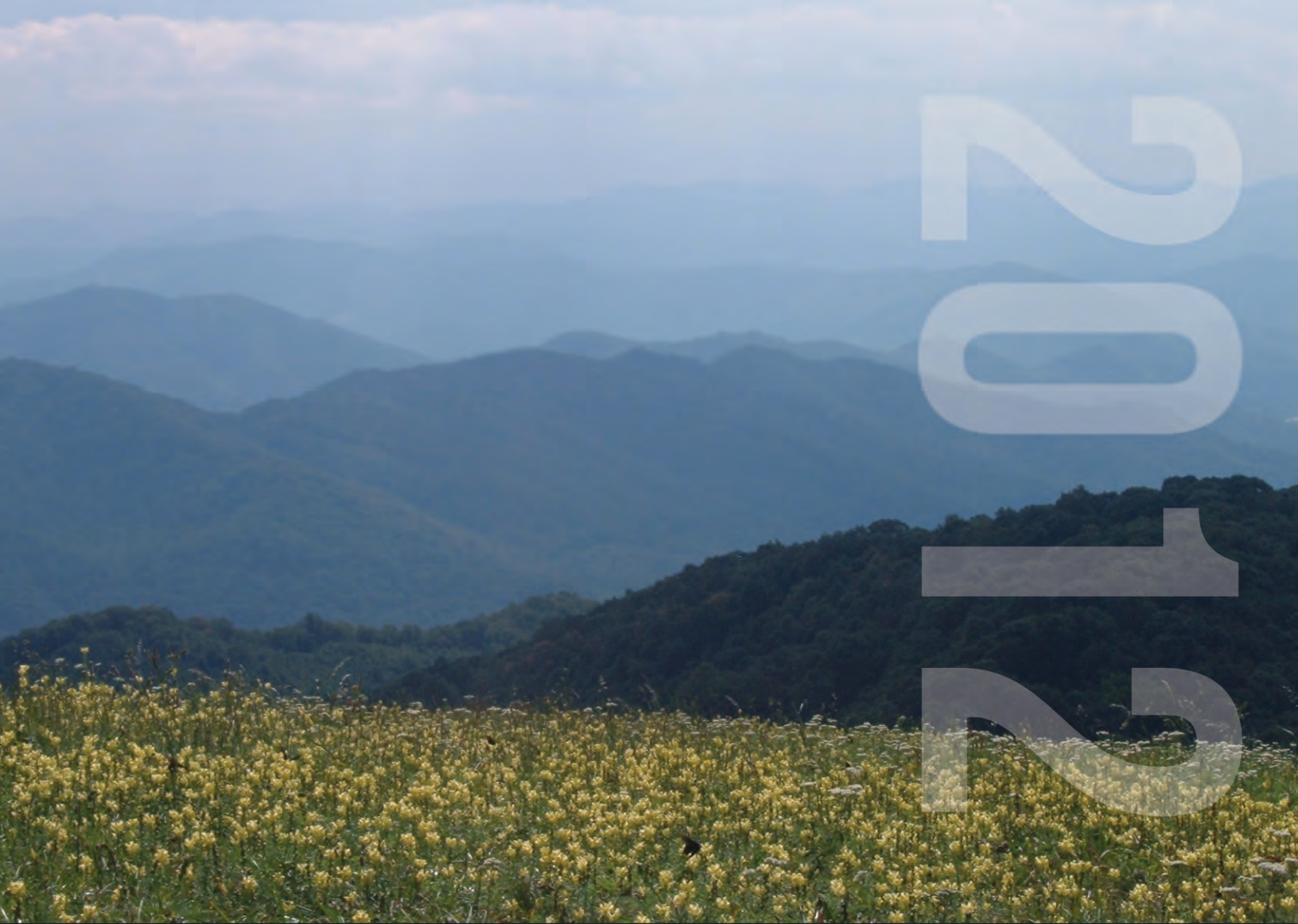


The top half of the cover features a photograph of a mountain landscape. In the foreground, there is a field of yellow wildflowers. Behind the field, there are several layers of mountain ranges, with the closest being dark green and forested, and the distant ones appearing as hazy blue silhouettes under a light blue sky with soft clouds. On the right side of the image, there is a large, faint, light blue graphic that resembles a stylized 'N' or a series of connected loops.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
JUNE 30, 2012

HAYWOOD COUNTY
North Carolina

HAYWOOD COUNTY, NORTH CAROLINA

Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



Prepared by: Finance Department

Finance Director: Julie H. Davis, CPA

HAYWOOD COUNTY, NORTH CAROLINA

Table of Contents

June 30, 2012

Exhibits

Page(s)

INTRODUCTORY SECTION:

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

FINANCIAL SECTION:

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-14

Basic Financial Statements:

Government-wide Financial Statements:

"1"	Statement of Net Assets.....	15
"2"	Statement of Activities	16-17

Fund Financial Statements:

"3"	Balance Sheet—Governmental Funds	18-19
"4"	Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds.....	20-21
"5"	Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual—General Fund and Solid Waste Management Fund.....	22-25
"6"	Statement of Fund Net Assets—Proprietary Funds.....	26
"7"	Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds	27
"8"	Statement of Cash Flows—Proprietary Funds	28
"9"	Statement of Fiduciary Assets and Liabilities—Fiduciary Funds.....	29
	Notes to the Financial Statements	30-64

Required Supplemental Financial Data:

"A-1"	Law Enforcement Officers' Special Separation Allowance— Schedule of Funding Progress	65
"A-2"	Law Enforcement Officers' Special Separation Allowance— Schedule of Employer Contributions	66

Schedules**Page(s)**

“A-3”	Other Postemployment Benefits—Schedule of Funding Progress.....	67
“A-4”	Other Postemployment Benefits—Schedule of Employer Contributions	68
Combining and Individual Fund Statements and Schedules:		
“B-1”	Schedule of Revenues, Expenditures, and Changes in Fund Balance--General Fund—Budget and Actual.....	69-83
“B-2”	Schedule of Revenues, Expenditures, and Changes in Fund Balance—Solid Waste Fund--Budget and Actual.....	84
“C-1”	Combining Balance Sheet—Non-Major Governmental Funds.....	85
“C-2”	Combining Balance Sheet—Non-Major Special Revenue Funds.....	86-87
“C-3”	Combining Balance Sheet—Non-Major Capital Project Funds.....	88
“C-4”	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Non-Major Governmental Funds.....	89
“C-5”	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Non-Major Special Revenue Funds.....	90-91
“C-6”	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Non-Major Capital Project Funds.....	92
Schedules of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual:		
“D-1”	Emergency Telephone Fund.....	93
“D-2”	Fire Districts Fund.....	94
“D-3”	Crisis Housing Assistance Fund.....	95
“D-4”	Sanitary District Fund	96
“D-5”	Lake Junaluska Sediment Removal Fund	97
“D-6”	Road Service Fund	98
“D-7”	CDBG Scattered Site Project Fund	99
“D-8”	Major Fund--Capital Project Fund—Community College Project Fund.....	100-101
“D-9”	Capital Project Fund—Water and Sewer Lines.....	102
“D-10”	Capital Project Fund—Solid Waste/Landfill.....	103-104
“D-11”	Capital Project Fund—Master Facilities Projects	105-106
“D-12”	Capital Project Fund—Public Schools ADM/Lottery	107
“D-13”	Capital Project Fund—County Building Renovations	108
“E-1”	Combining Statement of Net Assets—Internal Service Funds	109
“E-2”	Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets—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 Expenses—Financial Plan and Actual (Non-GAAP)	112
“E-5”	Self Insurance Fund—Workers’ Compensation—Schedule of Revenues and Expenses—Financial Plan and Actual (Non-GAAP)	113
“F”	Combining Statement of Changes in Fiduciary Assets and Liabilities—Agency Funds.....	114-115

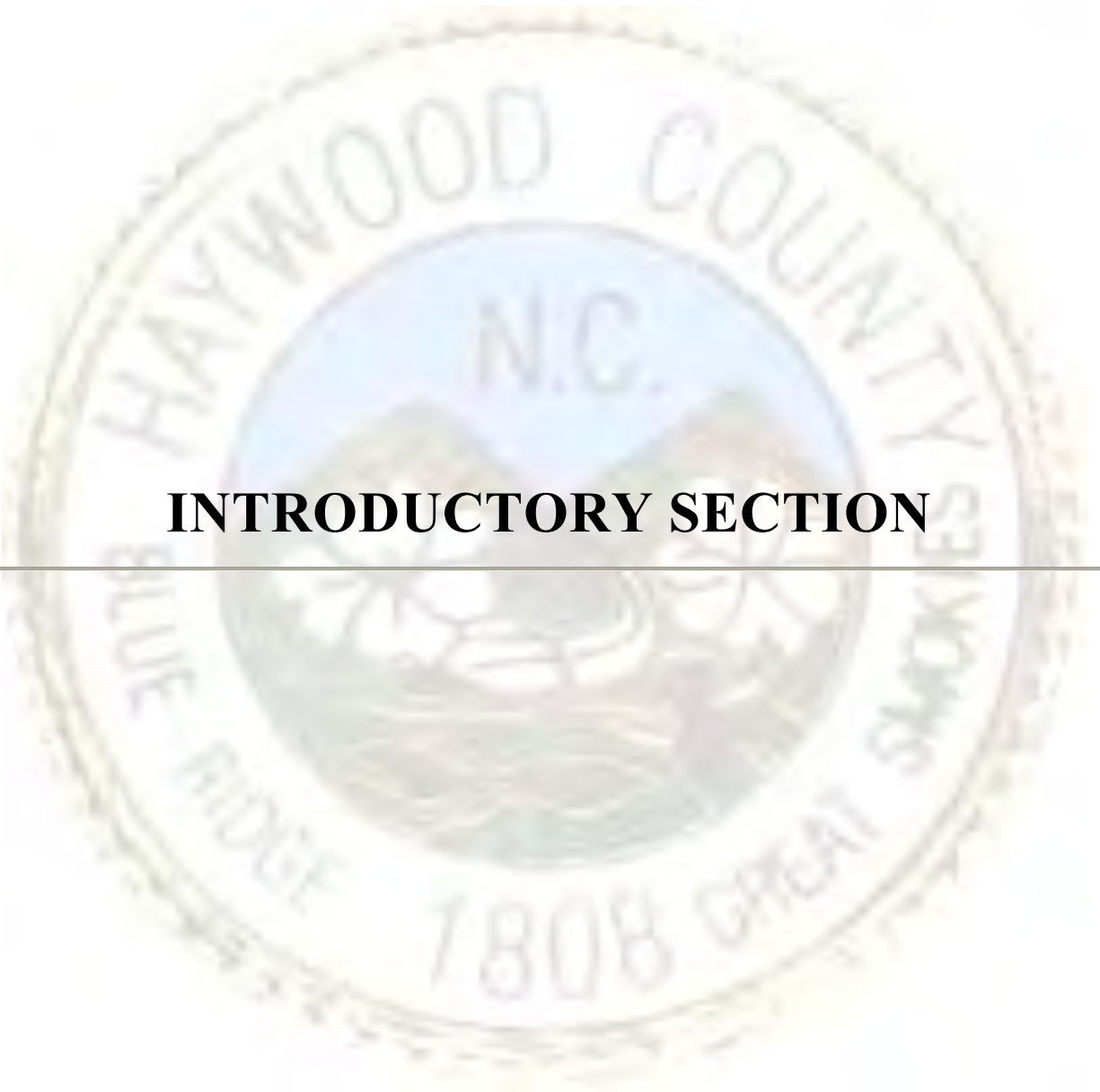
<u>Schedules</u>	<u>Page(s)</u>
“G-1” Schedule of Ad Valorem Taxes Receivable	116
“G-2” Analysis of Current Tax Levy—County-Wide Levy	117
“G-3” Secondary Market Disclosures	118

STATISTICAL SECTION:

Changes in Net Assets	119-122
Net Assets by Component	123-124
Fund Balances, Governmental Funds	125-126
Changes in Fund Balances, Governmental Funds	127-130
Assessed Value of Taxable Property	131
Property Tax Rates—Direct and all Overlapping Governments	132-133
Principal Property Taxpayers	134-135
Property Tax Levies and Collections.....	136-137
Property Value and Construction	138
Ratio of Outstanding Debt by Type.....	139-140
Legal Debt Margin Information	141-142
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 <i>Government Auditing Standards</i>	156-157
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act.....	158-159
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act	160-161
“H-1” Schedule of Expenditures of Federal and State Awards.....	162-169
“H-2” Schedule of Findings and Questioned Costs	170-172
“H-3” Corrective Action Plan	173
“H-4” Summary Schedule of Prior Year Audit Findings.....	174

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top and "N.C." at the bottom. Inside the ring is a landscape featuring a mountain range, a river, and a bridge. The text "BLUE RIDGE" is on the left and "1808 GREAT SMOKIES" is on the right.

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

November 7, 2012

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, 2012. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the state publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The goal of the independent audit is to provide reasonable assurance that the financial statements of Haywood County for the fiscal year ended June 30, 2012, are free of material misstatements.

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

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

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

Profile of the County

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

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

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

Local Economy

Real estate property values did not decline in Haywood County during this latest recession as greatly as in other parts of the nation, but our recent tax revaluation did uncover neighborhood differences as very high valued homes declined in value, while modest and medium valued homes maintained values. The County noticed a decline in tourism related activity in 2009, and has seen a slight recovery in the years following, including 2012. 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 8.5 percent, a decrease from 9.3 percent at June 30, 2011, was below the state rate of 9.9 percent, and closely mirrored the national rate of 8.4 percent at June 30, 2012.
- The number of commercial building permits obtained during the fiscal year ended June 30, 2012 remained flat, while the value of that construction decreased 78% compared to the last fiscal year, indicating significantly smaller projects and reflecting the completion of various government building projects. Residential building permits decreased 17% in number of permits while the value of that construction decreased 7% during the last fiscal year.
- The population of the County increased steadily over the past decade, with 2012 reflecting an 8% increase from 2003, while the per capita income reflected a slight increase for the last year that information was available.

Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.64 percent of the County's total assessed valuation. Progress Energy owns 1.45 and Haywood Electric Membership owns 1.19 percent of assessed valuation. While no other taxpayer owns more than 1.00 percent, a total of nine companies, including those three previously mentioned, own 6.9% of the total valuation. The County is extremely fortunate to have such excellent corporate citizens; however, efforts to broaden the tax base continue.

Long-term Financial Planning

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

After much analysis of the entire solid waste management program, the County Commissioners determined multiple strategies that should save taxpayers money over the next few years, and, potentially, generate revenue over and above the operating costs of the programs. The first plan, that of privatizing the County's convenience centers (trash drop off points) was implemented in June 2010 and saved approximately \$120,000 the first year. The Commissioners decided that closing the transfer function of trash hauling at the County's material recovery facility would create a more efficient, and less costly, program, and by July 1, 2012 had eliminated this function. Along with removing the transfer function, a new, more functional traffic pattern and upgraded recycling drop-off points have created a much more efficient facility.

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

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

The County Commissioners plan to dedicate proceeds from land sales of other county owned properties, newly graded and marketed for industry development, to fund future economic development projects. Transfers are intended to be made to an Economic Development Capital Project Fund as projects are identified. A recent project involved the grading of a tract of land in the industrial park for future prospect development that is hoped to bring in companies and employment opportunities to the County. A total of \$421,935 county dollars were transferred into the Economic Development Capital Project Fund, to fund the project, now completed. The balance of money needed to complete the project came from Haywood Advancement Foundation, a North Carolina non-profit corporation, in the form of a loan of \$146,100 and a \$133,901 payback amount, which represented a net amount stemming from two earlier agreements. The \$146,100 loan will be paid back to Haywood Advancement Foundation at the time of the sale. That amount, including interest at 4% per year, is expected to be paid from the proceeds of the sale.

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

Major Initiatives

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

In October 2010, the County closed on a \$12.5 million United States Department of Agriculture (“USDA”) loan made available through American Recovery and Reinvestment Act (“ARRA”) funds, and purchased a recently vacated Wal-Mart building to renovate for the relocation of the Departments of Social Services, Health and Central Permitting. The repayment of the debt over 40 years allows for a reduced annual debt service payment, a portion of which is expected to be covered by the collection of rent from a tenant, as well as reimbursement for depreciation for the social services portion of the building over approximately the same time frame. This relocation will lead to several improvements to service delivery in each department, some of which are significant improvements in technological capabilities. Haywood County Information Technology supports over 500 computers, more than two dozen servers, and more than 40 specialized application systems. Almost half of

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

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

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

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

The County Commission continued to demonstrate its commitment to quality education in Haywood County schools by spending \$14 million for current expense and \$250,000 for current capital outlay. The school board has renovated various school buildings and replaced or repaired roofs by utilizing the ADM (Average Daily Membership) funds from the North Carolina School Capital Building Fund that requires a 25% County match. County funds provide approximately one-fourth of the operating budget for the schools, and the State of North Carolina provides the remainder. The school board is considered to be a separate reporting entity apart from the County, and a detailed discussion of its activities will not be included in this letter.

In addition to the public school projects, the County’s emphasis on quality education includes major renovation projects at Haywood Community College. The beautiful campus of the community college is a tremendous asset to the County. However, aging buildings and the need for new programs and courses has created capital project requirements for the college in the form of building renovations and expansions. With the implementation of a new ¼ cent sales tax, dedicated by the Commissioners for Haywood Community College capital projects, construction began on a Creative Crafts building, renovations to the administrative and general education buildings, and upgrades to the waterline that runs through the campus. The Creative Crafts building,

an \$11.1 million project will house computer and multipurpose classrooms for film and video and other curriculum courses as well as housing the professional crafts programs, an important resource to the local economy. The project will also replace instructional space lost due to flooding in 2004 and will provide for significant student growth and program expansion. Plans for this project include solar collectors for energy savings and are intended to meet the guidelines for platinum Leadership in Energy and Environmental Design ("LEED") certification. When these projects are completed, other crucial projects on the campus are expected to be funded with the balance of any sales tax revenue since the sales tax collected annually has been in amounts greater than the debt service related to the current projects. During the fiscal year, the County Commissioners contributed \$2.1 million for operational expense and \$120,000 for capital outlay for the community college.

Awards and Acknowledgements

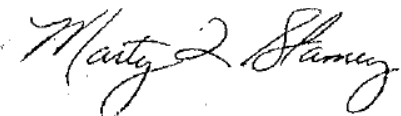
The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Haywood County for its comprehensive annual financial report ("CAFR") for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

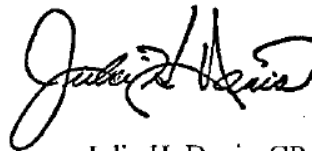
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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

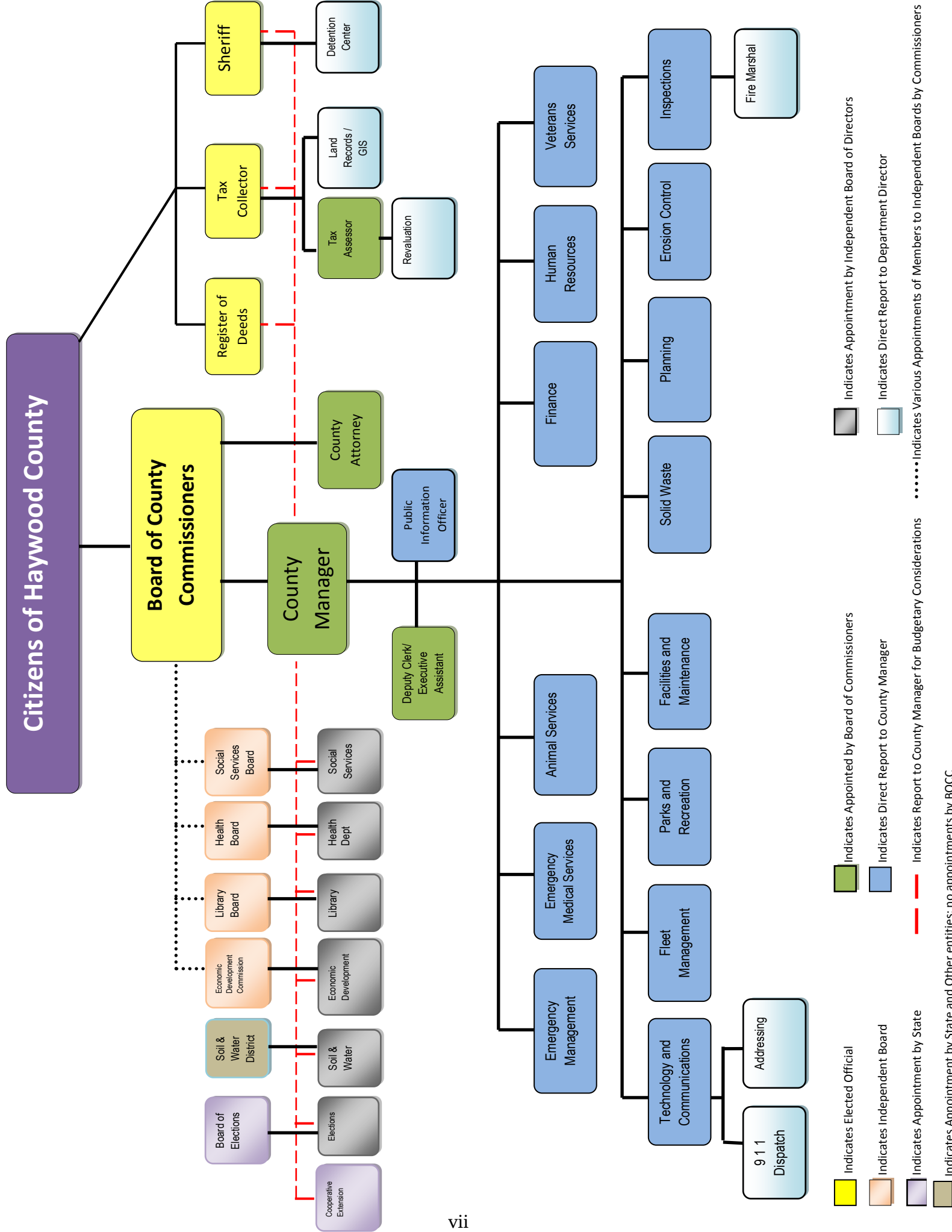
Respectfully submitted,



Marty L. Stamey
County Manager



Julie H. Davis, CPA
Finance Director



HAYWOOD COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2012

Board of County Commissioners

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

County Officials

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

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top and "1808" at the bottom. Inside this ring, the words "BLUE RIDGE" are on the left and "GREAT SMOKIES" are on the right. The center of the seal features a landscape with mountains, a river, and a sun. The letters "N.C." are positioned above the landscape.

FINANCIAL SECTION

- Independent Auditors' Report -

To the Board of County Commissioners
Haywood County, North Carolina

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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haywood County's management. Our responsibility is to express opinions on these basic 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 of material misstatement. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the solid waste management fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2012, 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 or on compliance. Accordingly, we express no opinion. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on Pages 4 through 14 and 65 through 68, 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 a 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise basic financial statements. The combining and individual nonmajor fund statements, 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 not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards have been subjected to the auditing procedures applied by us and the other auditors in the

audit of the basic financial statements and certain additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, other schedules and the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Haywood County. The introductory section and the statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Asheville, North Carolina
November 7, 2012

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2012

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, 2012. 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

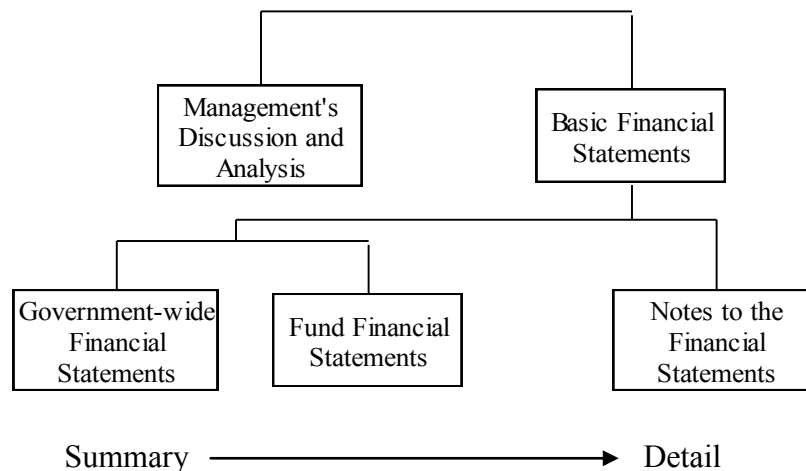
- The assets of Haywood County exceeded its liabilities at the close of the fiscal year by \$16,400,005 (*net assets*).
- The government's total net assets decreased by \$2,689,943, primarily due to the expenses paid for community college projects.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$21,155,544, a decrease of \$5,782,110 in comparison with the prior year. This is largely due to the amount expended for the community college building project. Approximately 35.5 percent of this total amount, or \$7,515,009, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,515,009 or 10.9 percent of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt decreased by \$1,332,676 (1.5%) during the current fiscal year. This is mainly due to the retirement of current debt of \$6.5 million without incurring new debt other than the balance of the USDA loan for the adaptive renovation project started in the prior fiscal year.
- Haywood County's bond rating from Moody's Investor Service for the latest general obligation bond issue was A2, and was upgraded 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 and other Post Employment Benefit ("OPEB") 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge 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 West Canton Water and Sewer District, although also legally separate, functions as a special revenue fund within the county government, maintains the same board of directors as the County, and therefore, has been included as an integral part of the primary government.

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 Assets 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 fifteen 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 twelve governmental funds are combined by type, with the remaining special revenue funds aggregated and presented separately, and the capital project funds aggregated and presented separately from the major funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Haywood County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 65 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Haywood County exceeded liabilities by \$16,400,005, as of June 30, 2012. The County's net assets decreased by \$2,689,943 for the fiscal year ended June 30, 2012. One of the largest portions (223%) reflects the County's 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 assets (67%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net assets of (\$31,151,702) 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.

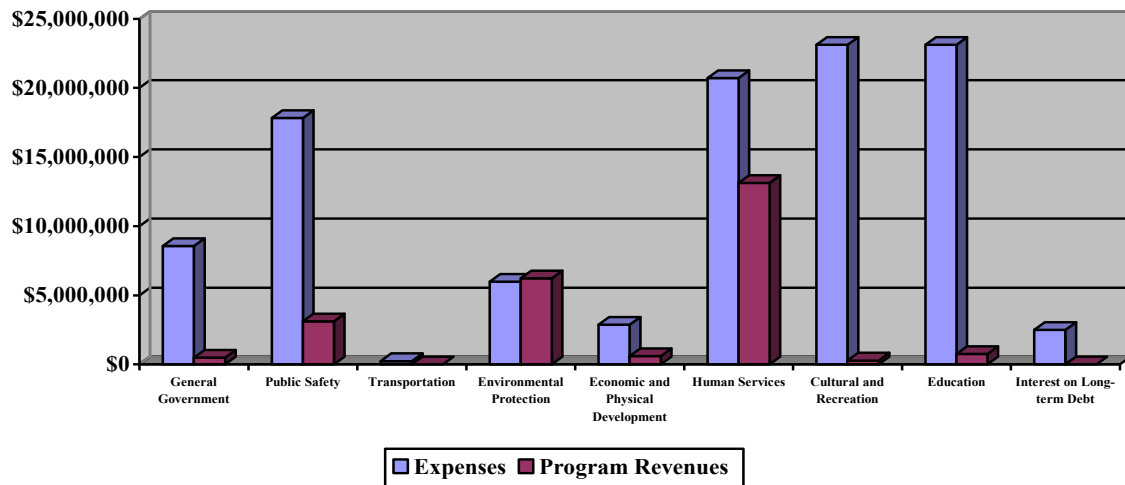
Haywood County's Net Assets
Figure 2

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 32,020,786	\$ 38,729,905
Capital assets	78,512,398	76,871,562
Total assets	<u>110,533,184</u>	<u>115,601,467</u>
Long-term liabilities outstanding	87,671,719	89,004,395
Other liabilities	6,461,460	7,507,124
Total liabilities	<u>94,133,179</u>	<u>96,511,519</u>
Net assets:		
Invested in capital assets, net of related debt	36,628,567	34,025,761
Restricted	10,923,140	17,985,523
Unrestricted	(31,151,702)	(32,921,336)
Total net assets	<u>\$ 16,400,005</u>	<u>\$ 19,089,948</u>

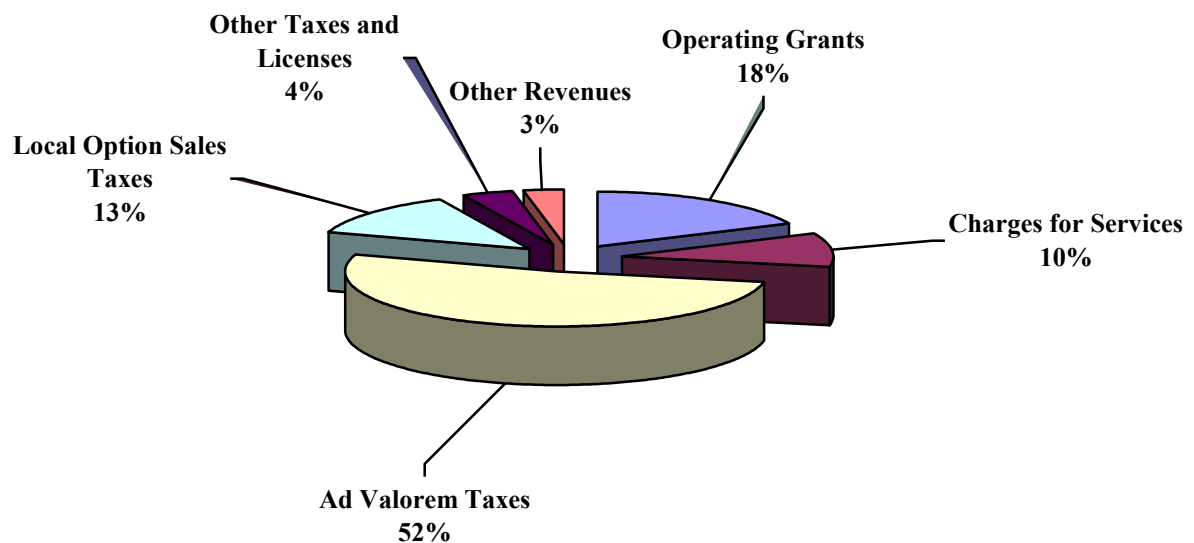
Haywood County's Changes in Net Assets
Figure 3

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,022,211	\$ 8,885,103
Operating grants and contributions	14,859,677	12,195,684
Capital grants and contributions	1,751,661	1,705,074
General revenues:		
Property taxes	42,039,417	41,329,957
Other taxes	13,350,644	12,653,131
Grants and contributions not restricted to specific programs	312,905	301,405
Other	547,736	115,712
	<u>80,884,251</u>	<u>77,186,066</u>
Expenses:		
General government	8,560,054	9,618,835
Public safety	17,821,262	17,490,162
Transportation	238,829	294,722
Environmental protection	5,980,140	5,484,418
Economic and physical development	2,871,824	3,774,853
Human services	20,714,369	16,944,025
Culture and recreation	1,760,349	1,741,261
Education	23,120,536	22,278,017
Interest on long-term debt	2,506,831	3,237,593
Total expenses	<u>83,574,194</u>	<u>80,863,886</u>
Decreases in net assets	(2,689,943)	(3,677,820)
Net assets, July 1	<u>19,089,948</u>	<u>22,767,768</u>
Net assets, June 30	<u>\$ 16,400,005</u>	<u>\$ 19,089,948</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 \$9,809,072 while total fund balance reached \$14,512,110. 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 14.20% of general fund expenditures, while total fund balance represents 21% 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, \$3,073,549, reflects the increase in revenues from tipping fees and availability fees that are expected to be available to cover future landfill expansion and closing costs.

The Community College Projects Fund reports the activities for current capital projects at the community college. At the end of the current fiscal year, the total fund balance in that fund, \$2,293,746, reflects the loan proceeds and transfers from the General Fund for current projects not yet completed.

At June 30, 2012, the governmental funds of Haywood County reported a combined fund balance of \$21,155,544, a 21% decrease from last year. The decrease was largely due to the expenditures paid from the loan proceeds that were included in other financing sources in the prior year.

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 \$6,457,578, 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, 2012, total \$78,512,398 (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 new ambulances for the Emergency Medical Services office;
- Completed the renovation of a vacant Wal-Mart building;
- Completed the Methane Gas Collection system at a closed county landfill.

Haywood County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Land	\$ 11,335,294	\$ 11,472,857
Buildings	54,202,401	45,289,950
Improvements other than buildings	8,564,120	10,040,451
Equipment	3,540,068	2,050,673
Vehicles	870,515	795,963
Construction in progress	-	7,221,668
Total	<u>\$ 78,512,398</u>	<u>\$ 76,871,562</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, 2012, Haywood County had \$27.4 million in bonded debt outstanding.

Haywood County's Outstanding Debt
General Obligation
Figure 5

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 27,400,000	\$ 29,150,000

Haywood County's total debt decreased by \$1,332,676 (1.5%) during the current fiscal year. This is mainly due to the retirement of current debt of \$6.5 million without incurring new debt other than the balance of the USDA loan for the adaptive renovation project started in the prior fiscal year.

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 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Haywood County is \$496,447,078.

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 8.5 percent, a decrease from 9.3 percent at June 30, 2011, was below the state rate of 9.9 percent, and closely mirrored the national rate of 8.4 percent at June 30, 2012.
- New residential construction continues, though in reduced numbers and values than in previous years. This is reflected in a 17% decrease in number of units and a 7% decrease in total value from 2011.
- Property values for commercial construction increased 4.7% from 2011 amounts, while the number of units remained constant.

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Funds – Budgeted revenues in the General Fund reflect a very small increase in the property tax base that includes relatively flat residential and commercial construction, with a slight increase in the motor vehicle values. 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 last year, reflected an amount that would bring in substantially the same amount of revenue had there been no revaluation. The 2012-2013 budget maintains that tax rate.

Compared to the 2011 fiscal year, the 2012 fiscal year reflected an increase in sales taxes collected in the County, an upward trend which allowed for a budget increase of 9% for sales tax revenue.

The Solid Waste Management Special Revenue Fund, recently segregated from the General Fund, reflects the privatization of the convenience centers in the County as well as a public/private partnership for the operations of the county landfill and increased efficiencies at the recycling centers including the first phase of a five year automated recycling system project. The budget for the fund also reflects the debt service for the new landfill cell expansion and the prior year increase in the availability fee charged to residents to cover the landfill expansion debt service. This more closely matches the revenue stream with the related expenditures.

Requests for Information

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Assets

June 30, 2012

	Primary Government	Component Unit
	Governmental Activities	Haywood County Tourism Development Authority
Assets:		
Cash and cash equivalents	19,096,084	\$ 142,173
Restricted cash	3,439,399	-
Receivables (net)	3,633,746	194,239
Due from other governments	5,227,433	-
Inventories	100,794	-
Prepaid items	10,000	-
Deferred charge--issuance costs	513,330	-
Capital assets:		
Land, improvements, and construction in progress	11,335,294	-
Other capital assets, net of depreciation	67,177,104	39,383
Total capital assets	78,512,398	39,383
Total assets	110,533,184	375,795
Liabilities:		
Accounts payable and accrued expenses	4,910,631	30,328
Unearned revenue	603,172	-
Accrued interest payable	947,657	-
Long-term liabilities:		
Due within one year	7,660,947	-
Due in more than one year	80,010,772	-
Total liabilities	94,133,179	30,328
Net assets:		
Invested in capital assets, net of related debt	36,628,567	39,383
Restricted for:		
Public safety	541,823	-
Environmental protection	3,237,647	-
Education	2,293,746	-
Stabilization by State Statute	4,849,119	-
Economic and physical development	805	-
Unrestricted (deficit)	(31,151,702)	306,084
Total net assets	\$ 16,400,005	\$ 345,467

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, 2012

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,560,054	\$ 312,438	\$ 188,366	\$ -
Public safety	17,821,262	1,745,281	1,366,251	3,111
Transportation	238,829	-	-	-
Environmental protection	5,980,140	5,139,520	212,179	881,455
Economic and physical development	2,871,824	247,751	269,942	91,710
Human services	20,714,369	500,329	12,528,733	99,967
Culture and recreation	1,760,349	76,892	207,976	-
Education	23,120,536	-	86,230	675,418
Interest on long-term debt	2,506,831	-	-	-
Total primary government activities	<u>\$ 83,574,194</u>	<u>\$ 8,022,211</u>	<u>\$ 14,859,677</u>	<u>\$ 1,751,661</u>
Component unit:				
Haywood County Tourism				
Development Authority	<u>\$ 922,176</u>	<u>\$ 61,306</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Occupancy taxes				
Real property transfer				
Deed stamp excise tax				
Telecommunications/video tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Total general revenues				
Change in net assets				
Net assets-beginning				
Net assets-ending				

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

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	Component Unit
Governmental Activities	Haywood County Tourism Development Authority
\$ (8,059,250)	
(14,706,619)	
(238,829)	
253,014	
(2,262,421)	
(7,585,340)	
(1,475,481)	
(22,358,888)	
(2,506,831)	
<u>\$ (58,940,645)</u>	
	<u>\$ (860,870)</u>
42,039,417	-
10,511,432	-
903,891	884,853
398,069	-
300,674	-
361,456	-
875,122	-
312,905	-
58,668	83
489,068	-
<u>56,250,702</u>	<u>884,936</u>
(2,689,943)	24,066
<u>19,089,948</u>	<u>321,401</u>
<u>\$ 16,400,005</u>	<u>\$ 345,467</u>

HAYWOOD COUNTY, NORTH CAROLINA**Balance Sheet
Governmental Funds**

June 30, 2012

	General	Solid Waste Management Fund	Community College Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 13,219,804	\$ 3,196,840	\$ -	\$ 1,358,880	\$ 17,775,524
Restricted cash	60,825	-	3,378,574	-	3,439,399
Accounts receivable, net	261,745	-	-	266,909	528,654
Taxes receivable, net	1,935,048	-	-	225,642	2,160,690
Other tax receivables	464,327	-	-	-	464,327
Due from other governments	5,123,236	104,197	-	-	5,227,433
SW fees receivable	-	324,518	-	-	324,518
Other receivables	819	133,573	-	-	134,392
Inventories	100,794	-	-	-	100,794
Total assets	<u>\$ 21,166,598</u>	<u>\$ 3,759,128</u>	<u>\$ 3,378,574</u>	<u>\$ 1,851,431</u>	<u>\$ 30,155,731</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	2,868,385	358,861	1,084,828	349,650	4,661,724
Deferred revenues	3,786,103	326,718	-	225,642	4,338,463
Total liabilities	<u>6,654,488</u>	<u>685,579</u>	<u>1,084,828</u>	<u>575,292</u>	<u>9,000,187</u>
Fund balances:					
Non-spendable:					
Inventories	100,794	-	-	-	100,794
Restricted:					
Stabilization by State Statute	4,602,244	104,197	-	142,678	4,849,119
Sheriff's department	59,290	-	-	-	59,290
Public safety	-	-	-	482,533	482,533
Community College	-	-	2,293,746	-	2,293,746
Title III projects	48,004	-	-	-	48,004
Economic Development grant	-	-	-	805	805
Committed	1,025,703	2,969,352	-	650,123	4,645,178
Assigned:					
Debt service	619,213	-	-	-	619,213
LEO Special Separation Allowance	70,000	-	-	-	70,000
Capital building projects	459,635	-	-	-	459,635
Recreation project	12,218	-	-	-	12,218
Unassigned	7,515,009	-	-	-	7,515,009
Total fund balances	<u>14,512,110</u>	<u>3,073,549</u>	<u>2,293,746</u>	<u>1,276,139</u>	<u>21,155,544</u>
Total liabilities and fund balances	<u>\$ 21,166,598</u>	<u>\$ 3,759,128</u>	<u>\$ 3,378,574</u>	<u>\$ 1,851,431</u>	

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2012

Deferred charges related to advance refunding bond issue	\$ 513,330
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	78,512,398
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 Assets.	1,081,653
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Accrued interest receivable	21,165
Notes receivable	1,176,768
Liabilities for earned but deferred revenues in fund statements.	2,558,523
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(947,657)
Long-term obligations	<u>(87,671,719)</u>
Net assets of governmental activities	<u><u>\$ 16,400,005</u></u>

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

For the Fiscal Year Ended June 30, 2012

	General	Solid Waste Management Fund	Community College Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 38,567,925	\$ -	\$ -	\$ 3,840,831	\$ 42,408,756
Local option sales taxes	10,511,432	-	-	-	10,511,432
Other taxes and licenses	2,104,556	126,083	-	608,573	2,839,212
Unrestricted intergovernmental	312,905	-	-	-	312,905
Restricted intergovernmental	14,978,281	87,949	-	1,585,433	16,651,663
Permits and fees	253,557	3,327,971	-	-	3,581,528
Sales and services	2,619,854	1,797,024	-	-	4,416,878
Investment earnings	44,764	-	12,914	990	58,668
Miscellaneous	158,541	-	-	-	158,541
Total revenues	<u>69,551,815</u>	<u>5,339,027</u>	<u>12,914</u>	<u>6,035,827</u>	<u>80,939,583</u>
Expenditures:					
Current:					
General government	4,755,285	-	-	-	4,755,285
Central services	2,768,301	-	-	-	2,768,301
Public safety	12,952,881	-	-	4,022,221	16,975,102
Transportation	238,829	-	-	-	238,829
Environmental protection	150,139	4,240,430	-	1,304,789	5,695,358
Economic and physical development	1,959,229	-	-	329,530	2,288,759
Human services	19,728,023	-	-	3,562,947	23,290,970
Culture and recreation	1,602,614	-	-	-	1,602,614
Intergovernmental:					
Education	16,403,248	-	6,301,149	416,139	23,120,536
Debt service:					
Principal	5,496,245	1,000,000	-	-	6,496,245
Interest and other charges	2,903,948	125,775	-	-	3,029,723
Total expenditures	<u>68,958,742</u>	<u>5,366,205</u>	<u>6,301,149</u>	<u>9,635,626</u>	<u>90,261,722</u>
Revenues over (under) expenditures	<u>593,073</u>	<u>(27,178)</u>	<u>(6,288,235)</u>	<u>(3,599,799)</u>	<u>(9,322,139)</u>
Other financing sources (uses):					
Transfers from other funds	-	-	-	141,132	141,132
Transfers to other funds	(136,009)	-	-	(5,123)	(141,132)
Notes payable issued	-	-	-	3,053,600	3,053,600
Sale of capital assets	486,429	-	-	-	486,429
Total other financing sources (uses)	<u>350,420</u>	<u>-</u>	<u>-</u>	<u>3,189,609</u>	<u>3,540,029</u>
Net change in fund balances	943,493	(27,178)	(6,288,235)	(410,190)	(5,782,110)
Fund balances--beginning	13,568,617	3,100,727	8,581,981	1,686,329	26,937,654
Fund balances--ending	<u>\$ 14,512,110</u>	<u>\$ 3,073,549</u>	<u>\$ 2,293,746</u>	<u>\$ 1,276,139</u>	<u>\$ 21,155,544</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2012

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

Net change in fund balances--total governmental funds	\$ (5,782,110)
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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	5,840,809
Depreciation	(3,863,005)

Cost of capital assets disposed of during the year, not recognized on modified accrual basis	(336,968)
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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	(369,339)
Change in notes receivable	(172,422)

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 assets.

Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds	(3,053,600)
Issuance premium, net of amortization	96,310
Repayments	6,496,245
Issuance costs, net of amortization	(55,274)

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	289,109
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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:

Compensated absences	(148,202)
Landfill closure and post closure costs	(274,855)
Net pension obligation	(34,627)
OPEB liability	(1,748,595)

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

	426,581
Total changes in net assets of governmental activities	\$ (2,689,943)

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, 2012

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 38,026,289	\$ 38,175,889	\$ 38,567,925	\$ 392,036
Local option sales tax	10,078,065	10,326,550	10,511,432	184,882
Other taxes and licenses	2,357,000	2,381,010	2,104,556	(276,454)
Unrestricted intergovernmental	200,000	200,000	312,905	112,905
Restricted intergovernmental	10,815,655	16,783,653	14,978,281	(1,805,372)
Permits and fees	348,000	348,000	253,557	(94,443)
Sales and services	3,527,132	3,569,318	2,619,854	(949,464)
Investment earnings	75,000	75,000	44,764	(30,236)
Miscellaneous	148,200	173,499	158,541	(14,958)
Total revenues	65,575,341	72,032,919	69,551,815	(2,481,104)
Expenditures:				
Current:				
General government	4,690,150	5,096,503	4,755,285	341,218
Central services	2,749,513	2,867,895	2,768,301	99,594
Public safety	12,354,937	13,654,205	12,952,881	701,324
Transportation	310,000	330,000	238,829	91,171
Environmental protection	151,519	155,530	150,139	5,391
Economic and physical development	1,970,613	2,658,425	1,959,229	699,196
Human services	16,393,653	20,974,754	19,728,023	1,246,731
Culture and recreation	1,553,759	1,666,342	1,602,614	63,728
Contingency and non-departmental	936,082	-	-	-
Intergovernmental:				
Education	16,494,763	16,454,063	16,403,248	50,815
Debt service:				
Principal	5,680,071	5,619,246	5,496,245	123,001
Interest and other charges	2,926,118	2,986,943	2,903,948	82,995
Total expenditures	66,211,178	72,463,906	68,958,742	3,505,164
Revenues over (under) expenditures	(635,837)	(430,987)	593,073	1,024,060
Other financing sources (uses):				
Transfers from other funds	2,307,533	-	-	-
Transfers to other funds	(2,207,533)	(474,653)	(136,009)	338,644
Sale of capital assets	12,050	12,050	486,429	474,379
Total other financing sources (uses)	112,050	(462,603)	350,420	813,023

Solid Waste Management Fund			
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
115,000	115,000	126,083	11,083
-	-	-	-
40,000	40,000	87,949	47,949
3,422,400	3,422,400	3,327,971	(94,429)
1,728,000	1,728,000	1,797,024	69,024
-	-	-	-
-	-	-	-
5,305,400	5,305,400	5,339,027	33,627
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,309,711	4,477,941	4,240,430	237,511
-	-	-	-
-	-	-	-
-	-	-	-
100,000	81,770	-	81,770
-	-	-	-
1,000,000	1,000,000	1,000,000	-
125,775	125,775	125,775	-
5,535,486	5,685,486	5,366,205	319,281
(230,086)	(380,086)	(27,178)	352,908
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

(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, 2012

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (523,787)	\$ (893,590)	\$ 943,493	\$ 1,837,083
Appropriated fund balance	523,787	893,590	-	(893,590)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	943,493	<u>\$ 943,493</u>
Fund balances:				
Beginning of year, July 1			<u>13,568,617</u>	
End of year, June 30			<u>\$ 14,512,110</u>	

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)
\$ (230,086)	\$ (380,086)	\$ (27,178)	\$ 352,908
230,086	380,086	-	(380,086)
<u>\$ -</u>	<u>\$ -</u>	(27,178)	<u>\$ (27,178)</u>
		<u>3,100,727</u>	
		<u>\$ 3,073,549</u>	

HAYWOOD COUNTY, NORTH CAROLINAStatement of Net Assets
Proprietary Funds

June 30, 2012

	<u>Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,320,560
Prepays	<u>10,000</u>
Total current assets	<u>1,330,560</u>
Total assets	<u>1,330,560</u>
Liabilities:	
Current liabilities:	
Accrued expenses	<u>248,907</u>
Net assets:	
Unrestricted	<u><u>\$ 1,081,653</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINAStatement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds

For the Fiscal Year Ended June 30, 2012

	Internal Service Funds
Operating revenues:	
Internal charges	\$ 5,151,123
External charges for services	567,478
Cobra subsidy	3,827
Total operating revenues	<u>5,722,428</u>
Operating expenses:	
Claims and administration	<u>5,433,319</u>
Change in net assets	289,109
Net assets:	
Beginning of year, July 1	<u>792,544</u>
End of year, June 30	<u><u>\$ 1,081,653</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINAStatement of Cash Flows
Proprietary Funds

For The Fiscal Year Ended June 30, 2012

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from third-party payors and patients	\$ 5,722,428
Payments to providers	(5,418,791)
Net cash provided by operating activities	<u>303,637</u>
Increase in cash and cash equivalents	303,637
Cash and cash equivalents, July 1	<u>1,016,923</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,320,560</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 289,109
Changes in assets and liabilities:	
Increase in prepaids	(9,000)
Increase in accrued expenses	<u>23,528</u>
Net cash provided by operating activities	<u><u>\$ 303,637</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINAStatement of Fiduciary Net Assets
Fiduciary Fund

For the Fiscal Year Ended June 30, 2012

	Agency Funds
Assets:	
Cash and cash equivalents	\$ 288,356
Liabilities:	
Amounts held for others	240,392
Due to other governments	47,964
Total liabilities	\$ 288,356

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, 2012

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 (“G.S.”) 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County’s basic financial statements in order to emphasize that they are legally separate from the County.

Component Units:

☐ Haywood County Industrial Facility and Pollution Control Financing Authority

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

☐ Haywood County Financing Corporation

The Haywood County Financing Corporation (the “Corporation”) is organized and operated exclusively for the purpose of promoting the general welfare of the citizens of Haywood County by assisting the County in carrying out its governmental functions through the acquisition, construction and operation, sale

or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public. The Corporation has a board of directors consisting of no less than three persons and no more than five persons, all of which are appointed by the Haywood County Board of Commissioners. The Corporation has no financial transactions or account balances, therefore, is not reported in the basic financial statements. The Corporation does not issue separate financial statements.

□ **Haywood County Tourism Development Authority**

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

B. **Basis of Presentation**

Government-Wide Statements:

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues

include: (a) fees and charges paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

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

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

The County reports the following major governmental funds for the year ended June 30, 2012:

☐ 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 operational and capital activities for the landfills, the 10 convenience centers throughout the County, the materials recovery facility, and the recycling programs.

☐ Community College Projects Fund

This fund accounts for all major building projects at Haywood Community College that are funded by the County's article 46 ¼ cent sales tax revenue.

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, the Lake Junaluska Sediment Removal Fund, and the CDBG Scattered Site Project Fund.

☐ **Capital Projects Funds**

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

☐ **Internal Service Funds**

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

☐ **Agency Funds**

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

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

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

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

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

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

Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Long-term debt issued and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures in governmental funds.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor

vehicles in North Carolina. Effective with this change in the law, Haywood County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

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

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

F. Assets, Liabilities and Net Assets/Fund Balances**Deposits and Investments:**

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

State law [G.S. 159-30(c)] authorizes the County and the TDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust ("NCCMT"), an SEC-registered (2a-7) money market mutual fund.

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

Cash and Cash Equivalents:

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

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

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

Ad Valorem Taxes Receivable:

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011.

Allowances for Doubtful Accounts:

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

Inventories and Prepaid Items:

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

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

Capital Assets:

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Certain items acquired before July 1, 1970, are recorded at an estimated original cost. The total of such estimates is not considered large enough that errors would be material when the capital assets are considered as a whole. Minimum capitalization cost is \$1,000 for annual budgeting and \$5,000 for financial reporting. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The County holds title to certain Haywood County Board of Education and Haywood County Community College properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education and Community College give the Board of Education and Community College full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education and Community College, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Haywood County Board of Education and the Haywood County Community College.

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

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

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

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

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 another financing source. The certificates of participation and installment financing contracts are collateralized by the assets being financed and are not secured by the taxing power of the County.

Compensated Absences:

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

The sick leave policy of the County and the TDA provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave

accumulated at the time of retirement for County employees may be used in the determination of length of service for retirement benefit purpose. Since these entities have no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Assets:

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through State Statutes.

Fund Balances:

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

The governmental fund types classify fund balances as follows:

☐ Non-spendable Fund Balance

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

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

☐ Restricted Fund Balance

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

- ✓ Restricted for stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
- ✓ Restricted for Sheriff's department – portion of fund balance that is restricted by the revenue source to pay for expenditures related to the drug seizure funds.
- ✓ Restricted for Title III – portion of fund balance that is restricted by the revenue source to pay for expenditures to reimburse the county for search and rescue and other emergency services on federal forest lands.
- ✓ Restricted for Community College – portion of fund balance that represents proceeds from the installment note payable for the Community College capital projects.

- ✓ Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.
- ✓ Restricted for Economic Development – portion of fund balance that is restricted by revenue source for certain economic development expenditures

☐ **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. Any changes or removal of specific purposes requires majority action by the governing body.

☐ **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 future parks and recreation project.

☐ **Unassigned Fund Balance**

This classification includes the portion of total fund balance that has not been restricted, committed or assigned to specific purposes or other funds.

Haywood County does not have a formal revenue spending policy. However, it is the County's practice to use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly, unassigned fund balance.

Haywood County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 11% of the budgeted expenditures. Any portion of the General Fund balance in excess of 11% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

2. Detail Notes on All Funds**A. Assets****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, 2012, the County's deposits had a carrying amount of \$21,520,541 and a bank balance of \$22,185,195. Of the bank balance, \$994,418 was covered by federal depository insurance and \$21,190,777 by collateral held under the Pooling Method.

At June 30, 2012, the County had \$5,050 cash on hand.

At June 30, 2012, the carrying amount of deposits for the TDA was \$141,923, and the bank balance was \$169,680, all of which was covered by federal depository insurance. The TDA had cash on hand at year-end in the amount of \$250.

Investments:

The County's investments in the North Carolina Capital Management Trust Cash Portfolio, in the amount of \$295,869 as of June 30, 2012, 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 \$1,000,084 as of June

30, 2012, 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.

Receivables:

☐ Notes Receivable

On January 31, 2002, the County and the Town of Waynesville (the "Town") entered into a cooperative agreement in which the Town agreed to contribute \$2,500,000 to be used as payment on the installment financing contract for the construction of new parking facilities, with payment scheduled for a twenty year period. On July 8, 2003 the County and the Town modified the agreement. The Town will pay to the County fifteen equal annual payments of \$227,047, including interest at 4.479% through July 15, 2017. At June 30, 2012, the balance was \$1,171,864.

On May 5, 2003, the County received a note for the sale of property. The original amount of the note was \$53,500, payable to the County in equal monthly installments of \$446, with no interest through May 2013. At June 30, 2012, the balance was \$4,905.

Receivables at government-wide level at June 30, 2012 were as follows:

	Accounts Receivable	Taxes and Related Accrued Interest Receivable	Due from Other Governments	Other	Total
Governmental activities:					
General Fund	\$ 1,061,745	\$ 3,386,375	\$ 5,123,236	\$ 819	\$ 9,572,175
Interest receivable - governmental activities only	-	21,165	-	-	21,165
Other governmental	770,427	337,157	104,197	133,573	1,345,354
Total receivables	1,832,172	3,744,697	5,227,433	134,392	10,938,694
Allowance for doubtful accounts	(979,000)	(1,098,515)	-	-	(2,077,515)
Total governmental activities	\$ 853,172	\$ 2,646,182	\$ 5,227,433	\$ 134,392	\$ 8,861,179
Amounts not expected to be collected within one year	\$ -	\$ -	\$ 997,308	\$ -	\$ 997,308

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

Local option sales tax	\$ 2,595,215
Long term receivable from town	1,176,768
Other	1,455,450
	<u>\$ 5,227,433</u>

Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Nondepreciable assets:					
Land	\$ 11,472,857	\$ 94,669	\$ 232,232	\$ -	\$ 11,335,294
Construction in progress	<u>7,221,668</u>	<u>-</u>	<u>-</u>	<u>(7,221,668)</u>	<u>-</u>
Total capital assets not being depreciated	<u>18,694,525</u>	<u>94,669</u>	<u>232,232</u>	<u>(7,221,668)</u>	<u>11,335,294</u>
Depreciable assets:					
Improvements	18,212,761	8,331	-	-	18,221,092
Buildings	52,938,840	3,032,059	167,098	7,102,149	62,905,950
Equipment	10,851,997	2,240,847	482,229	119,519	12,730,134
Vehicles	<u>4,878,002</u>	<u>464,903</u>	<u>434,196</u>	<u>-</u>	<u>4,908,709</u>
Total capital assets being depreciated	<u>86,881,600</u>	<u>5,746,140</u>	<u>1,083,523</u>	<u>7,221,668</u>	<u>98,765,885</u>
Less accumulated depreciation:					
Improvements	8,172,310	1,484,662	-	-	9,656,972
Buildings	7,648,890	1,130,195	75,536	-	8,703,549
Equipment	8,801,324	857,796	469,054	-	9,190,066
Vehicles	<u>4,082,039</u>	<u>390,351</u>	<u>434,196</u>	<u>-</u>	<u>4,038,194</u>
Total accumulated depreciation	<u>28,704,563</u>	<u>\$ 3,863,004</u>	<u>\$ 978,786</u>	<u>\$ -</u>	<u>31,588,781</u>
Capital assets, net	<u>58,177,037</u>				<u>67,177,104</u>
Governmental activities capital assets, net	<u>\$ 76,871,562</u>				<u>\$ 78,512,398</u>

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

General government	\$ 916,280
Public safety	944,174
Environmental protection	1,066,257
Economic and physical development	646,249
Human services	202,278
Cultural and recreational	<u>87,766</u>
Total	<u>\$ 3,863,004</u>

☐ **Construction Commitments**

The government had one construction project not yet completed as of June 30, 2012. The construction contract for the new building project which began in the fiscal year ended June 30, 2011 is as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Community college crafts building project	<u>\$ 7,493,404</u>	<u>\$ 1,193,423</u>

☐ **Discretely Presented Component Unit**

Activity for the TDA for the year ended June 30, 2012 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Depreciable assets:				
Improvements	\$ 40,831	\$ 5,652	\$ -	\$ 46,483
Equipment and furniture	<u>23,488</u>	<u>13,895</u>	<u>-</u>	<u>37,383</u>
Total capital assets being depreciated	<u>64,319</u>	<u>19,547</u>	<u>-</u>	<u>83,866</u>
Less accumulated depreciation:				
Improvements	14,995	5,279	-	20,274
Equipment and furniture	<u>19,374</u>	<u>4,835</u>	<u>-</u>	<u>24,209</u>
Total accumulated depreciation	<u>34,369</u>	<u>\$ 10,114</u>	<u>\$ -</u>	<u>44,483</u>
Capital assets, net	<u>\$ 29,950</u>			<u>\$ 39,383</u>

B. Liabilities**Payables:**

Payables at the government-wide level at June 30, 2012 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 1,434,286	\$ 753,053	\$ 681,046	\$ 2,868,385
Solid waste management fund	286,962	25,000	46,899	358,861
Community college projects fund	1,084,828	-	-	1,084,828
Estimated claims payable	-	-	248,907	248,907
Other governmental	<u>346,870</u>	<u>2,673</u>	<u>107</u>	<u>349,650</u>
Total governmental activities	<u>\$ 3,152,946</u>	<u>\$ 780,726</u>	<u>\$ 976,959</u>	<u>\$ 4,910,631</u>

Pension Plan Obligation:**☐ Local Governmental Employees' Retirement System**

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

Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.88% and 7.36%, 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, 2012, 2011 and 2010 were \$1,158,951, \$1,107,852, and

\$865,635, 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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan does not issue a separate stand-alone financial report.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>54</u>
Total	<u><u>58</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, 2011 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included: (a) 5.00% investment rate of return; and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both items (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percent of pay on a closed basis. The remaining amortization period at December 31, 2011 was 19 years.

Annual Pension Cost and Net Pension Obligation -

Annual required contribution	
Employer annual required contribution	\$ 71,659
Interest on net pension obligation	24,228
Adjustment to annual required contribution	<u>(28,906)</u>
Annual pension cost	66,981
Less: Contributions made	<u>32,354</u>
Increase in net pension obligation	34,627
Net pension obligation beginning of year	<u>484,550</u>
Net pension obligation end of year	<u><u>\$ 519,177</u></u>

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2012	\$ 66,981	48.30%	\$ 519,177
6/30/2011	\$ 69,601	83.45%	\$ 484,550
6/30/2010	\$ 61,412	45.01%	\$ 473,030

Funded Status and Funding Progress – As of December 31, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (“UAAL”) was \$650,963. The covered payroll (annual payroll of active employees covered by the plan) was \$2,140,204, and the ratio of the UAAL to the covered payroll was 30.42%.

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

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

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

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent 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, 2012 were \$157,758, which consisted of \$108,935 from the County and \$48,850 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 5.5% of annual gross pay through March 2009, at which point the contribution by the County was discontinued, and all amounts contributed were vested immediately. Contributions for the year ended June 30, 2012 were \$239,099, all of which was from 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 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, 2012, the County's required and actual contributions were \$6,238.

□ **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, 102 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2012, Haywood County made payments for post-retirement health benefit premiums of \$208,115. Haywood County is self insured for health care costs and pays the Medicare Supplement for retirees who qualify, also on a pro-rata basis. A separate report was not issued for the plan.

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

	General Employees and Law Enforcement Officers
Retirees and dependents receiving benefits	96
Active plan members	512
Total	608

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

The current ARC rate is 9.8% of annual covered payroll. For the current year, the County contributed \$208,115 or 1% of annual covered payroll.

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

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

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

	<u>Governmental Activities</u>
Annual required contribution	\$ 1,925,270
Interest on net OPEB obligation	229,062
Adjustment to annual required contribution	<u>(197,622)</u>
Annual OPEB cost	1,956,710
Contributions made	<u>(208,115)</u>
Increase in net OPEB obligation	1,748,595
Net OPEB obligation, beginning of year	<u>5,726,562</u>
Net OPEB obligation, end of year	<u><u>\$ 7,475,157</u></u>

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 1,956,710	10.60%	\$ 7,475,157
2011	\$ 2,041,112	6.42%	\$ 5,726,562
2010	\$ 2,032,799	5.53%	\$ 3,816,554

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

assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

□ **Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2012, the County made contributions to the State for death benefits of \$16,845.

The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.10% and 0.14%, respectively, of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

Closure and Postclosure Care Costs--White Oak Landfill Facility:

State and federal laws and regulations require the County to place a final cover on its White Oak Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs based on the estimated life of the landfill and the usage of the landfill for a particular period. As of June 30, 2012, the estimated accrual for landfill closure and postclosure care of \$6,144,889, which is based on the use of 100% of the estimated capacity of Phase I of the landfill and 100% of the estimated capacity of Phase II, had increased by \$274,855. The County will recognize the remaining estimated cost of closure and postclosure care of any new cell capacity as new cells begin to be filled. The County began filling the latest cell, phase III, in July 2012. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. The landfill, constructed in phases, will not be closed until the final phase is completed. Haywood County expects to close the White Oak Facility in the year 2032. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. However, the County has plans to establish a reserve fund to accumulate resources for the payment of closure and postclosure care costs.

Deferred/Unearned Revenues:

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at June 30, 2012 is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ 264,939	\$ 264,939
Prepaid fees not yet earned (Special Revenue)	2,200	\$ 2,200
Taxes receivable, net (General)	1,935,046	-
Fees receivable (General)	73,319	-
Taxes receivable, net (Special Revenue)	225,642	-
Long-term notes receivable (General)	1,176,768	-
Fees receivable (Special Revenue)	324,518	-
Grant revenue received in cash (General)	<u>336,033</u>	<u>336,033</u>
Total	<u>\$ 4,338,465</u>	<u>\$ 603,172</u>

Risk Management:

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters 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 percent of the estimated loss fund. The employee workers' compensation program is funded through the Workers' Compensation Internal Service Fund.

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

	<u>2012</u>	<u>2011</u>
Estimated claims payable, July 1	\$ 225,379	\$ 15,067
Plus: Incurred claims and changes in estimates	5,442,319	5,308,558
Less: Claims payments	<u>(5,418,791)</u>	<u>(5,098,246)</u>
Estimated claims payable, June 30	<u>\$ 248,907</u>	<u>\$ 225,379</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 \$50,000, \$100,000, and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Haywood County TDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The 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.

Claims and Judgments:

At June 30, 2012, 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.

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%.	\$ 144,581
\$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%.	1,112,942
\$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%.	148,771
\$9,900,000 note was issued for the courthouse renovation project and to make a contribution to the community college for their Child Development Center. The note was entered into on January 8, 2007, requiring 15 annual principal payments of \$660,000, plus interest payments at 3.67%.	6,600,000
\$1,400,000 note was issued for the public schools' artificial turf project at the two high school stadiums. The note was entered into on April 1, 2008, requiring five annual principal payments of \$280,000, plus interest payments at 3.32%.	280,000
\$146,100 note was issued for the Haywood Advancement Loan. The note was entered into on November 6, 2008, requiring one annual principal payment of \$146,100, plus interest payments at 4.00%.	146,100
\$1,123,000 note was issued to finance the acquisition of land for a future County park. The note was entered into on June 12, 2009, requiring fifteen annual principal payments of \$74,867, plus interest at 4.17%.	898,400
\$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%.	2,500,000

(continued)

\$12,500,000 note was issued for the adaptive renovation project from USDA with ARRA funds to purchase a vacated Wal-Mart building to house the Social Services, Health, and Central Permitting departments in the County. The note was entered into on October 4, 2010 and requires 40 annual payments of \$608,243, including interest at 3.75%. \$ 12,360,507

\$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%. 10,080,000

\$350,000 note was issued for renovations to the local County fairgrounds to bring the property into ADA compliance, requiring two annual principal payments of \$175,000, plus interest at 1.69% 175,000

Total installment notes payable—governmental activities \$ 34,446,301

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,248,496	\$ 1,211,142	\$ 4,459,638
2014	2,653,789	1,108,393	3,762,182
2015	2,160,427	1,012,266	3,172,693
2016	1,667,323	944,905	2,612,228
2017	1,674,487	886,954	2,561,441
2018-2022	8,489,978	3,555,381	12,045,359
2023-2027	4,071,031	2,331,513	6,402,544
2028-2032	1,580,945	1,886,607	3,467,552
2033-2037	1,911,278	1,556,276	3,467,554
2038-2042	2,311,081	1,156,468	3,467,549
2043-2047	2,456,538	694,063	3,150,601
2048-2051	2,220,928	212,043	2,432,971
	<u>\$ 34,446,301</u>	<u>\$ 16,556,011</u>	<u>\$ 51,002,312</u>

☐ **Certificates of Participation**

In October 2002, the County entered into an installment-financing contract with a bank for construction of a new justice center and parking deck in the amount of \$22,000,000. In February 2003, the County entered into an installment-financing contract with a bank for refunding of the previous installment contract and the note payable for the construction of the agricultural center. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$911,644 and a reduction of \$1,815,976 in future debt service payments. The contract was funded by execution and delivery of Certificates of Participation. The outstanding contract at June 30, 2012 is as follows:

\$22,705,000 Building Construction and Renovation
 Program Series 2002 due in annual principal payments
 on October 1, ranging from \$50,000 to \$1,765,000,
 and semi-annual interest payments on April 1 and
 October 1 through 2017; interest ranges from 2.0% to
 5.0%, fluctuating throughout the life of the certificates. \$ 9,220,000

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,665,000	\$ 393,250	\$ 2,058,250
2014	1,585,000	312,000	1,897,000
2015	1,495,000	242,475	1,737,475
2016	1,490,000	175,325	1,665,325
2017	1,495,000	100,700	1,595,700
2018	<u>1,490,000</u>	<u>31,663</u>	<u>1,521,663</u>
Total	<u>\$ 9,220,000</u>	<u>\$ 1,255,413</u>	<u>\$ 10,475,413</u>

☐ **General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2012 are comprised of the following individual issues:

\$12,000,000 2005 Jail/Law Enforcement Center Serial Bonds due on December 1 and June 1 with interest payments through December 1, 2005; beginning June 1, 2006, installments of \$600,000 plus interest through June 1, 2025; interest rates ranging from 3.5% to 4.8%	\$ 7,800,000
\$18,000,000 2006 School Facility Serial Bonds due on November 1 and May 1 with interest payments through November 1, 2007; beginning May 1, 2008, installments of \$800,000 plus interest each May 1 through 2013; installment of \$900,000 plus interest due May 1, 2014; installments of \$1,000,000 plus interest through May 1, 2025, and a payment of \$1,300,000 plus interest on May 1, 2026. Interest payments are also due each November. Interest rates range from 3.75% to 5.00%.	14,000,000
\$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%.	<u>5,600,000</u>
Total	<u><u>\$ 27,400,000</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,750,000	\$ 1,163,388	\$ 2,913,388
2014	1,850,000	1,098,888	2,948,888
2015	1,950,000	1,028,388	2,978,388
2016	1,950,000	943,887	2,893,887
2017	1,950,000	858,075	2,808,075
2018-2022	9,750,000	3,008,174	12,758,174
2023-2027	8,200,000	927,200	9,127,200
Total	<u><u>\$ 27,400,000</u></u>	<u><u>\$ 9,028,000</u></u>	<u><u>\$ 36,428,000</u></u>

□ **Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities follows:

	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds	\$ 29,150,000	\$ -	\$ 1,750,000	\$ 27,400,000	\$ 1,750,000
Deferred issuance premium on bonds	447,423	-	30,346	417,077	-
Certificates of Participation	10,870,000	-	1,650,000	9,220,000	1,665,000
Deferred issuance premium on COPs	426,417	-	65,964	360,453	-
Notes payable	34,488,946	3,053,600	3,096,245	34,446,301	3,248,496
Landfill closure and postclosure care costs	5,870,034	274,855	-	6,144,889	-
Compensated absences	1,540,463	1,126,095	977,893	1,688,665	997,451
Net pension obligation	484,550	66,981	32,354	519,177	-
Other post employment benefits	<u>5,726,562</u>	<u>1,956,710</u>	<u>208,115</u>	<u>7,475,157</u>	<u>-</u>
Total	<u>\$ 89,004,395</u>	<u>\$ 6,478,241</u>	<u>\$ 7,810,917</u>	<u>\$ 87,671,719</u>	<u>\$ 7,660,947</u>

At June 30, 2012, Haywood County had a legal debt margin of \$496,447,078.

C. **Capital Assets, Net of Related Debt** — Capital assets, net of related debt at June 30, 2012, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 78,512,398
Less capital debt:	
Gross debt	71,843,831
Less: School debt related to assets to which the county does not hold title	(19,880,000)
Less: Community College debt related to assets to which the County does not hold title	<u>(10,080,000)</u>
Net capital debt	<u>41,883,831</u>
Capital assets, net of related debt	<u>\$ 36,628,567</u>

- D. **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	\$ 14,512,110
Less:	
Inventories	100,794
Stabilization by State Statute	4,602,244
Restricted for Sheriff's Department and Title III projects	107,294
Committed fund balance	1,025,703
Fund balance policy (11%)	<u>1,596,332</u>
Remaining fund balance	<u>\$ 7,079,743</u>

- E. **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, 2012.

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.

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

The County, in conjunction with the State of North Carolina and Haywood County Board of Education, participates in a joint venture to operate Haywood County Community College (the "Community College"). Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government association

serves as a non-voting, ex-officio member of the board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,100,456 and \$120,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ending June 30, 2012 from the General Fund. In addition, the County expended \$6,301,149 from the Community College Project Fund for various construction projects. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2012. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 185 Freedlander Drive, Clyde, North Carolina, 28721.

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Smoky Mountain Center for Mental Health (the "Center"). Each of the fifteen participants appoints one board member to the 15-25 member board of directors. Each of the fifteen participants then appoints the remaining members in such a manner as to provide equitable area-wide representation. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2012. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$116,455 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.

- G. **Jointly Governed Organization** - The County, in conjunction with 21 town and county governments, established the Southwestern North Carolina Planning and Economic Development Commission (the "Commission"). The participating governments established the Commission to coordinate funding received from various federal and State agencies. Each participating government appoints one member to the Commission's governing board.
- H. **Benefit Payments Issued by the State** - The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause

benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the financial statements because they are not revenues and expenditures of the County.

	<u>Federal</u>	<u>State</u>
Special Supplemental Food Program for Women, Infants, and Children	\$ 1,038,754	\$ -
Medical Assistance Program	48,671,407	28,317,113
TANF Emergency Assistance	798,132	(50)
Independent Living Transitional	14,964	-
State/County Special Assistance for Adults	-	490,404
AFDC Payments and Penalties	(194)	(53)
Refugee Assistance	543	-
IV-E Adoption	430,386	115,680
Special Children Adoption	6,000	-
Child Welfare Services--Adoption Subsidy	-	316,326
IV-E Foster Care	340,885	113,334
Foster Care at Risk	-	10,792
State Foster Care Benefits Program	-	174,240
Total	<u>\$ 51,300,877</u>	<u>\$ 29,537,786</u>

- I. **Summary Disclosure of Significant Contingencies** - The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.
- J. **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, 2012, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$11,200,000.

- K. **Interfund Receivables, Payables and Transfers** - Interfund transfers for the year ended June 30, 2012, consisted of the following:

Transfers to Master Facilities Fund from:	
General Fund	\$ 83,432
Transfer to Public School Building Fund from:	
General Fund	57,700
Transfers to General Fund from:	
Capital Project Fund	5,123

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, 2012, the County transferred \$83,432 from the General Fund to the Master Facilities Project Fund, to cover some additional Health Department building expenses within the adaptive reuse project. The County transferred \$57,700 to the Public Schools ADM/Lottery Capital Project Fund as a 25% match for school building renovation projects, 75% funded by the Public Schools Capital Building Fund. The County transferred \$5,123 back to the General Fund for Parks and Recreation project.

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]
12/31/11	\$ -	\$ 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%
12/31/02	-	305,477	305,477	0%	1,386,108	22.04%

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>
2010	\$ 57,236	48.29%
2011	\$ 71,273	81.49%
2012	\$ 71,659	45.10%

Notes to the Required Schedules:

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

Valuation date	12/31/11
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 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]
12/31/11	\$ 0	\$ 19,866,726	\$19,866,726	0%	\$19,265,594	103.1%
12/31/09	0	18,569,987	18,569,987	0%	19,520,324	95.1%
12/31/08	0	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

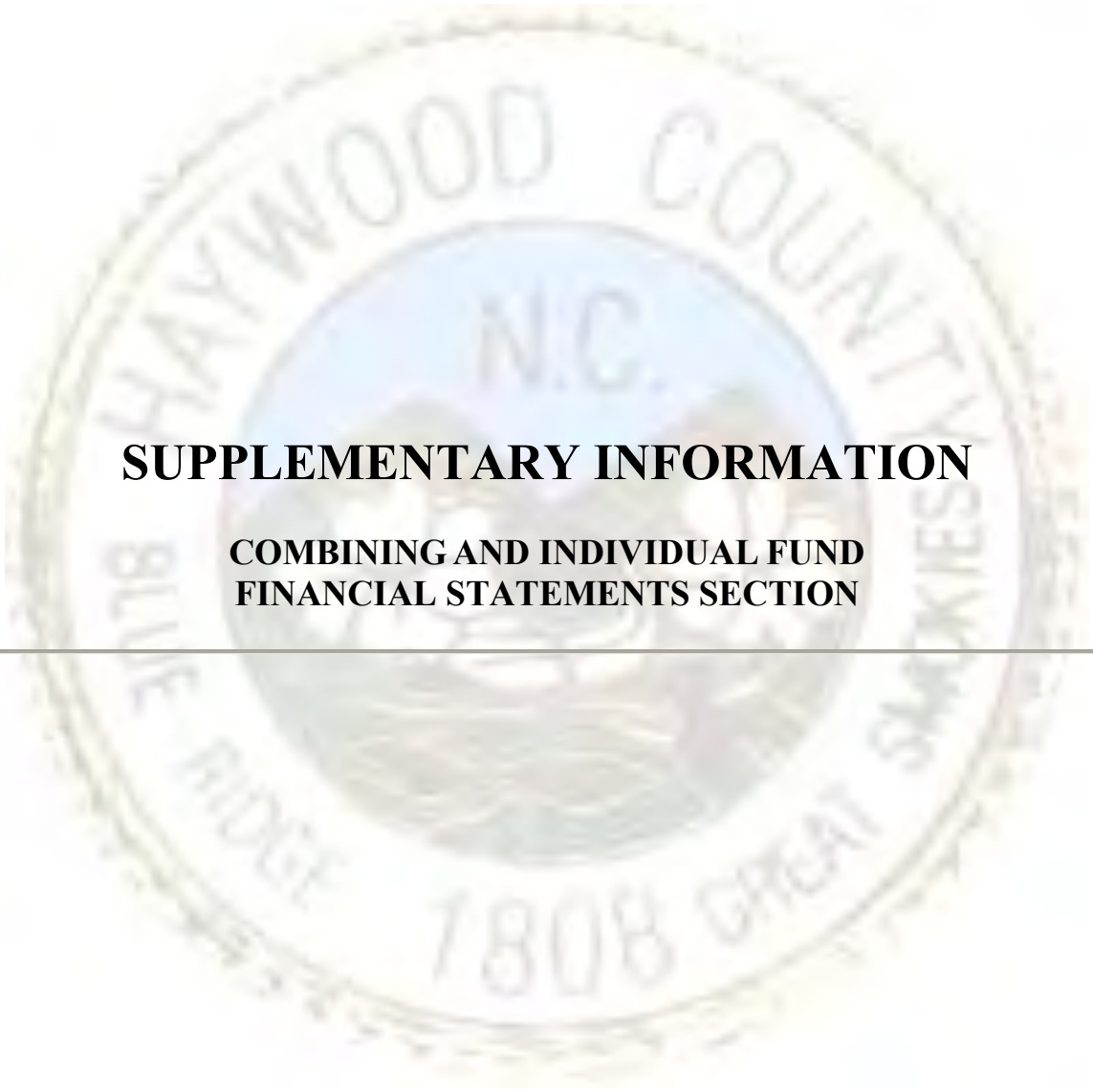
<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2010	\$ 2,020,158	5.5%
2011	\$ 2,020,158	6.4%
2012	\$ 1,925,270	10.8%

Notes to the Required Schedules:

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

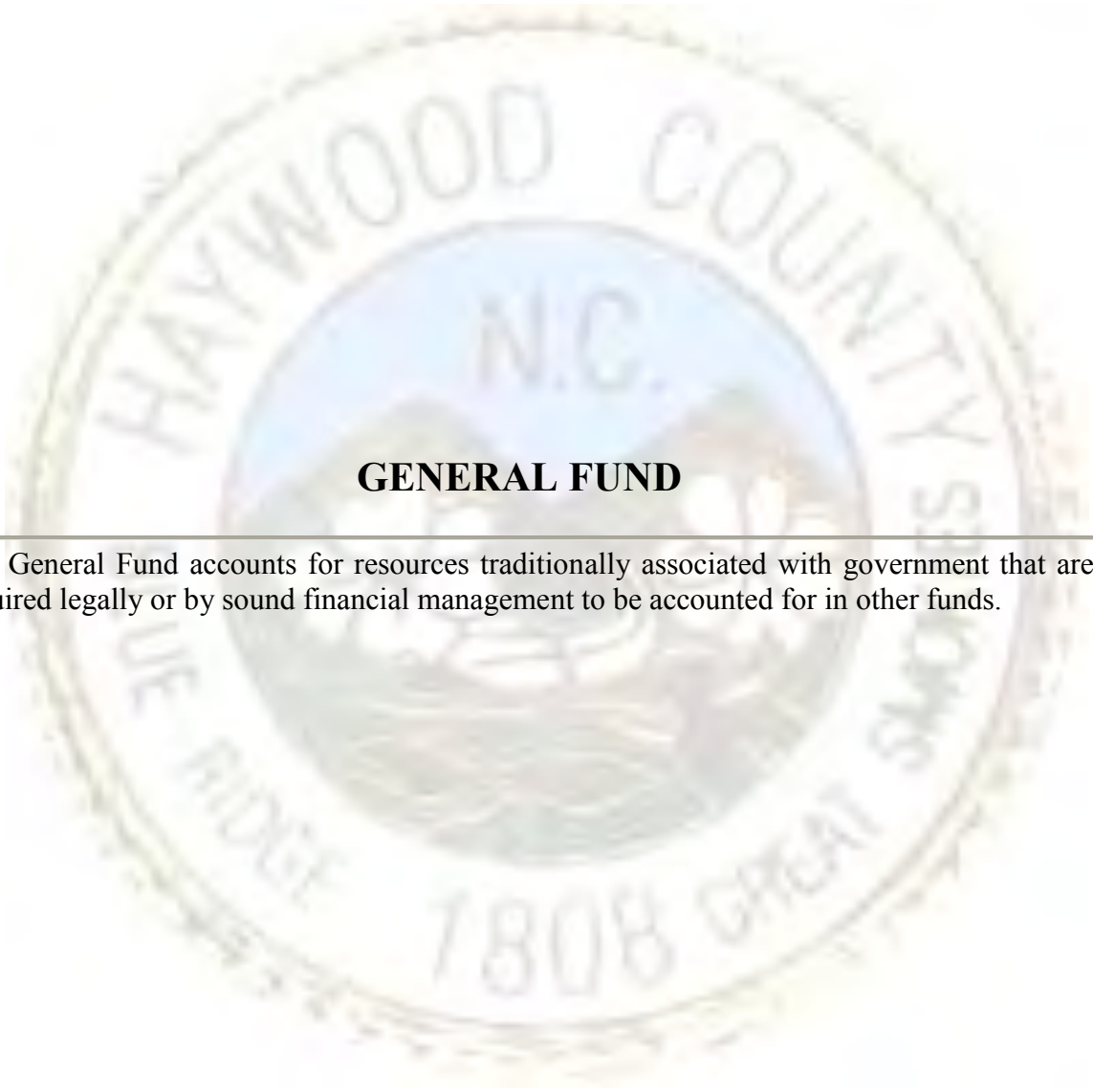
Valuation date	12/31/11
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.0%
Medical cost trend:	
Pre-Medicare trend rate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

*Includes inflation at 3.00%

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top and "N.C." at the bottom. Inside the ring is a blue circle with a white mountain range and a river. The text "BLUE RIDGE" is on the left and "1808 GREAT SMOKIES" is on the right.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS SECTION

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top and "N.C." at the bottom. Inside the ring is a landscape scene featuring a mountain range, a river, and a small town. The year "1808" is inscribed at the bottom of the inner circle.

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 2011)

For the Fiscal Year Ended June 30, 2012

	2012		2011
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		Variance Favorable (Unfavorable)	
Revenues:			
Ad valorem taxes:			
Current year and prior years		\$ 38,286,767	\$ 37,434,260
Penalties and interest		281,158	285,951
Total	\$ 38,175,889	38,567,925	\$ 37,720,211
Local option sales taxes:			
Article 39 one percent		4,205,612	4,000,501
Article 40 one-half of one percent		2,672,163	2,455,091
Article 42 one-half of one percent		2,330,584	2,227,684
Article 44 one-half of one percent		(1,024)	(51,167)
Article 46 one-quarter of one percent		1,304,097	1,254,506
Total	10,326,550	10,511,432	9,886,615
Other taxes and licenses:			
Rental vehicle tax		22,222	23,494
Occupancy tax		903,891	907,928
Cable television tax		2,881	11,253
Telecommunication video sales tax		361,456	339,331
Real property transfer tax		655,122	647,619
Other taxes		158,984	156,056
Total	2,381,010	2,104,556	2,085,681
Unrestricted intergovernmental:			
Payments in lieu of taxes	200,000	312,905	301,405
Restricted intergovernmental:			
Federal, state and other grants		13,292,153	10,545,269
Court facilities fees		116,249	123,515
Health and Social Services revenues-local		976,264	972,026
ABC net revenues		32,109	109,031
Controlled substance tax		1,806	3,087
Other--local		559,700	572,227
Total	16,783,653	14,978,281	12,325,155

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>			<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues, continued:				
Permits and fees:				
Building permits and inspection fees	\$ 348,000	\$ 253,557	\$ (94,443)	\$ 316,816
Sales and services:				
Library local revenues		16,561		15,695
Mapping sales		8,839		7,576
Sheriff's fees and commissions		166,793		129,007
Jail and officers' fees		97,725		125,357
Ambulance fees		1,412,140		2,245,063
Animal control fees		62,393		58,695
Dental clinic charges		109,956		90,899
Health dept patient fees		319,852		397,261
Social Services patient fees		70,520		52,631
Tax assessments--departmental services		372		454
Garage--departmental services		12,989		17,854
Tax collection fees		67,914		43,376
Public buildings--departmental services		34,179		36,560
Elections--departmental services		2,046		1,075
EDC--property management fees		12,730		12,000
Extension 4H		8,084		16,954
Rent		195,094		173,306
Recreation fees		21,667		52,310
Total	3,569,318	2,619,854	(949,464)	3,476,073
Investment earnings	75,000	44,764	(30,236)	71,756
Miscellaneous:				
Other	173,499	158,541	(14,958)	149,528
Total revenues	72,032,919	69,551,815	(2,481,104)	66,333,240

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	2012		2011
		Variance Favorable (Unfavorable)	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits		\$ 106,288	\$ 96,949
Operating		457,403	468,058
Total		<u>563,691</u>	<u>565,007</u>
Administration:			
Salaries and employee benefits		270,683	435,472
Operating		37,302	38,632
Capital outlay		10,952	-
Total		<u>318,937</u>	<u>474,104</u>
Finance:			
Salaries and employee benefits		449,618	401,910
Operating		46,788	41,058
Total		<u>496,406</u>	<u>442,968</u>
Human Resource:			
Salaries and employee benefits		157,822	182,952
Operating		319,962	155,418
Total		<u>477,784</u>	<u>338,370</u>
Wellness Clinic:			
Salaries and employee benefits		38,975	32,280
Operating		137,943	117,991
Total		<u>176,918</u>	<u>150,271</u>
Tax collections:			
Salaries and employee benefits		317,286	303,459
Operating		127,995	130,705
Total		<u>445,281</u>	<u>434,164</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>		<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
		<u>Variance Favorable (Unfavorable)</u>	
Expenditures, continued:			
General government, continued:			
Tax assessments:			
Salaries and employee benefits	\$	457,024	\$ 433,077
Operating		60,007	51,280
Total		<u>517,031</u>	<u>484,357</u>
Land records:			
Salaries and employee benefits		161,351	155,185
Operating		7,915	8,312
Total		<u>169,266</u>	<u>163,497</u>
Revaluation:			
Salaries and employee benefits		258,982	284,211
Operating		77,307	172,623
Total		<u>336,289</u>	<u>456,834</u>
Legal services		<u>143,130</u>	<u>516,269</u>
Courts:			
Operating		101,274	100,095
Capital outlay		-	6,717
Total		<u>101,274</u>	<u>106,812</u>
CJPP technical assistance:			
Salaries and employee benefits		57,629	55,830
Operating		9,534	22,697
Total		<u>67,163</u>	<u>78,527</u>
Elections:			
Salaries and employee benefits		267,069	264,930
Operating		42,735	39,602
Total		<u>309,804</u>	<u>304,532</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued**
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	2012			2011
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Register of Deeds:				
Salaries and employee benefits		\$ 223,014		\$ 207,755
Operating		409,296		368,330
Total		<u>632,310</u>		<u>576,085</u>
Total general government	\$ 5,096,503	4,755,285	\$ 341,218	5,091,797
Central Services:				
Information systems:				
Salaries and employee benefits		285,425		291,241
Operating		194,364		158,584
Capital outlay		84,423		256,603
Total		<u>564,212</u>		<u>706,428</u>
Garage:				
Salaries and employee benefits		110,288		105,507
Operating		25,973		28,217
Capital outlay		6,075		-
Total		<u>142,336</u>		<u>133,724</u>
Public buildings:				
Salaries and employee benefits		796,792		706,543
Operating		1,052,369		999,179
Capital outlay		212,592		97,143
Total		<u>2,061,753</u>		<u>1,802,865</u>
Total central services	2,867,895	2,768,301	99,594	2,643,017
Public safety:				
Sheriff:				
Salaries and employee benefits		3,755,578		3,450,711
Operating		604,224		659,448
Capital outlay		155,543		251,400
Total		<u>4,515,345</u>		<u>4,361,559</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>		<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
			<u>Actual</u>
Expenditures, continued:			
Public safety, continued:			
Haywood County 911 Communication Center:			
Salaries and employee benefits	\$	452,568	\$ 455,422
Operating		38,562	36,400
Total		491,130	491,822
Public safety grants:			
Salaries and employee benefits		5,328	294,204
Operating		281,551	(2,513)
Capital outlay		-	931
Total		286,879	292,622
Sheriff--SRO officers:			
Salaries and employee benefits		166,539	160,042
Operating		2,214	2,735
Total		168,753	162,777
Detention:			
Salaries and employee benefits		1,646,419	1,620,751
Operating		549,591	416,838
Capital outlay		10,488	3,385
Total		2,206,498	2,040,974
NC forest service:			
Operating		65,507	80,491
Building inspections:			
Salaries and employee benefits		376,096	430,077
Operating		33,235	24,590
Capital outlay		13,466	-
Total		422,797	454,667
Medical examiner		34,200	34,300

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>			<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Emergency medical service:				
Salaries and employee benefits		\$ 3,329,884		\$ 3,197,100
Operating		450,562		417,691
Capital outlay		293,669		266,803
Total		<u>4,074,115</u>		<u>3,881,594</u>
Rescue squad:				
Operating		<u>23,675</u>		<u>50,000</u>
Emergency management:				
Salaries and employee benefits		99,088		93,502
Operating		97,981		35,625
Capital outlay		-		115,914
Total		<u>197,069</u>		<u>245,041</u>
Animal control:				
Salaries and employee benefits		283,387		256,660
Operating		161,922		124,036
Capital outlay		21,604		-
Total		<u>466,913</u>		<u>380,696</u>
Total public safety	\$ 13,654,205	<u>12,952,881</u>	\$ 701,324	<u>12,476,543</u>
Transportation:				
Mass transit	<u>330,000</u>	<u>238,829</u>	<u>91,171</u>	<u>294,722</u>
Environmental protection:				
Erosion control program:				
Salaries and employee benefits		145,935		175,112
Operating		4,204		4,142
Total	<u>155,530</u>	<u>150,139</u>	<u>5,391</u>	<u>179,254</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>		<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures, continued:			
Economic and physical development:			
Planning:			
Salaries and employee benefits		\$ 165,073	\$ 176,230
Operating		7,720	44,413
Total		<u>172,793</u>	<u>220,643</u>
Economic development:			
Salaries and employee benefits		166,294	160,822
Operating		63,068	56,649
Total		<u>229,362</u>	<u>217,471</u>
Haywood County Agricultural and Activities Board		<u>-</u>	<u>404,428</u>
Tourism development		<u>884,852</u>	<u>888,848</u>
Community development:			
Operating		<u>84,789</u>	<u>178,053</u>
Extension:			
Operating		<u>250,094</u>	<u>254,616</u>
Soil conservation:			
Salaries and employee benefits		171,583	166,480
Operating		21,195	22,554
Total		<u>192,778</u>	<u>189,034</u>
Soil and water conservation agricultural engineer:			
Salaries and employee benefits		<u>77,039</u>	<u>74,639</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued**
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>			<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Expenditures, continued:				
Economic and physical development, continued:				
Soil and water conservation agricultural technician:				
Salaries and employee benefits		\$ 60,215		\$ 57,523
Operating		<u>7,307</u>		<u>7,803</u>
Total		<u>67,522</u>		<u>65,326</u>
Total economic and physical development	<u>\$ 2,658,425</u>	<u>1,959,229</u>	<u>\$ 699,196</u>	<u>2,493,058</u>
Human services:				
Health:				
Salaries and employee benefits		2,126,557		1,943,428
Operating		215,824		215,496
Capital outlay		<u>19,046</u>		<u>54,321</u>
Total		<u>2,361,427</u>		<u>2,213,245</u>
Medicaid:				
Salaries and employee benefits		237,122		475,591
Operating		<u>14,097</u>		<u>77,612</u>
Total		<u>251,219</u>		<u>553,203</u>
Immunization:				
Operating		2,368		1,800
Capital outlay		<u>1,134</u>		<u>-</u>
Total		<u>3,502</u>		<u>1,800</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued**
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	2012		2011	
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Dental clinic:				
Salaries and employee benefits		\$ 335,943		\$ 392,080
Operating		190,830		118,093
Total		526,773		510,173
Child health		6,397		4,517
Family planning:				
Operating		51,312		47,562
Adult health services:				
Operating		3,821		25,695
Health check:				
Salaries and employee benefits		41,794		39,712
Operating		413		496
Total		42,207		40,208
Cancer data base		8,091		7,769
American Cancer Society--Project Assist:				
Salaries and employee benefits		59,187		60,388
Operating		7,671		11,402
Capital outlay		1,963		-
Total		68,821		71,790
WIC program:				
Salaries and employee benefits		10,255		-
Operating		53,237		63,962
Total		63,492		63,962

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued**
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>		<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenditures, continued:			
Human services, continued:			
Smart & Healthy Start:			
Operating		1,500	2,317
Capital outlay		-	2,333
Total		<u>1,500</u>	<u>4,650</u>
Maternal Health:			
Operating		<u>4,709</u>	<u>4,709</u>
Environmental health:			
Salaries and employee benefits		767,491	909,075
Operating		<u>32,908</u>	<u>33,248</u>
Total		<u>800,399</u>	<u>942,323</u>
T.B. control		<u>3,226</u>	<u>3,226</u>
Mental health		<u>116,455</u>	<u>116,362</u>
Social Services:			
Salaries and employee benefits		6,597,658	6,349,681
Operating		<u>545,515</u>	<u>496,517</u>
Capital outlay		<u>6,696</u>	<u>244,268</u>
Total		<u>7,149,869</u>	<u>7,090,466</u>
Work First--NCDOT Trans		<u>19,005</u>	<u>35,988</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	2012		2011
		Variance Favorable (Unfavorable)	
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Expenditures, continued:			
Human services, continued:			
Public Assistance:			
General assistance		\$ 1,543	\$ 3,217
Medicaid		(592)	(828)
Aid to the aged and disabled		498,848	483,215
Crisis intervention		472,478	311,713
Aid to blind		5,636	6,974
Adoption assistance		22,513	27,345
Medicaid transportation		481,638	560,199
Electrical assistance expenditures		206,632	88,521
Foster Care		1,053,922	944,126
Public assistance		60,874	54,254
Total		<u>2,803,492</u>	<u>2,478,736</u>
Meals on Wheels:			
Salaries and employee benefits		169,658	162,387
Operating		77,976	81,081
Total		<u>247,634</u>	<u>243,468</u>
JOBS Work First:			
Operating		<u>3,470,717</u>	<u>272,780</u>
Food assistance		<u>2,525</u>	<u>4,906</u>
Adoption awareness		<u>475</u>	<u>250</u>
Adult Day Care:			
Salaries and employee benefits		147,993	126,039
Operating		74,466	75,893
Total		<u>222,459</u>	<u>201,932</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**General Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued**
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>			<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Cap-Community Alternative Program				
Salaries and employee benefits		\$ 332,902		\$ 327,472
Operating		99,779		90,367
Total		<u>432,681</u>		<u>417,839</u>
Robert Wood Johnson Grant		<u>110,664</u>		<u>65,000</u>
Community Crisis Management		<u>4,016</u>		<u>5,997</u>
Adoption payments		<u>213,927</u>		<u>202,371</u>
Title III Grants		<u>379,652</u>		<u>340,010</u>
Senior citizens programs		<u>16,000</u>		<u>16,000</u>
Veteran's service:				
Salaries and employee benefits		93,406		73,205
Operating		<u>5,808</u>		<u>4,492</u>
Total		<u>99,214</u>		<u>77,697</u>
Youth Services:				
Operating		<u>242,342</u>		<u>191,870</u>
Total human services	<u>\$ 20,974,754</u>	<u>19,728,023</u>	<u>\$ 1,246,731</u>	<u>16,256,504</u>
Culture and recreation:				
Library:				
Salaries and employee benefits		928,686		930,503
Operating		406,006		381,263
Capital outlay		<u>14,478</u>		<u>19,878</u>
Total		<u>1,349,170</u>		<u>1,331,644</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	2012			2011
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Actual</u>
Expenditures, continued:				
Recreation:				
Salaries and employee benefits		\$ 161,455		\$ 156,391
Operating		85,289		96,700
Capital outlay		6,700		-
Total		<u>253,444</u>		<u>253,091</u>
Total culture and recreation	\$ 1,666,342	<u>1,602,614</u>	\$ 63,728	<u>1,584,735</u>
Education:				
Public schools--current		13,977,292		14,445,197
Public schools--capital outlay		205,500		198,008
Community college--current		2,100,456		2,118,456
Community college--capital outlay		120,000		168,130
Total education	<u>16,454,063</u>	<u>16,403,248</u>	<u>50,815</u>	<u>16,929,791</u>
Debt service:				
Principal	5,619,246	5,496,245	123,001	4,702,536
Interest	<u>2,986,943</u>	<u>2,903,948</u>	<u>82,995</u>	<u>2,446,633</u>
Total debt service	<u>8,606,189</u>	<u>8,400,193</u>	<u>205,996</u>	<u>7,149,169</u>
Total expenditures	<u>72,463,906</u>	<u>68,958,742</u>	<u>3,505,164</u>	<u>65,098,590</u>
Revenues over (under) expenditures	<u>(430,987)</u>	<u>593,073</u>	<u>1,024,060</u>	<u>1,234,650</u>
Other financing sources (uses):				
Transfers to other funds	(474,653)	(136,009)	338,644	(3,253,148)
Proceeds from long term debt	-	-	-	350,000
Sale of capital assets	<u>12,050</u>	<u>486,429</u>	<u>474,379</u>	<u>93,734</u>
Total other financing sources (uses)	<u>(462,603)</u>	<u>350,420</u>	<u>813,023</u>	<u>(2,809,414)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2011)

For the Fiscal Year Ended June 30, 2012

	<u>2012</u>			<u>2011</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (893,590)	\$ 943,493	\$ 1,837,083	\$ (1,574,764)
Appropriated fund balance	<u>893,590</u>	<u>-</u>	<u>(893,590)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>943,493</u>	<u>\$ 943,493</u>	<u>(1,574,764)</u>
Fund balance, July 1		<u>13,568,617</u>		<u>15,143,381</u>
Fund balance, June 30		<u>\$ 14,512,110</u>		<u>\$ 13,568,617</u>

The seal of Maywood County, California, is a circular emblem. The outer ring contains the text "MAYWOOD COUNTY CALIFORNIA" at the top and "1808 GREAT SMOKIE" at the bottom. The inner circle features a landscape with a river, a bridge, and a sun. The text "BLUE RIDGE" is written across the middle of the inner circle.

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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees:			
Solid waste fees	\$ 3,422,400	\$ 3,327,971	\$ (94,429)
Other taxes and licenses	115,000	126,083	11,083
Intergovernmental revenue:			
DENR Grants	40,000	87,949	47,949
Sales and services	1,728,000	1,797,024	69,024
Total revenues	<u>5,305,400</u>	<u>5,339,027</u>	<u>33,627</u>
Expenditures:			
Salaries and employee benefits	1,175,777	1,123,671	52,106
Operating	2,984,720	2,814,336	170,384
Solid waste disposal tax	96,000	89,021	6,979
Capital outlay	221,444	213,402	8,042
Contingency	81,770	-	81,770
Debt service:			
Principal	1,000,000	1,000,000	-
Interest	125,775	125,775	-
Total expenditures	<u>5,685,486</u>	<u>5,366,205</u>	<u>319,281</u>
Revenues under expenditures	(380,086)	(27,178)	352,908
Appropriated fund balance	<u>380,086</u>	<u>-</u>	<u>(380,086)</u>
Net change in fund balance	<u>\$ -</u>	<u>(27,178)</u>	<u>\$ (27,178)</u>
Fund balance:			
Beginning of year, July 1		<u>3,100,727</u>	
End of year, June 30		<u>\$ 3,073,549</u>	

The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top and "1808" at the bottom. Inside this ring, the words "BLUE RIDGE" are on the left and "GREAT SMOKIES" are on the right. The center of the seal features a landscape with mountains, a river, and a sun. The letters "N.C." are positioned above the landscape.

COMBINING STATEMENTS FOR NON-MAJOR FUNDS

HAYWOOD COUNTY, NORTH CAROLINACombining Balance Sheet
Non-major Governmental Funds

June 30, 2012

	Total Non- major Special Revenue Funds	Total Non- major Capital Projects Funds	Total Non- major Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 674,186	\$ 684,694	\$ 1,358,880
Accounts receivable, net	174,945	91,964	266,909
Taxes receivable, net	225,642	-	225,642
Total assets	<u>\$ 1,074,773</u>	<u>\$ 776,658</u>	<u>\$ 1,851,431</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 315,079	\$ 34,571	\$ 349,650
Deferred revenue	225,642	-	225,642
Total liabilities	<u>540,721</u>	<u>34,571</u>	<u>575,292</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	50,714	91,964	142,678
Public Safety	482,533	-	482,533
Economic Development grants	805	-	805
Committed	-	650,123	650,123
Total fund balances	<u>534,052</u>	<u>742,087</u>	<u>1,276,139</u>
Total liabilities and fund balances	<u>\$ 1,074,773</u>	<u>\$ 776,658</u>	<u>\$ 1,851,431</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Special Revenue Funds

June 30, 2012

	Emergency Telephone Fund	Fire Districts Fund	Crisis Assistance Housing Fund
<u>Assets</u>			
Cash and cash equivalents	\$ 574,925	\$ 61,835	\$ 31,007
Accounts receivable, net	50,714	-	-
Taxes receivable, net	-	214,746	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 625,639</u></u>	<u><u>\$ 276,581</u></u>	<u><u>\$ 31,007</u></u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 92,392	\$ 61,835	\$ 31,007
Deferred revenue	-	214,746	-
Total liabilities	<u>92,392</u>	<u>276,581</u>	<u>31,007</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	50,714	-	-
Public Safety	482,533	-	-
Economic Development Grants	-	-	-
Total fund balances	<u>533,247</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 625,639</u></u>	<u><u>\$ 276,581</u></u>	<u><u>\$ 31,007</u></u>

Special Revenue Funds

Sanitary District Fund	Lake Junaluska Sediment Removal Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non- major Special Revenue Funds
\$ 3,641	\$ -	\$ 1,973	\$ 805	\$ 674,186
-	124,231	-	-	174,945
7,990	-	2,906	-	225,642
<u>\$ 11,631</u>	<u>\$ 124,231</u>	<u>\$ 4,879</u>	<u>\$ 805</u>	<u>\$ 1,074,773</u>
\$ 3,641	\$ 124,231	\$ 1,973	\$ -	\$ 315,079
7,990	-	2,906	-	225,642
<u>11,631</u>	<u>124,231</u>	<u>4,879</u>	<u>-</u>	<u>540,721</u>
-	-	-	-	50,714
-	-	-	-	482,533
-	-	-	805	805
<u>-</u>	<u>-</u>	<u>-</u>	<u>805</u>	<u>534,052</u>
<u>\$ 11,631</u>	<u>\$ 124,231</u>	<u>\$ 4,879</u>	<u>\$ 805</u>	<u>\$ 1,074,773</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Capital Project Funds

June 30, 2012

	Capital Projects Funds					
	Water and Sewer Lines	Solid Waste/ Landfill	Master Facilities	Public Schools ADM/Lottery	County Building Renovations	Total Non- major Capital Projects Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 16,669	\$ 493,811	\$ -	\$ 86,563	\$ 87,651	\$ 684,694
Accounts receivable, net	-	91,964	-	-	-	91,964
Total assets	<u>\$ 16,669</u>	<u>\$ 585,775</u>	<u>\$ -</u>	<u>\$ 86,563</u>	<u>\$ 87,651</u>	<u>\$ 776,658</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 34,571	\$ -	\$ -	\$ -	\$ 34,571
Fund balances:						
Restricted:						
Stabilization by State Statute	-	91,964	-	-	-	91,964
Committed	16,669	459,240	-	86,563	87,651	650,123
Total fund balances	<u>16,669</u>	<u>551,204</u>	<u>-</u>	<u>86,563</u>	<u>87,651</u>	<u>742,087</u>
Total liabilities and fund balances	<u>\$ 16,669</u>	<u>\$ 585,775</u>	<u>\$ -</u>	<u>\$ 86,563</u>	<u>\$ 87,651</u>	<u>\$ 776,658</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, 2012

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 3,840,831	\$ -	\$ 3,840,831
Other taxes	608,573	-	608,573
Restricted intergovernmental	222,537	1,362,896	1,585,433
Investment earnings	990	-	990
Total revenues	<u>4,672,931</u>	<u>1,362,896</u>	<u>6,035,827</u>
Expenditures:			
Current:			
Public safety	4,022,221	-	4,022,221
Environmental protection	318,449	986,340	1,304,789
Economic and physical development	284,417	45,113	329,530
Human services	-	3,562,947	3,562,947
Intergovernmental:			
Education	-	416,139	416,139
Total expenditures	<u>4,625,087</u>	<u>5,010,539</u>	<u>9,635,626</u>
Revenues over (under) expenditures	<u>47,844</u>	<u>(3,647,643)</u>	<u>(3,599,799)</u>
Other financing sources (uses):			
Transfers from other funds	-	141,132	141,132
Transfers to other funds	-	(5,123)	(5,123)
Note payable issued	-	3,053,600	3,053,600
Total other financing sources (uses)	<u>-</u>	<u>3,189,609</u>	<u>3,189,609</u>
Net change in fund balances	47,844	(458,034)	(410,190)
Fund balances:			
Beginning of year, July 1	<u>486,208</u>	<u>1,200,121</u>	<u>1,686,329</u>
End of year, June 30	<u>\$ 534,052</u>	<u>\$ 742,087</u>	<u>\$ 1,276,139</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, 2012

	Emergency Telephone System Fund	Fire District Fund	Crisis Assistance Housing Fund
Revenues:			
Ad valorem taxes	\$ -	\$ 3,462,602	\$ -
Other taxes	608,573	-	-
Restricted intergovernmental	-	-	98,306
Investment earnings	990	-	-
Total revenues	<u>609,563</u>	<u>3,462,602</u>	<u>98,306</u>
Expenditures:			
Current:			
Public safety	559,619	3,462,602	-
Environmental protection	-	-	-
Economic and physical development	-	-	100,406
Total expenditures	<u>559,619</u>	<u>3,462,602</u>	<u>100,406</u>
Net change in fund balances	49,944	-	(2,100)
Fund balances, beginning	<u>483,303</u>	<u>-</u>	<u>2,100</u>
Fund balances, ending	<u>\$ 533,247</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Sanitary District Fund	Lake Junaluska Sediment Removal Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 194,218	\$ -	\$ 184,011	\$ -	\$ 3,840,831
-	-	-	-	608,573
-	124,231	-	-	222,537
-	-	-	-	990
<u>194,218</u>	<u>124,231</u>	<u>184,011</u>	<u>-</u>	<u>4,672,931</u>
-	-	-	-	4,022,221
194,218	124,231	-	-	318,449
-	-	184,011	-	284,417
<u>194,218</u>	<u>124,231</u>	<u>184,011</u>	<u>-</u>	<u>4,625,087</u>
-	-	-	-	47,844
-	-	-	805	486,208
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 534,052</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, 2012

	Capital Projects Funds					Total Non-major Capital Project Funds
	Water and Sewer Lines Fund	Solid Waste/ Landfill Fund	Master Facilities Fund	Public Schools ADM/Lottery Fund	Building Renovations Fund	
Revenues:						
Restricted intergovernmental	\$ -	\$ 881,455	\$ 99,967	\$ 381,474	\$ -	\$ 1,362,896
Expenditures:						
Current:						
Environmental protection	-	986,340	-	-	-	986,340
Economic and physical development	40,000	-	-	-	5,113	45,113
Human services	-	-	3,562,947	-	-	3,562,947
Education	-	-	-	416,139	-	416,139
Total expenditures	40,000	986,340	3,562,947	416,139	5,113	5,010,539
Revenues under expenditures	(40,000)	(104,885)	(3,462,980)	(34,665)	(5,113)	(3,647,643)
Other financing sources (uses):						
Transfers from other funds	-	-	83,432	57,700	-	141,132
Transfers to other funds	-	-	-	-	(5,123)	(5,123)
Note payable issued	-	-	3,053,600	-	-	3,053,600
Total other financing sources (uses)	-	-	3,137,032	57,700	(5,123)	3,189,609
Net change in fund balances	(40,000)	(104,885)	(325,948)	23,035	(10,236)	(458,034)
Fund balances, beginning	56,669	656,089	325,948	63,528	97,887	1,200,121
Fund balances, ending	\$ 16,669	\$ 551,204	\$ -	\$ 86,563	\$ 87,651	\$ 742,087

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 Lake Junaluska Sediment Removal Fund accounts for the grant funding for the dredging of Lake Junaluska in the 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, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
9-1-1 system subscriber fees	\$ 555,648	\$ 608,573	\$ 52,925
Investment earnings	-	990	990
Total revenues	<u>555,648</u>	<u>609,563</u>	<u>53,915</u>
Expenditures:			
Public safety	652,375	559,619	92,756
Contingency	100,000	-	100,000
Total expenditures	<u>752,375</u>	<u>559,619</u>	<u>192,756</u>
Revenues over (under) expenditures	(196,727)	49,944	246,671
Appropriated fund balance	<u>196,727</u>	<u>-</u>	<u>(196,727)</u>
Net change in fund balance	<u>\$ -</u>	49,944	<u>\$ 49,944</u>
Fund balance:			
Beginning of year, July 1		<u>483,303</u>	
End of year, June 30		<u>\$ 533,247</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, 2012

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 3,576,701	\$ 3,434,622	\$ (142,079)
Penalties and interest	18,597	27,980	9,383
Total	<u>3,595,298</u>	<u>3,462,602</u>	<u>(132,696)</u>
Expenditures:			
Public safety:			
Fire district:			
West Canton	73,450	65,789	7,661
North Canton	248,475	243,825	4,650
Center Pigeon	385,743	372,078	13,665
Lake Junaluska	340,310	333,212	7,098
Crabtree-Ironduff	257,365	246,208	11,157
Cruso	189,900	178,878	11,022
Camp Branch (Waynesville)	-	44	(44)
Saunook	177,075	163,419	13,656
Maggie Valley	583,775	576,471	7,304
Clyde	385,249	377,253	7,996
Jonathan Creek	445,675	421,584	24,091
South Waynesville	-	227	(227)
Big Cove (Waynesville)	-	47	(47)
Fines Creek	168,563	162,485	6,078
Lake Logan-Cecil	142,778	141,734	1,044
Waynesville (combined)	196,940	179,348	17,592
Total expenditures	<u>3,595,298</u>	<u>3,462,602</u>	<u>132,696</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, 2012

		Actual			Variance
	Project Authorization	Prior Year	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted intergovernmental:					
NC Department of Crime Control and Public Safety--CHAF	\$ 5,405,402	\$ 3,731,716	\$ -	\$ 3,731,716	\$ (1,673,686)
Clean Water Management Trust Easement	350,066	216,823	98,306	315,129	(34,937)
Total revenues	<u>5,755,468</u>	<u>3,948,539</u>	<u>98,306</u>	<u>4,046,845</u>	<u>(1,708,623)</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	118,587	2,100	120,687	2,705
Replacement assistance	3,146,000	2,466,116	-	2,466,116	679,884
C/O data processing equipment	2,990	2,990	-	2,990	-
Total	<u>5,405,402</u>	<u>3,729,616</u>	<u>2,100</u>	<u>3,731,716</u>	<u>1,673,686</u>
Clean Water Trust easement:					
Professional services	106,354	86,444	4,819	91,263	15,091
Property management	48,647	46,742	1,777	48,519	128
C/O land easement	195,065	83,637	91,710	175,347	19,718
Total	<u>350,066</u>	<u>216,823</u>	<u>98,306</u>	<u>315,129</u>	<u>34,937</u>
Total expenditures	<u>5,755,468</u>	<u>3,946,439</u>	<u>100,406</u>	<u>4,046,845</u>	<u>1,708,623</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,100</u>	<u>(2,100)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			2,100		
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, 2012

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 207,694	\$ 193,039	\$ (14,655)
Penalties and interest	1,000	1,179	179
Total revenues	<u>208,694</u>	<u>194,218</u>	<u>(14,476)</u>
Expenditures:			
Environmental protection:			
Water and sewer	<u>208,694</u>	<u>194,218</u>	<u>14,476</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**Lake Junaluska Sediment Removal Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual**

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 319,000	\$ 69,267	\$ 124,231	\$ 193,498	\$ (125,502)
Expenditures:					
Environmental protection	319,000	69,267	124,231	193,498	125,502
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ -		

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, 2012

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year and prior year	\$ 196,007	\$ 183,291	\$ (12,716)
Penalties and interest	13,051	720	(12,331)
Total revenues	<u>209,058</u>	<u>184,011</u>	<u>(25,047)</u>
Expenditures:			
Economic and physical development	<u>209,058</u>	<u>184,011</u>	<u>25,047</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**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, 2012

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

CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions

MAJOR FUND

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.

NON-MAJOR FUNDS

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 Master Facilities Projects Fund primarily accounts for the purchase and renovation to the new DSS and Health and Control Permitting building.

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, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ 14,442	\$ 12,914	\$ 27,356	\$ 27,356
Expenditures:					
HCC--Administration building:					
Professional services:					
Architectural and engineering	212,469	50,335	13,069	63,404	149,065
Other	25,544	20,399	5,145	25,544	-
Buildings, structures and improvements	1,579,353	1,483,198	96,154	1,579,352	1
Total	1,817,366	1,553,932	114,368	1,668,300	149,066
HCC--Creative Arts building:					
Professional services:					
Architectural and engineering	985,000	781,918	115,230	897,148	87,852
Financing costs	67,000	63,065	3,286	66,351	649
Miscellaneous	219,735	68,131	73,099	141,230	78,505
Buildings, structures and improvements	8,686,827	1,498,713	5,994,691	7,493,404	1,193,423
Contingency	337,605	-	-	-	337,605
Total	10,296,167	2,411,827	6,186,306	8,598,133	1,698,034
HCC--General Education building 300 renovation:					
Professional services:					
Architectural and engineering	25,000	24,364	-	24,364	636
Buildings, structures and improvements	139,034	139,034	-	139,034	-
Contingency	7,465	-	-	-	7,465
Total	171,499	163,398	-	163,398	8,101
HCC--Waterline project:					
Professional services:					
Architectural and engineering	32,300	30,096	475	30,571	1,729
Buildings, structures and improvements	238,918	190,574	-	190,574	48,344
Contingency	11,950	-	-	-	11,950
Total	283,168	220,670	475	221,145	62,023

(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, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Project contingency	\$ 349,166	\$ -	\$ -	\$ -	\$ 349,166
Total expenditures	12,917,366	4,349,827	6,301,149	10,650,976	2,266,390
Revenues under expenditures	(12,917,366)	(4,335,385)	(6,288,235)	(10,623,620)	2,293,746
Other financing sources (uses):					
Proceeds from Installment loans	11,100,000	11,100,000	-	11,100,000	-
Tranfers from other funds	1,817,366	1,817,366	-	1,817,366	-
Total other financing sources (uses)	12,917,366	12,917,366	-	12,917,366	-
Net change in fund balance	\$ -	\$ 8,581,981	(6,288,235)	\$ 2,293,746	\$ 2,293,746
Fund balance:					
Beginning of year, July 1			8,581,981		
End of year, June 30			\$ 2,293,746		

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, 2012

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Sales and services	\$ 40,000	\$ 56,669	\$ -	\$ 56,669	\$ 16,669
Expenditures:					
Contribution to Town of Canton	40,000	-	40,000	40,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 56,669</u>	(40,000)	<u>\$ 16,669</u>	<u>\$ 16,669</u>
Fund balance:					
Beginning of year, July 1			<u>56,669</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, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,000,000	\$ 118,545	881,455	\$ 1,000,000	-
Investment earnings	-	21,975	-	21,975	21,975
Total revenues	<u>1,000,000</u>	<u>140,520</u>	<u>881,455</u>	<u>1,021,975</u>	<u>21,975</u>
Expenditures:					
Landfill expansion--cell three:					
Professional services--legal/financing	41,000	26,474	26	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	-	-	-	152,000
Equipment-electrical	37,571	30,800	-	30,800	6,771
Other structures	3,749,028	3,749,028	-	3,749,028	-
Construction contingency	92,684	-	-	-	92,684
Contingency	10,017	-	-	-	10,017
Total	<u>4,500,000</u>	<u>4,192,568</u>	<u>26</u>	<u>4,192,594</u>	<u>307,406</u>
Landfill gas collection project (phase 1):					
Professional services	107,494	107,198	-	107,198	296
Land clearing	27,130	27,130	-	27,130	-
Easement acquisition	6,000	6,000	-	6,000	-
Total	<u>140,624</u>	<u>140,328</u>	<u>-</u>	<u>140,328</u>	<u>296</u>
Landfill gas flaring project (phases 2 & 3):					
Professional services	176,796	82,941	73,163	156,104	20,692
Miscellaneous costs	6,404	-	6,404	6,404	-
Gas collection/flaring	841,469	36,578	795,136	831,714	9,755
Power generator/gravity sewer	117,811	-	111,611	111,611	6,200
Contingency	32,930	-	-	-	32,930
Total	<u>1,175,410</u>	<u>119,519</u>	<u>986,314</u>	<u>1,105,833</u>	<u>69,577</u>
Total expenditures	<u>5,816,034</u>	<u>4,452,415</u>	<u>986,340</u>	<u>5,438,755</u>	<u>377,279</u>
Revenues under expenditures	<u>(4,816,034)</u>	<u>(4,311,895)</u>	<u>(104,885)</u>	<u>(4,416,780)</u>	<u>399,254</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA**Capital Project Fund—Solid Waste/Landfill****Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual, Continued**

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Other financing sources:					
Proceeds from note payable	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -
Transfer from other funds	316,034	316,034	-	316,034	-
Excess from completed projects	-	151,950	-	151,950	151,950
Total other financing sources	<u>4,816,034</u>	<u>4,967,984</u>	<u>-</u>	<u>4,967,984</u>	<u>151,950</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 656,089</u>	<u>(104,885)</u>	<u>\$ 551,204</u>	<u>\$ 551,204</u>
Fund balance:					
Beginning of year, July 1			<u>656,089</u>		
End of year, June 30			<u>\$ 551,204</u>		

HAYWOOD COUNTY, NORTH CAROLINA

Capital Project Fund—Master Facilities Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 99,967	\$ -	\$ 99,967	\$ 99,967	\$ -
Investment earnings	444,676	444,676	-	444,676	-
Sales tax refunds	18,323	18,323	-	18,323	-
Total revenues	<u>562,966</u>	<u>462,999</u>	<u>99,967</u>	<u>562,966</u>	<u>-</u>
Expenditures:					
Historic Courthouse Renovation:					
Professional services--architectural	312,884	312,884	-	312,884	-
Professional services--other	314,335	314,335	-	314,335	-
Miscellaneous charges	58,743	58,743	-	58,743	-
Arbitration award payment	713,058	713,058	-	713,058	-
Bank charges and fees	38,646	38,646	-	38,646	-
Capital outlay--Furniture and equipment	387,773	387,773	-	387,773	-
Capital outlay--Buildings--reconstruction	6,976,430	6,976,430	-	6,976,430	-
Total	<u>8,801,869</u>	<u>8,801,869</u>	<u>-</u>	<u>8,801,869</u>	<u>-</u>
Other project:					
Contribution to Haywood Community College	<u>1,821,500</u>	<u>1,821,500</u>	<u>-</u>	<u>1,821,500</u>	<u>-</u>
DSS & Health & Permitting - adaptive reuse:					
Professional services--architectural	319,000	283,355	35,645	319,000	-
Professional services--other	15,029	15,029	-	15,029	-
Capital outlay--Furniture and equipment	585,479	-	585,479	585,479	-
Capital outlay--Buildings--reconstruction	6,600,000	6,600,000	-	6,600,000	-
Capital outlay--reconstruction	5,478,359	2,536,524	2,941,823	5,478,347	12
Total	<u>12,997,867</u>	<u>9,434,908</u>	<u>3,562,947</u>	<u>12,997,855</u>	<u>12</u>
Total expenditures	<u>23,621,236</u>	<u>20,058,277</u>	<u>3,562,947</u>	<u>23,621,224</u>	<u>12</u>
Revenues under expenditures	<u>(23,058,270)</u>	<u>(19,595,278)</u>	<u>(3,462,980)</u>	<u>(23,058,258)</u>	<u>12</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Capital Project Fund—Master Facilities Projects
 Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual, Continued

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Other financing sources (uses):					
Proceeds from installment loan	\$ 22,400,000	\$ 19,346,400	\$ 3,053,600	\$ 22,400,000	\$ -
Transfers from other funds	954,441	870,997	83,432	954,429	(12)
Transfers to other funds	(296,171)	(296,171)	-	(296,171)	-
Total other financing sources (uses)	<u>23,058,270</u>	<u>19,921,226</u>	<u>3,137,032</u>	<u>23,058,258</u>	<u>(12)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 325,948</u>	<u>(325,948)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			<u>325,948</u>		
End of year, June 30			<u>\$ -</u>		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,221,938	\$ 563,347	\$ 381,474	\$ 944,821	\$ (277,117)
Expenditures:					
Building projects:					
Public School roofing projects 2011:					
N. Canton Elementary School	56,400	39,344	-	39,344	17,056
Meadowbrook Elementary School	198,740	119,318	-	119,318	79,422
Canton Middle School	189,000	84,006	-	84,006	104,994
Total	444,140	242,668	-	242,668	201,472
North Canton Elementary School roof:					
Professional services	9,450	-	-	-	9,450
Repair and maintenance	211,550	168,359	41,366	209,725	1,825
Total	221,000	168,359	41,366	209,725	11,275
Public School roofing projects 2012:					
Meadowbrook Elementary School	99,000	-	43,624	43,624	55,376
Central Elementary flat roof	22,800	-	10,047	10,047	12,753
Central Elementary shingle roof	10,000	-	-	-	10,000
Jonathan Valley Elementary School	99,000	-	43,624	43,624	55,376
Total	230,800	-	97,295	97,295	133,505
Canton Middle School entrance ramp:					
Repair and maintenance	109,400	9,400	100,000	109,400	-
Lottery bleacher/ADA ramp repairs:					
Repair and maintenance	440,583	245,677	177,478	423,155	17,428
Total	549,983	255,077	277,478	532,555	17,428
Total expenditures	1,445,923	666,104	416,139	1,082,243	363,680
Revenues under expenditures	(223,985)	(102,757)	(34,665)	(137,422)	86,563
Other financing sources:					
Transfer from other funds	223,985	166,285	57,700	223,985	-
Total other financing sources	223,985	166,285	57,700	223,985	-
Net change in fund balance	\$ -	\$ 63,528	23,035	\$ 86,563	\$ 86,563
Fund balance:					
Beginning of year, July 1			63,528		
End of year, June 30			\$ 86,563		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2012

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Contributions	1,500	1,500	-	1,500	-
Miscellaneous	-	81,651	-	81,651	81,651
Total revenue	<u>11,500</u>	<u>93,151</u>	<u>-</u>	<u>93,151</u>	<u>81,651</u>
Expenditures:					
Recreation Park project:					
Professional services--architectural and engineering	<u>15,308</u>	<u>14,950</u>	<u>-</u>	<u>14,950</u>	<u>358</u>
Fairgrounds project:					
Miscellaneous costs	9,878	-	5,113	5,113	4,765
Financing costs	5,122	5,122	-	5,122	-
Buildings, structures and improvements	416,500	416,500	-	416,500	-
Total	<u>431,500</u>	<u>421,622</u>	<u>5,113</u>	<u>426,735</u>	<u>4,765</u>
Total expenditures	<u>446,808</u>	<u>436,572</u>	<u>5,113</u>	<u>441,685</u>	<u>5,123</u>
Revenues under expenditures	<u>(435,308)</u>	<u>(343,421)</u>	<u>(5,113)</u>	<u>(348,534)</u>	<u>86,774</u>
Other financing sources (uses):					
Transfers (to) from other funds:					
General	430,000	436,000	(4,765)	431,235	(1,235)
Capital reserve	<u>5,308</u>	<u>5,308</u>	<u>(358)</u>	<u>4,950</u>	<u>358</u>
Total other financing sources (uses)	<u>435,308</u>	<u>441,308</u>	<u>(5,123)</u>	<u>436,185</u>	<u>(877)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 97,887</u>	<u>(10,236)</u>	<u>\$ 87,651</u>	<u>\$ 87,651</u>
Fund balance:					
Beginning of year, July 1			<u>97,887</u>		
End of year, June 30			<u>\$ 87,651</u>		



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 CAROLINACombining Statement of Net Assets
Internal Service Funds

June 30, 2012

	Internal Service Fund-- Health Insurance	Internal Service Fund-- Workers' Compensation	Total Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 467,935	\$ 852,625	\$ 1,320,560
Prepays	-	10,000	10,000
Total assets	<u>467,935</u>	<u>862,625</u>	<u>1,330,560</u>
Liabilities:			
Current liabilities:			
Accrued expenses	<u>237,107</u>	<u>11,800</u>	<u>248,907</u>
Net assets:			
Unrestricted	<u>\$ 230,828</u>	<u>\$ 850,825</u>	<u>\$ 1,081,653</u>

HAYWOOD COUNTY, NORTH CAROLINACombining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds

For the Fiscal Year Ended June 30, 2012

	Internal Service Fund-- Health Insurance	Internal Service Fund-- Workers' Compensation	Total Internal Service Funds
Revenues:			
Internal charges for services	\$ 4,710,915	\$ 440,208	\$ 5,151,123
External charges for services	567,478	-	567,478
Cobra subsidy	3,827	-	3,827
Total revenues	<u>5,282,220</u>	<u>440,208</u>	<u>5,722,428</u>
Expenses:			
Claims and administration	<u>5,059,425</u>	<u>373,894</u>	<u>5,433,319</u>
Change in net assets	222,795	66,314	289,109
Net assets:			
Beginning of year, July 1	<u>8,033</u>	<u>784,511</u>	<u>792,544</u>
End of year, June 30	<u><u>\$ 230,828</u></u>	<u><u>\$ 850,825</u></u>	<u><u>\$ 1,081,653</u></u>

HAYWOOD COUNTY, NORTH CAROLINACombining Statement of Cash Flows
Internal Service Funds

For The Fiscal Year Ended June 30, 2012

	Internal Service Fund-- Health Insurance	Internal Service Fund-- Workers' Compensation	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from third-party payors and patients	\$ 5,282,220	\$ 440,208	\$ 5,722,428
Payments to providers	(5,045,517)	(373,274)	(5,418,791)
Net cash provided by operating activities	<u>236,703</u>	<u>66,934</u>	<u>303,637</u>
Net increase in cash and cash equivalents	236,703	66,934	303,637
Cash and cash equivalents, July 1	<u>231,232</u>	<u>785,691</u>	<u>1,016,923</u>
Cash and cash equivalents, June 30	<u>\$ 467,935</u>	<u>\$ 852,625</u>	<u>\$ 1,320,560</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 222,795	\$ 66,314	\$ 289,109
Changes in assets and liabilities:			
Increase in prepaids	-	(9,000)	(9,000)
Increase in accrued expenses	<u>13,908</u>	<u>9,620</u>	<u>23,528</u>
Net cash provided by operating activities	<u>\$ 236,703</u>	<u>\$ 66,934</u>	<u>\$ 303,637</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2012

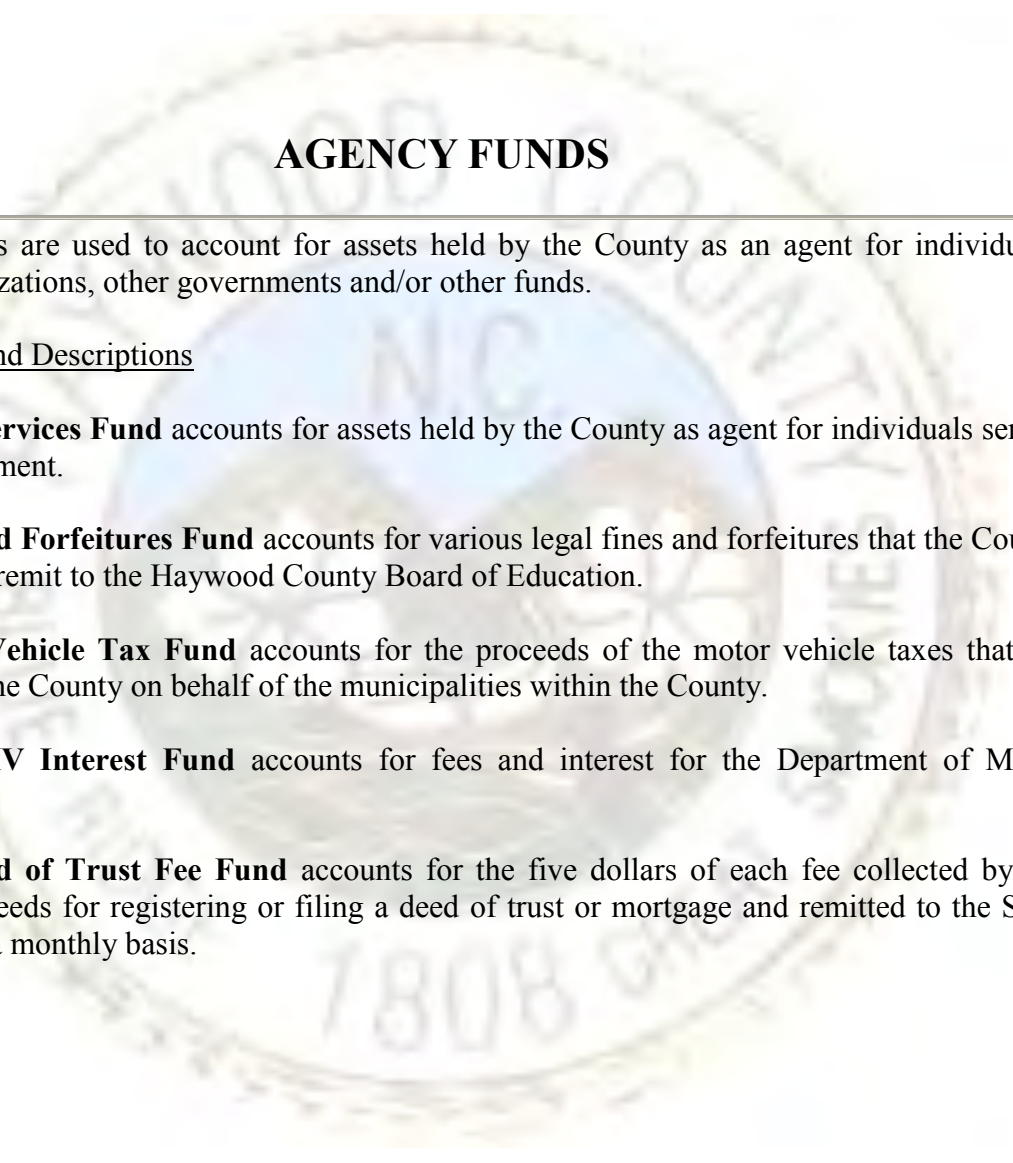
	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating revenues:			
Charges for services	\$ 5,358,500	\$ 5,282,220	\$ (76,280)
Operating expenses:			
Claims and administration	<u>5,358,500</u>	<u>5,059,425</u>	<u>299,075</u>
Revenues over expenses	<u><u>\$ -</u></u>	<u><u>\$ 222,795</u></u>	<u><u>\$ 222,795</u></u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2012

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating revenues:			
Charges for services	\$ 450,000	\$ 440,208	\$ (9,792)
Operating expenses:			
Claims and administration	<u>450,000</u>	<u>373,894</u>	<u>76,106</u>
Revenues over expenses	<u><u>\$ -</u></u>	<u><u>\$ 66,314</u></u>	<u><u>\$ 66,314</u></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 DMV Interest Fund accounts for fees and interest for the Department of Motor Vehicles.

The NC Deed of Trust Fee Fund accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

HAYWOOD COUNTY, NORTH CAROLINA

Agency Funds
Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services:				
Assets:				
Cash and cash equivalents	<u>\$ 201,173</u>	<u>\$ 931,412</u>	<u>\$ 892,193</u>	<u>\$ 240,392</u>
Liabilities:				
Amounts held for others	<u>\$ 201,173</u>	<u>\$ 931,412</u>	<u>\$ 892,193</u>	<u>\$ 240,392</u>
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 361,695</u>	<u>\$ 361,695</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ 361,695</u>	<u>\$ 361,695</u>	<u>\$ -</u>
Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	<u>\$ 73,447</u>	<u>\$ 503,119</u>	<u>\$ 530,897</u>	<u>\$ 45,669</u>
Liabilities:				
Due to other governments	<u>\$ 73,447</u>	<u>\$ 503,119</u>	<u>\$ 530,897</u>	<u>\$ 45,669</u>
NC DMV Interest:				
Assets:				
Cash and cash equivalents	<u>\$ 2,598</u>	<u>\$ 28,436</u>	<u>\$ 28,739</u>	<u>\$ 2,295</u>
Liabilities:				
Due to other governments	<u>\$ 2,598</u>	<u>\$ 28,436</u>	<u>\$ 28,739</u>	<u>\$ 2,295</u>

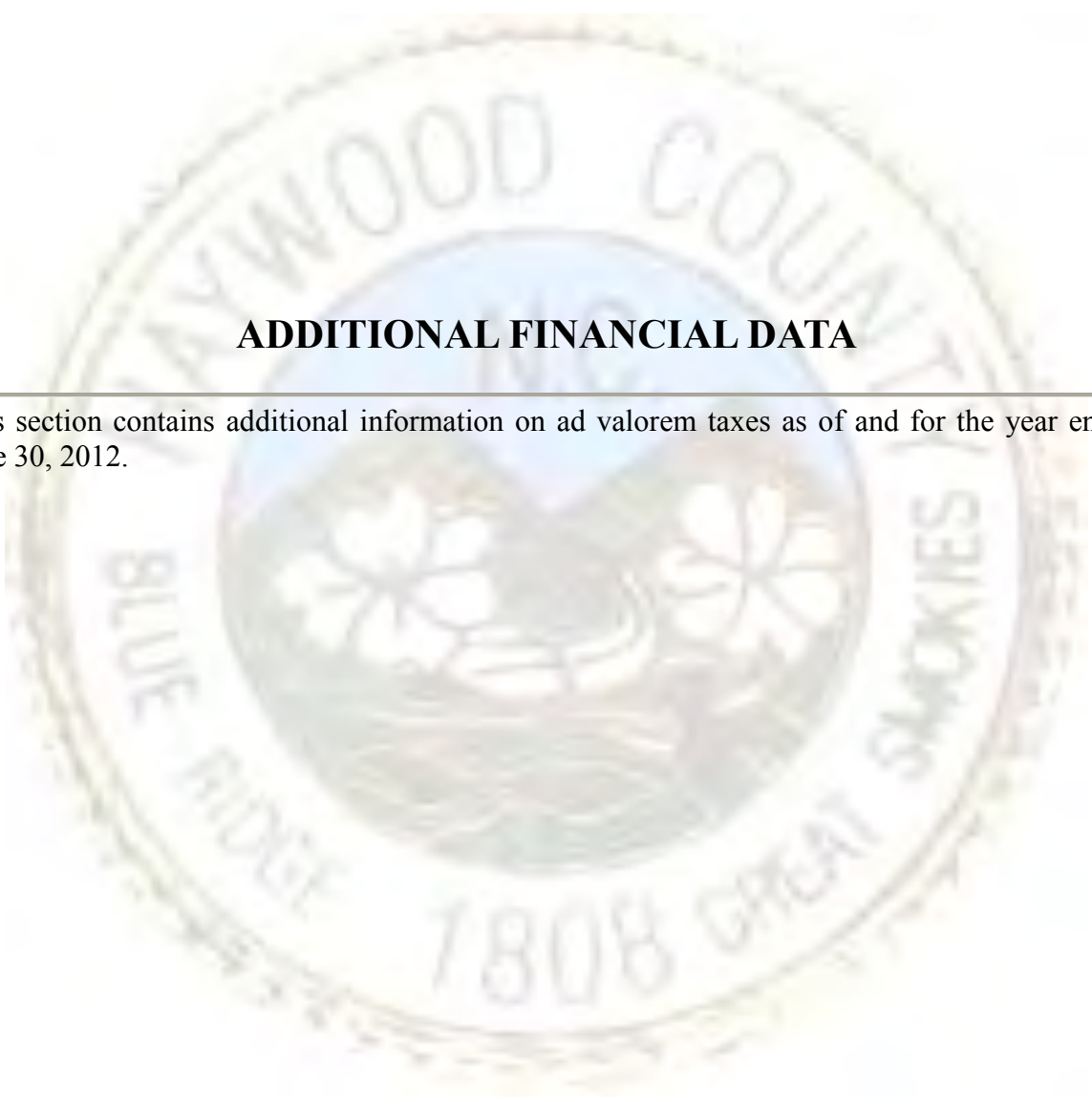
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HAYWOOD COUNTY, NORTH CAROLINA

Agency Funds
Combining Statement of Changes in Assets and Liabilities, Continued

For the Fiscal Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
NC Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 42,853	\$ 42,853	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 42,853	\$ 42,853	\$ -
Totals--All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 277,218	\$ 1,867,515	\$ 1,856,377	\$ 288,356
Liabilities:				
Amounts held for others	\$ 201,173	\$ 931,412	\$ 892,193	\$ 240,392
Due to other governments	76,045	936,103	964,184	47,964
Total liabilities	\$ 277,218	\$ 1,867,515	\$ 1,856,377	\$ 288,356

The seal of Maywood County, Oregon, is a circular emblem. The outer ring contains the text "MAYWOOD COUNTY" at the top and "OREGON" at the bottom. Inside this ring, the words "BLUE RIDGE" are on the left and "GREAT SMOKIES" are on the right. The center of the seal features a landscape with a mountain peak, a river, and two large, stylized white flowers. The year "1808" is inscribed at the bottom of the inner circle.

ADDITIONAL FINANCIAL DATA

This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2012.

HAYWOOD COUNTY, NORTH CAROLINAGeneral Fund
Schedule of Ad Valorem Taxes Receivable

June 30, 2012

Fiscal Year	Beginning Balance	Additions	Collections And Credits	Ending Balance
2011-2012	\$ -	\$ 38,510,277	\$ 37,038,187	\$ 1,472,090
2010-2011	1,445,937	-	1,055,478	390,459
2009-2010	455,116	-	220,060	235,056
2008-2009	251,075	-	81,959	169,116
2007-2008	148,532	-	26,686	121,846
2006-2007	128,537	-	11,727	116,810
2005-2006	127,111	-	9,525	117,586
2004-2005	106,234	-	7,828	98,406
2003-2004	103,020	-	4,757	98,263
2002-2003	106,603	-	4,189	102,414
2001-2002	93,119	-	93,119	-
	<u>\$ 2,965,284</u>	<u>\$ 38,510,277</u>	<u>\$ 38,553,515</u>	2,922,046
Less: allowance for uncollectible accounts:				
General Fund				<u>(987,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,935,046</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes--General Fund				\$ 38,567,925
Reconciling items:				
Refunds paid for prior year collections				129,415
Interest collected				(281,158)
2001 - 2002 write-off per statute of limitations				92,583
Other				44,750
Total reconciling items				<u>(14,410)</u>
Total collections and credits				<u>\$ 38,553,515</u>

HAYWOOD COUNTY, NORTH CAROLINAAnalysis of Current Tax Levy
County-wide Levy

For the Fiscal Year Ended June 30, 2012

	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	\$ 7,104,862,553	0.5413%	\$ 38,458,621	36,065,248	2,393,373
Penalties	-		38,428	38,428	-
Total	<u>7,104,862,553</u>		<u>38,497,049</u>	<u>36,103,676</u>	<u>2,393,373</u>
Discoveries:					
Current year taxes	1,307,778	0.5413%	7,079	7,079	-
Prior year taxes	-		61,698	61,698	-
Penalties	-		10,777	10,777	-
Total	<u>1,307,778</u>		<u>79,554</u>	<u>79,554</u>	<u>-</u>
Abatements	<u>(12,253,095)</u>	0.5413%	<u>(66,326)</u>	<u>(44,176)</u>	<u>(22,150)</u>
Total property valuation	<u><u>\$ 7,093,917,235</u></u>				
Net levy			38,510,277	36,139,054	2,371,223
Uncollected taxes at June 30, 2012			<u>1,472,090</u>	<u>1,113,399</u>	<u>358,691</u>
Current year's taxes collected			<u><u>\$ 37,038,187</u></u>	<u><u>\$ 35,025,655</u></u>	<u><u>\$ 2,012,532</u></u>
Current levy collection percentage			<u><u>96.18%</u></u>	<u><u>96.92%</u></u>	<u><u>84.87%</u></u>

HAYWOOD COUNTY, NORTH CAROLINA

Secondary Market Disclosures

For the Fiscal Year Ended June 30, 2012

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio ¹	100 %
Real property	\$ 6,149,833,834
Personal property	796,003,198
Public service companies ²	<u>148,080,203</u>
Total assessed valuation	7,093,917,235
Tax rate per \$100	0.5413
Levy (includes discoveries, releases and abatements) ³	\$ 38,510,277

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	1.06
Road service districts	1.12
Sanitary district	<u>0.06</u>
Total	<u><u>2.24</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. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses:				
Governmental activities:				
General government	\$ 8,560,054	\$ 9,618,835	\$ 8,182,194	\$ 8,768,120
Public safety	17,821,262	17,490,162	17,126,202	16,776,152
Transportation	238,829	294,722	292,770	284,233
Environmental protection	5,980,140	5,484,418	5,739,294	5,152,439
Economic and physical development	2,871,824	3,774,853	2,736,807	2,770,701
Human services	20,714,369	16,944,025	17,479,276	19,842,232
Cultural and recreation	1,760,349	1,741,261	1,773,656	1,899,287
Education	23,120,536	22,278,017	17,562,877	19,139,292
Interest on long-term debt	2,506,831	3,237,593	2,630,297	2,439,611
Total governmental activities expenses	<u>83,574,194</u>	<u>80,863,886</u>	<u>73,523,373</u>	<u>77,072,067</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General government	312,438	287,709	181,331	184,733
Public safety	1,745,281	2,561,848	2,190,012	2,946,596
Environmental protection	5,139,520	5,102,367	4,585,211	4,265,110
Economic and physical development	247,751	287,415	229,303	244,421
Human services	500,329	540,790	574,082	777,162
Cultural and recreation	76,892	104,974	72,958	72,042
Operating grants:				
General government	188,366	207,309	203,704	490,415
Public safety	1,366,251	1,184,711	963,921	819,708
Transportation	-	179,481	182,845	174,105
Environmental protection	212,179	238,726	46,105	65,128
Economic and physical development	269,942	822,638	389,337	455,797
Human services	12,528,733	9,189,620	9,751,605	9,618,243
Cultural and recreation	207,976	193,046	184,269	185,723
Education	86,230	180,153	158,925	200,145

2008	2007	2006	2005	2004	2003
\$ 11,708,960	\$ 7,189,107	\$ 6,797,823	\$ 5,899,868	\$ 5,542,126	\$ 4,489,622
16,168,220	14,757,960	13,820,383	11,393,440	10,412,999	9,199,382
259,896	223,334	142,609	151,208	213,441	218,802
4,631,896	4,506,090	7,558,422	4,286,107	3,109,881	3,295,029
5,339,247	10,158,504	2,947,975	2,824,937	2,656,375	2,788,097
19,965,753	19,491,770	18,184,042	16,803,064	15,676,474	14,761,560
1,013,051	2,085,582	2,027,052	1,863,920	1,764,400	1,646,722
24,520,469	27,993,801	21,222,128	15,562,420	14,193,940	13,650,156
2,361,453	2,005,587	1,597,889	1,404,216	1,237,979	1,382,240
<u>85,968,945</u>	<u>88,411,735</u>	<u>74,298,323</u>	<u>60,189,180</u>	<u>54,807,615</u>	<u>51,431,610</u>
216,227	177,952	595,955	610,109	223,404	256,793
2,032,758	1,847,392	1,891,570	2,159,261	1,248,398	1,733,019
2,224,986	1,752,966	1,326,883	1,202,507	1,175,051	184,106
348,236	439,972	383,790	324,394	368,186	371,948
731,429	758,957	719,390	542,614	444,286	393,559
67,806	70,965	24,182	25,138	13,569	12,524
1,022,891	424,308	511,874	119,756	69,882	68,644
577,031	572,433	791,088	1,318,692	825,836	237,873
163,855	141,666	105,817	122,467	162,256	168,287
-	-	3,226,371	1,831,549	-	-
947,857	4,139,240	4,179,959	3,510,776	1,182,361	126,088
8,702,862	8,841,511	8,125,771	7,756,284	7,282,638	6,309,468
186,984	254,065	344,704	259,029	265,514	81,410
98,355	89,968	885,299	573,070	485,740	174,142

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Program revenues, continued:				
Governmental activities, continued:				
Capital grants:				
General government	\$ -	\$ 21,918	\$ -	\$ 5,372
Public safety	3,111	445,912	29,872	-
Environmental protection	881,455	36,578	-	-
Economic development	91,710	54,758	28,879	136,689
Human services	99,967	54,321	40,183	-
Culture and recreation	-	-	10,000	-
Education	675,418	1,091,587	254,568	1,332,378
Total governmental activities				
program revenues	<u>24,633,549</u>	<u>22,785,861</u>	<u>20,077,110</u>	<u>21,973,767</u>
Net (expense) revenue:				
Governmental activities	(58,940,645)	(58,078,025)	(53,446,263)	(55,098,300)
General revenues and other changes in net assets:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	42,039,417	41,329,957	40,653,369	38,837,841
Local option sales tax	10,511,432	9,886,615	10,471,553	12,125,586
Other taxes	2,839,212	2,766,516	2,803,761	2,292,752
Grants and contributions not restricted to				
specific programs	312,905	301,405	296,970	420,508
Investment earnings, unrestricted	58,668	89,457	76,439	305,960
Miscellaneous, unrestricted	489,068	26,255	77,256	33,278
Total governmental activities	<u>56,250,702</u>	<u>54,400,205</u>	<u>54,379,348</u>	<u>54,015,925</u>
Change in net assets:				
Governmental activities	<u>\$ (2,689,943)</u>	<u>\$ (3,677,820)</u>	<u>\$ 933,085</u>	<u>\$ (1,082,375)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000
4,194	31,576	-	-	-	-
-	-	-	-	-	-
1,136,322	5,202,570	-	-	-	-
-	22,470	-	-	-	-
-	-	-	-	-	-
267,421	849,710	-	-	-	-
<u>18,729,214</u>	<u>25,617,721</u>	<u>23,112,653</u>	<u>20,355,646</u>	<u>13,747,121</u>	<u>12,617,861</u>
(67,239,731)	(62,794,014)	(51,185,670)	(39,833,534)	(41,060,494)	(38,813,749)
37,536,263	35,997,662	33,038,674	32,085,262	30,990,635	30,513,052
13,862,533	13,332,882	12,597,709	11,678,096	11,714,322	9,316,612
4,828,076	4,556,551	4,719,286	3,908,701	3,714,225	3,496,286
186,409	188,063	194,812	191,725	187,441	2,957,101
1,053,916	1,486,052	976,863	599,171	370,191	296,692
19,326	87	127,022	212,730	256,761	2,174,932
<u>57,486,523</u>	<u>55,561,297</u>	<u>51,654,366</u>	<u>48,675,685</u>	<u>47,233,575</u>	<u>48,754,675</u>
<u>\$ (9,753,208)</u>	<u>\$ (7,232,717)</u>	<u>\$ 468,696</u>	<u>\$ 8,842,151</u>	<u>\$ 6,173,081</u>	<u>\$ 9,940,926</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 36,628,567	\$ 34,025,761	\$ 31,810,284	\$ 30,453,109
Restricted	10,923,140	17,985,523	9,558,867	8,289,420
Unrestricted	<u>(31,151,702)</u>	<u>(32,921,336)</u>	<u>(18,601,383)</u>	<u>(16,907,846)</u>
 Total governmental activities net assets	 <u>\$ 16,400,005</u>	 <u>\$ 19,089,948</u>	 <u>\$ 22,767,768</u>	 <u>\$ 21,834,683</u>

2008	2007	2006	2005	2004	2003
\$ 31,578,244	\$ 34,381,766	\$ 30,081,323	\$ 25,572,842	\$ 19,005,791	\$ 14,318,583
11,338,365	11,010,647	21,451,889	9,983,883	6,203,413	7,544,359
(19,999,551)	(12,722,147)	(11,630,992)	3,877,562	5,382,932	1,056,669
<u>\$ 22,917,058</u>	<u>\$ 32,670,266</u>	<u>\$ 39,902,220</u>	<u>\$ 39,434,287</u>	<u>\$ 30,592,136</u>	<u>\$ 22,919,611</u>

HAYWOOD COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:				
Non-spendable	\$ 100,794	\$ 105,379	\$ 342,106	\$ 153,595
Restricted	4,709,538	5,230,310	5,604,977	5,426,791
Committed	1,025,703	922,369	2,087,408	1,184,146
Assigned	1,161,066	693,787	1,782,489	2,450,872
Unassigned	7,515,009	6,616,772	5,326,401	3,849,538
Total General Fund	<u>14,512,110</u>	<u>13,568,617</u>	<u>15,143,381</u>	<u>13,064,942</u>
All other governmental funds:				
Restricted	3,023,959	7,178,829	234,078	86,859
Committed	<u>3,619,475</u>	<u>6,190,208</u>	<u>4,398,888</u>	<u>5,197,605</u>
Total all other governmental funds	<u>6,643,434</u>	<u>13,369,037</u>	<u>4,632,966</u>	<u>5,284,464</u>
Total fund balance	<u>\$ 21,155,544</u>	<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>	<u>\$ 18,349,406</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 126,577	\$ 151,397	\$ 80,247	\$ 100,164	\$ 122,464	\$ 33,058
6,076,223	7,056,953	6,205,209	5,281,976	4,951,053	4,798,973
-	-	-	-	-	-
5,359,323	6,201,618	4,951,041	4,952,836	4,307,493	2,497,856
996,758	1,117,634	2,365,074	3,886,345	4,943,761	4,380,264
<u>12,558,881</u>	<u>14,527,602</u>	<u>13,601,571</u>	<u>14,221,321</u>	<u>14,324,771</u>	<u>11,710,151</u>
51,353	92,511	87,537	207,375	311,320	45,659
<u>9,653,570</u>	<u>12,006,276</u>	<u>16,394,468</u>	<u>9,780,800</u>	<u>23,528,896</u>	<u>23,077,168</u>
<u>9,704,923</u>	<u>12,098,787</u>	<u>16,482,005</u>	<u>9,988,175</u>	<u>23,840,216</u>	<u>23,122,827</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>\$ 34,832,978</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	2012	2011	2010	2009
Revenues:				
Ad valorem taxes	\$ 42,408,756	\$ 41,673,838	\$ 40,835,842	\$ 38,246,641
Local option sales taxes	10,511,432	9,886,615	10,471,553	12,125,586
Other taxes and licenses	2,839,212	2,766,516	2,803,761	2,292,752
Unrestricted intergovernmental	312,905	301,405	296,970	420,508
Restricted intergovernmental	16,651,663	13,861,876	12,217,455	13,023,512
Permits and fees	3,581,528	3,667,014	2,841,608	3,345,578
Sales and services	4,416,878	5,189,552	4,964,417	5,115,187
Investment earnings	58,668	89,457	76,439	305,960
Miscellaneous	158,541	232,679	212,480	641,333
Total revenues	<u>80,939,583</u>	<u>77,668,952</u>	<u>74,720,525</u>	<u>75,517,057</u>
Expenditures:				
Current:				
General government	4,516,508	5,530,293	4,559,550	5,073,435
Central services	2,768,301	2,643,017	2,499,061	2,327,613
Public safety	16,255,963	15,845,398	15,412,448	15,058,395
Transportation	238,829	294,722	292,770	284,233
Environmental protection	4,473,356	4,282,103	4,584,173	3,964,429
Economic and physical development	2,188,431	3,115,104	2,387,145	2,420,865
Human services	19,742,912	16,037,412	16,568,534	19,031,989
Culture and recreation	1,590,109	1,578,155	1,597,366	1,735,876
Intergovernmental:				
Education	23,120,536	22,278,017	17,562,877	19,139,292
Capital outlay	5,840,809	11,580,962	5,377,218	4,669,773
Debt service:				
Principal	6,496,245	5,702,536	4,423,360	4,457,487
Interest	3,029,723	2,610,060	2,535,736	2,567,745
Bond issuance costs	-	-	-	-
Total expenditures	<u>90,261,722</u>	<u>91,497,779</u>	<u>77,800,238</u>	<u>80,731,132</u>
Excess (deficiency) of revenues over expenditures	<u>(9,322,139)</u>	<u>(13,828,827)</u>	<u>(3,079,713)</u>	<u>(5,214,075)</u>

2008	2007	2006	2005	2004	2003
\$ 37,341,541	\$ 35,790,491	\$ 33,182,820	\$ 31,735,034	\$ 31,095,860	\$ 29,940,776
13,862,533	13,332,882	12,597,709	11,678,096	11,714,322	9,316,612
4,828,076	4,556,551	4,321,866	3,908,701	3,714,225	3,496,286
186,409	188,063	194,812	191,725	187,441	183,149
12,297,790	20,260,573	18,185,311	15,330,861	10,321,297	9,763,395
522,945	756,169	471,015	351,454	410,600	406,516
5,050,041	4,239,314	4,076,009	4,110,317	3,062,294	3,545,485
1,053,916	1,486,052	976,863	599,171	370,191	296,692
1,004,000	498,061	610,897	588,309	378,993	1,289,459
<u>76,147,251</u>	<u>81,108,156</u>	<u>74,617,302</u>	<u>68,493,668</u>	<u>61,255,223</u>	<u>58,238,370</u>
4,934,640	2,971,055	4,594,140	3,975,169	3,713,711	3,541,775
2,146,925	2,020,639	1,726,140	1,444,474	1,463,974	1,183,890
15,031,455	13,650,977	13,050,720	10,934,771	9,893,161	8,765,051
259,896	223,334	142,609	151,208	213,441	218,802
3,614,960	3,225,444	6,712,915	3,576,632	2,498,147	2,768,246
5,026,356	9,918,856	2,680,521	4,583,665	2,404,651	2,745,429
19,912,019	19,301,078	17,960,083	16,584,243	15,417,996	14,569,431
912,665	1,977,203	1,903,382	1,763,524	1,632,926	1,545,995
24,520,469	27,993,801	21,222,128	15,403,890	14,193,940	13,650,156
6,178,600	9,958,195	9,836,752	17,033,386	14,341,485	7,224,923
3,955,964	2,503,127	5,824,825	5,660,959	3,632,883	3,769,107
2,384,555	2,222,189	1,454,371	1,651,984	1,382,164	900,965
153,085	-	177,462	2,580	218,081	-
<u>89,031,589</u>	<u>95,965,898</u>	<u>87,286,048</u>	<u>82,925,015</u>	<u>71,006,560</u>	<u>60,883,770</u>
<u>(12,884,338)</u>	<u>(14,857,742)</u>	<u>(12,668,746)</u>	<u>(14,431,347)</u>	<u>(9,751,337)</u>	<u>(2,645,400)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Other financing sources (uses):				
Transfers from other funds	\$ 141,132	\$ 3,439,102	\$ 1,360,866	\$ 538,542
Transfers to other funds	(141,132)	(3,439,102)	(1,360,866)	(538,542)
General obligation bonds issued	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Refunding certificates of participation issued	-	-	-	-
Premium on certificates of participation issued	-	-	-	-
Certificates of participation issued				
Notes payable issued	3,053,600	20,896,400	4,500,000	1,269,100
Current refunding of certificates of participation issued	-	-	-	-
Sale of capital assets	486,429	93,734	6,654	30,577
Total other financing sources and uses	<u>3,540,029</u>	<u>20,990,134</u>	<u>4,506,654</u>	<u>1,299,677</u>
Net change in fund balance	(5,782,110)	7,161,307	1,426,941	(3,914,398)
Fund balances-beginning	<u>26,937,654</u>	<u>19,776,347</u>	<u>18,349,406</u>	<u>22,263,804</u>
Fund balances-ending	<u><u>\$ 21,155,544</u></u>	<u><u>\$ 26,937,654</u></u>	<u><u>\$ 19,776,347</u></u>	<u><u>\$ 18,349,406</u></u>
Debt service as a percentage of non-capital expenditures	<u>11.28%</u>	<u>10.40%</u>	<u>9.61%</u>	<u>9.24%</u>

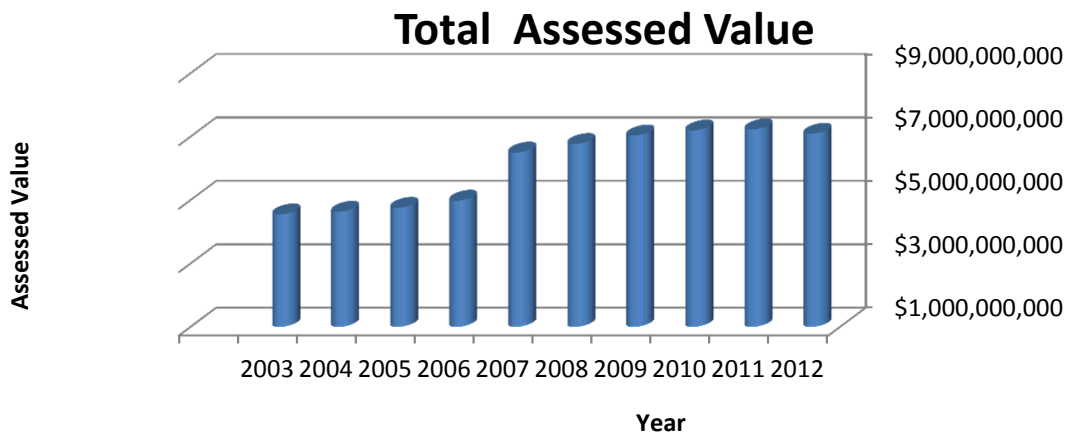
Expenditures for fiscal years 2003 - 2009 have been adjusted to be comparative to fiscal years 2010 - 2012.

2008	2007	2006	2005	2004	2003
\$ 5,124,492	\$ 3,182,847	\$ 3,299,004	\$ 2,232,682	\$ 2,294,839	\$ 1,973,559
(5,124,492)	(3,182,847)	(3,299,004)	(2,274,682)	(2,294,839)	(1,973,559)
7,000,000	-	18,000,000	-	12,000,000	-
99,872	-	363,359	-	148,482	-
-	-	-	-	-	22,705,000
-	-	-	-	-	956,485
-	-	-	-	-	22,000,000
1,400,000	11,400,000	-	263,500	924,160	300,000
-	-	-	-	-	(23,250,465)
21,881	555	179,467	254,356	10,704	29,369
<u>8,521,753</u>	<u>11,400,555</u>	<u>18,542,826</u>	<u>475,856</u>	<u>13,083,346</u>	<u>22,740,389</u>
(4,362,585)	(3,457,187)	5,874,080	(13,955,491)	3,332,009	20,094,989
<u>26,626,389</u>	<u>30,083,576</u>	<u>24,209,496</u>	<u>38,164,987</u>	<u>34,832,978</u>	<u>14,737,989</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>\$ 34,832,978</u>
<u>7.65%</u>	<u>5.39%</u>	<u>9.40%</u>	<u>11.45%</u>	<u>8.85%</u>	<u>8.70%</u>

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)
2012	\$ 6,149,833,834	\$ 796,003,198	\$ 148,080,203	\$ 7,093,917,235	0.5413
2011	6,252,182,637	796,614,829	181,877,827	7,230,675,293	0.5140
2010	6,165,577,637	880,864,853	149,986,629	7,196,429,119	0.5140
2009	6,023,547,541	876,803,849	139,166,644	7,039,518,034	0.4970
2008	5,752,818,363	887,033,884	131,645,395	6,771,497,642	0.4970
2007	5,479,463,273	889,422,387	130,444,521	6,499,330,181	0.4970
2006	4,026,322,277	838,585,620	117,949,317	4,982,857,214	0.6100
2005	3,886,891,055	756,171,829	114,829,257	4,757,892,141	0.6100
2004	3,766,999,899	753,011,266	113,470,278	4,633,481,443	0.6100
2003	3,612,925,041	827,717,472	110,468,374	4,551,110,887	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

	2012	2011	2010	2009	2008
Haywood County	0.5413	0.5140	0.5140	0.4970	0.4970
<u>Municipality Rates:</u>					
Town of Canton	0.5800	0.5800	0.5800	0.5800	0.5800
Town of Clyde	0.4300	0.4300	0.4300	0.4300	0.4300
Town of Maggie	0.4200	0.4200	0.4200	0.4200	0.4200
Town of Waynesville	0.4082	0.4000	0.4000	0.4000	0.4000
Municipal Service District	0.2000	0.2300	0.2300	0.2300	0.2300
<u>Special Districts:</u>					
West Canton Fire District #1	0.100	0.100	0.100	0.100	0.100
North Canton Fire District #2	0.060	0.060	0.060	0.060	0.055
Center Pigeon Fire District	0.075	0.075	0.065	0.065	0.065
Lake Junaluska Fire District	0.070	0.070	0.070	0.070	0.070
Crabtree-Iron Duff Fire District	0.065	0.065	0.065	0.065	0.065
Cruso Fire District	0.095	0.095	0.100	0.100	0.090
Camp Branch Fire District	0.000	0.000	0.000	0.060	0.060
Saunook Fire District	0.040	0.040	0.040	0.040	0.040
Maggie Valley Fire District	0.050	0.050	0.050	0.050	0.050
Clyde Fire District	0.090	0.090	0.090	0.090	0.090
Jonathan Creek Fire District	0.070	0.070	0.070	0.070	0.070
South Waynesville Fire District	0.000	0.000	0.000	0.060	0.060
Big Cove Fire District	0.000	0.000	0.000	0.060	0.060
Fines Creek Fire District	0.090	0.090	0.090	0.090	0.090
Lake Logan-Cecil Fire District	0.100	0.100	0.100	0.100	0.100
Waynesville Fire District	0.060	0.060	0.060	**	**
Lake Junaluska Sanitary District	0.060	0.060	0.060	0.060	0.060
Maggie Valley Country Club Road Maintenance	0.140	0.140	0.140	0.140	0.100
Forest Park Road Maintenance	0.080	0.080	0.080	0.080	0.080
Oak Park Road Maintenance	0.080	0.080	0.080	0.140	0.140
Wildcat Mountain Road Maintenance	0.150	0.150	0.150	0.150	0.150
Walker-in-the-Hills Road Maintenance	0.095	0.095	0.095	0.095	0.095
Upper Chestnut Grove Road Maintenance	0.160	0.160	0.160	0.160	0.120
Norman Road Maintenance	0.150	0.150	0.150	0.150	0.150
Tuscola Park Road Maintenance	0.110	0.110	0.110	0.110	0.110
Fox Run Road Maintenance	0.150	0.150	0.150	0.150	0.150

Source: Haywood County Tax Assessor

* Did not begin collecting until FY2008

** Did not begin collecting until FY2010

2007	2006	2005	2004	2003
0.4970	0.6100	0.6100	0.6100	0.6100
0.5300	0.6100	0.6100	0.6100	0.6100
0.4300	0.4500	0.4500	0.4500	0.4800
0.4200	0.4200	0.3900	0.3900	0.3900
0.4000	0.4300	0.4300	0.4300	0.4300
*	*	*	*	*
0.100	0.100	0.100	0.100	0.100
0.060	0.060	0.060	0.060	0.050
0.065	0.065	0.065	0.065	0.065
0.065	0.080	0.080	0.080	0.080
0.065	0.065	0.070	0.070	0.070
0.090	0.100	0.100	0.100	0.100
0.060	0.060	0.060	0.060	0.060
0.035	0.040	0.040	0.040	0.040
0.050	0.050	0.050	0.050	0.050
0.090	0.090	0.080	0.080	0.090
0.070	0.070	0.070	0.070	0.075
0.060	0.060	0.060	0.060	0.060
0.060	0.060	0.060	0.060	0.060
0.090	0.090	0.090	0.090	0.090
0.100	0.100	0.080	0.080	0.065
**	**	**	**	**
0.060	0.060	0.060	0.060	0.060
0.100	0.100	0.100	0.100	0.100
0.100	0.100	0.100	0.100	0.100
0.140	0.140	0.140	0.140	0.140
0.150	0.150	0.150	0.150	0.150
0.095	0.120	0.120	0.120	0.120
0.120	0.120	0.070	0.070	0.070
0.130	0.130	0.130	0.130	0.130
0.110	0.110	0.110	0.110	0.110
0.130	0.150	0.150	0.130	0.130

HAYWOOD COUNTY, NORTH CAROLINA

Principal Property Taxpayers
Current Year and 9 Years Ago

Taxpayer	Type of Business	2012		
		Valuation	Rank	% of Total Assessed Valuation
Evergreen Packaging (Blue Ridge Paper)	Paper Mill	\$ 162,532,397	1	2.29%
Progress Energy (Carolina Power & Light)	Utility	89,429,766	2	1.26%
Haywood Electric Membership	Utility	73,208,466	3	1.03%
Bell South (AT&T)	Utility	30,580,130	4	0.43%
Ingles	Super Market	20,482,278	5	0.29%
Maggie Valley Resort	Country Club	14,155,906	6	0.20%
Vantagepoint Investments of Waynesville	Retail	14,009,592	7	0.20%
Waynesville Commons	Retail	12,630,100	8	0.18%
Consolidated Metco	Manufacturing	10,953,652	9	0.15%
Lake Junaluska	Resort	8,814,988	10	0.12%
Spang & Company	Industrial Park			
Sunoco (Associated Packaging)	Manufacturing			
Developers Diversified Realty	Retail			
Waynesville Country Club	Country Club			
Marcus Cable	Utility			
Totals		<u>\$ 436,797,275</u>		<u>6.16%</u>

Source: Haywood County Tax Assessor

2003		
Valuation	Rank	% of Total Assessed Valuation
\$ 200,268,981	1	4.40%
59,980,660	2	1.32%
35,491,096	4	0.94%
42,655,468	3	0.78%
13,800,717	7	0.30%
15,454,776	5	0.34%
14,420,944	6	0.32%
10,785,288	8	0.24%
8,108,761	9	0.18%
7,656,487	10	0.17%
<u>\$ 408,623,178</u>		<u>8.99%</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>	
2012	\$ 38,510,277	\$ 37,038,187	96.18%	\$ -
2011	37,385,829	35,939,892	96.13%	1,055,478
2010	36,901,784	35,358,950	95.82%	1,307,778
2009	35,207,806	33,690,143	95.69%	1,348,547
2008	33,773,929	32,768,263	97.02%	883,820
2007	32,438,583	31,468,784	97.01%	852,989
2006	30,554,021	29,623,523	96.95%	812,912
2005	29,119,470	28,225,215	96.93%	795,849
2004	28,303,373	27,368,399	96.70%	836,711
2003	27,803,680	26,682,230	95.97%	1,019,036

Source: Haywood County CAFRs.

Total Collections to Date			
	Percentage of	Outstanding	Percentage of
	Total Tax	Delinquent	Delinquent
	Collections	Taxes	Taxes to
Amount	to Levy		Tax Levy
\$ 37,038,187	96.18%	\$ 1,472,090	3.82%
36,995,370	98.96%	390,459	1.04%
36,666,728	99.36%	235,056	0.64%
35,038,690	99.52%	169,116	0.48%
33,652,083	99.64%	121,846	0.36%
32,321,773	99.64%	116,810	0.36%
30,436,435	99.62%	117,586	0.38%
29,021,064	99.66%	98,406	0.34%
28,205,110	99.65%	98,263	0.35%
27,701,266	99.63%	102,414	0.37%
		<u>\$ 2,922,046</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
2012	50	\$ 6,370,685	327	\$ 27,799,418	\$ 887,532,635	\$ 5,732,616,855
2011	50	29,209,313	395	29,918,839	847,580,729	5,939,983,628
2010	34	2,670,085	346	30,044,418	847,580,729	5,322,126,385
2009	29	4,219,005	393	39,509,649	823,359,822	5,203,316,454
2008	53	17,514,488	721	81,259,490	795,117,342	4,960,694,472
2007	65	14,084,846	815	114,118,215	749,555,156	4,733,911,491
2006	47	27,760,337	836	105,075,783	722,992,583	3,280,319,019
2005	41	22,615,456	820	83,512,860	539,586,807	3,463,724,795
2004	47	16,492,185	676	74,479,565	685,904,122	3,373,338,635
2003	89	19,398,037	540	70,166,315	506,251,959	3,469,882,536

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⁾	Capital Leases⁽³⁾
2012	\$ 7,093,917,235	\$ 27,400,000	\$ 9,220,000	\$ -	\$ -
2011	7,230,675,293	29,150,000	10,870,000	-	-
2010	7,196,429,119	30,900,000	12,515,000	-	-
2009	7,039,518,034	32,650,000	14,155,000	-	-
2008	6,771,497,642	34,400,000	15,805,000	-	-
2007	6,499,330,181	28,800,000	17,470,000	-	-
2006	4,982,857,214	29,400,000	19,165,000	-	-
2005	4,757,892,141	12,000,000	20,890,000	546,491	-
2004	4,633,481,443	12,000,000	22,655,000	1,613,398	-
2003	4,551,110,887	-	22,705,000	2,646,457	41,375

Sources:

⁽¹⁾North Carolina Office of State Budget & Management reflects an estimate for 2011 and a projection for 2012

⁽²⁾Bureau of Economic Analysis - reflects revised numbers for 2008-2010

⁽³⁾Haywood County CAFRs

⁽⁴⁾Installment Loans show as notes payable

* Information not yet available

Installment Loans^{(3) (4)}	Total Primary Government	Net Debt to Assessed Value	Population⁽¹⁾	Personal Income⁽²⁾ (thousands)	Percentage of Personal Income	Net Debt Per Capita
\$ 34,446,301	\$ 71,066,301	1.00%	60,152	*	*	\$ 1,181
34,488,946	74,508,946	1.03%	59,684	*	*	1,248
15,900,082	59,315,082	0.82%	59,148	\$ 1,826,987	3.25%	1,003
12,433,442	59,238,442	0.84%	58,680	1,780,759	3.33%	1,010
12,221,829	62,426,829	0.92%	57,976	1,841,528	3.39%	1,077
11,712,793	57,982,793	0.89%	57,722	1,766,989	3.28%	1,005
520,452	49,085,452	0.99%	56,964	1,648,111	2.98%	862
3,473,787	36,910,278	0.78%	56,441	1,552,328	2.38%	654
6,039,339	42,307,737	0.91%	56,429	1,482,046	2.85%	750
7,623,628	33,016,460	0.73%	55,907	1,409,255	2.34%	591

HAYWOOD COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

Legal debt margin:	
Assessed value	\$ 7,093,917,235
Debt limit--8 percent of assessed value	0.08
	<u>567,513,379</u>
Gross debt:	
General obligation bonds	27,400,000
Certificates of participation	9,220,000
Notes payable	<u>34,446,301</u>
Total amount of debt applicable to debt limit	<u>71,066,301</u>
Legal debt margin--June 30, 2012	<u><u>\$ 496,447,078</u></u>

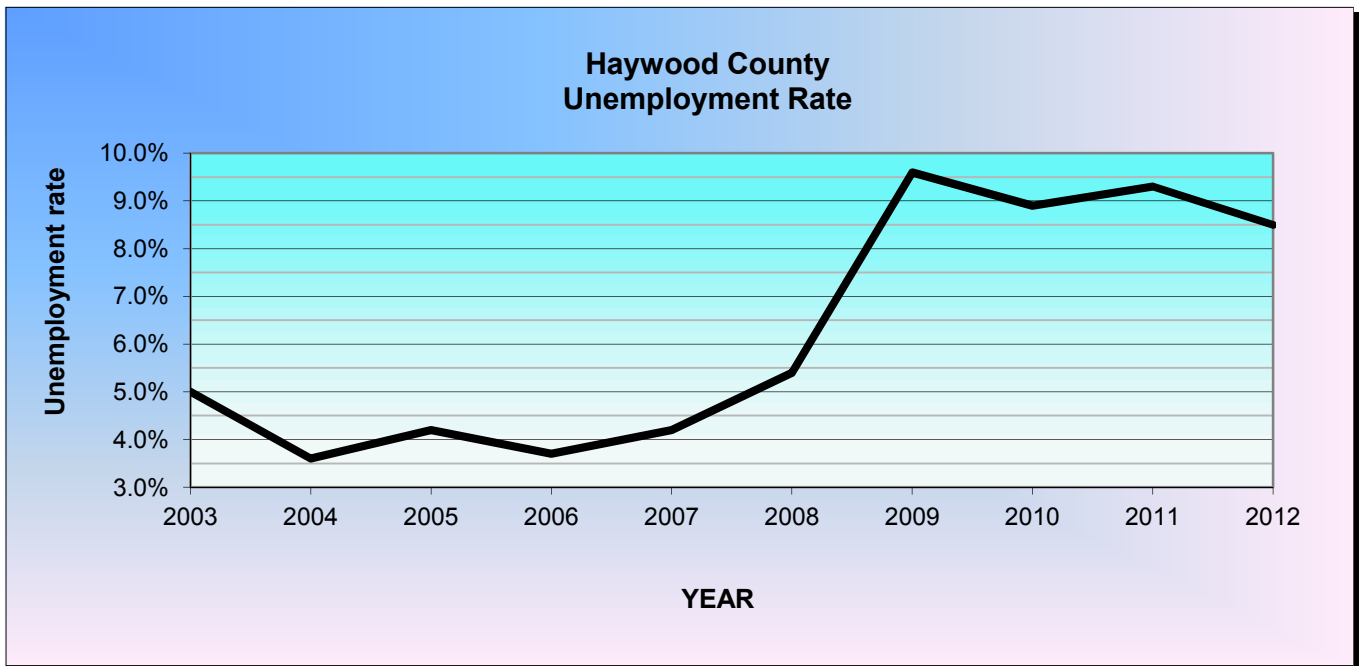
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt limit	\$ 567,513,379	\$ 578,454,023	\$ 575,714,330	\$ 563,161,443
Total net debt applicable to limit	<u>71,066,301</u>	<u>74,508,946</u>	<u>59,315,082</u>	<u>59,238,442</u>
Legal debt margin	<u><u>\$ 496,447,078</u></u>	<u><u>\$ 503,945,077</u></u>	<u><u>\$ 516,399,248</u></u>	<u><u>\$ 503,923,001</u></u>
Total net debt applicable to the limit as a percentage of debt limit	14.31%	14.79%	11.49%	11.76%

Fiscal Years					
2008	2007	2006	2005	2004	2003
\$ 541,719,811	\$ 519,946,414	\$ 398,628,577	\$ 380,631,371	\$ 370,678,515	\$ 364,088,871
62,426,829	57,982,793	49,085,452	36,910,278	42,307,737	33,016,460
<u>\$ 479,292,982</u>	<u>\$ 461,963,621</u>	<u>\$ 349,543,125</u>	<u>\$ 343,721,093</u>	<u>\$ 328,370,778</u>	<u>\$ 331,072,411</u>
13.02%	12.55%	14.04%	10.74%	12.88%	9.97%

HAYWOOD COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Calendar Years

Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2012	60,152	*	7,530	8.5%
2011	59,684	*	7,582	9.3%
2010	59,148	\$ 30,980	7,588	8.9%
2009	58,680	30,105	7,677	9.6%
2008	57,976	31,313	7,658	5.4%
2007	57,722	30,264	7,652	4.2%
2006	56,964	28,563	7,969	3.7%
2005	56,441	27,193	7,910	4.2%
2004	56,429	26,099	7,898	3.6%
2003	55,907	25,131	7,843	5.0%



Sources:

⁽¹⁾North Carolina Office of State Budget & Management-estimates 2010 -2012

⁽²⁾Bureau of Economic Analysis-reflects revised numbers 2003 - 2009

⁽³⁾Haywood County Board of Education 2003 - 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 6 Years Ago

Employer ⁽²⁾	2012			2006*		
	Number of Employees ⁽¹⁾		% of Total County Employment ⁽³⁾	Number of Employees ⁽¹⁾		% of Total County Employment ⁽³⁾
Haywood County Consolidated Schools	1,265	1	4.76%	1,280	2	5.06%
Evergreen Packaging (Blue Ridge Paper)	1,130	2	4.26%	1,383	1	4.68%
Haywood Regional Medical Centers	1,026	3	3.86%	976	3	3.57%
Haywood County Government	558	4	2.10%	573	4	2.09%
Ingles Markets, Inc.	454	6	1.71%	388	6	1.45%
Wal-Mart Associates, Inc.	375	7	1.41%	325	7	0.96%
Haywood Community College	410	5	1.54%	397	5	1.42%
Haywood Vocational Opportunities, Inc.	350	8	1.32%	263	8	1.19%
Consolidated Metco, Inc	300	9	1.13%			
ManPower Temorary Services	202	10	0.76%			
Town of Waynesville			0.00%	227	9	0.83%
Lowes Home Center, Inc.				220	10	0.80%
Totals	6,070		22.86%	6,032		22.05%

Sources:

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

⁽²⁾ Top ten employers is from the Employment Security Commission of North Carolina

⁽³⁾ Employment Security Commission of North Carolina

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

HAYWOOD COUNTY, NORTH CAROLINA

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

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

Source:

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

⁽¹⁾Reduction in workforce FY2010, FY2011 and FY2012

HAYWOOD COUNTY, NORTH CAROLINA

Operating Indicators By Function/Program Last Ten Fiscal Years

	2012	2011	2010	2009
Function/Program				
<u>General Government</u>				
Elections:				
Number of registered voters	42,120	41,523	41,944	41,361
Register of Deeds:				
Deeds and real estate documents indexed	11,453	11,389	11,591	12,920
<u>Public Safety</u>				
Building Inspections:				
Residential permits issued	327	395	346	393
Mobile home permits issued (10)	83	70	87	85
Commercial permits issued	50	50	34	29
Fire Control:				
Inspections performed	685	504	409	480
Fire marshal and assistants	3	3	3	2
Detention:				
Booked inmates	2690	2704	2574	2825
Average daily jail population	75	85	93	83
Sheriff:				
Hand gun permits processed (1)	n/a	1422	1180	1255
EMS:				
Billable transports (2) (3)	6356	6601	6498	6385
EOC/Dispatching:				
Number of emergency calls dispatched	42,339	40,837	43,989	41,383
Number of fire related calls dispatched	2,144	2,675	1,748	1,565
Animal Services:				
Number of calls serviced (1)	n/a	2567	2946	2760
Number of animals received (1)	n/a	3424	3612	3942
Number of adoptions (1)	n/a	1308	1449	885

Fiscal Year					
2008	2007	2006	2005	2004	2003
41,522	38,762	39,676	36,414	37,511	35,283
15,933	18,651	19,529	18,122	19,997	19,151
721	818	831	809	687	583
53	62	52	52	36	46
551	763	1,025	1,064	n/a	n/a
3	3	3	3	3	3
2798	2624	n/a	n/a	n/a	n/a
93	90	n/a	n/a	n/a	n/a
1293	1135	742	851	979	1096
6654	6619	6619	8182	6299	6091
37,933	30,298	n/a	n/a	n/a	n/a
2,031	2,432	1,853	1,321	n/a	n/a
2,748	n/a	n/a	n/a	n/a	n/a
4,120	n/a	n/a	n/a	n/a	n/a
698	n/a	n/a	n/a	n/a	n/a

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	2012	2011	2010	2009
<u>Environmental Protection</u>				
Solid Waste:				
Tons of solid waste buried	44,510.30	44,857.70	46,328.69	50,881.02
Tons of yard waste processed	138.64	201.72	224.30	397.59
Tons of recyclables sent out	6,083.67	6,374.19	6,903.09	5,770.90
<u>Economic and Physical Development</u>				
Planning:				
Number of major subdivision plan reviews	3	1	6	16
Economic Development:				
Tourism revenues (1) (8)	n/a	\$120,400,000	\$116,310,000	\$103,570,000
Taxable sales (9)	\$540,735,523	\$518,290,311	\$498,088,247	\$489,719,216
Gross retail sales (9)	*	*	*	*
<u>Human Services</u>				
Health Department:				
Number of health clients served	8,259	13,418	12,370	12,736
Number of food service inspections	706	717	885	896
Social Services:				
Average # of food stamp recipients per month (1)	n/a	9908	9960	8253
Child support collections (1)	n/a	\$3,648,803	\$3,622,478	\$3,818,785
Average # of children subject to child protection services (CPS) assessments (1)	n/a	352	360	379
Average # of children in foster care (1)	n/a	138	161	183
<u>Culture and Recreation</u>				
Library:				
Library patrons	29,859	35,667	40,491	38,346
Items of library materials cataloged	147,709	168,813	176,281	179,615
Recreation:				
Park recreation program participants	2219	1822	1914	1572

Fiscal Year					
2008	2007	2006	2005	2004	2003
57,554.94	58,455.37	42,790.16	56,055.20	42,579.99	49,579.91
1,187.28	1,216.39	1,086.00	1,272.78	982.52	1,779.29
3,483.59	3,079.32	3,177.81	3,847.95	3,695.81	3,570.45
28	62	82	51	27	n/a
\$113,460,000	\$116,640,000	\$111,060,000	\$103,460,000	\$98,130,000	\$95,930,000
\$549,879,484	\$538,500,941	\$485,930,182	*	*	*
*	*	*	\$768,834,606	\$737,708,374	\$645,580
12,666	n/a	n/a	n/a	n/a	n/a
777	n/a	n/a	n/a	n/a	n/a
6542	5933	5775	5649	5436	4760
\$4,178,218	\$4,191,812	\$4,274,285	\$4,201,558	\$4,049,578	\$3,341,649
374	311	248	230	224	328
171	144	195	216	190	179
35,429	31,771	33,558	37,404	34,050	31,076
185,419	190,960	177,083	179,695	176,147	179,661
1456	1455	1304	1135	810	720

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	2012	2011	2010	2009
<u>Education</u>				
Public Schools:				
Dollars spent per pupil-ADM (Average Daily Membership) (5)	\$1,854	\$1,898	\$1,882	\$1,725
Number of teachers (4)	535	546	547	619
Student enrollment (4) (5)	7,530	7,582	7,588	7,677
County appropriations for current operating per student - State ranking (5)	n/a	22	23	28
Community College: (6)				
Number of courses offered	1,233	1,358	1,239	1,212
Curriculum student enrollment	2,599	3,493	3,341	3,413
Curriculum full-time-equivalents (FTE) (fall and spring terms only)	1,927.00	1,968.56	1,838.12	1,653.87
Continuing Ed student enrollment (1)	n/a	5,122	5,400	7,355
Continuing Ed FTE (spring, summer, fall terms) (1)	n/a	314.10	343.03	332.27
<u>Hospitals (7)</u>				
Number of patient beds	189	189	189	190
Fitness Centers	1	1	1	1

Sources: Various governmental departments - Fiscal year data

(1) Calendar year data

(2) FY2008 - FY2012 provided by EMS Management & Consultants

(3) FY2007 - FY2003 provided by EMS Archived Data

(4) Source: Haywood County Board of Education - Academic year data

(5) Source: Department of Public Instruction - Student Enrollment is final ADM starting 2011

(6) Source: Haywood Community College - Academic year data

(7) Source: Haywood Regional Medical Center

(8) Source: Haywood County Economic Development - NC Dept of Commerce/Tourism Services

(9) Source: Haywood County Economic Development - NC Dept of Revenue Website

(10) As of FY2009, mobile home permits separated from residential permits - FY2003 - FY2008 combined

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

Fiscal Year					
2008	2007	2006	2005	2004	2003
\$1,776	\$1,685	\$1,599	\$1,546	\$1,436	\$1,355
568	568	551	629	611	580
7,658	7,652	7,969	7,910	7,898	7,843
23	18	22	22	23	25
1,191	1,197	n/a	n/a	n/a	n/a
3,174	3,045	2,828	2,673	2,680	2,573
1,607.68	1,601.12	1,562.29	1,516.08	1,542.18	1,531.83
6,497	5,648	5,912	6,804	6,774	7,454
293.33	295.09	334.20	291.25	275.44	311.21
190	190	190	190	190	190
1	1	1	1	1	1

HAYWOOD COUNTY, NORTH CAROLINA

Capital Assets Statistics By Function/Program Last Ten Fiscal Years

Function/Program	2012	2011	2010	2009
<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>				
Fire Control:				
Volunteer fire departments	13	13	13	15
Detention:				
Number of jail beds	132	133	133	133
Sheriff:				
Offices	1	1	1	1
Patrol vehicles	63	66	57	53
<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

Fiscal Year					
2008	2007	2006	2005	2004	2003
187	177	177	-	-	-
3	3	3	35	35	35
15	15	15	15	15	15
133	133	133	93	93	93
1	1	1	1	1	1
60	64	65	n/a	54	50
1	1	1	1	1	1
10	10	10	10	10	10
1	1	1	1	1	1
4	4	4	4	3	3
22	-	-	-	-	-
8	8	8	8	8	-
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	2012	2011	2010	2009
<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⁾2012 - 2006 Direct Record Electronic Voting Machines

⁽²⁾2005 - 2003 Optical Scan Voting Machines

⁽³⁾Source: Haywood County Board of Education

⁽⁴⁾Source: Haywood Community College

⁽⁵⁾Source: Haywood Regional Medical Center

Fiscal Year					
2008	2007	2006	2005	2004	2003
16	16	15	15	15	15
1	1	1	1	1	1
1	1	1	1	1	1



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***

To the Board of County Commissioners
Haywood County, North Carolina

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, as of and for the year ended June 30, 2012, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated November 7, 2012. 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. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Haywood County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Haywood County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over financial reporting.

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in

Board of County Commissioners
Haywood County, North Carolina
Page Two

internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood County's financial statements 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*.

We noted certain matters that we reported to management of Haywood County in a separate letter dated November 7, 2012.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Asheville, North Carolina
November 7, 2012

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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

To the Board of County Commissioners
Haywood County, North Carolina

Compliance

We have audited the compliance of Haywood County, North Carolina, with the types of compliance requirements described in the *U.S. Office of Management and Budget (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 major federal program for the year ended June 30, 2012. Haywood County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Haywood County's management. Our responsibility is to express an opinion on Haywood County's compliance based on our audit.

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 non-compliance 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. Our audit does not provide a legal determination on Haywood County's compliance with those requirements.

In our opinion, Haywood County complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, 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 our 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance 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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

We noted certain matters that we reported to management of Haywood County in a separate letter dated November 7, 2012.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Asheville, North Carolina
November 7, 2012

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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

To the Board of County Commissioners
Haywood County, North Carolina

Compliance

We have audited the compliance of Haywood County, North Carolina, 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 major State program for the year ended June 30, 2012. Haywood County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Haywood County's management. Our responsibility is to express an opinion on Haywood County's compliance based on our audit.

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 applicable sections of OMB Circular A-133, 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 non-compliance 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. Our audit does not provide a legal determination on Haywood County's compliance with those requirements.

In our opinion, Haywood County complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Haywood County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our 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, 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance 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 non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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.

We noted certain matters that we reported to management of Haywood County in a separate letter dated November 7, 2012.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Asheville North Carolina
November 7, 2012

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards**

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Federal Awards:				
<u>U.S. Department of Agriculture</u>				
Passed through N.C. Department of Agriculture and Consumer Services: Specialty Block Grant Program-Farm Bill Cook Local: Farm to Kitchen	10.170		\$ 9,050	\$ -
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		586,443	123
Total Supplemental Nutrition Assist. Program Cluster			586,443	123
Passed through N.C. Department of Health and Human Services: Division of Public Health:				
Administration:				
Special Supplemental Nutrition Program for				
Women, Infants and Children	10.557		264,066	-
Direct Benefit Payments:				
Special Supplemental Nutrition Program for Women,				
Infants and Children	10.557		1,038,754	-
Administration:				
Child and Adult Care Food Program	10.558		13,022	-
Passed through N.C. Department of Agriculture:				
Emergency Food Assistance Program				
Food Commodities-(Non-cash)	10.569		35,119	-
Passed through the Office of State Budget and Management:				
Schools and Roads-Grants to States and Counties				
National Forest Service Receipts	10.665		74,260	-
Rural Development:				
ARRA Community Facilities Loans and Grants				
Community Programs				
Adaptive Reuse Project	10.780		12,500,000	-
Total U.S. Department of Agriculture			14,520,714	123
<u>U.S. Department of Justice</u>				
Passed through N.C. Department of Crime Control and Public Safety:				
Arrest Policies and Enforcement of Protection Orders	16.590		213,114	-
Edward Byrne Memorial Justice Assistance -Byrne Jag Program	16.738		10,219	-

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards****For the Year Ended June 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>Bureau of Justice Assistance:</u>				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607		\$ 8,285	\$ -
ARRA-Edward Byrne Memorial Justice Assistance -Byrne Jag Program				
States and Territories-Gang Assessment Program	16.803		5,463	-
ARRA-Edward Byrne Memorial Justice Assistance -Byrne Jag Program				
States and Territories -Empowering Youth	16.803		19,984	-
ARRA-Edward Byrne Memorial Justice Assistance -Byrne Jag Program				
Units of Local Government	16.804		648	-
Total U.S. Department of Justice			257,713	-
<u>U.S. Department of Transportation</u>				
Passed through N.C. Department of Transportation Division of Bicycle and Pedestrian Transportation:				
ARRA-Highway Planning and Construction				
Haywood County Bicycle Plan	20.205		26,292	-
Passed through N.C. Department of Transportation:				
Blue Ridge National Heritage Area Trails	20.205-2		10,582	-
Governor's Highway Safety Program	20.600		60,554	-
Governor's Highway Safety Program	20.609		28,168	-
Passed through N.C. Department of Public Safety:				
Division of Emergency Management				
Hazardous Material Emergency Preparedness	20.703		150	-
Total U.S. Department of Transportation			125,746	-
<u>Appalachian Regional Commission:</u>				
Appalachian Area Development				
Haywood County Health Department-Dental Equipment	23.002		99,967	-
Total Appalachian Regional Commission			99,967	-
<u>Institute of Museum and Library Services</u>				
Passed through N.C. Department of Cultural Resources:				
Strengthening Public and Academic Library Collections Grant	45.310		18,500	-
Total Institute of Museum and Library Services			18,500	-
<u>U.S. Department of Energy</u>				
Passed through N.C. Department of Commerce:				
State Energy Office:				
ARRA-Energy Efficiency and Conservation Block Grant (EECBG)	81.128		881,455	-
Total U.S. Department of Energy			881,455	-

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards**

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Health and Human Services</u>				
Office of Population Affairs:				
Passed through the NC Department of Health and Human Services				
Division of Public Health:				
Family Planning Services	93.217		\$ 59,687	\$ -
Administration for Children and Families:				
Passed through the NC Department of Health and Human Services:				
Division of Social Services:				
Foster Care and Adoption Cluster (Note C)				
Administration:				
IV-E Foster Care/Off Trn	93.658		230,965	-
Adoption/Foster Care	93.658		346,787	46,867
Direct Benefit Payments:				
Foster Care At Risk			-	10,792
IV-E Foster Care	93.658		340,885	113,334
IV-E Adoption	93.659		430,386	115,680
Total Foster Care and Adoption (Note C)			1,349,023	286,673
Temporary Assistance for Needy Families (TANF):				
Temporary Assistance for Needy Families TANF/Work First	93.558		1,039,034	-
TANF/Work First--Direct Benefits	93.558		798,132	(50)
Special Children Adoption--Direct Benefits	93.558		6,000	-
Total TANF			1,843,166	(50)
Child Care Development Fund	93.596		90,232	-
Refugee Assistance Payment	93.566		543	-
NC Child Support Enforcement Section	93.563		493,037	-
Low-Income Home Energy Assistance				
Block Grant:				
Administration	93.568		51,746	-
Crisis Intervention Program	93.568		614,926	-
Child Welfare Services--State Grants:				
Adoption Subsidy--Direct Benefits Payments	93.645		-	316,326
Permanency Planning--Families for Kids	93.645		28,652	-
SSBG-Other Services and Training	93.667		171,527	20,446
Child Protective Safety TANF to SSBG	93.667		116,530	-
Family Violence Prevention	93.671		2,715	-
Independent Living	93.674		23,637	5,909
Independent Living Transitional/LINKS -Direct Benefit	93.674		14,964	-
Family Preservation and Support Services	93.556		7,091	-
AFDC Payments & Penalties -Direct Benefits	93.560		(194)	(53)
AFDC Incent/Prog Integrity			-	119
TANF Incent/Prog Integrity			-	2,310
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG-In-Home Service Fund	93.667		26,932	-
SSBG-Adult Day Care	93.667		57,835	30,780

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards**

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>Centers for Medicare and Medicaid Services</u>				
Passed through N.C. Department of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778		\$ 48,671,407	\$ 28,317,113
Division of Public Health:				
Administration:				
Medical Assistance Assistance Program				
CCNC & Pregnancy Prevention	93.778		56,961	21,976
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778		966,728	23,292
State Children's Insurance Program--NC Health Choice	93.767		22,125	3,697
<u>Centers for Disease Control and Prevention</u>				
Passed through N.C. Department of Health and Human Services:				
Division of Public Health:				
Public Health Emergency Preparedness	93.069		35,578	-
Immunizations Grants	93.268		17,056	-
Prevention Investigation and Technical Assistance	93.283		69,498	-
ARRA - Preventing Healthcare-Associated Infections	93.717		2,538	-
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919		22,450	6,375
Total Centers for Disease Control			147,120	6,375
<u>Health Resources and Services Administration</u>				
Division of Public Health:				
Maternal Child Health Block Grant to the States	93.994		98,958	174,227
Total Health Resources and Services Administration			98,958	174,227
<u>Administration on Aging</u>				
<u>Division of Aging and Adult Services</u>				
Passed through the N.C. Department of Aging:				
Passed through the Southwestern N.C. Planning and Economic Development Commission:				
<u>Aging Cluster:</u>				
Special Programs for the Aging-Title III-B				
Grants for Supportive Services and Senior Centers	93.044		43,711	7,714
Special Programs for the Aging-Title III-C-Nutrition Services				
Title III-C1 - Congregate	93.045		278,101	49,077
Title III-C2 - Home Delivered Meals	93.045		81,728	14,422
Total Aging Cluster			403,540	71,213
Total U.S. Department of Health and Human Services			55,318,888	29,280,353

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards**

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Crime Control and Public Safety:				
Emergency Management Performance Grant (EMPG)	97.042		\$ 17,631	\$ 17,630
Homeland Security -Emergency Management Training	97.067		4,350	-
Homeland Security-Exercise Program	97.067		68,156	-
Disaster Grants-Public Assistance (Presidentially Declared Disasters)				
Hurricane Irene	97.036		3,938	-
Total U.S. Department of Homeland Security			94,075	17,630
<u>U.S. Election Assistance Commission</u>				
Passed through the N.C. State Board of Elections:				
Help America Vote Act Requirement Payments	90.401		5,073	-
Total U.S. Election Assistance Commission			5,073	-
Total Federal Awards			71,322,131	29,298,106
State Awards:				
<u>N.C. Department of Agriculture and Consumer Services</u>				
Animal Welfare				
Spay and Neuter Program			-	53,065
Total N.C. Department of Agriculture and Consumer Services			-	53,065
<u>N.C. Department of Corrections</u>				
Criminal Justice Partnership Program			-	44,764
Total N.C. Department of Corrections			-	44,764
<u>N.C. Department of Crime Control and Public Safety</u>				
Division of Governors Crime Commission:				
Haywood Car to Car			-	3,573
Total N.C. Department of Crime Control and Public Safety			-	3,573
<u>N.C. Department of Cultural Resources</u>				
Division of State Library:				
State Aid to Public Libraries			-	101,721
Total N.C. Department of Cultural Resources			-	101,721

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards**

For the Year Ended June 30, 2012

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Waste Management:				
Scrap Tire Disposal Grant			\$ -	\$ 66,123
Community Waste Reduction & Recycling Grant			-	17,242
Electronic Management Program			-	4,583
Division of Water Resources:				
Clean Water Management Fund			-	98,306
Lake Junaluska Sediment Removal Project			-	124,231
Total N.C. Department of Environment and Natural Resources			-	310,485
<u>N.C. Department of Health and Human Services</u>				
Division of Social Services:				
Energy Assistance-Private Grants			-	83,612
State/County Special Assistance for Adults -Direct Benefits			-	490,404
State Foster Care Benefits Program-Direct Benefits			-	174,240
Total Division of Social Services			-	748,256
Division of Public Health Services:				
General Aid to Counties			-	103,946
General Communicable Disease Control			-	11,423
Environmental Health			-	4,000
Food and Lodging Fees			-	6,241
HIV Testing			-	54
Lead Prevention Aid to County Funds			-	312
Risk Reduction/Health Promotion			-	8,416
TB Medical Service			-	540
Tuberculosis			-	2,186
WHSF-Women's Preventative Health			-	10,565
Total Division of Public Health			-	147,683
Total N.C. Department of Health and Human Services			-	895,939
<u>N.C. Office of Juvenile Justice</u>				
Department of Juvenile Justice and Delinquency Prevention:				
Juvenile Crime Prevention Program			-	188,594
Community-Based Youth Gang Violence Prevention Project				
Haywood-Gang Prevention-Kids at Work			-	69,000
Total N.C. Office of Juvenile Justice			-	257,594

(Continued)

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards****For the Year Ended June 30, 2012**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund:				
Public School Building Capital Fund-Lottery			\$ -	\$ 277,478
Public School Building Capital Fund-State ADM			-	103,996
Total N.C. Department of Public Instruction			-	381,474
<u>N.C. Department of Transportation</u>				
Rural Operating Assistance Program:				
Elderly and Disabled Transportation Assistance Program			-	73,322
Rural General Public Program			-	67,241
Work First/Employment			-	19,005
Total N.C. Department of Transportation			-	159,568
<u>N.C. Department of Veteran Affairs</u>				
Veteran Services			-	1,452
<u>N.C. General Assembly</u>				
The Rural Center:				
Imperial Hotel and Restaurant - 2011			-	19,262
The Homestead and Haywood Regional Medical Center Hospice and Palliative Care			-	54,945
Total N.C. General Assembly			-	74,207
Total State Awards			-	2,283,842
Total Federal and State Awards			\$ 71,322,131	\$ 31,581,948

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

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

HAYWOOD COUNTY, NORTH CAROLINA**Schedule of Expenditures of Federal and State Awards****For the Year Ended June 30, 2012****NOTE B - FEDERAL AND STATE AWARDS WHICH HAVE BEEN PASSED THROUGH TO SUBRECIPIENTS**

Subrecipient	Program Name	Federal CFDA Number	Federal	State
Haywood County Schools	National Forest Service Receipts	10.665	\$ 74,260	\$ -
Southwestern NC Planning and Economic Development Commission	Mountain Projects Title III-C - Congregate	93.045	278,101	49,077
Southwestern NC Planning and Economic Development Commission	Haywood Regional Medical Center Title III-C - Home Delivered Meals	93.045	12,250	2,162
Haywood County Schools	Public School Building Capital Fund	N/A	-	675,418
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	N/A	-	188,594
Southwestern NC Planning and Economic Development Commission	ARRA-Juvenile Crime Prevention Council	16.803	5,463	-
Mountain Projects	Rural General Public Program	N/A	-	67,241
Mountain Projects	Elderly and Disabled Transportation Assistance	N/A	-	73,322
Haywood Animal Welfare	Spay and Neuter Program	N/A	-	53,065
Blue Ridge National Heritage Area	Blue Ridge National Heritage Area Trails	20.205-2	10,582	-
Aspire Youth and Family Inc.	Kids at Work	N/A	-	69,000
Lake Junaluska Assembly	Lake Junaluska Sediment Removal Project	N/A	-	124,231
Patrick Smathers	Imperial Hotel and Restaurant	N/A	-	19,262
MedWest/HRMC	The Homestead and HRMC Hospice and Palliative Care	N/A	-	54,945
			<u>\$ 380,656</u>	<u>\$ 1,376,317</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

NOTE D - INSURANCE

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

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2012

Section I--Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

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, 2012

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.780	ARRA - Community Facilities Loans and Grants Community Programs
93.778	Medical Assistance Program
	Foster Care and Adoption Cluster*:
93.658	Title IV-E Foster Care
93.659	Title IV-E

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

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 2,139,664

Auditee qualified as low-risk auditee? _____ yes _____ X 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 auditor's report issued on compliance for major State programs: unqualified

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

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2012

Identification of major State programs:

Program Name

Medical Assistance Program
Adoption Subsidy
State/County Special Assistance for Adults
Public School Building Capital Fund

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, 2012

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, 2012

2010-1	Finding has been corrected.
	There were no findings reported in 2011.