 30, 2022. 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 \$317,619 for the year ended June 30, 2022. No amounts were forfeited.

MACON COUNTY, NORTH CAROLINA

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

Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,340 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$82,366 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 0.4287%, which was an increase of 0.03811% from its proportion measured as of June 30, 2020.

MACON COUNTY, NORTH CAROLINA

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

For the year ended June 30, 2022, the County recognized pension expense of \$3,439. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 879	\$ 999
Changes of assumptions	6,006	-
Net difference between projected and actual earnings on pension plan investments	-	253
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,776	8,602
County contributions subsequent to the measurement date	4,340	-
Total	\$ 16,001	\$ 9,854

\$4,340 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ 1,108
2024	(1,029)
2025	(193)
2026	1,921
Total	\$ 1,807

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

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

MACON COUNTY, NORTH CAROLINA

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple-year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

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

MACON COUNTY, NORTH CAROLINA

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (65,424)	\$ (82,366)	\$ (96,603)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of December 31, 2021, with an actuarial valuation date of December 31, 2020.

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

	LGERS	LEOSSA	ROD	Total
Proportionate share of net pension liability (asset)	\$ 3,450,898	\$ -	\$ (82,366)	\$ 3,368,532
Proportion of the net pension liability (asset)	0.225%	NA	-0.429%	-
Total pension liability	-	1,913,012	-	1,913,012
Pension expense	1,374,389	223,970	3,439	1,601,798

MACON COUNTY, NORTH CAROLINA

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

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>LGERS</u>	<u>LEOSSA</u>	<u>ROD</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,097,855	\$ 57,017	\$ 879	\$ 1,155,751
Changes of assumptions	2,168,045	453,171	6,006	2,627,222
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	4,776	4,776
County contributions (LGERS, ROD) and benefit payments and administration costs (LEOSSA) subsequent to the measurement date	<u>2,176,776</u>	<u>15,345</u>	<u>4,340</u>	<u>2,196,461</u>
Total deferred outflows of resources	<u>\$ 5,442,676</u>	<u>\$ 525,533</u>	<u>\$ 16,001</u>	<u>\$ 5,984,210</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 117,539	\$ 999	\$ 118,538
Changes of assumptions	-	66,940	-	66,940
Net difference between projected and actual earnings on pension plan investments	4,930,296	-	253	4,930,549
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>316,062</u>	<u>-</u>	<u>8,602</u>	<u>324,664</u>
Total deferred inflows of resources	<u>\$ 5,246,358</u>	<u>\$ 184,479</u>	<u>\$ 9,854</u>	<u>\$ 5,440,691</u>

MACON COUNTY, NORTH CAROLINA

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

Other Post-Employment Benefits – Healthcare

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

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

*As determined by NCLGERS

^All service must be permanent service with Macon County

For pre-Medicare retirees, medical and prescription drug coverage are provided through the County’s Group Health Insurance Plan. Medicare supplemental insurance is offered for Medicare eligible retirees. The County pays the full premium for all qualifying pre-Medicare retirees. The County pays the full Blue Cross Blue Shield Attained Age Plan G premium and the full Blue Cross Blue Shield Part D Prescription Plan premium for qualifying Medicare eligible retirees. If hired prior to July 1, 2014, the retiree may continue spouse coverage if enrolled in spouse coverage at the time of retirement and if the retiree has at least 30 years of NCLGERS service upon retirement. The retiree must contribute the same amount that active employees contribute for spouse coverage, currently \$394 per month. Spouse coverage terminates upon the retiree’s death. Spouse coverage is not available to retirees hired on or after July 1, 2014. Currently, 86 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2022, the County contributed \$829,136 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, 2022**

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

Retirees and dependents receiving benefits	86
Active plan members	<u>366</u>
Total	<u><u>452</u></u>

Total OPEB Liability

The County’s total OPEB liability of \$39,007,081 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

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

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	
General employees	3.25 to 8.41 percent
Firefighters	3.25 to 8.15 percent
Law enforcement officers	3.25 to 7.90 percent
Municipal bond index rate	
Prior measurement date	2.21 percent
Measurement date	2.16 percent
Healthcare cost trend rates:	
Pre-Medicare medical and prescription drug	7.00 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2031
Medicare medical and prescription drug	5.125 percent for 2021 decreasing to an ultimate rate of 4.50 percent by 2024

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

MACON COUNTY, NORTH CAROLINA

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2021	\$ 90,745,449
Changes for the Year:	
Service cost	3,672,188
Interest	2,079,949
Differences between expected and actual experience	(59,014,540)
Changes of assumptions or other inputs	2,131,943
Benefit payments	(607,908)
Net changes	(51,738,368)
Balance at June 30, 2022	<u>\$ 39,007,081</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 47,663,855	\$ 39,007,081	\$ 32,433,571

MACON COUNTY, NORTH CAROLINA

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

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	\$ 31,819,608	\$ 39,007,081	\$ 48,666,856

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$1,114,123. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,033,759	\$ 51,035,170
Changes of assumptions	18,537,631	4,995,496
Benefit payments and plan administrative expense made subsequent to the measurement date	829,136	-
Total	\$ 28,400,526	\$ 56,030,666

\$829,136 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2023. 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
2023	\$ (4,647,776)
2024	(4,647,776)
2025	(4,647,776)
2026	(4,239,401)
2027	(3,713,236)
Thereafter	(6,563,311)
Total	\$ (28,459,276)

MACON COUNTY, NORTH CAROLINA

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

Other Employment Benefits

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

Landfill Closure and Post-Closure Care Costs

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

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

Although the closure and post-closure care costs for these landfills are being paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$9,275,903 reported as landfill closure and post-closure care liability at June 30, 2022 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, \$9,195,434 reflects the closure and post-closure costs of the Macon County MSW Landfill, which is based on 87.74% capacity used. The County will recognize the remaining estimated cost of closure and post-closure care of \$1,285,296 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

MACON COUNTY, NORTH CAROLINA

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

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

Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 5,984,210	\$ 5,440,691
OPEB deferrals	28,400,526	56,030,666
Prepaid taxes not yet earned (General)	-	62,495
Leases	-	26,312
Taxes receivable, net (General)	-	438,936
Taxes receivable, net (Fire District)	-	75,542
Ambulance receivable (General)	-	920,201
Public health receivable (General)	-	431,043
Total	<u>\$ 34,384,736</u>	<u>\$ 63,425,886</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 coverages are subject to per occurrence deductibles, as selected by the County. The insurance companies are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

MACON COUNTY, NORTH CAROLINA

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

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. Benchmark Company has an A rating with assets up to \$250 million. BITCO General Insurance Corporation has an A+ rating with assets greater than \$2 Billion.

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

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

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

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

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

	<u>2022</u>	<u>2021</u>
Unpaid claims - beginning	\$ 282,797	\$ 260,451
Incurred claims	4,800,626	5,035,432
Claim payments	<u>(4,788,653)</u>	<u>(5,013,086)</u>
Unpaid claims - ending	<u>\$ 294,770</u>	<u>\$ 282,797</u>

Contingent Liabilities

At June 30, 2022, 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, 2022

Long-Term Obligations

Leases

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

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87 *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Macon County, NC entered into a 13-month lease as lessee for the use of Frontier Communication Systems Phone Equipment. An initial lease liability was recorded in the amount of \$68,579. As of 06/30/2022, the value of the lease liability is \$5,284. Macon County is required to make monthly fixed payments of \$5,286. The lease has an interest rate of 0.3870%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$68,579 with accumulated amortization of \$61,875 is included with equipment on the Lease Class Activities Table found below. Macon County has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into a 42-month lease as lessee for the use of Postage Meter - Health. An initial lease liability was recorded in the amount of \$12,409. As of 06/30/2022, the value of the lease liability is \$8,890. Macon County is required to make quarterly fixed payments of \$900. The lease has an interest rate of 0.8930%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$12,409 with accumulated amortization of \$3,466 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 39-month lease as lessee for the use of Postage Meter-DM475 - Administration. An initial lease liability was recorded in the amount of \$10,062. As of 06/30/2022, the value of the lease liability is \$6,982. Macon County is required to make quarterly fixed payments of \$783. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$10,062 with accumulated amortization of \$3,021 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 31-month lease as lessee for the use of Macon County Tax Administration - DS-40i. An initial lease liability was recorded in the amount of \$4,398. As of 06/30/2022, the value of the lease liability is \$2,646. Macon County is required to make quarterly fixed payments of \$444. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-

MACON COUNTY, NORTH CAROLINA

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

use asset as of 06/30/2022 of \$4,398 with accumulated amortization of \$1,684 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 36-month lease as lessee for the use of Postage Meter - DSS. An initial lease liability was recorded in the amount of \$5,420. As of 06/30/2022, the value of the lease liability is \$3,620. Macon County is required to make quarterly fixed payments of \$456. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$5,420 with accumulated amortization of \$1,807 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 246-month lease as lessee for the use of Cowee Bald Communication Site. An initial lease liability was recorded in the amount of \$25,493. As of 06/30/2022, the value of the lease liability is \$24,198. Macon County is required to make annual fixed payments of \$1,601. The lease has an interest rate of 2.3980%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$25,493 with accumulated amortization of \$1,244 is included with infrastructure on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 67-month lease as lessee for the use of Pressure Tank & Non WL Cooler - DSS. An initial lease liability was recorded in the amount of \$6,996. As of 06/30/2022, the value of the lease liability is \$5,775. Macon County is required to make monthly fixed payments of \$108. The lease has an interest rate of 1.2170%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$6,996 with accumulated amortization of \$1,248 is included with equipment on the Lease Class Activities Table found below. Macon County has 1 extension option(s), each for 60 months.

On 07/01/2021, Macon County, NC entered into a 27-month lease as lessee for the use of Judicial Office Space - 61 East Main Street. An initial lease liability was recorded in the amount of \$16,107. As of 06/30/2022, the value of the lease liability is \$8,969. Macon County is required to make monthly fixed payments of \$600. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$16,107 with accumulated amortization of \$7,054 is included with Buildings on the Lease Class activities table found below. Macon County has 2 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into a 49-month lease as lessee for the use of Water Dispenser-B4 - Maintenance. An initial lease liability was recorded in the amount of \$2,647. As of 06/30/2022, the value of the lease liability is \$2,007. Macon County is required to make monthly fixed payments of \$55. The lease has an interest rate of 0.8930%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$2,647 with accumulated amortization of \$647 is included with equipment on the Lease Class Activities Table found below. Macon County has 1 extension option(s), each for 12 months.

MACON COUNTY, NORTH CAROLINA

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

On 07/01/2021, Macon County, NC entered into a 26-month lease as lessee for the use of Water Purifier Dispenser - Senior Services. An initial lease liability was recorded in the amount of \$1,267. As of 06/30/2022, the value of the lease liability is \$684. Macon County is required to make monthly fixed payments of \$49.00. The lease has an interest rate of 0.5140%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$1,267 with accumulated amortization of \$572 is included with equipment on the Lease Class Activities Table found below. Macon County has 1 extension option(s), each for 12 months.

On 07/01/2021, Macon County, NC entered into a 39-month lease as lessee for the use of Water Purifier Dispenser-PC - Health. An initial lease liability was recorded in the amount of \$1,748. As of 06/30/2022, the value of the lease liability is \$1,163. Macon County is required to make annual fixed payments of \$588.00. The lease has an interest rate of 0.7270%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$1,748 with accumulated amortization of \$532 is included with equipment on the Lease Class Activities Table found below.

On 09/01/2021, Macon County, NC entered into a 48-month lease as lessee for the use of NCSU - Apple Computer Systems. An initial lease liability was recorded in the amount of \$7,308. As of 06/30/2022, the value of the lease liability is \$5,480. Macon County is required to make annual fixed payments of \$1,857. The lease has an interest rate of 0.8300%. The computer equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$7,308 with accumulated amortization of \$1,522 is included with computer equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 22-month lease as lessee for the use of Water Purifier Dispenser-G5 - Sheriff. An initial lease liability was recorded in the amount of \$985. As of 06/30/2022, the value of the lease liability is \$449. Macon County is required to make monthly fixed payments of \$45. The lease has an interest rate of 0.5140%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$985 with accumulated amortization of \$516 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 24-month lease as lessee for the use of Toshiba Copiers. An initial lease liability was recorded in the amount of \$11,134. As of 06/30/2022, the value of the lease liability is \$6,375. Macon County is required to make quarterly fixed payments of \$1,599. The lease has an interest rate of 0.5140%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$11,134 with accumulated amortization of \$5,567 is included with equipment on the Lease Class Activities Table found below.

On 07/01/2021, Macon County, NC entered into a 23-month lease as lessee for the use of Highlands Road Convenience Center. An initial lease liability was recorded in the amount of \$8,585. As of 06/30/2022, the value of the lease liability is \$4,115. Macon County is required to make monthly fixed payments of \$375. The lease has an interest rate of 0.5140%. The land estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$8,586 with accumulated amortization of \$4,479 is included with land on the Lease Class Activities Table found below.

MACON COUNTY, NORTH CAROLINA

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

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

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 35,339	\$ 913	\$ 4,115	\$ 11
2024	16,627	716	-	-
2025	7,406	590	-	-
2026	2,429	522	-	-
2027	1,875	481	-	-
2028-2032	6,026	1,977	-	-
2033-2037	6,784	1,219	-	-
2038-2042	6,036	366	-	-
Total	<u>\$ 82,522</u>	<u>\$ 6,784</u>	<u>\$ 4,115</u>	<u>\$ 11</u>

Installment Purchase Contract

Serviced by Governmental Funds:

\$2,000,000 East Franklin School qualified zone academy bonds requiring 30 semi-annual deposits of \$52,795 into a Debt Service Fund; final payment of the bonds is December 13, 2022. \$ 468,954

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. 173,334

\$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. 360,000

\$12,889,667 Iotla Valley School project qualified school construction bonds requiring 34 semi-annual deposits of \$379,108, plus interest into a Debt Service Fund; final payment of the bonds is October 12, 2028. 4,170,186

Serviced by Governmental Funds (continued):

\$1,500,000 Highlands School renovation qualified zone academy bonds requiring 10 annual payments of \$150,000; final payment of the bonds is April 26, 2023. 150,000

\$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. 1,791,530

Total installment contracts \$ 7,114,004

MACON COUNTY, NORTH CAROLINA

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

The County's outstanding note from direct placement related to governmental activities of \$468,954 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 \$173,334 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 \$360,000 is secured by a deed of trust on Nantahala School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

The County's outstanding note from direct placement related to governmental activities of \$4,170,186 is secured by a deed of trust on Iotla Valley Elementary School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of attorneys' fees and other expenses.

MACON COUNTY, NORTH CAROLINA

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

The County's outstanding note from direct placement related to governmental activities of \$150,000 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.

The County's outstanding note from direct placement related to governmental activities of \$1,791,530 is secured by a deed of trust on Highlands School. The note contains provisions that upon the continuation of any event of default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies: 1) declare the unpaid principal components of the installment payments immediately due and payable; 2) proceed by appropriate court action to enforce the County's performance of the applicable covenants of the agreement or to recover for the breach thereof; 3) as provided in the project fund agreement, pay over any balance remaining in the project fund to be applied against outstanding required payments in any manner BB&T may reasonably deem appropriate; 4) avail itself of all available remedies under the agreement, including execution and foreclosure, and recovery of reasonable attorneys' fees and other expenses.

Debt Service Requirements

The following tables summarize the annual requirements to amortize all direct placement long-term debt outstanding (excluding vacation pay and pension benefit obligation) as of June 30, 2022:

Year Ending		
June 30	Principal	Interest
2023	\$ 1,869,560	\$ 243,209
2024	1,077,274	190,666
2025	1,077,274	141,180
2026	957,274	93,659
2027	957,274	52,033
2028-2032	1,175,348	10,407
Total	<u>\$ 7,114,004</u>	<u>\$ 731,154</u>

At June 30, 2022, the County had a legal debt margin of approximately \$640,091,000.

MACON COUNTY, NORTH CAROLINA

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

Limited Obligation Indebtedness

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

The County’s limited obligation bonds payable at June 30, 2022 are comprised of the following individual issues:

Serviced by Governmental Funds:

\$6,775,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$210,000 to 495,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2012 Truist installment purchase contract and 2013 Truist installment purchase contract.	\$ 5,900,000
\$895,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$85,000 to \$95,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2011 NCDEQ Drinking Water loan.	810,000
\$2,150,000 Series 2021 limited obligation bonds, due in annual principal payments ranging from \$75,000 to \$175,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 3.00 to 4.00%. Refunding of 2018 First Citizens installment purchase contract.	1,980,000
\$9,500,000 Series 2021 limited obligation bonds, due in annual principal payments of \$500,000. Payment is due semi-annually on October 1st and April 1st at an interest rate ranging from 2.125% to 4.000%.	<u>9,500,000</u>
Total limited obligation bonds	<u>\$ 18,190,000</u>

MACON COUNTY, NORTH CAROLINA

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

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

Governmental Activities:

Year Ending June 30	Principal	Interest
2023	\$ 1,655,000	\$ 639,175
2024	1,650,000	589,525
2025	1,665,000	523,525
2026	1,670,000	456,925
2027	1,680,000	390,125
2028-2032	5,120,000	1,105,825
2033-2037	2,750,000	417,250
2038-2042	2,000,000	111,875
Total	\$ 18,190,000	\$ 4,234,225

Debt Related to Capital Activities

Of the total governmental activities' debt listed, only \$943,081 relates to assets the County holds title and \$82,522 relates to right-to-use assets. The unspent debt proceeds of \$1,000,193 are not related to the County. The business-type activities unspent debt proceeds of \$710,570 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.

\$ 4,172,609

The County's outstanding special obligation bond from direct placement related to business-type activities of \$4,172,609 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

MACON COUNTY, NORTH CAROLINA

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

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
2023	\$ 1,010,027	\$ 85,101
2024	1,031,903	63,225
2025	1,054,572	40,557
2026	1,076,107	17,551
Total	\$ 4,172,609	\$ 206,434

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, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Governmental Activities:					
Limited obligation bonds	\$ 19,320,000	\$ -	\$ 1,130,000	\$ 18,190,000	\$ 1,655,000
Plus: Premium on issuance	2,349,721	-	119,068	2,230,653	119,068
Total limited obligation bonds	21,669,721	-	1,249,068	20,420,653	1,774,068
Direct placement installment purchases	8,620,200	-	1,506,196	7,114,004	1,869,560
Lease liabilities	-	174,553	92,031	82,522	35,339
Compensated absences	1,136,735	1,018,156	912,518	1,242,373	124,237
Total OPEB liability	85,462,583	-	48,452,982	37,009,601	-
Net pension liability (LGERS)	8,062,475	-	4,780,519	3,281,956	-
Total pension liability (LEOSSA)	1,928,606	-	15,594	1,913,012	-
Total governmental activities	\$ 126,880,320	\$ 1,192,709	\$ 57,008,908	\$ 71,064,121	\$ 3,803,204
Business-Type Activities:					
Direct placement special obligation bonds	\$ 5,161,073	\$ -	\$ 988,464	\$ 4,172,609	\$ 1,010,027
Lease liabilities	-	8,585	4,470	4,115	4,115
Accrued landfill closure and post-closure care cost	7,736,874	1,591,661	52,632	9,275,903	52,923
Total OPEB liability	5,282,866	-	3,285,386	1,997,480	-
Net pension liability (LGERS)	474,082	-	305,140	168,942	-
Compensated absences	66,783	66,851	48,042	85,592	8,559
Total business-type activities	\$ 18,721,678	\$ 1,667,097	\$ 4,684,134	\$ 15,704,641	\$ 1,075,624

MACON COUNTY, NORTH CAROLINA

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

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

Advance Refunding

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

C. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Capital assets & right to use assets	\$ 22,555,836	\$ 10,823,605
Less capital debt:		
Gross debt	27,617,179	4,176,724
Less school debt related to assets to which the County does not hold title	(26,591,576)	-
County related debt	1,025,603	4,176,724
Less unspent debt proceeds*	-	(710,570)
Total net debt	1,025,603	3,466,154
Net investment in capital assets	\$ 21,530,233	\$ 7,357,451

*Unexpended debt proceeds related to education debt in the amount of \$1,000,193 is not included in the calculation of governmental net investment in capital assets.

D. Right-to-Use Leased Assets

The County has recorded 15 right-to-use leased assets. The assets are right-to-use assets for leased equipment, buildings and infrastructure, and land. The related leases are discussed in the leases subsection of the liabilities section of this note. The right-to-use lease assets are amortized on a straight-line basis over the terms of the related leases.

MACON COUNTY, NORTH CAROLINA

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

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

	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Governmental Activities:				
Right-to-Use assets:				
Buildings and Infrastructure	\$ -	\$ 41,601	\$ -	\$ 41,601
Equipment	-	<u>132,952</u>	-	<u>132,952</u>
Total	-	<u>174,553</u>	-	<u>174,553</u>
Less Accumulated Amortization:				
Buildings and Infrastructure	-	8,298	-	8,298
Equipment	-	<u>82,457</u>	-	<u>82,457</u>
Total accumulated amortization	-	<u>\$ 90,755</u>	<u>\$ -</u>	<u>90,755</u>
Total right-to-use assets, net	-			<u>83,798</u>
Governmental activities right-to-use assets, net	<u>\$ -</u>			<u>\$ 83,798</u>
	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Business-Type Activities:				
Solid Waste Fund:				
Right-to-Use Assets:				
Land	<u>\$ -</u>	<u>\$ 8,585</u>	<u>\$ -</u>	<u>\$ 8,585</u>
Less Accumulated Amortization:				
Land	-	<u>\$ 4,479</u>	<u>\$ -</u>	<u>4,479</u>
Total right to use assets, net	-			<u>4,106</u>
Water and Sewer Fund right to use assets, net	<u>\$ -</u>			<u>\$ 4,106</u>

MACON COUNTY, NORTH CAROLINA

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

E. Interfund Balances and Activity

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
Transfers From/To Other Funds:			
General Fund	\$ 4,608,425	\$ -	
Debt Service Fund	-	1,266,351	Debt retirement
ARPA Fund	1,841,923	-	Fund premium pay
Nonmajor Governmental Funds:			
Housing Grants Fund	-	127,479	Salary/fringe & operating costs
Emergency Telephone System Fund	-	10,382	Payment of ineligible expenditures
Housing Grants Fund	-	23,208	Premium pay
Solid Waste	-	159,695	Premium pay
General Fund	-	1,659,020	Premium pay
County Building Fund	-	500,000	Nantahala Library/Community Building
Airport Fund	-	100,000	Grant matching funds
Health Insurance Fund	-	61,756	Excess claims
Consolidated Capital Projects Fund	-	2,312,564	Fund capital projects
Capital Reserve Fund	-	229,893	Economic development
Schools Capital Fund	3,245,743	-	Debt retirement
Debt Service Fund	-	3,245,743	Debt retirement
Total	<u>\$ 9,696,091</u>	<u>\$ 9,696,091</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>\$ 457,396</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, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,049,390 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 33 Fryemont Street, Bryson City, North Carolina 28713.

Vaya Health

The County participates in a joint venture to operate the Vaya Health Local Management Entity (LME), which provides mental health, development disability, and substance abuse services to residents of the 22-county area: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee,

MACON COUNTY, NORTH CAROLINA

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

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, 2022. 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 \$289,177 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2022. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 275 Webster Road, Franklin, North Carolina 28779.

5. Related Organizations

Macon County Airport Authority is a Component Unit of Macon County. Therefore Macon County Airport Authority and Macon County are related parties. For the year ended June 30, 2022, the Authority received \$33,650 in appropriation and \$31,991 in capital contributions from the County.

6. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County has received proceeds from federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies.

MACON COUNTY, NORTH CAROLINA

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

Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

7. Opioid Settlement Funds

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

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

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

The County received \$115,492 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County has not selected an option yet.

8. Reimbursement for Pandemic-Related Expenditures

In fiscal year 2020-2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$6,964,996 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,482,498 was received in July 2021. The Second installment of \$3,482,498 was received in August 2022. County staff and the Board of Commissioners elected to use \$6,964,996 of the ARPA funds for revenue replacement in the 2022 fiscal year. \$1,841,923 of these funds were transferred to the General Fund, Housing Grants Fund, and Solid Waste Fund for premium pay in the 2022 fiscal year. The remaining funds of \$5,123,073 will be used for premium pay and grant match for a GREAT grant.

9. Change in Accounting Principle

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

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance as reported	\$ 1,928,606	\$ 1,153,313	\$ 1,113,115	\$ 1,107,728	\$ 1,044,146	\$ 1,010,346
Service cost	116,852	69,819	56,634	63,937	55,368	60,876
Interest on the total pension liability	36,969	37,161	39,886	34,445	39,537	35,480
Difference between expected and actual experience in the measurement of the total pension liability	(87,864)	82,875	(59,281)	(6,940)	(73,031)	-
Changes in assumptions or other inputs	(55,274)	612,250	37,659	(50,680)	81,463	(29,536)
Benefit payments	<u>(26,277)</u>	<u>(26,812)</u>	<u>(34,700)</u>	<u>(35,375)</u>	<u>(39,755)</u>	<u>(33,020)</u>
Ending balance of the total pension liability	<u>\$ 1,913,012</u>	<u>\$ 1,928,606</u>	<u>\$ 1,153,313</u>	<u>\$ 1,113,115</u>	<u>\$ 1,107,728</u>	<u>\$ 1,044,146</u>

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,913,012	\$ 1,928,606	\$ 1,153,313	\$ 1,113,115	\$ 1,107,728	\$ 1,044,146
Covered-employee payroll*	2,677,580	2,720,056	2,423,278	2,506,335	2,429,891	2,333,739
Total pension liability as a percentage of covered-employee payroll	71.4%	70.9%	47.6%	44.4%	45.6%	44.7%

Notes to Schedule:

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

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

*Valuation payroll

MACON COUNTY, NORTH CAROLINA

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

	Other Post-Employment Benefits				
	2022	2021	2020	2019	2018
Service cost	\$ 3,672,188	\$ 2,236,587	\$ 1,885,908	\$ 2,036,577	\$ 2,375,420
Interest	2,079,949	2,339,212	1,891,355	1,742,381	1,563,194
Differences between expected and actual experience	(59,014,540)	(228,050)	13,771,079	362,835	408,280
Changes of assumptions or other inputs	2,131,943	22,166,655	(771,846)	(3,588,209)	(6,447,964)
Benefit payments	(607,908)	(727,731)	(869,036)	(883,376)	(895,699)
Net change in total OPEB liability	(51,738,368)	25,786,673	15,907,460	(329,792)	(2,996,769)
Total OPEB liability - beginning	90,745,449	64,958,776	49,051,316	49,381,108	52,377,877
Total OPEB liability - ending	<u>\$ 39,007,081</u>	<u>\$ 90,745,449</u>	<u>\$ 64,958,776</u>	<u>\$ 49,051,316</u>	<u>\$ 49,381,108</u>
Covered-employee payroll	\$ 15,520,496	\$ 15,407,009	\$ 15,407,009	\$ 15,451,187	\$ 15,451,187
Total OPEB liability as a percentage of covered-employee payroll	251.33%	588.99%	421.62%	317.46%	319.59%

Notes to the Required Schedules:

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

Fiscal Year	Rate
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension liability (asset) (%)	0.225%	0.239%	0.245%	0.263%	0.262%
Proportion of the net pension liability (asset) (\$)	\$ 3,450,898	\$ 8,536,557	\$ 6,679,835	\$ 6,227,872	\$ 4,014,856
Covered payroll	\$ 16,994,860	\$ 17,029,367	\$ 16,777,581	\$ 16,784,623	\$ 16,631,172
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.31%	50.13%	39.81%	37.10%	24.14%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%

* The amounts presented for each fiscal year were determined as of the prior fiscal year 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 GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST NINE FISCAL YEARS***

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,176,776	\$ 1,739,355	\$ 1,546,837	\$ 1,312,991	\$ 1,280,658
Contributions in relation to the contractually required contribution	<u>2,176,776</u>	<u>1,739,355</u>	<u>1,546,837</u>	<u>1,312,991</u>	<u>1,280,658</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$19,034,317	\$16,994,860	\$17,029,367	\$16,777,581	\$16,784,623
Contributions as a percentage of covered payroll	11.44%	10.23%	9.08%	7.83%	7.63%

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

MACON COUNTY, NORTH CAROLINA

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension liability (asset) (%)	-0.429%	-0.391%	-0.337%	-0.436%	-0.426%
Proportion of the net pension liability (asset) (\$)	\$ (82,366)	\$ (89,515)	\$ (66,517)	\$ (72,138)	\$ (72,709)
Plan fiduciary net position as a percentage of the total pension liability**	156.53%	173.62%	164.11%	153.31%	153.77%

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

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

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

MACON COUNTY, NORTH CAROLINA

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

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

MACON COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 4,340	\$ 4,823	\$ 3,740	\$ 3,524	\$ 3,727
Contributions in relation to the contractually required contribution	<u>4,340</u>	<u>4,823</u>	<u>3,740</u>	<u>3,524</u>	<u>3,727</u>
Contribution deficiency (excess)	<u>\$ -</u>				

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

MACON COUNTY, NORTH CAROLINA

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

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

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SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND SCHEDULES

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THE GENERAL FUND

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

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MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance	2021
	Budget	Actual	Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes - current	\$ 33,195,669	\$ 32,871,691	\$ (323,978)	\$ 30,148,872
Taxes - prior	420,000	793,207	373,207	871,997
Interest and advertising	170,000	190,118	20,118	196,058
Total	<u>33,785,669</u>	<u>33,855,016</u>	<u>69,347</u>	<u>31,216,927</u>
Local Option Sales Taxes:				
Article 39 one percent	8,452,095	8,338,990	(113,105)	7,357,032
Article 40 one-half of one percent	2,420,757	2,435,866	15,109	2,095,183
Article 42 one-half of one percent	1,918,056	1,898,098	(19,958)	1,673,398
Article 44 one-half of one percent	-	223	223	(78)
Total	<u>12,790,908</u>	<u>12,673,177</u>	<u>(117,731)</u>	<u>11,125,535</u>
Unrestricted Intergovernmental Revenues:				
Payment in lieu of taxes	390,000	423,334	33,334	413,257
Gross receipts tax	34,000	45,252	11,252	38,887
Total	<u>424,000</u>	<u>468,586</u>	<u>44,586</u>	<u>452,144</u>
Restricted Intergovernmental Revenues:				
Federal and state grants	9,671,144	7,356,579	(2,314,565)	7,941,201
Local grants	100,000	18,335	(81,665)	57,141
ABC revenues	15,000	16,914	1,914	15,805
Facility fees/CSC	56,000	55,841	(159)	43,535
Federal forfeiture and controlled substance	4,500	6,680	2,180	14,037
Local health and social services	1,143,182	1,206,830	63,648	1,005,678
Total	<u>10,989,826</u>	<u>8,661,179</u>	<u>(2,328,647)</u>	<u>9,077,397</u>
Permits and Fees:				
Inspection fees	544,700	579,520	34,820	556,249
Register of Deeds	996,500	1,079,505	83,005	1,233,716
Occupancy tax	191,821	189,418	(2,403)	168,802
Board of Elections fees	9,700	9,703	3	30
Civil license fees	3,000	2,722	(278)	2,479
Concealed handgun permits	68,000	67,355	(645)	110,550
Total	<u>1,813,721</u>	<u>1,928,223</u>	<u>114,502</u>	<u>2,071,826</u>
Sales and Services:				
Rents, concessions, and fees	308,740	323,683	14,943	251,723
Ambulance fees	1,629,155	1,714,945	85,790	1,572,869
Other public safety fees	432,125	415,385	(16,740)	397,850
Cable television franchise fees	78,000	75,377	(2,623)	75,210
Health fees	572,600	557,628	(14,972)	723,100
Aging program income	6,000	8,940	2,940	1,797
Total	<u>3,026,620</u>	<u>3,095,958</u>	<u>69,338</u>	<u>3,022,549</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Investment Earnings	110,000	106,239	(3,761)	89,652
Miscellaneous:				
Other	347,629	359,492	11,863	464,220
Total revenues	63,288,373	61,147,870	(2,140,503)	57,520,250
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	126,223	124,529		123,445
Operating expenditures	380,000	72,334		373,444
Total	506,223	196,863	309,360	496,889
Administration:				
Salaries and employee benefits	448,895	447,565		821,983
Operating expenditures	34,695	29,039		31,786
Capital outlay	16,110	16,107		-
Total	499,700	492,711	6,989	853,769
Finance:				
Salaries and employee benefits	563,148	561,080		487,909
Operating expenditures	98,865	92,980		94,720
Capital outlay	10,900	10,897		-
Total	672,913	664,957	7,956	582,629
Tax Office:				
Salaries and employee benefits	497,592	479,106		450,284
Operating expenditures	269,778	243,713		218,616
Capital outlay	5,250	5,233		-
Total	772,620	728,052	44,568	668,900
Legal:				
Contracted services	130,000	121,670		94,350
Total	130,000	121,670	8,330	94,350
Mapping:				
Salaries and employee benefits	187,437	186,251		157,222
Operating expenditures	16,181	11,308		12,650
Capital outlay	990	981		-
Total	204,608	198,540	6,068	169,872

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Tax Assessment:				
Salaries and employee benefits	392,828	385,581		307,171
Operating expenditures	191,181	167,424		263,640
Capital outlay	49,069	49,068		368,064
Total	633,078	602,073	31,005	938,875
Board of Elections:				
Salaries and employee benefits	254,735	243,588		201,984
Operating expenditures	89,788	66,410		115,971
Total	344,523	309,998	34,525	317,955
Register of Deeds:				
Salaries and employee benefits	255,990	248,484		214,599
Operating expenditures	98,929	96,281		97,969
Total	354,919	344,765	10,154	312,568
Information Technology:				
Salaries and employee benefits	605,507	538,618		527,932
Operating expenditures	471,451	464,814		572,474
Capital outlay	273,717	101,337		180,342
Total	1,350,675	1,104,769	245,906	1,280,748
Garage:				
Salaries and employee benefits	350,953	321,057		297,972
Operating expenditures	109,548	83,973		57,348
Capital outlay	-	-		51,696
Total	460,501	405,030	55,471	407,016
Buildings and Grounds:				
Salaries and employee benefits	1,353,221	1,304,261		1,151,110
Operating expenditures	892,960	795,682		803,031
Capital outlay	69,645	36,059		-
Total	2,315,826	2,136,002	179,824	1,954,141
Human Resources:				
Salaries and employee benefits	338,273	331,945		192,110
Operating expenditures	34,163	12,652		51,193
Total	372,436	344,597	27,839	243,303
CARES Act:				
Salaries and employee benefits	-	-		467,756
Operating expenditures	-	-		68,465
Capital outlay	-	-		5,195
Town of Franklin	-	-		160,051
Town of Highlands	-	-		131,169
Total	-	-	-	832,636

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Non-Departmental:				
Operating expenditures	1,619,202	938,058		1,019,940
Capital outlay	-	-		247,300
Total	1,619,202	938,058	681,144	1,267,240
Total general government	10,237,224	8,588,085	1,649,139	10,420,891
Public Safety:				
Sheriff:				
Salaries and employee benefits	4,687,867	4,191,463		3,515,188
Operating expenditures	1,132,931	911,719		888,450
Capital outlay	555,257	531,039		120,304
Total	6,376,055	5,634,221	741,834	4,523,942
Federal/State Forfeitures:				
Operating expenditures	31,892	12,641		650
Total	31,892	12,641	19,251	650
Juvenile Crime Prevention Council Grants	149,382	149,124	258	150,382
Jail/Law Enforcement Center:				
Salaries and employee benefits	1,578,617	1,483,864		1,391,832
Operating expenditures	1,432,196	1,174,406		1,356,298
Capital outlay	169,800	169,800		20,875
Total	3,180,613	2,828,070	352,543	2,769,005
Courthouse Security:				
Salaries and employee benefits	851,817	646,126		546,708
Operating expenditures	9,773	5,721		3,962
Capital outlay	40,516	37,184		-
Total	902,106	689,031	213,075	550,670
Emergency Medical Service:				
Salaries and employee benefits	3,692,389	3,584,775		3,036,393
Operating expenditures	511,727	465,474		376,583
Capital outlay	382,627	173,903		39,995
Total	4,586,743	4,224,152	362,591	3,452,971
Emergency Management:				
Salaries and employee benefits	1,541,811	1,487,862		1,268,972
Operating expenditures	217,496	207,521		101,976
Capital outlay	102,036	86,121		6,267
Total	1,861,343	1,781,504	79,839	1,377,215

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Fire Task Force:				
Salaries and employee benefits	361,721	299,317		225,345
Operating expenditures	27,339	25,986		11,892
Total	389,060	325,303	63,757	237,237
Inspections:				
Salaries and employee benefits	597,242	593,481		510,458
Operating expenditures	83,455	70,685		37,822
Capital outlay	710	700		-
Total	681,407	664,866	16,541	548,280
Emergency 911:				
Salaries and employee benefits	137,748	128,664		100,058
Operating expenditures	27,260	23,307		25,625
Total	165,008	151,971	13,037	125,683
Animal Control:				
Salaries and employee benefits	327,515	305,222		253,491
Operating expenditures	72,144	60,372		56,012
Capital outlay	15,862	8,568		15,866
Total	415,521	374,162	41,359	325,369
Forest Service:				
Operating expenditures	78,490	72,502	5,988	57,653
Total public safety	18,817,620	16,907,547	1,910,073	14,119,057
Transit:				
Transit Services:				
Salaries and employee benefits	817,670	781,163		643,116
Operating expenditures	215,556	211,516		151,758
Capital outlay	959,686	2,555		115,127
Total	1,992,912	995,234	997,678	910,001
Transit CARES Act:				
Salaries and employee benefits	56,150	-		-
Operating expenditures	113,065	4,200		-
Total	169,215	4,200	165,015	-
Contribution to Macon County Airport Authority	33,650	33,650	-	33,650
Total transit	2,195,777	1,033,084	1,162,693	943,651

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Economic and Physical Development:				
Economic Development:				
Operating expenditures	226,703	75,700		167,177
Total	226,703	75,700	151,003	167,177
Cooperative Extension:				
Salaries and employee benefits	242,467	219,237		229,192
Operating expenditures	21,046	13,742		17,349
Capital outlay	10,000	8,143		-
Total	273,513	241,122	32,391	246,541
Soil Conservation:				
Salaries and employee benefits	158,497	156,076		133,105
Operating expenditures	23,403	19,300		16,590
Total	181,900	175,376	6,524	149,695
Special Appropriations:				
Cowee School - operating expenditures	30,000	26,067		32,572
Cowee School - capital outlay	10,000	10,000		-
Total	40,000	36,067	3,933	32,572
Total economic and physical development	722,116	528,265	193,851	595,985
Human Services:				
Health:				
Administration:				
Salaries and employee benefits	274,474	254,153		154,833
Operating expenditures	218,976	199,429		198,704
Capital outlay	44,520	44,502		-
Total	537,970	498,084	39,886	353,537
Management Support:				
Salaries and employee benefits	325,727	276,484		326,066
Operating expenditures	113,684	107,056		103,346
Total	439,411	383,540	55,871	429,412
COVID-19:				
Operating expenditures	-	-		13,659
Capital outlay	-	-		7,419
Total	-	-	-	21,078
EPI Lab Capacity Inf Disease:				
Salaries and employee benefits	190,000	32,192		22,117
Operating expenditures	154,894	67,427		129,564
Capital outlay	25,000	6,930		-
Total	369,894	106,549	263,345	151,681

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Coronavirus Relief Fund:				
Salaries and employee benefits	-	-		162,676
Operating expenditures	85,260	-		445
Total	85,260	-	85,260	163,121
CDC COVID Vaccine Program:				
Salaries and employee benefits	79,000	-		-
Operating expenditures	161,339	38,609		15,429
Capital outlay	15,263	-		-
Total	255,602	38,609	216,993	15,429
ELC Reopening Schools:				
Salaries and employee benefits	101,738	13,702		-
Operating expenditures	14,100	-		-
Total	115,838	13,702	102,136	-
Testing School Health:				
Salaries and employee benefits	497,974	-		-
Total	497,974	-	497,974	-
School Health Nurse:				
Salaries and employee benefits	349,673	284,575		256,700
Operating expenditures	13,189	9,067		9,502
Capital outlay	-	-		3,649
Total	362,862	293,642	69,220	269,851
CARES Act Provider Relief:				
Salaries and employee benefits	-	-		23,304
Operating expenditures	-	-		30,602
Total	-	-	-	53,906
Advancing Equity:				
Salaries and employee benefits	34,900	2,305		-
Operating expenditures	5,000	5,000		-
Total	39,900	7,305	32,595	-
NC Tobacco Settlement Funds:				
Operating expenditures	88,544	88,523		87,036
Total	88,544	88,523	21	87,036
Women, Infants, and Children:				
Salaries and employee benefits	242,024	212,507		207,897
Operating expenditures	7,068	3,482		7,546
Total	249,092	215,989	33,103	215,443

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Nutrition Education:				
Salaries and employee benefits	60,125	12,589		8,543
Operating expenditures	155,131	142,172		126,543
Total	215,256	154,761	60,495	135,086
Maternal and Childcare:				
Salaries and employee benefits	123,929	119,650		83,587
Operating expenditures	38,013	34,281		19,754
Total	161,942	153,931	8,011	103,341
Child Health:				
Salaries and employee benefits	44,052	43,225		31,485
Operating expenditures	7,057	6,576		1,089
Capital outlay	-	-		3,649
Total	51,109	49,801	1,308	36,223
Family Planning:				
Salaries and employee benefits	79,035	68,696		52,540
Operating expenditures	23,886	16,800		13,551
Total	102,921	85,496	17,425	66,091
Dental Health Program:				
Salaries and employee benefits	461,935	448,514		335,805
Operating expenditures	43,054	37,726		23,738
Total	504,989	486,240	18,749	359,543
Adult Dental Health:				
Salaries and employee benefits	-	-		51
Operating expenditures	-	-		3,350
Total	-	-	-	3,401
Adult Health:				
Salaries and employee benefits	93,385	93,340		61,611
Operating expenditures	168,434	133,918		123,264
Total	261,819	227,258	34,561	184,875
NC Wisewoman Program:				
Salaries and employee benefits	16,602	16,528		10,125
Total	16,602	16,528	74	10,125
Breast and Cervical Cancer:				
Salaries and employee benefits	30,120	28,273		18,435
Operating expenditures	18,029	10,244		13,487
Total	48,149	38,517	9,632	31,922

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Budget	Actual	Variance Over/Under
			Actual
Laboratory Services:			
Salaries and employee benefits	146,794	145,649	95,060
Operating expenditures	111,121	90,429	91,210
Total	257,915	236,078	21,837
Communicable Disease:			
Salaries and employee benefits	71,249	15,173	2,369
Operating expenditures	5,762	3,751	2,329
Total	77,011	18,924	58,087
On-Site Wastewater:			
Salaries and employee benefits	261,605	240,244	245,337
Operating expenditures	49,442	44,052	15,453
Capital outlay	34,000	-	-
Total	345,047	284,296	60,751
Private Drinking Water Wells:			
Salaries and employee benefits	271,138	220,353	222,196
Operating expenditures	43,774	31,625	19,881
Capital outlay	34,000	-	-
Total	348,912	251,978	96,934
Food and Lodging:			
Salaries and employee benefits	177,472	97,165	155,168
Operating expenditures	49,870	47,342	13,179
Total	227,342	144,507	82,835
Health Promotion:			
Salaries and employee benefits	118,565	57,328	40,206
Operating expenditures	24,430	12,242	17,561
Total	142,995	69,570	73,425
General Nursing:			
Salaries and employee benefits	146,710	129,590	79,990
Operating expenditures	195,096	153,874	138,038
Capital outlay	-	-	15,727
Total	341,806	283,464	58,342
Child Service Coordination:			
Salaries and employee benefits	70,284	69,892	48,113
Operating expenditures	1,449	753	663
Total	71,733	70,645	1,088

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Regional Chronic Disease 1422 Grant:				
Operating expenditures	830,938	426,899		446,699
Total	830,938	426,899	404,039	446,699
OB Care Management Program:				
Salaries and employee benefits	80,720	6,932		6,894
Operating expenditures	2,891	455		751
Total	83,611	7,387	76,224	7,645
Breastfeeding Peer Counselor Program:				
Salaries and employee benefits	13,018	8,874		10,225
Operating expenditures	6,482	718		79
Total	19,500	9,592	9,908	10,304
Employee and Family Health:				
Salaries and employee benefits	86,962	84,838		60,584
Operating expenditures	55,986	36,897		40,330
Total	142,948	121,735	21,213	100,914
Community Health - School Based:				
Salaries and employee benefits	10,718	6,474		16,455
Operating expenditures	128,171	45,533		43,143
Total	138,889	52,007	86,882	59,598
Total health	7,433,781	4,835,557	2,598,224	4,518,741
Social Services:				
Administration:				
Salaries and employee benefits	469,461	442,082		391,524
Operating expenditures	671,334	455,953		503,286
Capital outlay	20,710	20,700		-
Total	1,161,505	918,735	242,770	894,810
Social Work Services/Special Programs:				
Salaries and employee benefits	1,401,142	1,238,716		1,038,519
Operating expenditures	1,382,480	981,915		1,016,501
Total	2,783,622	2,220,631	562,991	2,055,020
Child Daycare:				
Salaries and employee benefits	63,137	62,591	546	53,775
Child Support:				
Salaries and employee benefits	178,097	177,412		159,426
Operating expenditures	49,000	18,260		25,084
Total	227,097	195,672	31,425	184,510

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021	
	Budget	Actual	Variance Over/Under	
			Actual	
Medicaid:				
County participation only	553,358	475,784	77,574	271,230
WorkFirst:				
Operating expenditures	5,000	400	4,600	125
Program Integrity:				
Salaries and employee benefits	74,763	74,292		64,632
Total	74,763	74,292	471	64,632
Medicaid/FS Administration:				
Salaries and employee benefits	1,504,791	1,389,502	115,289	1,333,158
Total social services	6,373,273	5,337,607	1,035,666	4,857,260
Department On Aging:				
Administration:				
Salaries and employee benefits	397,842	396,999		338,888
Operating expenditures	66,508	56,165		45,777
Capital outlay	2,110	2,102		-
Total	466,460	455,266	11,194	384,665
Home-Delivered Meals:				
Salaries and employee benefits	62,337	62,226		53,333
Operating expenditures	118,424	88,754		88,291
Total	180,761	150,980	29,781	141,624
Congregate Meals:				
Salaries and employee benefits	64,325	61,598		42,087
Operating expenditures	150,392	141,982		154,120
Total	214,717	203,580	11,137	196,207
Adult Daycare:				
Salaries and employee benefits	143,323	90,697		104,942
Operating expenditures	27,308	7,084		4,033
Total	170,631	97,781	72,850	108,975
SR Svcs Families First Act:				
Operating expenditures	-	-		10,088
SR Svcs CARES Act:				
Operating expenditures	8,751	6,372		30,776
Capital outlay	35,400	35,282		24,675
Total	44,151	41,654	2,497	55,451

MACON COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>		<u>2021</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	
			<u>Actual</u>	
Total department on aging	1,076,720	949,261	127,459	897,010
Miscellaneous Human Services:				
Veterans' Service:				
Salaries and employee benefits	142,218	139,651		119,642
Operating expenditures	8,980	6,685		6,184
Total	<u>151,198</u>	<u>146,336</u>	4,862	<u>125,826</u>
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	<u>180,993</u>	<u>168,993</u>	12,000	<u>180,993</u>
Special Appropriations:				
Kids Place	75,000	75,000		-
State of Franklin	14,000	14,000		14,000
Other special appropriations	167,500	127,500		178,000
Total	<u>256,500</u>	<u>216,500</u>	40,000	<u>192,000</u>
Total miscellaneous human services	<u>588,691</u>	<u>531,829</u>	56,862	<u>498,819</u>
Total human services	<u>15,472,465</u>	<u>11,654,254</u>	3,818,211	<u>10,771,830</u>
Cultural and Recreational:				
Salaries and employee benefits	894,651	884,483		685,855
Operating expenditures	1,057,625	943,607		839,689
Capital outlay	81,130	41,993		157,992
Total	<u>2,033,406</u>	<u>1,870,083</u>	163,323	<u>1,683,536</u>
Library and Cultural:				
Macon County Library	1,049,390	1,049,390		1,019,390
Macon County Historical Society	10,000	10,000		10,000
Total	<u>1,059,390</u>	<u>1,059,390</u>	-	<u>1,029,390</u>
Total cultural and recreational	<u>3,092,796</u>	<u>2,929,473</u>	163,323	<u>2,712,926</u>
Education:				
Public schools - current expenditures	8,816,731	8,805,653		8,805,907
Public schools - capital outlay	1,229,000	1,229,000		1,163,874
Timber sales pass-through	177,864	147,087		132,226
Southwestern Community College	1,059,169	289,177		289,177
Total education	<u>11,282,764</u>	<u>10,470,917</u>	811,847	<u>10,391,184</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Debt Service:				
Principal	92,042	92,031		-
Interest	870	859		-
Total Debt Service	92,912	92,890	22	-
Total expenditures	61,913,674	52,204,515	9,709,159	49,955,524
Revenues over (under) expenditures	1,374,699	8,943,355	7,568,656	7,564,726
Other Financing Sources (Uses):				
Transfers In:				
From ARPA Fund	1,664,463	1,659,020	(5,443)	-
From Capital Reserve Fund	290,000	-	(290,000)	305,000
Total	1,954,463	1,659,020	(295,443)	305,000
Transfers Out:				
To Airport Fund	(100,000)	(100,000)	-	-
To Consolidated Capital Project Fund	(2,312,564)	(2,312,564)	-	(16,600)
To E911 Fund	(10,500)	(10,382)	118	(27,904)
To Community Development Block Grant Fund	(127,479)	(127,479)	-	(117,444)
To Capital Reserve Fund	(229,893)	(229,893)	-	-
To debt service	(1,266,351)	(1,266,351)	-	(1,266,351)
To Health Insurance Fund	(61,756)	(61,756)	-	(61,756)
To County buildings project	(500,000)	(500,000)	-	-
Total	(4,608,543)	(4,608,425)	118	(1,490,055)
Lease liabilities issued	50,000	174,553	124,553	
Appropriated fund balance	1,229,381	-	(1,229,381)	-
Total other financing sources (uses)	(1,374,699)	(2,774,852)	(1,400,153)	(1,185,055)
Net change in fund balance	\$ -	6,168,503	\$ 6,168,503	6,379,671
Fund Balance:				
Beginning of year - July 1		37,876,856		31,497,185
End of year - June 30		\$ 44,045,359		\$ 37,876,856

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DEBT SERVICE FUND

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

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MACON COUNTY, NORTH CAROLINA

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Over/Under</u>
Revenues:			
NC Lottery funds	\$ 356,000	\$ 355,758	\$ (242)
Federal subsidy rebate	247,011	247,011	-
Town of Franklin	37,847	37,847	-
Interest earned	-	10	10
Total revenues	<u>640,858</u>	<u>640,626</u>	<u>(232)</u>
Expenditures:			
Debt service:			
Principal repayments	3,743,446	2,636,196	1,107,250
Interest	<u>1,409,507</u>	<u>994,974</u>	<u>414,533</u>
Total expenditures	<u>5,152,953</u>	<u>3,631,170</u>	<u>1,521,783</u>
Revenues over (under) expenditures	(4,512,095)	(2,990,544)	1,521,551
Other Financing Sources (Uses):			
Transfers in (out)	<u>4,512,095</u>	<u>4,512,094</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	1,521,550	<u>\$ 1,521,550</u>
Fund Balance:			
Beginning of year - July 1		<u>2,231,662</u>	
End of year - June 30		<u>\$ 3,753,212</u>	

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CONSOLIDATED CAPITAL PROJECTS FUND

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

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MACON COUNTY, NORTH CAROLINA

**MAJOR - CONSOLIDATED CAPITAL PROJECTS
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ 120,491	\$ 279,258	\$ 3,922	\$ 283,180
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	3,766	537,756
Total revenues	<u>719,481</u>	<u>878,248</u>	<u>7,688</u>	<u>885,936</u>
Expenditures:				
Iotla Valley K-5	14,683,260	14,581,604	-	14,581,604
East Franklin Elementary School/QZAB	1,995,000	1,995,000	-	1,995,000
Southwestern Community Early College	878,899	878,899	-	878,899
Nantahala renovations/QZAB	1,804,651	1,804,652	-	1,804,652
School technology expenses	1,800,000	1,800,000	-	1,800,000
Highlands QZAB	1,583,720	1,583,719	-	1,583,719
Union/Highlands QZAB	3,035,757	3,035,756	-	3,035,756
South Macon Elementary School expansion	3,291,022	3,266,689	-	3,266,689
Franklin High School	671,732	-	495,485	495,485
Macon Middle School renovation	13,028,309	1,700,325	7,700,055	9,400,380
Debt service:				
Issuance costs	217,872	192,123	-	192,123
Total expenditures	<u>42,990,222</u>	<u>30,838,767</u>	<u>8,195,540</u>	<u>39,034,307</u>
Revenues over (under) expenditures	<u>(42,270,741)</u>	<u>(29,960,519)</u>	<u>(8,187,852)</u>	<u>(38,148,371)</u>
Other Financing Sources (Uses):				
Issuance of long-term debt	35,449,539	35,449,539	-	35,449,539
Premium on long-term debt issued	996,435	996,435	-	996,435
Transfer from the General Fund	5,824,767	3,512,203	2,312,564	5,824,767
Total other financing sources (uses)	<u>42,270,741</u>	<u>39,958,177</u>	<u>2,312,564</u>	<u>42,270,741</u>
Net change in fund balance	\$ -	\$ 9,997,658	\$ (5,875,288)	\$ 4,122,370

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AMERICAN RESCUE PLAN FUND

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

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MACON COUNTY, NORTH CAROLINA

AMERICAN RESCUE PLAN FUND - MAJOR
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	2022				
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
ARPA Funds	\$ 6,954,438	\$ -	\$ 1,841,923	\$ 1,841,923	\$ (5,112,515)
Expenditures:					
Salaries	120,791	-	-	-	120,791
Capital Improvements	4,786,277	-	-	-	4,786,277
Grant Match	200,000	-	-	-	200,000
Total expenditures	5,107,068	-	-	-	5,107,068
Revenues over (under) expenditures	1,847,370	-	1,841,923	1,841,923	(5,447)
Other Financing Sources (Uses):					
Transfers Out - Housing Grants Fund	(23,209)	-	(23,208)	(23,208)	1
Transfer Out - General Fund	(1,664,463)	-	(1,659,020)	(1,659,020)	5,443
Transfer Out - Solid Waste	(159,698)	-	(159,695)	(159,695)	3
Total other financing sources (uses)	(1,847,370)	-	(1,841,923)	(1,841,923)	5,447
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

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NONMAJOR GOVERNMENTAL FUNDS

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MACON COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,511,509	\$ 1,885,987	\$ 3,397,496
Taxes receivable, net	75,542	-	75,542
Accounts receivable, net	55,349	-	55,349
Due from other governmental agencies	294,823	884,383	1,179,206
Restricted assets:			
Cash and cash equivalents, restricted	<u>130,459</u>	<u>250,066</u>	<u>380,525</u>
Total assets	<u>\$ 2,067,682</u>	<u>\$ 3,020,436</u>	<u>\$ 5,088,118</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 694,282	\$ -	\$ 694,282
Due to other funds	-	457,396	457,396
Grants received in advance	<u>130,429</u>	<u>250,000</u>	<u>380,429</u>
Total liabilities	<u>824,711</u>	<u>707,396</u>	<u>1,532,107</u>
Deferred Inflows of Resources:			
Property taxes receivable	<u>75,542</u>	<u>-</u>	<u>75,542</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	350,172	884,383	1,234,555
Restricted for general government	-	66	66
Restricted for public safety	855,198	-	855,198
Restricted for economic and physical development	17,113	-	17,113
Restricted for human services	32,344	-	32,344
Committed:			
Committed for general government	-	1,391,246	1,391,246
Committed for economic and physical development	203,369	494,741	698,110
Unassigned	<u>(290,767)</u>	<u>(457,396)</u>	<u>(748,163)</u>
Total fund balances	<u>1,167,429</u>	<u>2,313,040</u>	<u>3,480,469</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,067,682</u>	<u>\$ 3,020,436</u>	<u>\$ 5,088,118</u>

MACON COUNTY, NORTH CAROLINA

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,581,576	\$ -	\$ 4,581,576
Local option sales taxes	-	3,217,397	3,217,397
Restricted intergovernmental revenues	1,008,336	28,790	1,037,126
Occupancy taxes	2,367,722	-	2,367,722
Permits and fees	49,073	-	49,073
Sales and services	191,293	-	191,293
Interest earned on investments	445	3,105	3,550
Total revenues	<u>8,198,445</u>	<u>3,249,292</u>	<u>11,447,737</u>
Expenditures:			
Current:			
General government	240,366	28,948	269,314
Public safety	4,746,709	-	4,746,709
Economic and physical development	3,092,340	31,991	3,124,331
Human services	162,730	-	162,730
Total expenditures	<u>8,242,145</u>	<u>60,939</u>	<u>8,303,084</u>
Revenues over (under) expenditures	<u>(43,700)</u>	<u>3,188,353</u>	<u>3,144,653</u>
Other Financing Sources (Uses):			
Transfers in	161,069	829,893	990,962
Transfers out	-	(3,245,743)	(3,245,743)
Total other financing sources (uses)	<u>161,069</u>	<u>(2,415,850)</u>	<u>(2,254,781)</u>
Net change in fund balances	117,369	772,503	889,872
Fund Balances:			
Beginning of year - July 1	<u>1,050,060</u>	<u>1,540,537</u>	<u>2,590,597</u>
End of year - June 30	<u>\$ 1,167,429</u>	<u>\$ 2,313,040</u>	<u>\$ 3,480,469</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions:

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

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

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

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

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Western Carolina Industrial Partners Fund
Assets:					
Cash and cash equivalents	\$ 858,009	\$ 41,358	\$ 330,560	\$ 225,237	\$ 17,113
Taxes receivable, net	-	75,542	-	-	-
Accounts receivable, net	-	-	-	38,298	-
Due from government agencies	21,107	26,493	247,223	-	-
Cash and cash equivalents, restricted	-	-	-	14,937	-
Total assets	<u>\$ 879,116</u>	<u>\$ 143,393</u>	<u>\$ 577,783</u>	<u>\$ 278,472</u>	<u>\$ 17,113</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,811	\$ 67,851	\$ 577,783	\$ 24,572	\$ -
Grants received in advance	-	-	-	14,937	-
Total liabilities	<u>2,811</u>	<u>67,851</u>	<u>577,783</u>	<u>39,509</u>	<u>-</u>
Deferred Inflows of Resources:					
Property taxes receivable	-	75,542	-	-	-
Fund Balances:					
Restricted:					
Stabilization by state statute	21,107	26,493	247,223	38,298	-
Restricted for public safety	855,198	-	-	-	-
Restricted for economic and physical development	-	-	-	-	17,113
Restricted for human services	-	-	-	-	-
Committed for economic and physical development	-	-	-	200,665	-
Unassigned	-	(26,493)	(247,223)	-	-
Total fund balances	<u>876,305</u>	<u>-</u>	<u>-</u>	<u>238,963</u>	<u>17,113</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 879,116</u>	<u>\$ 143,393</u>	<u>\$ 577,783</u>	<u>\$ 278,472</u>	<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Deed of Trust Fund	Representative Payee Fund	Relief Fund	Fines and Forfeitures Fund	Opioid Settlement Fund	Total
Assets:						
Cash and cash equivalents	\$ 3,466	\$ 33,012	\$ 2,704	\$ 50	\$ -	\$ 1,511,509
Taxes receivable, net	-	-	-	-	-	75,542
Accounts receivable, net	-	-	-	17,051	-	55,349
Due from government agencies	-	-	-	-	-	294,823
Cash and cash equivalents, restricted	-	-	-	-	115,522	130,459
Total assets	<u>\$ 3,466</u>	<u>\$ 33,012</u>	<u>\$ 2,704</u>	<u>\$ 17,101</u>	<u>\$ 115,522</u>	<u>\$ 2,067,682</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 3,466	\$ 698	\$ -	\$ 17,101	\$ -	\$ 694,282
Grants received in advance	-	-	-	-	115,492	130,429
Total liabilities	<u>3,466</u>	<u>698</u>	<u>-</u>	<u>17,101</u>	<u>115,492</u>	<u>824,711</u>
Deferred Inflows of Resources:						
Property taxes receivable	-	-	-	-	-	75,542
Fund Balances:						
Restricted:						
Stabilization by state statute	-	-	-	17,051	-	350,172
Restricted for public safety	-	-	-	-	-	855,198
Restricted for economic and physical development	-	-	-	-	-	17,113
Restricted for human services	-	32,314	-	-	30	32,344
Committed for economic and physical development	-	-	2,704	-	-	203,369
Unassigned	-	-	-	(17,051)	-	(290,767)
Total fund balances	<u>-</u>	<u>32,314</u>	<u>2,704</u>	<u>-</u>	<u>30</u>	<u>1,167,429</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,466</u>	<u>\$ 33,012</u>	<u>\$ 2,704</u>	<u>\$ 17,101</u>	<u>\$ 115,522</u>	<u>\$ 2,067,682</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, 2022

	Emergency Telephone System Fund	Fire Districts Fund	Occupancy Tax Fund	Housing Grants Fund	Western Carolina Industrial Partners Fund
Revenues:					
Ad valorem taxes	\$ -	\$ 4,581,576	\$ -	\$ -	\$ -
Restricted intergovernmental revenues	253,283	-	-	586,422	-
Occupancy taxes	-	-	2,367,722	-	-
Permits and fees	-	-	-	-	-
Sales and services	-	-	-	-	-
Investment earnings	415	-	-	-	-
Total revenues	<u>253,698</u>	<u>4,581,576</u>	<u>2,367,722</u>	<u>586,422</u>	<u>-</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	165,133	4,581,576	-	-	-
Economic and physical development	-	-	2,367,722	724,618	-
Human services	-	-	-	-	-
Total expenditures	<u>165,133</u>	<u>4,581,576</u>	<u>2,367,722</u>	<u>724,618</u>	<u>-</u>
Revenues over (under) expenditures	<u>88,565</u>	<u>-</u>	<u>-</u>	<u>(138,196)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers in:					
From ARPA Fund	-	-	-	23,208	-
From General Fund	10,382	-	-	127,479	-
Total other financing sources (uses)	<u>10,382</u>	<u>-</u>	<u>-</u>	<u>150,687</u>	<u>-</u>
Net change in fund balances	98,947	-	-	12,491	-
Fund Balances:					
Beginning of year - July 1	<u>777,358</u>	<u>-</u>	<u>-</u>	<u>226,472</u>	<u>17,113</u>
End of year - June 30	<u>\$ 876,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,963</u>	<u>\$ 17,113</u>

MACON COUNTY, NORTH CAROLINA

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

	Deed of Trust Fund	Representative Payee Fund	Relief Fund	Fines and Forfeitures Fund	Opioid Settlement Fund	Total
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,581,576
Restricted intergovernmental revenues	-	168,631	-	-	-	1,008,336
Occupancy taxes	-	-	-	-	-	2,367,722
Permits and fees	49,073	-	-	-	-	49,073
Sales and services	-	-	-	191,293	-	191,293
Investment earnings	-	-	-	-	30	445
Total revenues	<u>49,073</u>	<u>168,631</u>	<u>-</u>	<u>191,293</u>	<u>30</u>	<u>8,198,445</u>
Expenditures:						
General government	49,073	-	-	191,293	-	240,366
Public safety	-	-	-	-	-	4,746,709
Economic and physical development	-	-	-	-	-	3,092,340
Human services	-	162,730	-	-	-	162,730
Total expenditures	<u>49,073</u>	<u>162,730</u>	<u>-</u>	<u>191,293</u>	<u>-</u>	<u>8,242,145</u>
Revenues over (under) expenditures	<u>-</u>	<u>5,901</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>(43,700)</u>
Other Financing Sources (Uses):						
Transfers in:						
From ARPA Fund	-	-	-	-	-	23,208
From General Fund	-	-	-	-	-	137,861
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,069</u>
Net change in fund balances	-	5,901	-	-	30	117,369
Fund Balances:						
Beginning of year - July 1	<u>-</u>	<u>26,413</u>	<u>2,704</u>	<u>-</u>	<u>-</u>	<u>1,050,060</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 32,314</u>	<u>\$ 2,704</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 1,167,429</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental revenues	\$ 254,089	\$ 253,283	\$ (806)	\$ 379,139
Investment earnings	-	415	415	45
Total revenues	<u>254,089</u>	<u>253,698</u>	<u>(391)</u>	<u>379,184</u>
Expenditures:				
Wireless 911:				
Implemental functions	10,000	-	10,000	-
Telephone	40,000	39,541	459	111,265
Furniture	7,500	-	7,500	-
Software and software maintenance	105,087	104,353	734	96,887
Hardware and hardware maintenance	78,048	15,210	62,838	7,300
Training	15,000	6,029	8,971	387
Capital outlay	<u>113,800</u>	<u>-</u>	<u>113,800</u>	<u>-</u>
Total public safety	<u>369,435</u>	<u>165,133</u>	<u>204,302</u>	<u>215,839</u>
Total expenditures	<u>369,435</u>	<u>165,133</u>	<u>204,302</u>	<u>215,839</u>
Revenues over (under) expenditures	<u>(115,346)</u>	<u>88,565</u>	<u>203,911</u>	<u>163,345</u>
Other Financing Sources (Uses):				
Appropriated fund balance	115,346	-	(115,346)	-
Transfers in from General Fund	<u>-</u>	<u>10,382</u>	<u>10,382</u>	<u>27,904</u>
Total other financing sources (uses)	<u>115,346</u>	<u>10,382</u>	<u>(104,964)</u>	<u>27,904</u>
Net change in fund balance	<u>\$ -</u>	<u>98,947</u>	<u>\$ 98,947</u>	<u>191,249</u>
Fund Balance:				
Beginning of year - July 1		<u>777,358</u>		<u>586,109</u>
End of year - June 30		<u>\$ 876,305</u>		<u>\$ 777,358</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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes - fire:				
Current year	\$ 4,486,321	\$ 4,442,743	\$ (43,578)	\$ 4,195,945
Prior years	161,500	138,833	(22,667)	150,899
Total revenues	<u>4,647,821</u>	<u>4,581,576</u>	<u>(66,245)</u>	<u>4,346,844</u>
Expenditures:				
Public safety:				
Franklin Fire District		919,884		894,090
Clark's Chapel Fire District		346,765		338,385
Otto Fire District		507,568		347,879
Cullasaja Fire District		266,995		261,071
West Macon Fire District		329,835		323,088
Scaly Mountain Fire District		156,826		156,759
Burningtown/Iotla Fire District		240,101		237,264
Cowee Fire District		341,357		331,108
Highlands Fire District		1,096,110		1,082,029
Mountain Valley Fire District		138,816		136,397
Nantahala Fire District		237,319		238,774
Total expenditures	<u>4,647,821</u>	<u>4,581,576</u>	<u>66,245</u>	<u>4,346,844</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

OCCUPANCY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Occupancy tax:				
Highlands	\$ 1,653,555	\$ 1,502,586	\$ (150,969)	\$ 1,324,740
Nantahala	252,352	190,020	(62,332)	196,717
Franklin	534,033	485,698	(48,335)	419,762
Administrative fee	212,169	189,418	(22,751)	168,802
Total revenues	<u>2,652,109</u>	<u>2,367,722</u>	<u>(284,387)</u>	<u>2,110,021</u>
Expenditures:				
Economic and physical development:				
Highlands Chamber	1,653,555	1,502,586	150,969	1,324,740
Nantahala District	252,352	190,020	62,332	196,717
Franklin Chamber	534,033	485,698	48,335	419,762
Administrative fees	212,169	189,418	22,751	168,802
Total expenditures	<u>2,652,109</u>	<u>2,367,722</u>	<u>284,387</u>	<u>2,110,021</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, 2022

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues:				
Restricted intergovernmental revenues:				
Community Development Block Grant #07-C-1662	\$ 400,000	\$ 353,250	\$ -	\$ 353,250
Weatherization #1161	47,867	47,122	-	47,122
Urgent repair 1014	75,000	75,000	-	75,000
ARRA Weatherization 18WA	668,109	605,388	-	605,388
Community Development Block Grant #10-C-2124	400,000	275,815	-	275,815
Weatherization #1261	235,990	181,887	-	181,887
SFR 11	160,000	122,208	-	122,208
Urgent repair 1115	75,000	75,000	-	75,000
Urgent repair URP-13	75,000	75,000	-	75,000
Weatherization #1361	129,107	123,180	-	123,180
Weatherization #1461	320,347	234,892	-	234,892
Weatherization #6054	266,322	258,443	-	258,443
SFR 14	170,000	118,453	-	118,453
Duke HHP - Health and Safety	138,526	138,769	-	138,769
Duke HHP - HVAC	252,561	253,317	-	253,317
Duke Weatherization	98,200	98,200	-	98,200
Urgent Repair - URP 15	100,000	100,092	-	100,092
Weatherization #6508	169,604	168,648	-	168,648
Urgent Repair #1619	100,000	100,089	-	100,089
Weatherization #6940	105,683	98,669	-	98,669
Duke Weatherization Direct Reimbursement	177,660	147,567	35,191	182,758
PNC Healthy Housing Energy & Neighborhood Beautification Improvement Program	37,800	39,214	-	39,214
ESFRLP-17 Grant	191,647	134,127	32,330	166,457
Weatherization DOE 2018 #7305	72,372	65,305	-	65,305
Weatherization LIHEAP 18 #7305	80,722	78,105	-	78,105
Weatherization HARRP 18 #7305	38,613	37,203	-	37,203
Duke Energy 2017 HHF#2017-2200	126,603	108,637	9,625	118,262
Urgent Repair Program 18	100,000	100,206	-	100,206
Weatherization DOE 2019 #7604	82,919	79,018	-	79,018
Weatherization LIHEAP 19 #7604	63,055	62,928	-	62,928
Weatherization HARRP 19 #7604	9,894	8,680	-	8,680
Urgent Repair Program 19	100,000	100,003	-	100,003
Weatherization DOE 2020 #8000	93,388	75,717	-	75,717
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
Weatherization HARRP 20 #8000	42,126	13,001	-	13,001
ESFRLP-2020 Grant	190,000	-	2,692	2,692
Urgent Repair Program 20	100,105	32,156	67,949	100,105
Weatherization DOE 2021 #8217	184,937	118,703	51,807	170,510
Weatherization LIHEAP 21 #8217	49,325	44,347	-	44,347
Weatherization HARRP 21 #8217	53,034	37,480	14,000	51,480
Weatherization LIHEAP COVID 21	2,271	-	2,271	2,271

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Weatherization LIHEAP #22619	98,887	-	94,935	94,935
Weatherization HARRP #22619	33,402	-	33,396	33,396
Urgent Repair Program 21	100,000	-	94,920	94,920
Dogwood Grant #1452	50,000	-	45,868	45,868
Highlands Cashiers Health	50,000	-	44,275	44,275
NCWAP- ARPA Covid	93,238	-	7,540	7,540
NCWAP- ARPA HARRP	85,718	-	49,623	49,623
Miscellaneous revenues	11,222	11,469	-	11,469
Total revenues	6,362,384	4,851,238	586,422	5,437,660
Expenditures:				
Economic and physical development:				
Administrative - County	1,447,497	1,124,120	142,415	1,266,535
Community Development Block Grant:				
Grant #07-C-1662 - administrative	40,000	40,965	-	40,965
Grant #07-C-1662 - rehabilitation	360,000	313,058	-	313,058
Weatherization #1161	47,867	47,124	-	47,124
Urgent repair 1014	75,000	74,998	-	74,998
ARRA weatherization 18WA	668,109	605,401	-	605,401
Community Development Block:				
Grant #10-C-2124 - administrative	40,000	30,978	-	30,978
Grant #10-C-2124 - rehabilitation	360,000	244,856	-	244,856
SFR-11 Grant	160,000	122,211	-	122,211
Weatherization #1261	235,990	181,802	-	181,802
Urgent Repair Grant 1115	75,000	74,943	-	74,943
Weatherization #1361	129,107	123,450	-	123,450
Urgent Repair Grant - URP-13	75,000	75,000	-	75,000
Weatherization #1461	320,347	234,894	-	234,894
Weatherization #6054	266,322	258,441	-	258,441
SFR 14	170,000	117,577	-	117,577
Duke HHP - Health and Safety	138,526	114,105	-	114,105
Duke HHP - HVAC	252,561	235,409	-	235,409
Duke Weatherization	98,200	97,616	-	97,616
Urgent Repair - URP 15	100,000	98,363	-	98,363
Weatherization #6508	169,604	168,649	-	168,649
Urgent Repair #1619	100,000	97,430	-	97,430
Weatherization #6940	105,683	98,667	-	98,667
Duke Weatherization Direct Reimbursement	177,660	138,814	33,426	172,240
PNC Healthy Housing Energy & Neighborhood				
Beautification Improvement Program	37,800	38,493	-	38,493
ESFRLP-17 - rehabilitation	141,647	112,728	22,290	135,018
ESFRLP-17 - program support	50,000	29,817	1,623	31,440
Weatherization DOE 2018 #7305	72,372	65,303	-	65,303
Weatherization LIHEAP 18 #7305	80,722	78,104	-	78,104
Weatherization HARRP 18 #7305	38,613	37,202	-	37,202

MACON COUNTY, NORTH CAROLINA

HOUSING GRANTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Duke Energy 2017 HHF#2017-2200	126,603	108,524	15,588	124,112
Urgent Repair- URP 19	100,000	99,668	-	99,668
Weatherization DOE 19 #7604	82,919	79,615	-	79,615
Weatherization LIHEAP 19 #7604	63,055	62,931	-	62,931
Weatherization HARRP 2019 #7604	9,894	8,679	-	8,679
Urgent Repair Program 20	100,000	100,003	-	100,003
Weatherization HARRP 2020 #8000	42,126	12,999	-	12,999
Weatherization DOE 20 #8000	93,388	75,777	-	75,777
Weatherization LIHEAP 20 #8000	56,130	53,950	-	53,950
ESFRLP-2020 Grant	190,000	-	2,692	2,692
Urgent Repair Program 20	100,105	32,156	67,949	100,105
Weatherization DOE 2021 #8217	184,937	118,703	51,807	170,510
Weatherization LIHEAP 21 #8217	49,325	44,347	-	44,347
Weatherization HARRP 21 #8217	53,034	37,480	14,000	51,480
Weatherization LIHEAP COVID 21	2,271	-	2,271	2,271
Weatherization LIHEAP #22619 (5914)	98,887	-	94,935	94,935
Weatherization HARRP #22619 (5915)	33,402	-	33,396	33,396
Urgent Repair Program 2021(5916)	100,000	-	94,920	94,920
Dogwood Health Grant(5917)	50,000	-	45,868	45,868
Highlands Cashiers Health Foun(5918)	50,000	-	44,275	44,275
NCWAP ARPA COVID (5920)	93,238	-	7,540	7,540
NCWAP ARPA HARRP (5921)	85,718	-	49,623	49,623
Total expenditures	<u>7,798,659</u>	<u>5,915,350</u>	<u>724,618</u>	<u>6,639,968</u>
Revenues over (under) expenditures	<u>(1,436,275)</u>	<u>(1,064,112)</u>	<u>(138,196)</u>	<u>(1,202,308)</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	1,413,066	1,290,584	127,479	1,418,063
From ARPA Fund	<u>23,209</u>	<u>-</u>	<u>23,208</u>	<u>23,208</u>
Total Other Financing Sources (Uses)	<u>1,436,275</u>	<u>1,290,584</u>	<u>150,687</u>	<u>1,441,271</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 226,472</u>	<u>\$ 12,491</u>	<u>\$ 238,963</u>

MACON COUNTY, NORTH CAROLINA

WESTERN CAROLINA INDUSTRIAL PARTNERS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Beginning of year - July 1, as previously reported		17,113		-
Prior period restatement - change in accounting principle		-		17,113
Beginning of year - July 1, as restated		17,113		17,113
End of year - June 30		\$ 17,113		\$ 17,113

MACON COUNTY, NORTH CAROLINA

DEED OF TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Budget	Actual		Actual
Revenues:				
Permits and fees:				
Register of Deeds	\$ 70,000	\$ 49,073	\$ (20,927)	\$ 58,683
Expenditures:				
General government:				
Payments of fees collected to the State of North Carolina	70,000	49,073	20,927	58,683
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

REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental revenues	\$ 282,000	\$ 168,631	\$ (113,369)	\$ 215,229
Expenditures:				
Human services:				
Payments made for the benefit of beneficiaries	282,000	162,730	119,270	227,817
Net change in fund balance	\$ -	5,901	\$ 5,901	(12,588)
Fund Balance:				
Beginning of year - July 1, as previously reported		26,413		-
Prior period restatement - change in accounting principle		-		39,001
Beginning of year - July 1, as restated		26,413		39,001
End of year - June 30		\$ 32,314		\$ 26,413

MACON COUNTY, NORTH CAROLINA

RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Miscellaneous revenues:				
Hurricane Ivan relief funds	\$ 2,704	\$ -	\$ (2,704)	\$ -
Expenditures:				
General government:				
Payments made for the benefit of beneficiaries	2,704	-	2,704	33,750
Net change in fund balance	\$ -	-	\$ -	(33,750)
Fund Balance:				
Beginning of year - July 1, as previously reported		2,704		-
Prior period restatement - change in accounting principle		-		36,454
Beginning of year - July 1, as restated		2,704		36,454
End of year - June 30		\$ 2,704		\$ 2,704

MACON COUNTY, NORTH CAROLINA

**FINES AND FORFEITURES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		<u>Variance</u>	
		<u>Over/Under</u>	
Revenues:			
Sales and services:			
Penalties, fines and forfeitures	\$ 220,000	\$ 191,293	\$ 186,568
		\$ (28,707)	
Expenditures:			
General government:			
Payments to Board of Education	220,000	191,293	186,568
		28,707	
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		-	-
End of year - June 30		<u>\$ -</u>	<u>\$ -</u>

MACON COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Investment Earnings	\$ -	\$ -	\$ 30	\$ 30	\$ (30)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	30	<u>\$ 30</u>	<u>\$ 30</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 30</u>		

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CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions:

Nonmajor Funds:

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

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

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

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

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

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

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Airport Improvements Fund	County Buildings Project Fund	Riverbend Estates Waterline Project Fund
Assets:			
Cash and cash equivalents	\$ 292,265	\$ 600,989	\$ 40,685
Due from governmental agencies	-	-	-
Restricted cash and cash equivalents	-	250,066	-
Total assets	<u>\$ 292,265</u>	<u>\$ 851,055</u>	<u>\$ 40,685</u>
Liabilities and Fund Balances:			
Liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Unearned revenue	-	250,000	-
Total liabilities	<u>-</u>	<u>250,000</u>	<u>-</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	-	-	-
Restricted for general government	-	66	-
Committed for general government	-	600,989	-
Committed for economic and physical development	292,265	-	40,685
Unassigned	-	-	-
Total fund balances	<u>292,265</u>	<u>601,055</u>	<u>40,685</u>
Total liabilities and fund balances	<u>\$ 292,265</u>	<u>\$ 851,055</u>	<u>\$ 40,685</u>

MACON COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Assets:				
Cash and cash equivalents	\$ 161,791	\$ -	\$ 790,257	\$ 1,885,987
Due from governmental agencies	-	884,383	-	884,383
Restricted cash and cash equivalents	-	-	-	250,066
Total assets	<u>\$ 161,791</u>	<u>\$ 884,383</u>	<u>\$ 790,257</u>	<u>\$ 3,020,436</u>
Liabilities and Fund Balances:				
Liabilities:				
Due to other funds	\$ -	\$ 457,396	\$ -	\$ 457,396
Unearned revenue	-	-	-	250,000
Total liabilities	<u>-</u>	<u>457,396</u>	<u>-</u>	<u>707,396</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	-	884,383	-	884,383
Restricted for general government	-	-	-	66
Committed for general government	-	-	790,257	1,391,246
Committed for economic and physical development	161,791	-	-	494,741
Unassigned	-	(457,396)	-	(457,396)
Total fund balances	<u>161,791</u>	<u>426,987</u>	<u>790,257</u>	<u>2,313,040</u>
Total liabilities and fund balances	<u>\$ 161,791</u>	<u>\$ 884,383</u>	<u>\$ 790,257</u>	<u>\$ 3,020,436</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, 2022

	<u>Airport Improvements Fund</u>	<u>County Buildings Project Fund</u>	<u>Riverbend Estates Waterline Project Fund</u>
Revenues:			
Restricted intergovernmental revenues	\$ 28,790	\$ -	\$ -
Local option sales tax	-	-	-
Interest earned on investments	-	66	-
Total revenues	<u>28,790</u>	<u>66</u>	<u>-</u>
Expenditures:			
General government	-	28,948	-
Economic and physical development	31,991	-	-
Total expenditures	<u>31,991</u>	<u>28,948</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,201)</u>	<u>(28,882)</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers in:			
From General Fund	100,000	500,000	-
Transfers out:			
To Debt Service Fund	-	-	-
Total other financing sources (uses)	<u>100,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	96,799	471,118	-
Fund Balances:			
Beginning of year - July 1	<u>195,466</u>	<u>129,937</u>	<u>40,685</u>
End of year - June 30	<u>\$ 292,265</u>	<u>\$ 601,055</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, 2022

	Little Tennessee River/ Cartoogechaye Creek Sewer Trunk Project Fund	Schools Capital Fund	Capital Reserve Fund	Total
Revenues:				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ 28,790
Local option sales tax	-	3,217,397	-	3,217,397
Interest earned on investments	-	2,128	911	3,105
Total revenues	<u>-</u>	<u>3,219,525</u>	<u>911</u>	<u>3,249,292</u>
Expenditures:				
General government	-	-	-	28,948
Economic and physical development	-	-	-	31,991
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,939</u>
Revenues over (under) expenditures	<u>-</u>	<u>3,219,525</u>	<u>911</u>	<u>3,188,353</u>
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	-	-	229,893	829,893
Transfers out:				
To Debt Service Fund	-	(3,245,743)	-	(3,245,743)
Total other financing sources (uses)	<u>-</u>	<u>(3,245,743)</u>	<u>229,893</u>	<u>(2,415,850)</u>
Net change in fund balances	-	(26,218)	230,804	772,503
Fund Balances:				
Beginning of year - July 1	<u>161,791</u>	<u>453,205</u>	<u>559,453</u>	<u>1,540,537</u>
End of year - June 30	<u>\$ 161,791</u>	<u>\$ 426,987</u>	<u>\$ 790,257</u>	<u>\$ 2,313,040</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, 2022

	<u>Project Authorization</u>	<u>Actual</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Restricted intergovernmental revenues:				
State aid to airports	\$ 8,323,967	\$ 6,251,531	\$ 28,790	\$ 6,280,321
Airport Improvements Program	2,618,609	2,283,474	-	2,283,474
2013 NPE 36237.1.14.1	150,000	150,001	-	150,001
2014 NPE 36237.1.NPE.14	150,000	149,999	-	149,999
2015 NPE 36237.1.NPE.15	150,000	150,000	-	150,000
Taxiway/Lighting 36237.1.14.2	2,250,000	2,225,451	-	2,225,451
Miscellaneous revenues	61,167	88,051	-	88,051
Total revenues	<u>13,703,743</u>	<u>11,298,507</u>	<u>28,790</u>	<u>11,327,297</u>
Expenditures:				
Capital outlay:				
Runway extension phase II - site improvements	3,147,244	2,832,984	-	2,832,984
Phase I EA - runway extension	1,000,000	369,694	-	369,694
2004 Vision 100	166,667	152,571	-	152,571
Runway improvements	792,000	635,301	-	635,301
2008 Vision 100	166,667	-	-	-
SWPPP/SPCC & AWOS	131,602	31,775	-	31,775
Runway rehabilitation design	222,223	220,800	-	220,800
Runway rehabilitation construction	2,687,343	2,500,951	-	2,500,951
Apron improvements	2,511,340	2,601,454	-	2,601,454
2013 NPE 36237.1.141	166,667	126,644	-	126,644
2014 NPE 36237.1.NPE.14	166,667	166,666	-	166,666
2015 NPE 36237.1.NPE.15	166,667	166,667	-	166,667
2016 NPE 36237.1.NPE.16	166,667	104,492	14,114	118,606
2017 NPE 36237.1.NPE.17	166,667	-	-	-
New Fuel Farm	1,000,000	-	17,877	17,877
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>15,158,421</u>	<u>12,394,561</u>	<u>31,991</u>	<u>12,426,552</u>
Revenues over (under) expenditures	(1,454,678)	(1,096,054)	(3,201)	(1,099,255)
Other Financing Sources (Uses):				
Transfers in from General Fund	<u>1,454,678</u>	<u>1,291,520</u>	<u>100,000</u>	<u>1,391,520</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 195,466</u>	<u>\$ 96,799</u>	<u>\$ 292,265</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, 2022

	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
Investment earnings	-	-	66	66
Miscellaneous	-	20,360	-	20,360
Total revenues	<u>600,000</u>	<u>620,360</u>	<u>66</u>	<u>620,426</u>
Expenditures:				
General government:				
Nantahala Library renovation	500,000	-	-	-
Animal shelter	500,000	498,905	-	498,905
Old library renovations	300,000	299,928	-	299,928
Renovations - Barrett Building	458,303	445,581	-	445,581
Renovations - Old Senior Services Building	118,550	118,531	-	118,531
Renovations - Patton Avenue Building	200,000	175,205	-	175,205
Garage construction	120,000	119,080	-	119,080
Radio communication upgrade	1,395,360	1,355,421	28,948	1,384,369
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>8,382,936</u>	<u>7,773,359</u>	<u>28,948</u>	<u>7,802,307</u>
Revenues over (under) expenditures	<u>(7,782,936)</u>	<u>(7,152,999)</u>	<u>(28,882)</u>	<u>(7,181,881)</u>
Other Financing Sources (Uses):				
Debt issued	1,800,000	1,800,000	-	1,800,000
Transfers in:				
From General Fund	5,610,867	5,110,867	500,000	5,610,867
From Emergency Telephone System Fund	326,095	326,095	-	326,095
From Little Tennessee River/Cartoogechaye Creek Sewer Trunk Project Fund	303,216	303,216	-	303,216
Transfers out:				
(To) Emergency Telephone System Fund	<u>(257,242)</u>	<u>(257,242)</u>	<u>-</u>	<u>(257,242)</u>
Total other financing sources (uses)	<u>7,782,936</u>	<u>7,282,936</u>	<u>500,000</u>	<u>7,782,936</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 129,937</u>	<u>\$ 471,118</u>	<u>\$ 601,055</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, 2022**

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

MACON COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

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

MACON COUNTY, NORTH CAROLINA

SCHOOLS CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Interest	\$ 2,500	\$ 2,128	\$ (372)	\$ 142
Local option sales tax	3,243,244	3,217,397	(25,847)	2,790,211
Total revenues	<u>3,245,744</u>	<u>3,219,525</u>	<u>(26,219)</u>	<u>2,790,353</u>
Revenues over (under) expenditures	3,245,744	3,219,525	(26,219)	2,790,353
Other Financing Sources (Uses):				
Transfers out:				
(To) Debt Service Fund	<u>(3,245,744)</u>	<u>(3,245,743)</u>	<u>1</u>	<u>(2,658,986)</u>
Net change in fund balance	<u>\$ -</u>	(26,218)	<u>\$ (26,218)</u>	131,367
Fund Balance:				
Beginning of year - July 1		<u>453,205</u>		<u>321,838</u>
End of year - June 30		<u>\$ 426,987</u>		<u>\$ 453,205</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, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Interest	\$ -	\$ 911	\$ 911	\$ 160
Other Financing Sources (Uses):				
Transfers in:				
From General Fund	229,893	229,893	-	-
Transfers out:				
(To) General Fund	(519,893)	-	519,893	(305,000)
Appropriated fund balance	<u>290,000</u>	<u>-</u>	<u>(290,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>229,893</u>	<u>229,893</u>	<u>(305,000)</u>
Net change in fund balance	<u>\$ -</u>	230,804	<u>\$ 230,804</u>	(304,840)
Fund Balance:				
Beginning of year - July 1		<u>559,453</u>		<u>864,293</u>
End of year - June 30		<u>\$ 790,257</u>		<u>\$ 559,453</u>

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ENTERPRISE FUND

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

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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, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Landfill fees	\$ 2,965,263	\$ 2,971,615		\$ 2,947,237
Tipping fees	1,918,642	1,941,843		1,817,571
Recycling revenue	514,000	520,414		288,385
Other operating revenue	5,971	6,968		8,666
Scrap tire disposal fee	59,400	62,045		52,816
Restricted intergovernmental revenue	23,300	25,384		26,581
Total operating revenues	<u>5,486,576</u>	<u>5,528,269</u>	\$ 41,693	<u>5,141,256</u>
Non-operating revenues:				
Solid waste disposal tax	33,000	31,957		29,898
Investment earnings	8,000	12,439		9,316
Total non-operating revenues	<u>41,000</u>	<u>44,396</u>	3,396	<u>39,214</u>
Total revenues	<u>5,527,576</u>	<u>5,572,665</u>	45,089	<u>5,180,470</u>
Expenditures:				
Operating expenditures:				
Salaries	1,500,381	1,449,245		1,155,157
Employee benefits	545,567	507,782		480,565
Operating expenditures	1,731,707	1,425,522		1,376,679
Interest and fees	127,730	106,694		131,730
Debt principal	971,900	992,934		963,398
Landfill closure and post-closure costs	1,539,129	83,432		40,620
Capital outlay	678,518	72,450		610,819
Solid waste disposal tax remittance	88,000	82,946		79,046
Total operating expenditures	<u>7,182,932</u>	<u>4,721,005</u>	2,461,927	<u>4,838,014</u>
Total expenditures	<u>7,182,932</u>	<u>4,721,005</u>	2,461,927	<u>4,838,014</u>
Revenues over (under) expenditures	<u>(1,655,356)</u>	<u>851,660</u>	<u>2,507,016</u>	<u>342,456</u>
Other Financing Sources (Uses):				
Transfer from ARPA Fund	159,698	159,695	(3)	-
Appropriated fund balance	1,495,658	-	(1,495,658)	-
Total other financing sources (uses)	<u>1,655,356</u>	<u>159,695</u>	<u>(1,495,661)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,011,355</u>	<u>\$ 1,011,355</u>	<u>\$ 342,456</u>

MACON COUNTY, NORTH CAROLINA

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		2021
	Budget	Actual	Actual
Reconciliation from Budgetary Basis			
(Modified Accrual) to Full Accrual:			
Revenues and other financing sources over			
(under) expenditures and other financing uses		\$ 1,011,355	
Reconciling items:			
Payment of debt principal		988,464	
Solid waste capital project fund interest income		892	
(Increase) decrease in accrued interest payable		5,289	
Capital outlay		72,450	
Increase (decrease) in deferred outflows - pension		47,323	
(Increase) decrease in net pension liability LGERS		305,140	
(Increase) decrease in deferred inflows - pension LGERS		(304,320)	
(Increase) decrease in post-closure care costs		(1,539,029)	
(Increase) decrease in OPEB liability		3,285,386	
Increase (decrease) in deferred outflows - OPEB		(54,609)	
(Increase) decrease in deferred inflows - OPEB		(3,167,783)	
Debt principal - leases		4,470	
Amortization		(4,479)	
(Increase) decrease in compensated absences		(18,809)	
Depreciation		<u>(908,571)</u>	
Change in net position - Exhibit H		<u>\$ (276,831)</u>	

MACON COUNTY, NORTH CAROLINA

SOLID WASTE CAPITAL PROJECT FUND

LANDFILL EXPANSION PROJECT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues:				
Investment earnings	\$ -	\$ 45,627	\$ 892	\$ 46,519
Sales tax refund	-	30,613	-	30,613
Total revenues	-	76,240	892	77,132
Expenditures:				
Construction	201,541	8,197	-	8,197
Capital equipment	77	-	-	-
Construction administration	1,635	-	-	-
Water line installation/relocation	240,000	14,000	-	14,000
Building renovations	182,775	5,757	-	5,757
Professional fees	34,700	16,620	-	16,620
Contingency	17,285	-	-	-
Total expenditures	678,013	44,574	-	44,574
Revenues over (under) expenditures	(678,013)	31,666	892	32,558
Other Financing Sources (Uses):				
Proceeds from issuance of debt	2,429,558	2,429,558	-	2,429,558
Transfer to Solid Waste Fund	(1,751,545)	(1,751,545)	-	(1,751,545)
Total other financing sources (uses)	678,013	678,013	-	678,013
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 709,679	\$ 892	\$ 710,571

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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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 575,580	\$ 531,566
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	<u>294,770</u>	<u>282,797</u>
Net Position:		
Unrestricted net position	<u>\$ 280,810</u>	<u>\$ 248,769</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, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services:				
Employee and employer contributions	\$ 5,016,803	\$ 4,820,447	\$ (196,356)	\$ 5,007,947
Operating Expenses:				
Insurance premiums	5,078,559	4,818,001	260,558	5,056,198
Benefit payments	50,000	32,943	17,057	59,117
Total operating expenses	5,128,559	4,850,944	277,615	5,115,315
Operating income (loss)	(111,756)	(30,497)	81,259	(107,368)
Non-Operating Revenues:				
Investment earnings	-	782	782	84
Other Financing Sources (Uses):				
Appropriated fund balance	50,000	-	(50,000)	-
Transfer from General Fund	61,756	61,756	-	61,756
Total other financing sources (uses)	111,756	61,756	(50,000)	61,756
Change in net position	\$ -	32,041	\$ 32,041	(45,528)
Net Position:				
Beginning of year - July 1		248,769		294,297
End of year - June 30		\$ 280,810		\$ 248,769

MACON COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 4,820,447	\$ 5,007,947
Cash paid for goods and services	<u>(4,838,971)</u>	<u>(5,100,308)</u>
Net cash provided (used) by operating activities	<u>(18,524)</u>	<u>(92,361)</u>
Cash Flows from Investing Activities:		
Interest on investments	<u>782</u>	<u>84</u>
Cash Flows from Non-Capital Financing Activities:		
Transfer from other funds	<u>61,756</u>	<u>61,756</u>
Net increase (decrease) in cash and cash equivalents	44,014	(30,521)
Cash and Cash Equivalents:		
Beginning of year - July 1	<u>531,566</u>	<u>562,087</u>
End of year - June 30	<u>\$ 575,580</u>	<u>\$ 531,566</u>
Reconciliation of Operating Income (Loss) to		
Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (30,497)	\$ (107,368)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable and accrued liabilities	<u>11,973</u>	<u>15,007</u>
Net cash provided (used) by operating activities	<u>\$ (18,524)</u>	<u>\$ (92,361)</u>

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CUSTODIAL FUNDS

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

Individual Fund Descriptions:

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

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

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MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2022

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:			
Cash and cash equivalents	\$ 22,050	\$ 12,359	\$ 34,409
Taxes receivable for other governments, net	<u>25,458</u>	<u>-</u>	<u>25,458</u>
Total assets	<u>47,508</u>	<u>12,359</u>	<u>59,867</u>
Liabilities:			
Due to other governments	<u>22,050</u>	<u>-</u>	<u>22,050</u>
Net Position:			
Restricted for:			
Individuals, organizations and other governments	<u>25,458</u>	<u>12,359</u>	<u>37,817</u>
Total net position	<u>\$ 25,458</u>	<u>\$ 12,359</u>	<u>\$ 37,817</u>

MACON COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

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

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Property taxes collected for other governments	\$ 2,950,484	\$ -	\$ 2,950,484
Collections on behalf of individuals/organizations	-	191,079	191,079
Total additions	<u>2,950,484</u>	<u>191,079</u>	<u>3,141,563</u>
Deductions:			
Property taxes distributed to other governments	2,941,804	-	2,941,804
Payments on behalf of individuals/organizations	-	195,060	195,060
Total deductions	<u>2,941,804</u>	<u>195,060</u>	<u>3,136,864</u>
Change in fiduciary net position	8,680	(3,981)	4,699
Net Position:			
Beginning of year - July 1	<u>16,778</u>	<u>16,340</u>	<u>33,118</u>
End of year - June 30	<u>\$ 25,458</u>	<u>\$ 12,359</u>	<u>\$ 37,817</u>

ADDITIONAL FINANCIAL DATA

This section contains additional information on taxes receivable and the tax levy as of June 30, 2022.

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MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND
JUNE 30, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 33,566,407	\$ 33,229,757	\$ 336,650
2020-2021	417,807	7,855	258,935	166,727
2019-2020	189,496	-	66,687	122,809
2018-2019	129,435	-	36,976	92,459
2017-2018	107,623	-	31,361	76,262
2016-2017	73,428	-	16,821	56,607
2015-2016	57,489	-	11,375	46,114
2014-2015	55,670	-	10,276	45,394
2013-2014	50,058	-	9,536	40,522
2012-2013	39,361	-	6,007	33,354
2011-2012	32,298	-	32,298	-
Total	<u>\$ 1,152,665</u>	<u>\$ 33,574,262</u>	<u>\$ 33,710,029</u>	1,016,898
Less allowance for uncollectible ad valorem taxes receivable				<u>(577,962)</u>
Ad valorem taxes receivable - net				<u>\$ 438,936</u>
Reconciliation with Revenues:				
Taxes - ad valorem - General Fund				\$ 33,855,016
Reconciling items:				
Advertising/attorney fees				(16,108)
Interest collected				(174,010)
Refunds and other adjustments				17,464
Amounts written off per Statute of Limitations				<u>27,667</u>
Total collections and credits				<u>\$ 33,710,029</u>

MACON COUNTY, NORTH CAROLINA

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

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,737,314,750	\$ 0.4000	\$ 30,949,259	\$ 30,949,259	\$ -
Motor vehicles taxed at current year's rate	376,447,000	0.4000	1,505,788	-	1,505,788
Motor vehicles taxed at prior year's rate	92,750,734	0.3747	347,537	-	347,537
Motor vehicles taxed at prior year's rate	73,352	0.3490	256	-	256
Total	<u>8,206,585,836</u>		<u>32,802,840</u>	<u>30,949,259</u>	<u>1,853,581</u>
Discoveries:					
Current year taxes	15,291,250	0.4000	61,165	61,165	-
Utilities	183,348,500	0.4000	733,394	733,394	-
Less releases and adjustments	(7,748,000)	0.4000	(30,992)	(30,992)	-
Total property valuation	<u>\$ 8,397,477,586</u>				
Net Levy			33,566,407	31,712,826	1,853,581
Uncollected taxes at June 30, 2022			(336,650)	(336,650)	-
Current Year's Taxes Collected			<u>\$ 33,229,757</u>	<u>\$ 31,376,176</u>	<u>\$ 1,853,581</u>
Current Levy Collection Percentage			<u>99.00%</u>	<u>98.94%</u>	<u>100.00%</u>
Secondary Market Disclosures:					
Assessed valuation:					
Assessment ratio					<u>100.00%</u>
Real property					\$ 7,617,621,336
Personal property					596,507,750
Public service companies					<u>183,348,500</u>
Total assessed valuation					<u>\$ 8,397,477,586</u>
Tax rate per \$100					<u>0.4000</u>
Levy (includes discoveries, releases, and abatements)					<u>\$ 33,566,407</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, 2022.					<u>\$ 4,547,188</u>

MACON COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - FIRE DISTRICTS
JUNE 30, 2022

Fiscal Year	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 4,547,188	\$ 4,490,782	\$ 56,406
2020-2021	65,496	-	35,834	29,662
2019-2020	33,047	-	11,065	21,982
2018-2019	22,163	-	5,996	16,167
2017-2018	18,679	-	5,018	13,661
2016-2017	11,697	-	2,660	9,037
2015-2016	9,659	-	1,727	7,932
2014-2015	9,957	-	1,593	8,364
2013-2014	8,868	-	1,796	7,072
2012-2013	6,306	-	813	5,493
2011-2012	5,248	-	5,248	-
Total	<u>\$ 191,120</u>	<u>\$ 4,547,188</u>	<u>\$ 4,562,532</u>	<u>175,776</u>

Less allowance for uncollectible ad valorem taxes receivable:

Fire Districts Fund	<u>(100,234)</u>
Fire districts taxes receivable - net	<u>\$ 75,542</u>

Reconciliation of Revenues with Collections and Credits:

Taxes - ad valorem - Fire Districts Fund	\$ 4,581,576
Taxes written off	4,763
Interest collected	(24,352)
Miscellaneous adjustments	<u>545</u>
Total collections and credits	<u>\$ 4,562,532</u>

MACON COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - FIRE DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Amount of Levy</u>
Original Levy:	
Franklin Fire District	\$ 910,859
Clarks Chapel Fire District	346,728
Otto Fire District	507,917
Cullasaja Fire District	263,909
West Macon Fire District	325,296
Scaly Mountain Fire District	155,340
Burningtown / Iotla Fire District	239,976
Cowee Fire District	335,896
Nantahala Fire District	233,563
Highlands Fire District	1,088,092
Mountain Valley Fire District	<u>139,612</u>
Net Levy	4,547,188
Less uncollected taxes at June 30, 2022	<u>56,406</u>
Current Year's Taxes Collected	<u>\$ 4,490,782</u>
Current Levy Collection Percentage	<u>98.76%</u>

STATISTICAL SECTION

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

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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Table 1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 18,778,181	\$ 19,311,971	\$ 21,124,267	\$ 21,305,117	\$ 22,606,474	\$ 22,973,499	\$ 22,785,923	\$ 23,024,724	\$ 22,424,684	\$ 21,530,233
Restricted	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573	8,437,616
Unrestricted	(24,500,469)	(21,296,259)	(21,627,391)	(19,083,032)	(19,517,194)	(47,699,311)	(48,719,428)	(50,571,560)	(51,044,893)	(46,379,410)
Total governmental activities net position	\$ 4,258,092	\$ 4,887,970	\$ 5,265,939	\$ 7,500,577	\$ 8,917,957	\$ (18,957,930)	\$ (19,507,729)	\$ (21,076,284)	\$ (21,100,636)	\$ (16,411,561)
Business-type activities										
Net investment in capital assets	\$ 2,103,456	\$ 2,108,104	\$ 3,599,088	\$ 3,434,779	\$ 3,522,725	\$ 4,292,729	\$ 5,099,569	\$ 6,191,482	\$ 7,204,226	\$ 7,357,451
Unrestricted	3,140,097	1,295,966	(288,998)	634,732	1,925,721	(279,241)	(1,697,225)	1,443,970	411,206	(18,850)
Total business-type activities net position	\$ 5,243,553	\$ 3,404,070	\$ 3,310,090	\$ 4,069,511	\$ 5,448,446	\$ 4,013,488	\$ 3,402,344	\$ 7,635,452	\$ 7,615,432	\$ 7,338,601
Primary government										
Net investment in capital assets	\$ 20,881,637	\$ 21,420,075	\$ 24,723,355	\$ 24,739,896	\$ 26,129,199	\$ 27,266,228	\$ 27,885,492	\$ 29,216,206	\$ 29,628,910	\$ 28,887,684
Restricted	9,980,380	6,872,258	5,769,063	5,278,492	5,828,677	5,767,882	6,425,776	6,470,552	7,519,573	8,437,616
Unrestricted	(21,360,372)	(20,000,293)	(21,916,389)	(18,448,300)	(17,591,473)	(47,978,552)	(50,416,653)	(49,127,590)	(50,633,687)	(46,398,260)
Total primary government net position	\$ 9,501,645	\$ 8,292,040	\$ 8,576,029	\$ 11,570,088	\$ 14,366,403	\$ (14,944,442)	\$ (16,105,385)	\$ (13,440,832)	\$ (13,485,204)	\$ (9,072,960)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 11,086,204	\$ 10,931,162	\$ 11,201,551	\$ 10,966,331	\$ 12,736,757	\$ 12,811,722	\$ 15,128,363	\$ 14,294,811	\$ 16,345,979	\$ 13,345,895
Public safety	13,874,996	14,102,327	13,880,745	14,726,992	16,582,492	16,774,121	16,494,724	20,316,737	20,777,369	19,234,772
Transportation	781,330	1,037,139	1,222,986	881,675	974,256	968,563	1,209,095	1,014,124	1,118,357	1,060,591
Economic development	5,083,894	2,636,486	3,426,980	2,345,645	3,531,296	3,210,161	2,335,493	2,529,161	3,208,328	3,574,303
Human Services	10,369,682	10,752,050	10,118,181	10,933,958	11,807,685	10,447,531	10,632,450	11,021,630	12,046,235	10,520,367
Culture and recreation	2,400,236	2,736,037	2,486,997	2,751,655	3,269,138	3,484,859	2,045,243	2,983,597	3,283,056	3,364,946
Education	11,698,110	9,779,742	8,939,212	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340	18,666,457
Interest on long-term debt	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	744,342	823,020
Total governmental activities expenses	\$ 57,162,856	\$ 53,333,870	\$ 52,455,256	\$ 55,106,692	\$ 58,488,330	\$ 57,439,952	\$ 60,677,281	\$ 64,966,538	\$ 69,218,306	\$ 70,590,351
Business-type activities:										
Solid Waste	3,093,050	5,320,092	3,491,676	2,851,060	3,095,465	4,103,556	5,213,081	4,236,713	5,523,433	6,010,083
Total business-type activities expenses	\$ 3,093,050	\$ 5,320,092	\$ 3,491,676	\$ 2,851,060	\$ 3,095,465	\$ 4,103,556	\$ 5,213,081	\$ 4,236,713	\$ 5,523,433	\$ 6,010,083
Total primary government expenses	\$ 60,255,906	\$ 58,653,962	\$ 55,946,932	\$ 57,957,752	\$ 61,583,795	\$ 61,543,508	\$ 65,890,362	\$ 69,203,251	\$ 74,741,739	\$ 76,600,434
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,271,567	\$ 1,340,914	\$ 1,366,746	\$ 1,466,218	\$ 1,551,834	\$ 1,963,765	\$ 1,346,353	\$ 1,422,557	\$ 2,396,275	\$ 2,177,953
Public Safety	1,720,635	1,713,989	1,835,759	2,233,562	2,435,643	2,334,702	2,453,626	2,673,219	2,725,508	2,855,284
Transportation	506,736	629,929	65,941	62,232	69,766	125,210	159,903	130,192	85,638	98,778
Economic Development	519,738	800,254	1,072,805	1,167,074	1,168,345	890,230	90,552	110,782	168,802	189,418
Human Services	-	-	-	-	1,168,345	890,230	1,121,223	700,901	973,479	728,606
Culture and recreation	-	-	-	-	60,137	60,137	53,126	36,266	40,789	55,046
Education	133,505	-	-	-	49,695	-	-	-	-	3,766
Operating grants and contributions	9,918,241	10,645,509	9,674,198	10,591,738	11,564,903	10,206,890	9,893,267	9,969,610	10,501,362	12,112,974
Capital grants and contributions	3,329,169	1,206,665	1,688,310	863,822	1,303,437	1,469,947	263,163	235,664	175,563	30,023
Total governmental activities program revenues	\$ 17,399,591	\$ 16,337,260	\$ 15,703,759	\$ 16,384,646	\$ 18,143,623	\$ 17,128,372	\$ 15,381,213	\$ 15,279,191	\$ 17,067,416	\$ 18,251,848
Business-type activities:										
Charges for services:										
Solid Waste	3,388,477	3,470,358	3,489,389	3,577,947	4,410,967	4,517,245	4,444,973	4,468,721	5,171,154	5,560,226
Capital grants and contributions	-	-	-	-	-	-	-	-	320,000	-
Total business-type activities program revenues	\$ 3,388,477	\$ 3,470,358	\$ 3,489,389	\$ 3,577,947	\$ 4,410,967	\$ 4,517,245	\$ 4,444,973	\$ 4,468,721	\$ 5,491,154	\$ 5,560,226
Total primary government program revenues	\$ 20,788,068	\$ 19,807,618	\$ 19,193,148	\$ 19,962,593	\$ 22,554,594	\$ 21,645,617	\$ 19,826,186	\$ 19,747,912	\$ 22,558,570	\$ 23,812,074
Net (expense)/revenue	\$ (39,763,265)	\$ (36,996,610)	\$ (36,751,497)	\$ (38,722,046)	\$ (40,344,707)	\$ (40,311,580)	\$ (45,296,068)	\$ (49,687,347)	\$ (52,150,890)	\$ (52,338,503)
Governmental activities	295,427	(1,849,734)	(2,287)	726,887	1,315,502	413,689	(768,108)	232,008	(32,279)	(449,857)
Business-type activities	\$ (39,467,838)	\$ (38,846,344)	\$ (36,753,784)	\$ (37,995,159)	\$ (39,029,205)	\$ (39,897,891)	\$ (46,064,176)	\$ (49,455,339)	\$ (52,183,169)	\$ (52,788,360)

Table 2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Taxes										
Property taxes	\$ 28,912,689	\$ 29,537,857	\$ 29,532,608	\$ 31,114,435	\$ 31,449,572	\$ 31,761,629	\$ 31,967,564	\$ 34,760,708	\$ 35,465,402	\$ 38,345,888
Sales taxes	7,793,227	7,682,198	8,196,063	8,628,868	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746	15,890,574
Occupancy taxes	-	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021	2,367,722
Unrestricted intergovernmental revenues	357,318	357,068	330,950	393,453	380,677	417,271	431,018	445,277	452,144	468,586
Investment earnings	62,754	49,365	47,358	88,299	174,298	433,676	829,678	578,133	90,657	114,503
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 37,125,988	\$ 37,626,488	\$ 38,761,406	\$ 40,956,684	\$ 42,188,749	\$ 43,410,742	\$ 44,746,269	\$ 48,118,792	\$ 52,033,970	\$ 57,027,578
Business-type activities:										
Investment earnings	13,541	10,251	9,110	32,534	63,433	95,295	156,964	111,642	12,259	13,331
Transfers	-	-	-	-	-	-	-	-	-	159,695
Special Item	-	-	-	-	-	-	-	3,889,458	-	-
Total business-type activities	\$ 13,541	\$ 10,251	\$ 9,110	\$ 32,534	\$ 63,433	\$ 95,295	\$ 156,964	\$ 4,001,100	\$ 12,259	\$ 173,026
Total primary government	\$ 37,139,529	\$ 37,636,739	\$ 38,770,516	\$ 40,989,218	\$ 42,252,182	\$ 43,506,037	\$ 44,903,233	\$ 52,119,892	\$ 52,046,229	\$ 57,200,604
Change in Net Position										
Governmental activities	\$ (2,637,277)	\$ 629,878	\$ 2,009,909	\$ 2,234,638	\$ 1,844,042	\$ 3,099,162	\$ (549,799)	\$ (1,568,555)	\$ (116,920)	\$ 4,689,075
Business-type activities	308,968	(1,839,483)	6,823	759,421	1,378,935	508,984	(611,144)	4,233,108	(20,020)	(276,831)
Total primary government	\$ (2,328,309)	\$ (1,209,605)	\$ 2,016,732	\$ 2,994,059	\$ 3,222,977	\$ 3,608,146	\$ (1,160,943)	\$ 2,664,553	\$ (136,940)	\$ 4,412,244

Table 3

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2013	\$ 26,149,786	\$ 6,243,883	\$ 92,557	\$ 13,211	\$ 32,499,437
2014	26,792,489	6,152,792	89,219	11,602	33,046,102
2015	26,754,756	6,546,506	90,362	11,239	33,402,863
2016	28,070,448	6,869,814	87,137	11,367	35,038,766
2017	28,339,871	7,475,131	85,943	11,715	35,912,660
2018	28,337,614	7,904,155	82,001	12,166	36,335,936
2019	28,456,704	8,383,227	77,870	12,786	36,930,587
2020	30,504,822	8,825,877	75,888	13,813	39,420,400
2021	31,216,927	11,125,535	75,210	15,805	42,433,477
2022	33,855,016	12,673,177	75,377	16,914	46,620,484

Table 4

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Non Spendable	\$ 311,383	\$ 286,403	\$ 327,791	\$ 276,961	\$ 313,233	\$ 263,820	\$ 397,881	\$ 680,502	\$ 615,606	\$ 459,088
Restricted	5,338,833	4,003,939	3,867,071	3,673,688	4,085,994	3,964,853	4,685,531	4,638,471	5,130,375	5,741,639
Assigned	2,121,220	566,642	-	-	-	1,050,000	250,000	702,312	8,490	-
Unassigned	12,842,335	15,260,538	17,800,369	21,487,698	21,811,244	23,382,076	23,951,465	25,475,900	32,122,385	37,844,632
Total General Fund	\$ 20,613,771	\$ 20,117,522	\$ 21,995,231	\$ 25,438,347	\$ 26,210,471	\$ 28,660,749	\$ 29,294,877	\$ 31,497,185	\$ 37,876,856	\$ 44,045,359
All other governmental funds										
Assigned in Debt Service	1,022,379	354,003	13,355	262,427	335,334	443,117	659,532	928,423	1,826,667	3,285,024
Restricted in Debt Service	-	430,358	598,000	395,347	328,238	338,417	349,223	296,988	404,995	468,188
Restricted Other Governmental Funds	2,401,394	2,727,815	1,303,992	1,209,457	1,363,601	1,419,558	2,190,056	1,453,726	1,919,831	2,139,276
Restricted in Capital Project	2,240,153	-	-	-	-	-	-	-	9,555,733	1,000,193
Non Spendable-Other Governmental Funds	-	-	-	-	-	-	-	-	8,171	-
Committed in Other Governmental Funds	1,337,859	2,457,367	2,263,753	2,768,506	3,402,254	2,920,606	2,723,933	2,484,905	1,279,033	2,089,356
Committed in Capital Project	93,037	-	-	-	-	-	-	-	441,925	3,122,177
Unassigned Other Governmental Funds	(1,622,132)	(641,321)	(460,100)	(451,610)	(435,642)	(458,451)	(478,827)	(455,060)	(616,438)	(748,163)
Unassigned in Capital Project	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 5,472,690	\$ 5,328,222	\$ 3,719,000	\$ 4,184,127	\$ 4,993,785	\$ 4,663,247	\$ 5,443,917	\$ 4,708,982	\$ 14,819,917	\$ 11,356,051

Table 5

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Ad Valorem Taxes	\$ 28,888,191	\$ 29,677,722	\$ 29,705,026	\$ 31,257,153	\$ 31,597,799	\$ 31,782,244	\$ 31,918,809	\$ 34,731,989	\$ 35,563,771	\$ 38,436,592
Sales Taxes	7,793,227	7,682,198	8,196,063	8,628,888	9,358,857	9,892,943	10,506,182	11,062,077	13,915,746	15,890,574
Intergovernmental revenues	13,604,728	12,209,242	11,693,458	11,849,013	13,249,017	11,865,783	10,564,828	10,650,551	11,122,955	12,611,583
Sales & Services	2,436,510	2,391,080	2,619,721	3,031,340	3,177,950	2,895,491	2,953,579	2,880,918	3,209,117	3,287,251
Permits & Fees	1,409,574	1,520,280	1,036,576	1,161,104	1,302,607	1,245,734	1,285,649	1,344,832	2,130,509	1,977,296
Investment earnings	61,031	49,112	47,116	86,955	172,914	430,777	824,308	571,945	90,573	113,721
Occupancy taxes	-	-	654,427	731,629	825,345	905,223	1,011,827	1,272,597	2,110,021	2,367,722
Miscellaneous	358,493	303,346	246,020	178,396	259,707	580,114	288,176	505,620	505,332	401,105
Total revenues	<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>	<u>68,648,024</u>	<u>75,085,844</u>
Expenditures										
General government	7,000,158	6,801,431	6,339,866	6,990,415	7,480,097	8,669,443	9,123,663	9,199,381	10,708,064	8,857,399
Public safety	14,673,633	14,394,778	14,970,769	15,052,945	16,195,258	17,308,314	17,437,977	19,524,167	18,681,740	21,654,256
Transportation	748,894	1,016,489	1,228,966	1,073,513	1,262,628	895,088	1,325,908	967,961	943,651	1,033,084
Economic and physical development	5,088,994	2,690,058	3,488,428	2,354,367	3,518,186	3,218,492	2,354,295	2,534,701	3,136,733	3,652,596
Human Services	10,786,673	10,982,350	10,839,675	11,521,443	11,860,281	10,828,367	11,283,006	10,885,159	10,999,647	11,816,984
Culture and recreation	2,710,790	2,601,267	8,939,212	3,209,470	2,905,152	2,935,178	2,363,042	2,436,949	2,712,926	2,929,473
Education	8,294,839	9,779,742	4,880,360	11,416,007	8,596,489	8,875,771	12,005,306	12,025,506	11,698,340	18,666,457
Capital Projects	3,403,271	-	-	-	-	-	-	-	-	-
Debt service	4,927,727	4,848,655	3,864,040	3,299,504	4,854,106	3,018,890	3,039,148	3,136,604	2,924,149	2,728,227
Principal repayments	-	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-	-
Interest	1,868,404	1,358,927	1,178,604	1,084,429	990,217	867,224	826,607	780,972	730,577	995,833
Total expenditures	<u>59,503,383</u>	<u>54,473,697</u>	<u>55,729,920</u>	<u>56,002,093</u>	<u>57,662,414</u>	<u>56,616,767</u>	<u>59,758,952</u>	<u>61,491,400</u>	<u>62,885,786</u>	<u>72,334,309</u>
Revenues over (under) expenditures	(4,951,629)	(640,717)	(1,531,513)	922,365	2,281,782	2,981,542	(405,594)	1,529,129	5,762,238	2,751,535
Other financing sources (uses)										
Issuance of long-term debt	3,374,000	-	1,800,000	2,985,878	-	-	2,923,674	-	19,320,000	-
Premium on long-term debt issued	-	-	-	-	-	-	-	-	2,381,364	-
Payments to escrow agent for refunded debt	-	-	-	-	-	-	-	-	(11,003,808)	-
Lease liabilities issued	-	-	-	-	-	-	-	-	-	174,553
Transfers in	5,987,522	5,940,418	4,688,283	4,212,245	6,268,528	4,087,227	3,842,108	5,144,874	4,392,285	9,474,640
Transfers (out)	(5,987,522)	(5,940,418)	(4,688,283)	(4,212,245)	(6,968,528)	(4,949,029)	(4,945,390)	(5,206,630)	(4,454,041)	(9,696,091)
Total other financing sources (uses)	<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>	<u>10,635,800</u>	<u>(46,898)</u>
Net change in fund balances	<u>\$ (1,577,629)</u>	<u>\$ (640,717)</u>	<u>\$ 268,487</u>	<u>\$ 3,908,243</u>	<u>\$ 1,581,782</u>	<u>\$ 2,119,740</u>	<u>\$ 1,414,798</u>	<u>\$ 1,467,373</u>	<u>\$ 16,398,038</u>	<u>\$ 2,704,637</u>
Debt service as a percentage of noncapital expenditures	11.9%	11.6%	9.7%	8.0%	10.4%	7.1%	6.7%	6.6%	5.9%	5.2%

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

Fiscal Year Ended	Real Property		Personal Property		Total Taxable		Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Co. Property	Assessed Value	Public Svc Co. Property			
2013	\$ 8,313,378,529	\$ 627,278,460	\$ 271,119,713	\$ 118,000,717	\$ 9,329,777,419	\$ 9,329,777,419	0.2790	\$ 7,315,374,325	127.54%
2014	8,226,560,114	638,500,225	483,874,786	128,362,366	9,477,297,491	9,477,297,491	0.2790	7,206,069,642	131.52%
2015	8,276,107,442	640,810,350	425,711,597	130,015,771	9,472,645,160	9,472,645,160	0.2790	7,253,364,986	130.60%
2016	6,598,718,966	774,012,560	424,445,265	148,232,092	7,945,408,883	7,945,408,883	0.3490	7,699,693,479	103.19%
2017	6,684,131,480	710,955,810	452,221,880	156,087,966	8,003,397,136	8,003,397,136	0.3490	7,721,724,498	103.65%
2018	6,734,166,797	703,158,560	457,449,715	158,978,797	8,053,753,869	8,053,753,869	0.3490	7,683,414,581	104.82%
2019	6,737,815,936	749,821,559	483,978,551	162,970,201	8,134,586,247	8,134,586,247	0.3490	7,795,451,607	104.35%
2020	6,734,571,033	728,008,990	488,645,357	169,344,809	8,120,570,189	8,120,570,189	0.3747	8,107,502,402	100.16%
2021	6,448,116,725	1,071,450,830	561,673,699	173,065,385	8,254,306,639	8,254,306,639	0.3747	8,546,600,372	96.58%
2022	6,531,028,746	1,086,592,590	596,507,750	183,348,500	8,397,477,586	8,397,477,586	0.4000	8,687,644,927	96.66%

Source: Macon County Tax Department

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

Table 7

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

Year	County Direct Rate		Overlapping Rates	
	MACON Total Millage		FRANKLIN Total Millage	HIGHLANDS Total Millage
2013	0.2790		0.250	0.1350
2014	0.2790		0.250	0.1350
2015	0.2790		0.270	0.1500
2016	0.3490		0.280	0.1640
2017	0.3490		0.280	0.1640
2018	0.3490		0.320	0.1640
2019	0.3490		0.320	0.1640
2020	0.3747		0.320	0.1565
2021	0.3747		0.320	0.1565
2022	0.4000		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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Carolinas, LLC	\$ 150,691,509	1	1.79%	\$ 87,217,045	1	0.93%
Old Edwards Inn & Spa LLC	42,191,505	2	0.50%	52,520,957	2	0.56%
Drake	27,693,837	3	0.33%	47,710,480	3	0.51%
Highlands Golf/Country Club	26,251,001	4	0.31%	24,128,847	4	0.26%
HCA Angel Medical, Highlands Cashiers	20,161,482	5	0.24%	22,980,890	5	0.25%
Cullasaja Club Inc	18,979,132	6	0.23%	21,083,580	6	0.23%
Ingles Markets Inc	16,514,116	7	0.20%	17,831,182	7	0.19%
Beasley Flooring Products	16,298,309	8	0.19%	17,044,960	8	0.18%
Wildcat Cliffs Country Club	15,777,336	9	0.19%	16,152,470	9	0.17%
Sagee Property Investments	15,647,780	10	0.19%	15,839,917	10	0.17%
Totals	\$ 350,206,007		4.17%	\$ 322,510,328		3.46%
Total Taxable Assessed Value	\$ 8,397,477,586			\$ 9,329,777,419		

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
2013	\$ 26,048,336	\$ 25,098,148	96.35%	\$ 916,834	\$ 26,014,982	99.87%
2014	26,441,660	25,705,256	97.21%	695,882	26,401,138	99.85%
2015	26,428,680	25,818,391	97.69%	564,895	26,383,286	99.83%
2016	27,729,477	27,244,243	98.25%	439,120	27,683,363	99.83%
2017	27,931,856	27,506,161	98.48%	369,088	27,875,249	99.80%
2018	28,107,601	27,656,763	98.40%	374,576	28,031,339	99.73%
2019	28,389,706	27,927,674	98.37%	369,573	28,297,247	99.67%
2020	30,407,062	29,927,608	98.42%	356,645	30,284,253	99.60%
2021	30,928,764	30,510,957	98.65%	251,080	30,762,037	99.46%
2022	33,566,407	33,229,757	99.00%	-	33,229,757	99.00%

Table 10

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

Fiscal Year	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Limited Obligation Bonds	Installment Contracts	Unamortized Premium	Special Obligation Bonds	General Obligation Bonds	Installment Contracts	Capital Leases			
2013	\$ -	\$ 40,899,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,899,552	3.71%	1,193
2014	-	36,050,897	-	-	-	-	-	36,050,897	3.14%	1,048
2015	-	33,986,857	-	-	-	-	-	33,986,857	2.85%	985
2016	-	33,673,231	-	9,800,000	-	-	-	43,473,231	3.44%	1,247
2017	-	28,819,125	-	8,902,964	-	-	-	37,722,089	2.82%	1,076
2018	-	25,800,235	-	7,996,638	-	-	-	33,796,873	2.42%	949
2019	-	25,684,761	-	7,070,470	-	-	-	32,755,231	2.24%	907
2020	-	22,548,157	-	6,124,471	-	-	-	28,672,628	1.79%	785
2021	19,320,000	8,620,200	2,349,721	5,161,073	-	-	-	35,450,994	N/A	956
2022	18,190,000	7,114,004	2,230,653	4,172,609	-	-	-	31,707,266	N/A	849

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.
Personal income for 2021 & 2022 is not available.

Table 11

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

Fiscal Year	Assessed Value	Gross General Obligation Bonded Debt	Net General Obligation Bonded Debt	Ratio Net General Obligation Bonded Debt to Assessed Value	Population	Net General Obligation Bonded Debt Per Capita
2013	\$ 9,329,777,419	\$ -	\$ -	0.00%	34,276	\$ -
2014	9,477,297,491	-	-	0.00%	34,385	-
2015	9,472,645,160	-	-	0.00%	34,494	-
2016	7,945,408,883	-	-	0.00%	34,851	-
2017	8,003,397,136	-	-	0.00%	35,047	-
2018	8,053,753,869	-	-	0.00%	35,596	-
2019	8,134,586,247	-	-	0.00%	36,101	-
2020	8,120,570,189	-	-	0.00%	36,544	-
2021	8,254,306,639	-	-	0.00%	37,102	-
2022	8,397,477,586	-	-	0.00%	37,347	-

Source: Population Estimate from LINC for years 2013-2016 and from NC Office of State Budget and Management for 2017-2022.
Assessed Value from Macon County Tax Department.

**Macon County
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022**

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	\$ 27,534,657	100.00%	\$ 27,534,657
Total Direct Debt	<u>27,534,657</u>		<u>27,534,657</u>
Overlapping Debt:			
Town of Franklin	628,560	11.29%	70,956
Town of Highlands	11,754,999	2.88%	338,357
Total Overlapping Debt	<u>12,383,559</u>		<u>409,313</u>
Total direct and overlapping debt	\$ <u>39,918,216</u>		\$ <u>27,943,970</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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 746,382,194	\$ 758,183,799	\$ 757,811,613	\$ 635,632,711	\$ 640,271,771	\$ 644,300,310	\$ 650,766,900	\$ 649,645,615	\$ 660,344,531	\$ 671,798,207
Total net debt applicable to limit	<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>	<u>35,450,994</u>	<u>31,707,266</u>
Legal debt margin	\$ 705,482,642	\$ 722,132,902	\$ 723,824,756	\$ 592,159,480	\$ 602,549,682	\$ 610,503,437	\$ 618,011,669	\$ 620,972,987	\$ 624,893,537	\$ 640,090,941
Total net debt applicable to the limit as a percentage of debt limit	5.48%	4.75%	4.48%	6.84%	5.89%	5.25%	5.03%	4.41%	5.37%	4.72%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	\$ 8,397,477,586
Add back: exempt real property	-
Total assessed value	<u>\$ 8,397,477,586</u>
Debt Limit (8% of total assessed value)	\$ 671,798,207
Debt applicable to limit:	
Installment Contracts	7,114,004
Limited Obligation Bonds	18,190,000
Special Obligation Bonds	4,172,609
Unamortized Premium	2,230,653
Legal debt margin	<u>\$ 640,090,941</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
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	1,604,020,000	43,893	49.0	4,507	6.6
2021	37,102	N/A	N/A	49.2	4,312	4.2
2022	37,347	N/A	N/A	49.6	4,412	3.8

Note: Population for 2017-2022 and median age for 2013-2022 is from N C Office of State Budget and Management.

Personal income from 2013-2020 obtained from Bureau of Economic Analysis.

Personal income for 2021 & 2022 is not available.

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

Unemployment rate for 2013-2022 and population for 2013-2016 is from LINC.

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

Table 15

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Macon County Public Schools	680	1	4.26%	679	1	4.16%
Macon County	643	2	4.03%	507	3	3.11%
Drake Software, Inc.*	587	3	3.68%	677	2	4.15%
Ingles Markets, Inc.	326	4	2.04%	180	8	1.10%
Wal-Mart Associates Inc.	276	5	1.73%	255	5	1.56%
Mission Health (formerly Angel Medical Center)	202	6	1.27%	473	4	2.90%
Drake Enterprises, Inc.	160	7	1.00%			
Lowe's Home Centers Inc.	127	8	0.80%			
Madison's	109	9	0.68%			
Beasley Flooring Products, Inc. (formerly Shaw Industries Group Inc.)	107	10	0.67%	165	10	1.01%
Highlands-Cashiers Hospital				250	6	1.53%
Caterpillar Inc.				207	7	1.27%
Entegra Bank (formerly Macon Bank)				180	9	1.10%
Total	<u>3,217</u>		<u>20.16%</u>	<u>3,573</u>		<u>21.89%</u>

Total Labor Force estimate **15,966**

16,317

Source: Employers' Human Resource Departments
* Formerly part of Drake Enterprises LTD (A Corp)

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

Table 16

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	97.0	97.5	98.5	97.0	98.0	97.0	95.0	99.0	95.0	86.0
Public Safety	159.0	161.0	162.4	163.0	172.0	181.0	180.0	180.0	185.0	185.0
Human Services	110.0	111.0	115.0	121.0	123.0	123.0	124.0	124.0	114.0	105.0
Culture and Recreation	10.0	11.5	12.0	12.0	12.0	11.0	11.0	12.0	15.0	16.0
Economic and Physical Development	-	-	-	-	-	-	-	-	-	-
Transportation	15.5	17.0	16.8	16.0	17.0	18.0	18.0	16.0	15.0	17.0
Landfill	35.5	36.0	35.0	35.0	36.0	37.0	36.0	36.0	36.0	37.0
Total	<u>427</u>	<u>434</u>	<u>440</u>	<u>444</u>	<u>458</u>	<u>467</u>	<u>464</u>	<u>467</u>	<u>460</u>	<u>446</u>

Source: Macon County Human Resource Department

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

Table 17

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Law Enforcement										
Physical arrests	1,303	1,232	1,278	1,442	1,917	1,926	1,842	2,048	1,563	1,462
Traffic violations	1,100	1,179	1,054	447	374	394	405	245	161	174
Fire										
Number of calls answered	3,791	4,244	4,571	4,626	5,068	5,873	5,161	4,549	4,737	4,906
Inspections	525	490	450	452	560	525	550	500	300	350
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	467	228	278	321	457	272	317	323	311	238
Number of Food & Nutrition cases eligible	3,091	3,043	2,763	2,622	2,410	2,075	2,038	2,099	2,362	2,432
Number of Medicaid eligible cases	4,557	4,491	5,885	5,675	7,397	5,577	5,432	5,590	6,088	6,377
Health										
Number of WIC cases	1,076	1,087	1,064	1,117	1,076	971	942	959	939	970
Number of family planning cases	585	526	558	737	648	442	421	583	535	260
Solid Waste										
Number of landfills	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Number of recreation parks	6	7	7	7	7	7	7	8	8	10
Number of libraries	3	3	3	3	3	3	3	3	3	3

Source: Various county departments.

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

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

Table 18

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police:										
Stations	3	4	4	6	6	5	5	5	6	6
Patrol units	45	45	57	56	56	55	55	55	55	56
Fire stations	16	16	17	18	20	20	20	20	20	22
Culture and recreation										
Parks acreage	401	401	401	401	401	401	401	407	407	407
Parks	6	7	7	7	7	7	7	8	8	10
Swimming pools	3	3	3	3	3	3	3	3	3	2
Tennis courts	6	6	6	6	6	6	6	6	6	7
Community centers	2	2	2	2	2	2	2	2	2	2
Landfill										
Number of municipal solid waste sites	2	2	2	2	2	2	2	2	2	2
Number of construction and demolition sites	-	-	-	-	-	-	-	-	-	-
Number of convenience centers	11	11	11	11	11	11	11	11	11	11

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

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