



# 2013

## COMPREHENSIVE ANNUAL **FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED

**JUNE 30, 2013**

HAYWOOD COUNTY

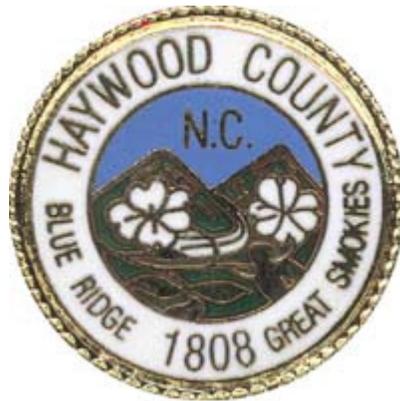
NORTH CAROLINA

# **HAYWOOD COUNTY, NORTH CAROLINA**

Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013



Prepared by: Finance Department

Finance Director: Julie H. Davis, CPA

# HAYWOOD COUNTY, NORTH CAROLINA

## Table of Contents

June 30, 2013

<b><u>Exhibits</u></b>	<b><u>Page(s)</u></b>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal .....	i-viii
Organizational Chart .....	ix
List of Principal Officials.....	x
Certificate of Achievement for Excellence in Financial Reporting.....	xi
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report .....	1-3
Management's Discussion and Analysis .....	4-14
Basic Financial Statements:	
<b>Government-wide Financial Statements:</b>	
"1" Statement of Net Position .....	15
"2" Statement of Activities .....	16-17
<b>Fund Financial Statements:</b>	
"3" Balance Sheet—Governmental Funds .....	18-19
"4" Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds .....	20-21
"5" Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund and Solid Waste Management Fund.....	22-25
"6" Statement of Fund Net Position—Proprietary Funds .....	26
"7" Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Funds .....	27
"8" Statement of Cash Flows—Proprietary Funds .....	28
"9" Statement of Fiduciary Assets and Liabilities—Fiduciary Funds .....	29
Notes to the Financial Statements .....	30-66

**Schedules**

**Page(s)**

Required Supplemental Financial Data:

“A-1” Law Enforcement Officers’ Special Separation Allowance–  
Schedule of Funding Progress .....67

“A-2” Law enforcement Officers’ Special Separation Allowance–  
Schedule of Employer Contributions .....68

“A-3” Other Postemployment Benefits–Schedule of Funding Progress.....69

“A-4” Other Postemployment Benefits–Schedule of Employer Contributions .....70

Combining and Individual Fund Statements and Schedules:

“B-1” Schedule of Revenues, Expenditures, and Changes in Fund  
Balance–General Fund–Budget and Actual ..... 71-85

“B-2” Schedule of Revenues, Expenditures, and Changes in Fund  
Balance–Solid Waste Fund–Budget and Actual .....86

“C-1” Combining Balance Sheet–Non-Major Governmental Funds.....87

“C-2” Combining Balance Sheet–Non-Major Special Revenue Funds..... 88-89

“C-3” Combining Balance Sheet–Non-Major Capital Project Funds.....90

“C-4” Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances–Non-Major Governmental Funds.....91

“C-5” Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances–Non-Major Special Revenue Funds..... 92-93

“C-6” Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances–Non-Major Capital Project Funds.....94

Schedules of Revenues, Expenditures, and Changes in Fund

Balance–Budget and Actual:

“D-1” Emergency Telephone Fund.....95

“D-2” Fire Districts Fund.....96

“D-3” Crisis Housing Assistance Fund.....97

“D-4” Sanitary District Fund .....98

“D-5” Road Service Fund .....99

“D-6” CDBG Scattered Site Project Fund .....100

“D-7” Major Fund–Capital Project Fund–Community College  
Project Fund..... 101-102

“D-8” Capital Project Fund–Water and Sewer Lines .....103

“D-9” Capital Project Fund–Solid Waste/Landfill ..... 104-105

“D-10” Capital Project Fund–Public Schools ADM/Lottery .....106

“D-11” Capital Project Fund–County Building Renovations .....107

<b>Schedules</b>	<b>Page(s)</b>
“E-1”	Combining Statement of Net Position-Internal Service Funds .....108
“E-2”	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position–Internal Service Funds.....109
“E-3”	Combining Statement of Cash Flows–Internal Service Funds.....110
“E-4”	Self Insurance Fund–Health Insurance–Schedule of Revenues and Expenditures–Financial Plan and Actual (Non-GAAP) .....111
“E-5”	Self Insurance Fund–Workers’ Compensation–Schedule of Revenues and Expenditures–Financial Plan and Actual (Non-GAAP).....112
“F-1”	Combining Statement of Changes in Fiduciary Assets and Liabilities–Agency Funds..... 113-114
“G-1”	Analysis of Current Tax Levy–County-Wide Levy .....115
“G-2”	Schedule of Ad Valorem Taxes Receivable .....116
“G-3”	Secondary Market Disclosures .....117

**STATISTICAL SECTION:**

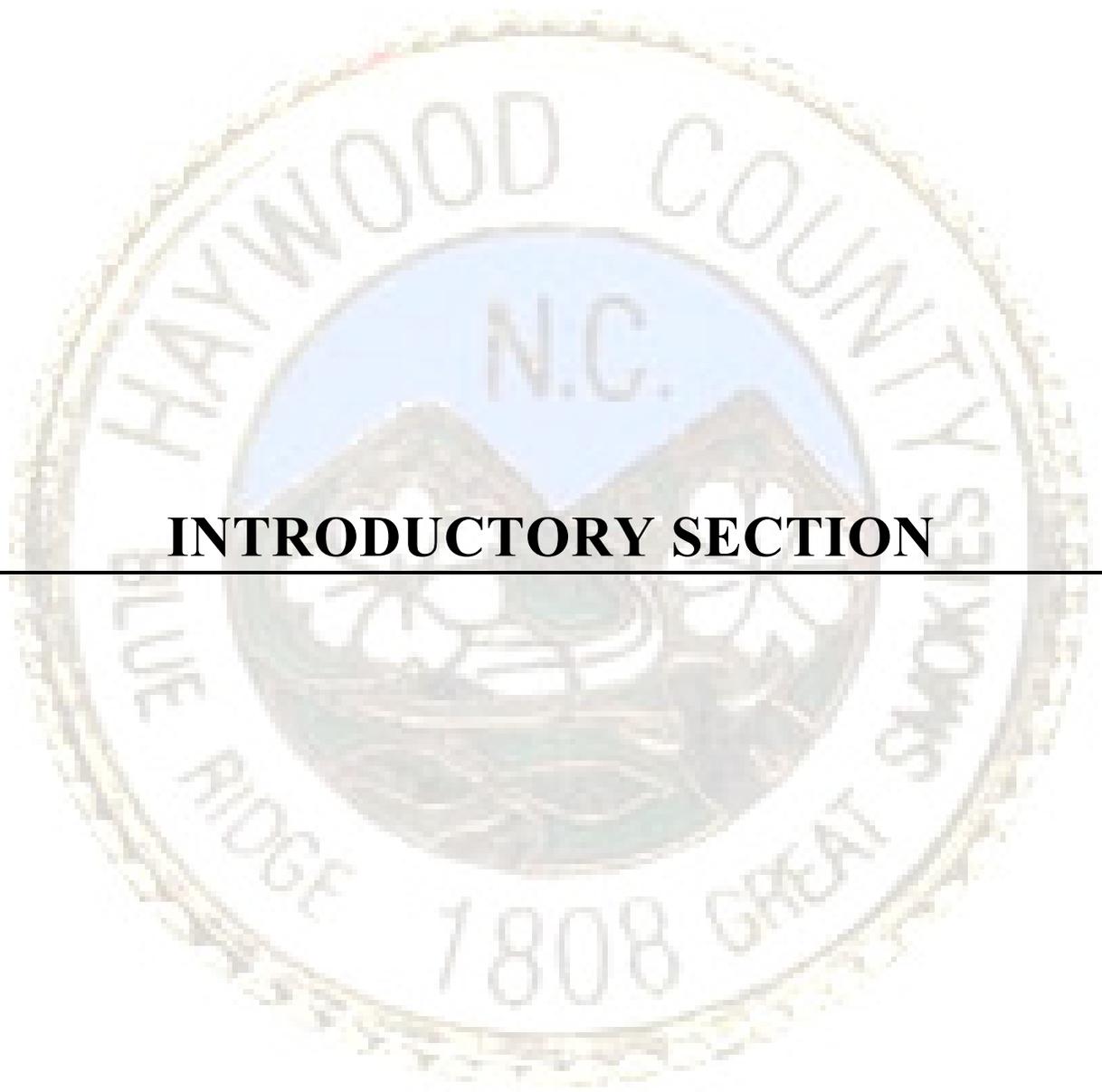
Changes in Net Position .....	118-121
Net Position by Component.....	122-123
Fund Balances, Governmental Funds.....	124-125
Changes in Fund Balances, Governmental Funds .....	126-129
Assessed Value of Taxable Property .....	130
Property Tax Rates–Direct and all Overlapping Governments .....	131-132
Principal Property Taxpayers .....	133-134
Property Tax Levies and Collections.....	135-136
Property Value and Construction .....	137
Ratio of Outstanding Debt by Type.....	138-139
Legal Debt Margin Information .....	140-141
Computation of Direct and Underlying Debt– Governmental Activities.....	142
Demographic Statistics .....	143
Ten Principal Employers .....	144
Full Time-Equivalent County Government Employees by Function.....	145
Operating Indicators by Function/Program .....	146-151
Capital Assets Statistics by Function/Program.....	152-155

**Schedules**

**Page(s)**

COMPLIANCE SECTION:

	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	156-157
	Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.....	158-160
	Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act .....	161-163
“H-1”	Schedule of Expenditures of Federal and State Awards.....	164-173
“H-2”	Schedule of Findings and Questioned Costs .....	174-176
“H-3”	Corrective Action Plan .....	177
“H-4”	Summary Schedule of Prior Year Audit Findings.....	178



**INTRODUCTORY SECTION**

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**Board of Commissioners:**  
**Mark S. Swanger, Chairman**  
**J. W. "Kirk" Kirkpatrick, III, Vice-Chairman**  
**Bill L. Upton**  
**L. Kevin Ensley**  
**Michael T. Sorrells**



**County Manager:**  
**Marty L. Stamey**

**County Attorney:**  
**Leon M. Killian**

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October 29, 2013

To the Board of County Commissioners and Citizens of  
Haywood County, North Carolina

We are pleased to present the Comprehensive Annual Financial Report ("CAFR") of Haywood County (the "County") for the fiscal year ended June 30, 2013. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the state publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Dixon Hughes Goodman LLP, and that firm's unqualified opinion is included in the Financial Section of this report. The report itself, however, is presented by the County, which assumes full responsibility for the completeness and reliability of the information presented, based upon a comprehensive framework of internal control that is maintained for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The goal of the independent audit is to provide reasonable assurance that the financial statements of Haywood County for the fiscal year ended June 30, 2013, are free of material misstatements.

This report is divided into four sections: the Introductory, Financial, Statistical, and Compliance Sections. The Introductory Section, which is unaudited, contains this letter of transmittal and information about the County's organization and principal officials, and the County's certificate of achievement award. The Financial Section is composed of the auditor's report; a narrative introduction, overview, and analysis in the form of Management's Discussion and Analysis; the basic financial statements, which include Government-Wide Financial Statements and Fund Financial Statements, as well as notes to the Financial Statements; and the combining and individual fund financial statements and schedules. 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. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and independent auditors' reports on internal control and compliance with applicable laws and regulations are presented in the Compliance Section of this document.

The financial reporting entity, in accordance with Government Accounting Standards Board, includes all the funds of the primary government (Haywood County), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The Haywood County Tourism Development Authority is reported as a discretely presented component unit. The Tourism Development Authority is reported in the financial statements in a manner similar to a Governmental Fund.

The Haywood County Industrial Facility and Pollution Control Financing Authority is also a component unit of Haywood County. The Corporation exists to issue revenue bond debt of private business for economic development purposes; however, it had no account balances and is, therefore, not reported in the financial statements. The Haywood County Financing Corporation is also a component unit of Haywood County. The Corporation has a board of directors consisting of not less than three persons nor more than five persons, all of which are appointed by the Haywood County Board of Commissioners. The corporation had no transactions or account balances and, therefore, is not reported in the financial statements.

### **Profile of the County**

Haywood County was established in 1808 during the legislative session of the General Assembly, when Representative Thomas Love of Buncombe County introduced a bill establishing a new county in the western portion of North Carolina. Haywood County was named for John Haywood, who served as State Treasurer of North Carolina from 1787 to 1827. The County has land area of 546 square miles, features 19 mountain peaks over 6,000 feet above sea level, 130,335 acres of national forest land and a current population of 60,152. There are four municipalities within the County, the largest being the Town of Waynesville, which serves as the county seat. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from the County at large on a partisan basis and serve four-year staggered terms. Commissioners hold policy-making and legislative authority. They are responsible for adopting the budget and appointing the County Manager. The Manager, in addition to serving as budget officer, is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides its citizens with a wide range of services that include public safety, sanitation, health and social services, cultural and recreational activities, general administration, and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their

efforts in serving citizens. Among these are the Haywood County Board of Education and Haywood Community College.

In government, the budget is an integral part of a unit's accounting system and daily operations. The annual budget serves as the foundation for Haywood County's financial planning and control. Annual budgets are adopted for the General and certain Special Revenue Funds. Multi-year project budgets are adopted for the Capital Projects Funds. Appropriations in the General Fund are made at the functional level, Special Revenue Funds and the Internal Service Fund appropriations are made at the departmental level, and the Capital Projects Fund appropriations are made at the object level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). Purchase orders that would create over-encumbrance at that level are not written until additional appropriations are available through departmental line item transfers approved by the Finance Director and County Manager. The County Manager is authorized by the budget ordinance to transfer appropriations between departments within a functional area; however, any revisions that alter total expenditures of any fund or that change functional appropriations must be approved by the governing board.

### **Local Economy**

Real estate property values did not decline in Haywood County during this latest recession as greatly as in other parts of the nation, but our recent tax revaluation did uncover neighborhood differences as very high valued homes declined in value, while modest and medium valued homes maintained values. Since July 2012, generally, homes have been selling within 3% of the tax values. Tourism appears to have recovered, with a 4.95% increase in tourism related activity from 2011 to 2012, and tracking the same for 2013. While the manufacturing industry declined over the past decade, the County still maintains a manufacturing base. Major industries in Haywood County include retail trade, government, medical, agriculture, and tourism. Key economic indicators are as follows:

- The local unemployment rate of 7.7%, a decrease from 8.5% at June 30, 2012, was below the state rate of 9.3%, and just below the national rate of 7.8% at June 30, 2013. In fact, Haywood County ranked 10<sup>th</sup> out of North Carolina's 100 counties in lowest unemployment rate.
- The number of commercial building permits obtained during the fiscal year ended June 30, 2013 increased 28%, while the value of that construction decreased 72% compared to the last fiscal year, indicating significantly smaller projects and renovations by small and/or family owned businesses. Residential building permits increased 19% in number of permits while the value of that construction increased 8% during the last fiscal year.
- The population of the County increased steadily over the past decade, with 2013 reflecting a 6% increase from 2004, while the per capita income reflected a 3.2% increase for the last year that information was available.

Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.38% of the County's total assessed valuation. Progress Energy owns 1.25 and Haywood Electric Membership owns 1.04% of assessed valuation. While no other taxpayer owns

more than 1.00%, one company, a utility company, owns .41% of the total valuation. The County is extremely fortunate to have such excellent corporate citizens; however, efforts to broaden the tax base continue.

### **Long-term Financial Planning**

County officials have identified several major needs to be addressed in the coming years, and have initiated a Capital Improvement Plan (“CIP”) where priorities have been identified and plans are being formulated to fund some of those priorities. The Board of County Commissioners believes that the taxpayer cannot assume any greater liability, and because of the decrease in local funding on the state and federal levels, management is exploring alternative methods to raise local revenues for these projects. For example, the need to expand the County’s landfill operation with the addition of another cell prompted the implementation of a business landfill availability fee as well as an increase in the household landfill fee charged to property owners in 2010. In addition, the solid waste management department has, with much taxpayer support, implemented new recycling goals and procedures that allow citizens to bring recyclables to any convenience center around the County for disposal in recycling bins. These recyclables, ultimately, are sorted and sold for additional revenue, which also alleviates the necessity for disposing of them in the landfill.

After much analysis of the entire solid waste management program, the County Commissioners determined multiple strategies that should save taxpayers money over the next few years, and, potentially, generate revenue over and above the operating costs of the programs. The first plan, that of privatizing the County’s convenience centers (trash drop off points) was implemented in June 2010 and saved approximately \$120,000 the first year.

The Commissioners decided that closing the transfer function of trash hauling at the County’s material recovery facility would create a more efficient, and less costly, program. However, plans to close the function proved costly for municipalities in the County, and by fall of 2012, a subsequent plan, which included reorganizing the transfer function to decrease transfer activity and implementing a payment to the towns for additional hauling costs went into effect. Included in this reorganization was a new, more functional, traffic pattern and upgraded recycling drop-off points which have created a much more efficient facility.

A master plan for Solid Waste Management was developed that will be implemented over a five year period that, in addition to redirecting traffic at the materials recovery facility, will include an automated sorting and recycling system, a change in the receptacles at each convenience center to allow easier disposal and hauling of recycled materials, and the automation of fiber recycling.

The Commissioners, by exploring alternatives to raising taxes to cover capital needs, have dedicated sales tax revenues collected in the county to cover the debt service for recent building projects, and, as recently vacated County buildings are sold, those revenues will be dedicated to renovations of other County properties for County program needs.

The County Commissioners plan to dedicate proceeds from land sales of other county owned properties, newly graded and marketed for industry development, to fund future economic development projects. Transfers are intended to be made to an Economic Development Capital Project Fund as projects are identified. A recent project involved the grading of a tract of land in the industrial park for future prospect development that is hoped to bring in companies and employment opportunities to the County. A total of \$421,935 county dollars were transferred into the Economic Development Capital Project Fund, to fund the project, now completed. The balance of money needed to complete the project came from Haywood Advancement Foundation, a North Carolina non-profit corporation, in the form of a loan of \$146,100 which will be paid back to Haywood Advancement Foundation at the time of the sale of the property. That amount, including interest at 4% per year, is expected to be paid from the proceeds of the sale.

County officials continue to undertake priority projects as funding is available and to seek additional funding for new projects. By consolidating the many capital improvement needs into a formal plan, long range implementation plans and funding plans can be established. The County Commissioners have indicated that any future capital projects should be funded by sources other than property taxes in an effort to lessen the burden on the county taxpayers.

### **Major Initiatives**

There have been many pressing needs within county government as aging buildings required maintenance and renovations, and growing services required additional space with which to operate. Throughout the past decade, County Commissioners have had opportunities to address these needs as sales tax revenues and property tax revenues have been dedicated to paying debt service for many projects within County Government. With the building projects such as a new courthouse, new jail and law enforcement center, renovation of the historic County Courthouse for administrative and functional offices, as well as the purchase and renovation of a vacated Wal-Mart building to provide adequate facilities for our social services, health, planning, erosion control and inspection departments (see below), many of these needs have been successfully addressed. This is all in addition to building a new elementary school and renovating other school buildings in the County, as well as building a new landfill cell for maintaining adequate space in the county landfill to accommodate the current and future needs, and completing major renovation projects as well as the building of a Platinum LEED Creative Crafts Center at the community college (see below).

In October 2010, the County closed on a \$12.5 million United States Department of Agriculture (“USDA”) loan made available through American Recovery and Reinvestment Act (“ARRA”) funds, and purchased a recently vacated Wal-Mart building to renovate for the relocation of the Departments of Social Services, Health and Central Permitting. The repayment of the debt over 40 years allows for a reduced annual debt service payment, a portion of which is expected to be covered by the collection of rent from a tenant, as well as reimbursement for depreciation for the social services portion of the building over approximately the same time frame. This relocation will lead to several improvements to service delivery in each department, some of which are significant improvements in technological capabilities. Haywood County Information

Technology supports over 500 computers, more than two dozen servers, and more than 40 specialized application systems. Almost half of these computers will be relocated to the newly renovated building. In addition to improved technology capabilities, an opportunity to reduce technology costs comes with co-locating these departments. A prime example is through a conversion to desktop virtualization, a process that will reduce costs for replacing computers by 75%. Virtualization will provide the social workers and health clinicians portability that will allow them to access data from any computer. The project was completed in March of 2012.

Another significant technology upgrade recently completed is implementation of our integrated computer aided dispatch (“CAD”) and mobile data information system (“MDIS”), which has improved the communications abilities of all public safety functions. Currently, Haywood County has four Public Safety Answering Points (“PSAP”) that receive and dispatch for all emergency and non-emergency fire, medical, and law enforcement incidents. Haywood County 9-1-1 is the primary PSAP that receives all incoming 9-1-1 calls. Now that the project is completed, all Haywood County PSAPs have interoperable communications through a unified computer aided dispatching, and mobile data system. This project was funded through the use of designated and approved Emergency Telephone System Funds for public safety use.

In October 2011, the County Commissioners concluded a two year long solid waste study by approving a 30-year agreement with Santek Environmental, Inc. for management of the County’s White Oak Landfill. Under this agreement, Santek Environmental, Inc. will not only manage the landfill, but cover the cost of building a public drop off station, a truck wheel wash, improvements to haul roads, and new truck scales, at a projected savings of \$1 million to county taxpayers. The monthly cost to the County is \$127,000. This public-private partnership included a provisions for the County to revise its landfill permit to accept garbage from 18 Western North Carolina counties, which was accomplished in March of this year. When the daily disposal amount reaches 396 tons, the contract includes an expanded management component whereby Santek Environmental, Inc. takes over complete management of the landfill operations, which will, then, include the costs associated with closure and post-closure of the landfill. At the expanded management commencement date, the County will begin receiving a 5% host fee for any out-of-county garbage disposed in the landfill. The agreement guarantees there will be space for Haywood County garbage for the next 30 years.

At an earlier constructed, but much smaller, County landfill, post-closure testing revealed that methane gas may be seeping out into the surrounding properties. While water monitoring and testing did not turn up any contamination, a decision was made to attempt to harness the methane gas for the generation of power at this landfill. A very successful two year, gas collection and flaring project was completed in June 2012 with grant funding of \$1 million from the United States Department of Energy through the North Carolina Department of Commerce. This \$1.2 million project has already generated credits back to the County on the power bill for this property.

The County Commission continued to demonstrate its commitment to quality education in Haywood County schools by spending \$14.3 million for current expense and \$250,000 for current capital outlay. The school board has renovated various school buildings and replaced or

repaired roofs by utilizing the ADM (Average Daily Membership) funds from the North Carolina School Capital Building Fund that requires a 25% County match. County funds provide approximately one-fourth of the operating budget for the schools, and the State of North Carolina provides the remainder. The school board is considered to be a separate reporting entity apart from the County, and a detailed discussion of its activities will not be included in this letter.

In addition to the public school projects, the County's emphasis on quality education includes major renovation projects at Haywood Community College. The beautiful campus of the community college is a tremendous asset to the County. However, aging buildings and the need for new programs and courses has created capital project requirements for the college in the form of building renovations and expansions. With the implementation of a new ¼ cent sales tax, dedicated by the Commissioners for Haywood Community College capital projects, construction began on a Creative Crafts building, renovations to the administrative and general education buildings, and upgrades to the waterline that runs through the campus. The Creative Crafts building, an \$11.1 million project, was completed the summer of 2013 and houses computer and multipurpose classrooms for film and video and other curriculum courses as well as housing the professional crafts programs, an important resource to the local economy. The project also replaces instructional space lost due to flooding in 2004 and provides for significant student growth and program expansion. This project included solar collectors for energy savings and was built to meet the guidelines for platinum Leadership in Energy and Environmental Design ("LEED") certification. When these projects are completed, other crucial projects on the campus are expected to be funded with the balance of any sales tax revenue since the sales tax collected annually has been in amounts greater than the debt service related to the current projects. Current planning is underway for an Emergency Services Training Base on the college property. During the fiscal year, the County Commissioners contributed \$2.1 million for operational expense and \$176,000 for capital outlay for the community college.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Haywood County for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of this report would not be possible without the professional team of dedicated individuals in the Finance Department. We would like to acknowledge Dixon Hughes Goodman LLP, Certified Public Accountants, for their assistance. The cooperation of each county department is appreciated as we work together in maintaining the County's financial operations. We especially thank the members of the County Commissioners for the continued support, guidance, and advice in planning and conducting the financial activities of the County in a responsible and progressive manner. Our excellent financial status reflects that involvement.

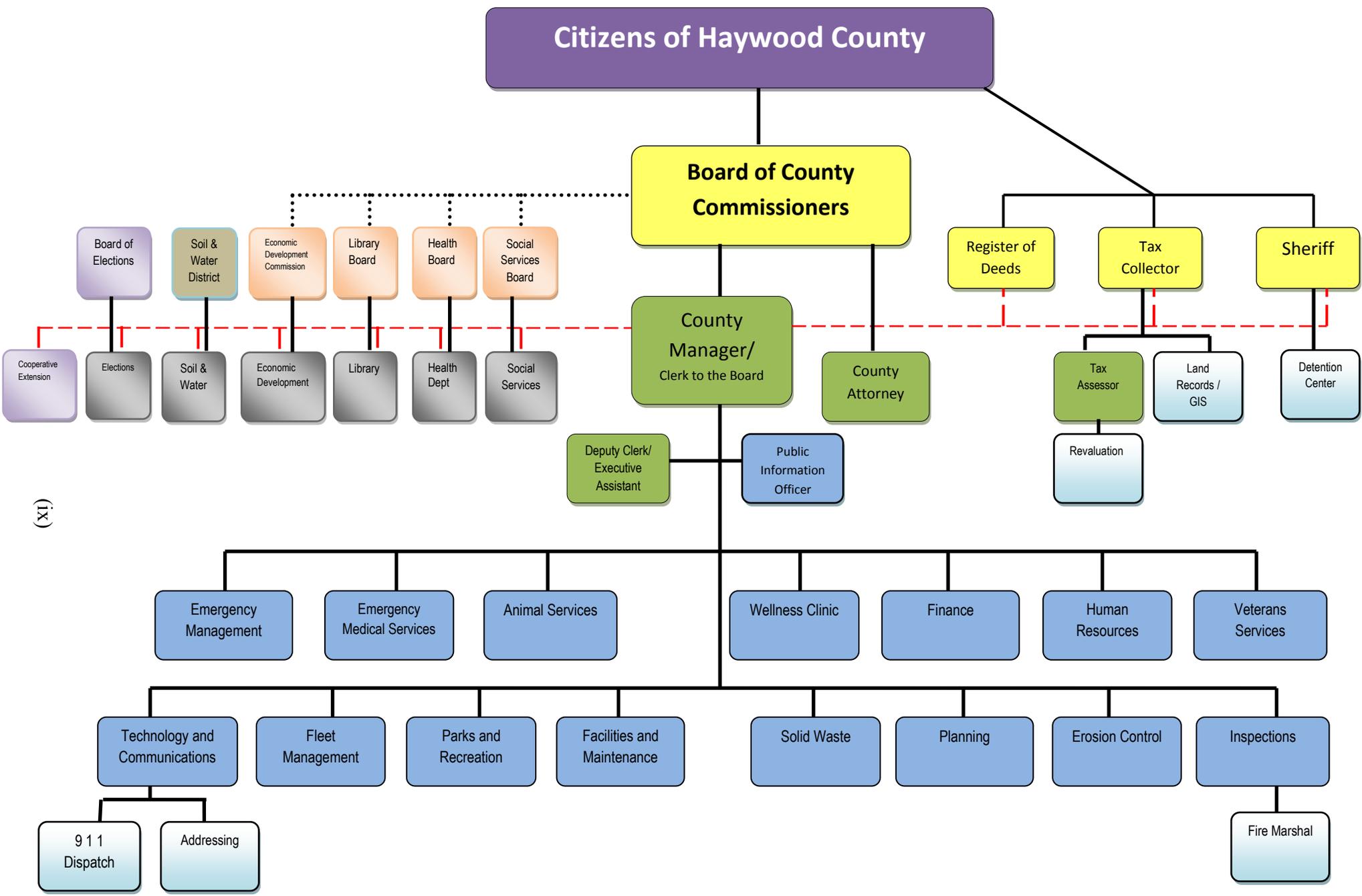
Respectfully submitted,



Marty L. Stamey  
County Manager



Julie H. Davis  
Finance Director



(ix)

- Indicates Elected Official
  - Indicates Independent Board
  - Indicates Appointment by State
  - Indicates Appointment by State and Other entities; no appointments by BOCC
- Indicates Appointed by Board of Commissioners
  - Indicates Direct Report to County Manager
  - Indicates Appointment by Independent Board of Directors
  - Indicates Direct Report to Department Director
- Indicates Report to County Manager for Budgetary Considerations
  - Indicates Various Appointments of Members to Independent Boards by Commissioners

**HAYWOOD COUNTY, NORTH CAROLINA**

List of Principal Officials

June 30, 2013

**Board of County Commissioners**

Mark S. Swanger, Chairman  
J. W. "Kirk" Kirkpatrick, III, Vice Chairman  
L. Kevin Ensley, Commissioner  
Bill L. Upton, Commissioner  
Michael T. Sorrells, Commissioner

**County Officials**

Marty L. Stamey, County Manager  
Julie H. Davis, CPA, Finance Director  
Judy Ballard, Tax Assessor  
David Francis, Tax Administrator  
Sherri Rogers, Register of Deeds  
Gregory Christopher, Sheriff  
Leon M. Killian, Attorney



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

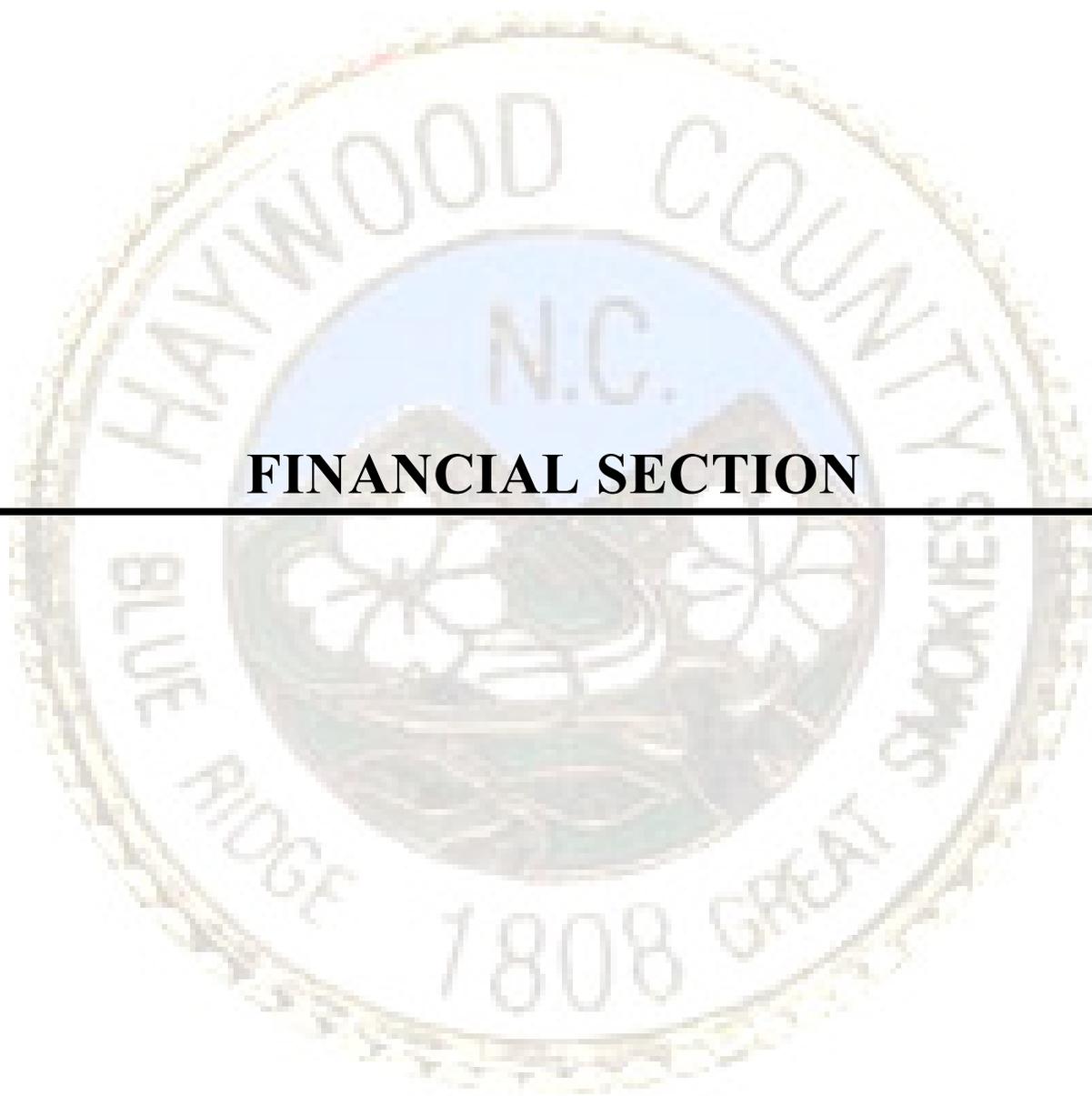
Presented to

**Haywood County  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



**FINANCIAL SECTION**

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**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

**- Independent Auditors' Report -**

To the Board of County Commissioners  
Haywood County, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina (the "County"), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, of Haywood County, North Carolina as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Solid Waste Management Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Others Matters**

*New Accounting Pronouncements*

As discussed in Note 11 to the financial statements, The County adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*, in 2013. Our opinion is not modified with respect to these changes.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on Pages 4 through 14 and 67 through 70 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haywood County, North Carolina, basic financial statements. The introductory section, combining and individual non-major fund statements, statistical section, budgetary schedules and other schedules, as well as the

accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133. *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, other schedules, and the accompanying Schedule of Expenditures of Federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013, on our consideration of Haywood County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Asheville, North Carolina  
October 29, 2013

*Dixon Hughes Goodman LLP*

# HAYWOOD COUNTY, NORTH CAROLINA

## Management's Discussion and Analysis

June 30, 2013

As management of Haywood County (the "County"), we offer readers of Haywood County's financial statements this narrative overview and analysis of the financial activities of Haywood County for the fiscal year ended June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and in the County's financial statements, which follow this narrative.

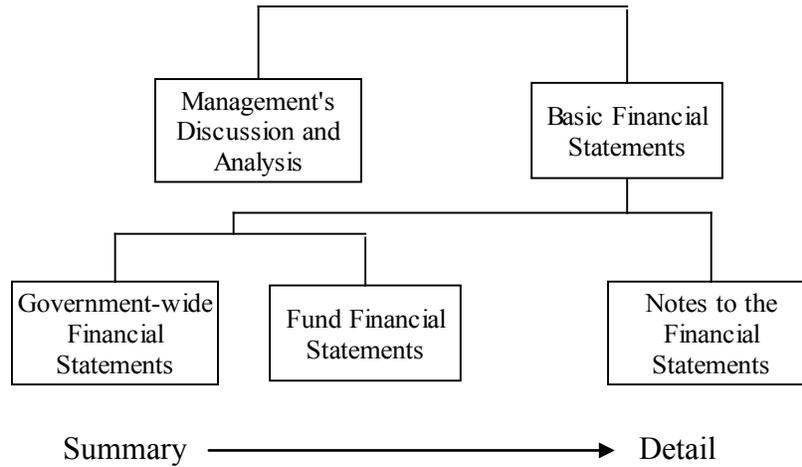
### Financial Highlights

- The assets and deferred outflows of resources of Haywood County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$18,621,194 (*net position*).
- The government's total net position increased by \$2,221,189, primarily due to a reduction in expenses as capital projects were completed.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$21,670,671, an increase of \$515,127 in comparison with the prior year. Approximately 43.2% of this total amount, or \$9,363,649, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,363,649 or 13.4% of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt decreased by \$3,484,139 (4%) during the current fiscal year. This is mainly due to the retirement of current debt of \$5.2 million without incurring new debt, notwithstanding the refunding of \$6.6 million in general obligation bonds.
- Haywood County's bond rating from Moody's Investor Service for the latest general obligation bond issue was A2, and was upgraded in 2011 to the Global Rating Scale of Aa3. Standard and Poor's issued a rating of A+ on the general obligation bond issue.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Haywood County's basic financial statements. The 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 (see 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 Haywood County.

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



The first two statements (Exhibits 1 and 2) 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 3 through 9) are **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**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County’s non-major 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 also can be found in this part of the statements.

Following the notes is the required supplemental 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 or resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gage the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. Business-type activities are those that an entity charges customers to provide. The County does not operate any business-type activities. The second category is the component units. Although legally separate from the County, the Haywood County Tourism Development Authority is important to the County because the County is financially accountable for the Board by appointing its members.

The government-wide financial statements are on Exhibits 1 and 2 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. Haywood 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 Haywood 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 moneys 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 government 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.

Haywood County maintains fourteen governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Solid Waste Management Special Revenue fund, and the Community College Projects fund, all of which are considered to be major funds. Data from the other eleven governmental funds are combined by type, with the remaining special revenue funds aggregated and presented separately, and the capital project funds aggregated and presented separately from the major funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Haywood 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 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** - Haywood County has two proprietary funds. The two Insurance Internal Service Funds are used to account for the activities of the self-insurance plans of the County for employee medical claims and workers' compensation claims.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Haywood County has five fiduciary funds, all of which are agency funds.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 30 of this report.

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Haywood County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 67 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Haywood County exceeded its liabilities and deferred inflows of resources by \$18,621,194, as of June 30, 2013. The County's net position increased by \$2,221,189 for the fiscal year ended June 30, 2013. One of the largest portions (214%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Haywood County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Haywood County's investment in its capital assets is reported net of the 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 Haywood County's net position (37%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net position of (\$28,318,937) reflects the outstanding debt for the public school building projects and community college building projects without a related asset. This is due to the fact that the public school and community college boards retain title to the schools, while the County incurs the related debt.

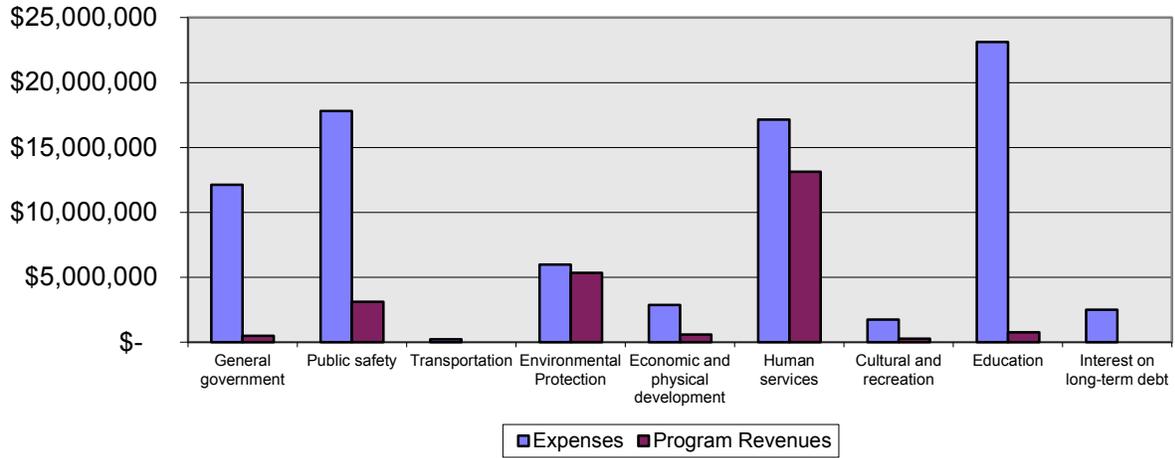
**Haywood County's Net Position**  
**Figure 2**

	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 31,484,695	\$ 32,020,786
Capital assets	76,631,520	78,512,398
Total assets	<u>108,116,215</u>	<u>110,533,184</u>
Total deferred outflows of resources	<u>522,139</u>	<u>-</u>
Long-term liabilities outstanding	84,187,580	87,671,719
Other liabilities	5,222,468	6,461,460
Total liabilities	<u>89,410,048</u>	<u>94,133,179</u>
Total deferred inflows of resources	<u>607,112</u>	<u>-</u>
Net position:		
Net investment in capital assets	40,022,209	36,627,567
Restricted	6,917,922	10,923,140
Unrestricted	<u>(28,318,937)</u>	<u>(31,151,702)</u>
Total net position	<u>\$ 18,621,194</u>	<u>\$ 16,400,005</u>

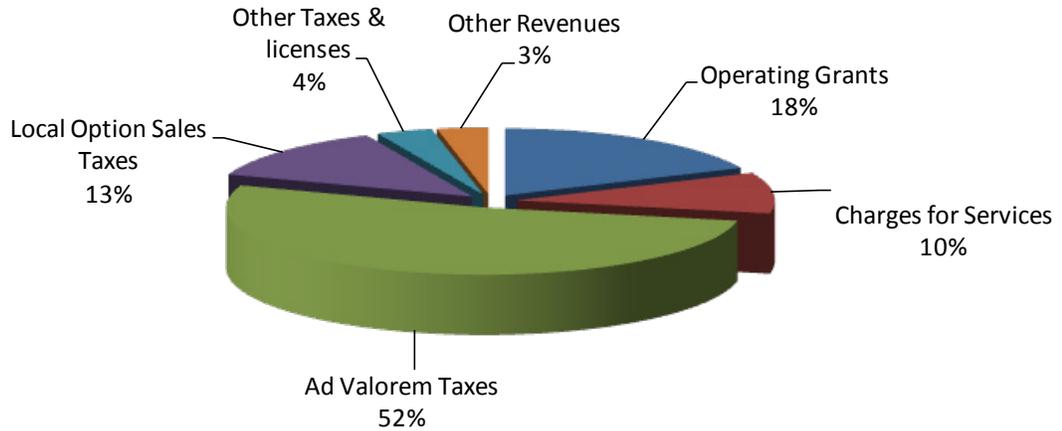
**Haywood County's Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
Revenues:		
Program revenues:		
Charges for services	\$ 8,851,888	\$ 8,022,211
Operating grants and contributions	14,655,173	14,859,677
Capital grants and contributions	1,777,881	1,751,661
General revenues:		
Property taxes	43,168,762	42,039,417
Other taxes	13,577,116	13,350,644
Grants and contributions not restricted to specific programs	306,971	312,905
Other	126,085	547,736
	<u>82,463,876</u>	<u>80,884,251</u>
Expenses:		
General government	8,748,556	8,560,054
Public safety	18,095,664	17,821,262
Transportation	233,951	238,829
Environmental protection	6,960,850	5,980,140
Economic and physical development	3,445,307	2,871,824
Human services	20,380,433	20,714,369
Culture and recreation	1,751,594	1,760,349
Education	18,227,121	23,120,536
Interest on long-term debt	2,399,211	2,506,831
Total expenses	<u>80,242,687</u>	<u>83,574,194</u>
Increase (decrease) in net position	2,221,189	(2,689,943)
Net position, July 1	<u>16,400,005</u>	<u>19,089,948</u>
Net position, June 30	<u>\$ 18,621,194</u>	<u>\$ 16,400,005</u>

**Expense and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



## Financial Analysis of the County's Funds

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

**Governmental Funds** - The focus of Haywood County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Haywood County's financing requirements. Specifically, unreserved fund balance 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 Haywood County. At the end of the current fiscal year, Haywood County's fund balance available for appropriation in the General Fund was \$9,363,649 while total fund balance reached \$16,077,414. The Governing Body of Haywood County has determined that the County should maintain an available fund balance of at least 11% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 13.44% of general fund expenditures, while total fund balance represents 23% of that same amount.

The Solid Waste Management Fund reports the activities in running the landfill, convenience centers, and the material recovery facility. At the end of the current fiscal year, the total fund balance in that fund, \$3,131,090, reflects a small increase that is expected to be available to contribute to future landfill expansion and closing costs.

The Community College Projects Fund reports the activities for current capital projects at the community college. At the end of the current fiscal year, the total fund balance in that fund, \$920,392, reflects the cost of the construction projects either completed or nearing completion.

At June 30, 2013, the governmental funds of Haywood County reported a combined fund balance of \$21,670,671, a 2.4% increase from last year. The increase was largely due to an increase in the property and sales taxes collected, as well as an increase in the amounts collected for ambulance trips through Emergency Services.

**General Fund Budgetary Highlights** - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of 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 revenues by \$5,570,340, largely due to grant appropriations throughout the year.

**Proprietary Funds** - The internal service funds for employee health insurance benefits and for workers compensation have been consolidated into the government-wide statements since they both serve all county departments.

### Capital Asset and Debt Administration

**Capital Assets** - The County's capital assets for its governmental activities as of June 30, 2013, total \$76,631,520 (net of accumulated depreciation). These assets include buildings, land, other improvements, machinery and equipment, furniture, and vehicles.

Major capital asset transactions during the year include:

- Purchased new vehicles for the Sheriff's office;
- Purchased a new ambulance and medical equipment for the Emergency Medical Services office;
- Began renovation of a county building which will house the Elections Office and a Social Services aging program;
- Sold a, recently vacated, auxiliary Health Department building;
- Received land and buildings from the North Carolina Department of Corrections adjacent to the current county law enforcement/jail facility

**Haywood County's Capital Assets  
(net of depreciation)  
Figure 4**

	<b>Governmental Activities</b>	
	<u>2013</u>	<u>2012</u>
Land	\$ 11,794,304	\$ 11,335,294
Buildings	53,561,405	54,202,401
Improvements other than buildings	7,135,376	8,564,120
Equipment	3,067,175	3,540,068
Vehicles	817,910	870,515
Construction in progress	255,350	-
Total	<u>\$ 76,631,520</u>	<u>\$ 78,512,398</u>

Additional information on the County's capital assets can be found in Note 2A of the Basic Financial Statements.

**Long-term Debt** - As of June 30, 2013, Haywood County had \$26.5 million in bonded debt outstanding.

**Haywood County's Outstanding Debt  
General Obligation  
Figure 5**

	<b>Governmental Activities</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
General obligation bonds	\$ 26,155,000	\$ 27,400,000

Haywood County's total debt decreased by \$3,484,139 (4%) during the current fiscal year. This is mainly due to the retirement of current debt of \$5.2 million, notwithstanding the refunding of \$6.6 million in general obligation bonds.

As mentioned in the financial highlights section of this document, Haywood County's last general obligation bond issue was rated A2 from Moody's Investor Service, recently upgraded to Aa3, and A+ from Standard & Poor's. These bond ratings are a clear indication of the sound financial condition of Haywood County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

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 Haywood County is \$510,323,982.

Additional information regarding Haywood County's long-term debt can be found in Note 2B.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicators reflect the outlook of the County:

- The local unemployment rate of 7.7%, a decrease from 8.5% at June 30, 2012, was below the state rate of 9.3%, and just below the national rate of 7.8% at June 30, 2013. In fact, Haywood County ranked 10<sup>th</sup> out of North Carolina's 100 counties in lowest unemployment rate.
- New residential construction continues, reflected by a 19% increase in number of units and a 7.6% increase in the value of that construction from 2012.
- Property values for commercial construction increased 6.7% from 2012 amounts, while the number of units increased 28%, indicating smaller business projects.

### **Budget Highlights for the Fiscal Year Ending June 30, 2014**

**Governmental Funds** – Budgeted revenues in the General Fund reflect an increase in the property tax base for motor vehicle values and business personal property, with a slight increase in residential construction. The County completed a revaluation of property values in 2011 that were reflected in the 2011-2012 fiscal year budget. Total property values for budgeting purposes,

which included the reductions for land use, senior citizen exemptions and historic exemptions, decreased in that revaluation cycle by 2.37%. The tax rate of 54.13 cents per \$100 value, an increase of 2.73 cents from the year prior to the revaluation year, reflected an amount that would bring in substantially the same amount of revenue had there been no revaluation. The 2013-2014 budget maintains that tax rate for the third year.

Compared to the 2012 fiscal year, the 2013 fiscal year reflected an increase in sales taxes collected in the County, an upward trend which allowed for a budget increase of 6.8% for sales tax revenue.

The Solid Waste Management Special Revenue Fund, segregated from the General Fund, reflects the privatization of the convenience centers in the County as well as a public/private partnership for the operations of the county landfill and increased efficiencies at the recycling centers including the first phase of a five year automated recycling system project. The budget for the fund also reflects the debt service for the current landfill cell expansion.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Haywood County, 215 N. Main Street, Waynesville, NC 28786.

## HAYWOOD COUNTY, NORTH CAROLINA

### Statement of Net Position

June 30, 2013

	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Haywood County Tourism Development Authority</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 20,942,150	\$ 80,832
Restricted cash	1,641,805	62,513
Receivables (net)	3,232,431	227,522
Due from other governments	5,532,441	-
Inventories	92,536	-
Prepaid items	43,332	5,022
Capital assets:		
Land, improvements, and construction in progress	12,049,654	-
Other capital assets, net of depreciation	64,581,866	34,047
Total capital assets	76,631,520	34,047
Total assets	108,116,215	409,936
<b>Deferred outflows of resources</b>	522,139	-
<b>Liabilities:</b>		
Accounts payable and accrued expenses	4,368,431	34,942
Accrued interest payable	854,037	-
Long-term liabilities:		
Due within one year	7,260,818	-
Due in more than one year	76,926,762	-
Total liabilities	89,410,048	34,942
<b>Deferred inflows of resources</b>	607,112	-
<b>Net position:</b>		
Net investment in capital assets	40,022,209	34,047
Restricted for:		
Public safety	702,716	-
Environmental protection	1,178	-
Education	920,392	-
Economic development	-	62,513
Stabilization by State Statute	5,293,636	227,522
Unrestricted (deficit)	(28,318,937)	50,912
Total net position	\$ 18,621,194	\$ 374,994

The notes to the financial statements are an integral part of this statement.

# HAYWOOD COUNTY, NORTH CAROLINA

## Statement of Activities

For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,748,556	\$ 344,358	\$ 128,791	\$ 1,160,350
Public safety	18,095,664	2,855,128	1,752,631	16,115
Transportation	233,951	-	-	-
Environmental protection	6,960,850	5,081,817	47,296	18,426
Economic and physical development	3,445,307	2,025	540,447	-
Human services	20,380,433	489,236	11,974,626	-
Culture and recreation	1,751,594	79,324	192,300	124,958
Education	18,227,121	-	19,082	458,032
Interest on long-term debt	2,399,211	-	-	-
Total governmental activities	\$ 80,242,687	\$ 8,851,888	\$ 14,655,173	\$ 1,777,881
Component unit:				
Haywood County Tourism Development Authority	\$ 988,415	\$ 50,270	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Occupancy taxes				
Real property transfer				
Deed stamp excise tax				
Telecommunications/video tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Total general revenues				
Change in net position				
Net position-beginning				
Net position-ending				

The notes to the financial statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Position</b>	
<b>Primary Government</b>	<b>Component Unit</b>
<b>Total Governmental Activities</b>	<b>Haywood County Tourism Development Authority</b>
\$ (7,115,057)	
(13,471,790)	
(233,951)	
(1,813,311)	
(2,902,835)	
(7,916,571)	
(1,355,012)	
(17,750,007)	
(2,399,211)	
<u>\$ (54,957,745)</u>	
	<u>\$ (938,145)</u>
43,168,762	-
11,193,517	-
983,444	967,593
454,038	-
338,692	-
352,596	-
254,829	-
306,971	-
32,575	79
93,510	-
<u>57,178,934</u>	<u>967,672</u>
2,221,189	29,527
<u>16,400,005</u>	<u>345,467</u>
<u>\$ 18,621,194</u>	<u>\$ 374,994</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Balance Sheet  
Governmental Funds

June 30, 2013

	<u>General Fund</u>	<u>Solid Waste Mangement Fund</u>	<u>Community College Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 14,784,125	\$ 3,170,859	\$ -	\$ 1,302,714	\$ 19,257,698
Restricted cash	121,785	-	1,072,469	447,551	1,641,805
Accounts receivable, net	205,757	-	-	89,293	295,050
Taxes receivable, net	1,844,809	-	-	204,277	2,049,086
Other tax receivables	391,935	-	-	-	391,935
Due from other governments	5,487,250	45,191	-	-	5,532,441
SW fees receivable	-	314,151	-	-	314,151
Other receivables	1,969	140,000	-	-	141,969
Inventories	92,536	-	-	-	92,536
Total assets	<u>\$ 22,930,166</u>	<u>\$ 3,670,201</u>	<u>\$ 1,072,469</u>	<u>\$ 2,043,835</u>	<u>\$ 29,716,671</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	<u>\$ 3,333,072</u>	<u>\$ 222,482</u>	<u>\$ 152,077</u>	<u>\$ 297,783</u>	<u>\$ 4,005,414</u>
<b>Deferred inflows of resources</b>	<u>3,519,680</u>	<u>316,629</u>	<u>-</u>	<u>204,277</u>	<u>4,040,586</u>
<b>Fund balances:</b>					
Non-spendable:					
Inventories	92,536	-	-	-	92,536
Restricted:					
Stabilization by State Statute	5,019,152	185,191	-	89,293	5,293,636
Sheriff's department	59,290	-	-	-	59,290
Community College	-	-	920,392	-	920,392
Title III projects	48,004	-	-	-	48,004
E-911	-	-	-	595,422	595,422
Solid Waste Electronics Management funds	-	1,178	-	-	1,178
Committed:					
Community college	1,173,116	-	-	-	1,173,116
Solid waste management	-	2,944,721	-	-	2,944,721
Capital projects	-	-	-	857,060	857,060
Assigned:					
Debt service	202,901	-	-	-	202,901
LEO Special Separation Allowance	70,000	-	-	-	70,000
Capital building projects	36,548	-	-	-	36,548
Recreation project	12,218	-	-	-	12,218
Unassigned	9,363,649	-	-	-	9,363,649
Total fund balances	<u>16,077,414</u>	<u>3,131,090</u>	<u>920,392</u>	<u>1,541,775</u>	<u>21,670,671</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,930,166</u>	<u>\$ 3,670,201</u>	<u>\$ 1,072,469</u>	<u>\$ 2,043,835</u>	<u>\$ 29,716,671</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

Balance Sheet  
Governmental Funds, Continued

June 30, 2013

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balance for governmental funds	\$ 21,670,671
Deferred outflows of resources for a charge on the refunding of debt	522,139
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	76,631,520
The internal service fund is used by management to account for the activities of the self-insurance plan of the County for employee medical claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	1,364,767
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Accrued interest receivable	40,240
Notes receivable	997,308
Deferred inflows of resources for taxes, fees and notes receivable	2,436,166
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(854,037)
Long-term obligations	(84,187,580)
	<hr/>
Net position of governmental activities	<u>\$ 18,621,194</u>

The notes to the financial statements are an integral part of this statement.

**HAYWOOD COUNTY, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Fiscal Year Ended June 30, 2013

	<b>General Fund</b>	<b>Solid Waste Mangement Fund</b>	<b>Community College Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ 39,255,257	\$ -	\$ -	\$ 4,016,787	\$ 43,272,044
Local option sales taxes	11,193,517	-	-	-	11,193,517
Other taxes and licenses	2,262,897	120,702	-	-	2,383,599
Unrestricted intergovernmental	306,971	-	-	-	306,971
Restricted intergovernmental	14,470,455	65,722	-	768,256	15,304,433
Permits and fees	318,510	3,372,503	-	-	3,691,013
Sales and services	3,443,984	1,686,018	-	-	5,130,002
Investment earnings	28,534	-	3,387	654	32,575
Miscellaneous	199,786	1,854	-	(805)	200,835
Total revenues	<u>71,479,911</u>	<u>5,246,799</u>	<u>3,387</u>	<u>4,784,892</u>	<u>81,514,989</u>
<b>Expenditures:</b>					
Current:					
General government	5,090,532	-	-	-	5,090,532
Central services	2,786,088	-	-	-	2,786,088
Public safety	13,157,606	-	-	4,016,862	17,174,468
Transportation	233,951	-	-	-	233,951
Environmental protection	153,080	4,188,319	-	232,116	4,573,515
Economic and physical development	2,299,729	-	-	468,124	2,767,853
Human services	19,363,542	-	-	-	19,363,542
Culture and recreation	1,712,351	-	-	-	1,712,351
Intergovernmental:					
Education	16,620,012	-	1,376,741	230,368	18,227,121
Debt service:					
Principal	5,748,745	1,000,000	-	-	6,748,745
Interest and other fiscal charges	2,494,992	87,075	-	-	2,582,067
Total expenditures	<u>69,660,628</u>	<u>5,275,394</u>	<u>1,376,741</u>	<u>4,947,470</u>	<u>81,260,233</u>
Revenues over (under) expenditures	<u>1,819,283</u>	<u>(28,595)</u>	<u>(1,373,354)</u>	<u>(162,578)</u>	<u>254,756</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	69,873	-	498,087	567,960
Transfers to other funds	(498,087)	-	-	(69,873)	(567,960)
Refunding proceeds from debt issued	7,150,000	-	-	-	7,150,000
Payment to escrow agent for refunded debt	(7,079,605)	-	-	-	(7,079,605)
Sale of capital assets	173,713	16,263	-	-	189,976
Total other financing sources (uses)	<u>(253,979)</u>	<u>86,136</u>	<u>-</u>	<u>428,214</u>	<u>260,371</u>
Net change in fund balances	1,565,304	57,541	(1,373,354)	265,636	515,127
Fund balances--beginning	14,512,110	3,073,549	2,293,746	1,276,139	21,155,544
Fund balances--ending	<u>\$ 16,077,414</u>	<u>\$ 3,131,090</u>	<u>\$ 920,392</u>	<u>\$ 1,541,775</u>	<u>\$ 21,670,671</u>

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2013

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances--total governmental funds	\$ 515,127
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>	
Capital outlay	1,247,969
Depreciation	(4,170,500)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis	(118,697)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
Change in ad valorem taxes receivable	(103,282)
Change in notes receivable	(179,461)
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	1,160,350
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:</p>	
Proceeds	(7,150,000)
Issuance premium, net of amortization	89,238
Repayments	13,828,350
Issuance costs, net of amortization	(380,060)
<p>The internal service fund is used by management to account for the activities of the self-insurance plan of the County for employee medical claims to individual funds. The net revenue is reported with the governmental activities</p>	
	283,114
<p>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. The following are accrued in the government-wide statements but not in the fund statements because they do not use current resources:</p>	
Compensated absences	(8,716)
Landfill closure and post closure costs	(1,349,173)
Net pension obligation	(44,391)
OPEB liability	(1,492,299)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	93,620
Total changes in net position of governmental activities	\$ 2,221,189

The notes to the financial statements are an integral part of this statement.

## HAYWOOD COUNTY, NORTH CAROLINA

### Statement of Revenues, Expenditures, and Changes in Fund Balances-- Budget and Actual--General Fund and Solid Waste Management Fund

For the Fiscal Year Ended June 30, 2013

	General Fund			Variance
	Original Budget	Final Budget	Actual	With Final Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 38,623,170	\$ 38,925,170	\$ 39,255,257	\$ 330,087
Local option sales tax	11,002,040	11,002,040	11,193,517	191,477
Other taxes and licenses	2,367,000	2,451,612	2,262,897	(188,715)
Unrestricted intergovernmental	190,000	190,000	306,971	116,971
Restricted intergovernmental	10,623,184	15,208,309	14,470,455	(737,854)
Permits and fees	345,500	345,500	318,510	(26,990)
Sales and services	3,458,792	3,567,494	3,443,984	(123,510)
Investment earnings	50,000	50,000	28,534	(21,466)
Miscellaneous	154,200	205,014	199,786	(5,228)
	<b>66,813,886</b>	<b>71,945,139</b>	<b>71,479,911</b>	<b>(465,228)</b>
<b>Expenditures:</b>				
Current:				
General government	4,797,414	5,319,089	5,090,532	228,557
Central services	2,973,374	2,986,465	2,786,088	200,377
Public safety	12,785,651	13,643,918	13,157,606	486,312
Transportation	310,000	310,000	233,951	76,049
Environmental protection	153,375	155,187	153,080	2,107
Economic and physical development	2,076,822	2,831,267	2,299,729	531,538
Human services	16,448,222	20,088,754	19,363,542	725,212
Culture and recreation	1,564,425	1,761,713	1,712,351	49,362
Contingency and non-departmental	731,668	-	-	-
Intergovernmental:				
Education	16,895,510	16,656,383	16,620,012	36,371
Debt service:				
Principal	5,712,399	5,757,399	5,748,745	8,654
Interest and other charges	2,702,971	2,728,366	2,494,992	233,374
	<b>67,151,831</b>	<b>72,238,541</b>	<b>69,660,628</b>	<b>2,577,913</b>
Revenues over (under) expenditures	<b>(337,945)</b>	<b>(293,402)</b>	<b>1,819,283</b>	<b>2,112,685</b>

**Solid Waste Management Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Positive (Negative)</b>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
115,000	115,000	120,702	5,702
-	-	-	-
42,000	42,000	65,722	23,722
3,449,887	3,449,887	3,372,503	(77,384)
1,733,800	1,733,800	1,686,018	(47,782)
-	-	-	-
-	-	1,854	1,854
<u>5,340,687</u>	<u>5,340,687</u>	<u>5,246,799</u>	<u>(93,888)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,278,581	4,477,444	4,188,319	289,125
-	-	-	-
-	-	-	-
-	-	-	-
200,031	38,161	-	38,161
-	-	-	-
1,000,000	1,000,000	1,000,000	-
87,075	87,075	87,075	-
<u>5,565,687</u>	<u>5,602,680</u>	<u>5,275,394</u>	<u>327,286</u>
<u>(225,000)</u>	<u>(261,993)</u>	<u>(28,595)</u>	<u>233,398</u>

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Statement of Revenues, Expenditures, and Changes in Fund Balances-- Budget and Actual--General Fund and Solid Waste Management Fund, Continued

For the Fiscal Year Ended June 30, 2013

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Positive (Negative)</b>
<b>Other financing sources (uses):</b>				
Transfers from other funds	\$ 2,258,800	\$ -	\$ -	\$ -
Transfers to other funds	(2,411,078)	(706,303)	(498,087)	208,216
Refunding proceeds from debt issued	-	7,150,000	7,150,000	-
Payment to escrow agent for refunded debt	-	(7,079,605)	(7,079,605)	-
Sale of capital assets	10,000	26,000	173,713	147,713
Total other financing sources (uses)	(142,278)	(609,908)	(253,979)	355,929
Revenues and other financing sources over (under) expenditures and other financing uses	(480,223)	(903,310)	1,565,304	2,468,614
Appropriated fund balance	480,223	903,310	-	(903,310)
Net change in fund balances	\$ -	\$ -	1,565,304	\$ 1,565,304
<b>Fund balances:</b>				
Beginning of year, July 1			14,512,110	
End of year, June 30			\$ 16,077,414	

The notes to the financial statements are an integral part of this statement.

**Solid Waste Management Fund**

<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Positive (Negative)</b>
\$ -	\$ 36,993	\$ 69,873	\$ 32,880
-	-	-	-
-	-	-	-
-	-	-	-
-	-	16,263	16,263
-	36,993	86,136	49,143
(225,000)	(225,000)	57,541	282,541
225,000	225,000	-	(225,000)
<u>\$ -</u>	<u>\$ -</u>	57,541	<u>\$ 57,541</u>
		<u>3,073,549</u>	
		<u>\$ 3,131,090</u>	

**HAYWOOD COUNTY, NORTH CAROLINA**Statement of Net Position  
Proprietary Funds

June 30, 2013

	<u>Internal Service Funds</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 1,684,452
Prepays	43,332
Total assets	<u>1,727,784</u>
<b>Liabilities:</b>	
Current liabilities:	
Estimated claims payable	<u>363,017</u>
<b>Net position:</b>	
Unrestricted	<u>\$ 1,364,767</u>

The notes to the financial statements are an integral part of this statement.

**HAYWOOD COUNTY, NORTH CAROLINA**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds

For the Fiscal Year Ended June 30, 2013

	<b>Internal Service Funds</b>
<b>Operating revenues:</b>	
Internal charges	\$ 5,118,818
External charges for services	<u>536,677</u>
Total operating revenues	<u>5,655,495</u>
<b>Operating expenses:</b>	
Claims and administration	<u>5,372,381</u>
Change in net position	283,114
<b>Net position:</b>	
Beginning of year, July 1	<u>1,081,653</u>
End of year, June 30	<u><u>\$ 1,364,767</u></u>

The notes to the financial statements are an integral part of this statement.

**HAYWOOD COUNTY, NORTH CAROLINA**Statement of Cash Flows  
Proprietary Funds

For The Fiscal Year Ended June 30, 2013

	<u>Internal Service Funds</u>
<b>Cash flows from operating activities:</b>	
Receipts from third-party payors and patients	\$ 5,655,495
Payments to providers	<u>(5,291,603)</u>
Net cash provided by operating activities	<u>363,892</u>
Increase in cash and cash equivalents	363,892
<b>Cash and cash equivalents:</b>	
Beginning balance, July 1	<u>1,320,560</u>
Ending balance, June 30	<u><u>\$ 1,684,452</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 283,114
Changes in assets and liabilities:	
Increase in prepaids	(33,332)
Increase in accrued expenses	<u>114,110</u>
Net cash provided by operating activities	<u><u>\$ 363,892</u></u>

The notes to the financial statements are an integral part of this statement.

**HAYWOOD COUNTY, NORTH CAROLINA**Statement of Fiduciary Net Position  
Fiduciary Fund

For the Fiscal Year Ended June 30, 2013

	<b>Agency Funds</b>
	<u>                    </u>
<b>Assets:</b>	
Cash and cash equivalents	\$     251,016
	<u>                    </u>
<b>Liabilities:</b>	
Amounts held for others	200,722
Due to other governments	50,294
	<u>                    </u>
Total liabilities	<u><u>          \$     251,016</u></u>

The notes to the financial statements are an integral part of this statement.

# HAYWOOD COUNTY, NORTH CAROLINA

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

### 1. **Summary of Significant Accounting Policies**

The accounting policies of Haywood County and its blended component units conform to generally accepted accounting principles as they apply 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 generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's basic financial statements in order to emphasize that they are legally separate from the County.

#### **Component Units:**

##### **☐ Haywood County Industrial Facility and Pollution Control Financing Authority**

Haywood County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue 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 basic financial statements. The Authority does not issue separate financial statements.

##### **☐ Haywood County Financing Corporation**

The Haywood County Financing Corporation (the "Corporation") is organized and operated exclusively for the purpose of promoting the general welfare of the citizens of Haywood County by assisting the County in carrying out its governmental functions through the acquisition, construction and operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public. The Corporation has a board of directors consisting of no less than three persons and no more than five persons, all of which are

appointed by the Haywood County Board of Commissioners. The Corporation has no financial transactions or account balances, therefore, is not reported in the basic financial statements. The Corporation does not issue separate financial statements.

**Haywood County Tourism Development Authority**

The North Carolina General Legislature enacted a law which authorized Haywood County to levy a room occupancy and tourism development tax, and the Board of Commissioners adopted a resolution levying this tax on October 1, 1983. The Board of Commissioners created the Haywood County Tourism Development Authority (the "TDA") as a public authority under the Local Government Budget and Fiscal Control Act. The TDA is composed of twelve voting members and three ex-officio members, serving without compensation and appointed by the Board of Commissioners. Quarterly reports are to be made to the Board of Commissioners. The TDA may contract with any person, firm or organization to advise and assist in carrying out its duty to promote travel, tourism, and conventions for the County. The TDA, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for the TDA may be obtained at the administrative office of the TDA at 44 North Main Street, Waynesville, North Carolina, 28786.

**B. Basis of Presentation**

**Government-Wide Statements:**

The Statement of Net Position and the Statement of Activities display information about the primary government (the "County") and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major 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 and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds for the year ended June 30, 2013:

**☐ General Fund**

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund. The Capital Reserve Fund is consolidated into the General Fund in accordance with GASB Statement No. 54.

**☐ Solid Waste Management Fund**

This fund accounts for all the operational and capital activities related to the availability fees and tipping fees collected in conjunction with the 2 landfills, the materials recovery facility, the recycling programs and the 10 convenience centers located throughout the County.

**☐ Community College Projects Fund**

This fund accounts for all major building projects at Haywood Community College that are funded by the County's ¼ cent sales tax revenue. Though amounts are under the threshold for reporting as major, it is presented here for consistency of reporting and for comparison purposes while the projects are still under construction.

Additionally, the County reports the following fund types:

**☐ Committed Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County has the following special revenue funds: Crisis Assistance Housing Special Revenue Fund, the Emergency Telephone Fund, the Fire Districts Fund, the Sanitary District Fund, the Road Service Fund, and the CDBG Scattered Site Project Fund.

**Capital Projects Funds**

Capital projects funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County has the following capital projects funds within its governmental fund types: the Public Schools ADM Lottery Fund, County Building Renovations Fund, Water & Sewer Lines Fund, and the Solid Waste Landfill Fund.

**Internal Service Funds**

The internal service funds account for the employee medical benefits and workers' compensation programs, which include group health, dental and workers' compensation.

**Agency Funds**

Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Haywood County Board of Education; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; the DMV Interest Fund, which accounts for fees and interests for the Department of Motor Vehicles; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

- C. **Measurement Focus and Basis of Accounting** - In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

**Government-Wide, Proprietary, and Fiduciary Fund Financial Statements:**

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

### **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 general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Long-term debt issued and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures in governmental funds.

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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Haywood County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements.

Sales taxes 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are 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.

- D. **Budgetary Data** - The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and special revenue funds, excluding the CDBG Scattered Site Project Fund, Lake Junaluska Sediment Removal Fund, and the Crisis Housing Assistance Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds, CDBG Scattered Site Project Fund, Lake Junaluska Sediment Removal Fund, and the Crisis Housing Assistance Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The County Manager is authorized by the budget ordinance to transfer appropriations within departments and functions within a fund; however, any revisions that alter total expenditures of any fund or that change functional appropriations must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

- E. **Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**F. Assets, Liabilities, Deferred Inflows and Outflows and Fund Equity****Deposits and Investments:**

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

State law [G.S. 159-30(c)] authorizes the County and the TDA 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") an SEC-registered (2a-7) money market mutual fund.

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

**Cash and Cash Equivalents:**

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

The unexpended debt proceeds are classified as restricted assets within the Community College Fund because their use is completely restricted to the purpose for which the funds were borrowed.

The TDA considers demand deposits and investments purchased with an original maturity three months or less, that are not limited to use, to be cash and cash equivalents.

**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, 2012.

**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:**

The inventories of the County are valued at cost (first-in, first-out). The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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 are recorded at their estimated fair value at the date of donation. Certain items acquired before July 1, 1970, are recorded at an estimated original cost. The total of such estimates is not considered large enough that errors would be material when the capital assets are considered as a whole. Minimum capitalization cost is \$1,000 for annual budgeting and \$5,000 for financial reporting. 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 Haywood County Board of Education and Haywood County Community College 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 and Community College give the Board of Education and Community College full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education and Community College, once 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 Haywood County Board of Education and the Haywood County Community College.

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

	<u>Years</u>
Buildings	10-50
Improvements	10
Furniture and equipment	3 - 10
Vehicles	4
Computer equipment	3

For the TDA, the minimum capitalization threshold is \$1,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Improvements	10
Furniture and equipment	5
Computer equipment	3

#### **Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion - a charge on refunding that had previously been classified as an asset. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category - prepaid taxes and fees receivable, notes receivable, and unearned grant revenue.

#### **Long-Term Obligations:**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements for governmental fund types, the net proceeds of debt issued is reported as an other financing source. The certificate of participation and installment financing contracts are collateralized by the assets being financed and are not secured by the taxing power of the County.

**Compensated Absences:**

The vacation policy of the County and the TDA provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. In the County's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Compensated absences have typically been liquidated in the General Fund.

The sick leave policy of the County and the TDA provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement for County employees may be used in the determination of length of service for retirement benefit purpose. Since these entities have no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**Net Position:**

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; 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 Statutes.

**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.

 **Restricted Fund Balance**

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

- ✓ Restricted for stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

- ✓ Restricted for Sheriff's department - portion of fund balance that is restricted by the revenue source to pay for expenditures related to the drug seizure funds.
- ✓ Restricted for Title III – portion of fund balance that is restricted by the revenue source to pay for expenditures to reimburse the county for search and rescue and other emergency services on federal forest lands.
- ✓ Restricted for Community College - portion of fund balance that represents proceeds from the installment note payable for the Community College capital projects.
- ✓ Restricted for E-911 – portion of fund balance that is restricted by the revenue source to pay for qualified E-911 programs.
- ✓ Restricted for Solid Waste Electronics Management – portion of fund balance that is restricted by the revenue source to pay for electronics recycling.

**Committed Fund Balance**

This classification includes the portion of fund balance that can only be used for specific purpose imposed by majority vote of Haywood County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

- ✓ Committed for Community College Capital – portion of fund balance that reflects the sales tax that has been committed for community college capital expenditures.
- ✓ Committed for Solid Waste Management – portion of fund balance that has been committed to the solid Waste Management fund of the County.
- ✓ Committed for Capital Projects – portion of fund balance that has been committed, by Project Ordinance for Capital Expenditures in the County.

**Assigned Fund Balance**

This classification includes the portion of total fund balance that the Haywood County governing board has budgeted.

- ✓ Assigned for Debt Service - portion of fund balance that has been assigned to pay for future debt service payments.
- ✓ Assigned for LEO Special Separation Allowance - portion of fund balance that has been assigned for future expenditures related to the LEO Special Separation Allowance.
- ✓ Assigned for Capital building projects – portion of fund balance that represents sales of county buildings assigned by the Commissioners for future capital building projects.

- ✓ Assigned for recreation project – portion of fund balance that represents prior year amounts reserved for a future park.

**☐ Unassigned Fund Balance**

This classification includes the portion of total fund balance that has not been restricted, committed or assigned to specific purposes or other funds. The County defines these remaining amounts as “available fund balances.”

Haywood County has a revenue spending policy that provides guidance for programs with multiple revenue sources. It is the County’s practice to use resources in the following hierarchy: bond 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 (available) fund balance.

Haywood County, under its Financial Reserves section of the Fiscal Policy, has established a threshold of at least 11% for available General Fund balance at the close of each fiscal year. The excess available fund balance may be used to fund one-time capital expenditures or other one-time costs, or may be transferred to Capital Reserves for future use for a specific purpose within a specified time frame.

**2. Detail Notes on All Activities and Funds**

**A. Assets**

**i. Deposits:**

All of the County and the TDA'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 or TDA’s agents in these units’ names. 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 and the TDA, these deposits are considered to be held by their agents in their names. 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 the TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the TDA 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 County and the TDA have no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The County and the TDA comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2013, the County's deposits had a carrying amount of \$9,728,635 and a bank balance of \$10,184,006. Of the bank balance, \$961,590 was covered by federal depository insurance and \$9,222,417 by collateral held under the Pooling Method.

At June 30, 2013, the County had \$5,050 cash on hand.

At June 30, 2013, the carrying amount of deposits for the TDA was \$143,095, and the bank balance was \$185,052, all of which was covered by federal depository insurance. The TDA had cash on hand at year-end in the amount of \$250.

ii. **Investments:**

The County's investments in, the North Carolina Capital Management Trust Cash Portfolio, in the amount of \$589,180 as of June 30, carried a credit rating of AAAM by Standard & Poor's. The County's investment in, the North Carolina Capital Management Trust Term Portfolio, in the amount of \$12,509,000 as of June 30, is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. Government and agencies, and also in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County has no policy on credit risk.

iii. **Receivables:**

**Notes Receivable**

On January 31, 2002, the County and the Town of Waynesville (the "Town") entered into a cooperative agreement in which the Town agreed to contribute \$2,500,000 to be used as payment on the installment financing contract for the construction of new parking facilities, with payment scheduled for a twenty year period. On July 8, 2003 the County and the Town modified the agreement. The Town will pay to the County fifteen equal annual payments of \$227,047, including interest at 4.479% through July 15, 2017. At June 30, 2013, the balance was \$997,308.

Receivables at government-wide level at June 30, 2013 were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest Receivable</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 1,005,757	\$ 3,361,287	\$ 5,487,250	\$ 1,969	\$ 9,856,263
Interest receivable - governmental activities only	-	40,240	-	-	40,240
Other governmental	601,423	335,638	45,191	140,000	1,122,252
Total receivables	<u>1,607,180</u>	<u>3,737,165</u>	<u>5,532,441</u>	<u>141,969</u>	<u>11,018,755</u>
Allowance for doubtful accounts	<u>(997,979)</u>	<u>(1,255,904)</u>	<u>-</u>	<u>-</u>	<u>(2,253,883)</u>
Total governmental activities	<u>\$ 609,201</u>	<u>\$ 2,481,261</u>	<u>\$ 5,532,441</u>	<u>\$ 141,969</u>	<u>\$ 8,764,872</u>
Amounts not expected to be collected within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 811,041</u>	<u>\$ -</u>	<u>\$ 811,041</u>

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

Local option sales tax	\$ 2,808,232
Long term receivable from town	997,308
Other	<u>1,726,901</u>
	<u>\$ 5,532,441</u>

## iv. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Nondepreciable assets:				
Land	\$ 11,335,294	\$ 560,000	\$ 100,990	\$ 11,794,304
Construction in progress	-	255,350	-	255,350
Total capital assets not being depreciated	<u>11,335,294</u>	<u>815,350</u>	<u>100,990</u>	<u>12,049,654</u>
Depreciable assets:				
Improvements	18,221,092	-	-	18,221,092
Buildings	62,905,950	651,647	66,211	63,491,386
Equipment	12,730,134	636,331	1,557,784	11,808,681
Vehicles	4,908,709	304,991	297,539	4,916,161
Total capital assets being depreciated	<u>98,765,885</u>	<u>1,592,969</u>	<u>1,921,534</u>	<u>98,437,320</u>
Less accumulated depreciation:				
Improvements	9,656,972	1,428,744	-	11,085,716
Buildings	8,703,549	1,284,550	58,118	9,929,981
Equipment	9,190,066	1,108,462	1,557,022	8,741,506
Vehicles	4,038,194	348,744	288,687	4,098,251
Total accumulated depreciation	<u>31,588,781</u>	<u>\$ 4,170,500</u>	<u>\$ 1,903,827</u>	<u>33,855,454</u>
Capital assets, net	<u>67,177,104</u>			<u>64,581,866</u>
Governmental activities capital assets, net	<u>\$ 78,512,398</u>			<u>\$ 76,631,520</u>

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

General government	\$ 942,316
Public safety	897,391
Environmental protection	1,193,477
Economic and physical development	644,969
Human services	383,420
Cultural and recreational	<u>108,927</u>
 Total	 <u>\$ 4,170,500</u>

**Construction Commitments**

The government had one construction project not yet completed as of June 30, 2013. The construction contract for new building project which began in the fiscal year ended June 30, 2013 is as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
County Auxiliary Services renovation project	<u>\$ 260,537</u>	<u>\$ 162,550</u>

**Discretely Presented Component Unit**

Activity for the TDA for the year ended June 30, 2013 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Depreciable assets:				
Improvements	\$ 46,483	\$ 1,894	\$ -	\$ 48,377
Equipment and furniture	37,383	4,638	-	42,021
Total capital assets being depreciated	<u>83,866</u>	<u>6,532</u>	<u>-</u>	<u>90,398</u>
Less accumulated depreciation:				
Improvements	20,274	5,673	-	25,947
Equipment and furniture	24,209	6,195	-	30,404
Total accumulated depreciation	<u>44,483</u>	<u>\$ 11,868</u>	<u>\$ -</u>	<u>56,351</u>
Capital assets, net	<u>\$ 39,383</u>			<u>\$ 34,047</u>

**B. Liabilities****i. Payables:**

Payables at the government-wide level at June 30, 2013 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 1,690,530	\$ 829,501	\$ 813,041	\$ 3,333,072
Solid waste management fund	201,270	21,212	-	222,482
Community college projects fund	152,077	-	-	152,077
Estimated claims payable	-	-	363,017	363,017
Other governmental	<u>296,022</u>	<u>1,654</u>	<u>107</u>	<u>297,783</u>
Total governmental activities	<u>\$ 2,339,899</u>	<u>\$ 852,367</u>	<u>\$ 1,176,165</u>	<u>\$ 4,368,431</u>

**ii. Pension Plan Obligation:** **Local Governmental Employees' Retirement System**

**Plan Description** - The County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report ("CAFR") for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy** - Plan members are required to contribute six% of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, respectively, of annual covered payroll. The contribution requirements of members and of the County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,134,782, \$1,158,951, and \$1,107,852 respectively.

The contributions made by the County equaled the required contributions for each year.

**Law Enforcement Officers' Special Separation Allowance**

**Plan Description** - The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 % of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan does not issue a separate stand-alone financial report.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	<u>56</u>
 Total	 <u>58</u>

**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 and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the plan.

*Method Used to Value Investments.* No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**Contributions** - The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments 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.

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit, credit

actuarial cost method. The actuarial assumptions included: (a) 5.00% investment rate of return; and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both items (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percent of pay on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

#### Annual Pension Cost and Net Pension Obligation -

Annual required contribution	
Employer annual required contribution	\$ 76,710
Interest on net pension obligation	25,959
Adjustment to annual required contribution	<u>(32,309)</u>
Annual pension cost	70,360
Less: Contributions made	<u>25,969</u>
Increase in net pension obligation	44,391
Net pension obligation beginning of year	<u>519,177</u>
Net pension obligation end of year	<u><u>\$ 563,568</u></u>

#### Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2013	\$ 70,360	36.91%	\$ 563,568
6/30/2012	\$ 66,981	48.30%	\$ 519,177
6/30/2011	\$ 69,601	83.45%	\$ 484,550

**Funded Status and Funding Progress** - As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (“UAAL”) was \$592,243. The covered payroll (annual payroll of active employees covered by the plan) was \$2,251,312, and the ratio of the UAAL to the covered payroll was 26.31%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description** - The County contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report ("CAFR") for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income 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% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2013 were \$159,253, which consisted of \$111,308 from the County and \$47,945 from the law enforcement officers.

**Supplemental Retirement Income Plan for Employees Not Engaged in Law Enforcement**

Full-time employees not engaged in law enforcement are eligible to participate in the Supplemental Retirement Plan under Internal Revenue Code Section 401(k). Under this plan, an employee may contribute a percentage of their annual gross salary as limited by federal tax laws. Haywood County contributed an amount equal to 1% of annual gross pay. Contributions for the year ended June 30, 2013 were \$459,132, which consisted of \$168,968 from the County and \$290,164 from the employees.

**Registers of Deeds' Supplemental Pension Fund**

**Plan Description** - Haywood County also contributes to the Registers of Deeds' Supplemental Pension Fund (the "Fund"), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to Haywood County Register of Deeds that is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR)

for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Resisters 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, or by calling (919) 981-5454.

**Funding Policy** - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2013, the County's required and actual contributions were \$6,695.

□ **Other Postemployment Benefits—Healthcare Benefits**

**Plan Description** - In addition to providing pension benefits, Haywood County has elected to provide healthcare benefits to retirees of Haywood County, as a single-employer defined benefit plan, who have at least thirty years of service with the North Carolina Local Governmental Employees' Retirement System (the "System") and, on a pro-rata basis, employees who are credited with at least twenty years of service with the System. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active County employees. Haywood County pays 100% of the retiree costs for those retirees who have thirty years of service with the System and seven years with the County. The County pays 50% of health insurance costs for those retirees who have 15 years with the System and are at least 60 years of age. For those retirees with fewer than 30 years of service, who are aged 50 to 59, a pro-rata cost share in health insurance costs is received. Retirees can purchase coverage for their dependents at Haywood County's group rates. Currently, 112 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2013, Haywood County made payments for post-retirement health benefit premiums of \$464,411. Haywood County is self insured for health care costs and pays the Medicare Supplement for retirees who qualify, also on a pro-rata basis. A separate report was not issued for the plan.

Membership of the Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

	<b>General Employees and Law Enforcement Officers</b>
Retirees and dependents receiving benefits	96
Active plan members	512
Total	<u>608</u>

**Funding Policy** - Haywood County's obligation to continue the plan is established and may be amended by the Haywood County Board of Commissioners. Haywood County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. Haywood County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 9.8% of annual covered payroll. For the current year, the County contributed \$464,411 or 2.4% of annual covered payroll.

**Summary of Significant Accounting Policies** - Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**Annual OPEB Cost and Net Obligation** - Haywood County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of Haywood County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in Haywood County's net OPEB obligation for the healthcare benefits:

	<b><u>Governmental Activities</u></b>
Annual required contribution	\$ 1,925,270
Interest on net OPEB obligation	229,062
Adjustment to annual required contribution	<u>(197,622)</u>
Annual OPEB cost	1,956,710
Contributions made	<u>(464,411)</u>
Increase in net OPEB obligation	1,492,299
Net OPEB obligation, beginning of year	<u>7,475,157</u>
Net OPEB obligation, end of year	<u><u>\$ 8,967,456</u></u>

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<b><u>June 30</u></b>	<b><u>OPEB Cost</u></b>	<b><u>OPEB Cost Contributed</u></b>	<b><u>Obligation</u></b>
2013	\$ 1,956,710	23.73%	\$ 8,967,456
2012	\$ 1,956,710	10.60%	\$ 7,475,157
2011	\$ 2,041,112	6.42%	\$ 5,726,562

**Fund Status and Funding Progress** - As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability ("UAAL") was \$19,866,726. The covered payroll (annual payroll of active employees covered by the plan) was \$19,265,594, and the ratio of the UAAL to the covered payroll was 103.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 9.50 to 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011, was 30 years.

**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 multiple-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 the employee's death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants nor does the County have any 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.

**iii. Closure and Postclosure Care Costs–White Oak Landfill Facility:**

State and federal laws and regulations require the County to place a final cover on its White Oak Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs based on the estimated life of the landfill and the usage of the landfill for a particular period. As of June 30, 2013, the estimated accrual for landfill closure and postclosure care of \$7,494,062, which is based on the use of 100% of the estimated capacity of Phases I, II, and III of the landfill, had increased by \$1,349,173. The County will recognize the remaining estimated cost of closure and postclosure care of any new cell capacity as new cells begin to be filled. The County began filling the latest cell, phase III, in July 2012. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. The landfill, constructed in phases, will not be closed until the final phase is completed. Haywood County expects to close the White Oak Facility in the year 2032. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has been accumulating funds in the Solid Waste Management Special Revenue Fund fund balance for these future costs.

**iv. 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 for which the government carries commercial insurance. Through the commercial carrier, the County also obtains property coverage equal to replacement cost values of owned property. The County also purchases general, auto, public officials, law enforcement, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned auto at actual cash value subject to a limit of \$1 million per occurrence, and crime coverage of \$250,000 per occurrence.

The County does not carry flood insurance. The County had insignificant flooding at the edge of the concrete pad at the animal shelter during the two flood events of 2004, and does not consider the cost of flood insurance determination to be a reasonable expense. The employee medical benefits program is funded through the Insurance Internal Service Fund. The program is funded by both employee and employer contributions. Fringe benefits paid through this program include group health and dental insurance. The group health plan operates with a specific stop-loss of \$80,000 and an aggregate stop-loss of 100% of the estimated loss fund. The employee

workers' compensation program is funded through the Workers' Compensation Internal Service Fund.

The following is a summary of changes in estimated claims payable at June 30:

	<u>2013</u>	<u>2012</u>
Estimated claims payable, July 1	\$ 248,907	\$ 225,379
Plus: Incurred claims and changes in estimates	5,405,713	5,442,319
Less: Claims payments	<u>(5,291,603)</u>	<u>(5,418,791)</u>
Estimated claims payable, June 30	<u>\$ 363,017</u>	<u>\$ 248,907</u>

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance, Tax Collector and Register of Deeds are individually bonded for \$410,000, \$100,000, and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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 claims have not exceeded coverage in any of the last three years.

Haywood County TDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Haywood County Director of Finance is separately and individually bonded for \$50,000 as Finance Director for the Authority. The Authority carries commercial insurance for these 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.

**v. Claims and Judgments:**

At June 30, 2013, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of the majority of these legal matters will not have a material adverse effect on the County's financial position.

## vi. Long-Term Obligations:

## ☐ Notes Payable

The County has entered into various notes payable.

\$154,905 note was actually an assumption of a USDA loan from a local non-profit in order to purchase county property. The note was entered into on November 6, 2006, requiring 36 annual installments of \$8,480, including interest at 4.25%.	\$ 142,246
\$1,186,545 note was another assumption of a USDA loan from a local non-profit in order to purchase County property. The note was entered into on November 6, 2006, requiring 37 annual installments of \$68,298, including interest at 4.625%.	1,096,118
\$159,018 note was a new USDA loan to purchase County property from a local non-profit. The note was entered into on November 6, 2006, requiring 40 annual installments of \$8,489, including interest at 4.375%.	146,791
\$9,900,000 note was issued for the courthouse renovation project and to make a contribution to the community college for their Child Development Center. The note was entered into on January 8, 2007, requiring 15 annual principal payments of \$660,000, plus interest payments at 3.67%.	5,940,000
\$146,100 note was issued for the Haywood Advancement Loan. The note was entered into on November 6, 2008, requiring one annual principal payment of \$146,100, plus interest payments at 4.00%.	146,100
\$1,123,000 note was issued to finance the acquisition of land for a future County park. The note was entered into on June 12, 2009, requiring fifteen annual principal payments of \$74,867, plus interest at 4.17%.	823,533
\$3,876,000 note issued to finance the expansion of the County landfill on July 1, 2009. This note requires one principal payment of \$376,000, plus interest, three annual principal payments of \$1,000,000, plus interest and one annual principal payment of \$500,000 plus interest, all at 3.87%.	1,500,000

(continued)

\$12,500,000 note was issued for the adaptive renovation project from USDA with ARRA funds to purchase a vacated Wal-Mart building to house the Social Services, Health, and Central Permitting departments in the County. The note was entered into on October 4, 2010 and requires 40 annual payments of \$608,243, including interest at 3.75%.	\$ 12,029,436
\$11,100,000 note was issued for the community college building projects on October 15, 2010, requiring 15 annual principal payments of \$746,866, plus interest at 3.14%.	<u>9,333,333</u>
Total installment notes payable—governmental activities	<u>\$ 31,157,557</u>

Annual debt service requirements to maturity for the County's notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,660,784	\$ 1,107,249	\$ 3,768,033
2015	2,313,784	1,010,860	3,324,644
2016	1,674,852	937,383	2,612,235
2017	1,682,298	879,149	2,561,447
2018	1,690,033	820,626	2,510,659
2019-2023	7,917,052	3,214,392	11,131,444
2024-2027	3,354,487	2,144,896	5,499,383
2029-2033	1,707,553	1,760,032	3,467,585
2034-2038	2,063,967	1,403,620	3,467,587
2039-2043	2,494,322	972,333	3,466,655
2044-2048	2,578,866	487,431	3,066,297
2049-2050	1,019,559	55,091	1,074,650
	<u>\$ 31,157,557</u>	<u>\$ 14,793,062</u>	<u>\$ 45,950,619</u>

#### Certificates of Participation

In October 2002, the County entered into an installment-financing contract with a bank for construction of a new justice center and parking deck in the amount of \$22,000,000. In February 2003, the County entered into an installment-financing contract with a bank for refunding of the previous installment contract and the note payable for the construction of the agricultural center. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$911,644 and a reduction of \$1,815,976 in future debt service payments. The contract was funded by execution and delivery of

Certificates of Participation. The outstanding contract at June 30, 2013 is as follows:

\$22,705,000 Building Construction and Renovation  
 Program Series 2003A due in annual principal  
 payments on October 1, ranging from \$50,000 to  
 \$1,765,000, to \$1,765,000, and semi-annual  
 payments on April 1 and October 1  
 through 2017; interest ranges from 2.0% to  
 5.0%, fluctuating throughout the life of the certificates. \$ 7,555,000

Annual debt service requirements to maturity for the County's Certificates of Participation are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,585,000	\$ 312,000	\$ 1,897,000
2015	1,495,000	242,475	1,737,475
2016	1,490,000	175,325	1,665,325
2017	1,495,000	100,700	1,595,700
2018	<u>1,490,000</u>	<u>31,663</u>	<u>1,521,663</u>
Total	<u>\$ 7,555,000</u>	<u>\$ 862,163</u>	<u>\$ 8,417,163</u>

#### General Obligation Indebtedness

The general obligation bonds financed by the governmental funds are accounted for in the governmental funds. All general obligation bonds are collateralized by the full faith, credit and taxing power of the County. Principal and interest requirements are appropriated when due.

The County's general obligation bonds payable at June 30, 2013 are comprised of the following individual issues:

\$12,000,000 2005 Jail/Law Enforcement Center Serial Bonds due on December 1 and June 1 with interest payments through December 1, 2005; beginning June 1, 2006, installments of \$600,000 plus interest through June 1, 2025; interest rates ranging from 3.5% to 4.8%. Issue refunded December 2012 and will be payable in full on June 1, 2014.	\$ 600,000
\$18,000,000 2006 School Facility Serial Bonds due on November 1 and May 1 with interest payments through November 1, 2007; beginning May 1, 2008, installments of \$800,000 plus interest each May 1 through 2013; installment of \$900,000 plus interest due May 1, 2014; installments of \$1,000,000 plus interest through May 1, 2025, and a payment of \$1,300,000 plus interest on May 1, 2026. Interest payments are also due each November. Interest rates range from 3.75% to 5.00%.	13,200,000
\$7,000,000 2008 School Facility Serial Bonds due on March 1 and September 1 with interest payments through September 1, 2008; beginning March 1, 2009, installments of \$350,000 plus interest due each March 1 through March 1, 2025; \$650,000 installment plus interest on March 1, 2026 and a payment of \$400,000 plus interest on March 1, 2027. Interest payments are also due each September. Interest rates range from 3% to 4.125%.	5,250,000
\$7,150,000 Jail/Law Enforcement Center Refunded General Obligation Bond, with principal amounts due on June 1 of each year beginning June 1, 2013 in reducing increments through June 1, 2025, and interest amounts due each June 1 and December 1, with an interest rate of 1.88%.	<u>7,105,000</u>
Total	<u><u>\$ 26,155,000</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,950,000	\$ 941,912	\$ 2,891,912
2015	2,050,000	869,532	2,919,532
2016	2,040,000	795,871	2,835,871
2017	2,030,000	721,087	2,751,087
2018	2,020,000	644,303	2,664,303
2019-2023	9,875,000	2,176,215	12,051,215
2024-2027	6,190,000	518,035	6,708,035
	<u>\$ 26,155,000</u>	<u>\$ 6,666,955</u>	<u>\$ 32,821,955</u>
Total	<u>\$ 26,155,000</u>	<u>\$ 6,666,955</u>	<u>\$ 32,821,955</u>

#### Advance Refunding

On November 20, 2012, the County issued an installment financing contract in the amount of \$7,150,000 to refund a portion of the 2004 \$12,000,000 General Obligation Bonds, which were originally issued to construct a law enforcement center and detention center on County property. As a result, the General Obligation Bonds are considered to be defeased and the liability for the portion of the Bonds defeased has been removed from the balance sheet. At June 30, the principal outstanding on the refunded Bonds was \$6,600,000 and is held by U.S. Bank as escrow agent to be paid in full in June 2014, the first call date. The unrefunded principal was \$600,000 and will be paid by the County in June 2014. The reacquisition price exceeded the net carrying amount of the old debt by \$550,000. This advance refunding was undertaken to reduce total debt service payments over the life of the debt by \$721,616 and resulted in an economic gain of \$644,421.

□ **Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 27,400,000	\$ 7,150,000	\$ 8,395,000	\$ 26,155,000	\$ 1,950,000
Deferred issuance					
premium on bonds	417,077	-	114,010	303,067	-
Certificates of Participation	9,220,000	-	1,665,000	7,555,000	1,585,000
Deferred issuance					
premium on COPs	360,453	-	65,964	294,489	-
Notes payable	34,446,301	-	3,288,744	31,157,557	2,660,784
Landfill closure and					
postclosure care costs	6,144,889	1,349,173	-	7,494,062	-
Compensated absences	1,688,665	1,052,867	1,044,151	1,697,381	1,065,034
Net pension obligation	519,177	70,360	25,969	563,568	-
Net OPEB obligation	7,475,157	1,956,710	464,411	8,967,456	-
Total	<u>\$ 87,671,719</u>	<u>\$ 11,579,110</u>	<u>\$ 15,063,249</u>	<u>\$ 84,187,580</u>	<u>\$ 7,260,818</u>

At June 30, 2013, Haywood County had a legal debt margin of \$510,323,982.

**C. Deferred Outflows and Inflows of Resources:**

The amount of deferred outflows of resources is a charge on refunding of debt of \$522,139.

The balance in deferred inflows of resources on the fund statements and unearned revenues on the government-wide statements at June 30, 2013 is composed of the following elements:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ 294,538	\$ 294,538
Prepaid fees not yet earned (Special Revenue)	2,478	2,478
Taxes receivable, net (General)	1,844,809	-
Fees receivable (General)	72,928	-
Taxes receivable, net (Special Revenue)	204,278	-
Long-term notes receivable (General)	997,308	-
Fees receivable (Special Revenue)	314,151	-
Grant revenue received in cash (General)	<u>310,096</u>	<u>310,096</u>
Total	<u>\$ 4,040,586</u>	<u>\$ 607,112</u>

**D. Net Position and Fund Balances:**

- i. **Capital Assets, Net of Related Debt** - Capital assets, net of related debt at June 30, 2013, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 76,631,520
Less capital debt:	
Gross debt	65,465,113
Less: School debt related to assets to which the County does not hold title	(18,450,000)
Less: Community College debt related to assets to which the County does not hold title	(9,333,333)
Unexpended debt proceeds	<u>(1,072,469)</u>
Net capital debt	<u>36,609,311</u>
 Capital assets, net of related debt	 <u>\$ 40,022,209</u>

- ii. **Fund Balance** - 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	\$ 16,077,414
Less:	
Inventories	92,536
Stabilization by State Statute	5,019,152
Restricted for Sheriff's Department and Title III projects	107,294
Committed fund balance	1,173,116
Fund balance policy (11%)	<u>1,768,516</u>
 Remaining fund balance	 <u>\$ 7,916,800</u>

3. **Related Organization** - The Haywood County Board of Commissioners are responsible for appointing the members of the Haywood County Economic Development Commission (the "EDC"), but the County's accountability for this organization does not extend beyond making these appointments. The EDC exists to advise County management regarding the creation of capital investment and job opportunities through the attraction of new business and industry to Haywood County. The EDC had no financial transactions or account balances during the fiscal year ended June 30, 2013.

Haywood Regional Medical Center (the "Hospital") is a hospital authority. The County appoints the board of trustees for the Hospital, which has a September 30<sup>th</sup> year end. Complete financial statements for the Hospital may be obtained at the administrative office of the Hospital at 262 Leroy George Drive, Clyde, NC 28721.

Haywood Regional Medical Center (the "Hospital") is a hospital authority. The County appoints the board of trustees for the Hospital, which has a September 30<sup>th</sup> year end. Complete financial statements for the Hospital may be obtained at the administrative office of the Hospital at 262 Leroy George Drive, Clyde, NC 28721.

4. **Joint Ventures** - The County, in conjunction with Haywood County Chamber of Commerce and the Maggie Valley Chamber of Commerce, participates in a joint venture to operate the Haywood County Tourism Development Authority (the "TDA"). The TDA exists to promote local business and to make tourists aware of the opportunities and activities available in Haywood County. The County collects occupancy tax and remits the occupancy tax less 3% of the first \$500,000 and 1% of amounts over \$500,000 for administrative fees to the TDA. Although the participating entities do not have any equity interest in the joint venture, the County does appoint the twelve board members. Therefore, the TDA is presented as a component unit of the County in the financial statements. Complete financial statements for the TDA may be obtained from the TDA's offices at 44 North Main Street, Waynesville, North Carolina, 28786.

The County, in conjunction with the State of North Carolina and Haywood County Board of Education, participates in a joint venture to operate Haywood County Community College (the "Community College"). Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government association serves as a non-voting, ex-officio member of the board of trustees. 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 \$2,100,456 and \$176,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ending June 30, 2013 from the General Fund. In addition, the County expended \$1,376,741 from the Community College Project Fund for various construction projects. 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, 2012. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 185 Freedlander Drive, Clyde, North Carolina, 28721.

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Smoky Mountain Center for Mental Health (the "Center"). Each of the fifteen participants appoints one board member to the 15-25 member board of directors. Each of the fifteen participants then appoints the remaining members in such a manner as to provide equitable area-wide representation. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2013. In accordance with the intergovernmental agreement between

the participating governments, the County appropriated \$96,627 to the center to supplement its activities. In addition to the monetary contribution, the County entered into a sales agreement with the Center on December 28, 2011, whereby the county sold the property on which the Center's building resided for an amount below the assessed value of the land and the leasehold improvements. The majority of the leasehold improvements had been constructed by the Center. Complete financial statements for the Center may be obtained from the Center's area offices at P. O. Box 280, Dillsboro, North Carolina, 28725.

5. **Jointly Governed Organization** - The County, in conjunction with 21 town and county governments, established the Southwestern North Carolina Planning and Economic Development Commission (the "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 governing board.
6. **Benefit Payments Issued by the State** - The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Special Supplemental Food Program for Women, Infants, and Children	\$ 1,062,982	\$ -
Medical Assistance Program	51,190,622	28,985,277
TANF Emergency Assistance	651,614	-
Independent Living Transitional	24,071	-
State/County Special Assistance for Adults	-	528,374
AFDC Payments and Penalties	(119)	(32)
IV-E Adoption	458,335	122,560
Special Children Adoption	60,000	-
Child Welfare Services—Adoption Subsidy	-	334,187
IV-E Foster Care	392,359	132,961
Foster Care at Risk	-	1,259
State Foster Care Benefits Program	-	245,138
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 53,839,864</u>	<u>\$ 30,349,724</u>

7. **Summary Disclosure of Significant Contingencies** - The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management

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

8. **Conduit Debt Obligations** - Haywood County Industrial Facility and Pollution Control Financing Authority (the "Authority") has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as by letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$11,200,000.
9. **Interfund Receivables, Payables and Transfers** - Interfund transfers for the year ended June 30, 2013, consisted of the following:

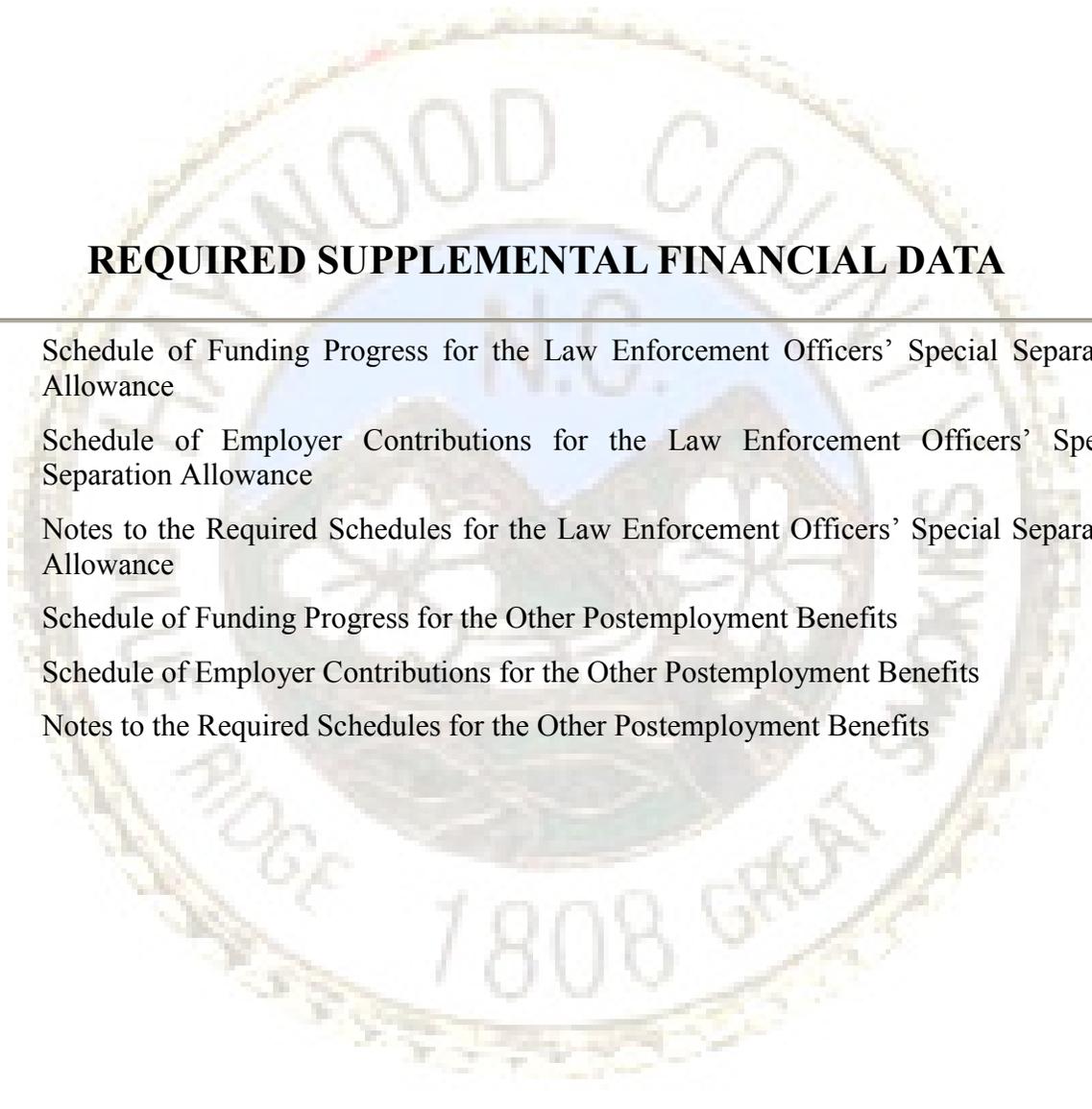
Transfers to Capital Projects	
County Building Renovations Fund from:	
General Fund	\$ 498,087
Transfers to Special Revenue Solid Waste Fund from:	
Capital Projects Solid Waste Landfill Fund	69,873

Transfers are used to: (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them; and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended June 30, 2013, the County transferred \$498,087 from the General Fund to the County Building Projects Fund, to cover the cost of renovation of a vacant building for use by the County. The County transferred \$69,873 to the Solid Waste Management Special Revenue, which was the residual amount of fund balance left in a completed project.

10. **Subsequent Event** – Subsequent to year end, the County entered into an installment loan of \$15,235,000 that refunded the 2003A Certificates of Participation, the 2007 Courthouse renovation installment issue, the 2009 land acquisition installment purchase, and included an amount to complete renovations of a county building to house County offices. The 2013 Installment Contract was undertaken to reduce total debt service payments over the lives of each loan and to allow completion of a county building renovation. The economic gain for the refunding of \$892,590 was sufficient to cover the addition of this new renovation project.

11. **Change in Accounting Principles** – The County implemented Governmental Accounting Standards Board (GASB) Statement 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures. Previously deferred bond issuance costs totaling \$513,330 were recognized as an expenditure in the current year.

The seal of Shenandoah County, Virginia, is a large, circular emblem in the background. It features a central shield with a plow, a sheaf of wheat, and a mountain range. The text "SHENANDOAH COUNTY, VIRGINIA" is written around the top inner edge, and "17808 GREAT BRIDGE" is written around the bottom inner edge. The seal is rendered in a light, semi-transparent style.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to the Required Schedules for the Other Postemployment Benefits

**HAYWOOD COUNTY, NORTH CAROLINA**

Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)– Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll for Year Ending on Val Date (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b - a)/c]</b>
12/31/12	\$ -	\$ 592,243	\$ 592,243	0%	\$ 2,251,312	26.31%
12/31/11	-	650,963	650,963	0%	2,140,204	30.42%
12/31/10	-	632,550	632,550	0%	2,032,038	31.13%
12/31/09	-	598,789	598,789	0%	2,027,941	29.53%
12/31/08	-	471,329	471,329	0%	2,146,030	21.96%
12/31/07	-	405,297	405,297	0%	2,002,778	20.24%
12/31/06	-	346,965	346,965	0%	1,975,853	17.56%
12/31/05	-	308,732	308,732	0%	1,796,938	17.18%
12/31/04	-	329,421	329,421	0%	1,639,466	20.09%
12/31/03	-	308,145	308,145	0%	1,447,599	21.29%

**HAYWOOD COUNTY, NORTH CAROLINA**

Law Enforcement Officers' Special Separation Allowance  
 Required Supplementary Information  
 Schedule of Employer Contributions

<b><u>Year Ending June 30,</u></b>	<b><u>Annual Required Contributions</u></b>	<b><u>Percentage Contributed</u></b>
2011	\$ 71,273	81.49%
2012	\$ 71,659	45.10%
2013	\$ 76,710	33.85%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/12
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
Includes inflation at	3.00%
Cost-of-living adjustments	N/A

\*Includes inflation at cost of living adjustments

**HAYWOOD COUNTY, NORTH CAROLINA**

Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)– Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b - a)/c]</b>
12/31/11	\$ -	\$ 19,866,726	\$ 19,866,726	0%	\$ 19,265,594	103.1%
12/31/09	-	18,569,987	18,569,987	0%	19,520,324	95.1%
12/31/08	-	19,487,023	19,487,023	0%	20,026,959	97.3%

**HAYWOOD COUNTY, NORTH CAROLINA**

Other Postemployment Benefits  
 Required Supplementary Information  
 Schedule of Employer Contributions

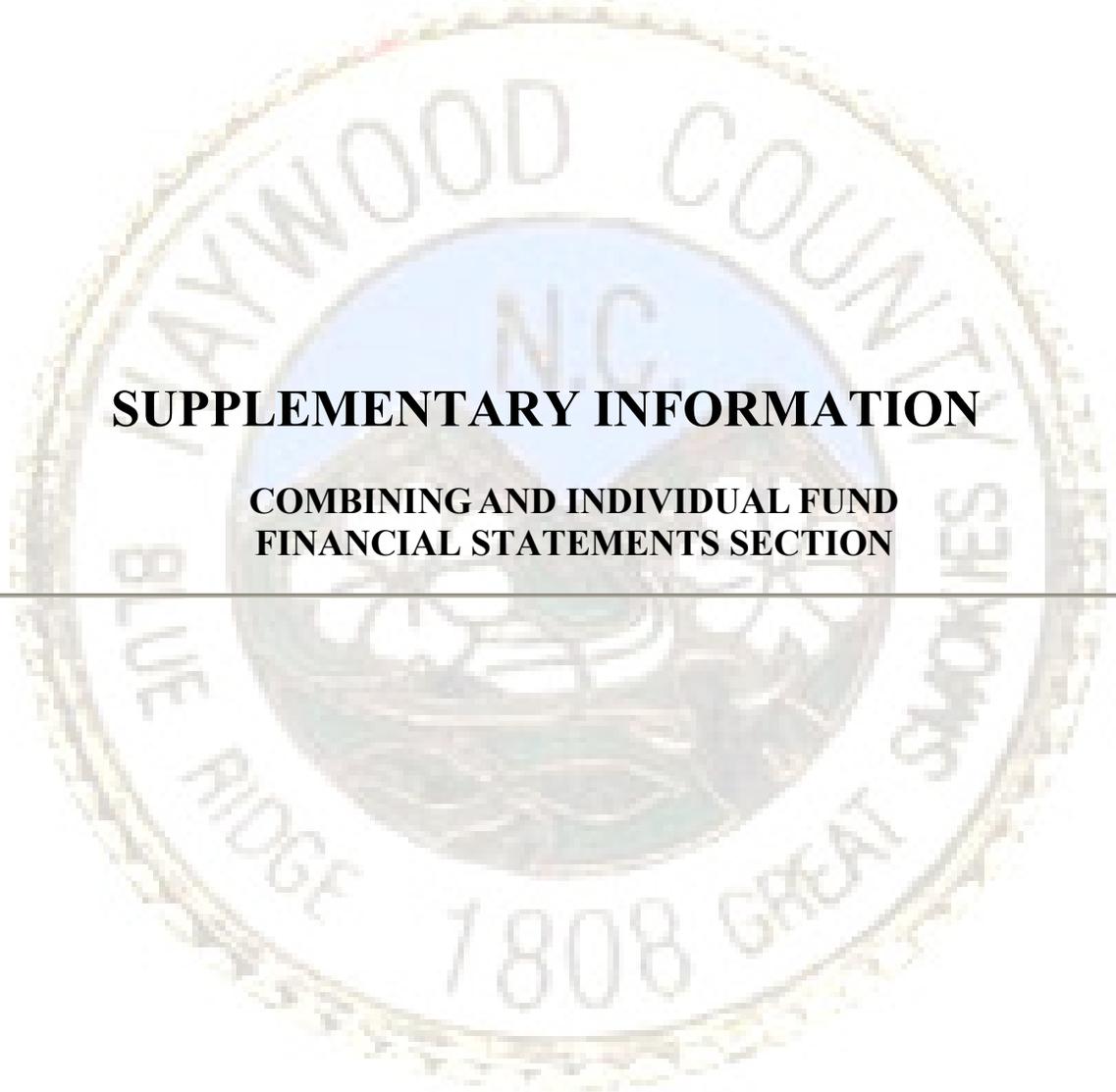
<b><u>Year Ending June 30,</u></b>	<b><u>Annual Required Contributions</u></b>	<b><u>Percentage Contributed</u></b>
2011	\$ 2,020,158	6.4%
2012	\$ 1,925,270	10.8%
2013	\$ 1,925,270	24.12%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/11
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.0%
Medical cost trend:	
Pre-Medicare trend rate	9.50 - 5.00%
Post-Medicare trend rate	7.00 - 5.00%
Year of ultimate trend rate	2018

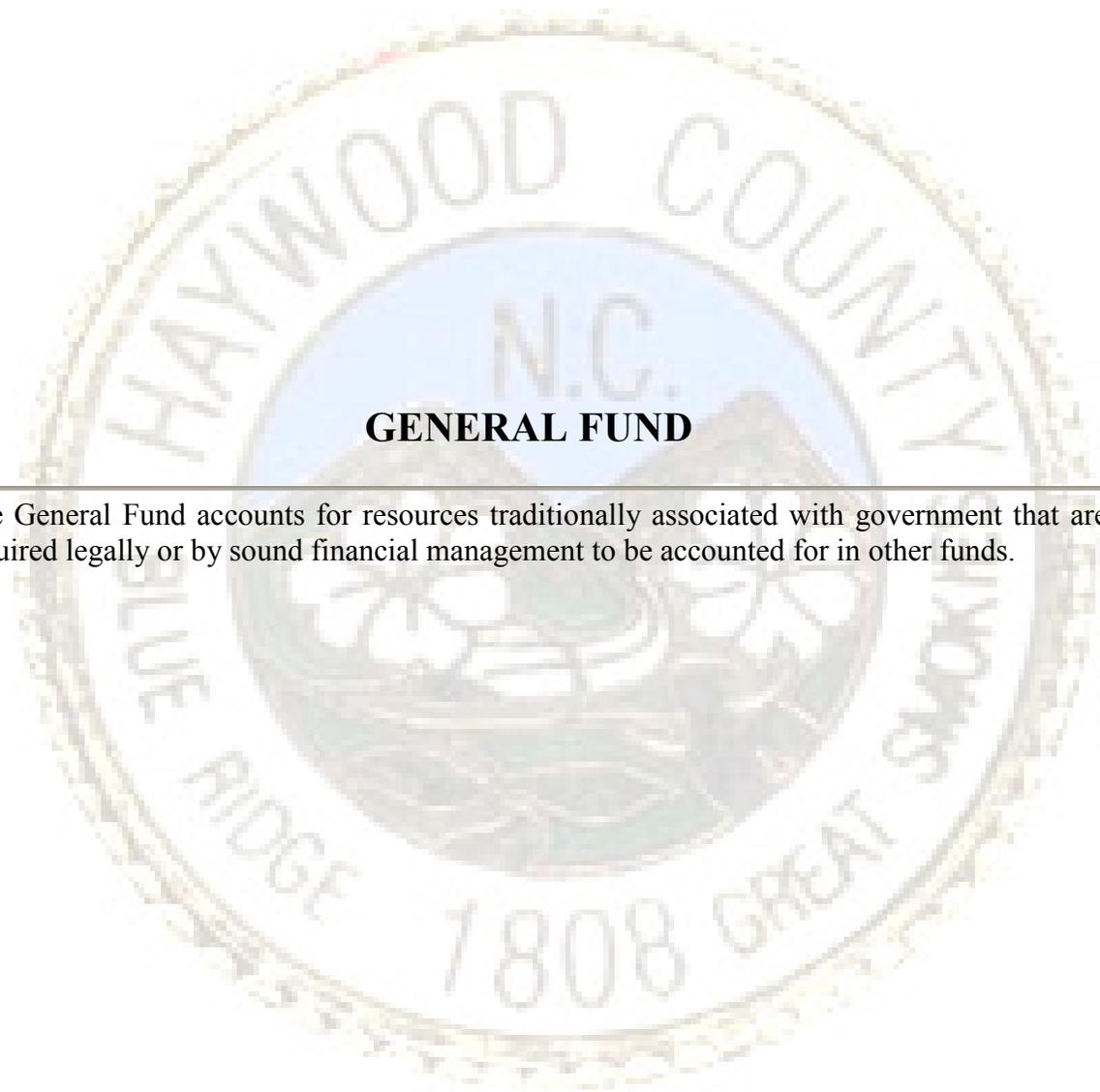
\*Includes inflation at 3.00%

The seal of Wayne County, North Carolina, is a circular emblem. It features a central shield with a plow and a sheaf of wheat, symbolizing agriculture. Above the shield is a blue banner with the letters "NC". The shield is surrounded by a circular border containing the text "WAYNE COUNTY, NC" at the top, "BLUE RIDGE" on the left, and "1808 GREAT SMOKIES" on the right. The entire seal is rendered in a light, faded color.

**SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS SECTION**

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## **GENERAL FUND**

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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.

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Ad valorem taxes:				
Current year and prior years		\$ 38,960,457		\$ 38,286,767
Penalties and interest		294,800		281,158
Total	\$ 38,925,170	<u>39,255,257</u>	\$ 330,087	<u>38,567,925</u>
Local option sales taxes:				
Article 39 one percent		4,519,352		4,205,612
Article 40 one-half of one percent		2,749,287		2,672,163
Article 42 one-half of one percent		2,502,488		2,330,584
Article 44 one-half of one percent		41,660		(1,024)
Article 46 one-quarter of one percent		1,380,730		1,304,097
Total	11,002,040	<u>11,193,517</u>	191,477	<u>10,511,432</u>
Other taxes and licenses:				
Occupancy tax		983,444		903,891
Deed stamp excise tax		338,692		300,674
Telecommunication video sales tax		352,596		361,456
Real property transfer tax		454,038		398,069
Other taxes		134,127		140,466
Total	2,451,612	<u>2,262,897</u>	(188,715)	<u>2,104,556</u>
Unrestricted intergovernmental:				
Payments in lieu of taxes	190,000	<u>306,971</u>	116,971	<u>312,905</u>
Restricted intergovernmental:				
Federal, state and other grants		12,919,979		13,292,153
Court facilities fees		97,757		116,249
Health and Social Services revenues-local		864,061		976,264
ABC net revenues		16,627		32,109
Controlled substance tax		3,905		1,806
Other--local		568,126		559,700
Total	15,208,309	<u>14,470,455</u>	(737,854)	<u>14,978,281</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues, continued:</b>				
Permits and fees:				
Building permits and inspection fees	\$ 345,500	\$ 318,510	\$ (26,990)	\$ 253,557
Sales and services:				
Library local revenues		15,719		16,561
Mapping sales		5,670		8,839
Sheriff's fees and commissions		149,991		166,793
Jail and officers' fees		134,259		97,725
Ambulance fees		2,223,847		1,412,140
Animal control fees		51,411		62,393
Dental clinic charges		130,950		109,956
Health dept patient fees		290,728		319,852
Social Services patient fees		67,556		70,520
Tax assessments--departmental services		350		372
Garage--departmental services		15,058		12,989
Tax collection fees		77,533		67,914
Public buildings--departmental services		47,973		34,179
Elections--departmental services		355		2,046
EDC--property management fees		2,025		12,730
Extension 4H		12,872		8,084
Rent		192,116		195,094
Recreation fees		25,571		21,667
Total	<u>3,567,494</u>	<u>3,443,984</u>	<u>(123,510)</u>	<u>2,619,854</u>
Investment earnings	<u>50,000</u>	<u>28,534</u>	<u>(21,466)</u>	<u>44,764</u>
Miscellaneous:				
Other	<u>205,014</u>	<u>199,786</u>	<u>(5,228)</u>	<u>158,541</u>
Total revenues	<u>71,945,139</u>	<u>71,479,911</u>	<u>(465,228)</u>	<u>69,551,815</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures:</b>				
General government:				
Governing body:				
Salaries and employee benefits		\$ 103,998		\$ 106,288
Operating		498,366		457,403
Total		<u>602,364</u>		<u>563,691</u>
Administration:				
Salaries and employee benefits		292,834		270,683
Operating		45,763		37,302
Capital outlay		7,800		10,952
Total		<u>346,397</u>		<u>318,937</u>
Finance:				
Salaries and employee benefits		460,061		449,618
Operating		37,411		46,788
Total		<u>497,472</u>		<u>496,406</u>
Human Resource:				
Salaries and employee benefits		140,362		157,822
Operating		488,217		319,962
Total		<u>628,579</u>		<u>477,784</u>
Wellness Clinic:				
Salaries and employee benefits		40,536		38,975
Operating		143,471		137,943
Total		<u>184,007</u>		<u>176,918</u>
Tax collections:				
Salaries and employee benefits		319,124		317,286
Operating		152,720		127,995
Total		<u>471,844</u>		<u>445,281</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
General government, continued:				
Tax assessments:				
Salaries and employee benefits		\$ 455,902		\$ 457,024
Operating		103,190		60,007
Capital Outlay		7,905		-
Total		<u>566,997</u>		<u>517,031</u>
Land records:				
Salaries and employee benefits		164,144		161,351
Operating		15,380		7,915
Total		<u>179,524</u>		<u>169,266</u>
Revaluation:				
Salaries and employee benefits		254,554		258,982
Operating		34,503		77,307
Capital Outlay		24,520		-
Total		<u>313,577</u>		<u>336,289</u>
Legal services		<u>128,189</u>		<u>143,130</u>
Courts:				
Operating		104,692		101,274
Total		<u>104,692</u>		<u>101,274</u>
CJPP technical assistance:				
Salaries and employee benefits		7,344		57,629
Operating		-		9,534
Total		<u>7,344</u>		<u>67,163</u>
Elections:				
Salaries and employee benefits		314,923		267,069
Operating		119,501		42,735
Total		<u>434,424</u>		<u>309,804</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
General government, continued:				
Register of Deeds:				
Salaries and employee benefits		\$ 216,688		\$ 223,014
Operating		408,434		409,296
Total		<u>625,122</u>		<u>632,310</u>
Total general government	\$ 5,319,089	<u>5,090,532</u>	\$ 228,557	<u>4,755,285</u>
Central Services:				
Information systems:				
Salaries and employee benefits		290,997		285,425
Operating		243,399		194,364
Capital outlay		14,886		84,423
Total		<u>549,282</u>		<u>564,212</u>
Garage:				
Salaries and employee benefits		108,215		110,288
Operating		25,777		25,973
Capital outlay		3,333		6,075
Total		<u>137,325</u>		<u>142,336</u>
Public buildings:				
Salaries and employee benefits		881,204		796,792
Operating		1,022,485		1,052,369
Capital outlay		195,792		212,592
Total		<u>2,099,481</u>		<u>2,061,753</u>
Total central services	<u>2,986,465</u>	<u>2,786,088</u>	200,377	<u>2,768,301</u>
Public safety:				
Sheriff:				
Salaries and employee benefits		3,746,245		3,755,578
Operating		575,477		604,224
Capital outlay		123,304		155,543
Total		<u>4,445,026</u>		<u>4,515,345</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Public safety, continued:				
Haywood County 911 Communication Center:				
Salaries and employee benefits		\$ 421,097		\$ 452,568
Operating		256,943		38,562
Total		<u>678,040</u>		<u>491,130</u>
Public safety grants:				
Salaries and employee benefits		998		5,328
Operating		161,719		281,551
Total		<u>162,717</u>		<u>286,879</u>
Sheriff--SRO officers:				
Salaries and employee benefits		171,034		166,539
Operating		2,814		2,214
Total		<u>173,848</u>		<u>168,753</u>
Detention:				
Salaries and employee benefits		1,749,803		1,646,419
Operating		559,823		549,591
Capital outlay		27,920		10,488
Total		<u>2,337,546</u>		<u>2,206,498</u>
NC forest service:				
Operating		<u>74,315</u>		<u>65,507</u>
Building inspections:				
Salaries and employee benefits		366,380		376,096
Operating		37,927		33,235
Capital outlay		8,578		13,466
Total		<u>412,885</u>		<u>422,797</u>
Medical examiner		<u>40,000</u>		<u>34,200</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Public safety, continued:				
Emergency medical service:				
Salaries and employee benefits		\$ 3,423,154		\$ 3,329,884
Operating		518,409		450,562
Capital outlay		274,042		293,669
Total		<u>4,215,605</u>		<u>4,074,115</u>
Rescue squad:				
Operating		<u>21,630</u>		<u>23,675</u>
Emergency management:				
Salaries and employee benefits		103,818		99,088
Operating		73,566		97,981
Total		<u>177,384</u>		<u>197,069</u>
Animal control:				
Salaries and employee benefits		384,126		283,387
Operating		34,484		161,922
Capital outlay		-		21,604
Total		<u>418,610</u>		<u>466,913</u>
Total public safety	\$ 13,643,918	<u>13,157,606</u>	\$ 486,312	<u>12,952,881</u>
Transportation:				
Mass transit	<u>310,000</u>	<u>233,951</u>	<u>76,049</u>	<u>238,829</u>
Environmental protection:				
Erosion control program:				
Salaries and employee benefits		147,898		145,935
Operating		5,182		4,204
Total	<u>155,187</u>	<u>153,080</u>	<u>2,107</u>	<u>150,139</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Economic and physical development:				
Planning:				
Salaries and employee benefits		\$ 169,716		\$ 165,073
Operating		8,314		7,720
Total		<u>178,030</u>		<u>172,793</u>
Economic development:				
Salaries and employee benefits		167,824		166,294
Operating		74,661		63,068
Total		<u>242,485</u>		<u>229,362</u>
Tourism development		<u>963,609</u>		<u>884,852</u>
Community development:				
Operating		<u>314,648</u>		<u>84,789</u>
Extension:				
Operating		<u>257,324</u>		<u>250,094</u>
Soil conservation:				
Salaries and employee benefits		175,610		171,583
Operating		21,195		21,195
Total		<u>196,805</u>		<u>192,778</u>
Soil and water conservation agricultural engineer:				
Salaries and employee benefits		<u>78,087</u>		<u>77,039</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Economic and physical development, continued:				
Soil and water conservation agricultural technician:				
Salaries and employee benefits		\$ 61,434		\$ 60,215
Operating		7,307		7,307
Total		<u>68,741</u>		<u>67,522</u>
Total economic and physical development	\$ 2,831,267	<u>2,299,729</u>	\$ 531,538	<u>1,959,229</u>
Human services:				
Health:				
Salaries and employee benefits		2,350,196		2,126,557
Operating		359,088		215,824
Capital outlay		19,046		19,046
Total		<u>2,728,330</u>		<u>2,361,427</u>
Medicaid:				
Salaries and employee benefits		-		237,122
Operating		-		14,097
Total		<u>-</u>		<u>251,219</u>
Immunization:				
Operating		440		2,368
Capital outlay		-		1,134
Total		<u>440</u>		<u>3,502</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Human services, continued:				
Dental clinic:				
Salaries and employee benefits		\$ 247,564		\$ 335,943
Operating		216,974		190,830
Total		<u>464,538</u>		<u>526,773</u>
Child health		<u>14,974</u>		<u>6,397</u>
Family planning:				
Operating		<u>49,706</u>		<u>51,312</u>
Adult health services:				
Operating		<u>18,363</u>		<u>3,821</u>
Health check:				
Salaries and employee benefits		42,346		41,794
Operating		269		413
Total		<u>42,615</u>		<u>42,207</u>
Cancer data base		<u>9,769</u>		<u>8,091</u>
American Cancer Society--Project Assist:				
Salaries and employee benefits		60,352		59,187
Operating		88,813		7,671
Capital outlay		1,537		1,963
Total		<u>150,702</u>		<u>68,821</u>
WIC program:				
Salaries and employee benefits		9,743		10,255
Operating		60,669		53,237
Total		<u>70,412</u>		<u>63,492</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Smart & Healthy Start:				
Operating		\$ -		\$ 1,500
Total		-		1,500
Maternal Health:				
Operating		4,709		4,709
Environmental health:				
Salaries and employee benefits		754,152		767,491
Operating		32,536		32,908
Total		786,688		800,399
T.B. control		3,246		3,226
Mental health		96,627		116,455
Social Services:				
Salaries and employee benefits		6,707,616		6,597,658
Operating		724,741		545,515
Capital outlay		2,159		6,696
Total		7,434,516		7,149,869
Work First--NCDOT Trans		3,527		19,005

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Human services, continued:				
Public Assistance:				
General assistance		\$ 1,401		\$ 1,543
Medicaid		-		(592)
Aid to the aged and disabled		520,617		498,848
Crisis intervention		320,945		472,478
Aid to blind		5,412		5,636
Adoption assistance		34,438		22,513
Medicaid transportation		362,909		481,638
Electrical assistance expenditures		197,710		206,632
Foster Care		1,260,333		1,053,922
Public assistance		35,900		60,874
Total		<u>2,739,665</u>		<u>2,803,492</u>
Meals on Wheels:				
Salaries and employee benefits		157,133		169,658
Operating		64,908		77,976
Total		<u>222,041</u>		<u>247,634</u>
JOBS Work First:				
Operating		<u>2,924,096</u>		<u>3,470,717</u>
Food assistance				
		<u>-</u>		<u>2,525</u>
Adoption awareness				
		<u>5,467</u>		<u>475</u>
Adult Day Care:				
Salaries and employee benefits		150,278		147,993
Operating		64,139		74,466
Total		<u>214,417</u>		<u>222,459</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Human services, continued:				
Cap-Community Alternative Program				
Salaries and employee benefits		\$ 266,628		\$ 332,902
Operating		94,740		99,779
Total		<u>361,368</u>		<u>432,681</u>
Robert Wood Johnson Grant		<u>120,000</u>		<u>110,664</u>
Community Crisis Management		<u>-</u>		<u>4,016</u>
Adoption payments		<u>221,381</u>		<u>213,927</u>
Title III Grants		<u>358,706</u>		<u>379,652</u>
Senior citizens programs		<u>16,000</u>		<u>16,000</u>
Veteran's service:				
Salaries and employee benefits		96,858		93,406
Operating		6,070		5,808
Total		<u>102,928</u>		<u>99,214</u>
Youth Services:				
Operating		<u>198,311</u>		<u>242,342</u>
Total human services	\$ 20,088,754	<u>19,363,542</u>	\$ 725,212	<u>19,728,023</u>
Culture and recreation:				
Library:				
Salaries and employee benefits		973,179		928,686
Operating		385,934		406,006
Capital outlay		136,018		14,478
Total		<u>1,495,131</u>		<u>1,349,170</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>		<b>Variance Favorable (Unfavorable)</b>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Expenditures, continued:</b>				
Recreation:				
Salaries and employee benefits		\$ 156,252		\$ 161,455
Operating		60,968		85,289
Capital outlay		-		6,700
Total		<u>217,220</u>		<u>253,444</u>
Total culture and recreation	\$ 1,761,713	<u>1,712,351</u>	\$ 49,362	<u>1,602,614</u>
Education:				
Public schools--current		14,144,927		13,977,292
Public schools--capital outlay		198,629		205,500
Community college--current		2,100,456		2,100,456
Community college--capital outlay		176,000		120,000
Total education	16,656,383	<u>16,620,012</u>	36,371	<u>16,403,248</u>
Debt service:				
Principal	5,757,399	5,748,745		5,496,245
Interest	2,728,366	2,494,992		2,903,948
Total debt service	<u>8,485,765</u>	<u>8,243,737</u>	242,028	<u>8,400,193</u>
Total expenditures	<u>72,238,541</u>	<u>69,660,628</u>	2,577,913	<u>68,958,742</u>
Revenues over (under) expenditures	<u>(293,402)</u>	<u>1,819,283</u>	<u>2,112,685</u>	<u>593,073</u>
<b>Other financing sources (uses):</b>				
Transfers to other funds	(706,303)	(498,087)	208,216	(136,009)
Refunding proceeds from debt issued	7,150,000	7,150,000	-	-
Payment to escrow agent for refunded debt	(7,079,605)	(7,079,605)	-	-
Sale of capital assets	26,000	173,713	147,713	486,429
Total other financing sources (uses)	<u>(609,908)</u>	<u>(253,979)</u>	<u>355,929</u>	<u>350,420</u>

(continued)

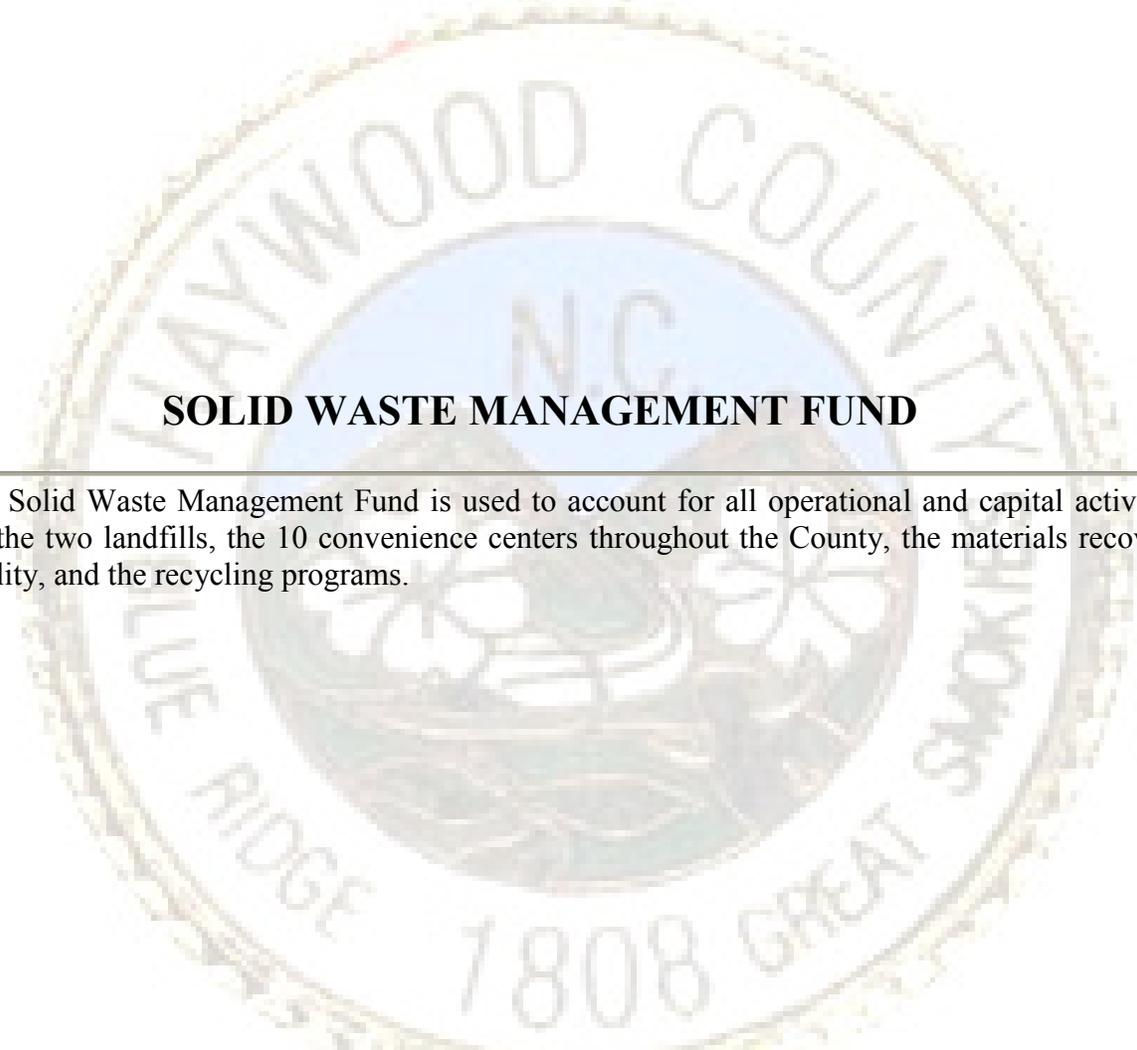
**HAYWOOD COUNTY, NORTH CAROLINA**

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued  
(with Comparative Totals for 2012)

For the Fiscal Year Ended June 30, 2013

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues and other financing sources over (under)				
expenditures and other financing uses	\$ (903,310)	\$ 1,565,304	\$ 2,468,614	\$ 943,493
<b>Appropriated fund balance</b>	<u>903,310</u>	<u>-</u>	<u>(903,310)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,565,304</u>	<u>\$ 1,565,304</u>	<u>943,493</u>
<b>Fund balance:</b>				
Beginning of year, July 1		<u>14,512,110</u>		<u>13,568,617</u>
End of year, June 30		<u>\$ 16,077,414</u>		<u>\$ 14,512,110</u>

The seal of Wayne County, North Carolina, is a circular emblem. It features a central shield with a plow, a sheaf of wheat, and a cotton plant. Above the shield is a banner with the letters "NC". The outer ring of the seal contains the text "WAYNE COUNTY" at the top, "1780" at the bottom, and "GREAT SMOKIES" on the right side. The words "LIFE" and "RIDGE" are also visible on the left side of the seal.

## **SOLID WASTE MANAGEMENT FUND**

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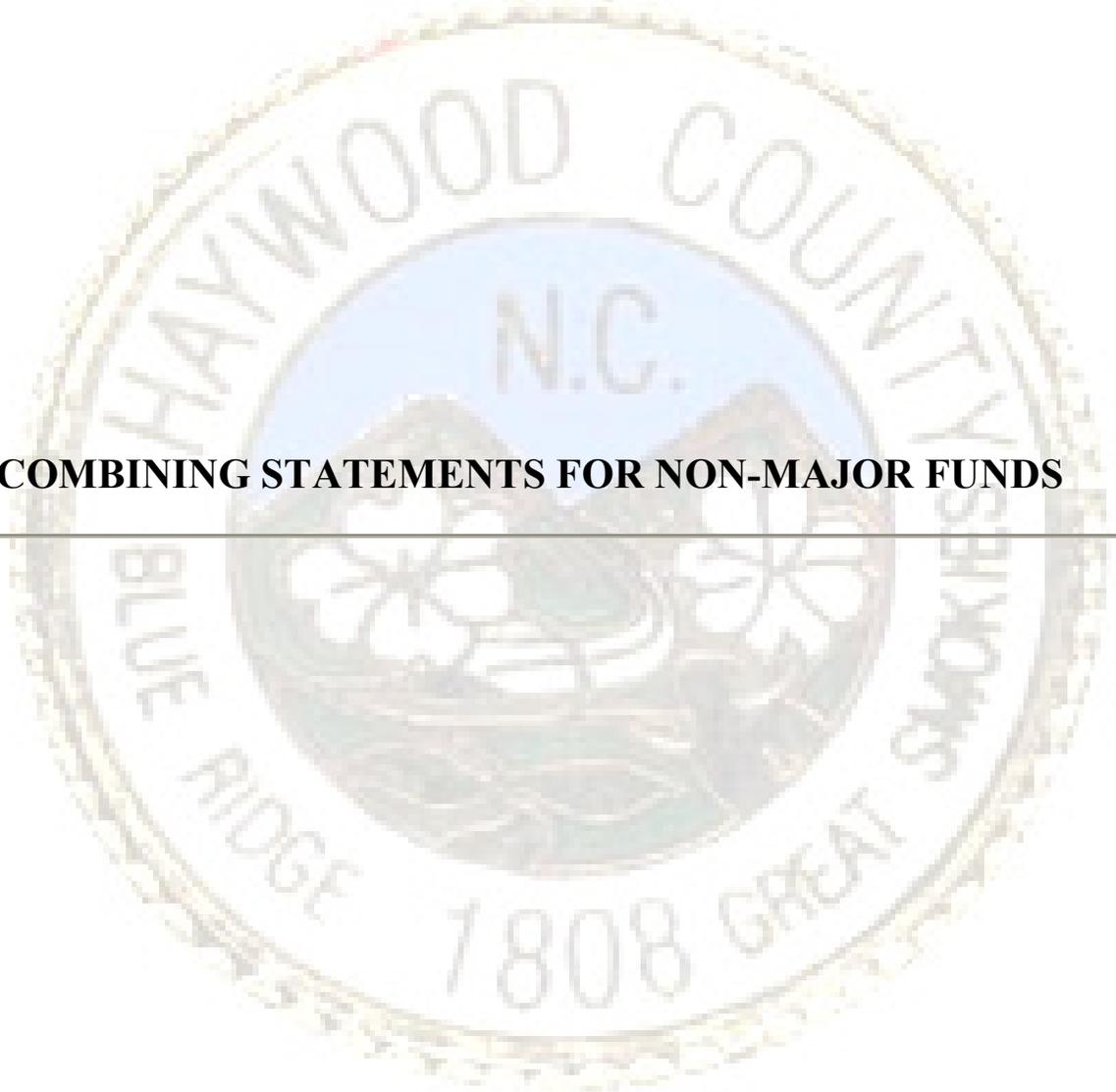
The Solid Waste Management Fund is used to account for all operational and capital activities for the two landfills, the 10 convenience centers throughout the County, the materials recovery facility, and the recycling programs.

**HAYWOOD COUNTY, NORTH CAROLINA**

Solid Waste Management Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual

For the Fiscal Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Permits and fees:			
Solid waste fees	\$ 3,449,887	\$ 3,372,503	\$ (77,384)
Other taxes and licenses	115,000	120,702	5,702
Intergovernmental revenue:			
DENR Grants	42,000	65,722	23,722
Sales and services	1,733,800	1,686,018	(47,782)
Miscellaneous revenue	-	1,854	1,854
Total revenues	<u>5,340,687</u>	<u>5,246,799</u>	<u>(93,888)</u>
<b>Expenditures:</b>			
Environmental Protection:			
Salaries and employee benefits	950,309	808,911	141,398
Operating	3,221,447	3,111,509	109,938
Solid waste disposal tax	100,000	85,719	14,281
Capital outlay	205,688	182,180	23,508
Contingency	38,161	-	38,161
Debt service:			
Principal	1,000,000	1,000,000	-
Interest	87,075	87,075	-
Total expenditures	<u>5,602,680</u>	<u>5,275,394</u>	<u>327,286</u>
Revenues over (under) expenditures	(261,993)	(28,595)	233,398
<b>Other financing sources (uses):</b>			
Transfer from other funds	36,993	69,873	32,880
Sale of assets	-	16,263	16,263
Total other financing sources (uses)	<u>36,993</u>	<u>86,136</u>	<u>49,143</u>
<b>Appropriated fund balance</b>	<u>225,000</u>	<u>-</u>	<u>(225,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>57,541</u>	<u>\$ 57,541</u>
<b>Fund balance:</b>			
Beginning of year, July 1		<u>3,073,549</u>	
End of year, June 30		<u>\$ 3,131,090</u>	

The seal of Haywood County, North Carolina, is a circular emblem. It features a central landscape with a river, a bridge, and mountains. The text "HAYWOOD COUNTY" is arched across the top, "N.C." is in the center, "BLUE RIDGE" is on the left, and "1808 GREAT SMOKIES" is on the right. A horizontal line is drawn across the middle of the seal.

**COMBINING STATEMENTS FOR NON-MAJOR FUNDS**

**HAYWOOD COUNTY, NORTH CAROLINA**Combining Balance Sheet  
Non-major Governmental Funds

June 30, 2013

	<b>Total Non- major Special Revenue Funds</b>	<b>Total Non- major Capital Projects Funds</b>	<b>Total Non- major Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 769,299	\$ 533,415	\$ 1,302,714
Restricted cash	-	447,551	447,551
Accounts receivable, net	89,293	-	89,293
Taxes receivable, net	204,277	-	204,277
	<hr/>	<hr/>	<hr/>
Total assets	\$ 1,062,869	\$ 980,966	\$ 2,043,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 173,877	\$ 123,906	\$ 297,783
Total liabilities	173,877	123,906	297,783
	<hr/>	<hr/>	<hr/>
<b>Deferred In Flows of Resources</b>	204,277	-	204,277
	<hr/>	<hr/>	<hr/>
<b>Fund balances:</b>			
Restricted:			
Stabilization by State Statute	89,293	-	89,293
E-911	595,422	-	595,422
Committed:			
Capital projects	-	857,060	857,060
Total fund balances	684,715	857,060	1,541,775
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 1,062,869	\$ 980,966	\$ 2,043,835
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## HAYWOOD COUNTY, NORTH CAROLINA

### Combining Balance Sheet Non-major Special Revenue Funds

June 30, 2013

	<b>Emergency Telephone Fund</b>	<b>Fire Districts Fund</b>	<b>Crisis Assistance Housing Fund</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 676,494	\$ 57,278	\$ 31,007
Accounts receivable, net	89,293	-	-
Taxes receivable, net	-	192,832	-
	<u>\$ 765,787</u>	<u>\$ 250,110</u>	<u>\$ 31,007</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 81,072	\$ 57,278	\$ 31,007
Total liabilities	<u>81,072</u>	<u>57,278</u>	<u>31,007</u>
<b>Deferred In Flows of Resources</b>	<u>-</u>	<u>192,832</u>	<u>-</u>
<b>Fund balances:</b>			
Restricted:			
Stabilization by State Statute	89,293	-	-
E-911	595,422	-	-
Total fund balances	<u>684,715</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 765,787</u>	<u>\$ 250,110</u>	<u>\$ 31,007</u>

<u>Sanitary District Fund</u>	<u>Road Service Fund</u>	<u>Total Non- major Special Revenue Funds</u>
\$ 2,101	\$ 2,419	\$ 769,299
-	-	89,293
<u>7,512</u>	<u>3,933</u>	<u>204,277</u>
<u>\$ 9,613</u>	<u>\$ 6,352</u>	<u>\$ 1,062,869</u>
<u>\$ 2,101</u>	<u>\$ 2,419</u>	<u>\$ 173,877</u>
<u>2,101</u>	<u>2,419</u>	<u>173,877</u>
<u>7,512</u>	<u>3,933</u>	<u>204,277</u>
-	-	89,293
-	-	595,422
<u>-</u>	<u>-</u>	<u>684,715</u>
<u>\$ 9,613</u>	<u>\$ 6,352</u>	<u>\$ 1,062,869</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Combining Balance Sheet  
Non-major Capital Project Funds

June 30, 2013

	<u>Water and Sewer Lines</u>	<u>Solid Waste/Landfill</u>	<u>Public Schools ADM/Lottery</u>	<u>County Building Renovations</u>	<u>Total Non- major Capital Projects Funds</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 16,669	\$ -	\$ 53,768	\$ 462,978	\$ 533,415
Restricted cash	-	447,551	-	-	447,551
Total assets	<u>\$ 16,669</u>	<u>\$ 447,551</u>	<u>\$ 53,768</u>	<u>\$ 462,978</u>	<u>\$ 980,966</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 24,189	\$ 99,717	\$ 123,906
<b>Fund balances:</b>					
Committed:					
Capital projects	16,669	447,551	29,579	363,261	857,060
Total fund balances	<u>16,669</u>	<u>447,551</u>	<u>29,579</u>	<u>363,261</u>	<u>857,060</u>
Total liabilities and fund balances	<u>\$ 16,669</u>	<u>\$ 447,551</u>	<u>\$ 53,768</u>	<u>\$ 462,978</u>	<u>\$ 980,966</u>

**HAYWOOD COUNTY, NORTH CAROLINA**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Governmental Funds

For the Fiscal Year Ended June 30, 2013

	<b>Non-major Special Revenue Funds</b>	<b>Non-major Capital Projects Funds</b>	<b>Total Non-major Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 4,016,787	\$ -	\$ 4,016,787
Other taxes	-	-	-
Restricted intergovernmental	548,972	219,284	768,256
Investment earnings (loss)	654	-	654
Miscellaneous	(805)	-	(805)
Total revenues	<u>4,565,608</u>	<u>219,284</u>	<u>4,784,892</u>
<b>Expenditures:</b>			
Current:			
Public safety	4,016,862	-	4,016,862
Environmental Protection	198,336	33,780	232,116
Economic and physical development	199,747	268,377	468,124
Intergovernmental:			
Education	-	230,368	230,368
Total expenditures	<u>4,414,945</u>	<u>532,525</u>	<u>4,947,470</u>
Revenues over (under) expenditures	<u>150,663</u>	<u>(313,241)</u>	<u>(162,578)</u>
<b>Other financing sources (uses):</b>			
Transfers from other funds	-	498,087	498,087
Transfers to other funds	-	(69,873)	(69,873)
Total other financing sources (uses)	<u>-</u>	<u>428,214</u>	<u>428,214</u>
Net change in fund balances	150,663	114,973	265,636
<b>Fund balances:</b>			
Beginning of year, July 1	<u>534,052</u>	<u>742,087</u>	<u>1,276,139</u>
End of year, June 30	<u>\$ 684,715</u>	<u>\$ 857,060</u>	<u>\$ 1,541,775</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Special Revenue Funds

For the Fiscal Year Ended June 30, 2013

	<b>Emergency Telephone System Fund</b>	<b>Fire District Fund</b>	<b>Crisis Assistance Housing Fund</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ 3,631,841	\$ -
Restricted intergovernmental	535,835	-	13,137
Investment earnings	654	-	-
Miscellaneous	-	-	-
Total revenues	<u>536,489</u>	<u>3,631,841</u>	<u>13,137</u>
<b>Expenditures:</b>			
Current:			
Public safety	385,021	3,631,841	-
Environmental protection	-	-	-
Economic and physical development	-	-	13,137
Total expenditures	<u>385,021</u>	<u>3,631,841</u>	<u>13,137</u>
Net change in fund balances	151,468	-	-
<b>Fund balances:</b>			
Beginning of year, July 1	<u>533,247</u>	<u>-</u>	<u>-</u>
End of year, June 30	<u>\$ 684,715</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Sanitary District Fund</b>	<b>Road Service Fund</b>	<b>CDBG Scattered Site Project Fund</b>	<b>Total Non-major Special Revenue Funds</b>
\$ 198,336	\$ 186,610	\$ -	\$ 4,016,787
-	-	-	548,972
-	-	-	654
-	-	(805)	(805)
<u>198,336</u>	<u>186,610</u>	<u>(805)</u>	<u>4,565,608</u>
-	-	-	4,016,862
198,336	-	-	198,336
-	186,610	-	199,747
<u>198,336</u>	<u>186,610</u>	<u>-</u>	<u>4,414,945</u>
-	-	(805)	150,663
-	-	805	534,052
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,715</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-major Capital Project Funds

For the Fiscal Year Ended June 30, 2013

	<b>Water and Sewer Lines Fund</b>	<b>Solid Waste/ Landfill Fund</b>	<b>Public Schools ADM/Lottery Fund</b>	<b>Building Renovations Fund</b>	<b>Total Non-major Capital Project Funds</b>
<b>Revenues:</b>					
Restricted intergovernmental	\$ -	\$ -	\$ 173,384	\$ 45,900	\$ 219,284
<b>Expenditures:</b>					
Current:					
Environmental protection	-	33,780	-	-	33,780
Economic and physical development	-	-	-	268,377	268,377
Education	-	-	230,368	-	230,368
Total expenditures	-	33,780	230,368	268,377	532,525
Revenues under expenditures	-	(33,780)	(56,984)	(222,477)	(313,241)
<b>Other financing sources (uses):</b>					
Transfers from other funds	-	-	-	498,087	498,087
Transfers to other funds	-	(69,873)	-	-	(69,873)
Total other financing sources (uses)	-	(69,873)	-	498,087	428,214
Net change in fund balances	-	(103,653)	(56,984)	275,610	114,973
<b>Fund balances:</b>					
Beginning of Year, July 1	16,669	551,204	86,563	87,651	742,087
End of year, June 30,	\$ 16,669	\$ 447,551	\$ 29,579	\$ 363,261	\$ 857,060

## **SPECIAL REVENUE FUNDS**

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Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specific purposes.

### Individual Fund Descriptions

- **The Emergency Telephone Fund** accounts for 9-1-1 system subscriber fees and levies as provided for in North Carolina General Statute (NCGS) 159-26(b)(2). Under NCGS Chapter 62A, Haywood County imposes a monthly service charge to cover the cost of administering an enhanced emergency telecommunications wire line system. NCGS Chapter 62A also provides for the levy of a monthly service charge by the State for each wireless mobile connection unit to recover costs associated with operating a wireless enhanced system.
- **The Fire Districts Fund** accounts for the ad valorem tax levies of the fifteen fire districts in Haywood County.
- **The Crisis Assistance Housing Fund** accounts for the administration of federal and state grants for relocation and rehabilitation assistance related to damage from recent hurricanes.
- **The Sanitary District Fund** accounts for the ad valorem tax levy for a sanitary district in Haywood County.
- **The Road Service Fund** accounts for the ad valorem tax levy of a road service district.
- **The CDBG Scattered Site Project Fund** accounts for Federal grants received and expended for community development.

**HAYWOOD COUNTY, NORTH CAROLINA**

Emergency Telephone System Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 710,756	\$ 535,835	\$ (174,921)
Investment earnings	-	654	654
Total revenues	<u>710,756</u>	<u>536,489</u>	<u>(174,267)</u>
<b>Expenditures:</b>			
Public safety	616,495	385,021	231,474
Contingency	94,261	-	94,261
Total expenditures	<u>710,756</u>	<u>385,021</u>	<u>325,735</u>
Net change in fund balance	<u>\$ -</u>	151,468	<u>\$ 151,468</u>
<b>Fund balance:</b>			
Beginning of year, July 1		<u>533,247</u>	
End of year, June 30		<u>\$ 684,715</u>	

**HAYWOOD COUNTY, NORTH CAROLINA**

## Fire Districts Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year and prior	\$ 3,684,051	\$ 3,599,753	\$ (84,298)
Penalties and interest	-	32,088	32,088
Total	<u>3,684,051</u>	<u>3,631,841</u>	<u>(52,210)</u>
<b>Expenditures:</b>			
Public safety:			
Fire district:			
West Canton	65,500	65,322	178
North Canton	271,555	270,932	623
Center Pigeon	377,562	373,347	4,215
Lake Junaluska	344,172	341,220	2,952
Crabtree-Ironduff	246,570	243,418	3,152
Cruso	175,000	174,082	918
Camp Branch (Waynesville)	-	64	(64)
Saunook	165,500	167,757	(2,257)
Maggie Valley	702,000	688,581	13,419
Clyde	381,531	380,488	1,043
Jonathan Creek	427,500	423,185	4,315
South Waynesville	-	152	(152)
Big Cove (Waynesville)	-	11	(11)
Fines Creek	160,805	164,070	(3,265)
Lake Logan-Cecil	141,356	141,399	(43)
Waynesville (combined)	225,000	197,813	27,187
Total expenditures	<u>3,684,051</u>	<u>3,631,841</u>	<u>52,210</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**HAYWOOD COUNTY, NORTH CAROLINA**

## Crisis Assistance Housing Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Restricted intergovernmental:					
NC Department of Crime Control and Public Safety--CHAF	\$ 5,405,402	\$ 3,731,716	\$ 13,137	\$ 3,744,853	\$ (1,660,549)
Clean Water Management Trust Easement	350,066	315,129	-	315,129	(34,937)
Total revenues	<u>5,755,468</u>	<u>4,046,845</u>	<u>13,137</u>	<u>4,059,982</u>	<u>(1,695,486)</u>
<b>Expenditures:</b>					
Crises Housing Assistance Fund (CHAF):					
Housing rehab/construction	530,000	300,533	-	300,533	229,467
Renters' assistance	328,900	8,166	-	8,166	320,734
Homeowners' relocation assistance	1,020,000	580,060	-	580,060	439,940
Operating expenditures	254,120	253,164	-	253,164	956
Housing counselors	123,392	120,687	1,192	121,879	1,513
Replacement assistance	3,146,000	2,466,116	11,945	2,478,061	667,939
C/O data processing equipment	2,990	2,990	-	2,990	-
Total	<u>5,405,402</u>	<u>3,731,716</u>	<u>13,137</u>	<u>3,744,853</u>	<u>1,660,549</u>
Clean Water Trust easement:					
Professional services	106,354	91,263	-	91,263	15,091
Property management	48,647	48,519	-	48,519	128
C/O land easement	195,065	175,347	-	175,347	19,718
Total	<u>350,066</u>	<u>315,129</u>	<u>-</u>	<u>315,129</u>	<u>34,937</u>
Total expenditures	<u>5,755,468</u>	<u>4,046,845</u>	<u>13,137</u>	<u>4,059,982</u>	<u>1,695,486</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance:</b>					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

**HAYWOOD COUNTY, NORTH CAROLINA**

Sanitary District Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year and prior	\$ 197,694	\$ 197,182	\$ (512)
Penalties and interest	-	1,154	1,154
Total revenues	<u>197,694</u>	<u>198,336</u>	<u>642</u>
<b>Expenditures:</b>			
Environmental protection:			
Water and sewer	<u>197,694</u>	<u>198,336</u>	<u>(642)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**HAYWOOD COUNTY, NORTH CAROLINA**

## Road Service Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Current year and prior year	\$ 195,010	\$ 186,042	\$ (8,968)
Penalties and interest	-	568	568
Total revenues	<u>195,010</u>	<u>186,610</u>	<u>(8,400)</u>
<b>Expenditures:</b>			
Economic and physical development	<u>195,010</u>	<u>186,610</u>	<u>8,400</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund balance:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**HAYWOOD COUNTY, NORTH CAROLINA****CDBG Scattered Site Project Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual**

From Inception and for the Fiscal Year Ended June 30, 2013

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues:</b>					
Restricted intergovernmental	400,000	-	-	-	(400,000)
Miscellaneous revenue CDBG	15,937	15,937	(805)	15,132	(805)
Total revenues	<u>415,937</u>	<u>15,937</u>	<u>(805)</u>	<u>15,132</u>	<u>(400,805)</u>
<b>Expenditures:</b>					
Economic and physical development:					
CDBG Housing Rehab 2013	400,000	-	-	-	400,000
Other rehab--other repair	15,937	15,132	-	15,132	805
Total expenditures	<u>415,937</u>	<u>15,132</u>	<u>-</u>	<u>15,132</u>	<u>400,805</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 805</u>	<u>(805)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balance:</b>					
Beginning of year, July 1			<u>805</u>		
End of year, June 30			<u>\$ -</u>		

## CAPITAL PROJECT FUNDS

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Capital Project Funds are used to account for the acquisition or construction of major capital facilities.

### Individual Fund Descriptions

- **The Community College Projects Fund** accounts for the major capital projects at the community college that are funded by the article 46¼ cent sales tax revenues. The County has elected to report this fund as a major fund this year.
- **The Water and Sewer Lines Fund** accounts for the County water and sewer projects.
- **The Solid Waste/Landfill Fund** accounts for projects related to the White Oak Landfill construction and cell expansion.
- **The Public Schools ADM/Lottery Fund** accounts for projects funded with ADM revenues and lottery proceeds appropriated to Haywood County.
- **The County Building Renovations Fund** accounts for any large renovation projects for Haywood County that are not accounted for in a separate fund.

**HAYWOOD COUNTY, NORTH CAROLINA**

Major Fund—Capital Project Fund—Community College Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 27,356	\$ 3,387	\$ 30,743	\$ 30,743
<b>Expenditures:</b>					
HCC--Administration building:					
Professional services:					
Architectural and engineering	212,469	63,404	-	63,404	149,065
Other	25,544	25,544	-	25,544	-
Buildings, structures and improvements	1,579,353	1,579,352	-	1,579,352	1
Total	1,817,366	1,668,300	-	1,668,300	149,066
HCC--Creative Arts Building:					
Professional services:					
Architectural and engineering	985,000	897,148	72,869	970,017	14,983
Financing costs	67,000	66,351	-	66,351	649
Miscellaneous	219,735	141,230	27,617	168,847	50,888
Buildings, structures and improvements	8,776,130	7,493,404	1,270,955	8,764,359	11,771
Contingency	248,302	-	-	-	248,302
Total	10,296,167	8,598,133	1,371,441	9,969,574	326,593
HCC--General Education building 300 renovation:					
Professional services:					
Architectural and engineering	25,000	24,364	-	24,364	636
Buildings, structures and improvements	139,034	139,034	-	139,034	-
Contingency	7,465	-	-	-	7,465
Total	171,499	163,398	-	163,398	8,101

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

Major Fund–Capital Project Fund–Community College Project Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance–Budget and Actual, Continued

From Inception and for the Fiscal Year Ended June 30, 2013

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Year</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>Expenditures: (continued)</b>					
HCC--Waterline project:					
Professional services:					
Architectural and engineering	\$ 37,600	\$ 30,571	\$ 5,300	\$ 35,871	\$ 1,729
Buildings, structures and improvements	238,918	190,574	-	190,574	48,344
Contingency	6,650	-	-	-	6,650
Total	<u>283,168</u>	<u>221,145</u>	<u>5,300</u>	<u>226,445</u>	<u>56,723</u>
<b>Project contingency</b>	<u>349,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,166</u>
Total expenditures	<u>12,917,366</u>	<u>10,650,976</u>	<u>1,376,741</u>	<u>12,027,717</u>	<u>889,649</u>
Revenues under expenditures	<u>(12,917,366)</u>	<u>(10,623,620)</u>	<u>(1,373,354)</u>	<u>(11,996,974)</u>	<u>920,392</u>
<b>Other financing sources (uses):</b>					
Proceeds from Installment loans	11,100,000	11,100,000	-	11,100,000	-
Tranfers from other funds	1,817,366	1,817,366	-	1,817,366	-
Total other financing sources (uses)	<u>12,917,366</u>	<u>12,917,366</u>	<u>-</u>	<u>12,917,366</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,293,746</u>	<u>(1,373,354)</u>	<u>\$ 920,392</u>	<u>\$ 920,392</u>
<b>Fund balance:</b>					
Beginning of year, July 1			<u>2,293,746</u>		
End of year, June 30			<u>\$ 920,392</u>		

**HAYWOOD COUNTY, NORTH CAROLINA**

Capital Project Fund—Water and Sewer Lines  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
<b>Revenues:</b>					
Sales and services	\$ 40,000	\$ 56,669	\$ -	\$ 56,669	\$ 16,669
<b>Expenditures:</b>					
Contribution to Town of Canton:					
Water and sewer lines	40,000	40,000	-	40,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,669</u>	-	<u>\$ 16,669</u>	<u>\$ 16,669</u>
<b>Fund balance:</b>					
Beginning of year, July 1			<u>16,669</u>		
End of year, June 30			<u>\$ 16,669</u>		

**HAYWOOD COUNTY, NORTH CAROLINA**

Capital Project Fund--Solid Waste/Landfill  
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 1,000,000	\$ 1,000,000	-	\$ 1,000,000	-
Investment earnings	-	21,975	-	21,975	21,975
Total revenues	<u>1,000,000</u>	<u>1,021,975</u>	<u>-</u>	<u>1,021,975</u>	<u>21,975</u>
<b>Expenditures:</b>					
Landfill expansion--cell three:					
Professional services--legal/financing	41,000	26,500	-	26,500	14,500
Professional services--engineering	371,481	340,047	-	340,047	31,434
Professional services--monitoring wells	46,219	46,219	-	46,219	-
Equipment-truck wash	152,000	-	33,780	33,780	118,220
Equipment-electrical	37,571	30,800	-	30,800	6,771
Other structures	3,749,028	3,749,028	-	3,749,028	-
Construction contingency	92,684	-	-	-	92,684
Contingency	10,017	-	-	-	10,017
Total	<u>4,500,000</u>	<u>4,192,594</u>	<u>33,780</u>	<u>4,226,374</u>	<u>273,626</u>
Landfill gas collection project (phase 1):					
Professional services	107,198	107,198	-	107,198	-
Land clearing	27,130	27,130	-	27,130	-
Easement acquisition	6,000	6,000	-	6,000	-
Total	<u>140,328</u>	<u>140,328</u>	<u>-</u>	<u>140,328</u>	<u>-</u>
Landfill gas flaring project (phases 2 & 3):					
Professional services	156,104	156,104	-	156,104	-
Miscellaneous costs	6,404	6,404	-	6,404	-
Gas collection/flaring	831,714	831,714	-	831,714	-
Power generator/gravity sewer	111,611	111,611	-	111,611	-
Contingency	-	-	-	-	-
Total	<u>1,105,833</u>	<u>1,105,833</u>	<u>-</u>	<u>1,105,833</u>	<u>-</u>
Total expenditures	<u>5,746,161</u>	<u>5,438,755</u>	<u>33,780</u>	<u>5,472,535</u>	<u>273,626</u>
Revenues under expenditures	<u>(4,746,161)</u>	<u>(4,416,780)</u>	<u>(33,780)</u>	<u>(4,450,560)</u>	<u>(251,651)</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Capital Project Fund—Solid Waste/Landfill

## Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual, Continued

From Inception and for the Fiscal Year Ended June 30, 2013

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Other financing sources:</b>					
Proceeds from note payable	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -
Transfer from other funds	316,034	316,034	-	316,034	-
Transfer to other funds	(69,873)	-	(69,873)	(69,873)	-
Excess from completed projects	-	151,950	-	151,950	151,950
Total other financing sources (uses)	<u>4,746,161</u>	<u>4,967,984</u>	<u>(69,873)</u>	<u>4,898,111</u>	<u>151,950</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 551,204</u>	<u>(103,653)</u>	<u>\$ 447,551</u>	<u>\$ 447,551</u>
<b>Fund balance:</b>					
Beginning of year, July 1			<u>551,204</u>		
End of year, June 30			<u>\$ 447,551</u>		

**HAYWOOD COUNTY, NORTH CAROLINA**

Capital Project Fund--Public Schools ADM/Lottery  
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

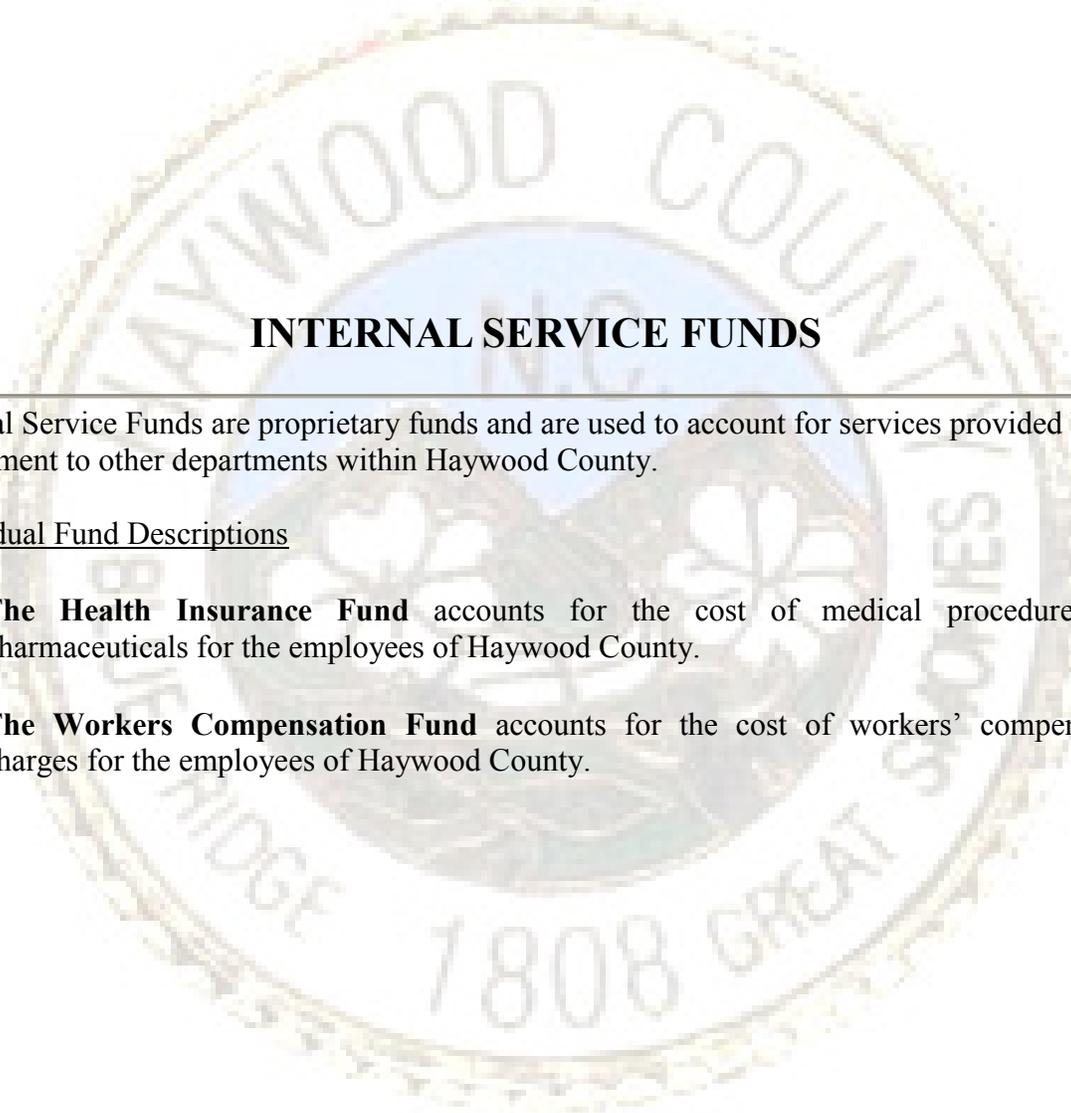
	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 390,500	\$ -	\$ 173,384	\$ 173,384	\$ (217,116)
<b>Expenditures:</b>					
Building projects:					
Public School roofing projects 2012:					
Riverbend Elementary School roof	54,000	-	22,270	22,270	31,730
Total	54,000	-	22,270	22,270	31,730
Pisgah High School addition:					
Professional Services -					
Architect and engineering	170,000	-	80,200	80,200	89,800
Total	170,000	-	80,200	80,200	89,800
Waynesville Middle School:					
Reconstruction project	240,000	-	127,898	127,898	112,102
Total	240,000	-	127,898	127,898	112,102
Total expenditures	464,000	-	230,368	230,368	233,632
Revenues under expenditures	(73,500)	-	(56,984)	(56,984)	16,516
<b>Other financing sources:</b>					
Transfer from other funds	73,500	86,563	-	86,563	13,063
Total other financing sources	73,500	86,563	-	86,563	13,063
Net change in fund balance	\$ -	\$ 86,563	(56,984)	\$ 29,579	\$ 29,579
<b>Fund balance:</b>					
Beginning of year, July 1			86,563		
End of year, June 30			\$ 29,579		

**HAYWOOD COUNTY, NORTH CAROLINA**

Capital Project Fund—County Building Renovations  
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
<b>Revenues:</b>					
Restricted intergovernmental	\$ 45,900	\$ -	\$ 45,900	\$ 45,900	\$ -
Miscellaneous	-	81,651	-	81,651	81,651
Total revenue	45,900	81,651	45,900	127,551	81,651
<b>Expenditures:</b>					
Public buildings/replacements---					
Auxiliary Services Facility	423,087	-	260,537	260,537	162,550
Public buildings/replacements---					
Professional services	9,800	-	7,840	7,840	1,960
Jail annex	49,500	-	-	-	49,500
Contingency	15,700	-	-	-	15,700
Total	75,000	-	7,840	7,840	67,160
Public buildings/replacements---					
Miscellaneous costs	567	-	-	-	567
Equipment	8,223	-	-	-	8,223
Paragon Prkwy building upgrades	37,110	-	-	-	37,110
Total	45,900	-	-	-	45,900
Total expenditures	543,987	-	268,377	268,377	275,610
Revenues over (under) expenditures	(498,087)	81,651	(222,477)	(140,826)	(193,959)
<b>Other financing sources:</b>					
Transfers from other funds:					
General	498,087	6,000	498,087	504,087	6,000
Total other financing sources	498,087	6,000	498,087	504,087	6,000
Net change in fund balance	\$ -	\$ 87,651	275,610	\$ 363,261	\$ 363,261
<b>Fund balance:</b>					
Beginning of year, July 1			87,651		
End of year, June 30			\$ 363,261		

The seal of Haywood County, Oregon, is a circular emblem. It features a central shield with a plow, a sheaf of wheat, and a bundle of grapes. Above the shield is a banner with the text "GREAT SOCIETIES". The outer ring of the seal contains the text "HAYWOOD COUNTY" at the top and "1808" at the bottom. The seal is rendered in a light, faded color in the background of the page.

## **INTERNAL SERVICE FUNDS**

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Internal Service Funds are proprietary funds and are used to account for services provided by one department to other departments within Haywood County.

### Individual Fund Descriptions

- **The Health Insurance Fund** accounts for the cost of medical procedures and pharmaceuticals for the employees of Haywood County.
- **The Workers Compensation Fund** accounts for the cost of workers' compensation charges for the employees of Haywood County.

**HAYWOOD COUNTY, NORTH CAROLINA**Combining Statement of Net Position  
Internal Service Funds

June 30, 2013

	<b>Internal Service Fund-- Health Insurance</b>	<b>Internal Service Fund-- Workers' Comp</b>	<b>Total Internal Service Funds</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 672,751	\$ 1,011,701	\$ 1,684,452
Prepays	-	43,332	43,332
Total assets	<u>672,751</u>	<u>1,055,033</u>	<u>1,727,784</u>
<b>Liabilities:</b>			
Current liabilities:			
Accrued expenses	<u>318,619</u>	<u>44,398</u>	<u>363,017</u>
<b>Net position:</b>			
Unrestricted	<u>\$ 354,132</u>	<u>\$ 1,010,635</u>	<u>\$ 1,364,767</u>

**HAYWOOD COUNTY, NORTH CAROLINA**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds

For the Fiscal Year Ended June 30, 2013

	<b>Internal Service Fund-- Health Insurance</b>	<b>Internal Service Fund-- Workers' Comp</b>	<b>Total Internal Service Funds</b>
<b>Operating revenues:</b>			
Internal charges for services	\$ 4,590,538	\$ 528,280	\$ 5,118,818
External charges for services	536,677	-	536,677
Total revenues	<u>5,127,215</u>	<u>528,280</u>	<u>5,655,495</u>
<b>Operating expenses:</b>			
Claims and administration	<u>5,003,911</u>	<u>368,470</u>	<u>5,372,381</u>
Change in net position	123,304	159,810	283,114
<b>Net position:</b>			
Beginning of year, July 1	<u>230,828</u>	<u>850,825</u>	<u>1,081,653</u>
End of year, June 30	<u><u>\$ 354,132</u></u>	<u><u>\$ 1,010,635</u></u>	<u><u>\$ 1,364,767</u></u>

**HAYWOOD COUNTY, NORTH CAROLINA**Combining Statement of Cash Flows  
Internal Service Funds

For The Fiscal Year Ended June 30, 2013

	<b>Internal Service Fund-- Health Insurance</b>	<b>Internal Service Fund-- Workers' Comp</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Receipts from third-party payors and patients	\$ 5,127,215	\$ 528,280	\$ 5,655,495
Payments to providers	(4,922,399)	(369,204)	(5,291,603)
Net cash provided by operating activities	<u>204,816</u>	<u>159,076</u>	<u>363,892</u>
Net increase in cash and cash equivalents	204,816	159,076	363,892
<b>Cash and cash equivalents:</b>			
Beginning balance, July 1	<u>467,935</u>	<u>852,625</u>	<u>1,320,560</u>
Ending balance, June 30	<u>\$ 672,751</u>	<u>\$ 1,011,701</u>	<u>\$ 1,684,452</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 123,304	\$ 159,810	\$ 283,114
Changes in assets and liabilities:			
Increase in prepaids	-	(33,332)	(33,332)
Increase in accrued expenses	<u>81,512</u>	<u>32,598</u>	<u>114,110</u>
Net cash provided by operating activities	<u>\$ 204,816</u>	<u>\$ 159,076</u>	<u>\$ 363,892</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Self Insurance Fund—Health Insurance  
 Schedule of Revenues and Expenditures Financial Plan and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2013

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Charges for services	\$ 5,067,266	\$ 5,127,215	\$ 59,949
<b>Expenditures:</b>			
Claims and administration	<u>5,067,266</u>	<u>5,003,911</u>	<u>63,355</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 123,304</u>	<u>\$ 123,304</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Self Insurance Fund—Workers' Compensation  
 Schedule of Revenues and Expenditures Financial Plan and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2013

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Charges for services	\$ 528,280	\$ 528,280	\$ -
<b>Expenditures:</b>			
Claims and administration	528,280	368,470	159,810
Revenues over expenditures	\$ -	\$ 159,810	\$ 159,810

## AGENCY FUNDS

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

### Individual Fund Descriptions

- **The Social Services Fund** accounts for assets held by the County as agent for individuals served by this department.
- **The Fines and Forfeitures Fund** accounts for various legal fines and forfeitures that the County is required to remit to the Haywood County Board of Education.
- **The Motor Vehicle Tax Fund** accounts for the proceeds of the motor vehicle taxes that are collected by the County on behalf of the municipalities within the County.
- **The NC DMV Interest Fund** accounts for fees and interest for the Department of Motor Vehicles.
- **The NC Deed of Trust Fee Fund** accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

**HAYWOOD COUNTY, NORTH CAROLINA**

Agency Funds  
Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services:				
<b>Assets:</b>				
Cash and cash equivalents	\$ 240,392	\$ 862,594	\$ 902,264	\$ 200,722
<b>Liabilities:</b>				
Amounts held for others	\$ 240,392	\$ 862,594	\$ 902,264	\$ 200,722
Fines and Forfeitures:				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 358,934	\$ 358,934	\$ -
<b>Liabilities:</b>				
Due to other governments	\$ -	\$ 358,934	\$ 358,934	\$ -
Motor Vehicle Tax:				
<b>Assets:</b>				
Cash and cash equivalents	\$ 45,669	\$ 501,728	\$ 500,209	\$ 47,188
<b>Liabilities:</b>				
Due to other governments	\$ 45,669	\$ 501,728	\$ 500,209	\$ 47,188
NC DMV Interest:				
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,295	\$ 31,777	\$ 30,966	\$ 3,106
<b>Liabilities:</b>				
Due to other governments	\$ 2,295	\$ 31,777	\$ 30,966	\$ 3,106

(continued)

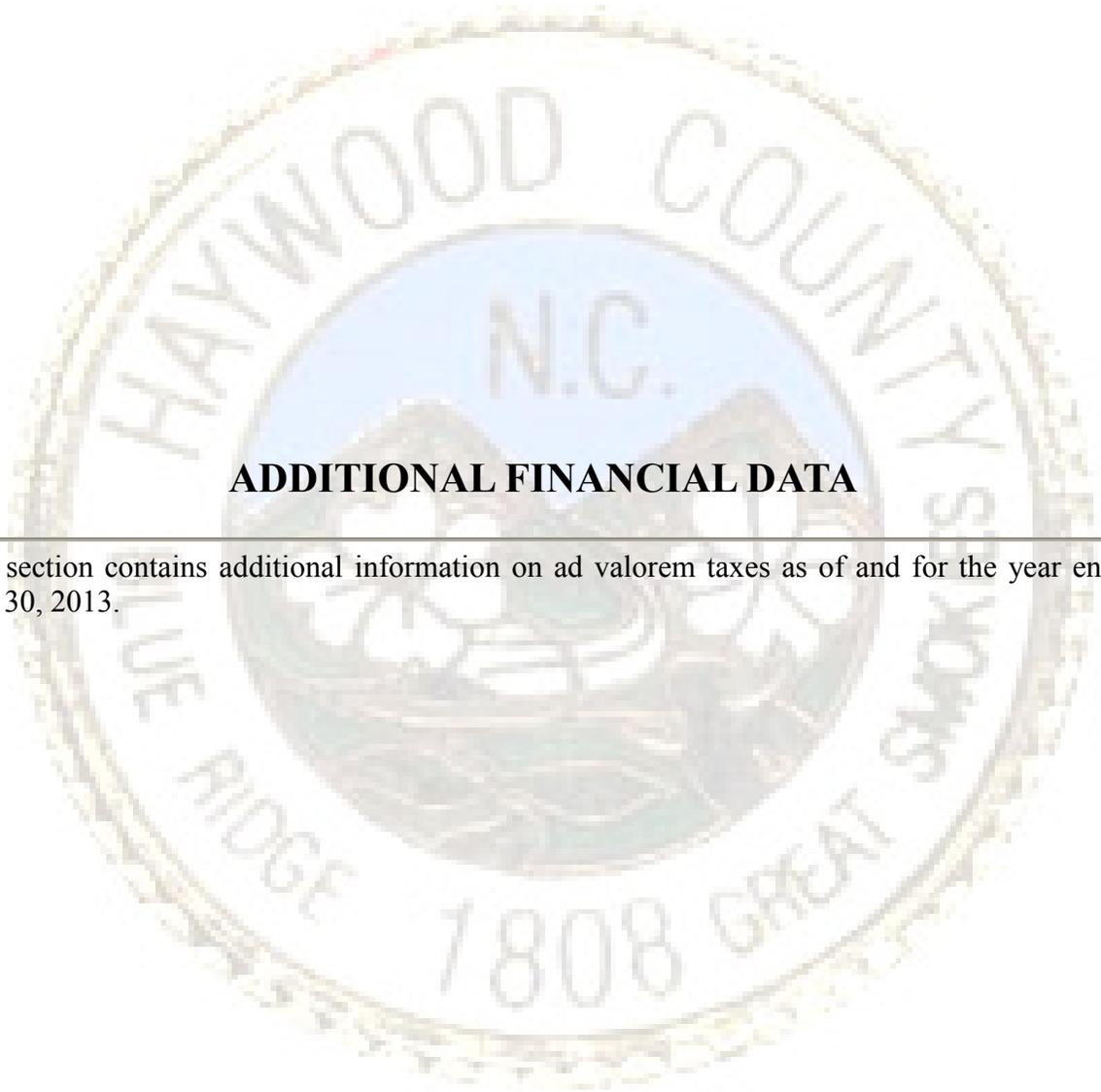
**HAYWOOD COUNTY, NORTH CAROLINA**

## Agency Funds

## Combining Statement of Changes in Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
NC Deed of Trust Fund:				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 56,333	\$ 56,333	\$ -
<b>Liabilities:</b>				
Due to other governments	\$ -	\$ 56,333	\$ 56,333	\$ -
Totals--All Agency Funds:				
<b>Assets:</b>				
Cash and cash equivalents	\$ 288,356	\$ 1,811,366	\$ 1,848,706	\$ 251,016
<b>Liabilities:</b>				
Amounts held for others	\$ 240,392	\$ 862,594	\$ 902,264	\$ 200,722
Due to other governments	47,964	948,772	946,442	50,294
Total liabilities	\$ 288,356	\$ 1,811,366	\$ 1,848,706	\$ 251,016



## **ADDITIONAL FINANCIAL DATA**

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This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2013.

**HAYWOOD COUNTY, NORTH CAROLINA**General Fund  
Schedule of Ad Valorem Taxes Receivable

June 30, 2013

<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Collections And Credits</b>	<b>Ending Balance</b>
2012-2013	\$ -	\$ 39,068,709	\$ 37,541,809	\$ 1,526,900
2011-2012	1,472,090	-	1,034,586	437,504
2010-2011	390,459	-	185,121	205,338
2009-2010	235,056	-	79,332	155,724
2008-2009	169,116	-	33,468	135,648
2007-2008	121,846	-	13,855	107,991
2006-2007	116,810	-	11,775	105,035
2005-2006	117,586	-	8,900	108,686
2004-2005	98,406	-	5,912	92,494
2003-2004	98,263	-	4,231	94,032
2002-2003	102,414	-	102,414	-
	<u>\$ 2,922,046</u>	<u>\$ 39,068,709</u>	<u>\$ 39,021,403</u>	2,969,352
Less: allowance for uncollectible accounts:				
General Fund				<u>(1,124,543)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,844,809</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes--General Fund				\$ 39,255,257
Reconciling items:				
Refunds paid for prior year collections				16,385
Interest collected				(294,800)
2002 - 2003 write-off per statute of limitations				102,414
Other				(57,853)
Total reconciling items				<u>(233,854)</u>
Total collections and credits				<u>\$ 39,021,403</u>

**HAYWOOD COUNTY, NORTH CAROLINA**Analysis of Current Tax Levy  
County-wide Levy

For the Fiscal Year Ended June 30, 2013

	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	\$ 7,214,323,392	0.5413%	\$ 39,051,133	\$ 36,500,101	\$ 2,551,032
Penalties	-		41,218	41,218	-
Total	<u>7,214,323,392</u>		<u>39,092,351</u>	<u>36,541,319</u>	<u>2,551,032</u>
Discoveries:					
Current year taxes	3,169,393	0.5413%	17,156	17,156	-
Prior year taxes	-		86,465	86,465	-
Penalties	-		22,128	22,128	-
Total	<u>3,169,393</u>		<u>125,749</u>	<u>125,749</u>	<u>-</u>
Abatements	<u>(27,598,553)</u>	0.5413%	<u>(149,391)</u>	<u>(127,243)</u>	<u>(22,148)</u>
Total property valuation	<u>\$ 7,189,894,232</u>				
Net levy			39,068,709	36,539,825	2,528,884
Uncollected taxes at June 30, 2013			<u>1,526,900</u>	<u>1,151,965</u>	<u>374,935</u>
Current year's taxes collected			<u>\$ 37,541,809</u>	<u>\$ 35,387,860</u>	<u>\$ 2,153,949</u>
Current levy collection percentage			<u>96.09%</u>	<u>96.85%</u>	<u>85.17%</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

## Secondary Market Disclosures

For the Fiscal Year Ended June 30, 2013

**Secondary Market Disclosures:**

Assessed valuation:	
Assessment ratio <sup>1</sup>	100%
Real property	\$ 6,170,732,764
Personal property	870,482,776
Public service companies <sup>2</sup>	<u>148,678,692</u>
Total assessed valuation	7,189,894,232
Tax rate per \$100	0.5413
Levy (includes discoveries, releases and abatements) <sup>3</sup>	\$ 39,068,709

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts, road service districts, and sanitary districts for the fiscal year ended June 30:

Fire protection districts	3,594,332
Road service districts	187,631
Sanitary district	<u>195,624</u>
Total	<u><u>3,977,587</u></u>

<sup>1</sup> Percentage of appraised value has been established by Statute.

<sup>2</sup> Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

<sup>3</sup> The levy includes interest and penalties.

## STATISTICAL SECTION

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This part of Haywood County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

- *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 access 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 County provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## HAYWOOD COUNTY, NORTH CAROLINA

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

	2013	2012	2011	2010
Expenses:				
Governmental activities:				
General government	\$ 8,748,556	\$ 8,560,054	\$ 9,618,835	\$ 8,182,194
Public safety	18,095,664	17,821,262	17,490,162	17,126,202
Transportation	233,951	238,829	294,722	292,770
Environmental protection	6,960,850	5,980,140	5,484,418	5,739,294
Economic and physical development	3,445,307	2,871,824	3,774,853	2,736,807
Human services	20,380,433	20,714,369	16,944,025	17,479,276
Cultural and recreation	1,751,594	1,760,349	1,741,261	1,773,656
Education	18,227,121	23,120,536	22,278,017	17,562,877
Interest on long-term debt	2,399,211	2,506,831	3,237,593	2,630,297
Total governmental activities expenses	80,242,687	83,574,194	80,863,886	73,523,373
Program revenues:				
Governmental activities:				
Charges for services:				
General government	344,358	312,438	287,709	181,331
Public safety	2,855,128	1,745,281	2,561,848	2,190,012
Environmental protection	5,081,817	5,139,520	5,102,367	4,585,211
Economic and physical development	2,025	247,751	287,415	229,303
Human services	489,236	500,329	540,790	574,082
Cultural and recreation	79,324	76,892	104,974	72,958
Operating grants:				
General government	128,791	188,366	207,309	203,704
Public safety	1,752,631	1,366,251	1,184,711	963,921
Transportation	-	-	179,481	182,845
Environmental protection	47,296	212,179	238,726	46,105
Economic and physical development	540,447	269,942	822,638	389,337
Human services	11,974,626	12,528,733	9,189,620	9,751,605
Cultural and recreation	192,300	207,976	193,046	184,269
Education	19,082	86,230	180,153	158,925

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 8,768,120	\$ 11,708,960	\$ 7,189,107	\$ 6,797,823	\$ 5,899,868	\$ 5,542,126
16,776,152	16,168,220	14,757,960	13,820,383	11,393,440	10,412,999
284,233	259,896	223,334	142,609	151,208	213,441
5,152,439	4,631,896	4,506,090	7,558,422	4,286,107	3,109,881
2,770,701	5,339,247	10,158,504	2,947,975	2,824,937	2,656,375
19,842,232	19,965,753	19,491,770	18,184,042	16,803,064	15,676,474
1,899,287	1,013,051	2,085,582	2,027,052	1,863,920	1,764,400
19,139,292	24,520,469	27,993,801	21,222,128	15,562,420	14,193,940
2,439,611	2,361,453	2,005,587	1,597,889	1,404,216	1,237,979
<u>77,072,067</u>	<u>85,968,945</u>	<u>88,411,735</u>	<u>74,298,323</u>	<u>60,189,180</u>	<u>54,807,615</u>
184,733	216,227	177,952	595,955	610,109	223,404
2,946,596	2,032,758	1,847,392	1,891,570	2,159,261	1,248,398
4,265,110	2,224,986	1,752,966	1,326,883	1,202,507	1,175,051
244,421	348,236	439,972	383,790	324,394	368,186
777,162	731,429	758,957	719,390	542,614	444,286
72,042	67,806	70,965	24,182	25,138	13,569
490,415	1,022,891	424,308	511,874	119,756	69,882
819,708	577,031	572,433	791,088	1,318,692	825,836
174,105	163,855	141,666	105,817	122,467	162,256
65,128	-	-	3,226,371	1,831,549	-
455,797	947,857	4,139,240	4,179,959	3,510,776	1,182,361
9,618,243	8,702,862	8,841,511	8,125,771	7,756,284	7,282,638
185,723	186,984	254,065	344,704	259,029	265,514
200,145	98,355	89,968	885,299	573,070	485,740

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Changes in Net Position Last Ten Fiscal Years, Continued (accrual basis of accounting)

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Program revenues, continued:				
Governmental activities, continued:				
Capital grants:				
General government	\$ 1,160,350	\$ -	\$ 21,918	\$ -
Public safety	16,115	3,111	445,912	29,872
Environmental protection	18,426	881,455	36,578	-
Economic development	-	91,710	54,758	28,879
Human services	-	99,967	54,321	40,183
Culture and recreation	124,958	-	-	10,000
Education	458,032	675,418	1,091,587	254,568
Total governmental activities program revenues	25,284,942	24,633,549	22,785,861	20,077,110
Net (expense) revenue:				
Governmental activities	(54,957,745)	(58,940,645)	(58,078,025)	(53,446,263)
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	43,168,762	42,039,417	41,329,957	40,653,369
Local option sales tax	11,193,517	10,511,432	9,886,615	10,471,553
Other taxes	2,383,599	2,839,212	2,766,516	2,803,761
Grants and contributions not restricted to specific programs	306,971	312,905	301,405	296,970
Investment earnings, unrestricted	32,575	58,668	89,457	76,439
Miscellaneous, unrestricted	93,510	489,068	26,255	77,256
Total governmental activities	57,178,934	56,250,702	54,400,205	54,379,348
Change in net position:				
Governmental activities	\$ 2,221,189	\$ (2,689,943)	\$ (3,677,820)	\$ 933,085

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 5,372	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,194	31,576	-	-	-
-	-	-	-	-	-
136,689	1,136,322	5,202,570	-	-	-
-	-	22,470	-	-	-
-	-	-	-	-	-
<u>1,332,378</u>	<u>267,421</u>	<u>849,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,973,767</u>	<u>18,729,214</u>	<u>25,617,721</u>	<u>23,112,653</u>	<u>20,355,646</u>	<u>13,747,121</u>
(55,098,300)	(67,239,731)	(62,794,014)	(51,185,670)	(39,833,534)	(41,060,494)
38,837,841	37,536,263	35,997,662	33,038,674	32,085,262	30,990,635
12,125,586	13,862,533	13,332,882	12,597,709	11,678,096	11,714,322
2,292,752	4,828,076	4,556,551	4,719,286	3,908,701	3,714,225
420,508	186,409	188,063	194,812	191,725	187,441
305,960	1,053,916	1,486,052	976,863	599,171	370,191
33,278	19,326	87	127,022	212,730	256,761
<u>54,015,925</u>	<u>57,486,523</u>	<u>55,561,297</u>	<u>51,654,366</u>	<u>48,675,685</u>	<u>47,233,575</u>
<u>\$ (1,082,375)</u>	<u>\$ (9,753,208)</u>	<u>\$ (7,232,717)</u>	<u>\$ 468,696</u>	<u>\$ 8,842,151</u>	<u>\$ 6,173,081</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:				
Net investment in capital assets	\$ 40,022,209	\$ 36,628,567	\$ 34,025,761	\$ 31,810,284
Restricted	6,917,922	11,009,703	17,985,523	9,558,867
Unrestricted (deficit)	(28,318,937)	(31,238,265)	(32,921,336)	(18,601,383)
 Total governmental activities net position	 \$ 18,621,194	 \$ 16,400,005	 \$ 19,089,948	 \$ 22,767,768

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 30,453,109	\$ 31,578,244	\$ 34,381,766	\$ 30,081,323	\$ 25,572,842	\$ 19,005,791
8,289,420	11,338,365	11,010,647	21,451,889	9,983,883	6,203,413
(16,907,846)	(19,999,551)	(12,722,147)	(11,630,992)	3,877,562	5,382,932
<b>\$ 21,834,683</b>	<b>\$ 22,917,058</b>	<b>\$ 32,670,266</b>	<b>\$ 39,902,220</b>	<b>\$ 39,434,287</b>	<b>\$ 30,592,136</b>

**HAYWOOD COUNTY, NORTH CAROLINA**

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:				
Non-spendable	\$ 92,536	\$ 100,794	\$ 105,379	\$ 342,106
Restricted	5,126,446	4,709,538	5,230,310	5,604,977
Committed	1,173,116	1,025,703	922,369	2,087,408
Assigned	321,667	1,161,066	693,787	1,782,489
Unassigned	9,363,649	7,515,009	6,616,772	5,326,401
Total General Fund	<u>16,077,414</u>	<u>14,512,110</u>	<u>13,568,617</u>	<u>15,143,381</u>
All other governmental funds:				
Restricted	1,791,476	3,023,959	7,178,829	234,078
Committed	3,801,781	3,619,475	6,190,208	4,398,888
Total all other governmental funds	<u>5,593,257</u>	<u>6,643,434</u>	<u>13,369,037</u>	<u>4,632,966</u>
Total fund balances	<u>\$ 21,670,671</u>	<u>\$ 21,155,544</u>	<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 153,595	\$ 126,577	\$ 151,397	\$ 80,247	\$ 100,164	\$ 122,464
5,426,791	6,076,223	7,056,953	6,205,209	5,281,976	4,951,053
1,184,146	-	-	-	-	-
2,450,872	5,359,323	6,201,618	4,951,041	4,952,836	4,307,493
3,849,538	996,758	1,117,634	2,365,074	3,886,345	4,943,761
<u>13,064,942</u>	<u>12,558,881</u>	<u>14,527,602</u>	<u>13,601,571</u>	<u>14,221,321</u>	<u>14,324,771</u>
86,859	51,353	92,511	87,537	207,375	311,320
<u>5,197,605</u>	<u>9,653,570</u>	<u>12,006,276</u>	<u>16,394,468</u>	<u>9,780,800</u>	<u>23,528,896</u>
<u>5,284,464</u>	<u>9,704,923</u>	<u>12,098,787</u>	<u>16,482,005</u>	<u>9,988,175</u>	<u>23,840,216</u>
<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>	<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>	<u>\$ 24,209,496</u>	<u>\$ 38,164,987</u>

## HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 43,272,044	\$ 42,408,756	\$ 41,673,838	\$ 40,835,842
Local option sales taxes	11,193,517	10,511,432	9,886,615	10,471,553
Other taxes and licenses	2,383,599	2,839,212	2,766,516	2,803,761
Unrestricted intergovernmental	306,971	312,905	301,405	296,970
Restricted intergovernmental	15,304,433	16,651,663	13,861,876	12,217,455
Permits and fees	3,691,013	3,581,528	3,667,014	2,841,608
Sales and services	5,130,002	4,416,878	5,189,552	4,964,417
Investment earnings	32,575	58,668	89,457	76,439
Miscellaneous	200,835	158,541	232,679	212,480
Total revenues	<u>81,514,989</u>	<u>80,939,583</u>	<u>77,668,952</u>	<u>74,720,525</u>
<b>Expenditures:</b>				
Current:				
General government	4,684,047	4,516,508	5,530,293	4,559,550
Central services	2,786,088	2,768,301	2,643,017	2,499,061
Public safety	16,664,497	16,255,963	15,845,398	15,412,448
Transportation	233,951	238,829	294,722	292,770
Environmental protection	4,367,858	4,473,356	4,282,103	4,584,173
Economic and physical development	2,767,853	2,188,431	3,115,104	2,387,145
Human services	19,363,542	19,742,912	16,037,412	16,568,534
Culture and recreation	1,586,495	1,590,109	1,578,155	1,597,366
Intergovernmental:				
Education	18,227,121	23,120,536	22,278,017	17,562,877
Capital outlay	1,247,969	5,840,809	11,580,962	5,377,218
Debt service:				
Principal	6,748,745	6,496,245	5,702,536	4,423,360
Interest	2,582,067	3,029,723	2,610,060	2,535,736
Bond issuance costs	-	-	-	-
Total expenditures	<u>81,260,233</u>	<u>90,261,722</u>	<u>91,497,779</u>	<u>77,800,238</u>
Revenues over (under) expenditures	<u>254,756</u>	<u>(9,322,139)</u>	<u>(13,828,827)</u>	<u>(3,079,713)</u>

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 38,246,641	\$ 37,341,541	\$ 35,790,491	\$ 33,182,820	\$ 31,735,034	\$ 31,095,860
12,125,586	13,862,533	13,332,882	12,597,709	11,678,096	11,714,322
2,292,752	4,828,076	4,556,551	4,321,866	3,908,701	3,714,225
420,508	186,409	188,063	194,812	191,725	187,441
13,023,512	12,297,790	20,260,573	18,185,311	15,330,861	10,321,297
3,345,578	522,945	756,169	471,015	351,454	410,600
5,115,187	5,050,041	4,239,314	4,076,009	4,110,317	3,062,294
305,960	1,053,916	1,486,052	976,863	599,171	370,191
641,333	1,004,000	498,061	610,897	588,309	378,993
<u>75,517,057</u>	<u>76,147,251</u>	<u>81,108,156</u>	<u>74,617,302</u>	<u>68,493,668</u>	<u>61,255,223</u>
5,073,435	4,934,640	2,971,055	4,594,140	3,975,169	3,713,711
2,327,613	2,146,925	2,020,639	1,726,140	1,444,474	1,463,974
15,058,395	15,031,455	13,650,977	13,050,720	10,934,771	9,893,161
284,233	259,896	223,334	142,609	151,208	213,441
3,964,429	3,614,960	3,225,444	6,712,915	3,576,632	2,498,147
2,420,865	5,026,356	9,918,856	2,680,521	4,583,665	2,404,651
19,031,989	19,912,019	19,301,078	17,960,083	16,584,243	15,417,996
1,735,876	912,665	1,977,203	1,903,382	1,763,524	1,632,926
19,139,292	24,520,469	27,993,801	21,222,128	15,403,890	14,193,940
4,669,773	6,178,600	9,958,195	9,836,752	17,033,386	14,341,485
4,457,487	3,955,964	2,503,127	5,824,825	5,660,959	3,632,883
2,567,745	2,384,555	2,222,189	1,454,371	1,651,984	1,382,164
-	153,085	-	177,462	2,580	218,081
<u>80,731,132</u>	<u>89,031,589</u>	<u>95,965,898</u>	<u>87,286,048</u>	<u>82,925,015</u>	<u>71,006,560</u>
<u>(5,214,075)</u>	<u>(12,884,338)</u>	<u>(14,857,742)</u>	<u>(12,668,746)</u>	<u>(14,431,347)</u>	<u>(9,751,337)</u>

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years, Continued (modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Other financing sources (uses):</b>				
Transfers from other funds	\$ 567,960	\$ 141,132	\$ 3,439,102	\$ 1,360,866
Transfers to other funds	(567,960)	(141,132)	(3,439,102)	(1,360,866)
General obligation bonds issued	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Refunding certificates of participation issued	-	-	-	-
Premium on certificates of participation issued	-	-	-	-
Certificates of participation issued	-	-	-	-
Notes payable issued	-	3,053,600	20,896,400	4,500,000
Current refunding of certificates of participation issued	7,150,000	-	-	-
Payment to escrow agent for refunded debt	(7,079,605)	-	-	-
Sale of capital assets	189,976	486,429	93,734	6,654
Total other financing sources and uses	<u>260,371</u>	<u>3,540,029</u>	<u>20,990,134</u>	<u>4,506,654</u>
Net change in fund balance	515,127	(5,782,110)	7,161,307	1,426,941
Fund balances-beginning	<u>21,155,544</u>	<u>26,937,654</u>	<u>19,776,347</u>	<u>18,349,406</u>
Fund balances-ending	<u><u>\$ 21,670,671</u></u>	<u><u>\$ 21,155,544</u></u>	<u><u>\$ 26,937,654</u></u>	<u><u>\$ 19,776,347</u></u>
Debt service as a percentage of non-capital expenditures	11.66%	11.28%	10.40%	9.61%

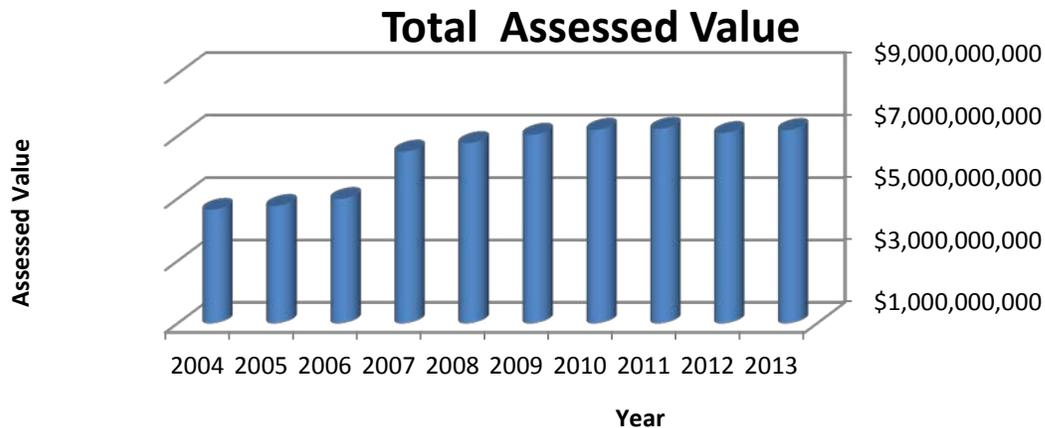
Capital outlay expenditures have been segregated here in order to calculate the percentage of non-capital expenditures.

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$	538,542	\$ 5,124,492	\$ 3,182,847	\$ 3,299,004	\$ 2,232,682	\$ 2,294,839
	(538,542)	(5,124,492)	(3,182,847)	(3,299,004)	(2,274,682)	(2,294,839)
	-	7,000,000	-	18,000,000	-	12,000,000
	-	99,872	-	363,359	-	148,482
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,269,100	1,400,000	11,400,000	-	263,500	924,160
	-	-	-	-	-	-
	-	-	-	-	-	-
	30,577	21,881	555	179,467	254,356	10,704
	<u>1,299,677</u>	<u>8,521,753</u>	<u>11,400,555</u>	<u>18,542,826</u>	<u>475,856</u>	<u>13,083,346</u>
	(3,914,398)	(4,362,585)	(3,457,187)	5,874,080	(13,955,491)	3,332,009
	<u>22,263,804</u>	<u>26,626,389</u>	<u>30,083,576</u>	<u>24,209,496</u>	<u>38,164,987</u>	<u>34,832,978</u>
	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>	<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>	<u>\$ 24,209,496</u>	<u>\$ 38,164,987</u>
	9.24%	7.65%	5.39%	9.40%	11.45%	8.85%

## HAYWOOD COUNTY, NORTH CAROLINA

### Assessed Value of Taxable Property Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Company Property	Total Assessed Value	Total Direct Tax Rate (Per \$100)
2013	\$ 6,170,732,764	\$ 870,482,776	\$ 148,678,692	\$ 7,189,894,232	0.5413
2012	6,149,833,834	796,003,199	148,080,203	7,093,917,236	0.5413
2011	6,252,182,637	796,614,829	181,877,827	7,230,675,293	0.5140
2010	6,165,577,637	880,864,853	149,986,629	7,196,429,119	0.5140
2009	6,023,547,541	876,803,849	139,166,644	7,039,518,034	0.4970
2008	5,752,818,363	887,033,884	131,645,395	6,771,497,642	0.4970
2007	5,479,463,273	889,422,387	130,444,521	6,499,330,181	0.4970
2006	4,026,322,277	838,585,620	117,949,317	4,982,857,214	0.6100
2005	3,886,891,055	756,171,829	114,829,257	4,757,892,141	0.6100
2004	3,766,999,899	753,011,266	113,470,278	4,633,481,443	0.6100



Note: Assessed valuations are established by the Board of County Commissioners at 100 percent of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The last revaluation was completed as of January 1, 2011, for the 2012 fiscal year.

Source: Haywood County Tax Assessor

## HAYWOOD COUNTY, NORTH CAROLINA

### Property Tax Rates--Direct and All Overlapping Governments (Per \$100 of Assessed Value) Last Ten Fiscal Years

	2013	2012	2011	2010	2009
Haywood County	0.5413	0.5413	0.5140	0.5140	0.4970
<u>Municipality Rates:</u>					
Town of Canton	0.5800	0.5800	0.5800	0.5800	0.5800
Town of Clyde	0.4300	0.4300	0.4300	0.4300	0.4300
Town of Maggie	0.3900	0.4200	0.4200	0.4200	0.4200
Town of Waynesville	0.4082	0.4082	0.4000	0.4000	0.4000
Municipal Service District	0.2000	0.2000	0.2300	0.2300	0.2300
<u>Special Districts:</u>					
West Canton Fire District #1	0.100	0.100	0.100	0.100	0.100
North Canton Fire District #2	0.065	0.060	0.060	0.060	0.060
Center Pigeon Fire District	0.075	0.075	0.075	0.065	0.065
Lake Junaluska Fire District	0.070	0.070	0.070	0.070	0.070
Crabtree-Iron Duff Fire District	0.065	0.065	0.065	0.065	0.065
Cruso Fire District	0.095	0.095	0.095	0.100	0.100
Camp Branch Fire District	0.000	0.000	0.000	0.000	0.060
Saunook Fire District	0.040	0.040	0.040	0.040	0.040
Maggie Valley Fire District	0.060	0.050	0.050	0.050	0.050
Clyde Fire District	0.090	0.090	0.090	0.090	0.090
Jonathan Creek Fire District	0.070	0.070	0.070	0.070	0.070
South Waynesville Fire District	0.000	0.000	0.000	0.000	0.060
Big Cove Fire District	0.000	0.000	0.000	0.000	0.060
Fines Creek Fire District	0.090	0.090	0.090	0.090	0.090
Lake Logan-Cecil Fire District	0.100	0.100	0.100	0.100	0.100
Waynesville Fire District	0.060	0.060	0.060	0.060	**
Lake Junaluska Sanitary District	0.060	0.060	0.060	0.060	0.060
Maggie Valley Country Club Road Maintenance	0.140	0.140	0.140	0.140	0.140
Forest Park Road Maintenance	0.080	0.080	0.080	0.080	0.080
Oak Park Road Maintenance	0.100	0.080	0.080	0.080	0.140
Wildcat Mountain Road Maintenance	0.150	0.150	0.150	0.150	0.150
Walker-in-the-Hills Road Maintenance	0.095	0.095	0.095	0.095	0.095
Upper Chestnut Grove Road Maintenance	0.160	0.160	0.160	0.160	0.160
Norman Road Maintenance	0.150	0.150	0.150	0.150	0.150
Tuscola Park Road Maintenance	0.110	0.110	0.110	0.110	0.110
Fox Run Road Maintenance	0.150	0.150	0.150	0.150	0.150

Source: Haywood County Tax Assessor

\* Did not begin collecting until FY2008

\*\* Did not begin collecting until FY2010

2008	2007	2006	2005	2004
0.4970	0.4970	0.6100	0.6100	0.6100
0.5800	0.5300	0.6100	0.6100	0.6100
0.4300	0.4300	0.4500	0.4500	0.4500
0.4200	0.4200	0.4200	0.3900	0.3900
0.4000	0.4000	0.4300	0.4300	0.4300
0.2300	*	*	*	*
0.100	0.100	0.100	0.100	0.100
0.055	0.060	0.060	0.060	0.060
0.065	0.065	0.065	0.065	0.065
0.070	0.065	0.080	0.080	0.080
0.065	0.065	0.065	0.070	0.070
0.090	0.090	0.100	0.100	0.100
0.060	0.060	0.060	0.060	0.060
0.040	0.035	0.040	0.040	0.040
0.050	0.050	0.050	0.050	0.050
0.090	0.090	0.090	0.080	0.080
0.070	0.070	0.070	0.070	0.070
0.060	0.060	0.060	0.060	0.060
0.060	0.060	0.060	0.060	0.060
0.090	0.090	0.090	0.090	0.090
0.100	0.100	0.100	0.080	0.080
**	**	**	**	**
0.060	0.060	0.060	0.060	0.060
0.100	0.100	0.100	0.100	0.100
0.080	0.100	0.100	0.100	0.100
0.140	0.140	0.140	0.140	0.140
0.150	0.150	0.150	0.150	0.150
0.095	0.095	0.120	0.120	0.120
0.120	0.120	0.120	0.070	0.070
0.150	0.130	0.130	0.130	0.130
0.110	0.110	0.110	0.110	0.110
0.150	0.130	0.150	0.150	0.130

## HAYWOOD COUNTY, NORTH CAROLINA

### Principal Property Taxpayers Current Year and 9 Years Ago

<b>Taxpayer</b>	<b>Type of Business</b>
Blue Ridge Paper Products, Inc. (Evergreen Packaging)	Paper Mill
Progress Energy Carolinas, Inc. formerly Carolina Power & Light	Utility
Haywood Electric Membership Corporation	Utility
Bellsouth Telephone Company	Utility
Ingles Markets, Inc.	Super Market
Carolina Log Homes, Inc.	Land Developers
Consolidated Metco	Manufacturing
Paccar, Inc.	Manufacturing
Waynesville Commons Retail Association	Retail
Maggie Valley Resort	Resort/Golf Course
Spang & Company	Industrial Park
Sonoco Plastics, Inc. formerly Associated Packaging	Manufacturing
Developers Diversified Realty	Retail
Waynesville Country Club	Resort/Golf Course
Marcus Cable	Utility
Totals	

2013			2004		
Valuation	Rank	% of Valuation	Valuation	Rank	% of Valuation
\$ 170,836,922	1	2.38%	\$ 164,624,969	1	3.55%
89,890,842	2	1.25%	64,565,768	2	1.39%
74,428,018	3	1.04%	37,609,763	4	0.81%
29,817,572	4	0.41%	41,767,874	3	0.90%
20,389,402	5	0.28%	17,240,074	6	0.37%
16,682,070	6	0.23%			
16,417,379	7	0.23%			
16,390,865	8	0.23%			
16,037,740	9	0.22%			
14,147,583	10	0.20%			
			18,330,540	5	0.40%
			13,275,734	7	0.29%
			11,554,691	8	0.25%
			10,785,288	9	0.23%
			8,745,762	10	0.19%
<u>\$ 465,038,393</u>		<u>6.47%</u>	<u>\$ 388,500,463</u>		<u>8.38%</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

Property Tax Levies and Collections  
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy Collected</u>	
2013	\$ 39,068,709	\$ 37,541,809	96.09%	\$ -
2012	38,510,277	37,038,187	96.18%	1,034,586
2011	37,385,829	35,939,892	96.13%	1,240,599
2010	36,901,784	35,358,950	95.82%	1,387,110
2009	35,207,806	33,690,143	95.69%	1,382,015
2008	33,773,929	32,768,263	97.02%	897,675
2007	32,438,583	31,468,784	97.01%	864,764
2006	30,554,021	29,623,523	96.95%	821,812
2005	29,119,470	28,225,215	96.93%	801,761
2004	28,303,373	27,368,399	96.70%	840,942

<b>Total Collections to Date</b>		<b>Outstanding Delinquent Taxes</b>	<b>Percentage of Delinquent Taxes to Tax Levy</b>
<b>Amount</b>	<b>Percentage of Total Tax Collections to Levy</b>		
\$ 37,541,809	96.09%	\$ 1,526,900	3.91%
38,072,773	98.86%	437,504	1.14%
37,180,491	99.45%	205,338	0.55%
36,746,060	99.58%	155,724	0.42%
35,072,158	99.61%	135,648	0.39%
33,665,938	99.68%	107,991	0.32%
32,333,548	99.68%	105,035	0.32%
30,445,335	99.64%	108,686	0.36%
29,026,976	99.68%	92,494	0.32%
28,209,341	99.67%	94,032	0.33%
		<u>\$ 2,969,352</u>	

## HAYWOOD COUNTY, NORTH CAROLINA

### Property Value and Construction Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Commercial Construction <sup>(1)</sup></u>		<u>Residential Construction <sup>(1, 2)</sup></u>		<u>Property Value <sup>(3)</sup></u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	<u>Commercial</u>	<u>Residential</u>
2013	64	\$ 1,774,083	389	\$ 29,917,203	\$ 947,779,971	\$ 5,685,343,094
2012	50	6,370,685	327	27,799,418	887,532,635	5,732,616,855
2011	50	29,209,313	395	29,918,839	847,580,729	5,939,983,628
2010	34	2,670,085	346	30,044,418	847,580,729	5,322,126,385
2009	29	4,219,005	393	39,509,649	823,359,822	5,203,316,454
2008	53	17,514,488	721	81,259,490	795,117,342	4,960,694,472
2007	65	14,084,846	815	114,118,215	749,555,156	4,733,911,491
2006	47	27,760,337	836	105,075,783	722,992,583	3,280,319,019
2005	41	22,615,456	820	83,512,860	539,586,807	3,463,724,795
2004	47	16,492,185	676	74,479,565	685,904,122	3,373,338,635

## HAYWOOD COUNTY, NORTH CAROLINA

### Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value <sup>(3)</sup>	General Obligation Bonds <sup>(3)</sup>	COPS <sup>(3)</sup>	Special Revenue <sup>(3)</sup>	Installment Loans <sup>(3) (4)</sup>
2013	\$ 7,189,894,232	\$ 26,458,067	\$ 7,849,489	-	\$ 31,157,557
2012	7,093,917,236	27,400,000	9,220,000	-	34,446,301
2011	7,230,675,293	29,150,000	10,870,000	-	34,488,946
2010	7,196,429,119	30,900,000	12,515,000	-	15,900,082
2009	7,039,518,034	32,650,000	14,155,000	-	12,433,442
2008	6,771,497,642	34,400,000	15,805,000	-	12,221,829
2007	6,499,330,181	28,800,000	17,470,000	-	11,712,793
2006	4,982,857,214	29,400,000	19,165,000	-	520,452
2005	4,757,892,141	12,000,000	20,890,000	546,491	3,473,787
2004	4,633,481,443	12,000,000	22,655,000	1,613,398	6,039,339

**Sources:**

<sup>(1)</sup>North Carolina Office of State Budget & Management-estimates 2012 and 2013, revised 2010 and 2011

<sup>(2)</sup>Bureau of Economic Analysis - reflects revised numbers for 2009-2011

<sup>(3)</sup>Haywood County CAFRs

<sup>(4)</sup>Installment Loans show as notes payable

\* Information not yet available

<b>Total Primary Government</b>	<b>Net Debt to Assessed Value</b>	<b>Population<sup>(1)</sup></b>	<b>Personal Income<sup>(2)</sup> (thousands)</b>	<b>Percentage of Personal Income</b>	<b>Net Debt Per Capita</b>
\$ 65,465,113	0.91%	59,765	*	*	\$ 1,095
71,066,301	1.00%	59,291	*	*	1,199
74,508,946	1.03%	59,684	\$ 1,853,684	4.02%	1,248
59,315,082	0.82%	58,969	1,796,443	3.30%	1,006
59,238,442	0.84%	58,680	1,779,791	3.33%	1,010
62,426,829	0.92%	57,976	1,841,528	3.39%	1,077
57,982,793	0.89%	57,722	1,766,989	3.28%	1,005
49,085,452	0.99%	56,964	1,648,111	2.98%	862
36,910,278	0.78%	56,441	1,552,328	2.38%	654
42,307,737	0.91%	56,429	1,482,046	2.85%	750

## HAYWOOD COUNTY, NORTH CAROLINA

### Legal Debt Margin Information Last Ten Fiscal Years

Legal debt margin:	
Assessed value	\$ 7,189,894,232
Debt limit	8.00%
	575,191,539
Gross debt:	
General obligation bonds	26,155,000
Certificates of participation	7,555,000
Notes payable	31,157,557
	64,867,557
Total amount of debt applicable to debt limit	64,867,557
Legal debt margin	\$ 510,323,982

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt limit	\$ 575,191,539	\$ 567,513,379	\$ 578,454,023	\$ 575,714,330
Total net debt applicable to limit	64,867,557	71,066,301	74,508,946	59,315,082
Legal debt margin	\$ 510,323,982	\$ 496,447,078	\$ 503,945,077	\$ 516,399,248
Total net debt applicable to the limit as a percentage of debt limit	11.28%	12.52%	12.88%	10.30%

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 563,161,443	\$ 541,719,811	\$ 519,946,414	\$ 398,628,577	\$ 380,631,371	\$ 370,678,515
59,238,442	62,426,829	57,982,793	49,085,452	36,910,278	42,307,737
<u>\$ 503,923,001</u>	<u>\$ 479,292,982</u>	<u>\$ 461,963,621</u>	<u>\$ 349,543,125</u>	<u>\$ 343,721,093</u>	<u>\$ 328,370,778</u>
10.52%	11.52%	11.15%	12.31%	9.70%	11.41%

## HAYWOOD COUNTY, NORTH CAROLINA

### Computation of Direct and Overlapping Debt Governmental Activities

June 30, 2013

	<u>Assessed Valuation<sup>(1)</sup></u>	<u>Percent of County wide Total</u>	<u>Pro-rata share of County Governmental Activities Debt</u>	<u>Municipalities Governmental Debt Outstanding<sup>(1)</sup></u>	<u>Total Direct and Overlapping Debt</u>
Haywood County	\$ 7,189,894,232	100%	\$ 65,465,113	-	\$ 65,465,113
Municipalities:					
Town of Canton	456,295,362	6.35%	4,154,640	471,321	4,625,961
Town of Clyde	70,182,488	0.98%	639,023	43,700	682,723
Town of Maggie Valley	406,129,589	5.65%	3,697,874	3,671,258	7,369,132
Town of Waynesville	1,172,214,211	16.30%	10,673,194	8,808,648	19,481,842
Unincorporated Areas	5,085,072,582	70.73%	46,300,382	-	46,300,382
	<u>\$ 7,189,894,232</u>	<u>100%</u>	<u>\$ 65,465,113</u>	<u>\$ 12,994,927</u>	<u>\$ 78,460,040</u>

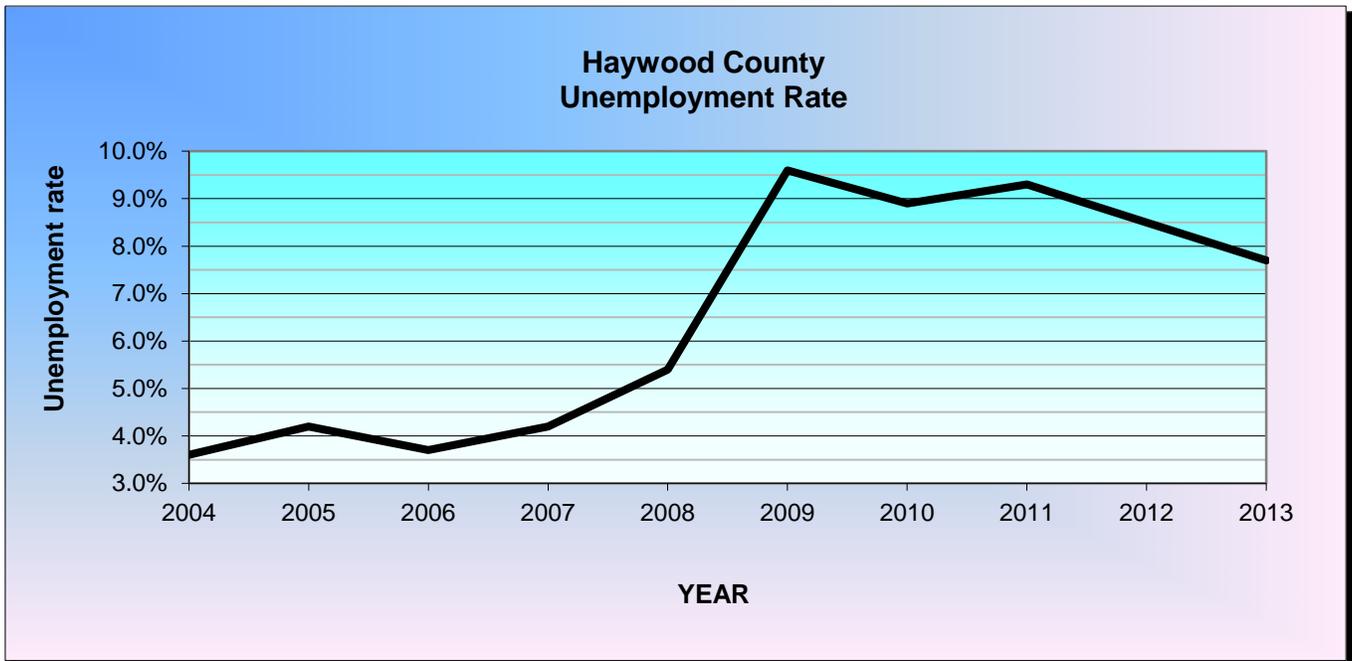
Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. The percentage of overlapping debt applicable is estimated using taxable assessed property values.

<sup>(1)</sup> Municipalities' information provided by the individual municipalities within Haywood County.

## HAYWOOD COUNTY, NORTH CAROLINA

### Demographic Statistics Last Ten Calendar Years

Year	Population <sup>(1)</sup>	Per Capita Income <sup>(2)</sup>	School Enrollment <sup>(3)(4)</sup>	Unemployment Rate <sup>(5)</sup>
2013	59,765	*	7,459	7.7%
2012	59,291	*	7,530	8.5%
2011	59,684	\$ 31,496	7,582	9.3%
2010	58,969	30,462	7,588	8.9%
2009	58,680	30,088	7,677	9.6%
2008	57,976	31,313	7,658	5.4%
2007	57,722	30,264	7,652	4.2%
2006	56,964	28,563	7,969	3.7%
2005	56,441	27,193	7,910	4.2%
2004	56,429	26,099	7,898	3.6%



Sources:

<sup>(1)</sup>North Carolina Office of State Budget & Management-estimates 2012 and 2013, revised 2010 and 2011

<sup>(2)</sup>Bureau of Economic Analysis-reflects revised numbers 2009 - 2011

<sup>(3)</sup>Haywood County Board of Education 2004 - 2010

<sup>(4)</sup>Department of Public Instruction - Student Enrollment is ADM starting 2011

<sup>(5)</sup>Employment Security Commission of North Carolina as of June 30 each year

\* Information not yet available

## HAYWOOD COUNTY, NORTH CAROLINA

### Ten Principal Employers Current Year And Seven Years Ago

<u>Employer<sup>(2)</sup></u>	<b>2013</b>			<b>2006*</b>		
	<u>Number of Employees<sup>(1)</sup></u>	<u></u>	<u>% of Total County Employment<sup>(3)</sup></u>	<u>Number of Employees<sup>(1)</sup></u>	<u></u>	<u>% of Total County Employment<sup>(3)</sup></u>
Haywood County Consolidated Schools	1,367	1	5.09%	1,280	2	4.68%
Blue Ridge Paper Products, Inc. (Evergreen Packaging)	1,200	2	4.47%	1,383	1	5.06%
Haywood Regional Medical Centers	927	3	3.45%	976	3	3.57%
Haywood County Government	546	4	2.03%	573	4	2.09%
Ingles Markets, Inc.	543	5	2.02%	388	6	1.42%
Haywood Vocational Opportunities, Inc.	400	6	1.49%	263	8	0.96%
Wal-Mart Associates, Inc.	358	7	1.33%	325	7	1.19%
Haywood Community College	317	8	1.18%	397	5	1.45%
Consolidated Metco	299	9	1.11%			
Town of Waynesville	262	10	0.98%	227	9	0.83%
Lowes Home Center, Inc.				220	10	0.80%
Totals	6,219		23.15%	6,032		22.05%

Sources:

<sup>(1)</sup> Human Resource Department of companies - includes all full and part time employees

<sup>(2)</sup> Top ten employers is from the Employment Security Commission of North Carolina

<sup>(3)</sup> Employment Security Commission of North Carolina

\* Haywood County did not start reporting top ten employers until 2006

## HAYWOOD COUNTY, NORTH CAROLINA

### Full Time Equivalent County Government Employees by Function For the Last Nine Fiscal Years

	<u>2013<sup>(1)</sup></u>	<u>2012<sup>(1)</sup></u>	<u>2011<sup>(1)</sup></u>	<u>2010<sup>(1)</sup></u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of employees:									
General government	49.07	50.00	52.00	51.34	57.00	55.00	53.00	54.00	54.00
Central services	28.05	24.30	25.50	24.60	28.75	24.50	23.50	22.50	23.50
Public safety	167.35	168.10	166.90	165.80	169.65	168.50	168.50	158.50	152.50
Environmental protection	18.50	27.50	28.30	48.25	47.25	48.50	48.50	48.50	48.50
Economic and physical development	9.50	9.50	9.70	11.50	10.50	10.50	9.50	9.50	9.50
Human services	205.50	207.50	213.75	212.75	221.75	217.00	217.00	211.00	211.00
Culture and recreation	19.50	19.50	19.50	20.20	22.20	24.00	24.00	24.00	24.00
Total	<u>497.47</u>	<u>506.40</u>	<u>515.65</u>	<u>534.44</u>	<u>557.10</u>	<u>548.00</u>	<u>544.00</u>	<u>528.00</u>	<u>523.00</u>

Source:

Haywood County Finance Dept, FTE - Full Time (FT) & Permanent Part Time (PPT) budgeted positions

<sup>(1)</sup>Reduction in workforce

## HAYWOOD COUNTY, NORTH CAROLINA

### Operating Indicators By Function/Program Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010
<u>General Government</u>				
Elections:				
Number of registered voters	41,717	42,120	41,523	41,944
Register of Deeds:				
Deeds and real estate documents indexed	12,323	11,453	11,389	11,591
<u>Public Safety</u>				
Building Inspections:				
Residential permits issued	389	327	395	346
Mobile home permits issued (10)	58	83	70	87
Commercial permits issued	64	50	50	34
Fire Control:				
Inspections performed	866	685	504	409
Fire marshal and assistants	3	3	3	3
Detention:				
Booked inmates	3177	2690	2704	2574
Average daily jail population	105	75	85	93
Sheriff:				
Hand gun permits processed (1)	n/a	1716	1422	1180
EMS:				
Billable transports (2) (3)	7256	6356	6601	6498
EOC/Dispatching:				
Number of emergency calls dispatched	46,510	42,339	40,837	43,989
Number of fire related calls dispatched	2,634	2,144	2,675	1,748
Animal Services:				
Number of calls serviced (1)	n/a	2259	2567	2946
Number of animals received (1)	n/a	2916	3424	3612
Number of adoptions (1)	n/a	1343	1308	1449

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
41,361	41,522	38,762	39,676	36,414	37,511
12,920	15,933	18,651	19,529	18,122	19,997
393	721	818	831	809	687
85					
29	53	62	52	52	36
480	551	763	1,025	1,064	n/a
2	3	3	3	3	3
2825	2798	2624	n/a	n/a	n/a
83	93	90	n/a	n/a	n/a
1255	1293	1135	742	851	979
6385	6654	6619	6619	8182	6299
41,383	37,933	30,298	n/a	n/a	n/a
1,565	2,031	2,432	1,853	1,321	n/a
2760	2,748	n/a	n/a	n/a	n/a
3942	4,120	n/a	n/a	n/a	n/a
885	698	n/a	n/a	n/a	n/a

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Operating Indicators By Function/Program, Continued Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Environmental Protection</u>				
Solid Waste:				
Tons of solid waste buried	42,859.40	44,510.30	44,857.70	46,328.69
Tons of yard waste processed	191.41	138.64	201.72	224.30
Tons of recyclables sent out	5,757.56	6,083.67	6,374.19	6,903.09
<u>Economic and Physical Development</u>				
Planning:				
Number of major subdivision plan reviews	3	3	1	6
Economic Development:				
Tourism revenues (1) (7)	n/a	\$126,350,000	\$120,400,000	\$116,310,000
Taxable sales (8)	\$560,682,306	\$540,735,523	\$518,290,311	\$498,088,247
Gross retail sales (8)	*	*	*	*
<u>Human Services</u>				
Health Department:				
Number of health clients served	10,922	12,108	13,418	12,370
Number of food service inspections	810	706	717	885
Social Services:				
Average # of food stamp recipients per month (1)	n/a	10,487	9,908	9,960
Child support collections (1)	n/a	\$3,756,082	\$3,648,803	\$3,622,478
Average # of children subject to child protection services (CPS) assessments (1)	n/a	524	352	360
Average # of children in foster care (1)	n/a	158	138	161
<u>Culture and Recreation</u>				
Library:				
Library patrons	34,232	29,859	35,667	40,491
Items of library materials cataloged	143,401	147,709	168,813	176,281
Recreation:				
Park recreation program participants	1552	2219	1822	1914

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
50,881.02	57,554.94	58,455.37	42,790.16	56,055.20	42,579.99
397.59	1,187.28	1,216.39	1,086.00	1,272.78	982.52
5,770.90	3,483.59	3,079.32	3,177.81	3,847.95	3,695.81
16	28	62	82	51	27
\$103,570,000	\$113,460,000	\$116,640,000	\$111,060,000	\$103,460,000	\$98,130,000
\$489,719,216	\$549,879,484	\$538,500,941	\$485,930,182	*	*
*	*	*	*	\$768,834,606	\$737,708,374
12,736	12,666	n/a	n/a	n/a	n/a
896	777	n/a	n/a	n/a	n/a
8,253	6,542	5,933	5,775	5,649	5,436
\$3,818,785	\$4,178,218	\$4,191,812	\$4,274,285	\$4,201,558	\$4,049,578
379	374	311	248	230	224
183	171	144	195	216	190
38,346	35,429	31,771	33,558	37,404	34,050
179,615	185,419	190,960	177,083	179,695	176,147
1572	1456	1455	1304	1135	810

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

Operating Indicators By Function/Program, Continued  
Last Ten Fiscal Years

<b>Function/Program</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<u>Education</u>				
Public Schools:				
Dollars spent per pupil-ADM (Average Daily Membership) (5)	\$1,896	\$1,854	\$1,898	\$1,882
Number of teachers (4)	533	535	546	547
Student enrollment (4) (5)	7,459	7,530	7,582	7,588
County appropriations for current operating per student - State ranking (5)	n/a	26	22	23
Community College: (6)				
Number of courses offered	1,166	1,233	1,358	1,239
Curriculum student enrollment	3,099	2,599	3,493	3,341
Curriculum full-time-equivalents (FTE) (fall and spring terms only)	1,756.00	1,927.00	1,968.56	1,838.12
Continuing Ed student enrollment (1)	n/a	5,370	5,122	5,400
Continuing Ed FTE (spring, summer, fall terms) (1)	n/a	337.34	314.10	343.03

Sources: Various governmental departments - Fiscal year data

- (1) Calendar year data
- (2) FY2008 - FY2013 provided by EMS Management & Consultants
- (3) FY2007 - FY2004 provided by EMS Archived Data
- (4) Source: Haywood County Board of Education - Academic year data
- (5) Source: Department of Public Instruction - Student Enrollment is final ADM starting 2011
- (6) Source: Haywood Community College - Academic year data
- (7) Source: Haywood County Economic Development - NC Dept of Commerce/Tourism Services
- (8) Source: Haywood County Economic Development - NC Dept of Revenue Website
- (9) As of FY2009, mobile home permits separated from residential permits - FY2004 - FY2008 combined

\* FY2005-2006 the *Streamline Sales Tax Agreement* was implemented by NC which changed the reporting from Gross Retail Sales to Taxable Sales

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$1,725	\$1,776	\$1,685	\$1,599	\$1,546	\$1,436
619	568	568	551	629	611
7,677	7,658	7,652	7,969	7,910	7,898
28	23	18	22	22	23
1,212	1,191	1,197	n/a	n/a	n/a
3,413	3,174	3,045	2,828	2,673	2,680
1,653.87	1,607.68	1,601.12	1,562.29	1,516.08	1,542.18
7,355	6,497	5,648	5,912	6,804	6,774
332.27	293.33	295.09	334.20	291.25	275.44

## HAYWOOD COUNTY, NORTH CAROLINA

### Capital Assets Statistics By Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>General Government</u>				
Elections:				
Number of voting machines:				
Direct Record Electronic <sup>(1)</sup>	187	187	187	187
Optical Scan voting <sup>(2)</sup>	3	3	3	3
<u>Public Safety</u>				
Detention:				
Number of jail beds	137	132	133	133
Sheriff:				
Offices	1	1	1	1
Patrol vehicles	59	63	66	57
<u>Environmental Protection</u>				
Solid Waste:				
Landfills	1	1	1	1
Convenience centers (5 owned, 5 leased)	10	10	10	10
Material recovery facilities	1	1	1	1
<u>Culture and Recreation</u>				
Library:				
Number of libraries	4	4	4	4
Recreation:				
Park acreage-undeveloped	22	22	22	22
Park acreage-developed (leased property)	8	8	8	8
Multi-purpose arena	1	1	1	1
Ag & activities center	1	1	1	1

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
187	187	177	177	-	-
3	3	3	3	35	35
133	133	133	133	93	93
1	1	1	1	1	1
53	60	64	65	n/a	54
1	1	1	1	1	1
10	10	10	10	10	10
1	1	1	1	1	1
4	4	4	4	4	3
22	22	-	-	-	-
8	8	8	8	8	8
1	1	1	1	1	-
1	1	1	1	1	1

(continued)

## HAYWOOD COUNTY, NORTH CAROLINA

### Capital Assets Statistics By Function/Program, Continued Last Ten Fiscal Years

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Education</u>				
Public Schools: <sup>(3)</sup>				
Number of schools	16	16	16	16
Community College: <sup>(4)</sup>				
Number of colleges	1	1	1	1
<u>Hospitals</u> <sup>(5)</sup>				
Number of hospitals	1	1	1	1

Source: Various governmental departments

<sup>(1)</sup>2013 - 2006 Direct Record Electronic Voting Machines

<sup>(2)</sup>2005 - 2004 Optical Scan Voting Machines

<sup>(3)</sup>Source: Haywood County Board of Education

<sup>(4)</sup>Source: Haywood Community College

<sup>(5)</sup>Source: Haywood Regional Medical Center

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
16	16	16	15	15	15
1	1	1	1	1	1
1	1	1	1	1	1



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of County Commissioners  
Haywood County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated October 29, 2013. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Haywood County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Haywood County's internal control. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the financial statements of Haywood County are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Asheville, North Carolina  
October 29, 2013

*Dixon Hughes Goodman LLP*



**COMPLIANCE SECTION**

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**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Haywood County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2013. Haywood County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Haywood County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133 and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Haywood County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Haywood County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Haywood County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Haywood County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Board of County Commissioners  
Haywood County  
Page Three

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Asheville, North Carolina  
October 29, 2013

*Dixon Hughes Goodman LLP*



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

**Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Haywood County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Haywood County's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013. Haywood County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Haywood County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Haywood County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on Haywood County's compliance.

***Opinions on Each Major State Program***

In our opinion, Haywood County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Haywood County's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal

control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Asheville North Carolina  
October 29, 2013

*Dixon Hughes Goodman LLP*

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<b>Federal Awards:</b>			
<u>U.S. Department of Agriculture</u>			
Passed through N.C. Department of Agriculture and Consumer Services:			
Specialty Block Grant-Farm Bill			
Cook Local: Farm to Kitchen	10.170	\$ 15,705	\$ -
Food and Nutrition Service			
Passed through N.C. Department of Health and Human Services:			
Division of Social Services:			
Administration:			
Supplemental Nutrition Assist. Program Cluster:			
State Administration Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	619,506	-
Total Supplemental Nutrition Assist. Program Cluster		619,506	-
Passed through N.C. Department of Health and Human Services:			
Division of Public Health:			
Administration:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	275,970	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	1,062,982	-
Administration:			
Child and Adult Care Food Program	10.558	5,630	-
Passed through N.C. Department of Agriculture:			
Emergency Food Assistance Program			
Food Commodities (Non-cash)	10.569	37,746	-
Passed through the Office of State Budget and Management:			
Schools and Roads-Grants to States and Counties			
National Forest Service Receipts	10.665	19,082	-
Total U.S. Department of Agriculture		2,036,621	-

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Justice</u>			
Passed through N.C. Department of Crime Control and Public Safety: Arrest Policies and Enforcement of Protection Orders	16.590	\$ 162,717	\$ -
<u>Bureau of Justice Assistance:</u>			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	4,628	-
ARRA-Edward Byrne Memorial Justice Assistance -Byrne Jag Program States and Territories -Empowering Youth	16.803	(626)	-
Total U.S. Department of Justice		<u>166,719</u>	<u>-</u>
<u>U.S. Department of Transportation</u>			
Passed through N.C. Department of Transportation:			
Blue Ridge National Heritage Area Trails	20.205-2	34,148	-
Governor's High Safety Program	20.600	61,729	-
Passed through N.C. Department of Public Safety:			
Division of Emergency Management Hazardous Material Emergency Preparedness	20.703	6,031	-
Total U.S. Department of Transportation		<u>101,908</u>	<u>-</u>
<u>Institute of Museum and Library Services</u>			
Passed through N.C. Department of Cultural Resources:			
Public Library Services-LSTA NC Cardinal Grant	45.310	41,012	-
Public Library Services-LSTA Project Technology Grant	45.310	99,966	-
Total Institute of Museum and Library Services		<u>140,978</u>	<u>-</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Office of Population Affairs:			
Passed through the NC Department of Health and Human Services:			
Division of Public Health:			
Family Planning Services	93.217	\$ 40,432	\$ -
Office of Health Resources and Services Administration:			
Passed through the NC Department of Health and Human Services:			
State Health Access Program-Rural Health	93.256	5,501	-
Administration for Children and Families:			
Passed through the NC Department of Health and Human Services:			
Division of Social Services:			
Foster Care and Adoption Cluster (Note C)			
Administration:			
Foster Care	93.658	186,366	-
IV-E Foster Care/Off Trn	93.658	211,738	-
Adoption/Foster Care	93.658	181,543	26,447
IV-E Adoption/Off Trn	93.659	10,667	-
Direct Benefit Payments:			
Foster Care At Risk		-	1,259
IV-E Foster Care	93.658	392,359	132,961
IV-E Adoption	93.659	458,335	122,560
Total Foster Care and Adoption Cluster (Note C)		<u>1,441,008</u>	<u>283,227</u>
Temporary Assistance for Needy Families ("TANF") Cluster:			
Temporary Assistance for Needy Families TANF/Work First	93.558	1,063,705	-
TANF/Work First--Direct Benefits	93.558	651,614	-
Special Children Adoption--Direct Benefits	93.558	60,000	-
Total TANF		<u>1,775,319</u>	<u>-</u>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Child Care Development Fund	93.596	\$ 85,792	\$ -
Refugee Assistance Payment	93.566	366	-
NC Child Support Enforcement Section	93.563	423,069	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	44,050	-
Crisis Intervention Program	93.568	470,032	-
Child Welfare Services--State Grants:			
Adoption Subsidy--Direct Benefits Payments	93.645	-	334,187
Permanency Planning--Families for Kids	93.645	23,928	361
SSBG-Other Services and Training	93.667	217,083	19,834
Child Protective Safety TANF to SSBG	93.667	156,129	-
Independent Living	93.674	18,293	4,573
Independent Living Transitional/LINKS -Direct Benefit	93.674	24,071	-
Family Preservation and Support Services	93.556	8,662	-
AFDC Payments & Penalties -Direct Benefits	93.560	(119)	(32)
AFDC Incent/Prog Integrity		-	1,640
Division of Public Health:			
SSBG-Youth Tobacco Prevention	93.667	83,000	-
Division of Aging and Adult Services:			
Division of Social Services:			
SSBG-In-Home Service Fund	93.667	35,343	-
SSBG-Adult Day Care	93.667	51,634	28,980
<u>Centers for Medicare and Medicaid Services</u>			
Passed through N.C. Department of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	51,190,622	28,985,277
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	888,620	23,091
State Children's Insurance Program--NC Health Choice	93.767	30,770	1,566

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>Centers for Disease Control and Prevention</u>			
Passed through N.C. Department of Health and Human Services:			
Division of Public Health:			
Public Health Emergency Preparedness	93.069	\$ 39,840	\$ -
Immunizations Grants	93.268	14,132	-
Prevention Investigation and Technical Assistance	93.283	70,494	-
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	14,800	6,375
Preventative Health and Health Services-Healthy Communities	93.991	9,640	-
		<hr/>	<hr/>
Total Centers for Disease Control		148,906	6,375
		<hr/>	<hr/>
<u>Health Resources and Services Administration</u>			
Division of Public Health:			
Maternal Child Health Block Grant to the States	93.994	97,302	172,986
		<hr/>	<hr/>
Total Health Resources and Services Administration		97,302	172,986
		<hr/>	<hr/>
<u>Administration on Aging</u>			
<u>Division of Aging and Adult Services</u>			
Passed through the N.C. Department of Aging:			
Passed through the Southwestern N.C. Planning and Economic Development Commission:			
<u>Aging Cluster:</u>			
Special Programs for the Aging-Title III-B			
Grants for Supportive Services and Senior Centers	93.044	38,933	6,871
Special Programs for the Aging-Title III-C-Nutrition Services			
Title III-C1 - Congregate	93.045	270,843	47,796
Title III-C2 - Home Delivered Meals	93.045	69,341	12,237
		<hr/>	<hr/>
Total Aging Cluster		379,117	66,904
		<hr/>	<hr/>
Total U.S. Department of Health and Human Services		57,638,930	29,928,969
		<hr/>	<hr/>

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the N.C. Department of Crime Control and Public Safety:			
Emergency Management Performance Grant (EMPG)	97.042	\$ 17,752	\$ 17,751
Homeland Security-Exercise Program	97.067	32,361	-
Disaster Grants-Public Assistance (Presidentially Declared Disasters)			
Total U.S. Department of Homeland Security		50,113	17,751
<u>U.S. Election Assistance Commission</u>			
Passed through the N.C. State Board of Elections:			
Help America Vote Act Requirement Payments	90.401	7,374	-
Total U.S. Election Assistance Commission		7,374	-
<b>Total Federal Awards</b>		<b>60,142,643</b>	<b>29,946,720</b>
<b>State Awards:</b>			
<u>N.C. Department of Agriculture and Consumer Services</u>			
Animal Welfare			
Spay and Neuter Program		-	30,565
Total N.C. Department of Agriculture and Consumer Services		-	30,565
<u>N.C. Department of Public Safety</u>			
Division of Emergency Management:			
Crisis Housing Assistance Funds (CHAF)		-	13,137
Total N.C. Department of Public Safety		-	13,137
<u>N.C. Department of Cultural Resources</u>			
Division of State Library:			
State Aid to Public Libraries		-	101,372
Total N.C. Department of Cultural Resources		-	101,372

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Waste Management:			
Scrap Tire Disposal Grant		\$ -	\$ 47,296
Electronic Management Program		-	3,426
Division of Environmental Assistance and Outreach:			
Community Waste Reduction & Recycling Grant		-	15,000
		<hr/>	<hr/>
Total N.C. Department of Environment and Natural Resources		-	65,722
<u>N.C. Department of Health and Human Services</u>			
Division of Social Services:			
Energy Assistance-Private Grants		-	51,768
State/County Special Assistance for Adults-Administration		-	8,479
State/County Special Assistance for Adults -Direct Benefits		-	528,374
State Foster Care Benefits Program-Direct Benefits		-	245,138
		<hr/>	<hr/>
Total Division of Social Services		-	833,759
Division of Public Health Services:			
General Aid to Counties		-	85,725
General Communicable Disease Control		-	11,423
Environmental Health		-	4,000
Food and Lodging Fees		-	7,036
Healthy Communities		-	2,009
HIV Testing		-	433
Risk Reduction/Health Promotion		-	6,206
TB Medical Service		-	540
Tuberculosis		-	2,186
WHSF-Women's Preventative Health		-	11,251
		<hr/>	<hr/>
Total Division of Public Health		-	130,809
		<hr/>	<hr/>
Total N.C. Department of Health and Human Services		-	964,568

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Office of Juvenile Justice</u>			
Department of Juvenile Justice and Delinquency Prevention:			
Juvenile Crime Prevention Program		\$ -	\$ 170,635
Total N.C. Office of Juvenile Justice		-	170,635
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund:			
Public School Building Capital Fund-Lottery		-	75,000
Public School Building Capital Fund-State ADM		-	98,383
Total N.C. Department of Public Instruction		-	173,383
<u>N.C. Department of Transportation</u>			
Rural Operating Assistance Program:			
Elderly and Disabled Transportation Assistance Program		-	65,510
Rural General Public Program		-	57,840
Work First/Employment		-	23,527
Total N.C. Department of Transportation		-	146,877
<u>N.C. Department of Veteran Affairs</u>			
Veteran Services		-	1,452
<u>N.C. General Assembly</u>			
Passed through The Rural Center:			
Haywood Regional Medical Center-Psychiatric Evaluation Area		-	88,000
Haywood County Project Staples-Sonoco Plastics		-	175,000
State Employees' Credit Union Foundation		-	3,750
Passed through the N.C. 911 Board:			
Passed through Stanly County:			
Public Safety E911 IP Network-Advanced 911 Routing and ALI Management Services		-	175,000
Total N.C. General Assembly		-	441,750
<b>Total State Awards</b>		-	2,109,461
<b>Total Federal and State Awards</b>		\$ 60,142,643	\$ 32,056,181

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDSNOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Haywood County and is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and the Non-Profits Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal and State awards to the County and are included in this schedule.

NOTE B - FEDERAL AND STATE AWARDS WHICH HAVE BEEN PASSED THROUGH TO SUB RECIPIENTS

Sub recipient	Program Name	Federal CFDA		State
		Number	Federal	
Haywood County Schools	National Forest Service Receipts	10.665	\$ 19,082	\$ -
Southwestern NC Planning and Economic Development Commission	Mountain Projects Title III-C - Congregate	93.045	270,843	47,796
Haywood County Schools	Public School Building Capital Fund	N/A	-	173,383
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	N/A	-	170,635
Mountain Projects	Rural General Public Program	N/A	-	57,840
Mountain Projects	Elderly and Disabled Transportation Assistance	N/A	-	65,510
Haywood Animal Welfare	Spay and Neuter Program	N/A	-	30,565
Blue Ridge National Heritage Area	Blue Ridge National Heritage Area Trails	20.205-2	34,148	-
MedWest/HRMC	Haywood Regional Medical Center Psychiatric Evaluation Area	N/A	-	88,000
DC Plus LLC	Haywood County Project Staples Sonoco Plastics Expansion	N/A	-	175,000
			<u>\$ 324,073</u>	<u>\$ 808,729</u>

**HAYWOOD COUNTY, NORTH CAROLINA**

## Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2013

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)NOTE C - CLUSTERS

The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for state Foster Care and Adoption

NOTE D - INSURANCE

The County maintained commercial, general liability, auto, public officials, law enforcement and employment practices liability coverage of \$2,000,000 per occurrence and \$2,000,000 per coverage period aggregate. Also included is auto physical damage coverage for owned auto at actual cash value with a limit of \$1,000,000 per occurrence and employee theft coverage of \$250,000 per occurrence. During construction, the County maintained coverage for the new building in the amount of \$6,600,000. The County maintains workers' compensation and employer's liability insurance with a \$500,000 limit per accident or employee and maximum limit of indemnity per occurrence of \$2,000,000.

**HAYWOOD COUNTY, NORTH CAROLINA**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2013

**Section I--Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                               yes                      X   no
- Significant deficiencies identified that are not considered to be material weaknesses?                               yes                      X   none reported

Non-compliance material to financial statements noted?                               yes                      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?                               yes                      X   no
- Significant deficiencies identified that are not considered to be material weaknesses?                               yes                      X   none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?                               yes                      X   no

(continued)

**HAYWOOD COUNTY, NORTH CAROLINA**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2013

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)*
93.778	Medical Assistance Program

\*Mandated for testing by the N.C. Office of State Auditor.

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,804,279

Auditee qualified as low-risk auditee?  X  yes   no

*State Awards*

Internal control over major State programs:

- Material weakness(es) identified?   yes  X  no
- Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

Type of auditors' report issued on compliance for major State programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?   yes  X  no

**HAYWOOD COUNTY, NORTH CAROLINA**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2013

Identification of major State programs:

Program Name

Medical Assistance Program

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**Section II--Financial Statement Findings**

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None reported.

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**Section III--Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV--State Award Findings and Questioned Costs**

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None reported.

**HAYWOOD COUNTY, NORTH CAROLINA**

Corrective Action Plan

For the Fiscal Year Ended June 30, 2013

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**Section II--Financial Statement Findings**

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None reported.

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**Section III--Federal Award Findings and Questioned Costs**

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None reported.

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**Section IV--State Award Findings and Questioned Costs**

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None reported.

**HAYWOOD COUNTY, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings

For the Fiscal Year Ended June 30, 2013

There were no findings in the previous two years.