

COMPREHENSIVE ANNUAL

FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

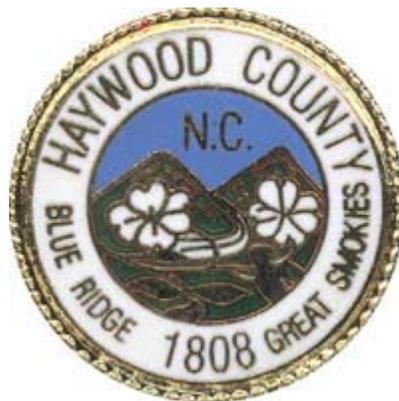
Haywood County, North Carolina

HAYWOOD COUNTY, NORTH CAROLINA

Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014



Prepared by: Finance Department

Finance Director: Julie H. Davis, CPA



HAYWOOD COUNTY, NORTH CAROLINA

Table of Contents

June 30, 2014

INTRODUCTORY SECTION:

Letter of Transmittal.....	i-viii
Organizational Chart.....	ix
List of Principal Officials	x
Certificate of Achievement for Excellence in Financial Reporting.....	xi

FINANCIAL SECTION:

Independent Auditors' Report.....	1-3
Management's Discussion and Analysis	4-15

Basic Financial Statements:

Government-wide Financial Statements:

"1" Statement of Net Position.....	16
"2" Statement of Activities.....	17-18

Fund Financial Statements:

"3" Balance Sheet-Governmental Funds	19-20
"4" Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	21-22
"5" Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund and Solid Waste Management Fund	23-26
"6" Statement of Fund Net Position-Proprietary Funds	27
"7" Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds.....	28
"8" Statement of Cash Flows-Proprietary Funds.....	29
"9" Statement of Fiduciary Assets and Liabilities-Fiduciary Funds.....	30



Basic Financial Statements: (Continued)

Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies 31-42
 Note 2 - Detail Notes on All Activities and Funds 43-65
 Note 3 - Related Organizations 65
 Note 4 - Joint Ventures 65-66
 Note 5 - Jointly Governed Organization..... 67
 Note 6 - Benefit Payments Issued by the State 67
 Note 7 - Summary disclosure of Significant Contingencies 67
 Note 8 - Conduit Debt Obligations 68
 Note 9 - Interfund Receivables, Payables, and Transfers 68

Required Supplemental Financial Data:

“A-1” Law Enforcement Officers’ Special Separation Allowance-
 Schedule of Funding Progress 69
 “A-2” Law enforcement Officers’ Special Separation Allowance-
 Schedule of Employer Contributions 70
 “A-3” Other Postemployment Benefits-Schedule of Funding Progress..... 71
 “A-4” Other Postemployment Benefits-Schedule of Employer Contributions..... 72

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

“B-1” Schedule of Revenues, Expenditures, and Changes in Fund
 Balance-General Fund-Budget and Actual 73-86
 “B-2” Schedule of Revenues, Expenditures, and Changes in Fund
 Balance-Solid Waste Fund-Budget and Actual 87
 “C-1” Combining Balance Sheet-Non-Major Governmental Funds..... 88
 “C-2” Combining Balance Sheet-Non-Major Special Revenue Funds 89-90
 “C-3” Combining Balance Sheet-Non-Major Capital Project Funds 91



Supplementary Information: (Continued)

Combining and Individual Fund Statements and Schedules: (Continued)

"C-4"	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Non-Major Governmental Funds.....	92
"C-5"	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Non-Major Special Revenue Funds	93-94
"C-6"	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances-Non-Major Capital Project Funds.....	95

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

"D-1"	Emergency Telephone Fund	96
"D-2"	Fire Districts Fund	97
"D-3"	Crisis Housing Assistance Fund.....	98
"D-4"	Sanitary District Fund	99
"D-5"	Road Service Fund.....	100
"D-6"	CDBG Scattered Site Project Fund	101
"D-7"	Major Fund-Capital Project Fund-Community College Project Fund ...	102-103
"D-8"	Capital Project Fund-Water and Sewer Lines.....	104
"D-9"	Capital Project Fund-Solid Waste/Landfill	105
"D-10"	Capital Project Fund-Public Schools ADM/Lottery	106
"D-11"	Capital Project Fund-County Building Renovations.....	107-108
"E-1"	Combining Statement of Net Position-Internal Service Funds.....	109
"E-2"	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position-Internal Service Funds.....	110
"E-3"	Combining Statement of Cash Flows-Internal Service Funds	111
"E-4"	Self Insurance Fund-Health Insurance-Schedule of Revenues and Expenditures-Financial Plan and Actual (Non-GAAP)	112
"E-5"	Self Insurance Fund-Workers' Compensation-Schedule of Revenues and Expenditures-Financial Plan and Actual (Non-GAAP)	113
"F-1"	Combining Statement of Changes in Fiduciary Assets and Liabilities-Agency Funds.....	114
"G-1"	Schedule of Ad Valorem Taxes Receivable	115
"G-2"	Analysis of Current Tax Levy-County-Wide Levy	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

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
Government Auditing Standards..... 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

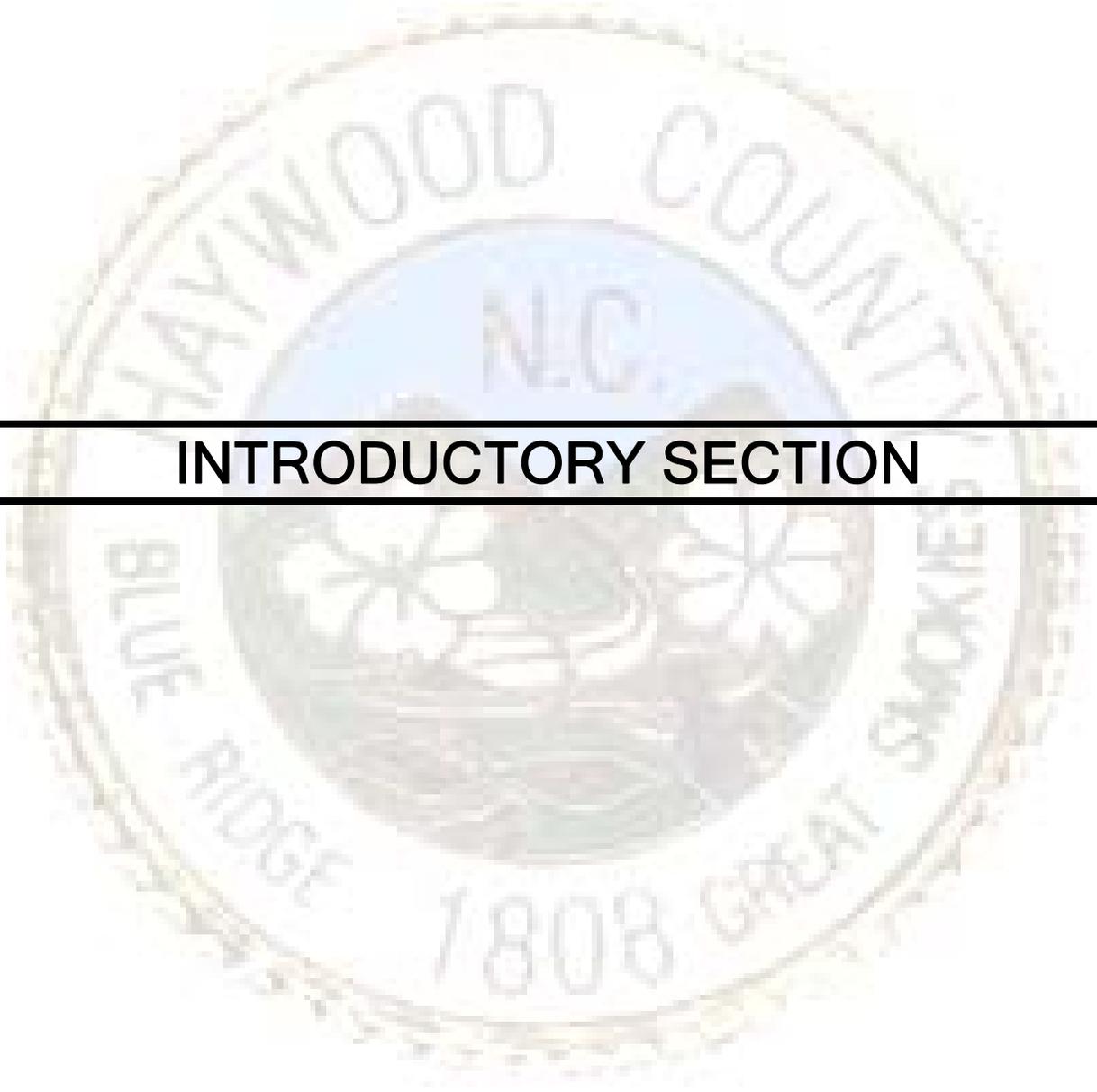
Report on Compliance with Requirements Applicable to Each
Major State Program and Internal Control Over Compliance
in Accordance with Applicable Sections of OMB Circular A-133
and the State Single Audit Implementation Act..... 161-163

“H-1” Schedule of Expenditures of Federal and State Awards..... 164-172

“H-2” Schedule of Findings and Questioned Costs 173-175

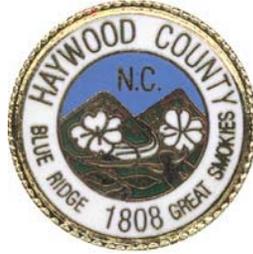
“H-3” Corrective Action Plan 176

“H-4” Summary Schedule of Prior Year Audit Findings..... 177



INTRODUCTORY SECTION

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

December 11, 2014

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, 2014. 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 unmodified 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, 2014, 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 auditors' 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 554 square miles, features 19 mountain peaks over 6,000 feet above sea level, 129,994 acres of national forest land and a current population of 59,995. 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 2013, 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 2012 to 2013, and tracking the same through 2014. 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 5.0%, a decrease from 7.7% at June 30, 2013, was below the state rate of 6.5%, as well as below the national rate of 6.3% at June 30, 2014.
- New residential construction continues, reflected by a 1.8% increase in number of units and a 6.9% increase in the value of that construction from 2013.
- Property values for commercial construction increased 609% from 2013 amounts, while the number of units decreased 6.3 indicating much larger business projects.
- The number of commercial building permits obtained during the fiscal year ended June 30, 2014 decreased 6.3%, while the value of that construction increased 609% compared to the last fiscal year, indicating larger projects. Residential



building permits increased 1.8% in number of permits while the value of that construction increased 6.9% during the last fiscal year.

- The population of the County increased steadily over the past decade, with 2014 reflecting a 6.2% increase from 2005, while the per capita income reflected a 22.5% increase for the last year that information was available compared to 2005.

Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.36% of the County's total assessed valuation. Progress Energy owns 1.24% and Haywood Electric Membership owns 1.03% of assessed valuation. While no other taxpayer owns more than 1.00%, one company, a utility company, owns .34% 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 identified several major needs that needed to be addressed, and initiated a Capital Improvement Plan ("CIP") where priorities were identified and plans 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 any capital projects rather than relying on debt funding. 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. 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. Further plans related to these convenience centers involve upgrading the centers to accommodate single-stream trash compactors or containers, making it even more convenient for citizens to recycle. While single-stream recycling necessarily reduces the quality of the recycled material for resale, it removes a budgeting risk as the revenues on recycled materials have been dropping.

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. has not only managed the landfill, but has covered the cost of building a public drop off station, a truck wheel wash, improvements to haul roads, and



new truck scales, which have saved the county taxpayers a projected \$1 million over the County building these improvements. The monthly cost to the County for running the landfill was \$127,000. This public-private partnership included provisions for the County to revise its landfill permit to accept garbage from 18 Western North Carolina counties, which was accomplished in March of last year. At the point that the daily disposal amount reached 396 tons, which occurred by May of this year, the expanded management component began. This expanded management component involves Santek Environmental, Inc. taking over complete management of the landfill operations, which includes the costs associated with closure and post-closure of the landfill. At the expanded management commencement date, the County began 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.

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. The latest 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, 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.

A 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. not only managed the landfill, but covered the cost of building a public drop off station, a truck wheel wash, improvements to haul roads, and new truck scales, at savings of \$1 million to county taxpayers.

This public-private partnership included a provision for the County to revise its landfill permit to accept garbage from 18 Western North Carolina counties, which was accomplished in March of 2013. When the daily disposal amount reached 396 tons, which occurred in May 2014, the contracts expanded management component took effect. This change involved Santek Environmental, Inc. taking over complete management of the landfill operations, which includes maintaining the landfill for 20 years as well as covering the costs associated with closure and post-closure of the landfill at some point in the future. At the expanded management commencement date, the County began 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 and cash back to the County on the power bill for this property. In addition to the gas collection and flaring project, and to alleviate concerns of possible contamination, the County Commissioners have developed a long-term plan for this small landfill that includes the purchase of some surrounding property and completion of an updated cap on the closed landfill site. In addition, an agreement between Haywood County and a construction company working on a local North Carolina Department of Transportation (NC D.O.T.) road widening project has allowed the County to gain access to suitable dirt material for cap coverage at relatively little cost to the County, while solving the contractor's problem of where to move waste material from the NC D.O.T. project.

The County Commission continued to demonstrate its commitment to quality education in Haywood County schools by spending \$14.4 million for current expense and \$385,000 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 and lottery funds which require no match by the County. 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 was completed on a Creative Crafts building, renovations to the administrative and general education buildings. Currently upgrades to the waterline that runs through the campus are being completed. The Creative Crafts building, an \$11.1 million project, was completed the summer of 2013 and houses computer and multipurpose classrooms for film, 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. With 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 \$250,000 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, 2013. 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,

Handwritten signature of Ira Dove in blue ink.

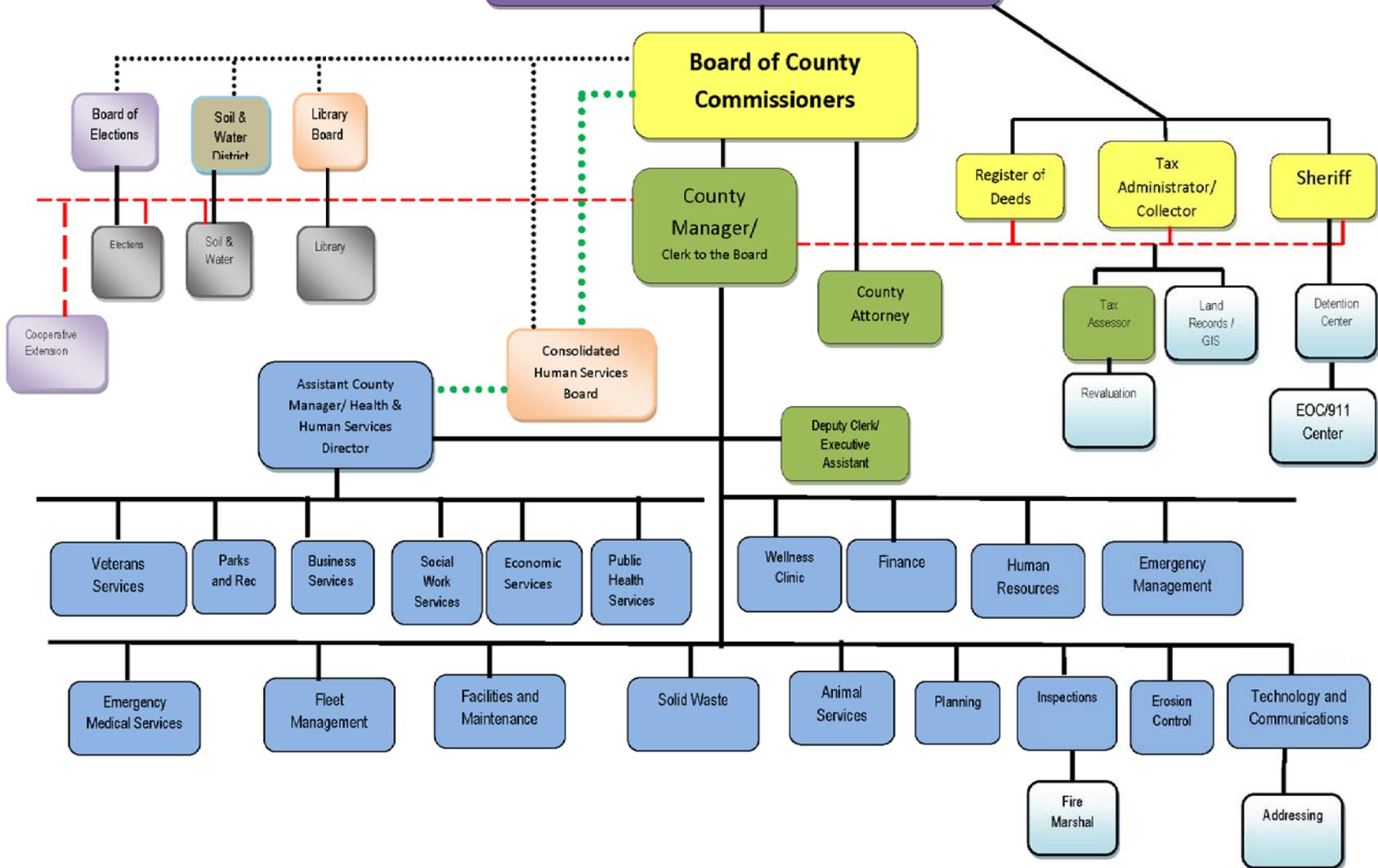
Ira Dove
County Manager

Handwritten signature of Julie H. Davis in black ink.

Julie H. Davis
Finance Director

Citizens of Haywood County

As of June 30, 2014



(xi)

- Indicates Elected Official
- Indicates Independent Board
- Indicates Appointment by State
- Indicates Appointment by Board of Commissioners
- Indicates Appointment by State and Other entities; no appointments by BOCC
- Indicates Direct Report to County Manager
- Indicates Direct Report to Department Director
- Indicates Appointment by Independent Board of Directors
- Indicates Report to County Manager for Budgetary Considerations
- Indicates Various Appointments of Members to Independent Boards by Commissioners
- Indicates Board with authority noted under GS 153A-77(d), but reporting requirements to Board of Commissioners

HAYWOOD COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2014

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

Ira Dove, 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**

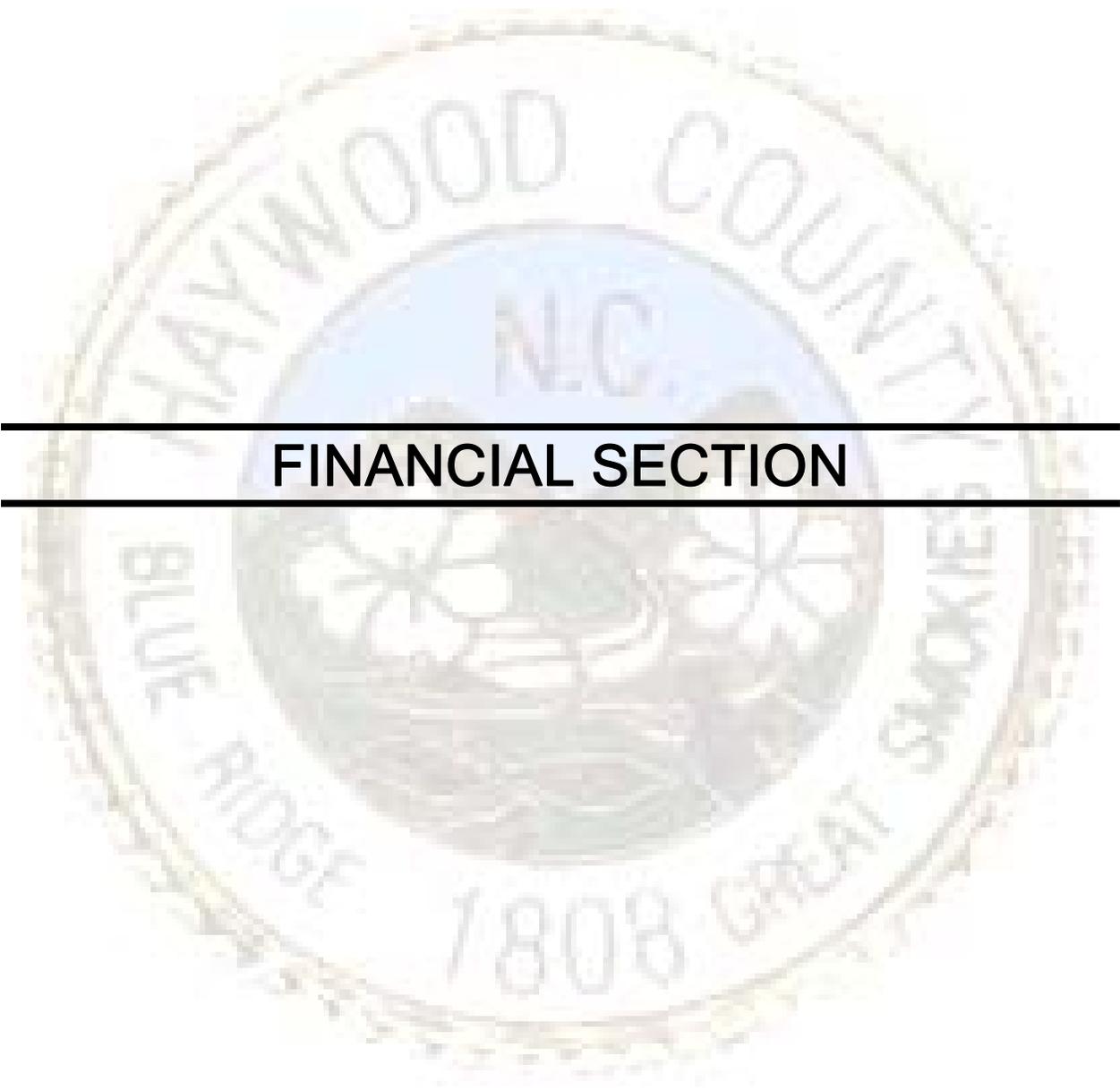
Presented to

**Haywood County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



FINANCIAL SECTION



- 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, 2014 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, 2014, 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

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 15 and 69 through 72, 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, 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 December 11, 2014, 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
December 11, 2014

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2014

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, 2014. 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.

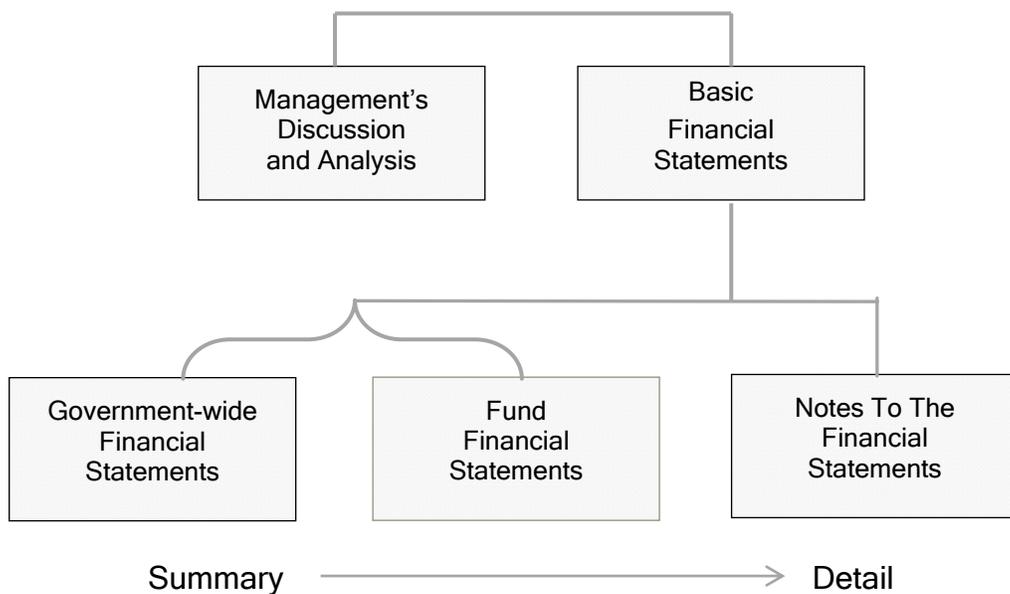
Financial Highlights

- The assets and deferred outflows of resources of Haywood County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$28,647,276 (*net position*).
- The government's total net position increased by \$10,026,082, primarily due to a reduction in the liability for closure and post closure care of the landfill with the County's privatization of the County landfill.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$25,799,200, an increase of \$4,128,529 in comparison with the prior year. Approximately 41.8% of this total amount, or \$10,783,822, 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 \$10,783,822 or 15.3% of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt decreased by \$7,396,620 (8.8%) during the current fiscal year. This is mainly due to the reduction of the liability for future closure, post-closure expenditure estimates as the public private partnership between the County and Santek Environmental, Inc. transfers this liability from the County, as well as the paying down of loans through debt service.
- 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 of 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 thirteen 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 ten 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 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 four 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 31 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 68 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 \$28,647,276, as of June 30, 2014. The County's net position increased by \$10,026,082 for the fiscal year ended June 30, 2014. One of the largest portions (151%) 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 (32.2%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net position of (\$23,731,881) 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.

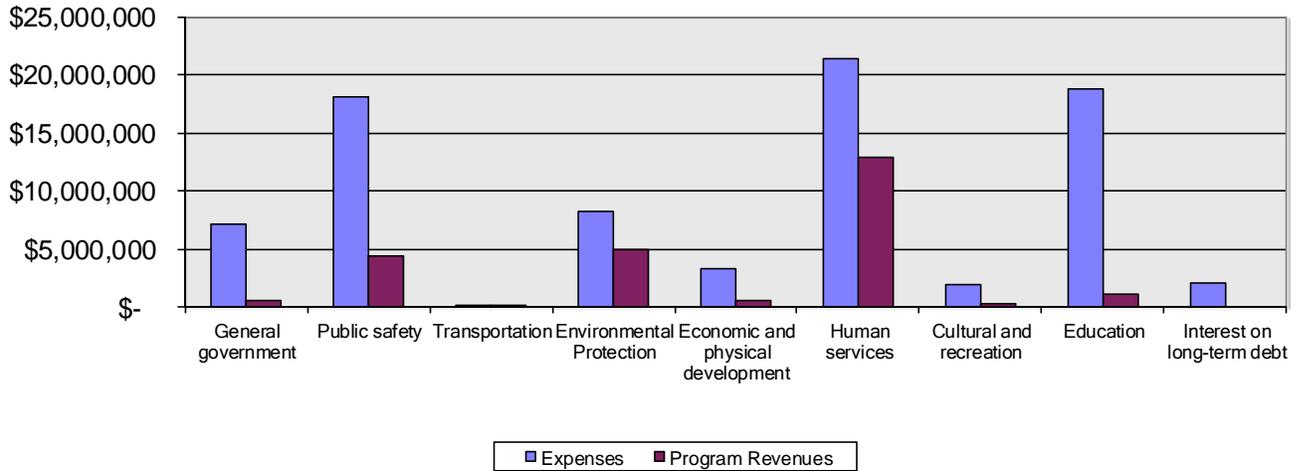
Haywood County's Net Position
Figure 2

	<u>2014</u>	<u>2013</u>
Current and other assets	\$36,575,391	\$ 31,484,695
Capital assets	74,567,536	76,631,520
Total assets	<u>111,142,927</u>	<u>108,116,215</u>
 Total deferred outflows of resources	 <u>456,439</u>	 <u>522,139</u>
 Long-term liabilities outstanding	 76,790,960	 84,187,580
Other liabilities	5,444,941	5,222,468
Total liabilities	<u>82,235,901</u>	<u>89,410,048</u>
 Total deferred inflows of resources	 <u>716,189</u>	 <u>607,112</u>
 Net position:		
Net investment in capital assets	43,151,578	40,022,209
Restricted	9,227,579	6,917,922
Unrestricted (deficit)	<u>(23,731,881)</u>	<u>(28,318,937)</u>
 Total net position	 <u>\$28,647,276</u>	 <u>\$ 18,621,194</u>

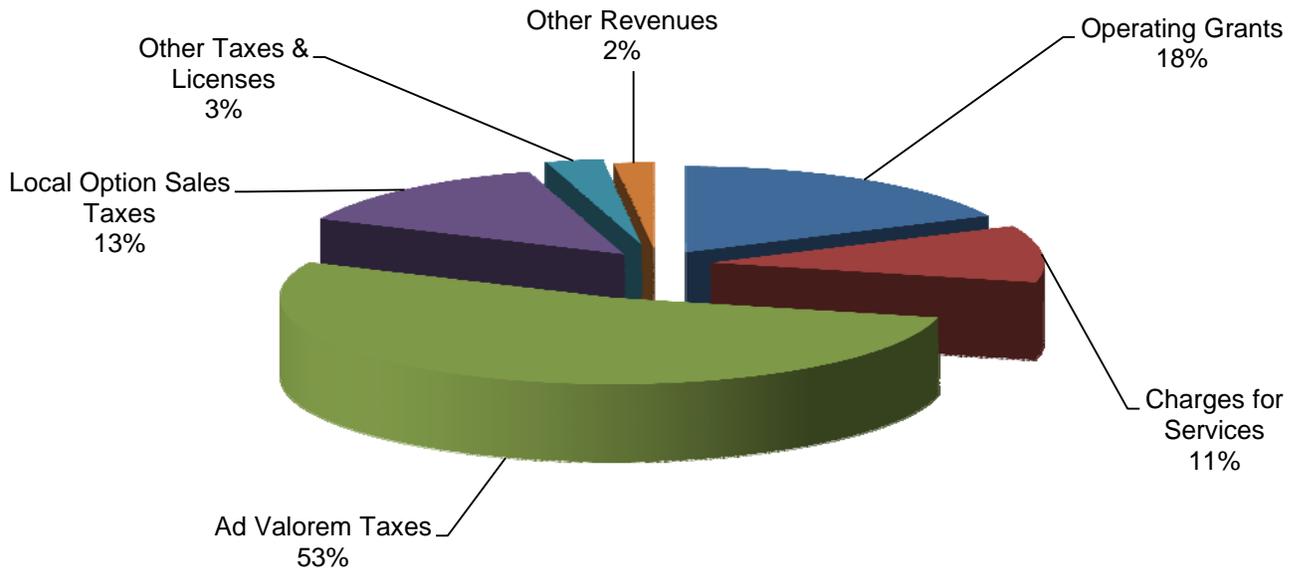
Haywood County's Changes in Net Position
Figure 3

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,941,902	\$ 8,851,888
Operating grants and contributions	15,129,131	14,655,173
Capital grants and contributions	1,214,748	1,777,881
General revenues:		
Property taxes	44,532,523	43,168,762
Other taxes	13,725,300	13,577,116
Grants and contributions not restricted to specific programs	339,051	306,971
Other	47,433	126,085
	<u>83,930,008</u>	<u>82,463,876</u>
Expenses:		
General government	7,168,720	8,748,556
Public safety	18,149,499	18,095,664
Transportation	246,070	233,951
Environmental protection	8,238,720	6,960,850
Economic and physical development	3,369,021	3,445,307
Human services	21,403,525	20,380,433
Culture and recreation	1,908,029	1,751,594
Education	18,860,749	18,227,121
Interest on long-term debt	2,053,735	2,399,211
Total expenses	<u>81,398,068</u>	<u>80,242,687</u>
Increase in net position before special item	2,532,020	2,221,189
Special item	7,494,062	-
Increase in net position	<u>10,026,082</u>	<u>2,221,189</u>
Net position, July 1	<u>18,621,194</u>	<u>16,400,005</u>
Net position, June 30	<u>\$ 28,647,276</u>	<u>\$ 18,621,194</u>

Expenses 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 \$12,498,413, while total fund balance reached \$18,650,343. 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 17.69% of general fund expenditures, while total fund balance represents 26.4% 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, \$3,298,524, reflects a small increase that is expected to be available to contribute to future upgrades to the convenience centers in the county.

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, \$702,942, reflects the cost of the construction projects either completed or nearing completion.

At June 30, 2014, the governmental funds of Haywood County reported a combined fund balance of \$25,799,200, a 19.1% increase from last year. The increase was largely due to an increase in the property taxes collected that may be attributed to the new state Tax & Tag Together program implemented in October, as well as a decrease in spending as capital projects were completed.

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 \$2,906,337, 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, 2014, total \$74,567,536 (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 six defibrillators for the Emergency Medical Services office;
- Purchased construction equipment for the Solid Waste Management program;
- Completed the renovation of a county building which will house the Elections Office and a Social Services aging program;
- Upgraded security equipment in the new Health & Human Services building.

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

	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Land	\$ 11,794,304	\$ 11,794,304
Buildings	53,581,286	53,561,405
Improvements other than buildings	5,832,750	7,135,376
Equipment	2,473,749	3,067,175
Vehicles	884,197	817,910
Construction in progress	1,250	255,350
	<u>1,250</u>	<u>255,350</u>
Total	<u>\$ 74,567,536</u>	<u>\$ 76,631,520</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, 2014, Haywood County had \$24.2 million in bonded debt outstanding.

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

	Governmental Activities	
	2014	2013
General obligation bonds	<u>\$ 24,205,000</u>	<u>\$ 26,155,000</u>

Haywood County's total debt decreased by \$7,396,620 (8.8%) during the current fiscal year. This is mainly due to the reduction of the liability for future closure, and post-closure expenditure estimates as the public private partnership between the County, and Santek Environmental, Inc. transfers this liability from the County, as well as the paying down of loans through debt service.

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 \$533,042,098.

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 5.0%, a decrease from 7.7% at June 30, 2013, was below the state rate of 6.5%, and just below the national rate of 6.3% at June 30, 2014.
- New residential construction continues, reflected by a 1.8% increase in the number of units, and a 6.9% increase in the value of that construction from 2013.
- Property values for commercial construction increased 609% from 2013 amounts, while the number of units decreased 6.3%, indicating much larger business projects.

Budget Highlights for the Fiscal Year Ending June 30, 2015

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 2014-2015 budget maintains that tax rate for the fourth year.

Compared to the 2014 fiscal year, the 2015 fiscal year budget reflected a slight increase in sales taxes collected in the County, an upward trend which allowed for a budget increase of 5% 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 management of the county landfill, which reduced the liability for closure and post closure costs, as well as removed any future landfill expansion cost liability for the County. The budget for the fund also reflects the final debt service for the current landfill cell expansion, the amount which was transferred from the remaining balance of loan proceeds in the capital project fund.

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, North Carolina 28786.

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Position

June 30, 2014

	Primary Government	Component Unit
	Governmental Activities	Haywood County Tourism Development Authority
Assets:		
Cash and cash equivalents	\$ 24,680,233	\$ 148,966
Restricted cash	2,747,619	97,992
Receivables (net)	2,885,948	225,322
Due from other governments	6,133,613	-
Inventories	109,186	-
Prepaid items	18,792	5,297
Capital assets:		
Land, improvements, and construction in progress	11,795,554	-
Other capital assets, net of depreciation	62,771,982	14,580
Total capital assets	<u>74,567,536</u>	<u>14,580</u>
Total assets	<u>111,142,927</u>	<u>492,157</u>
Deferred outflows of resources	<u>456,439</u>	<u>-</u>
Liabilities:		
Accounts payable and accrued expenses	\$ 4,782,515	\$ 43,355
Accrued interest payable	662,426	-
Long-term liabilities:		
Due within one year	8,489,453	-
Due in more than one year	68,301,507	-
Total liabilities	<u>82,235,901</u>	<u>43,355</u>
Deferred inflows of resources	<u>716,189</u>	<u>-</u>
Net position:		
Net investment in capital assets	43,151,578	14,580
Restricted for:		
Stabilization by State Statute	6,165,736	225,322
Public safety	1,052,678	-
Education	2,009,165	-
Economic development	-	97,992
Unrestricted (deficit)	(23,731,881)	110,908
Total net position	<u>\$ 28,647,276</u>	<u>\$ 448,802</u>

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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,168,720	\$ 348,880	\$ 198,494	\$ 3,581
Public safety	18,149,499	3,099,254	1,329,654	4,604
Transportation	246,070	-	155,388	-
Environmental protection	8,238,720	4,933,647	76,488	34,499
Economic and physical development	3,369,021	6,190	568,557	-
Human services	21,403,525	477,466	12,465,469	-
Culture and recreation	1,908,029	76,465	253,471	93,656
Education	18,860,749	-	81,610	1,078,408
Interest on long-term debt	2,053,735	-	-	-
Total governmental activities	\$ 81,398,068	\$ 8,941,902	\$ 15,129,131	\$ 1,214,748
Component unit:				
Haywood County Tourism Development Authority	\$ 961,213	\$ 51,843	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Occupancy taxes				
Deed stamp excise tax				
Telecommunications/video tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Special item				
Total general revenues and special item				
Change in net position				
Net position-beginning				
Net position-ending				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Total Governmental Activities	Haywood County Tourism Development Authority
\$ (6,617,765)	
(13,715,987)	
(90,682)	
(3,194,086)	
(2,794,274)	
(8,460,590)	
(1,484,437)	
(17,700,731)	
(2,053,735)	
<u>\$ (56,112,287)</u>	
	<u>\$ (909,370)</u>
44,532,523	-
11,407,418	-
1,003,097	983,117
434,495	-
311,891	-
568,399	-
339,051	-
27,441	61
19,992	-
7,494,062	-
<u>66,138,369</u>	<u>983,178</u>
10,026,082	73,808
<u>18,621,194</u>	<u>374,994</u>
<u>\$ 28,647,276</u>	<u>\$ 448,802</u>

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds

June 30, 2014

	General Fund	Solid Waste Mangement Fund	Community College Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 16,777,212	\$ 3,430,521	\$ 149,067	\$ 1,597,967	\$ 21,954,767
Restricted cash	211,232	-	553,875	1,982,512	2,747,619
Accounts receivable, net	493,643	-	-	-	493,643
Taxes receivable, net	1,484,093	-	-	132,272	1,616,365
Other tax receivables	393,105	-	-	-	393,105
Due from other governments	5,944,051	47,214	-	142,348	6,133,613
SW fees receivable	-	320,459	-	-	320,459
Other receivables	-	42,315	-	-	42,315
Due from other funds	102,093	-	-	-	102,093
Prepays	6,792	2,000	-	-	8,792
Inventories	109,186	-	-	-	109,186
Total assets	<u>\$ 25,521,407</u>	<u>\$ 3,842,509</u>	<u>\$ 702,942</u>	<u>\$ 3,855,099</u>	<u>\$ 33,921,957</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,776,808	\$ 220,561	\$ -	\$ 473,343	\$ 4,470,712
Due to other funds	-	-	-	102,093	102,093
Total liabilities	<u>3,776,808</u>	<u>220,561</u>	<u>-</u>	<u>575,436</u>	<u>4,572,805</u>
Deferred inflows of resources	<u>3,094,256</u>	<u>323,424</u>	<u>-</u>	<u>132,272</u>	<u>3,549,952</u>
Fund balances:					
Non-spendable:					
Prepays	6,792	2,000	-	-	8,792
Inventories	109,186	-	-	-	109,186
Restricted:					
Stabilization by State Statute	6,035,952	89,529	-	40,255	6,165,736
Sheriff's department	61,564	-	-	-	61,564
Public schools	-	-	-	1,306,223	1,306,223
Community college	-	-	702,942	-	702,942
Title III projects	61,108	-	-	-	61,108
E-911	-	-	-	930,006	930,006
Committed:					
Community college	1,299,296	-	-	-	1,299,296
Solid waste management	-	3,206,995	-	-	3,206,995
Capital projects	55,938	-	-	870,907	926,845
Assigned:					
Debt service	182,475	-	-	-	182,475
LEO Special Separation Allowance	41,992	-	-	-	41,992
Recreation project	12,218	-	-	-	12,218
Unassigned	10,783,822	-	-	-	10,783,822
Total fund balances	<u>18,650,343</u>	<u>3,298,524</u>	<u>702,942</u>	<u>3,147,391</u>	<u>25,799,200</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,521,407</u>	<u>\$ 3,842,509</u>	<u>\$ 702,942</u>	<u>\$ 3,855,099</u>	<u>\$ 33,921,957</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2014

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

Total fund balance for governmental funds	\$ 25,799,200
Deferred outflows of resources for a charge on the refunding of debt	456,439
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	74,567,536
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.	2,423,663
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Accrued interest receivable	20,061
Deferred inflows of resources for taxes, fees and notes receivable	2,833,763
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(662,426)
Long-term obligations	<u>(76,790,960)</u>
Net position of governmental activities	<u>\$ 28,647,276</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, 2014

	General Fund	Solid Waste Mangement Fund	Community College Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 40,833,853	\$ -	\$ -	\$ 4,136,185	\$ 44,970,038
Local option sales taxes	11,407,418	-	-	-	11,407,418
Other taxes and licenses	2,196,415	121,467	-	-	2,317,882
Unrestricted intergovernmental	339,051	-	-	-	339,051
Restricted intergovernmental	14,155,654	80,410	-	1,733,162	15,969,226
Permits and fees	333,144	3,371,778	-	-	3,704,922
Sales and services	3,684,934	1,524,829	-	-	5,209,763
Investment earnings	23,771	-	1,457	2,213	27,441
Miscellaneous	242,404	6,662	-	336,556	585,622
Total revenues	<u>73,216,644</u>	<u>5,105,146</u>	<u>1,457</u>	<u>6,208,116</u>	<u>84,531,363</u>
Expenditures:					
Current:					
General government	5,117,413	-	-	-	5,117,413
Central services	3,007,491	-	-	-	3,007,491
Public safety	13,436,023	-	-	4,020,020	17,456,043
Transportation	246,070	-	-	-	246,070
Environmental protection	156,443	3,903,387	-	238,729	4,298,559
Economic and physical development	2,125,632	-	-	674,086	2,799,718
Human services	19,696,120	-	-	953,474	20,649,594
Culture and recreation	1,787,983	-	-	1,250	1,789,233
Intergovernmental:					
Education	17,138,667	-	218,907	1,503,175	18,860,749
Debt service:					
Principal	5,315,917	1,000,000	-	-	6,315,917
Interest and other fiscal charges	2,449,034	48,375	-	-	2,497,409
Principal - refunding	14,318,533	-	-	-	14,318,533
Total expenditures	<u>84,795,326</u>	<u>4,951,762</u>	<u>218,907</u>	<u>7,390,734</u>	<u>97,356,729</u>
Revenues over (under) expenditures	<u>(11,578,682)</u>	<u>153,384</u>	<u>(217,450)</u>	<u>(1,182,618)</u>	<u>(12,825,366)</u>
Other financing sources (uses):					
Transfers from other funds	-	-	-	438,234	438,234
Transfers to other funds	(438,234)	-	-	-	(438,234)
Refunding proceeds from debt issued	14,585,000	-	-	-	14,585,000
Notes payable issued	-	-	-	2,350,000	2,350,000
Sale of capital assets	4,845	14,050	-	-	18,895
Total other financing sources (uses)	<u>14,151,611</u>	<u>14,050</u>	<u>-</u>	<u>2,788,234</u>	<u>16,953,895</u>
Net change in fund balances	2,572,929	167,434	(217,450)	1,605,616	4,128,529
Fund balances—beginning	16,077,414	3,131,090	920,392	1,541,775	21,670,671
Fund balances—ending	<u>\$ 18,650,343</u>	<u>\$ 3,298,524</u>	<u>\$ 702,942</u>	<u>\$ 3,147,391</u>	<u>\$ 25,799,200</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2014

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

Net change in fund balances--total governmental funds \$ 4,128,529

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:

Capital outlay 2,025,428
Depreciation (4,089,132)

Cost of capital assets disposed of during the year, not recognized on modified accrual basis (279)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Change in ad valorem taxes receivable (437,515)
Change in notes receivable (182,376)

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 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:

Proceeds (16,935,000)
Issuance premium, net of amortization 317,763
Repayments 20,634,450

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 1,058,896

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:

Deferred outflows of resources (65,700)
Compensated absences (28,366)
Landfill closure and post closure gain 7,494,062
Pollution remediation obligation (2,832,221)
Net pension obligation (13,844)
OPEB liability (1,240,224)

Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual). 191,611

Total changes in net position of governmental activities \$ 10,026,082

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, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 39,624,925	\$ 39,759,197	\$ 40,833,853	\$ 1,074,656
Local option sales tax	11,748,956	11,748,956	11,407,418	(341,538)
Other taxes and licenses	2,335,040	2,335,040	2,196,415	(138,625)
Unrestricted intergovernmental	180,500	306,500	339,051	32,551
Restricted intergovernmental	12,793,692	15,212,271	14,155,654	(1,056,617)
Permits and fees	366,000	366,000	333,144	(32,856)
Sales and services	3,482,934	3,574,961	3,684,934	109,973
Investment earnings	40,000	40,000	23,771	(16,229)
Miscellaneous	153,290	288,749	242,404	(46,345)
	70,725,337	73,631,674	73,216,644	(415,030)
Expenditures:				
Current:				
General government	5,103,031	5,239,918	5,117,413	122,505
Central services	2,963,725	3,107,656	3,007,491	100,165
Public safety	13,396,447	14,201,692	13,436,023	765,669
Transportation	241,785	267,926	246,070	21,856
Environmental protection	153,664	155,508	156,443	(935)
Economic and physical development	2,127,664	2,587,557	2,125,632	461,925
Human services	19,551,361	21,207,545	19,696,120	1,511,425
Culture and recreation	1,593,056	1,857,098	1,787,983	69,115
Contingency and non-departmental	854,022	123,714	-	123,714
Intergovernmental:				
Education	17,100,686	17,138,667	17,138,667	-
Debt service:				
Principal	5,414,615	5,342,444	5,315,917	26,527
Interest and other charges	2,818,909	2,891,080	2,449,034	442,046
Principal - refunding	-	14,585,000	14,318,533	266,467
	71,318,965	88,705,805	84,795,326	3,910,479
Revenues over (under) expenditures	(593,628)	(15,074,131)	(11,578,682)	3,495,449

Solid Waste Management Fund			
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
110,000	110,000	121,467	11,467
-	-	-	-
80,080	80,080	80,410	330
3,499,887	3,449,887	3,371,778	(78,109)
1,206,870	2,018,870	1,524,829	(494,041)
-	-	-	-
-	-	6,662	6,662
<u>4,896,837</u>	<u>5,658,837</u>	<u>5,105,146</u>	<u>(553,691)</u>
-	-	-	-
-	-	-	-
-	-	-	-
4,258,462	5,052,040	3,903,387	1,148,653
-	-	-	-
-	-	-	-
-	-	-	-
20,000	12,071	-	12,071
-	-	-	-
1,000,000	1,000,000	1,000,000	-
48,375	48,375	48,375	-
-	-	-	-
<u>5,326,837</u>	<u>6,112,486</u>	<u>4,951,762</u>	<u>1,160,724</u>
<u>(430,000)</u>	<u>(453,649)</u>	<u>153,384</u>	<u>607,033</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, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other financing sources (uses):				
Transfers to other funds	\$ 259,504	\$ (438,234)	\$ (438,234)	\$ -
Refunding proceeds from debt issued	-	14,585,000	14,585,000	-
Sale of capital assets	225,000	25,000	4,845	(20,155)
Total other financing sources (uses)	484,504	14,171,766	14,151,611	(20,155)
Revenues and other financing sources over (under) expenditures and other financing uses	(109,124)	(902,365)	2,572,929	3,475,294
Appropriated fund balance	109,124	902,365	-	(902,365)
Net change in fund balances	\$ -	\$ -	2,572,929	\$ 2,572,929
Fund balances:				
Beginning of year, July 1			16,077,414	
End of year, June 30			\$ 18,650,343	

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

Solid Waste Management Fund			
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	14,050	14,050
-	-	14,050	14,050
(430,000)	(453,649)	167,434	621,083
430,000	453,649	-	(453,649)
<u>\$ -</u>	<u>\$ -</u>	167,434	<u>\$ 167,434</u>
		<u>3,131,090</u>	
		<u>\$ 3,298,524</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Position
Proprietary Funds

June 30, 2014

	<u>Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,725,466
Prepays	10,000
Total assets	<u>2,735,466</u>
Liabilities:	
Current liabilities:	
Estimated claims payable	<u>311,803</u>
Net position:	
Unrestricted	<u><u>\$ 2,423,663</u></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, 2014

	<u>Internal Service Funds</u>
Operating revenues:	
Internal charges	\$ 5,224,068
External charges for services	<u>573,032</u>
Total operating revenues	<u>5,797,100</u>
 Operating expenses:	
Claims and administration	<u>4,738,204</u>
Change in net position	1,058,896
 Net position:	
Beginning of year, July 1	<u>1,364,767</u>
End of year, June 30	<u><u>\$ 2,423,663</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, 2014

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from third-party payors and patients	\$ 5,797,100
Payments to providers	<u>(4,756,086)</u>
Net cash provided by operating activities	<u>1,041,014</u>
Increase in cash and cash equivalents	1,041,014
Cash and cash equivalents:	
Beginning balance, July 1	<u>1,684,452</u>
Ending balance, June 30	<u><u>\$ 2,725,466</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,058,896
Changes in assets and liabilities:	
Decrease in prepaids	33,332
Decrease in accrued expenses	<u>(51,214)</u>
Net cash provided by operating activities	<u><u>\$ 1,041,014</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, 2014

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	<u>\$ 250,133</u>
Liabilities:	
Amounts held for others	188,246
Due to other governments	<u>61,887</u>
Total liabilities	<u><u>\$ 250,133</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, 2014

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Haywood County (the "County") and its 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 County, the primary government, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2014:

 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 two landfills, the materials recovery facility, the recycling programs and the ten 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Additionally, the County reports the following fund types:

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 Community Development Block Grant ("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; 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.

Note 1 - Summary of Significant Accounting Policies (Continued)**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. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes

Note 1 - Summary of Significant Accounting Policies (Continued)

on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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, 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, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)**F. Assets, Liabilities, Deferred Inflows and Outflows and Fund Equity****Deposits and Investments:**

All deposits of the County and the 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.

Note 1 - Summary of Significant Accounting Policies (Continued)**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, 2013.

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. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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
Equipment and furniture	3-10

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has 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 certificates of participation and

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

- ✓ Prepaids - portion of fund balance that is not available for appropriation because it represents the year-end balance of prepaid items that are not expendable available 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 Public Schools - portion of fund balance that represents proceeds from the installment note payable for the Public School ADM/Lottery capital projects.
- ✓ Restricted for Community College - portion of fund balance that represents proceeds from the installment note payable for the Community College capital projects.
- ✓ Restricted for Title III Projects - 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 E-911 - portion of fund balance that is restricted by the revenue source to pay for qualified E-911 programs.

□ 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) by resolution. 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.

Note 1 - Summary of Significant Accounting Policies (Continued) **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 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 in the General Fund that has not been restricted, committed or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance, as all other funds report amounts for specific purposes.

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: federal funds, state funds, bond proceeds, 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.

Note 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, 2014, the County's deposits had a carrying amount of \$23,697,583 and a bank balance of \$24,165,576. Of the bank balance, \$1,448,881 was covered by federal depository insurance and \$22,716,695 by collateral held under the Pooling Method.

At June 30, 2014, the County had \$5,050 cash on hand.

At June 30, 2014, the carrying amount of deposits for the TDA was \$246,758, and the bank balance was \$267,008, all of which was covered by federal depository insurance. The TDA had cash on hand at year-end in the amount of \$200.

Note 2 - Detail Notes on All Activities and Funds (Continued)**ii. Investments:**

The County's investments in, the North Carolina Capital Management Trust Cash Portfolio, in the amount of \$961,293 as of June 30, 2014, 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 \$3,014,059 as of June 30, 2014, 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, and on July 9, 2013 the agreement was modified again in the form of a refunding. The Town will pay to the County four remaining equal annual payments of \$217,573, including interest at 1.64% through July 15, 2017. At June 30, 2014, the balance was \$814,933.

Receivables at government-wide level at June 30, 2014 were as follows:

	Accounts Receivable	Taxes and Related Accrued Interest Receivable	Due from Other Governments	Other	Total
Governmental activities:					
General Fund	\$ 790,664	\$ 3,133,785	\$ 5,944,051	\$ -	\$ 9,868,500
Interest receivable - governmental activities only	-	20,061	-	-	20,061
Other governmental	540,426	281,494	189,562	42,315	1,053,797
Total receivables	1,331,090	3,435,340	6,133,613	42,315	10,942,358
Allowance for doubtful accounts	(516,988)	(1,405,809)	-	-	(1,922,797)
Total governmental activities	\$ 814,102	\$ 2,029,531	\$ 6,133,613	\$ 42,315	\$ 9,019,561
Amounts not expected to be collected within one year	\$ -	\$ -	\$ 624,389	\$ -	\$ 624,389

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

Local option sales tax	\$ 3,124,836
Long term receivable from town	814,933
NC DMV tax receivable	317,076
Other	1,876,768
	<u>\$ 6,133,613</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)**iv. Capital Assets**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Nondepreciable assets:					
Land	\$ 11,794,304	\$ -	\$ -	\$ -	\$ 11,794,304
Construction in progress	255,350	1,250	-	(255,350)	1,250
Total capital assets not being depreciated	<u>12,049,654</u>	<u>1,250</u>	<u>-</u>	<u>(255,350)</u>	<u>11,795,554</u>
Depreciable assets:					
Improvements	18,221,092	16,158	-	-	18,237,250
Buildings	63,491,386	1,080,818	-	255,350	64,827,554
Equipment	11,808,681	444,153	361,773	-	11,891,061
Vehicles	4,916,161	483,049	140,286	-	5,258,924
Total capital assets Being depreciated	<u>98,437,320</u>	<u>2,024,178</u>	<u>502,059</u>	<u>255,350</u>	<u>100,214,789</u>
Less accumulated depreciation:					
Improvements	11,085,716	1,318,784	-	-	12,404,500
Buildings	9,929,981	1,316,287	-	-	11,246,268
Equipment	8,741,506	1,037,300	361,494	-	9,417,312
Vehicles	4,098,251	416,761	140,285	-	4,374,727
Total accumulated depreciation:	<u>33,855,454</u>	<u>\$ 4,089,132</u>	<u>\$ 501,779</u>	<u>\$ -</u>	<u>\$ 37,442,807</u>
Capital assets, net	<u>64,581,866</u>				<u>62,771,982</u>
Governmental activities Capital assets, net	<u>\$ 76,631,520</u>				<u>\$ 74,567,536</u>

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

Governmental Activities:	
General Government	\$ 931,906
Public Safety	903,466
Environmental protection	1,187,169
Economic and physical development	563,427
Human services	369,469
Cultural and recreational	133,695
Total	<u>\$ 4,089,132</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)**Discretely Presented Component Unit:**

Capital asset activity for the TDA for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Depreciable assets:				
Improvements	\$ 48,377	\$ 2,126	\$ 39,078	\$ 11,425
Equipment and furniture	42,021	1,434	14,870	28,585
Total capital assets being depreciated	90,398	3,560	53,948	40,010
Less accumulated depreciation:				
Improvements	25,947	1,720	22,796	4,871
Equipment and furniture	30,404	5,025	14,870	20,559
Total accumulated Depreciation	56,351	<u>\$ 6,745</u>	<u>\$ 37,666</u>	25,430
Capital assets, net	<u>\$ 34,047</u>			<u>\$ 14,580</u>

B. Liabilities**i. Payables:**

Payables at the government-wide level at June 30, 2014 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General:	\$ 1,957,634	\$ 906,927	\$ 912,247	\$ 3,776,808
Solid waste management fund	195,472	25,089	-	220,561
Estimated claims payable	-	-	311,803	311,803
Other Governmental	471,689	1,654	-	473,343
Total Governmental activities	<u>\$ 2,624,795</u>	<u>\$ 933,670</u>	<u>\$ 1,224,050</u>	<u>\$ 4,782,515</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)

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 6% 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 7.07% and 7.41%, 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, 2014, 2013, and 2012 were \$1,204,933, \$1,134,782, and \$1,158,951, 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.

Note 2 - Detail Notes on All Activities and Funds (Continued)

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>56</u>
Total	<u><u>60</u></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, 2013 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 using the level dollar closed method. The remaining amortization period at December 31, 2013 was 17 years.

Note 2 - Detail Notes on All Activities and Funds (Continued)**Annual Pension Cost and Net Pension Obligation -**

Annual required contribution	
Employer annual required contribution	\$ 76,178
Interest on net pension obligation	28,178
Adjustment to annual required contribution	<u>(45,915)</u>
Annual pension cost	58,441
Less: Contributions made	<u>44,597</u>
Increase in net pension obligation	13,844
Net pension obligation beginning of year	<u>563,568</u>
Net pension obligation end of year	<u><u>\$ 577,412</u></u>

<u>Three-Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2014	\$ 58,441	76.31%	\$ 577,412
6/30/2013	\$ 70,360	36.91%	\$ 563,568
6/30/2012	\$ 66,981	48.30%	\$ 519,177

Funded Status and Funding Progress - As of December 31, 2013, 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 \$699,396. The covered payroll (annual payroll of active employees covered by the plan) was \$2,291,780, and the ratio of the UAAL to the covered payroll was 31.51%.

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.

Note 2 - Detail Notes on All Activities and Funds (Continued)

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, 2014 were \$146,057, which consisted of \$112,581 from the County and \$33,476 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, 2014 were \$480,136, which consisted of \$175,229 from the County and \$304,907 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 Registers of Deeds’ Supplemental Pension Fund. That report may be obtained by writing to the

Note 2 - Detail Notes on All Activities and Funds (Continued)

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, 2014, the County's required and actual contributions were \$5,769.

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, 104 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2014, Haywood County made payments for post-retirement health benefit premiums of \$523,676. 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.

Note 2 - Detail Notes on All Activities and Funds (Continued)

Membership of the Plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	General Employees and Law Enforcement Officers
Retirees and dependents receiving benefits	104
Active plan members	<u>511</u>
Total	<u><u>615</u></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 10.48% of annual covered payroll. For the current year, the County contributed \$766,645 or 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 Other Post Employment Benefits ("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.

Note 2 - Detail Notes on All Activities and Funds (Continued)

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:

	Governmental Activities
Annual required contribution	\$ 1,990,839
Interest on net OPEB obligation	358,698
Adjustment to annual required contribution	<u>(342,668)</u>
Annual OPEB cost	2,006,869
Contributions made	<u>(766,645)</u>
Increase in net OPEB obligation	1,240,224
Net OPEB obligation, beginning of year	<u>8,967,456</u>
Net OPEB obligation, end of year	<u><u>\$ 10,207,680</u></u>

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 2,006,869	38.20%	\$ 10,207,680
2013	\$ 1,956,710	23.73%	\$ 8,967,456
2012	\$ 1,956,710	10.60%	\$ 7,475,157

Fund 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, thus, the unfunded actuarial accrued liability ("UAAL") was \$21,894,055. The covered payroll (annual payroll of active employees covered by the plan) was \$19,148,052, and the ratio of the UAAL to the covered payroll was 114.3%. 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

Note 2 - Detail Notes on All Activities and Funds (Continued)

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, 2012 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 8.50% 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, 2012, 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

Note 2 - Detail Notes on All Activities and Funds (Continued)

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. Pollution Remediation Obligation:

The County has recorded in the financial statements a cost estimate for pollution remediation at the site of a closed County landfill. The site has been identified by the North Carolina Department of Environment and Natural Resources ("NC DENR") as a location where there is exceedance of landfill gas at the facility property boundary. The facility has entered into mitigation through the use of a landfill gas extraction system, flare, and gas-to-energy generator system. The estimate of costs used to establish the liability for mitigation was developed through site analysis in conjunction with engineering estimates for similar activities at the County's White Oak Landfill. Actual cost may differ from the estimated liability due to factors such as price increases or decreases, changes in technology, or changes in applicable laws or regulations.

iv. Closure and Postclosure Care Costs-White Oak Landfill Facility and Special Item:

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 post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County, in prior years, reported a portion of these closure and post-closure costs based on the estimated life of the landfill. As of May 2014, at the point that the County, per contract with Santek Environmental, Inc., turned over the management of the County landfill to that company, Santek Environmental became responsible for funding the closure and post closure care. The effect of the transfer of the responsibility to Santek Environmental is reflected as a special item in the Statement of Activities in the amount of \$7,494,062.

Santek Environmental has posted a performance bond for the full amount of the Closure and Post-closure Care Assurance, as determined by their engineers, provided that in no event, shall the amount of the Closure Assurance be less than the then current cost estimate for Closure and Post-Closure Care Assurance that NC DENR has accepted. At June 30, 2014, the amount that NC DENR had accepted was \$7.5 million. The landfill, constructed in phases, will not be closed until the final phase is completed.

Note 2 - Detail Notes on All Activities and Funds (Continued)

Haywood County expects to close the White Oak Facility in the year 2032. Actual costs for closing may be different than estimated due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements.

v. 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.

Note 2 - Detail Notes on All Activities and Funds (Continued)

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

	<u>2014</u>	<u>2013</u>
Estimated claims payable, July 1	\$ 363,017	\$ 248,907
Plus: Incurred claims and changes in estimates	4,745,886	5,405,713
Less: Claims payments	<u>(4,797,100)</u>	<u>(5,291,603)</u>
Estimated claims payable, June 30	<u>\$ 311,803</u>	<u>\$ 363,017</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.

The 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.

vi. **Claims and Judgments:**

At June 30, 2014, 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.

Note 2 - Detail Notes on All Activities and Funds (Continued)**vii. 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%.	\$ 139,811
\$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%.	1,078,515
\$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%.	144,724
\$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
\$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%.	500,000
\$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%.	11,872,290
\$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%.	8,586,667

Note 2 - Detail Notes on All Activities and Funds (Continued)

Notes Payable (continued)

<p>\$15,235,000 note was issued for the purpose of 1) refunding all of the County's Series 2003 COPs, which include the maturities on and after October 1, 2013 in the amount of \$7,555,000, which were originally issued to finance the construction of a new justice center and parking deck, 2) refunding all of the County's 2007 installment purchase issue outstanding on and after January 8, 2013 in the amount of \$5,940,000, which were originally issued to finance the courthouse renovation project and to make a contribution to the community college for a child development center, 3) refunding all of the County's 2009 installment purchase issue, which includes maturities on and after June 15, 2013 in the amount of \$823,533, which was originally issued for the acquisition of land for a future County park, and 4) financing a County building project in the amount of \$650,000 to house the Board of Elections, Recreation, and a Health & Human Services program. The note was entered into on July 9, 2013 and requires various annual principal payments, plus interest at 1.38%.</p>	\$ 12,795,000
<p>\$1,700,000 note was issued for the public schools high school renovation project on December 11, 2013, requiring 10 annual principal payments of \$170,000, plus interest at 2.15%.</p>	<u>1,700,000</u>
<p>Total installment notes payable-governmental activities</p>	<u><u>\$ 36,963,107</u></u>

Note 2 - Detail Notes on All Activities and Funds (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,263,918	\$ 980,586	\$ 5,244,504
2016	3,554,985	896,572	4,451,557
2017	3,497,431	828,736	4,326,167
2018	3,440,166	761,507	4,201,673
2019	1,928,196	704,913	2,633,109
2020-2024	8,142,802	2,847,008	10,989,810
2025-2029	2,587,475	2,035,281	4,622,756
2030-2034	1,773,509	1,694,077	3,467,586
2035-2040	2,143,770	1,323,816	3,467,586
2040-2044	2,514,082	875,795	3,389,877
2045-2049	2,667,232	390,577	3,057,809
2050	449,541	16,858	466,399
	<u>\$ 36,963,107</u>	<u>\$ 13,355,726</u>	<u>\$ 50,318,833</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)**□ 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, 2014 are comprised of the following individual issues:

\$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%.	\$ 12,300,000
\$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%.	4,900,000
\$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%.	7,005,000
	<u>\$ 24,205,000</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)

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>
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	2,005,000	567,707	2,572,707
2020-2024	9,800,000	1,842,965	11,642,965
2025-2027	<u>4,260,000</u>	<u>283,578</u>	<u>4,543,578</u>
Total	<u>\$ 24,205,000</u>	<u>\$ 5,725,043</u>	<u>\$ 29,930,043</u>

□ Current Refunding

On July 9, 2013, the County issued an installment financing contract in the amount of \$15,235,000 to: 1) refund in advance of its maturities a portion of the 2003 \$22,705,000 Certificates of Participation ("COPs"), which were originally issued to construct a justice center and parking deck on County property, 2) refund current balance of a 2007 installment loan, which was originally issued to construct the courthouse renovation project and to make a contribution to the community college child development center construction project, 3) refund current balance of a 2009 installment loan, which was originally issued to purchase land for a future park, and 4) finance a construction project for renovation of a County building for housing the Board of Elections, Recreation, and a Health and Human Services program.

As a result, the COPs and the installment loans are considered to be defeased and the liability for the portion of the COPs and loans defeased have been removed from the balance sheet. The COPs balance, \$7,555,000, was held by U.S. Bank as escrow agent and was paid in full on October 1, 2013, the first call date. At June 30, 2014, there was no remaining principal outstanding on the original COPs. This refunding was undertaken to reduce total debt service payments over the life of the debt by \$968,269 and resulted in an economic gain of \$892,590, or 6.23%, which allowed for the additional \$650,000 borrowing to complete a County building project.

Note 2 - Detail Notes on All Activities and Funds (Continued)**□ 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	\$ 26,155,000	\$ -	\$ 1,950,000	\$ 24,205,000	\$ 2,050,000
Deferred issuance premiums on bonds	303,067	-	23,274	279,793	-
Certificates of Participation COPs	7,555,000	-	7,555,000	-	-
Deferred issuance premium on COP's	294,489	-	294,489	-	-
Notes payable	31,157,557	16,935,000	11,129,450	36,963,107	4,263,918
Landfill closure and postclosure care costs	7,494,062	-	7,494,062	-	-
Pollution remediation obligation	-	2,832,221	-	2,832,221	944,074
Compensated absences	1,697,381	1,235,681	1,207,315	1,725,747	1,231,461
Net pension obligation	563,568	58,441	44,597	577,412	-
Other post employment benefits	8,967,456	2,006,869	766,645	10,207,680	-
Total	<u>\$ 84,187,580</u>	<u>\$ 23,068,212</u>	<u>\$ 30,464,832</u>	<u>\$ 76,790,960</u>	<u>\$ 8,489,453</u>

At June 30, 2014, Haywood County had a legal debt margin of \$533,042,098.

In fiscal year 2013, the County defeased \$6,600,000 of the 2004 general obligation bonds by issuing the \$7,150,000 jail/law enforcement center refunded general obligation bond. At June 30, 2014, \$6,600,000 of the defeased bonds are still outstanding.

Note 2 - Detail Notes on All Activities and Funds (Continued)**C. Deferred Outflows and Inflows of Resources:**

The amount of deferred outflows of resources is a charge on the refunding of debt of \$456,439.

The balance in deferred inflows of resources at June 30, 2014 is composed of the following elements:

	<u>Unavailable Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ -	\$ 94,704
Prepaid fees not yet earned (Special Revenue)	-	2,966
Taxes receivable, net (General)	1,484,091	-
Fees receivable (General)	82,009	-
Taxes receivable, net (Special Revenue)	132,272	-
Long-term notes receivable (General)	814,933	-
Fees receivable (Special Revenue)	320,458	-
Grant revenue received in cash (General)	-	618,519
	<u> </u>	<u> </u>
Total	<u>\$ 2,833,763</u>	<u>\$ 716,189</u>

D. Net Position and Fund Balances:

- i. **Net Investment in Capital Assets** - The net investment in capital assets at June 30, 2014 is computed as follows:

Capital assets, net of accumulated depreciation	\$ 74,567,536
Capital related deferred outflows of resources	456,439
Less capital debt:	
Gross debt	61,447,900
Less: School debt related to assets to which the County does not hold title	(18,900,000)
Less: Community College debt related to assets to which the County does not hold title	(8,586,667)
Unexpended debt proceeds	<u>(2,088,836)</u>
Net capital debt	<u>31,872,397</u>
Net investment in capital assets	<u>\$ 43,151,578</u>

Note 2 - Detail Notes on All Activities and Funds (Continued)

- 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	\$ 18,650,343
Less:	
Inventories	109,186
Prepaid items	6,792
Stabilization by State Statute	6,035,952
Restricted for Sheriff's Department and Title III projects	122,672
Committed fund balance	1,355,234
Fund balance policy (11%)	<u>2,051,538</u>
Remaining fund balance	<u>\$ 8,968,969</u>

Note 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, 2014.

Haywood Regional Medical Center (the "Hospital") is a hospital authority. The County appoints the board of trustees for the Hospital, which has a September 30th 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.

Note 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.

Note 4 - Joint Ventures (Continued)

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 \$250,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ending June 30, 2014 from the General Fund. In addition, the County expended \$218,907 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, 2014. 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, 2014. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$100,000 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.

Note 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, 2014, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$11,200,000.

Note 9 - Interfund Receivables, Payables and Transfers

At June 30, 2014, the amount due from the CDBG Scattered Site Project Fund (a Non-major Governmental Fund) to the General Fund for housing rehabilitation expenditures was \$102,093.

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, 2014, the County transferred \$438,234 from the General Fund to the County Building Renovations Fund (a Non-major Governmental Fund) to complete the cost of renovation of a vacant building for use by the County.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

- 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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val Date (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/13	\$ -	\$ 699,396	\$ 699,396	0%	\$ 2,219,780	31.51%
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

<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2012	\$ 71,659	45.10%
2013	\$ 76,710	33.85%
2014	\$ 58,441	76.31%

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	12/31/13
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
12/31/12	\$ -	\$21,894,055	\$21,894,055	0%	\$19,148,052	114.3%
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

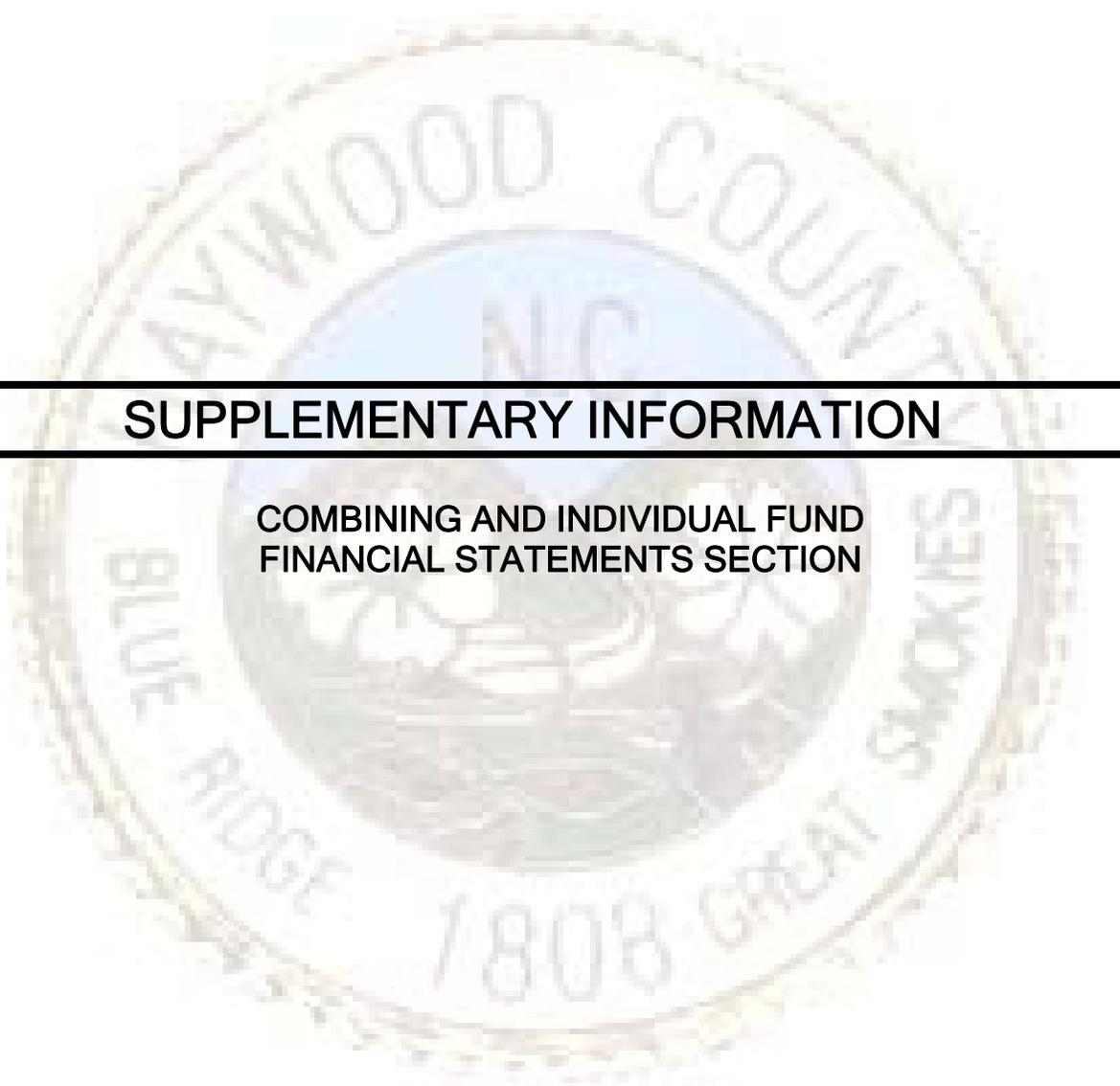
<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2012	\$ 1,925,270	10.64%
2013	\$ 1,925,270	24.12%
2014	\$ 2,006,869	38.20%

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:

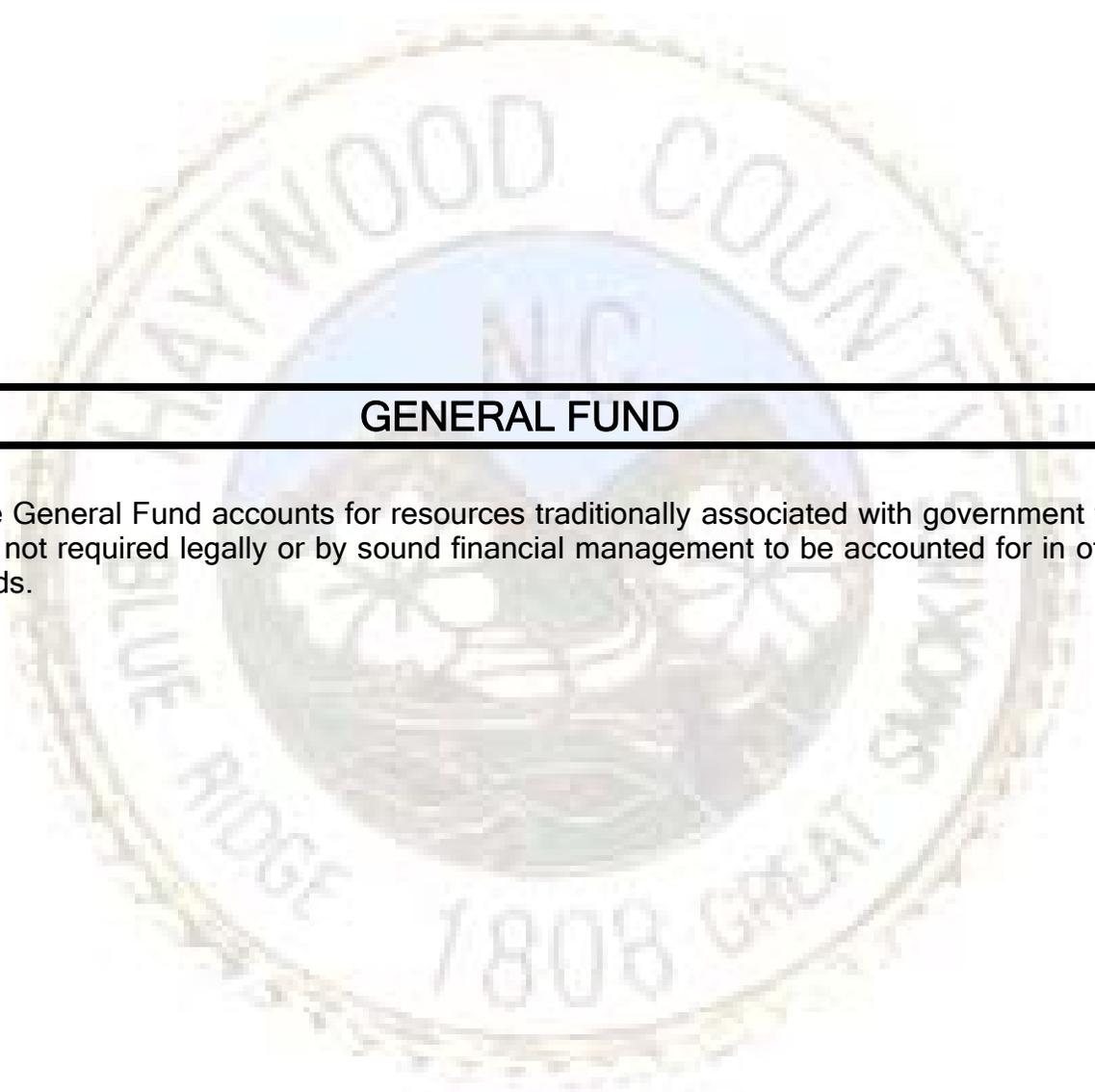
Valuation date	12/31/12
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend:	
Pre-Medicare trend rate	8.50 - 5.00%
Post-Medicare trend rate	6.25 - 5.00%
Year of ultimate trend rate	2018

*Includes inflation at 3.00%



SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

The seal of Lenoir County, North Carolina, is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The text "LENOIR COUNTY" is arched across the top, and "1808" is at the bottom. The words "GREAT SMOKY MOUNTAINS" are written along the bottom inner edge. The seal is rendered in a light, faded style in the background.

GENERAL FUND

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

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
(with Comparative Totals for 2013)

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year and prior years		\$ 40,571,577		\$ 38,960,457
Penalties and interest		262,276		294,800
Total	\$ 39,759,197	40,833,853	\$ 1,074,656	39,255,257
Local option sales taxes:				
Article 39 one percent		4,611,057		4,519,352
Article 40 one-half of one percent		2,834,606		2,749,287
Article 42 one-half of one percent		2,544,978		2,502,488
Article 44 one-half of one percent		6,725		41,660
Article 46 one-quarter of one percent		1,410,052		1,380,730
Total	11,748,956	11,407,418	(341,538)	11,193,517
Other taxes and licenses:				
Occupancy tax		1,003,097		983,444
Deed stamp excise tax		434,495		454,038
Telecommunication video sales tax		311,891		352,596
Real property transfer tax		-		
Other taxes		446,932		472,819
Total	2,335,040	2,196,415	(138,625)	2,262,897
Unrestricted intergovernmental:				
Payments in lieu of taxes	306,500	339,051	32,551	306,971
Restricted intergovernmental:				
Federal, state and other grants		12,577,434		12,919,979
Court facilities fees		105,800		97,757
Health and Social Services revenues-local		864,004		864,061
ABC net revenues		17,300		16,627
Controlled substance tax		3,553		3,905
Other-local		587,563		568,126
Total	15,212,271	14,155,654	(1,056,617)	14,470,455

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Revenues, continued:				
Permits and fees:				
Building permits and inspection fees	\$ 366,000	\$ 333,144	\$ (32,856)	\$ 318,510
Sales and services:				
Library local revenues		15,713		15,719
Mapping sales		5,844		5,670
Sheriff's fees and commissions		169,204		149,991
Jail and officers' fees		123,117		134,259
Ambulance fees		2,462,008		2,223,847
Animal control fees		48,551		51,411
Dental clinic charges		122,010		130,950
Health dept patient fees		173,178		159,581
Environmental health fees		130,183		131,147
Social Services patient fees		52,094		67,556
Tax assessments—departmental services		411		350
Garage—departmental services		15,513		15,058
Tax collection fees		71,963		77,533
Public buildings—departmental services		55,994		47,973
Elections—departmental services		4,515		355
EDC—property management fees		-		2,025
Extension 4H		20,350		12,872
Rent		191,620		192,116
Recreation fees		22,666		25,571
Total	3,574,961	3,684,934	109,973	3,443,984
Investment earnings	40,000	23,771	(16,229)	28,534
Miscellaneous:				
Other	288,749	242,404	(46,345)	199,786
Total revenues	73,631,674	73,216,644	(415,030)	71,479,911

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits		\$ 97,771		\$ 103,998
Operating		505,122		498,366
Total		<u>602,893</u>		<u>602,364</u>
Administration:				
Salaries and employee benefits		321,394		292,834
Operating		42,943		45,763
Capital outlay		2,800		7,800
Total		<u>367,137</u>		<u>346,397</u>
Finance:				
Salaries and employee benefits		481,785		460,061
Operating		37,972		37,411
Total		<u>519,757</u>		<u>497,472</u>
Human Resource:				
Salaries and employee benefits		146,163		140,362
Operating		547,570		488,217
Total		<u>693,733</u>		<u>628,579</u>
Wellness Clinic:				
Salaries and employee benefits		146,697		40,536
Operating		40,350		143,471
Total		<u>187,047</u>		<u>184,007</u>
Tax collections:				
Salaries and employee benefits		325,383		319,124
Operating		233,296		152,720
Capital outlay		4,595		-
Total		<u>563,274</u>		<u>471,844</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Tax assessments:				
Salaries and employee benefits		\$ 471,842		\$ 455,902
Operating		65,847		103,190
Capital Outlay		-		7,905
Total		<u>537,689</u>		<u>566,997</u>
Land records:				
Salaries and employee benefits		168,567		164,144
Operating		10,001		15,380
Total		<u>178,568</u>		<u>179,524</u>
Revaluation:				
Salaries and employee benefits		249,836		254,554
Operating		26,458		34,503
Capital Outlay		-		24,520
Total		<u>276,294</u>		<u>313,577</u>
Legal services				
Salaries and employee benefits		22,783		-
Operating		87,510		128,189
Total		<u>110,293</u>		<u>128,189</u>
Courts:				
Operating		94,690		104,692
Total		<u>94,690</u>		<u>104,692</u>
CJPP technical assistance:				
Salaries and employee benefits		-		7,344
Elections:				
Salaries and employee benefits		281,795		314,923
Operating		84,831		119,501
Total		<u>366,626</u>		<u>434,424</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Expenditures, continued:				
General government, continued:				
Register of Deeds:				
Salaries and employee benefits		\$ 225,551		\$ 216,688
Operating		392,311		408,434
Capital outlay		1,550		-
Total		<u>619,412</u>		<u>625,122</u>
Total general government	\$ 5,239,918	<u>5,117,413</u>	\$ 122,505	<u>5,090,532</u>
Central Services:				
Information systems:				
Salaries and employee benefits		440,661		290,997
Operating		274,491		243,399
Capital outlay		8,852		14,886
Total		<u>724,004</u>		<u>549,282</u>
Garage:				
Salaries and employee benefits		104,311		108,215
Operating		35,013		25,777
Capital outlay		6,606		3,333
Total		<u>145,930</u>		<u>137,325</u>
Public buildings:				
Salaries and employee benefits		837,649		881,204
Operating		1,152,997		1,022,485
Capital outlay		146,911		195,792
Total		<u>2,137,557</u>		<u>2,099,481</u>
Total central services	3,107,656	<u>3,007,491</u>	100,165	<u>2,786,088</u>
Public safety:				
Sheriff:				
Salaries and employee benefits		3,802,076		3,746,245
Operating		593,082		575,477
Capital outlay		242,509		123,304
Total		<u>4,637,667</u>		<u>4,445,026</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Expenditures, continued:				
Public safety, continued:				
Haywood County 911 Communication Center:				
Salaries and employee benefits		\$ 491,607		\$ 421,097
Operating		63,709		256,943
Capital outlay		9,596		-
Total		<u>564,912</u>		<u>678,040</u>
Public safety grants:				
Salaries and employee benefits		-		998
Operating		166,984		161,719
Total		<u>166,984</u>		<u>162,717</u>
Sheriff-SRO officers:				
Salaries and employee benefits		223,873		171,034
Operating		1,563		2,814
Total		<u>225,436</u>		<u>173,848</u>
Detention:				
Salaries and employee benefits		1,836,006		1,749,803
Operating		500,501		559,823
Capital outlay		7,811		27,920
Total		<u>2,344,318</u>		<u>2,337,546</u>
NC forest service:				
Operating		<u>79,269</u>		<u>74,315</u>
Building inspections:				
Salaries and employee benefits		372,773		366,380
Operating		36,987		37,927
Capital outlay		23,025		8,578
Total		<u>432,785</u>		<u>412,885</u>
Medical examiner		<u>44,900</u>		<u>40,000</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Emergency medical service:				
Salaries and employee benefits		\$ 3,475,779		\$ 3,423,154
Operating		529,794		518,409
Capital outlay		346,131		274,042
Total		<u>4,351,704</u>		<u>4,215,605</u>
Rescue squad:				
Operating		<u>25,000</u>		<u>21,630</u>
Emergency management:				
Salaries and employee benefits		105,289		103,818
Operating		39,067		73,566
Capital outlay		6,413		-
Total		<u>150,769</u>		<u>177,384</u>
Animal control:				
Salaries and employee benefits		272,153		384,126
Operating		140,126		34,484
Total		<u>412,279</u>		<u>418,610</u>
Total public safety	\$ 14,201,692	<u>13,436,023</u>	\$ 765,669	<u>13,157,606</u>
Transportation:				
Mass transit	<u>267,926</u>	<u>246,070</u>	<u>21,856</u>	<u>233,951</u>
Environmental protection:				
Erosion control program:				
Salaries and employee benefits		152,679		147,898
Operating		3,764		5,182
Total	<u>155,508</u>	<u>156,443</u>	<u>(935)</u>	<u>153,080</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	<u>2014</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2013</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development:				
Planning:				
Salaries and employee benefits		\$ 173,195		\$ 169,716
Operating		4,702		8,314
Total		<u>177,897</u>		<u>178,030</u>
Economic development:				
Salaries and employee benefits		187,723		167,824
Operating		56,460		74,661
Total		<u>244,183</u>		<u>242,485</u>
Tourism development		<u>983,066</u>		<u>963,609</u>
Community development:				
Operating		<u>105,071</u>		<u>314,648</u>
Extension:				
Operating		<u>263,283</u>		<u>257,324</u>
Soil conservation:				
Salaries and employee benefits		179,536		175,610
Operating		21,195		21,195
Total		<u>200,731</u>		<u>196,805</u>
Soil and water conservation agricultural engineer:				
Salaries and employee benefits		<u>81,332</u>		<u>78,087</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development, continued:				
Soil and water conservation agricultural technician:				
Salaries and employee benefits		\$ 62,762		\$ 61,434
Operating		7,307		7,307
Total		<u>70,069</u>		<u>68,741</u>
Total economic and physical development	\$ 2,587,557	<u>2,125,632</u>	\$ 461,925	<u>2,299,729</u>
Human services:				
Health:				
Salaries and employee benefits		2,442,542		2,350,196
Operating		246,275		359,088
Capital outlay		10,086		19,046
Total		<u>2,698,903</u>		<u>2,728,330</u>
Immunization:				
Operating		<u>440</u>		<u>440</u>
Dental clinic:				
Salaries and employee benefits		328,258		247,564
Operating		136,536		216,974
Total		<u>464,794</u>		<u>464,538</u>
Child health		<u>4,375</u>		<u>14,974</u>
Family planning:				
Operating		<u>35,543</u>		<u>49,706</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Adult health services:				
Operating		<u>\$ 14,231</u>		<u>\$ 18,363</u>
Health check:				
Salaries and employee benefits		20,878		42,346
Operating		<u>194</u>		<u>269</u>
Total		<u>21,072</u>		<u>42,615</u>
Cancer data base		<u>7,200</u>		<u>9,769</u>
American Cancer Society-Project Assist:				
Salaries and employee benefits		61,871		60,352
Operating		<u>6,351</u>		<u>88,813</u>
Capital outlay		-		<u>1,537</u>
Total		<u>68,222</u>		<u>150,702</u>
WIC program:				
Salaries and employee benefits		10,889		9,743
Operating		<u>68,314</u>		<u>60,669</u>
Total		<u>79,203</u>		<u>70,412</u>
Maternal Health:				
Operating		<u>4,709</u>		<u>4,709</u>
Environmental health:				
Salaries and employee benefits		706,826		754,152
Operating		<u>34,956</u>		<u>32,536</u>
Total		<u>741,782</u>		<u>786,688</u>
T.B. control		<u>3,226</u>		<u>3,246</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Mental health		<u>\$ 100,000</u>		<u>\$ 96,627</u>
Social Services:				
Salaries and employee benefits		6,828,811		6,707,616
Operating		579,319		724,741
Capital outlay		75,179		2,159
Total		<u>7,483,309</u>		<u>7,434,516</u>
Work First-NCDOT Trans		<u>13,567</u>		<u>3,527</u>
Public Assistance:				
General assistance		3,579		1,401
Aid to the aged and disabled		553,669		520,617
Crisis intervention		228,108		320,945
Aid to blind		5,439		5,412
Adoption assistance		31,731		34,438
Medicaid transportation		346,667		362,909
Electrical assistance expenditures		245,515		197,710
Foster care		1,178,967		1,260,333
Public assistance		-		35,900
Total		<u>2,593,675</u>		<u>2,739,665</u>
Meals on Wheels:				
Salaries and employee benefits		149,208		157,133
Operating		70,167		64,908
Total		<u>219,375</u>		<u>222,041</u>
JOBS Work First:				
Operating		<u>3,579,161</u>		<u>2,924,096</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Adoption awareness		\$ 7,089		\$ 5,467
Adult Day Care:				
Salaries and employee benefits		150,048		150,278
Operating		77,914		64,139
Total		227,962		214,417
Cap-Community Alternative Program				
Salaries and employee benefits		273,790		266,628
Operating		74,039		94,740
Total		347,829		361,368
Robert Wood Johnson Grant		100,000		120,000
Community Crisis Management		1,535		-
Adoption payments		224,164		221,381
Title III Grants		349,517		358,706
Senior citizens programs		16,000		16,000
Veteran's service:				
Salaries and employee benefits		97,060		96,858
Operating		7,418		6,070
Total		104,478		102,928
Youth Services:				
Operating		184,759		198,311
Total human services	\$ 21,207,545	19,696,120	\$ 1,511,425	19,363,542

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Expenditures, continued:				
Culture and recreation:				
Library:				
Salaries and employee benefits		\$ 980,882		\$ 973,179
Operating		477,932		385,934
Capital outlay		114,186		136,018
Total		<u>1,573,000</u>		<u>1,495,131</u>
Recreation:				
Salaries and employee benefits		154,834		156,252
Operating		60,149		60,968
Total		<u>214,983</u>		<u>217,220</u>
Total culture and recreation	\$ 1,857,098	<u>1,787,983</u>	\$ 69,115	<u>1,712,351</u>
Education:				
Public schools-current		14,402,707		14,144,927
Public schools-capital outlay		385,504		198,629
Community college-current		2,100,456		2,100,456
Community college-capital outlay		250,000		176,000
Total education	17,138,667	<u>17,138,667</u>	-	<u>16,620,012</u>
Nondepartmental:	123,714	-	123,714	-
Debt service:				
Principal	5,342,444	5,315,917		5,748,745
Interest and other charges	2,433,948	2,449,034		2,494,992
Principal - refunding	14,585,000	14,318,533		-
Reserve	457,132	-	-	-
Total debt service	<u>22,818,524</u>	<u>22,083,484</u>	735,040	<u>8,243,737</u>
Total expenditures	<u>88,705,805</u>	<u>84,795,326</u>	3,910,479	<u>69,660,628</u>
Revenues over (under) expenditures	<u>(15,074,131)</u>	<u>(11,578,682)</u>	3,495,449	<u>1,819,283</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2013) Continued

For the Fiscal Year Ended June 30, 2014

	2014		Variance Favorable (Unfavorable)	2013
	Budget	Actual		Actual
Other financing sources (uses):				
Transfers to other funds	\$ (438,234)	\$ (438,234)	\$ -	\$ (498,087)
Refunding proceeds from debt issued	14,585,000	14,585,000	-	7,150,000
Payment to escrow agent for refunded debt	-	-	-	(7,079,605)
Sale of capital assets	25,000	4,845	(20,155)	173,713
Total other financing sources (uses)	<u>14,171,766</u>	<u>14,151,611</u>	<u>(20,155)</u>	<u>(253,979)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(902,365)	2,572,929	3,475,294	1,565,304
Appropriated fund balance	<u>902,365</u>	<u>-</u>	<u>(902,365)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>2,572,929</u>	<u>\$ 2,572,929</u>	<u>1,565,304</u>
Fund balance:				
Beginning of year, July 1		<u>16,077,414</u>		<u>14,512,110</u>
End of year, June 30		<u>\$ 18,650,343</u>		<u>\$ 16,077,414</u>

The seal of Lenoir County, North Carolina, is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The text "LENOIR COUNTY" is arched across the top, and "1808" is at the bottom. The words "GREAT SMOKE" and "RIDGE" are also visible on the sides. The seal is rendered in a light, faded style in the background.

SOLID WASTE MANAGEMENT FUND

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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees:			
Solid waste fees	\$ 3,449,887	\$ 3,371,778	\$ (78,109)
Other taxes and licenses	110,000	121,467	11,467
Intergovernmental revenue:			
DENR Grants	80,080	80,410	330
Sales and services and fees	2,018,870	1,524,829	(494,041)
Miscellaneous revenue	-	6,662	6,662
Total revenues	<u>5,658,837</u>	<u>5,105,146</u>	<u>(553,691)</u>
Expenditures:			
Environmental Protection:			
Salaries and employee benefits	931,847	836,852	94,995
Operating	3,452,403	2,809,811	642,592
Solid waste disposal tax	100,000	73,246	26,754
Capital outlay	567,790	183,478	384,312
Contingency	12,071	-	12,071
Debt service:			
Principal	1,000,000	1,000,000	-
Interest	48,375	48,375	-
Total expenditures	<u>6,112,486</u>	<u>4,951,762</u>	<u>1,160,724</u>
Revenues over (under) expenditures	(453,649)	153,384	607,033
Other financing sources (uses):			
Sale of assets	-	14,050	14,050
Total other financing sources (uses)	<u>-</u>	<u>14,050</u>	<u>14,050</u>
Appropriated fund balance	<u>453,649</u>	<u>-</u>	<u>(453,649)</u>
Net change in fund balance	<u>\$ -</u>	<u>167,434</u>	<u>\$ 167,434</u>
Fund balance:			
Beginning of year, July 1		<u>3,131,090</u>	
End of year, June 30		<u>\$ 3,298,524</u>	

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top, "1808" at the bottom, "BLUE RIDGE" on the left, and "GREAT SMOKIE MOUNTAINS" on the right. The inner circle features a landscape with a river, trees, and mountains, with "N.C." written above the scene.

COMBINING STATEMENTS FOR NON-MAJOR FUNDS

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Governmental Funds

June 30, 2014

	<u>Total Non-major Special Revenue Funds</u>	<u>Total Non-major Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,071,692	\$ 526,275	\$ 1,597,967
Restricted cash	-	1,982,512	1,982,512
Taxes receivable, net	132,272	-	132,272
Due from other governments	142,348	-	142,348
	<u>\$ 1,346,312</u>	<u>\$ 2,508,787</u>	<u>\$ 3,855,099</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 141,686	\$ 331,657	\$ 473,343
Due to other funds	102,093	-	102,093
Total liabilities	<u>243,779</u>	<u>331,657</u>	<u>575,436</u>
Deferred inflows of resources	<u>132,272</u>	<u>-</u>	<u>132,272</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	40,255	-	40,255
Public schools	-	1,306,223	1,306,223
E-911	930,006	-	930,006
Committed:			
Capital projects	-	870,907	870,907
Total fund balances	<u>970,261</u>	<u>2,177,130</u>	<u>3,147,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,346,312</u>	<u>\$ 2,508,787</u>	<u>\$ 3,855,099</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Special Revenue Funds

June 30, 2014

	<u>Emergency Telephone Fund</u>	<u>Fire Districts Fund</u>	<u>Crisis Assistance Housing Fund</u>
Assets:			
Cash and cash equivalents	\$ 960,394	\$ 73,305	\$ 30,900
Taxes receivable, net	-	127,947	-
Due from other governments	40,255	-	-
	<u>40,255</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,000,649</u>	<u>\$ 201,252</u>	<u>\$ 30,900</u>
Liabilities:			
Accounts payable and accrued			
Accounts payable and accrued liabilities	\$ 30,388	\$ 73,305	\$ 30,900
Due to other funds	-	-	-
Total liabilities	<u>30,388</u>	<u>73,305</u>	<u>30,900</u>
Deferred inflows of resources	<u>-</u>	<u>127,947</u>	<u>-</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	40,255	-	-
E-911	930,006	-	-
Total fund balances	<u>970,261</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,000,649</u>	<u>\$ 201,252</u>	<u>\$ 30,900</u>

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 4,020	\$ 3,073	\$ -	\$ 1,071,692
2,912	1,413	-	132,272
-	-	102,093	142,348
<u>\$ 6,932</u>	<u>\$ 4,486</u>	<u>\$ 102,093</u>	<u>\$ 1,346,312</u>
\$ 4,020	\$ 3,073	\$ -	\$ 141,686
-	-	102,093	102,093
<u>4,020</u>	<u>3,073</u>	<u>102,093</u>	<u>243,779</u>
<u>2,912</u>	<u>1,413</u>	<u>-</u>	<u>132,272</u>
-	-	-	40,255
-	-	-	930,006
<u>-</u>	<u>-</u>	<u>-</u>	<u>970,261</u>
<u>\$ 6,932</u>	<u>\$ 4,486</u>	<u>\$ 102,093</u>	<u>\$ 1,346,312</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Capital Project Funds

June 30, 2014

	Water and Sewer Lines	Solid Waste/ Landfill	Public Schools ADM/Lottery	County Building Renovations	Total Non- major Capital Projects Funds
Assets:					
Cash and cash equivalents	\$ 16,669	\$ -	99,669	\$ 409,937	\$ 526,275
Restricted cash	-	447,551	1,534,961	-	1,982,512
Total assets	<u>\$ 16,669</u>	<u>\$ 447,551</u>	<u>\$ 1,634,630</u>	<u>\$ 409,937</u>	<u>\$ 2,508,787</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 328,407	\$ 3,250	\$ 331,657
Fund balances:					
Restricted:					
Public schools	-	-	1,306,223	-	1,306,223
Committed:					
Capital projects	16,669	447,551	-	406,687	870,907
Total fund balances	<u>16,669</u>	<u>447,551</u>	<u>1,306,223</u>	<u>406,687</u>	<u>2,177,130</u>
Total liabilities and fund balances	<u>\$ 16,669</u>	<u>\$ 447,551</u>	<u>\$ 1,634,630</u>	<u>\$ 409,937</u>	<u>\$ 2,508,787</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, 2014

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 4,136,185	\$ -	\$ 4,136,185
Restricted intergovernmental	654,755	1,078,407	1,733,162
Investment earnings (loss)	801	1,412	2,213
Miscellaneous	-	336,556	336,556
Total revenues	<u>4,791,741</u>	<u>1,416,375</u>	<u>6,208,116</u>
Expenditures:			
Current:			
Public safety	3,924,746	95,274	4,020,020
Environmental protection	218,919	19,810	238,729
Economic and physical development	362,530	311,556	674,086
Human services		953,474	953,474
Culture and recreation	-	1,250	1,250
Intergovernmental:			
Education	-	1,503,175	1,503,175
Total expenditures	<u>4,506,195</u>	<u>2,884,539</u>	<u>7,390,734</u>
Revenues over (under) expenditures	<u>285,546</u>	<u>(1,468,164)</u>	<u>(1,182,618)</u>
Other financing sources (uses):			
Transfers from other funds	-	438,234	438,234
Note payable issued	-	2,350,000	2,350,000
Total other financing sources (uses)	<u>-</u>	<u>2,788,234</u>	<u>2,788,234</u>
Net change in fund balances	285,546	1,320,070	1,605,616
Fund balances:			
Beginning of year, July 1	<u>684,715</u>	<u>857,060</u>	<u>1,541,775</u>
End of year, June 30	<u>\$ 970,261</u>	<u>\$ 2,177,130</u>	<u>\$ 3,147,391</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, 2014

	Emergency Telephone System Fund	Fire District Fund
	<u> </u>	<u> </u>
Revenues:		
Ad valorem taxes	\$ -	\$ 3,726,434
Restricted intergovernmental	483,057	-
Investment earnings	801	-
Total revenues	<u>483,858</u>	<u>3,726,434</u>
Expenditures:		
Current:		
Public safety	198,312	3,726,434
Environmental protection	-	-
Economic and physical development	-	-
Total expenditures	<u>198,312</u>	<u>3,726,434</u>
Revenues over expenditures	<u>285,546</u>	<u>-</u>
Net change in fund balances	285,546	-
Fund balances:		
Beginning of year, July 1	<u>684,715</u>	<u>-</u>
End of year, June 30	<u>\$ 970,261</u>	<u>\$ -</u>

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 218,919	\$ 190,832	\$ -	\$ 4,136,185
-	-	171,698	654,755
-	-	-	801
<u>218,919</u>	<u>190,832</u>	<u>171,698</u>	<u>4,791,741</u>
-	-	-	3,924,746
218,919	-	-	218,919
-	190,832	171,698	362,530
<u>218,919</u>	<u>190,832</u>	<u>171,698</u>	<u>4,506,195</u>
-	-	-	285,546
-	-	-	285,546
-	-	-	684,715
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 970,261</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, 2014

	Water and Sewer Lines Fund	Solid Waste/ Landfill Fund	Public Schools ADM/Lottery Fund	Building Renovations Fund	Total Non-major Capital Project Funds
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ 1,078,407	\$ -	\$ 1,078,407
Investment earnings	-	-	1,412	-	1,412
Miscellaneous	-	-	-	336,556	336,556
Total revenues	<u>-</u>	<u>-</u>	<u>1,079,819</u>	<u>336,556</u>	<u>1,416,375</u>
Expenditures:					
Current:					
Public safety	-	-	-	95,274	95,274
Environmental protection	-	-	-	19,810	19,810
Economic and physical development	-	-	-	311,556	311,556
Human services	-	-	-	953,474	953,474
Culture and recreation	-	-	-	1,250	1,250
Intergovernmental:					
Education	-	-	1,503,175	-	1,503,175
Total expenditures	<u>-</u>	<u>-</u>	<u>1,503,175</u>	<u>1,381,364</u>	<u>2,884,539</u>
Revenues under expenditures	<u>-</u>	<u>-</u>	<u>(423,356)</u>	<u>(1,044,808)</u>	<u>(1,468,164)</u>
Other financing sources (uses):					
Transfers from other funds	-	-	-	438,234	438,234
Note payable issued	-	-	1,700,000	650,000	2,350,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,700,000</u>	<u>1,088,234</u>	<u>2,788,234</u>
Net change in fund balances	-	-	1,276,644	43,426	1,320,070
Fund balances:					
Beginning of year, July 1	<u>16,669</u>	<u>447,551</u>	<u>29,579</u>	<u>363,261</u>	<u>857,060</u>
End of year, June 30	<u>\$ 16,669</u>	<u>\$ 447,551</u>	<u>\$ 1,306,223</u>	<u>\$ 406,687</u>	<u>\$ 2,177,130</u>

SPECIAL REVENUE FUNDS

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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 500,000	\$ 483,057	\$ (16,943)
Investment earnings	-	801	801
Total revenues	<u>500,000</u>	<u>483,858</u>	<u>(16,142)</u>
Expenditures:			
Public safety	<u>606,418</u>	<u>198,312</u>	<u>408,106</u>
Revenues over (under) expenditures	<u>(106,418)</u>	<u>285,546</u>	<u>391,964</u>
Appropriated fund balance	<u>106,418</u>	<u>-</u>	<u>(106,418)</u>
Net change in fund balance	<u>\$ -</u>	<u>285,546</u>	<u>\$ 285,546</u>
Fund balance:			
Beginning of year, July 1		<u>684,715</u>	
End of year, June 30		<u>\$ 970,261</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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 3,840,505	\$ 3,694,543	\$ (145,962)
Penalties and interest	96,495	31,891	(64,604)
Total	<u>3,937,000</u>	<u>3,726,434</u>	<u>(210,566)</u>
Expenditures:			
Public safety:			
Fire district:			
West Canton	74,000	68,260	5,740
North Canton	287,000	264,820	22,180
Center Pigeon	413,840	389,739	24,101
Lake Junaluska	358,849	350,153	8,696
Crabtree-Ironduff	265,292	257,524	7,768
Cruso	189,300	175,516	13,784
Saunook	180,000	174,655	5,345
Maggie Valley	712,720	697,585	15,135
Clyde	413,955	400,583	13,372
Jonathan Creek	500,500	433,473	67,027
Big Cove (Waynesville)	100	20	80
Fines Creek	176,500	168,208	8,292
Lake Logan-Cecil	151,944	146,454	5,490
Waynesville (combined)	213,000	199,444	13,556
Total expenditures	<u>3,937,000</u>	<u>3,726,434</u>	<u>210,566</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:			
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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
NC Department of Crime Control and Public Safety-CHAF	\$ 5,405,402	\$ 3,744,853	\$ -	\$ 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>4,059,982</u>	<u>-</u>	<u>4,059,982</u>	<u>(1,695,486)</u>
Expenditures:					
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	121,879	-	121,879	1,513
Replacement assistance	3,146,000	2,478,061	-	2,478,061	667,939
C/O data processing equipment	2,990	2,990	-	2,990	-
Total	<u>5,405,402</u>	<u>3,744,853</u>	<u>-</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>4,059,982</u>	<u>-</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>
Fund balance:					
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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 220,624	\$ 217,018	\$ (3,606)
Penalties and interest	-	1,901	1,901
Total revenues	<u>220,624</u>	<u>218,919</u>	<u>(1,705)</u>
Expenditures:			
Environmental protection:			
Water and sewer	<u>220,624</u>	<u>218,919</u>	<u>1,705</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:			
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, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior year	\$ 201,765	\$ 190,129	\$ (11,636)
Penalties and interest	-	703	703
Total revenues	<u>201,765</u>	<u>190,832</u>	<u>(10,933)</u>
Expenditures:			
Economic and physical development	<u>201,765</u>	<u>190,832</u>	<u>10,933</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance:			
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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ -	\$ 171,698	\$ 171,698	\$ (228,302)
Miscellaneous revenue CDBG	15,937	15,132	-	15,132	(805)
Total revenues	<u>415,937</u>	<u>15,132</u>	<u>171,698</u>	<u>186,830</u>	<u>(229,107)</u>
Expenditures:					
Economic and physical development:					
CDBG Housing Rehab 2013	400,000	-	171,698	171,698	228,302
Other rehab-other repair	15,937	15,132	-	15,132	805
Total expenditures	<u>415,937</u>	<u>15,132</u>	<u>171,698</u>	<u>186,830</u>	<u>229,107</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

CAPITAL PROJECT FUNDS

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 32,065	\$ 30,743	\$ 1,457	\$ 32,200	\$ 135
Expenditures:					
HCC--Administration building:					
Professional services:					
Architectural and engineering	63,404	63,404	-	63,404	-
Other	25,544	25,544	-	25,544	-
Buildings, structures and improvements	1,579,352	1,579,352	-	1,579,352	-
Total	1,668,300	1,668,300	-	1,668,300	-
HCC--Creative Arts Building:					
Professional services:					
Architectural and engineering	1,010,984	970,017	40,967	1,010,984	-
Financing costs	66,352	66,351	1	66,352	-
Miscellaneous	188,847	168,847	-	168,847	20,000
Buildings, structures and improvements	8,837,623	8,764,359	73,264	8,837,623	-
Total	10,103,806	9,969,574	114,232	10,083,806	20,000
HCC-General Education Building 300 renovation:					
Professional services:					
Architectural and engineering	24,364	24,364	-	24,364	-
Buildings, structures and improvements	139,034	139,034	-	139,034	-
Total	163,398	163,398	-	163,398	-
HCC-Waterline project:					
Professional services:					
Architectural and engineering	40,298	35,871	4,427	40,298	-
Buildings, structures and improvements	290,822	190,574	100,248	290,822	-
Total	331,120	226,445	104,675	331,120	-
HCC--Demolition/grading/lighting:					
Professional services:					
Engineering	40,000	-	-	-	40,000
Professional services - other	62,000	-	-	-	62,000
Landscaping/site development	378,346	-	-	-	378,346
Total	480,346	-	-	-	480,346

(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, 2014

	<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>	
Expenditures: (continued)					
HCC-					
Other structures	149,066	-	-	-	149,066
Total	<u>149,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,066</u>
Project contingency	53,395	-	-	-	53,395
Total expenditures	<u>12,949,431</u>	<u>12,027,717</u>	<u>218,907</u>	<u>12,246,624</u>	<u>73,395</u>
Revenues under expenditures	<u>(12,917,366)</u>	<u>(11,996,974)</u>	<u>(217,450)</u>	<u>(12,214,424)</u>	<u>702,942</u>
Other financing sources (uses):					
Proceeds from installment loans	11,100,000	11,100,000	-	11,100,000	-
Transfers from other funds	<u>1,817,366</u>	<u>1,817,366</u>	<u>-</u>	<u>1,817,366</u>	<u>-</u>
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>\$ 920,392</u>	<u>(217,450)</u>	<u>\$ 702,942</u>	<u>\$ 702,942</u>
Fund balance:					
Beginning of year, July 1			<u>920,392</u>		
End of year, June 30			<u>\$ 702,942</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, 2014

	<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>	
Revenues:					
Sales and services	\$ 40,000	\$ 56,669	\$ -	\$ 56,669	\$ 16,669
Expenditures:					
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>
Fund balance:					
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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ 21,975	\$ -	\$ 21,975	\$ 21,975
Expenditures:					
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	4,500,000	4,226,374	-	4,226,374	273,626
Total expenditures	4,500,000	4,226,374	-	4,226,374	273,626
Revenues under expenditures	(4,500,000)	(4,204,399)	-	(4,204,399)	(295,601)
Other financing sources:					
Proceeds from note payable	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -
Excess from completed projects	-	151,950	-	151,950	151,950
Total other financing sources (uses)	4,500,000	4,651,950	-	4,651,950	151,950
Net change in fund balance	\$ -	\$ 447,551	-	\$ 447,551	\$ 447,551
Fund balance:					
Beginning of year, July 1			447,551		
End of year, June 30			\$ 447,551		

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, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,601,845	\$ 173,384	\$ 1,078,407	\$ 1,251,791	\$ (350,054)
Investment earnings	-	-	1,412	1,412	1,412
Total revenues	<u>1,601,845</u>	<u>173,384</u>	<u>1,079,819</u>	<u>1,253,203</u>	<u>(348,642)</u>
Expenditures:					
Building projects:					
Public school roofing projects:					
Roof repair/replacements	<u>558,515</u>	<u>22,270</u>	<u>241,008</u>	<u>263,278</u>	<u>295,237</u>
Pisgah High School addition:					
Professional Services -					
Architect and engineering	185,000	80,200	95,914	176,114	8,886
Financing costs	20,304	-	20,303	20,303	1
Main PHS renovations	2,215,300	-	1,113,786	1,113,786	1,101,514
Other building costs	25,000	-	-	-	25,000
Contingency	131,226	-	-	-	131,226
Total	<u>2,576,830</u>	<u>80,200</u>	<u>1,230,003</u>	<u>1,310,203</u>	<u>1,266,627</u>
Waynesville Middle School:					
Reconstruction project	<u>240,000</u>	<u>127,898</u>	<u>32,164</u>	<u>160,062</u>	<u>79,938</u>
Total expenditures	<u>3,375,345</u>	<u>230,368</u>	<u>1,503,175</u>	<u>1,733,543</u>	<u>1,641,802</u>
Revenues under expenditures	<u>(1,773,500)</u>	<u>(56,984)</u>	<u>(423,356)</u>	<u>(480,340)</u>	<u>1,293,160</u>
Other financing sources:					
Proceeds from L/P agreements	1,700,000	-	1,700,000	1,700,000	-
Transfer from other funds	<u>73,500</u>	<u>86,563</u>	<u>-</u>	<u>86,563</u>	<u>13,063</u>
Total other financing sources	<u>1,773,500</u>	<u>86,563</u>	<u>1,700,000</u>	<u>1,786,563</u>	<u>13,063</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 29,579</u>	<u>1,276,644</u>	<u>\$ 1,306,223</u>	<u>\$ 1,306,223</u>
Fund balance:					
Beginning of year, July 1			<u>29,579</u>		
End of year, June 30			<u>\$ 1,306,223</u>		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2014

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 45,900	\$ 45,900	\$ -	\$ 45,900	\$ -
Miscellaneous	351,176	81,651	336,556	418,207	67,031
Total revenue	<u>397,076</u>	<u>127,551</u>	<u>336,556</u>	<u>464,107</u>	<u>67,031</u>
Expenditures:					
Hemlock Street project—					
Professional services-survey	2,000	-	2,000	2,000	-
Professional services-architect	4,800	-	-	-	4,800
Total	<u>6,800</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>4,800</u>
Auxiliary Services building—					
Miscellaneous charges	2,060	-	1,535	1,535	525
Equipment	7,340	-	5,002	5,002	2,338
Building renovation	1,120,911	260,537	860,374	1,120,911	-
Site development	41,400	-	41,400	41,400	-
Contingency	3,209	-	-	-	3,209
Total	<u>1,174,920</u>	<u>260,537</u>	<u>908,311</u>	<u>1,168,848</u>	<u>6,072</u>
Pigeon Community Center project—					
Professional services-architect	5,000	-	-	-	5,000
Other building costs-roof repair	35,000	-	-	-	35,000
Other building repairs	7,500	-	-	-	7,500
Total	<u>47,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,500</u>
Courthouse irrigation project—					
Landscaping/site development	24,105	-	-	-	24,105
Contingency	4,812	-	-	-	4,812
Total	<u>28,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,917</u>
Old DSS roofing project—					
Roof replacement	163,400	-	-	-	163,400
Contingency	8,170	-	-	-	8,170
Total	<u>171,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,570</u>
Jail Annex project—					
Professional services-architect	9,800	7,840	1,960	9,800	-
Building renovation	91,314	-	91,314	91,314	-
Total	<u>101,114</u>	<u>7,840</u>	<u>93,274</u>	<u>101,114</u>	<u>-</u>

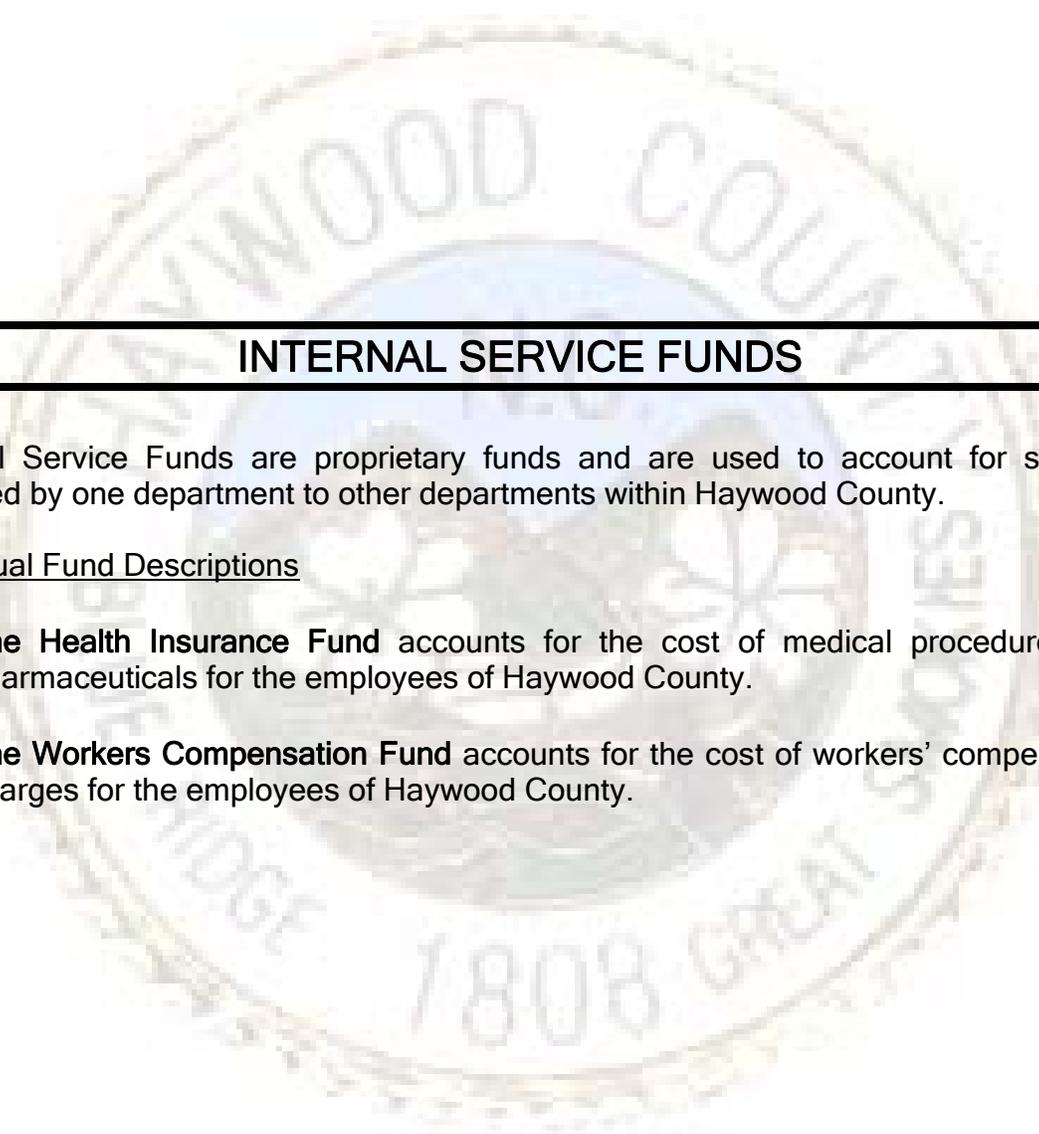
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HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2014

	Actual			Variance Positive (Negative)
	Project Authorization	Prior Year	Current Year	
Erosion control project—				
Repair & maintenance	\$ 39,620	\$ -	\$ 19,810	\$ 19,810
Total	<u>39,620</u>	<u>-</u>	<u>19,810</u>	<u>19,810</u>
Planning bond repairs project—				
Professional services-legal	6,033	-	6,033	-
Professional services-engineer	16,000	-	16,000	-
Repair & maintenance	289,306	-	289,306	-
Miscellaneous costs	217	-	217	-
Total	<u>311,556</u>	<u>-</u>	<u>311,556</u>	<u>-</u>
Paragon Parkway upgrades—				
Miscellaneous costs	567	-	-	567
Equipment	8,223	-	8,053	170
Paragon Prkwy building upgrades	37,110	-	37,110	-
Total	<u>45,900</u>	<u>-</u>	<u>45,163</u>	<u>737</u>
Canton Library project—				
Roof replacement	52,500	-	1,250	51,250
Landscaping/paving	3,000	-	-	3,000
Total	<u>55,500</u>	<u>-</u>	<u>1,250</u>	<u>54,250</u>
Total expenditures	<u>1,983,397</u>	<u>268,377</u>	<u>1,381,364</u>	<u>333,656</u>
Revenues over (under) expenditures	<u>(1,586,321)</u>	<u>(140,826)</u>	<u>(1,044,808)</u>	<u>(266,625)</u>
Other financing sources:				
Proceeds of loans payable	650,000	-	650,000	-
Transfers from other funds:				
General Fund	936,321	504,087	438,234	6,000
Total other financing sources	<u>1,586,321</u>	<u>504,087</u>	<u>1,088,234</u>	<u>6,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 363,261</u>	43,426	<u>\$ 406,687</u>
Fund balance:				
Beginning of year, July 1			<u>363,261</u>	
End of year, June 30			<u>\$ 406,687</u>	

The seal of Haywood County is faintly visible in the background. It is circular with the text "HAYWOOD COUNTY" at the top and "1808 GREAT SERVICES" at the bottom. In the center, there is a figure holding a scale and a sword, with the words "WISDOM" and "JUSTICE" on either side.

INTERNAL SERVICE FUNDS

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, 2014

	Internal Service Fund—Health Insurance	Internal Service Fund—Workers' Comp	Total Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,683,490	\$ 1,041,976	\$ 2,725,466
Prepays	-	10,000	10,000
Total assets	<u>1,683,490</u>	<u>1,051,976</u>	<u>2,735,466</u>
Liabilities:			
Current liabilities:			
Accrued expenses	<u>302,507</u>	<u>9,296</u>	<u>311,803</u>
Net position:			
Unrestricted	<u>\$ 1,380,983</u>	<u>\$ 1,042,680</u>	<u>\$ 2,423,663</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, 2014

	Internal Service Fund-Health Insurance	Internal Service Fund-Workers' Comp	Total Internal Service Funds
Operating revenues:			
Internal charges for services	\$ 4,686,111	\$ 537,957	\$ 5,224,068
External charges for services	573,032	-	573,032
Total revenues	<u>5,259,143</u>	<u>537,957</u>	<u>5,797,100</u>
Operating expenses:			
Claims and administration	<u>4,232,292</u>	<u>505,912</u>	<u>4,738,204</u>
Change in net position	1,026,851	32,045	1,058,896
Net position:			
Beginning of year, July 1	<u>354,132</u>	<u>1,010,635</u>	<u>1,364,767</u>
End of year, June 30	<u><u>\$ 1,380,983</u></u>	<u><u>\$ 1,042,680</u></u>	<u><u>\$ 2,423,663</u></u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows
Internal Service Funds

For The Fiscal Year Ended June 30, 2014

	Internal Service Fund-Health Insurance	Internal Service Fund-Workers' Comp	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from third-party payors and patients	\$ 5,259,143	\$ 537,957	\$ 5,797,100
Payments to providers	(4,248,404)	(507,682)	(4,756,086)
Net cash provided by operating activities	<u>1,010,739</u>	<u>30,275</u>	<u>1,041,014</u>
Net increase in cash and cash equivalents	1,010,739	30,275	1,041,014
Cash and cash equivalents:			
Beginning balance, July 1	<u>672,751</u>	<u>1,011,701</u>	<u>1,684,452</u>
Ending balance, June 30	<u>\$ 1,683,490</u>	<u>\$ 1,041,976</u>	<u>\$ 2,725,466</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,026,851	\$ 32,045	\$ 1,058,896
Changes in assets and liabilities:			
Decrease in prepaids	-	33,332	33,332
Decrease in accrued expenses	<u>(16,112)</u>	<u>(35,102)</u>	<u>(51,214)</u>
Net cash provided by operating activities	<u>\$ 1,010,739</u>	<u>\$ 30,275</u>	<u>\$ 1,041,014</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, 2014

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges for services	\$ 5,070,000	\$ 5,259,143	\$ 189,143
Expenditures:			
Claims and administration	<u>5,070,000</u>	<u>4,232,292</u>	<u>837,708</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 1,026,851</u>	<u>\$ 1,026,851</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, 2014

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges for services	\$ 537,957	\$ 537,957	\$ -
Expenditures:			
Claims and administration	625,000	505,912	119,088
Total operating expenses	<u>625,000</u>	<u>505,912</u>	<u>119,088</u>
Operating income	(87,043)	32,045	119,088
Other financing sources:			
Fund balance appropriated	<u>87,043</u>	<u>-</u>	<u>87,043</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 32,045</u>	<u>\$ 32,045</u>

AGENCY FUNDS

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

Individual Fund Descriptions

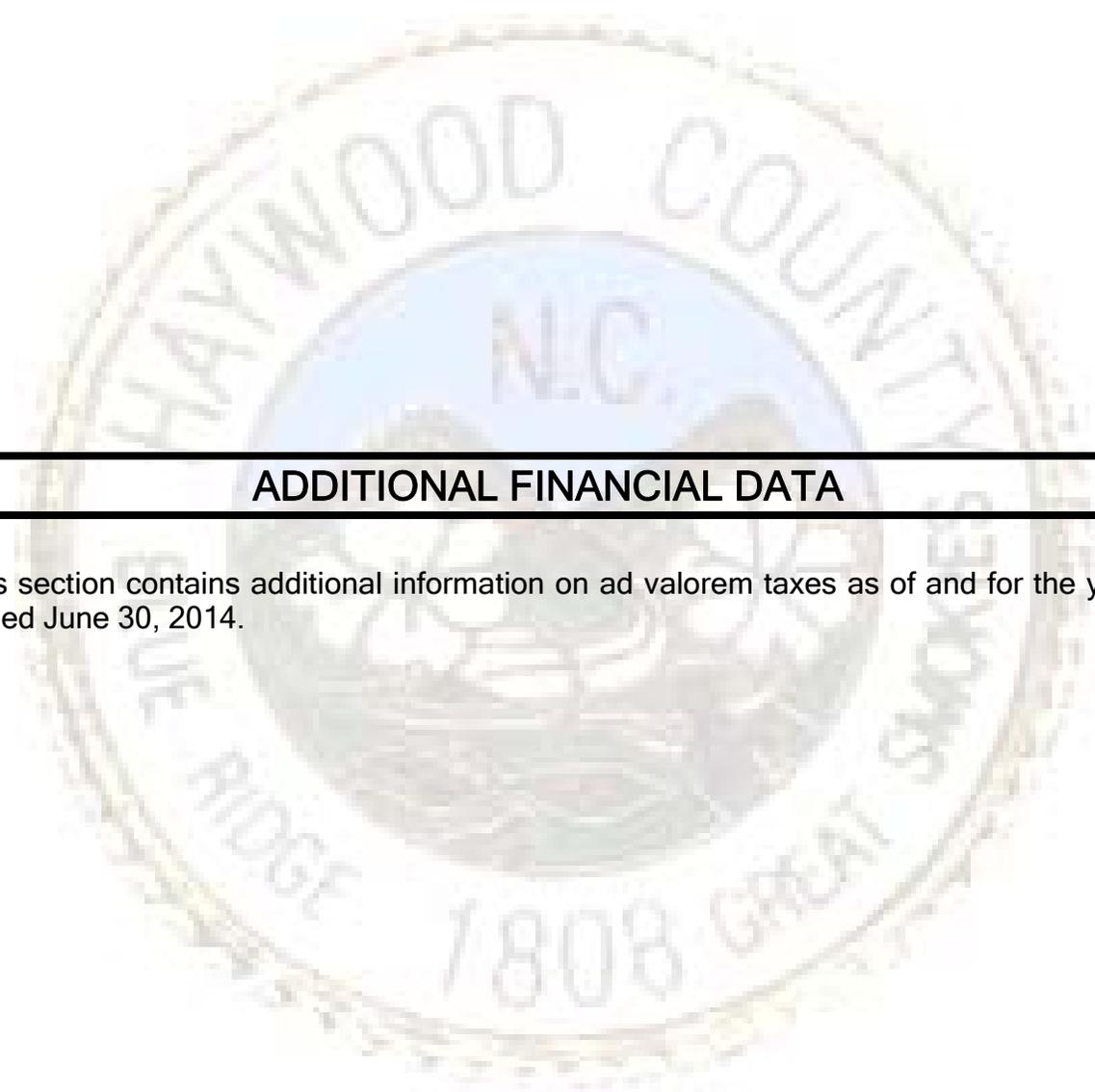
- **The Social Services Fund** accounts for assets held by the County as agent for individuals served by this department.
- **The Fines and Forfeitures Fund** accounts for various legal fines and forfeitures that the County is required to remit to the Haywood County Board of Education.
- **The Motor 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 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, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 200,722	\$ 990,710	\$ 1,003,186	\$ 188,246
Liabilities:				
Amounts held for others	\$ 200,722	\$ 990,710	\$ 1,003,186	\$ 188,246
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 394,409	\$ 394,409	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 394,409	\$ 394,409	\$ -
Municipal Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 47,188	\$ 729,963	\$ 715,264	\$ 61,887
Liabilities:				
Due to other governments	\$ 47,188	\$ 729,963	\$ 715,264	\$ 61,887
NC Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 48,255	\$ 48,255	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 48,255	\$ 48,255	\$ -
Totals--All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 247,910	\$ 2,163,337	\$ 2,161,114	\$ 250,133
Liabilities:				
Amounts held for others	\$ 200,722	\$ 990,710	\$ 1,003,186	\$ 188,246
Due to other governments	47,188	1,172,627	1,157,928	61,887
Total liabilities	\$ 247,910	\$ 2,163,337	\$ 2,161,114	\$ 250,133



ADDITIONAL FINANCIAL DATA

This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2014.

HAYWOOD COUNTY, NORTH CAROLINA

General Fund
Schedule of Ad Valorem Taxes Receivable

June 30, 2014

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Ending Balance</u>
2013-2014	\$ -	\$ 40,319,389	\$ 39,049,310	\$ 1,270,079
2012-2013	1,526,900	-	1,043,849	483,051
2011-2012	437,504	-	222,811	214,693
2010-2011	205,338	-	57,936	147,402
2009-2010	155,724	-	36,503	119,221
2008-2009	135,648	-	21,471	114,177
2007-2008	107,991	-	6,595	101,396
2006-2007	105,035	-	5,071	99,964
2005-2006	108,686	-	6,123	102,563
2004-2005	92,494	-	4,362	88,132
2003-2004	94,032	-	94,032	-
	<u>\$ 2,969,352</u>	<u>\$ 40,319,389</u>	<u>\$ 40,548,063</u>	2,740,678
Less: allowance for uncollectible accounts:				
General Fund				<u>(1,256,587)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,484,091</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes—General Fund				\$ 40,833,853
Reconciling items:				
Interest collected				(329,905)
2003 - 2004 write-off per statute of limitations				94,032
Other				(49,917)
Total reconciling items				<u>(285,790)</u>
Total collections and credits				<u>\$ 40,548,063</u>

HAYWOOD COUNTY, NORTH CAROLINA

Analysis of Current Tax Levy
County-wide Levy

For the Fiscal Year Ended June 30, 2014

	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	\$ 7,434,460,927	0.5413	\$ 40,242,737	\$ 36,774,762	\$ 3,467,975
Penalties	-		29,776	29,776	-
Total	<u>7,434,460,927</u>		<u>40,272,513</u>	<u>36,804,538</u>	<u>3,467,975</u>
Discoveries:					
Current year taxes	2,064,475	0.5413	11,175	11,175	-
Prior year taxes	-		66,592	66,592	-
Penalties	-		17,273	17,273	-
Total	<u>2,064,475</u>		<u>95,040</u>	<u>95,040</u>	<u>-</u>
Abatements	<u>(8,897,839)</u>	0.0054	<u>(48,164)</u>	<u>(28,626)</u>	<u>(19,538)</u>
Total property valuation	<u>\$ 7,427,627,563</u>				
Net levy			40,319,389	36,870,952	3,448,437
Uncollected taxes at June 30, 2014			<u>1,270,079</u>	<u>1,121,838</u>	<u>148,241</u>
Current year's taxes collected			<u>\$ 39,049,310</u>	<u>\$ 35,749,114</u>	<u>\$ 3,300,196</u>
Current levy collection percentage			<u>96.85%</u>	<u>96.96%</u>	<u>95.70%</u>

HAYWOOD COUNTY, NORTH CAROLINA

Secondary Market Disclosures

For the Fiscal Year Ended June 30, 2014

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio ¹	100%
Real property	\$ 6,189,657,715
Personal property	1,089,015,320
Public service companies ²	148,954,528
Total assessed valuation	<u>7,427,627,563</u>
Tax rate per \$100	0.5413
Levy (includes discoveries, releases and abatements) ³	<u><u>\$ 40,319,389</u></u>

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	\$ 3,576,457
Road service districts	187,900
Sanitary district	<u>210,135</u>
Total	<u><u>\$ 3,974,492</u></u>

¹ Percentage of appraised value has been established by Statute.

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

³ The levy includes interest and penalties.

STATISTICAL SECTION

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)

	2014	2013	2012	2011
Expenses:				
Governmental activities:				
General government	\$ 7,168,720	\$ 8,748,556	\$ 8,560,054	\$ 9,618,835
Public safety	18,149,499	18,095,664	17,821,262	17,490,162
Transportation	246,070	233,951	238,829	294,722
Environmental protection	8,238,720	6,960,850	5,980,140	5,484,418
Economic and physical development	3,369,021	3,445,307	2,871,824	3,774,853
Human services	21,403,525	20,380,433	20,714,369	16,944,025
Cultural and recreation	1,908,029	1,751,594	1,760,349	1,741,261
Education	18,860,749	18,227,121	23,120,536	22,278,017
Interest on long-term debt	2,053,735	2,399,211	2,506,831	3,237,593
Total governmental activities expenses	81,398,068	80,242,687	83,574,194	80,863,886
Program revenues:				
Governmental activities:				
Charges for services:				
General government	348,880	344,358	312,438	287,709
Public safety	3,099,254	2,855,128	1,745,281	2,561,848
Environmental protection	4,933,647	5,081,817	5,139,520	5,102,367
Economic and physical development	6,190	2,025	247,751	287,415
Human services	477,466	489,236	500,329	540,790
Cultural and recreation	76,465	79,324	76,892	104,974
Operating grants:				
General government	198,494	128,791	188,366	207,309
Public safety	1,329,654	1,752,631	1,366,251	1,184,711
Transportation	155,388	-	-	179,481
Environmental protection	76,488	47,296	212,179	238,726
Economic and physical development	568,557	540,447	269,942	822,638
Human services	12,465,469	11,974,626	12,528,733	9,189,620
Cultural and recreation	253,471	192,300	207,976	193,046
Education	81,610	19,082	86,230	180,153

2010	2009	2008	2007	2006	2005
\$ 8,182,194	\$ 8,768,120	\$ 11,708,960	\$ 7,189,107	\$ 6,797,823	\$ 5,899,868
17,126,202	16,776,152	16,168,220	14,757,960	13,820,383	11,393,440
292,770	284,233	259,896	223,334	142,609	151,208
5,739,294	5,152,439	4,631,896	4,506,090	7,558,422	4,286,107
2,736,807	2,770,701	5,339,247	10,158,504	2,947,975	2,824,937
17,479,276	19,842,232	19,965,753	19,491,770	18,184,042	16,803,064
1,773,656	1,899,287	1,013,051	2,085,582	2,027,052	1,863,920
17,562,877	19,139,292	24,520,469	27,993,801	21,222,128	15,562,420
2,630,297	2,439,611	2,361,453	2,005,587	1,597,889	1,404,216
<u>73,523,373</u>	<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>
181,331	184,733	216,227	177,952	595,955	610,109
2,190,012	2,946,596	2,032,758	1,847,392	1,891,570	2,159,261
4,585,211	4,265,110	2,224,986	1,752,966	1,326,883	1,202,507
229,303	244,421	348,236	439,972	383,790	324,394
574,082	777,162	731,429	758,957	719,390	542,614
72,958	72,042	67,806	70,965	24,182	25,138
203,704	490,415	1,022,891	424,308	511,874	119,756
963,921	819,708	577,031	572,433	791,088	1,318,692
182,845	174,105	163,855	141,666	105,817	122,467
46,105	65,128	-	-	3,226,371	1,831,549
389,337	455,797	947,857	4,139,240	4,179,959	3,510,776
9,751,605	9,618,243	8,702,862	8,841,511	8,125,771	7,756,284
184,269	185,723	186,984	254,065	344,704	259,029
158,925	200,145	98,355	89,968	885,299	573,070

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Program revenues, continued:				
Governmental activities, continued:				
Capital grants:				
General government	\$ 3,581	\$ 1,160,350	\$ -	\$ 21,918
Public safety	4,604	16,115	3,111	445,912
Environmental protection	34,499	18,426	881,455	36,578
Economic development	-	-	91,710	54,758
Human services	-	-	99,967	54,321
Culture and recreation	93,656	124,958	-	-
Education	1,078,408	458,032	675,418	1,091,587
Total governmental activities program revenues	<u>25,285,781</u>	<u>25,284,942</u>	<u>24,633,549</u>	<u>22,785,861</u>
Net (expense) revenue:				
Governmental activities	(56,112,287)	(54,957,745)	(58,940,645)	(58,078,025)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	44,532,523	43,168,762	42,039,417	41,329,957
Local option sales tax	11,407,418	11,193,517	10,511,432	9,886,615
Other taxes	2,317,882	2,383,599	2,839,212	2,766,516
Grants and contributions not restricted to specific programs	339,051	306,971	312,905	301,405
Investment earnings, unrestricted	27,441	32,575	58,668	89,457
Miscellaneous, unrestricted	19,992	93,510	489,068	26,255
Special item	7,494,062	-	-	-
Total governmental activities	<u>66,138,369</u>	<u>57,178,934</u>	<u>56,250,702</u>	<u>54,400,205</u>
Change in net position:				
Governmental activities	<u>\$ 10,026,082</u>	<u>\$ 2,221,189</u>	<u>\$ (2,689,943)</u>	<u>\$ (3,677,820)</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ 5,372	\$ -	\$ -	\$ -	\$ -
29,872	-	4,194	31,576	-	-
-	-	-	-	-	-
28,879	136,689	1,136,322	5,202,570	-	-
40,183	-	-	22,470	-	-
10,000	-	-	-	-	-
254,568	1,332,378	267,421	849,710	-	-
<u>20,077,110</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>
(53,446,263)	(55,098,300)	(67,239,731)	(62,794,014)	(51,185,670)	(39,833,534)
40,653,369	38,837,841	37,536,263	35,997,662	33,038,674	32,085,262
10,471,553	12,125,586	13,862,533	13,332,882	12,597,709	11,678,096
2,803,761	2,292,752	4,828,076	4,556,551	4,719,286	3,908,701
296,970	420,508	186,409	188,063	194,812	191,725
76,439	305,960	1,053,916	1,486,052	976,863	599,171
77,256	33,278	19,326	87	127,022	212,730
-	-	-	-	-	-
<u>54,379,348</u>	<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>\$ 933,085</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>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:				
Net investment in capital assets	\$ 43,151,578	\$ 40,022,209	\$ 36,628,567	\$ 34,025,761
Restricted	9,227,579	6,917,922	11,009,703	17,985,523
Unrestricted (deficit)	(23,731,881)	(28,318,937)	(31,238,265)	(32,921,336)
 Total governmental activities net position	 <u>\$ 28,647,276</u>	 <u>\$ 18,621,194</u>	 <u>\$ 16,400,005</u>	 <u>\$ 19,089,948</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 31,810,284	\$ 30,453,109	\$ 31,578,244	\$ 34,381,766	\$ 30,081,323	\$ 25,572,842
9,558,867	8,289,420	11,338,365	11,010,647	21,451,889	9,983,883
<u>(18,601,383)</u>	<u>(16,907,846)</u>	<u>(19,999,551)</u>	<u>(12,722,147)</u>	<u>(11,630,992)</u>	<u>3,877,562</u>
<u>\$ 22,767,768</u>	<u>\$ 21,834,683</u>	<u>\$ 22,917,058</u>	<u>\$ 32,670,266</u>	<u>\$ 39,902,220</u>	<u>\$ 39,434,287</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:				
Non-spendable	\$ 115,978	\$ 92,536	\$ 100,794	\$ 105,379
Restricted	6,158,624	5,126,446	4,709,538	5,230,310
Committed	1,355,234	1,173,116	1,025,703	922,369
Assigned	236,685	321,667	1,161,066	693,787
Unassigned	10,783,822	9,363,649	7,515,009	6,616,772
Total General Fund	<u>18,650,343</u>	<u>16,077,414</u>	<u>14,512,110</u>	<u>13,568,617</u>
All other governmental funds:				
Non-spendable	2,000	-	-	-
Restricted	3,068,955	1,791,476	3,023,959	7,178,829
Committed	4,077,902	3,801,781	3,619,475	6,190,208
Total all other governmental funds	<u>7,148,857</u>	<u>5,593,257</u>	<u>6,643,434</u>	<u>13,369,037</u>
Total fund balances	<u><u>\$ 25,799,200</u></u>	<u><u>\$ 21,670,671</u></u>	<u><u>\$ 21,155,544</u></u>	<u><u>\$ 26,937,654</u></u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 342,106	\$ 153,595	\$ 126,577	\$ 151,397	\$ 80,247	\$ 100,164
5,604,977	5,426,791	6,076,223	7,056,953	6,205,209	5,281,976
2,087,408	1,184,146	-	-	-	-
1,782,489	2,450,872	5,359,323	6,201,618	4,951,041	4,952,836
5,326,401	3,849,538	996,758	1,117,634	2,365,074	3,886,345
<u>15,143,381</u>	<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>
-	-	-	-	-	-
234,078	86,859	51,353	92,511	87,537	207,375
<u>4,398,888</u>	<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>4,632,966</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>\$ 19,776,347</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>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:				
Ad valorem taxes	\$ 44,970,038	\$ 43,272,044	\$ 42,408,756	\$ 41,673,838
Local option sales taxes	11,407,418	11,193,517	10,511,432	9,886,615
Other taxes and licenses	2,317,882	2,383,599	2,839,212	2,766,516
Unrestricted intergovernmental	339,051	306,971	312,905	301,405
Restricted intergovernmental	15,969,226	15,304,433	16,651,663	13,861,876
Permits and fees	3,704,922	3,691,013	3,581,528	3,667,014
Sales and services	5,209,763	5,130,002	4,416,878	5,189,552
Investment earnings	27,441	32,575	58,668	89,457
Miscellaneous	585,622	200,835	158,541	232,679
Total revenues	<u>84,531,363</u>	<u>81,514,989</u>	<u>80,939,583</u>	<u>77,668,952</u>
Expenditures:				
Current:				
General government	4,081,061	4,684,047	4,516,508	5,530,293
Central services	3,007,491	2,786,088	2,768,301	2,643,017
Public safety	16,748,491	16,664,497	16,255,963	15,845,398
Transportation	246,070	233,951	238,829	294,722
Environmental protection	4,173,339	4,367,858	4,473,356	4,282,103
Economic and physical development	2,799,718	2,767,853	2,188,431	3,115,104
Human services	20,547,639	19,363,542	19,742,912	16,037,412
Culture and recreation	1,734,884	1,586,495	1,590,109	1,578,155
Intergovernmental:				
Education	18,860,749	18,227,121	23,120,536	22,278,017
Capital outlay	2,025,428	1,247,969	5,840,809	11,580,962
Debt service:				
Principal	20,634,450	6,748,745	6,496,245	5,702,536
Interest	2,497,409	2,582,067	3,029,723	2,610,060
Bond issuance costs	-	-	-	-
Total expenditures	<u>97,356,729</u>	<u>81,260,233</u>	<u>90,261,722</u>	<u>91,497,779</u>
Revenues over (under) expenditures	<u>(12,825,366)</u>	<u>254,756</u>	<u>(9,322,139)</u>	<u>(13,828,827)</u>

2010	2009	2008	2007	2006	2005
\$ 40,835,842	\$ 38,246,641	\$ 37,341,541	\$ 35,790,491	\$ 33,182,820	\$ 31,735,034
10,471,553	12,125,586	13,862,533	13,332,882	12,597,709	11,678,096
2,803,761	2,292,752	4,828,076	4,556,551	4,321,866	3,908,701
296,970	420,508	186,409	188,063	194,812	191,725
12,217,455	13,023,512	12,297,790	20,260,573	18,185,311	15,330,861
2,841,608	3,345,578	522,945	756,169	471,015	351,454
4,964,417	5,115,187	5,050,041	4,239,314	4,076,009	4,110,317
76,439	305,960	1,053,916	1,486,052	976,863	599,171
212,480	641,333	1,004,000	498,061	610,897	588,309
<u>74,720,525</u>	<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>
4,559,550	5,073,435	4,934,640	2,971,055	4,594,140	3,975,169
2,499,061	2,327,613	2,146,925	2,020,639	1,726,140	1,444,474
15,412,448	15,058,395	15,031,455	13,650,977	13,050,720	10,934,771
292,770	284,233	259,896	223,334	142,609	151,208
4,584,173	3,964,429	3,614,960	3,225,444	6,712,915	3,576,632
2,387,145	2,420,865	5,026,356	9,918,856	2,680,521	4,583,665
16,568,534	19,031,989	19,912,019	19,301,078	17,960,083	16,584,243
1,597,366	1,735,876	912,665	1,977,203	1,903,382	1,763,524
17,562,877	19,139,292	24,520,469	27,993,801	21,222,128	15,403,890
5,377,218	4,669,773	6,178,600	9,958,195	9,836,752	17,033,386
4,423,360	4,457,487	3,955,964	2,503,127	5,824,825	5,660,959
2,535,736	2,567,745	2,384,555	2,222,189	1,454,371	1,651,984
-	-	153,085	-	177,462	2,580
<u>77,800,238</u>	<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>(3,079,713)</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>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Other financing sources (uses):				
Transfers from other funds	\$ 438,234	\$ 567,960	\$ 141,132	\$ 3,439,102
Transfers to other funds	(438,234)	(567,960)	(141,132)	(3,439,102)
General obligation bonds issued	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Notes payable issued	2,350,000	-	3,053,600	20,896,400
Current refunding of certificates of participation issued	14,585,000	7,150,000	-	-
Payment to escrow agent for refunded debt	-	(7,079,605)	-	-
Sale of capital assets	18,895	189,976	486,429	93,734
Total other financing sources and uses	<u>16,953,895</u>	<u>260,371</u>	<u>3,540,029</u>	<u>20,990,134</u>
Net change in fund balance	4,128,529	515,127	(5,782,110)	7,161,307
Fund balances-beginning	<u>21,670,671</u>	<u>21,155,544</u>	<u>26,937,654</u>	<u>19,776,347</u>
Fund balances-ending	<u><u>\$ 25,799,200</u></u>	<u><u>\$ 21,670,671</u></u>	<u><u>\$ 21,155,544</u></u>	<u><u>\$ 26,937,654</u></u>
Debt service as a percentage of non-capital expenditures	24.26%	11.66%	11.28%	10.40%

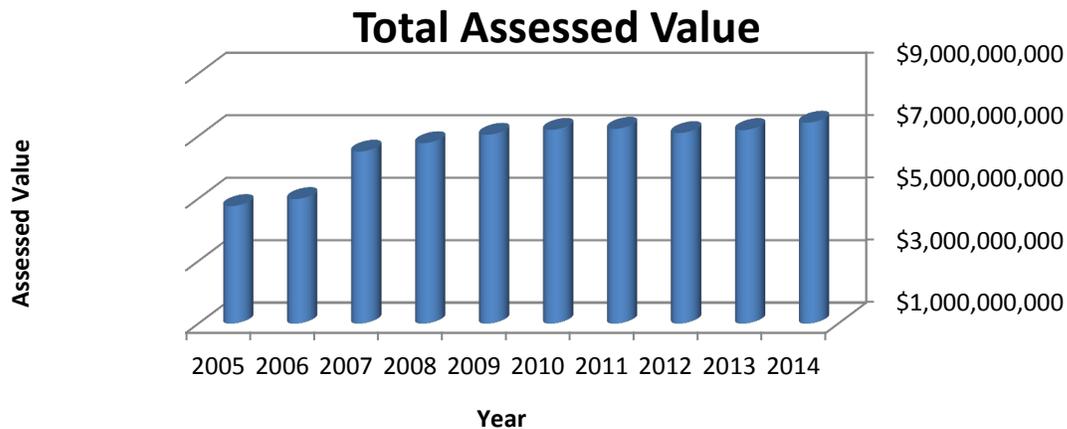
Capital outlay expenditures have been segregated here in order to calculate the percentage of non-capital expenditures.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,360,866	\$ 538,542	\$ 5,124,492	\$ 3,182,847	\$ 3,299,004	\$ 2,232,682
(1,360,866)	(538,542)	(5,124,492)	(3,182,847)	(3,299,004)	(2,274,682)
-	-	7,000,000	-	18,000,000	-
-	-	99,872	-	363,359	-
4,500,000	1,269,100	1,400,000	11,400,000	-	263,500
-	-	-	-	-	-
-	-	-	-	-	-
6,654	30,577	21,881	555	179,467	254,356
<u>4,506,654</u>	<u>1,299,677</u>	<u>8,521,753</u>	<u>11,400,555</u>	<u>18,542,826</u>	<u>475,856</u>
1,426,941	(3,914,398)	(4,362,585)	(3,457,187)	5,874,080	(13,955,491)
<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>
<u>\$ 19,776,347</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>
9.61%	9.24%	7.65%	5.39%	9.40%	11.45%

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)
2014	\$ 6,189,657,715	\$1,089,015,320	\$ 148,954,528	\$ 7,427,627,563	0.5413
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



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

	2014	2013	2012	2011
Haywood County	0.5413	0.5413	0.5413	0.5140
<u>Municipality Rates:</u>				
Town of Canton	0.5800	0.5800	0.5800	0.5800
Town of Clyde	0.4300	0.4300	0.4300	0.4300
Town of Maggie	0.3900	0.3900	0.4200	0.4200
Town of Waynesville	0.4082	0.4082	0.4082	0.4000
Municipal Service District	0.2000	0.2000	0.2000	0.2300
<u>Special Districts:</u>				
West Canton Fire District #1	0.100	0.100	0.100	0.100
North Canton Fire District #2	0.060	0.065	0.060	0.060
Center Pigeon Fire District	0.075	0.075	0.075	0.075
Lake Junaluska Fire District	0.070	0.070	0.070	0.070
Crabtree-Iron Duff Fire District	0.065	0.065	0.065	0.065
Cruso Fire District	0.095	0.095	0.095	0.095
Camp Branch Fire District	0.000	0.000	0.000	0.000
Saunook Fire District	0.040	0.040	0.040	0.040
Maggie Valley Fire District	0.060	0.060	0.050	0.050
Clyde Fire District	0.090	0.090	0.090	0.090
Jonathan Creek Fire District	0.070	0.070	0.070	0.070
South Waynesville Fire District	0.000	0.000	0.000	0.000
Big Cove Fire District	0.000	0.000	0.000	0.000
Fines Creek Fire District	0.090	0.090	0.090	0.090
Lake Logan-Cecil Fire District	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
Maggie Valley Country Club Road Maintenance	0.140	0.140	0.140	0.140
Forest Park Road Maintenance	0.080	0.080	0.080	0.080
Oak Park Road Maintenance	0.100	0.100	0.080	0.080
Wildcat Mountain Road Maintenance	0.150	0.150	0.150	0.150
Walker-in-the-Hills Road Maintenance	0.095	0.095	0.095	0.095
Upper Chestnut Grove Road Maintenance	0.160	0.160	0.160	0.160
Norman Road Maintenance	0.150	0.150	0.150	0.150
Tuscola Park Road Maintenance	0.110	0.110	0.110	0.110
Fox Run Road Maintenance	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

2010	2009	2008	2007	2006	2005
0.5140	0.4970	0.4970	0.4970	0.6100	0.6100
0.5800	0.5800	0.5800	0.5300	0.6100	0.6100
0.4300	0.4300	0.4300	0.4300	0.4500	0.4500
0.4200	0.4200	0.4200	0.4200	0.4200	0.3900
0.4000	0.4000	0.4000	0.4000	0.4300	0.4300
0.2300	0.2300	0.2300	*	*	*
0.100	0.100	0.100	0.100	0.100	0.100
0.060	0.060	0.055	0.060	0.060	0.060
0.065	0.065	0.065	0.065	0.065	0.065
0.070	0.070	0.070	0.065	0.080	0.080
0.065	0.065	0.065	0.065	0.065	0.070
0.100	0.100	0.090	0.090	0.100	0.100
0.000	0.060	0.060	0.060	0.060	0.060
0.040	0.040	0.040	0.035	0.040	0.040
0.050	0.050	0.050	0.050	0.050	0.050
0.090	0.090	0.090	0.090	0.090	0.080
0.070	0.070	0.070	0.070	0.070	0.070
0.000	0.060	0.060	0.060	0.060	0.060
0.000	0.060	0.060	0.060	0.060	0.060
0.090	0.090	0.090	0.090	0.090	0.090
0.100	0.100	0.100	0.100	0.100	0.080
0.060	**	**	**	**	**
0.060	0.060	0.060	0.060	0.060	0.060
0.140	0.140	0.100	0.100	0.100	0.100
0.080	0.080	0.080	0.100	0.100	0.100
0.080	0.140	0.140	0.140	0.140	0.140
0.150	0.150	0.150	0.150	0.150	0.150
0.095	0.095	0.095	0.095	0.120	0.120
0.160	0.160	0.120	0.120	0.120	0.070
0.150	0.150	0.150	0.130	0.130	0.130
0.110	0.110	0.110	0.110	0.110	0.110
0.150	0.150	0.150	0.130	0.150	0.150

HAYWOOD COUNTY, NORTH CAROLINA

Principal Property Taxpayers Current Year and 9 Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>
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
Sonoco Plastics, Inc. formerly Associated Packaging	Manufacturing
Ingles Markets, Inc.	Super Market
Waynesville Commons Retail Association	Retail
Consolidated Metco	Manufacturing
Maggie Valley Resort	Resort/Golf Course
Vantagepoint Investments of Waynesville	Apartments
Developers Diversified Realty	Retail
Waynesville Country Club	Country Club
Marcus Cable	Utility
Totals	

Source: Haywood County Tax Assessor

2014			2005		
Valuation	Rank	% of Valuation	Valuation	Rank	% of Valuation
\$ 175,085,355	1	2.36%	\$ 158,331,628	1	3.33%
91,768,859	2	1.24%	67,630,343	2	1.42%
76,790,602	3	1.03%	39,558,964	3	0.84%
25,600,642	4	0.34%	39,990,594	4	0.83%
20,815,909	5	0.28%	12,018,891	6	0.25%
20,119,325	6	0.27%	16,885,285	5	0.35%
19,348,580	7	0.26%			
15,665,139	8	0.21%			
14,078,139	9	0.19%	8,479,943	9	0.18%
14,009,592	10	0.19%			
			11,640,302	7	0.24%
			9,580,747	8	0.20%
			7,161,999	10	0.15%
<u>\$ 473,282,142</u>		<u>6.37%</u>	<u>\$ 371,278,696</u>		<u>7.80%</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>	
2014	\$40,319,389	\$39,049,310	96.85%	\$ -
2013	39,068,709	37,541,809	96.09%	1,043,849
2012	38,510,277	37,038,187	96.18%	1,257,397
2011	37,385,829	35,939,892	96.13%	1,298,535
2010	36,901,784	35,358,950	95.82%	1,423,613
2009	35,207,806	33,690,143	95.69%	1,403,486
2008	33,773,929	32,768,263	97.02%	904,270
2007	32,438,583	31,468,784	97.01%	869,835
2006	30,554,021	29,623,523	96.95%	827,935
2005	29,119,470	28,225,215	96.93%	806,123

Source: Haywood County CAFRs.

<u>Total Collections to Date</u>		<u>Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Tax Levy</u>
<u>Amount</u>	<u>Percentage of Total Tax Collections to Levy</u>		
\$39,049,310	96.85%	\$ 1,270,079	3.15%
38,585,658	98.76%	483,051	1.24%
38,295,584	99.44%	214,693	0.56%
37,238,427	99.61%	147,402	0.39%
36,782,563	99.68%	119,221	0.32%
35,093,629	99.68%	114,177	0.32%
33,672,533	99.70%	101,396	0.30%
32,338,619	99.69%	99,964	0.31%
30,451,458	99.66%	102,563	0.34%
29,031,338	99.70%	88,132	0.30%
		<u>\$ 2,740,678</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Property Value and Construction Last Ten Fiscal Years

Fiscal Year Ended June 30,	Commercial Construction ⁽¹⁾		Residential Construction ^(1, 2)		Property Value ⁽³⁾	
	Number of Units	Value	Number of Units	Value	Commercial	Residential
2014	60	\$ 12,576,586	396	\$ 31,988,838	\$ 1,032,385,921	\$ 5,623,591,513
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

Source:

⁽¹⁾Haywood County Inspection Department

⁽²⁾As of Fiscal Year 2009, total does not include mobile home placement permits, which are not considered permanent construction.

⁽³⁾Haywood County Tax Assessor

HAYWOOD COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value ⁽³⁾	General Obligation Bonds ⁽³⁾	COPS ⁽³⁾	Special Revenue ⁽³⁾	Installment Loans ^{(3) (4)}
2014	\$ 7,427,627,563	\$ 24,205,000	\$ -	\$ -	\$ 36,963,107
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

Sources:

⁽¹⁾North Carolina Office of State Budget & Management-estimates 2013 and 2014, revised 2010-2012

⁽²⁾Bureau of Economic Analysis - reflects revised numbers for 2005-2012

⁽³⁾Haywood County CAFRs

⁽⁴⁾Installment loans shown as notes payable

* Information not yet available

Total Primary Government	Net Debt to Assessed Value	Population⁽¹⁾	Personal Income⁽²⁾ (thousands)	Percentage of Personal Income	Net Debt Per Capita
\$ 61,168,107	0.82%	59,955	*	*	\$ 1,020
65,465,113	0.91%	59,765	*	*	1,095
71,066,301	1.00%	59,261	\$ 2,007,588	3.54%	1,199
74,508,946	1.03%	59,476	1,924,653	3.87%	1,253
59,315,082	0.82%	58,968	1,869,709	3.17%	1,006
59,238,442	0.84%	58,680	1,876,664	3.16%	1,010
62,426,829	0.92%	57,976	1,863,418	3.35%	1,077
57,982,793	0.89%	57,722	1,811,913	3.20%	1,005
49,085,452	0.99%	56,964	1,692,722	2.90%	862
36,910,278	0.78%	56,441	1,587,357	2.33%	654

HAYWOOD COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

Legal debt margin:	
Assessed value	\$ 7,427,627,563
Debt limit	8.00%
	594,210,205
Gross debt:	
General obligation bonds	24,205,000
Certificates of participation	-
Notes payable	36,963,107
	61,168,107
Total amount of debt applicable to debt limit	61,168,107
Legal debt margin	\$ 533,042,098

	2014	2013	2012	2011
Debt limit	\$ 594,210,205	\$ 575,191,539	\$ 567,513,379	\$ 578,454,023
Total net debt applicable to limit	61,168,107	64,867,557	71,066,301	74,508,946
Legal debt margin	\$ 533,042,098	\$ 510,323,982	\$ 496,447,078	\$ 503,945,077
Total net debt applicable to the limit as a percentage of debt limit	10.29%	11.28%	12.52%	12.88%

2010	2009	2008	2007	2006	2005
\$ 575,714,330	\$ 563,161,443	\$ 541,719,811	\$ 519,946,414	\$ 398,628,577	\$ 380,631,371
59,315,082	59,238,442	62,426,829	57,982,793	49,085,452	36,910,278
<u>\$ 516,399,248</u>	<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>
10.30%	10.52%	11.52%	11.15%	12.31%	9.70%

HAYWOOD COUNTY, NORTH CAROLINA

Computation of Direct and Overlapping Debt Governmental Activities

June 30, 2014

	Municipalities Governmental Debt Outstanding ⁽¹⁾	Estimated Percentage Applicable		
Municipalities:				
Town of Canton	\$ 431,355	100%	\$	431,355
Town of Clyde	102,866	100%		102,866
Town of Maggie Valley	365,676	100%		365,676
Town of Waynesville	8,755,635	100%		8,755,635
Total overlapping debt				9,655,532
Haywood County direct debt				61,168,107
Total direct and overlapping debt				\$ 70,823,639

Note:

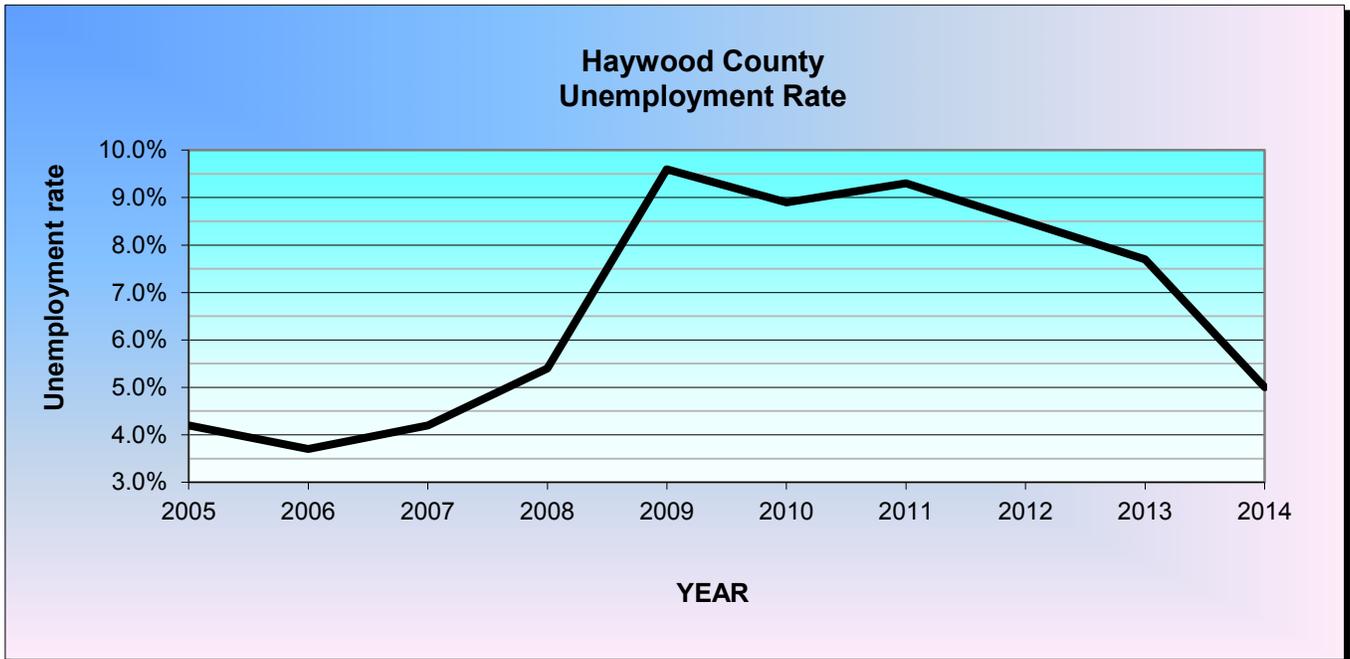
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the citizens and businesses of the County. This process recognizes that, when considering the governments ability to issue and repay long term debt, the entire burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

⁽¹⁾ Municipalities' information provided by the individual municipalities within Haywood County.

HAYWOOD COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Calendar Years

Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2014	59,955	*	7,564	5.0%
2013	59,690	*	7,459	7.7%
2012	59,261	\$ 34,080	7,530	8.5%
2011	59,476	32,770	7,582	9.3%
2010	58,968	31,705	7,588	8.9%
2009	58,680	31,726	7,677	9.6%
2008	57,976	31,685	7,658	5.4%
2007	57,722	31,033	7,652	4.2%
2006	56,964	29,336	7,969	3.7%
2005	56,441	27,807	7,910	4.2%



Sources:

⁽¹⁾North Carolina Office of State Budget & Management-estimates 2013 and 2014, revised 2010-2012

⁽²⁾Bureau of Economic Analysis-reflects revised numbers 2005 - 2012

⁽³⁾Haywood County Board of Education 2005 - 2010

⁽⁴⁾Department of Public Instruction - Student Enrollment is ADM starting 2011

⁽⁵⁾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 Eight Years Ago

<u>Employer⁽²⁾</u>	2014			2006*		
	Number of Employees ⁽¹⁾	Rank	% of Total County Employment ⁽²⁾	Number of Employees ⁽¹⁾	Rank	% of Total County Employment ⁽²⁾
Haywood County Consolidated Schools	1,154	1	4.33%	1,280	2	4.68%
Blue Ridge Paper Products, Inc. (Evergreen Packaging)	1,040	2	3.91%	1,383	1	5.06%
Haywood Regional Medical Centers ⁽³⁾	909	3	3.41%	976	3	3.57%
Haywood County Government	565	4	2.12%	573	4	2.09%
Ingles Markets, Inc.	506	5	1.90%	388	6	1.42%
Consolidated Metco	396	6	1.49%			
Haywood Vocational Opportunities, Inc.	386	7	1.45%	263	8	0.96%
Wal-Mart Associates, Inc.	343	8	1.29%	325	7	1.19%
Haywood Community College	298	9	1.12%	397	5	1.45%
Town of Waynesville	218	10	0.82%	227	9	0.83%
Lowes Home Center, Inc.				220	10	0.80%
Totals	5,815		21.84%	6,032		22.05%

Sources:

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

⁽²⁾Employment Security Commission of North Carolina

⁽³⁾Haywood County Economic Development Council, August 2014 publication

* 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 Ten Fiscal Years

	<u>2014</u>	<u>2013⁽¹⁾</u>	<u>2012⁽¹⁾</u>	<u>2011⁽¹⁾</u>	<u>2010⁽¹⁾</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of employees:										
General government	49.57	49.07	50.00	52.00	51.34	57.00	55.00	53.00	54.00	54.00
Central services	29.00	28.05	24.30	25.50	24.60	28.75	24.50	23.50	22.50	23.50
Public safety	171.00	167.35	168.10	166.90	165.80	169.65	168.50	168.50	158.50	152.50
Environmental protection	18.50	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	9.50	9.70	11.50	10.50	10.50	9.50	9.50	9.50
Human services	204.50	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	19.50	20.20	22.20	24.00	24.00	24.00	24.00
 Total	<u>501.57</u>	<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

⁽¹⁾Reduction in workforce

HAYWOOD COUNTY, NORTH CAROLINA

Operating Indicators By Function/Program Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011
<u>General Government</u>				
Elections:				
Number of registered voters	42,152	41,717	42,120	41,523
Register of Deeds:				
Deeds and real estate documents indexed	10,247	12,323	11,453	11,389
<u>Public Safety</u>				
Building Inspections:				
Residential permits issued	396	389	327	395
Mobile home permits issued (9)	58	58	83	70
Commercial permits issued	60	64	50	50
Fire Control:				
Inspections performed	1024	866	685	504
Fire marshal and assistants	3	3	3	3
Detention:				
Booked inmates	3252	3177	2690	2704
Average daily jail population	112	105	75	85
Sheriff:				
Hand gun permits processed (1)	n/a	1501	1716	1422
EMS:				
Billable transports (2) (3)	6858	7256	6356	6601
EOC/Dispatching:				
Number of emergency calls dispatched	51,751	46,510	42,339	40,837
Number of fire related calls dispatched	5,650	2,634	2,144	2,675
Animal Services:				
Number of calls serviced (1)	n/a	2266	2259	2567
Number of animals received (1)	n/a	2707	2916	3424
Number of adoptions (1)	n/a	969	1343	1308

2010	2009	2008	2007	2006	2005
41,944	41,361	41,522	38,762	39,676	36,414
11,591	12,920	15,933	18,651	19,529	18,122
346	393	721	818	831	809
87	85				
34	29	53	62	52	52
409	480	551	763	1,025	1,064
3	2	3	3	3	3
2574	2825	2798	2624	n/a	n/a
93	83	93	90	n/a	n/a
1180	1255	1293	1135	742	851
6498	6385	6654	6619	6619	8182
43,989	41,383	37,933	30,298	n/a	n/a
1,748	1,565	2,031	2,432	1,853	1,321
2946	2760	2,748	n/a	n/a	n/a
3612	3942	4,120	n/a	n/a	n/a
1449	885	698	n/a	n/a	n/a

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2014	2013	2012	2011
<u>Environmental Protection</u>				
Solid Waste:				
Tons of solid waste buried	57,331.00	42,859.40	44,510.30	44,857.70
Tons of yard waste processed	241.98	191.41	138.64	201.72
Tons of recyclables sent out	5,948.76	5,757.56	6,083.67	6,374.19
<u>Economic and Physical Development</u>				
Planning:				
Number of major subdivision plan reviews	2	3	3	1
Economic Development:				
Tourism revenues (1) (7)	n/a	\$155,380,000	\$148,630,000	\$120,400,000
Taxable sales (8)	\$565,672,010	\$560,682,306	\$540,735,523	\$518,290,311
Gross retail sales (8)	*	*	*	*
<u>Human Services</u>				
Health Department:				
Number of health clients served	9,449	10,922	12,108	13,418
Number of food service inspections	785	810	706	717
Social Services:				
Average # of food stamp recipients per month (1)	n/a	10,256	10,487	9,908
Child support collections (1)	n/a	\$3,721,830	\$3,756,082	\$3,648,803
Total number of unduplicated children subject to child protection services (CPS) assessments (1)	n/a	517	524	352
Total number of unduplicated children in foster care (1)	n/a	154	158	138
<u>Culture and Recreation</u>				
Library:				
Library patrons	36,621	34,232	29,859	35,667
Items of library materials cataloged	146,621	143,401	147,709	168,813
Recreation:				
Park recreation program participants	1263	1552	2219	1822

2010	2009	2008	2007	2006	2005
46,328.69	50,881.02	57,554.94	58,455.37	42,790.16	56,055.20
224.30	397.59	1,187.28	1,216.39	1,086.00	1,272.78
6,903.09	5,770.90	3,483.59	3,079.32	3,177.81	3,847.95
6	16	28	62	82	51
\$116,310,000	\$108,880,000	\$113,460,000	\$116,640,000	\$111,060,000	\$103,460,000
\$498,088,247	\$489,719,216	\$549,879,484	\$538,500,941	\$485,930,182	*
*	*	*	*	*	\$768,834,606
12,370	12,736	12,666	n/a	n/a	n/a
885	896	777	n/a	n/a	n/a
9,960	8,253	6,542	5,933	5,775	5,649
\$3,622,478	\$3,818,785	\$4,178,218	\$4,191,812	\$4,274,285	\$4,201,558
360	379	374	311	248	230
161	183	171	144	195	216
40,491	38,346	35,429	31,771	33,558	37,404
176,281	179,615	185,419	190,960	177,083	179,695
1914	1572	1456	1455	1304	1135

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2014	2013	2012	2011
<u>Education</u>				
Public Schools:				
County appropriations per pupil-Final ADM (Average Daily Membership) (5)	\$1,903	\$1,896	\$1,854	\$1,898
Number of teachers (4)	537	533	535	546
Student enrollment (4) (5)	7,564	7,459	7,530	7,582
County appropriations for current operating per student - State ranking (5)	n/a	25	26	22
Community College: (6)				
Number of courses offered	1,234	1,166	1,233	1,358
Curriculum student enrollment	3,360	3,099	2,599	3,493
Curriculum full-time-equivalents (FTE) (fall and spring terms only)	1,694.00	1,756.00	1,927.00	1,968.56
Continuing Ed student enrollment (1)	n/a	5,161	5,370	5,122
Continuing Ed FTE (spring, summer, fall terms) (1)	n/a	343.0	337.34	314.10

Sources: Various governmental departments - Fiscal year data

(1) Calendar year data

(2) FY2008 - FY2013 provided by EMS Management & Consultants

(3) FY2007 - FY2005 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: NC Dept of Commerce/Tourism Services-2009 & 2012 updated

(8) Source: NC Dept of Revenue Website

(9) As of FY2009, mobile home permits separated from residential permits - FY2005 - FY2008 combined

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

2010	2009	2008	2007	2006	2005
\$1,882	\$1,725	\$1,776	\$1,685	\$1,599	\$1,546
547	619	568	568	551	629
7,588	7,779	7,658	7,652	7,969	7,910
23	28	23	18	22	22
1,239	1,212	1,191	1,197	n/a	n/a
3,341	3,413	3,174	3,045	2,828	2,673
1,838.12	1,653.87	1,607.68	1,601.12	1,562.29	1,516.08
5,400	7,355	6,497	5,648	5,912	6,804
343.03	332.27	293.33	295.09	334.20	291.25

HAYWOOD COUNTY, NORTH CAROLINA

Capital Assets Statistics By Function/Program Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011
<u>General Government</u>				
Elections:				
Number of voting machines:				
Direct Record Electronic ⁽¹⁾	187	187	187	187
Optical Scan voting ⁽²⁾	3	3	3	3
<u>Public Safety</u>				
Detention:				
Number of jail beds	137	137	132	133
Sheriff:				
Offices	1	1	1	1
Patrol vehicles	64	59	63	66
<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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
187	187	187	177	177	-
3	3	3	3	3	35
133	133	133	133	133	93
1	1	1	1	1	1
57	53	60	64	65	n/a
1	1	1	1	1	1
10	10	10	10	10	10
1	1	1	1	1	1
4	4	4	4	4	4
22	22	22	-	-	-
8	8	8	8	8	8
1	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

Function/Program	2014	2013	2012	2011
<u>Education</u>				
Public Schools: ⁽³⁾				
Number of schools	16	16	16	16
Community College: ⁽⁴⁾				
Number of colleges	1	1	1	1
<u>Hospitals</u> ⁽⁵⁾				
Number of hospitals	1	1	1	1

Source: Various governmental departments

⁽¹⁾2013 - 2006 Direct Record Electronic Voting Machines

⁽²⁾2005 - 2004 Optical Scan Voting Machines

⁽³⁾Source: Haywood County Board of Education

⁽⁴⁾Source: Haywood Community College

⁽⁵⁾Source: Haywood Regional Medical Center

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
16	16	16	16	15	15
1	1	1	1	1	1
1	1	1	1	1	1



COMPLIANCE SECTION



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, 2014, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated December 11, 2014. 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
December 11, 2014

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

**Independent Auditors' 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**

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, 2014. 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, 2014.

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.

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
December 11, 2014

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

Independent Auditors' 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

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, 2014. 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.

Opinion 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, 2014.

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
December 11, 2014

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2014

<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>
Federal Awards:			
<u>U.S. Department of Agriculture</u>			
Agricultural Marketing Service:			
Passed through N.C. Department of Agriculture and Consumer Services:			
Specialty Crop Block Grant Program			
Cook Local: Farm to Kitchen	10.170	\$ 5,243	\$ -
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	605,597	-
Division of Public Health:			
Administration:			
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	280,083	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	1,036,159	-
Passed through N.C. Department of Agriculture:			
Emergency Food Assistance Program Food Commodities (Non-cash)			
	10.569	38,823	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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>
Forest Service: Passed through the Office of State Budget and Management: Schools and Roads-Grants to States and Counties	10.665	\$ 81,610	\$ -
Total U.S. Department of Agriculture		<u>2,047,515</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u> Office of Community Planning and Development: Passed through N.C. Department of Commerce: Community Development Block Grant/State's Program	14.228	<u>171,698</u>	<u>-</u>
<u>U.S. Department of Justice</u> Violence Against Women Office: Passed through N.C. Department of Crime Control and Public Safety: Arrest Policies and Enforcement of Protection Orders	16.590	<u>166,984</u>	<u>-</u>
<u>U.S. Department of Transportation</u> Federal Transit Administration: Passed through N.C. Department of Transportation: Highway Planning and Construction: Blue Ridge National Heritage Area Trails	20.205-1	41,921	-
National Highway Traffic Safety Administration: Passed through N.C. Department of Transportation: State and Community Highway Safety: Governor's High Safety Program	20.600	<u>12,572</u>	<u>-</u>
Total U.S. Department of Transportation		<u>54,493</u>	<u>-</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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>Institute of Museum and Library Services</u>			
Passed through N.C. Department of Cultural Resources:			
Grants to States:			
LSTA Project Access and Digitization Grant,			
RFID Technology	45.310	\$ 74,925	\$ -
LSTA Special Grant Project, NC Cardinal	45.310	126,578	-
		<u>201,503</u>	<u>-</u>
Total Institute of Museum and Library Services			
<u>U.S. Department of Health and Human Services</u>			
Office of Population Affairs:			
Passed through N.C. Department of Health and Human Services:			
Division of Public Health:			
Family Planning	93.217	43,258	-
Administration for Children and Families:			
Passed through N.C. Department of Health and Human Services:			
Division of Social Services:			
Foster Care and Adoption Cluster (Note C):			
Administration:			
Foster Care	93.658	183,422	-
IV-E Foster Care/Off Trn	93.658	208,002	-
Adoption/Foster Care	93.658	145,586	99,094
IV-E Adoption/Off Trn	93.659	9,794	-
Direct Benefit Payments:			
Foster Care At Risk		-	7,390
IV-E Foster Care	93.658	351,154	105,708
IV-E Adoption	93.659	495,933	130,604
		<u>1,393,891</u>	<u>342,796</u>
Total Foster Care and Adoption (Note C)			

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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>
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families/ Work First	93.558	\$ 934,530	\$ -
TANF/Work First--Direct Benefits	93.558	538,957	(51)
Special Children Adoption--Direct Benefits	93.558	-	14,400
Total TANF Cluster		<u>1,473,487</u>	<u>14,349</u>
Child Care Development Fund	93.596	86,126	-
NC Child Support Enforcement Section	93.563	403,534	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	42,753	-
Crisis Intervention Program	93.568	437,908	-
Child Welfare Services--State Grants:			
Adoption Subsidy--Direct Benefits Payments	93.645	-	311,073
Permanency Planning--Families for Kids	93.645	27,831	-
SSBG-Other Services and Training	93.667	159,710	19,834
Child Protective Safety TANF to SSBG	93.667	60,395	-
Independent Living	93.674	22,442	5,610
Independent Living Transitional/LINKS- Direct Benefits	93.674	9,922	-
Family Preservation and Support Services	93.556	7,910	-
AFDC Payments & Penalties -Direct Benefits	93.560	(191)	(53)
AFDC Incent/Prog Integrity	93.560	-	1,799
SSBG-In-Home Service Fund	93.667	31,222	-
SSBG-Adult Day Care	93.667	50,447	28,054

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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>
Centers for Medicare and Medicaid Services: Passed through N.C. Department of Health and Human Services: Division of Medical Assistance: Direct Benefit Payments: Medical Assistance Program	93.778	\$ 52,328,507	\$ 28,793,216
Division of Social Services: Administration: Medical Assistance Program	93.778	1,008,651	22,770
State County Special Assistance	93.778	38,932	-
State Children's Insurance Program: NC Health Choice	93.767	94,934	2,913
Centers for Disease Control and Prevention: Passed through N.C. Department of Health and Human Services: Division of Public Health: Public Health Emergency Preparedness	93.069	33,733	-
Immunizations Grants	93.268	13,994	-
Prevention Investigation and Technical Assistance	93.283	65,838	-
Breast and Cervical Cancer Screening Opportunities for States, Tribes, and Territories	93.744	515	-
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	13,799	6,375
Statewide Health Promotion Program	93.991	10,783	-
Health Resources and Services Administration: Division of Public Health: Maternal Child Health Block Grant to the States	93.994	94,640	70,990

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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>
Administration for Community Living: Passed through Southwestern N.C. Planning and Economic Development Commission: Aging Cluster: Special Programs for the Aging-Title III-B: Grants for Supportive Services and Senior Centers	93.044	\$ 43,699	\$ 7,712
Special Programs for the Aging-Title III-C- Nutrition Services: Title III-C1 - Congregate	93.045	251,226	44,334
Title III-C2 - Home Delivered Meals	93.045	<u>92,496</u>	<u>16,323</u>
Total U.S. Department of Health and Human Services		<u>58,342,392</u>	<u>29,688,094</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the N.C. Department of Public Safety: Division of Emergency Management: Emergency Management Performance Grant	97.042	17,659	17,658
State Homeland Security Program: Search and Rescue Training	97.067	5,475	-
Incident Management Training	97.067	<u>1,500</u>	<u>1,146</u>
Total U.S. Department of Homeland Security		<u>24,634</u>	<u>18,804</u>
State Awards:			
<u>N.C. Department of Agriculture and Consumer Services</u>			
Farmland Preservation Trust Fund: Expansion of Buy Haywood Branding and Marketing		-	2,587
Spay and Neuter Program		-	<u>35,449</u>
Total N.C. Department of Agriculture and Consumer Services		<u>-</u>	<u>38,036</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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 Cultural Resources</u>			
Division of State Library:			
State Aid to Public Libraries		\$ -	\$ 101,173
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Waste Management:			
Scrap Tire Disposal Grant		-	45,911
Electronic Management Program		-	3,919
Division of Environmental Assistance and Outreach:			
Mercury Recycling Grant Program		-	30,580
Total N.C. Department of Environment and Natural Resources		-	80,410
<u>N.C. Department of Health and Human Services</u>			
Division of Social Services:			
Energy Assistance-Private Grants		-	35,715
State/County Special Assistance for Adults--Direct Benefits		-	554,108
State Foster Care Benefits Program--Direct Benefits		-	243,489
Division of Public Health:			
General Aid to Counties		-	85,725
General Communicable Disease Control		-	11,423
Food and Lodging Fees		-	11,998
Environmental Health		-	4,000
Family Planning		-	1,665
HIV Testing		-	405
Maternal Health		-	277
Risk Reduction/Health Promotion		-	6,285
School Nurse Funding Initiative		-	100,000
TB Medical Service		-	540
Tuberculosis		-	2,186
WHSF-Women's Preventative Health		-	11,307
Total N.C. Department of Health and Human Services		-	1,069,123

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

<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		\$ -	\$ 154,575
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund-Lottery		-	1,040,878
Public School Building Capital Fund-State ADM		-	37,530
Total N.C. Department of Public Instruction		-	1,078,408
<u>N.C. Department of Transportation</u>			
Rural Operating Assistance Program:			
Elderly and Disabled Transportation Assistance Program		-	71,348
Rural General Public Program		-	84,040
Work First/Employment		-	13,567
Total N.C. Department of Transportation		-	168,955
<u>N.C. Department of Veteran Affairs</u>			
Veteran Services		-	1,452
<u>N.C. General Assembly</u>			
Passed through Rural Economic Development Center, Inc.:			
NC Economic Infrastructure Fund:			
Building Reuse and Restoration Fund Development Grant Program:			
Renovations of LIFESPAN Creative Campus Waynesville		-	45,650
State Employees' Credit Union Foundation		-	1,250
Total N.C. General Assembly		-	46,900
Total Federal and State Awards		<u>\$ 61,009,219</u>	<u>\$ 32,445,930</u>

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2014

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE A - BASIS OF PRESENTATION

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 SUBRECIPIENTS

Subrecipient	Program Name	Federal CFDA Number	Federal	State
Haywood County Schools	Schools and Roads-Grants to States and Counties	10.665	\$ 81,610	\$ -
Southwestern NC Planning and Economic Development Commission	Mountain Projects Title III-C - Congregate	93.045	251,226	44,334
Southwestern NC Planning and Economic Development Commission	Interim Healthcare Title III-C - Home Delivered Meals	93.045	15,441	2,725
Haywood County Schools	Public School Building Capital Fund	N/A	-	1,078,048
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	N/A	-	154,575
Mountain Projects	Rural General Public Program	N/A	-	84,040
Mountain Projects	Elderly and Disabled Transportation Assistance	N/A	-	71,348
Haywood Animal Welfare	Spay and Neuter Program	N/A	-	35,449
Blue Ridge National Heritage Area	Highway Planning and Construction	20.205-1	41,921	-
LifeSpan Inc.	Renovations of LIFESPAN Creative Campus Waynesville	N/A	-	45,650
			<u>\$ 390,198</u>	<u>\$ 1,516,169</u>

NOTE C - CLUSTERS

The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for state audit requirement purposes:

Foster Care and Adoption

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2014

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 federal 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, 2014

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.558	Temporary Assistance for Needy Families (TANF)*
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: \$ 1,830,277

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: unmodified

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

Identification of major State programs:

Program Names

Medical Assistance Program
Temporary Assistance for Needy Families

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2014

Section II-Financial Statement Findings

None reported.

Section III-Federal Award Findings and Questioned Costs

None reported.

Section IV-State Award Findings and Questioned Costs

None reported.

HAYWOOD COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2014

Section II-Financial Statement Findings

None reported.

Section III-Federal Award Findings and Questioned Costs

None reported.

Section IV-State Award Findings and Questioned Costs

None reported.

HAYWOOD COUNTY, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2014

There were no findings in the previous two years.



2014
