

COMPREHENSIVE ANNUAL

FINANCIAL REPORT



2015

FOR THE FISCAL YEAR ENDED

June 30, 2015

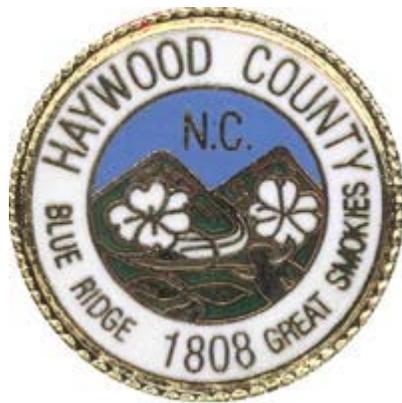
Haywood County, North Carolina

HAYWOOD COUNTY, NORTH CAROLINA

Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Prepared by: Finance Department

Finance Director: Julie H. Davis, CPA



HAYWOOD COUNTY, NORTH CAROLINA

Table of Contents

June 30, 2015

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	4-12

Basic Financial Statements:

Government-wide Financial Statements:

"1" Statement of Net Position	13
"2" Statement of Activities	14-15

Fund Financial Statements:

"3" Balance Sheet-Governmental Funds.....	16-17
"4" Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.....	18-19
"5" Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-General Fund and Solid Waste Management Fund	20-23
"6" Statement of Fund Net Position-Proprietary Funds	24
"7" Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds	25
"8" Statement of Cash Flows-Proprietary Funds.....	26
"9" Statement of Fiduciary Assets and Liabilities-Fiduciary Funds	27
Notes to the Financial Statements	28-60

Required Supplemental Financial Data:

"A-1" Law Enforcement Officers' Special Separation Allowance- Schedule of Funding Progress	61
"A-2" Law enforcement Officers' Special Separation Allowance- Schedule of Employer Contributions.....	62
"A-3" Other Postemployment Benefits-Schedule of Funding Progress	63
"A-4" Other Postemployment Benefits-Schedule of Employer Contributions	64
"A-5" Schedule of Proportionate Share of Net Pension Liability (Asset) - Local Governmental Employees' Retirement System.....	65
"A-6" Schedule of the County's Contributions - Local Governmental Employees' Retirement System	66
"A-7" Schedule of Proportionate Share of Net Pension Liability (Asset) - Register of Deeds' Supplemental Pension Fund	67
"A-8" Schedule of the County's Contributions - Register of Deeds' Supplemental Pension Fund	68



Supplementary Information:

Combining and Individual Fund Statements and Schedules:

“B-1”	Schedule of Revenues, Expenditures, and Changes in Fund Balance-General Fund-Budget and Actual.....	69-82
“B-2”	Schedule of Revenues, Expenditures, and Changes in Fund Balance-Solid Waste Fund-Budget and Actual	83
“C-1”	Combining Balance Sheet-Non-Major Governmental Funds	84
“C-2”	Combining Balance Sheet-Non-Major Special Revenue Funds	85-86
“C-3”	Combining Balance Sheet-Non-Major Capital Project Funds.....	87-88
“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	92-93

Schedules of Revenues, Expenditures, and Changes in Fund

Balance-Budget and Actual:

“D-1”	Emergency Telephone System Fund	94
“D-2”	Fire Districts Fund.....	95
“D-3”	Crisis Assistance Housing Fund	96
“D-4”	Sanitary District Fund	97
“D-5”	Road Service Fund	98
“D-6”	CDBG Scattered Site Project Fund	99
“D-7”	Capital Project Fund-Community College Project Fund	100-101
“D-8”	Capital Project Fund-Water and Sewer Lines.....	102
“D-9”	Capital Project Fund-Solid Waste/Landfill	103
“D-10”	Capital Project Fund-Public Schools ADM/Lottery	104
“D-11”	Capital Project Fund-County Building Renovations.....	105-106
“D-12”	Capital Project Fund-E-911 Consolidation.....	107
“E-1”	Combining Statement of Net Position-Internal Service Funds	108
“E-2”	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position-Internal Service Funds.....	109
“E-3”	Combining Statement of Cash Flows-Internal Service Funds	110
“E-4”	Self Insurance Fund-Health Insurance-Schedule of Revenues and Expenditures-Financial Plan and Actual (Non-GAAP)	111
“E-5”	Self Insurance Fund-Workers’ Compensation-Schedule of Revenues and Expenditures-Financial Plan and Actual (Non-GAAP)	112
“F-1”	Combining Statement of Changes in Fiduciary Assets and Liabilities-Agency Funds.....	113-114

Additional Financial Data:

“G-1”	Schedule of Ad Valorem Taxes Receivable	115
“G-2”	Analysis of Current Tax Levy-County-Wide Levy	116
“G-3”	Secondary Market Disclosures	117
“H-1”	Emergency Telephone System Unspent Balance PSAP Reconciliation.....	118



STATISTICAL SECTION:

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

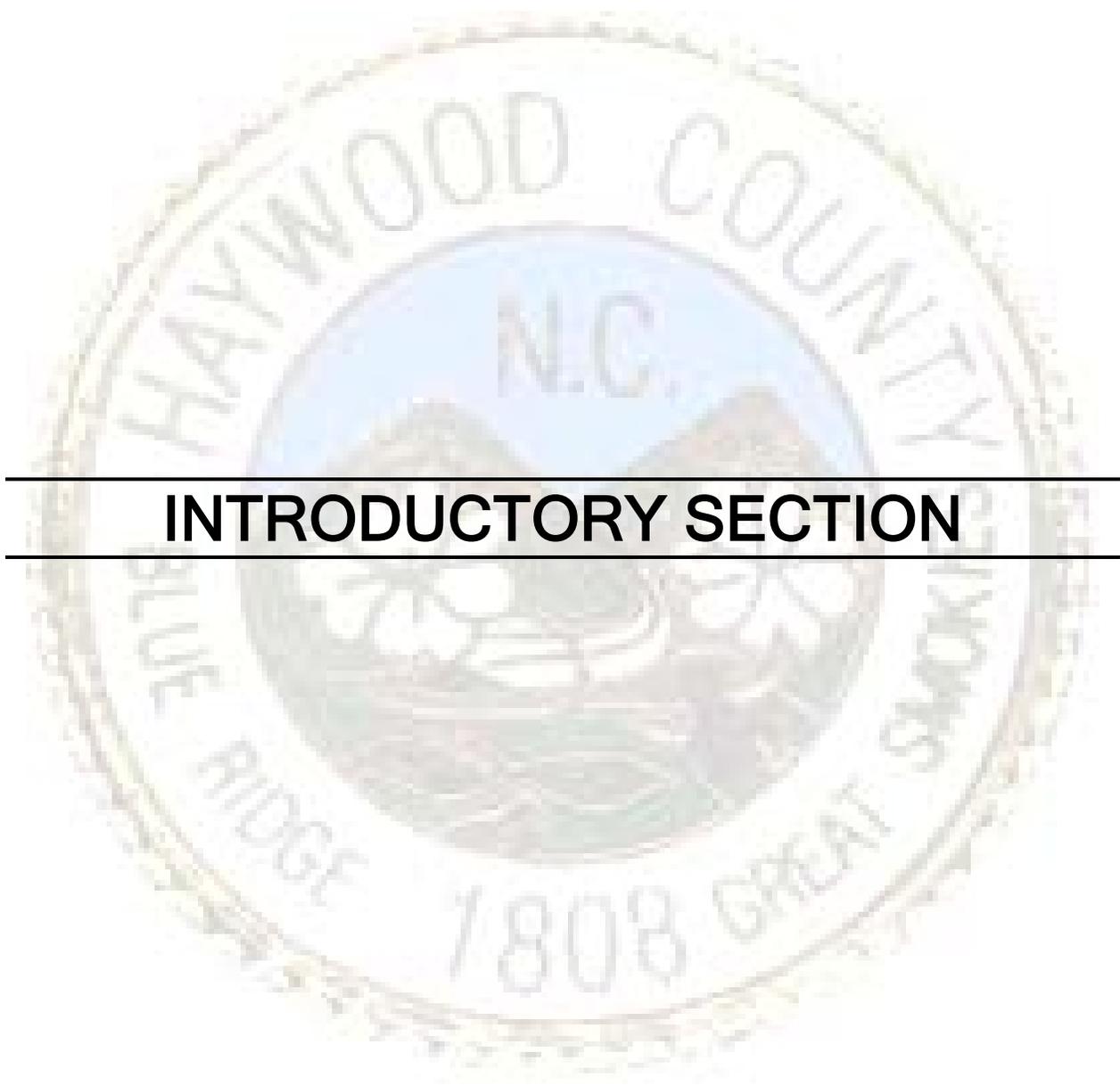
COMPLIANCE SECTION:

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards 156-157

Report on Compliance with Requirements Applicable to Each
Major Federal Program and Internal Control Over Compliance
in Accordance with OMB Circular A-133 and the State
Single Audit Implementation Act 158-160

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

"I-1" Schedule of Expenditures of Federal and State Awards 164-172
"I-2" Schedule of Findings and Questioned Costs 173-177
"I-3" Corrective Action Plan 178-179
"I-4" Summary Schedule of Prior Year Audit Findings 180



INTRODUCTORY SECTION



December 29, 2015

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, 2015. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the state publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The goal of the independent audit is to provide reasonable assurance that the financial statements of Haywood County for the fiscal year ended June 30, 2015, 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 554 square miles, features 19 mountain peaks over 6,000 feet above sea level, 129,994 acres of national forest land and a current population of 60,176. 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, which did not decline in Haywood County during this latest recession as greatly as in other parts of the nation, have begun to bounce back. However, the most recent tax revaluation did uncover neighborhood differences as very high valued homes declined in value, while modest and medium valued homes maintained values. Since July 2014, generally, homes have been selling within 3% of the tax values. Tourism appears to have recovered, with a 4.95% increase in tourism related activity from 2013 to 2014, and an increase of 8.2% from 2014 to 2015 fiscal year. While the manufacturing industry declined over the past decade, the County still maintains a manufacturing base. Major industries in Haywood County include retail trade, government, medical, agriculture, and tourism. Key economic indicators are as follows:



- The local unemployment rate of 5.5%, a slight increase from 5.0% at June 30, 2014, was below the state rate of 6.1%, and matched the national rate of 5.5% at June 30, 2015.
- Residential construction continues, reflected by a 23% increase in value of new construction over the prior year's new projects, while the number of new units decreased 11%, indicating larger, though fewer, residential projects.
- Property values for total commercial property increased 2% from 2014 amounts.
- The number of commercial building permits obtained during the fiscal year ended June 30, 2015 decreased 10%, while the value of that construction decreased 19% compared to the last fiscal year, indicating fewer new projects.
- The population of the County increased steadily over the past decade, with 2015 reflecting a 5.6% increase from 2006, while the per capita income reflected an 18.6% increase for the last year that information was available compared to 2006, ten years back.

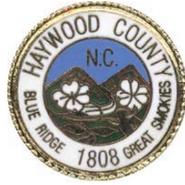
Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.56% of the County's total assessed valuation. Duke Progress Energy owns 1.23% and Haywood Electric Membership Corporation owns 1.07% of assessed valuation. While no other taxpayer owns more than 1.00%, one company, a utility company, owns .36% of the total valuation. The County is extremely fortunate to have such excellent corporate citizens; however, efforts to broaden the tax base continue.

Long-term Financial Planning

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

After much analysis of the entire solid waste management program, the County Commissioners determined multiple strategies that should save taxpayers money over the next few years. The first plan, that of privatizing the County's convenience centers (trash drop off points) was implemented in June 2010 and saved approximately \$120,000 the first year. Renovations and upgrades of some of the county convenience centers began in January 2015 to accommodate single-stream trash compactors or containers, making it even more convenient for citizens to recycle. While single-stream recycling necessarily reduces the quality of the recycled material for resale, it removes a budgeting risk as the revenues on recycled materials have been dropping. As funding allows other centers in the county will be renovated to accommodate the single stream recycling containers. The Board has also determined that it would be in the best interest of the taxpayers to purchase land for these centers before any additional extensive upgrades are made.

In October 2011, the County Commissioners concluded a two year long solid waste study by approving a 30-year agreement with Santek Environmental, Inc. for management of the County's White Oak Landfill. Under this agreement, Santek Environmental, Inc. not only manages the landfill, but has taken over responsibility for closure and post-closure costs of over \$5.5 million that allowed the county to remove this liability from our financials last fiscal year. The company has submitted a performance bond to the County



for this \$5.5 million in addition to certifying coverage of any pollution remediation costs that may be necessary in the future, and that is required of landfill operators by the North Carolina Department of Environment and Natural Resources.

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

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

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

Major Initiatives

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

To address other current needs, and as current debt service declines or is paid off, other projects have been considered. This year, the Commissioners hired architects to begin designing a new Emergency Medical Services base and to study the feasibility of a new animal services facility. The new EMS base will be constructed on a parcel of land currently owned by the county. The proceeds of the sale of one of the vacated County properties will go towards the purchase of land for the new animal services facility.

In October 2011, the County Commissioners concluded a two year long solid waste study by approving a 30-year agreement with Santek Environmental, Inc. for management of the County's White Oak Landfill. Under this agreement, Santek Environmental, Inc. not only managed the landfill, but covered the cost of building a public drop off station, a truck wheel wash, improvements to haul roads, and new truck scales, at savings of \$1 million to county taxpayers.



This public-private partnership included a provision for the County to revise its landfill permit to accept garbage from 18 Western North Carolina counties, which was accomplished in March of 2013. When the daily disposal amount reached 396 tons, which occurred in May 2014, the contracts expanded management component took effect. This change involved Santek Environmental, Inc. taking over complete management of the landfill operations, which includes maintaining the landfill for 20 years as well as covering the costs associated with closure and post-closure of the landfill at some point in the future. At the expanded management commencement date, the County began receiving a 5 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 and cash back to the County on the power bill for this property. In addition to the gas collection and flaring project, and to alleviate concerns of possible contamination, the County Commissioners developed a long-term plan for this small landfill that was implemented this fiscal year and included the purchase of some surrounding property and began the construction of an updated cap on the closed landfill site. The County has recognized a liability for future pollution remediation for this landfill of \$2,266,514 as of June 30, 2015.

The County Commission continued to demonstrate its commitment to quality education in Haywood County schools by spending \$14.4 million for current expense and \$385,000 for current capital outlay. The school board has renovated various school buildings and replaced or repaired roofs by utilizing the ADM (Average Daily Membership) funds from the North Carolina School Capital Building Fund that requires a 25% County match and lottery funds which require no match by the County. County funds provide approximately one-fourth of the operating budget for the schools, and the State of North Carolina provides the remainder. The school board is considered to be a separate reporting entity apart from the County, and a detailed discussion of its activities will not be included in this letter.

In addition to the public school projects, the County's emphasis on quality education includes major renovation projects at Haywood Community College. The beautiful campus of the community college is a tremendous asset to the County. However, aging buildings and the need for new programs and courses has created capital project requirements for the college in the form of building renovations and expansions. Construction was recently completed on a Creative Crafts building, renovations to the administrative and general education buildings, upgrades to the waterline that runs through campus, and parking area expansion. With these projects completed, other crucial projects on the campus are expected to be funded with the balance of any sales tax revenue since the sales tax collected annually has been in amounts greater than the debt service related to the current projects. Current planning is underway for an Emergency Services Training Base on the college property. During the fiscal year, the County Commissioners contributed \$2.1 million for operational expense and \$275,000 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, 2014. 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.

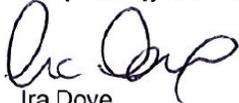


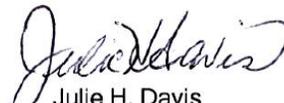
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United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


Ira Dove
County Manager


Julie H. Davis
Finance Director

HAYWOOD COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2015

Board of County Commissioners

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

County Officials

Ira Dove, County Manager
Julie H. Davis, CPA, Finance Director
Judy Ballard, Tax Assessor
Michael E. Mathews, Tax Collector
Sherri Rogers, Register of Deeds
Gregory Christopher, Sheriff
Leon M. Killian, Attorney



Government Finance Officers Association

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

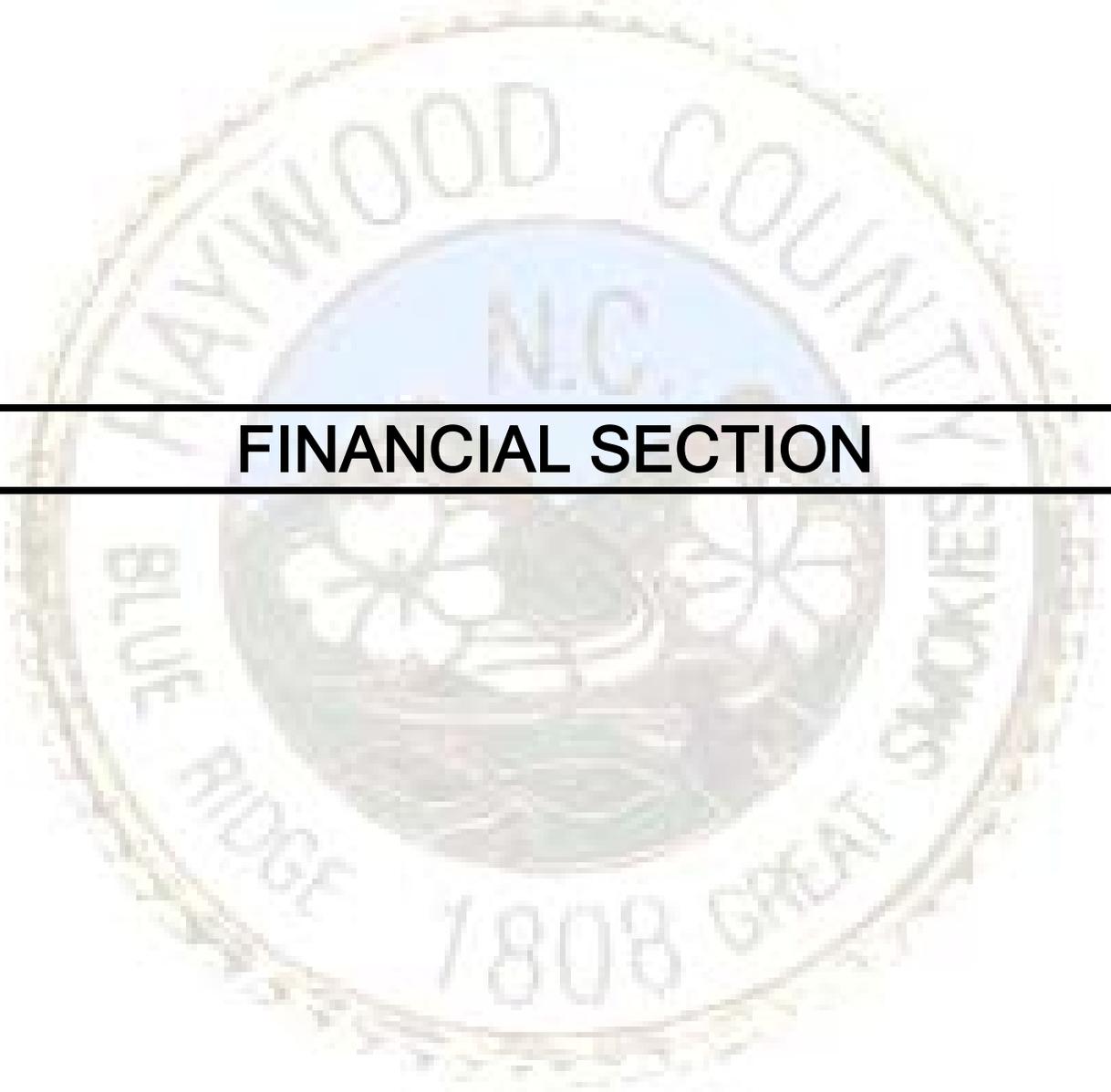
Presented to

**Haywood County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



FINANCIAL SECTION



Independent Auditors' Report

Board of County Commissioners
Haywood County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina (the "County"), as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina as of

June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Solid Waste Management Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 10 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions (an Amendment of GASB Statement No. 27)*, in 2015. Our opinion is not modified with respect to these changes.

Others Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowances' and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Governmental Employees' Retirement System's Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund's Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions on Pages 4 through 12 and 61 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 an operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Haywood County, North Carolina, basic financial statements. The introductory section, combining and individual non-major fund statements, statistical section, budgetary schedules and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for the purposes of additional analysis and are not a required part of the financial statements.

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



schedules, other schedules, and the accompanying Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, on our consideration of Haywood County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Asheville, North Carolina
December 29, 2015

HAYWOOD COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2015

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, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and in the County's financial statements, which follow this narrative.

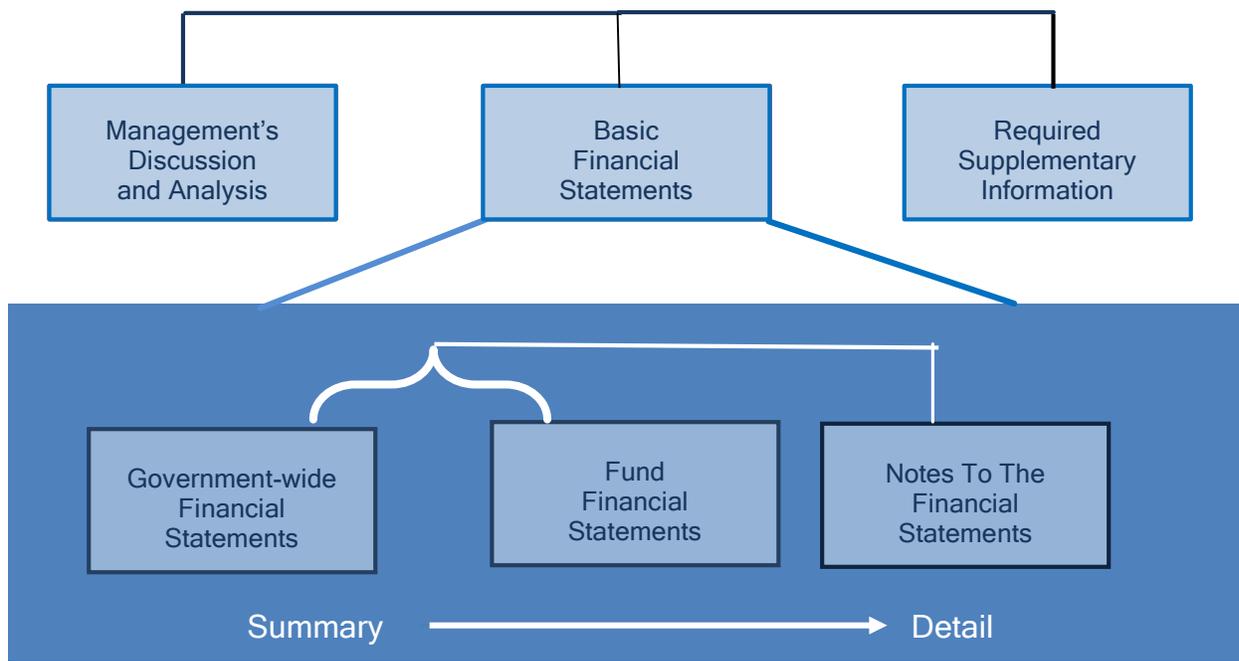
Financial Highlights

- The assets and deferred outflows of resources of Haywood County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$31,253,325 (*net position*).
- The government's total net position increased by \$5,140,113, as expenditures were reduced from the prior year and revenue amounts were maintained. The greatest expenditure reduction was in the Environmental Protection function, which no longer requires reporting the liability increase for future closure cost, due to the County's privatization contract for the County landfill.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$26,281,435, an increase of \$482,235 in comparison with the prior year. Approximately 57.6% of this total amount, or \$15,136,954, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,136,954 or 21.4% of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt decreased by \$9,163,103 (11%) during the current fiscal year. This is mainly due to paying down loans through debt service without incurring more debt. The new reporting of GASB 68 net pension liability was included in the prior year amount, and by the end of the current fiscal year, the amount was a negative liability and is reported as a net pension asset.
- Haywood County's bond rating from Moody's Investor Service for the latest general obligation bond issue was A2, and was upgraded in 2011 to the Global Rating Scale of Aa3. Standard and Poor's issued a rating of A+ on the general obligation bond issue.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County’s financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County’s non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

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

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

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

Haywood County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County

complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - Haywood County has two proprietary funds. The two 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 four fiduciary funds, all of which are agency funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 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 61 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Haywood County exceeded its liabilities and deferred inflows of resources by \$31,253,325 as of June 30, 2015. The County's net position increased by \$5,140,113 for the fiscal year ended June 30, 2015. One of the largest portions (140.55%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Haywood County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Haywood County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Haywood County's net position (30.19%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net position of (\$22,108,022) reflects the outstanding debt for the public school building projects and community college building projects without a related asset. This is due to the fact that the public school and community college boards retain title to the schools, while the County incurs the related debt.

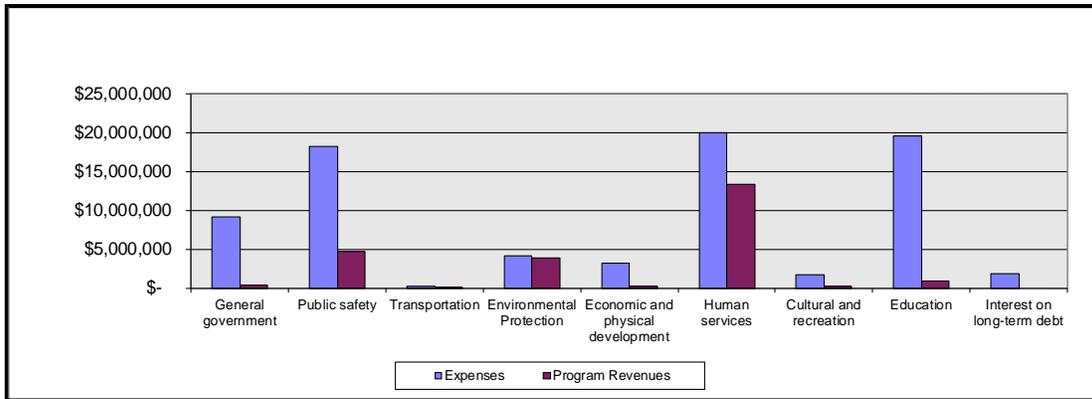
Haywood County's Net Position
Figure 2

	Governmental Activities	
	2015	2014, as restated
Current and other assets	\$ 37,496,001	\$ 36,727,893
Capital assets	73,622,315	74,567,536
Total assets	<u>111,118,316</u>	<u>111,295,429</u>
Deferred outflows of resources	<u>2,039,635</u>	<u>1,829,606</u>
Long-term liabilities outstanding	71,687,590	80,850,693
Other liabilities	4,735,813	5,444,941
Total liabilities	<u>76,423,403</u>	<u>86,295,634</u>
Deferred inflows of resources	<u>5,481,223</u>	<u>716,189</u>
Net position:		
Net investment in capital assets	43,926,798	43,151,578
Restricted	9,434,549	9,227,579
Unrestricted	<u>(22,108,022)</u>	<u>(26,265,945)</u>
Total net position	<u>\$ 31,253,325</u>	<u>\$ 26,113,212</u>

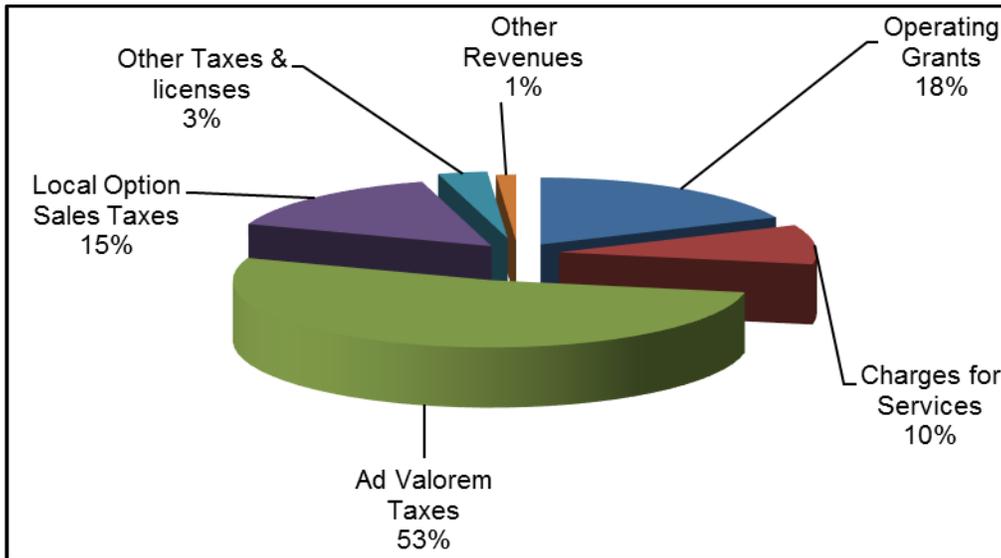
Haywood County's Changes in Net Position
Figure 3

	Governmental Activities	
	2015	2014, as restated
Revenues:		
Program revenues:		
Charges for services	\$ 7,958,559	\$ 8,941,902
Operating grants and contributions	15,317,845	15,129,131
Capital grants and contributions	672,043	1,214,748
General revenues:		
Property taxes	43,826,065	44,532,523
Other taxes	15,334,893	13,725,300
Grants and contributions not restricted to specific programs	308,781	339,051
Other	<u>69,724</u>	<u>7,541,495</u>
Total revenues	<u>83,487,910</u>	<u>91,424,150</u>
Expenses:		
General government	9,202,544	7,168,720
Public safety	18,332,672	18,149,499
Transportation	197,811	246,070
Environmental protection	4,182,627	8,238,720
Economic and physical development	3,289,410	3,369,021
Human services	20,029,023	21,403,525
Culture and recreation	1,685,345	1,908,029
Education	19,586,667	18,860,749
Interest on long-term debt	<u>1,841,698</u>	<u>2,053,735</u>
Total expenses	<u>78,347,797</u>	<u>81,398,068</u>
Increase in net position	5,140,113	10,026,082
Net position, July 1	26,113,212	18,621,194
Restatement	-	(2,534,064)
Net position, June 30	<u>\$ 31,253,325</u>	<u>\$ 26,113,212</u>

Expense and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Haywood County. At the end of the current fiscal year, Haywood County's fund balance available for appropriation in the General Fund was \$16,945,952 while total fund balance reached \$22,676,868. 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 28.24% of General Fund expenditures, while total fund balance represents 37.79% of that same amount.

The Solid Waste Management Fund reports the activities in running the landfill, convenience centers, and the materials recovery facility. At the end of the current fiscal year, the total fund balance in that fund, \$2,374,643, reflects a decrease related to the purchase of property around a closed county landfill and upgrades to the county convenience centers.

At June 30, 2015, the governmental funds of Haywood County reported a combined fund balance of \$26,281,435, a 1.9% increase from last year. The increase was largely due a reduction in expenditures, particularly the declining annual debt service as 20 year loans are paid down, as well as the completion of some grant projects within the fiscal 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 \$3,241,306, 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, 2015, total \$73,622,315 (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 land adjacent to a closed County landfill for pollution remediation project
- Renovated various county buildings
- Installed security cameras to various county buildings
- Purchased a new ambulance and other medical equipment for the Emergency Medical Services office

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

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Land	\$ 12,997,807	\$ 11,794,304
Buildings	52,734,103	53,581,286
Improvements other than buildings	4,546,620	5,832,750
Equipment	1,918,750	2,473,749
Vehicles	812,941	884,197
Construction in progress	612,094	1,250
Total	<u>\$ 73,622,315</u>	<u>\$ 74,567,536</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, 2015, Haywood County had \$22.6 million in bonded debt outstanding.

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

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
General obligation bonds	<u>\$ 22,638,000</u>	<u>\$ 24,205,000</u>

Haywood County's total debt decreased by \$9,163,103 (11%) during the current fiscal year. This is mainly due to paying down loans through debt service. The new reporting of the GASB 68 net pension liability was included in the prior year amount, and by the end of the current fiscal year, the amount was a negative liability and is reported as a net pension asset.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Haywood County is \$529,893,705.

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

Economic Factors and Next Year's Budgets and Rates

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

- The local unemployment rate of 5.5%, a slight increase from 5.0% at June 30, 2014, was below the state unemployment rate of 6.1%, and matched the national rate of 5.5% at June 30, 2015.
- New residential construction continues, reflected by an 11% increase in number of units and a 23% increase in the value of that construction from 2014.
- Property values for commercial construction increased 1.8% from 2014 amounts.
- Sales taxes received by the county reflect a four year average increase of 6.62%.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Funds - Budgeted revenues in the General Fund reflect an increase in the property tax base for motor vehicle values and business personal property, with a slight increase in commercial construction. The County completed a revaluation of property values in 2011 that were first reflected in the 2011-2012 fiscal year budget. Total property values for budgeting purposes, which included the reductions for land use, senior citizen exemptions and historic exemptions, decreased in that revaluation cycle by 2.37%. The tax rate of 54.13 cents per \$100 value, an increase of 2.73 cents from the year prior to the revaluation year, reflected an amount that would bring in substantially the same amount of revenue had there been no revaluation. Since that budget, it has become evident that the revenues would not sustain reasonable operations going forward. In that light, the Board of Commissioners decided to increase the tax rate from 54.13 cents to 56.61 cents for the 2015-2016 fiscal year. This increase will allow for necessary capital expenditures that had been put off during the years following the recession. It also is expected to help cover the expenses of increasing some of the lowest paid positions in order to attract qualified staff.

The sales tax revenue for Haywood County has averaged a 6.62% increase year to year for the past four years, with only a 2% increase in the 2013-2014 fiscal year. The 2014-2015 fiscal year generated a 12% increase, likely due to the purchases generated by the county's hospital which was purchased by Duke-Lifepoint in July 2014. The budget for next year (2015-2016) reflects an estimated 3.6% increase over the prior year's budget, and a 1% increase over the actual amount collected through June 30, 2015. As the year progresses, an opportunity to increase the sales tax budget to reflect more revenue may be possible and will be reviewed.

The Solid Waste Management Special Revenue Fund, segregated from the General Fund, reflects the privatization of the convenience centers in the County as well as a public/private partnership for management of the county landfill, which reduced the liability for closure and post closure costs, as well as removed any future landfill expansion cost liability for the County. However, the county has recognized a liability for potential pollution remediation of another, much smaller, county landfill. Along with property purchases, engineers have been engaged to design and administer a new cap construction for the landfill. These costs are reflected in the 2015-2016 fiscal year budget. An increase in the availability fee, from \$92 per household to \$136 per household, was implemented to cover these new costs.

Requests for Information

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Position

June 30, 2015

	Primary Government	Component Unit
	Governmental Activities	Haywood County Tourism Development Authority
Assets:		
Cash and cash equivalents	\$ 26,458,494	\$ 213,883
Restricted cash	279,635	145,762
Receivables (net)	2,748,493	236,876
Due from other governments	5,764,688	-
Inventories	110,712	-
Prepaid items	16,275	1,928
Net pension asset - restricted	2,117,704	-
Capital assets:		
Land, improvements, and construction in progress	13,609,901	-
Other capital assets, net of depreciation	60,012,414	10,257
Total capital assets	<u>73,622,315</u>	<u>10,257</u>
 Total assets	 <u>111,118,316</u>	 <u>608,706</u>
Deferred outflows of resources	<u>2,039,635</u>	<u>-</u>
Liabilities:		
Accounts payable and accrued expenses	4,159,673	26,690
Accrued interest payable	576,140	-
Long-term liabilities:		
Due within one year	6,861,163	-
Due in more than one year	64,826,427	-
Total liabilities	<u>76,423,403</u>	<u>26,690</u>
Deferred inflows of resources	<u>5,481,223</u>	<u>-</u>
Net position:		
Net investment in capital assets	43,926,798	10,257
Restricted for:		
Stabilization by State Statute	6,115,936	236,876
Pension	2,117,704	-
Public safety	1,069,757	-
Education	131,152	-
Economic development	-	145,762
Unrestricted (deficit)	(22,108,022)	189,121
Total net position	<u>\$ 31,253,325</u>	<u>\$ 582,016</u>

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Activities

For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,202,544	\$ 330,727	\$ 103,006	\$ -
Public safety	18,332,672	3,274,565	1,298,261	108,978
Transportation	197,811	-	133,783	-
Environmental protection	4,182,627	3,835,700	127,502	-
Economic and physical development	3,289,410	-	199,304	-
Human services	20,029,023	442,379	12,966,702	4,666
Culture and recreation	1,685,345	75,188	164,582	16,541
Education	19,586,667	-	324,705	541,858
Interest on long-term debt	1,841,698	-	-	-
Total governmental activities	\$ 78,347,797	\$ 7,958,559	\$ 15,317,845	\$ 672,043
Component unit:				
Haywood County Tourism Development Authority	\$ 950,199	\$ 19,464	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Occupancy taxes				
Deed stamp excise tax				
Telecommunications/video tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Total general revenues				
Change in net position				
Net position-beginning, previously reported				
Restatement				
Net position-beginning, restated				
Net position-ending				

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Total Governmental Activities	Haywood County Tourism Development Authority
\$ (8,768,811)	
(13,650,868)	
(64,028)	
(219,425)	
(3,090,106)	
(6,615,276)	
(1,429,034)	
(18,720,104)	
(1,841,698)	
<u>(54,399,350)</u>	
	<u>\$ (930,735)</u>
43,826,065	-
12,746,564	-
1,083,221	1,063,889
599,968	-
312,533	-
592,607	-
308,781	-
28,178	60
41,546	-
<u>59,539,463</u>	<u>1,063,949</u>
5,140,113	133,214
28,647,276	448,802
(2,534,064)	-
26,113,212	-
<u>\$ 31,253,325</u>	<u>\$ 582,016</u>

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds

June 30, 2015

	General Fund	Solid Waste Mangement Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 20,704,603	\$ 2,440,957	\$ 1,301,318	\$ 24,446,878
Restricted cash	279,635	-	-	279,635
Accounts receivable, net	507,524	-	-	507,524
Taxes receivable, net	1,082,501	-	111,188	1,193,689
Other tax receivables	372,776	-	-	372,776
Due from other governments	5,421,188	132,932	210,568	5,764,688
Solid waste fees receivable	-	335,293	-	335,293
Other receivables	29,200	9,881	-	39,081
Prepays	5,275	1,000	-	6,275
Inventories	110,712	-	-	110,712
Total assets	<u>\$ 28,513,414</u>	<u>\$ 2,920,063</u>	<u>\$ 1,623,074</u>	<u>\$ 33,056,551</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,331,582	\$ 208,758	\$ 281,962	\$ 3,822,302
Deferred inflows of resources	<u>2,504,964</u>	<u>336,662</u>	<u>111,188</u>	<u>2,952,814</u>
Fund balances:				
Non-spendable:				
Prepays	5,275	1,000	-	6,275
Inventories	110,712	-	-	110,712
Restricted:				
Stabilization by State Statute	5,614,929	478,106	22,901	6,115,936
Sheriff's department	53,183	-	-	53,183
Public schools	-	-	28,778	28,778
E-911	-	-	955,466	955,466
Community college	-	-	102,374	102,374
Title III projects	61,108	-	-	61,108
Committed:				
Community college	1,614,344	-	-	1,614,344
Solid waste management	-	1,895,537	-	1,895,537
Public school capital projects	40,884	-	-	40,884
Capital projects	-	-	120,405	120,405
Assigned:				
LEO Special Separation Allowance	39,479	-	-	39,479
Unassigned	15,136,954	-	-	15,136,954
Total fund balances	<u>22,676,868</u>	<u>2,374,643</u>	<u>1,229,924</u>	<u>26,281,435</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,513,414</u>	<u>\$ 2,920,063</u>	<u>\$ 1,623,074</u>	<u>\$ 33,056,551</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2015

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

Total fund balance for governmental funds	\$ 26,281,435
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	73,622,315
Net pension asset	2,117,704
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the statement of net position	1,395,071
Deferred outflows of resources for a charge on the refunding of debt	642,012
The internal service fund is used by management to account for the activities of the self-insurance plan of the County for employee medical claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	1,961,652
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Accrued interest receivable	22,723
Deferred inflows of resources for taxes, fees and notes receivable	2,244,741
Pension related deferrals	(4,770,598)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(576,140)
Long-term obligations	<u>(71,687,590)</u>
Net position of governmental activities	<u>\$ 31,253,325</u>

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

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	General Fund	Solid Waste Mangement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 40,133,654	\$ -	\$ 4,095,719	\$ 44,229,373
Local option sales taxes	12,746,564	-	-	12,746,564
Other taxes and licenses	2,459,752	128,577	-	2,588,329
Unrestricted intergovernmental	308,781	-	-	308,781
Restricted intergovernmental	14,575,831	112,687	1,259,654	15,948,172
Permits and fees	351,838	3,488,180	-	3,840,018
Sales and services	3,777,065	314,127	-	4,091,192
Investment earnings	26,287	-	1,891	28,178
Miscellaneous	251,621	12,900	14,620	279,141
Total revenues	<u>74,631,393</u>	<u>4,056,471</u>	<u>5,371,884</u>	<u>84,059,748</u>
Expenditures:				
Current:				
General government	5,067,994	-	187,505	5,255,499
Central services	3,036,385	-	-	3,036,385
Public safety	13,773,955	-	4,176,387	17,950,342
Transportation	197,811	-	-	197,811
Environmental protection	157,483	4,918,228	232,505	5,308,216
Economic and physical development	2,246,742	-	504,454	2,751,196
Human services	19,729,865	-	-	19,729,865
Culture and recreation	1,549,664	-	52,450	1,602,114
Intergovernmental:				
Education	17,240,267	-	2,346,400	19,586,667
Debt service:				
Principal	5,813,918	500,000	-	6,313,918
Interest and other fiscal charges	1,898,355	9,675	-	1,908,030
Total expenditures	<u>70,712,439</u>	<u>5,427,903</u>	<u>7,499,701</u>	<u>83,640,043</u>
Revenues over (under) expenditures	<u>3,918,954</u>	<u>(1,371,432)</u>	<u>(2,127,817)</u>	<u>419,705</u>
Other financing sources (uses):				
Transfers from other funds	106,711	447,551	637,147	1,191,409
Transfers to other funds	(61,670)	-	(1,129,739)	(1,191,409)
Refunding proceeds from debt issued	10,783,000	-	-	10,783,000
Payment to escrow agent for refunded debt	(10,723,992)	-	-	(10,723,992)
Sale of capital assets	3,522	-	-	3,522
Total other financing sources (uses)	<u>107,571</u>	<u>447,551</u>	<u>(492,592)</u>	<u>62,530</u>
Net change in fund balances	4,026,525	(923,881)	(2,620,409)	482,235
Fund balances—beginning	18,650,343	3,298,524	3,850,333	25,799,200
Fund balances—ending	<u>\$ 22,676,868</u>	<u>\$ 2,374,643</u>	<u>\$ 1,229,924</u>	<u>\$ 26,281,435</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

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

Net change in fund balances--total governmental funds	\$ 482,235
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>	
Capital outlay	2,951,132
Depreciation	(3,878,023)
Net book value of capital assets disposed of during the year, not capitalized on modified accrual basis	(29,330)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	1,395,071
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
Change in ad valorem taxes receivable	(403,308)
Change in notes receivable	(183,052)
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	11,000
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:</p>	
Proceeds	(10,783,000)
Issuance premium, net of amortization	218,465
Repayments	16,613,918
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	(462,011)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following are accrued in the government-wide statements but not in the fund statements because they do not use current resources:</p>	
Deferred outflows of resources for a charge on the refunding of debt	185,573
Compensated absences	41,884
Pollution remediation obligation	565,707
Pension expense - LGERS	(122,408)
Pension expense - Register of Deeds	3,578
Net pension obligation	(29,829)
OPEB liability	(1,523,775)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	86,286
Total changes in net position of governmental activities	\$ 5,140,113

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, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 39,219,314	\$ 39,510,155	\$ 40,133,654	\$ 623,499
Local option sales tax	12,397,670	12,397,670	12,746,564	348,894
Other taxes and licenses	2,412,908	2,867,908	2,459,752	(408,156)
Unrestricted intergovernmental	-	310,000	308,781	(1,219)
Restricted intergovernmental	13,469,103	15,426,717	14,575,831	(850,886)
Permits and fees	398,500	398,500	351,838	(46,662)
Sales and services	3,390,150	3,552,421	3,777,065	224,644
Investment earnings	25,000	25,000	26,287	1,287
Miscellaneous	253,714	319,294	251,621	(67,673)
	71,566,359	74,807,665	74,631,393	(176,272)
Expenditures:				
Current:				
General government	4,963,054	5,418,203	5,067,994	350,209
Central services	2,982,902	3,465,548	3,036,385	429,163
Public safety	13,581,354	14,811,141	13,773,955	1,037,186
Transportation	280,089	288,089	197,811	90,278
Environmental protection	156,977	159,585	157,483	2,102
Economic and physical development	2,138,163	2,917,902	2,246,742	671,160
Human services	19,741,138	21,101,268	19,729,865	1,371,403
Culture and recreation	1,525,890	1,623,918	1,549,664	74,254
Contingency and non-departmental	806,849	38,021	-	38,021
Intergovernmental:				
Education	17,498,654	17,280,999	17,240,267	40,732
Debt service:				
Principal	5,813,918	5,903,932	5,813,918	90,014
Interest and other charges	2,079,371	1,905,937	1,898,355	7,582
	71,568,359	74,914,543	70,712,439	4,202,104
Revenues over (under) expenditures	(2,000)	(106,878)	3,918,954	4,025,832

Solid Waste Management Fund			
Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
120,000	120,000	128,577	8,577
-	-	-	-
47,000	47,000	112,687	65,687
3,449,887	3,449,887	3,488,180	38,293
79,800	286,242	314,127	27,885
-	-	-	-
-	-	12,900	12,900
<u>3,696,687</u>	<u>3,903,129</u>	<u>4,056,471</u>	<u>153,342</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,158,991	6,018,991	4,918,228	1,100,763
-	-	-	-
-	-	-	-
-	-	-	-
100,000	100,000	-	100,000
-	-	-	-
500,000	500,000	500,000	-
9,675	9,675	9,675	-
<u>4,768,666</u>	<u>6,628,666</u>	<u>5,427,903</u>	<u>1,200,763</u>
<u>(1,071,979)</u>	<u>(2,725,537)</u>	<u>(1,371,432)</u>	<u>1,354,105</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Other financing sources (uses):				
Transfers from other funds	\$ -	\$ 168,202	\$ 106,711	\$ (61,491)
Transfers to other funds	-	(359,027)	(61,670)	297,357
Refunding proceeds from debt issued	-	10,843,000	10,783,000	(60,000)
Payment to escrow agent for refunded debt	-	(10,783,000)	(10,723,992)	59,008
Sale of capital assets	2,000	2,000	3,522	1,522
Total other financing sources (uses)	2,000	(128,825)	107,571	236,396
Revenues and other financing sources over (under) expenditures and other financing uses	-	(235,703)	4,026,525	4,262,228
Appropriated fund balance	-	235,703	-	(235,703)
Net change in fund balances	\$ -	\$ -	4,026,525	\$ 4,026,525
Fund balances:				
Beginning of year, July 1			18,650,343	
End of year, June 30			\$ 22,676,868	

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)
\$ 447,551	\$ 447,551	\$ 447,551	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
<u>447,551</u>	<u>447,551</u>	<u>447,551</u>	<u>-</u>
(624,428)	(2,277,986)	(923,881)	1,354,105
<u>624,428</u>	<u>2,277,986</u>	<u>-</u>	<u>(2,277,986)</u>
<u>\$ -</u>	<u>\$ -</u>	(923,881)	<u>\$ (923,881)</u>
		<u>3,298,524</u>	
		<u>\$ 2,374,643</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Position
Proprietary Funds

June 30, 2015

	<u>Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,011,616
Receivables, net	277,407
Prepays	<u>10,000</u>
Total assets	<u>2,299,023</u>
Liabilities:	
Current liabilities:	
Estimated claims payable	<u>337,371</u>
Net position:	
Unrestricted	<u><u>\$ 1,961,652</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the Fiscal Year Ended June 30, 2015

	<u>Internal Service Funds</u>
Operating revenues:	
Internal charges for services	\$ 5,179,890
External charges for services	595,657
Total operating revenues	<u>5,775,547</u>
 Operating expenses:	
Claims and administration	<u>6,237,558</u>
Change in net position	(462,011)
 Net position:	
Beginning of year, July 1	<u>2,423,663</u>
End of year, June 30	<u><u>\$ 1,961,652</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Cash Flows
Proprietary Funds

For The Fiscal Year Ended June 30, 2015

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from third-party payors and patients	\$ 5,498,140
Payments to providers	<u>(6,211,990)</u>
Net cash used by operating activities	<u>(713,850)</u>
 Decrease in cash and cash equivalents	 (713,850)
Cash and cash equivalents:	
Beginning balance, July 1	<u>2,725,466</u>
Ending balance, June 30	<u><u>\$ 2,011,616</u></u>
 Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ (462,011)
 Changes in assets and liabilities:	
Increase in accrued expenses	<u>(251,839)</u>
Net cash used by operating activities	<u><u>\$ (713,850)</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Position
Fiduciary Fund

For the Fiscal Year Ended June 30, 2015

	Agency Funds
Assets:	
Cash and cash equivalents	\$ 267,645
Liabilities:	
Amounts held for others	211,924
Due to other governments	55,721
Total liabilities	\$ 267,645

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, 2015

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

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

Fund Financial Statements:

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

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

The County reports the following major governmental funds for the year ended June 30, 2015:

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 Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

Solid Waste Management Fund

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

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 Fund, the Emergency Telephone Fund, the Fire Districts Fund, the Sanitary District Fund, the Road Service Fund, and the CDBG Scattered Site Project Fund.

 Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County has the following capital projects funds within its governmental fund types: the Community College Projects Fund, the Public Schools ADM/Lottery Fund, County Building Renovations Fund, Water & Sewer Lines Fund, E-911 Consolidation 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 Municipal 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 Sheriff's Office Fund, which accounts for funds held by the County's Sheriff's Office for the benefit of others; 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. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

- D. **Budgetary Data** - The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and special revenue funds, excluding the CDBG Scattered Site Project Fund and the Crisis Assistance Housing Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds, CDBG Scattered Site Project Fund, and the Crisis Assistance Housing 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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position**

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.

Money in the General Fund is classified as restricted assets because their use is completely restricted by external parties.

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, 2014.

Allowances for Doubtful Accounts:

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

Inventories and Prepaid Items:

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

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

Capital Assets:

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization cost is \$1,000 for annual budgeting and \$5,000 for financial reporting. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - a charge on refunding, pension related deferrals, and contributions made to the pension plans in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has four items that meet the criterion for this category - prepaid taxes and fees receivable, notes receivable, unearned grant revenue, and other pension related deferrals.

Long-Term Obligations:

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

Compensated Absences:

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

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

Net Position:

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through State 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 inventories, which are not spendable resources.
- ✓ Prepays - portion of fund balance that is not available for appropriation because it represents the year-end balance of prepaid items that are not expendable resources.

 Restricted Fund Balance

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

- ✓ Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
- ✓ Restricted for Sheriff's Department - portion of fund balance that is restricted by the revenue source to pay for expenditures related to the drug seizure funds.
- ✓ Restricted for Public Schools - portion of fund balance that represents proceeds from the installment note payable for the Public School ADM/Lottery capital projects.
- ✓ Restricted for Community College - portion of fund balance that represents proceeds from the installment note payable for the Community College capital projects.
- ✓ Restricted for Title III Projects - portion of fund balance that is restricted by the revenue source to pay for expenditures to reimburse the County for search and rescue and other emergency services on federal forest lands.
- ✓ Restricted for E-911 - portion of fund balance that is restricted by the revenue source to pay for qualified E-911 programs.

 Committed Fund Balance

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

- ✓ Committed for Community College Capital - portion of fund balance that reflects the sales tax that has been committed for community college capital expenditures.
- ✓ Committed for Solid Waste Management - portion of fund balance that has been committed to the Solid Waste Management fund of the County.
- ✓ Committee for Public School Capital Projects - portion of fund balance that has been committed for capital expenditures for public schools in the County.
- ✓ Committed for Capital Projects - portion of fund balance that has been committed, by project ordinance, for capital expenditures in the County.

Assigned Fund Balance

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

- ✓ Assigned for LEO Special Separation Allowance - portion of fund balance that has been assigned for future expenditures related to the LEO Special Separation Allowance.

Unassigned Fund Balance

This classification includes the portion of total fund balance in the General Fund that has not been restricted, committed or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance, as all other funds report amounts for specific purposes.

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

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

Defined Benefit Pension Plans:

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

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

A. **Assets**

i. **Deposits:**

All of the County and the TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or TDA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the

TDA, these deposits are considered to be held by their agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the TDA under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the TDA have no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The County and the TDA comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2015, the County's deposits had a carrying amount of \$11,283,857 and a bank balance of \$11,648,508. Of the bank balance, \$975,225 was covered by federal depository insurance and \$10,673,283 by collateral held under the Pooling Method.

At June 30, 2015, the County had \$4,950 cash on hand.

At June 30, 2015, the carrying amount of deposits for the TDA was \$359,645, and the bank balance was \$413,518, all of which was covered by federal depository insurance. The TDA had cash on hand at year-end in the amount of \$200.

ii. **Investments:**

The County's investments in the North Carolina Capital Management Trust Cash Portfolio, in the amount of \$691,913 as of June 30, carried a credit rating of AAAm by Standard & Poor's. The County's investment in the North Carolina Capital Management Trust Term Portfolio, in the amount of \$15,025,054 as of June 30, is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. Government and agencies, and also in high-grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County has no policy on credit risk.

iii. **Receivables:**

Notes Receivable

On January 31, 2002, the County and the Town of Waynesville (the "Town") entered into a cooperative agreement in which the Town agreed to contribute \$2,500,000 to be used as payment on the installment financing contract for the construction of new parking facilities, with payment scheduled for a twenty year period. On July 8, 2003, the County and the Town modified the agreement, and on July 9, 2013 the agreement was modified again in the form of a refunding. The Town will pay to the County three remaining equal annual payments of \$217,573, including interest at 1.64% through July 15, 2017. At June 30, 2015, the balance was \$631,881.

Receivables at the government-wide level at June 30, 2015 were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest Receivable</u>	<u>Due From Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General Fund	\$ 793,740	\$ 2,803,646	\$ 5,421,188	\$ 29,200	\$ 9,047,774
Receivables - governmental activities only	277,407	22,723	-	-	300,130
Other governmental	571,908	253,277	343,500	9,881	1,178,566
Total receivables	<u>1,643,055</u>	<u>3,079,646</u>	<u>5,764,688</u>	<u>39,081</u>	<u>10,526,470</u>
Allowance for doubtful accounts	(522,831)	(1,490,458)	-	-	(2,013,289)
Total governmental activities	<u>\$ 1,120,224</u>	<u>\$ 1,589,188</u>	<u>\$ 5,764,688</u>	<u>\$ 39,081</u>	<u>\$ 8,513,181</u>
Amounts not expected to be Collected within one year	\$ -	\$ -	\$ 448,829	\$ -	\$ 448,829

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

Local option sales tax	\$ 3,440,135
Long term receivable from town	631,881
NC DMV tax receivable	325,804
Other	1,366,868
	<u>\$ 5,764,688</u>

iv. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Nondepreciable assets:					
Land	\$ 11,794,304	\$ 1,203,503	\$ -	\$ -	\$ 12,997,807
Construction in progress	1,250	612,094	-	(1,250)	612,094
Total capital assets not being depreciated	<u>11,795,554</u>	<u>1,815,597</u>	<u>-</u>	<u>(1,250)</u>	<u>13,609,901</u>
Depreciable assets:					
Improvements	18,237,250	24,105	5,530	-	18,255,825
Buildings	64,827,554	511,391	31,225	1,250	65,308,970
Equipment	11,891,061	292,985	391,135	-	11,792,911
Vehicles	5,258,924	318,054	161,465	-	5,415,513
Total capital assets being depreciated	<u>100,214,789</u>	<u>1,146,535</u>	<u>589,355</u>	<u>1,250</u>	<u>100,773,219</u>
Less accumulated depreciation:					
Improvements	12,404,500	1,308,114	3,409	-	13,709,205
Buildings	11,246,268	1,332,615	4,016	-	12,574,867
Equipment	9,417,312	847,984	391,135	-	9,874,161
Vehicles	4,374,727	389,310	161,465	-	4,602,572
Total accumulated depreciation:	<u>37,442,807</u>	<u>\$ 3,878,023</u>	<u>\$ 560,025</u>	<u>\$ -</u>	<u>40,760,805</u>
Capital assets, net	<u>62,771,982</u>				<u>60,012,414</u>
Governmental activities Capital assets, net	<u>\$ 74,567,536</u>				<u>\$ 73,622,315</u>

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

Governmental Activities:	
General government	\$ 884,372
Public safety	807,815
Environmental protection	1,184,073
Economic and physical development	551,500
Human services	312,476
Cultural and recreational	137,787
	<hr/>
Total	<u>\$ 3,878,023</u>

Construction Commitments

The government had one construction project not yet completed as of June 30, 2015. The construction contract for the work at a closed County landfill which began in the fiscal year ended June 30, 2013 is as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Preliminary CAP maintenance project	<u>\$ 98,019</u>	<u>\$ 161,982</u>

Discretely Presented Component Unit

Capital asset activity for the TDA for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Depreciable assets:				
Improvements	\$ 11,425	\$ -	\$ -	\$ 11,425
Equipment and furniture	28,585	2,140	-	30,725
				<hr/>
Total capital assets being depreciated	40,010	2,140	-	42,150
Less accumulated depreciation:				
Improvements	4,871	2,394	-	7,265
Equipment and furniture	20,559	4,069	-	24,628
				<hr/>
Total accumulated Depreciation	25,430	<u>\$ 6,463</u>	<u>\$ -</u>	31,893
				<hr/>
Capital assets, net	<u>\$ 14,580</u>			<u>\$ 10,257</u>

B. Deferred Outflows of Resources

Deferred outflows of resources at the government-wide level at June 30, 2015 were as follows:

Charge on refundings of debt	\$ 642,012
County contributions to pension plans subsequent to measurement date	1,395,071
Pension deferrals	<u>2,552</u>
Total	<u>\$ 2,039,635</u>

C. Liabilities**i. Payables:**

Payables at the government-wide level at June 30, 2015 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 1,468,594	\$ 970,922	\$ 892,066	\$ 3,331,582
Solid waste management fund	183,439	4,023	21,296	208,758
Estimated claims payable	-	-	337,371	337,371
Other governmental	<u>280,308</u>	<u>1,654</u>	<u>-</u>	<u>281,962</u>
Total governmental activities	<u>\$ 1,932,341</u>	<u>\$ 976,599</u>	<u>\$ 1,250,733</u>	<u>\$ 4,159,673</u>

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

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$875,000 for the year ended June 30, 2015.

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

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

At June 30, 2015, the County reported an asset of \$1,957,545 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 0.33193%, which was a decrease of .00487% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$122,408. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 213,896
Net difference between projected and actual earnings on pension plan investments	-	4,557,120
Changes in proportion and differences between County contributions and proportionate share of contributions	-	1,271
County contributions subsequent to the measurement date	<u>1,389,017</u>	<u>-</u>
Total	<u>\$ 1,389,017</u>	<u>\$ 4,772,287</u>

\$1,389,017 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (1,193,207)
2017	(1,193,207)
2018	(1,193,207)
2019	(1,192,666)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income

return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5	6.1
Real Estate	8.0	5.7
Alternatives	6.5	10.5
Credit	4.5	6.8
Inflation Protection	4.5	3.7
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 6,644,753	\$ (1,957,545)	\$ (9,200,402)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>60</u>
Total	<u>65</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.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to the plan members
- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

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, 2014 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, 2014 was 16 years.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 98,263
Interest on net pension obligation	28,871
Adjustment to annual required contribution	<u>(48,777)</u>
Annual pension cost	78,357
Less: Contributions made	<u>(48,528)</u>
Increase in net pension obligation	29,829
Net pension obligation beginning of year	<u>577,412</u>
Net pension obligation end of year	<u><u>\$ 607,241</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>
6/30/2015	\$ 78,357	61.93%	\$ 607,241
6/30/2014	\$ 58,441	76.31%	\$ 577,412
6/30/2013	\$ 70,360	36.91%	\$ 563,568

Funded Status and Funding Progress - As of December 31, 2014, 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 \$711,834. The covered payroll (annual payroll of active employees covered by the plan) was \$2,365,195, and the ratio of the UAAL to the covered payroll was 30.10%.

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2015 were \$173,899, which consisted of \$123,011 from the County and \$50,888 from the law enforcement officers.

Supplemental Retirement Income Plan for Employees Not Engaged in Law Enforcement

Full-time employees not engaged in law enforcement are eligible to participate in the Supplemental Retirement Plan under Internal Revenue Code Section 401(k). Under this plan, an employee may contribute a percentage of their annual gross salary as limited by federal tax laws. Haywood County contributed an amount equal to 1% of annual gross pay. Contributions for the year ended June 30, 2015 were \$449,170, which consisted of \$170,382 from the County and \$278,788 from the employees.

Registers of Deeds' Supplemental Pension Fund

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

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory

limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,054 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$160,159 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .70658%, which was a decrease of .00738% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(3,578). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,470	\$ -
Net difference between projected and actual earnings on pension plan investments	-	863
Changes in proportion and differences between County contributions and proportionate share of contributions	1,082	-
County contributions subsequent to the measurement date	<u>6,054</u>	<u>-</u>
Total	<u>\$ 8,606</u>	<u>\$ 863</u>

\$6,054 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ 944
2017	944
2018	16
2019	(215)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (143,813)	\$ (160,159)	\$ (174,203)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

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 ("OPEB 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, 124 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2015, Haywood County made payments for post-retirement health benefit premiums of \$561,547. 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 OPEB Plan consisted of the following at December 31, 2014, the date of the latest actuarial valuation:

	General Employees and Law Enforcement Officers
Retirees and dependents receiving benefits	124
Active plan members	517
Total	641

Funding Policy. Haywood County's obligation to continue the OPEB 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 9.69% of annual covered payroll. For the current year, the County contributed \$561,547 or 2.82% 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	\$ 2,067,075
Interest on net OPEB obligation	408,307
Adjustment to annual required contribution	<u>(390,060)</u>
Annual OPEB cost	2,085,322
Contributions made	<u>(561,547)</u>
Increase in net OPEB obligation	1,523,775
Net OPEB obligation, beginning of year	<u>10,207,680</u>
Net OPEB obligation, end of year	<u><u>\$ 11,731,455</u></u>

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 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>
2013	\$ 1,956,710	23.70%	\$ 8,967,456
2014	\$ 2,006,869	38.20%	\$ 10,207,680
2015	\$ 2,085,322	26.90%	\$ 11,731,455

Funded Status and Funding Progress. As of December 31, 2014, 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 \$23,062,498. The covered payroll (annual payroll of active employees covered by the plan) was \$19,948,193, and the ratio of the UAAL to the covered payroll was 115.6%. 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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.50% to 5.00% annually. Both rates included a 3.00% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014, was 30 years.

Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants nor does the County have any liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

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

State and federal laws and regulations require the County to place a final cover on its White Oak Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County, in prior years, reported a portion of these closure and post-closure costs based on the estimated life of the landfill. As of May 2014, at the point that the County, per contract with Santek Environmental, Inc., turned over the management of the County landfill to that company, Santek Environmental, Inc. became responsible for funding the closure and postclosure care. Santek Environmental, Inc. has posted a performance bond for the full amount of the closure and postclosure care assurance, as determined by their engineers, provided that in no event, shall the amount of the closure assurance be less than the then current cost estimate for closure and postclosure care assurance that the North Carolina Department of Environment and Natural Resources ("NC DENR") has accepted. At June 30, 2015, the amount that NC DENR had accepted was \$7.6 million. 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 for closing may differ than estimated due to inflation, changes in technology, or changes in regulations.

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

iv. Pollution Remediation Obligation:

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

v. Risk Management:

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance. Through the commercial carrier, the County also obtains property coverage equal to replacement cost values of owned property. The County also purchases general, auto, public officials, law enforcement, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned auto at actual cash value subject to a limit of \$1 million per occurrence, and crime coverage of \$250,000 per occurrence.

The County does not carry flood insurance. The County had insignificant flooding at the edge of the concrete pad at the animal shelter during the two flood events of 2004, and does not consider the cost of flood insurance determination to be a reasonable expense.

The employee medical benefits program is funded through the Insurance Internal Service Fund. The program is funded by both employee and employer contributions. Fringe benefits paid through this program include group health and dental insurance. The group health plan operates with a specific stop-loss of \$100,000 and an aggregate stop-loss of 100% of the estimated loss fund. The employee workers' compensation program is funded through the Workers' Compensation Internal Service Fund.

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

	<u>2015</u>	<u>2014</u>
Estimated claims payable, July 1	\$ 311,803	\$ 363,017
Plus: Incurred claims and changes in estimates	5,301,958	4,745,886
Less: Claims payments	<u>(5,276,390)</u>	<u>(4,797,100)</u>
Estimated claims payable, June 30	<u>\$ 337,371</u>	<u>\$ 311,803</u>

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

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

Haywood County TDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Haywood County Finance Director is separately and individually bonded for \$50,000 as Finance Director for the Authority. The Authority carries commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

vi. **Claims and Judgments:**

At June 30, 2015, 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.

vii. Long-Term Obligations:

 Notes Payable

The County has entered into various notes payable.

\$154,905 note was actually an assumption of a USDA loan from a local non-profit in order to purchase county property. The note was entered into on November 6, 2006, requiring 36 annual installments of \$8,480, including interest at 4.25%.	\$ 137,273
\$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%.	1,060,098
\$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%.	142,567
\$12,500,000 note was issued for the adaptive renovation project from USDA with ARRA funds to purchase a vacated Wal-Mart building to house the Social Services, Health, and Central Permitting departments in the County. The note was entered into on October 4, 2010 and requires 40 annual payments of \$608,243, including interest at 3.75%.	11,709,251
\$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%.	7,840,000
\$15,235,000 note was issued for the purpose of 1) refunding all of the County's Series 2003 Certificates of Participation, which include the maturities on and after October 1, 2013 in the amount of \$7,555,000, which were originally issued to finance the construction of a new justice center and parking deck, 2) refunding all of the County's 2007 installment purchase issue outstanding on and after January 8, 2014 in the amount of \$5,940,000, which were originally issued to finance the courthouse renovation project and to make a contribution to the community college for a child development center, 3) refunding all of the County's 2009 installment purchase issue, which includes Maturities on and after June 15, 2013 in the amount of 860,967, which was originally issued for the acquisition of land for a future County park, and 4) financing a County building project in the amount of \$650,000 to house the Board of Elections, Recreation, and a Health & Human Services program. The note was entered into on July 9, 2013 and requires various annual principal payments, plus interest at 1.38%.	10,280,000
\$1,700,000 note was issued for the public schools high school renovation project on December 11, 2013, requiring 10 annual principal payments of \$170,000, plus interest at 2.15%.	1,530,000
Total installment notes payable-governmental activities	<u>\$ 32,699,189</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,554,985	\$ 896,572	\$ 4,451,557
2017	3,497,431	828,736	4,326,167
2018	3,440,166	761,507	4,201,673
2019	1,928,196	704,913	2,633,109
2020	1,921,541	658,602	2,580,143
2021-2025	7,239,630	2,639,531	9,879,161
2026-2030	1,897,444	1,949,335	3,846,779
2031-2035	1,842,028	1,625,559	3,467,587
2036-2040	2,226,675	1,240,908	3,467,583
2041-2045	2,542,151	779,020	3,321,171
2046-2050	2,608,942	290,457	2,899,399
	<u>\$ 32,699,189</u>	<u>\$ 12,375,140</u>	<u>\$ 45,074,329</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, 2015 are comprised of the following individual issues:

\$18,000,000 2006 School Facility Serial Bonds due on November 1 and May 1 with interest payments through November 1, 2007; beginning May 1, 2008, installments of \$800,000 plus interest each May 1 through 2013; installment of \$900,000 plus interest due May 1, 2014; installments of \$1,000,000 plus interest through May 1, 2025, and a payment of \$1,300,000 plus interest on May 1, 2026. Interest payments are also due each November. Interest rates range from 3.75% to 5.00%.	\$ 1,000,000
\$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%.	4,550,000
\$7,150,000 2012 Jail/Law Enforcement Center Refunded General Obligation Bond, with principal amounts due on June 1 of each year beginning June 1, 2013 in reducing increments through June 1, 2025, and interest amounts due each June 1 and December 1, with an interest rate of 1.88%.	6,305,000
\$10,783,000 2015 School Facility Refunded General Obligation Bond, with principal amounts due on May 1 of each year beginning May 1, 2016 for \$163,000, then a \$1,145,000 principal payment due on May 1, 2017, and reducing increments after that through May 1, 2026. Interest payments are due each May 1 and November 1, with an interest rate of 1.78%.	<u>10,783,000</u>
	<u>\$ 22,638,000</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>
2016	\$ 2,203,000	\$ 520,640	\$ 2,723,640
2017	2,175,000	463,748	2,638,748
2018	2,136,000	416,583	2,552,583
2019	2,090,000	370,122	2,460,122
2020	2,055,000	324,495	2,379,495
2021-2025	9,706,000	961,078	10,667,078
2026-2027	2,273,000	81,419	2,354,419
Total	<u>\$ 22,638,000</u>	<u>\$ 3,138,085</u>	<u>\$ 25,776,085</u>

Advance Refunding

On June 10, 2015, the County issued General Obligation School Facility Refunded Bonds in the amount of \$10,783,000 to refund a portion of the 2006 \$18,000,000 General Obligation School Facility Bonds, which were originally issued to construct a new elementary school in the County. As a result, the portion of the General Obligation School Facility Bonds that were refunded (\$10,300,000) are considered to be defeased and the liability for the portion of the bonds defeased have been removed from the Statement of Net Position. At June 30, 2015, the principal amount on the refunded bonds was \$10,300,000 and is held by U.S. Bank as escrow agent to be paid in full in May 2016, the first call date. The unrefunded principal was \$1,000,000 and will be paid by the County in June 2016. The reacquisition price exceeded the net carrying amount of the old debt by \$228,801. This advance refunding was undertaken to reduce total debt service payments over the life of the debt by \$1,234,426 and resulted in an economic gain of \$ 1,120,923.

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
General obligation bonds	\$24,205,000	\$10,783,000	\$12,350,000	\$22,638,000	\$ 2,203,000
Deferred issuance premium on bonds	279,793	-	218,465	61,328	-
Notes payable	36,963,107	-	4,263,918	32,699,189	3,554,985
Pollution remediation obligation	2,832,221	31,293	597,000	2,266,514	-
Compensated absences	1,725,747	1,018,864	1,060,748	1,683,863	1,103,178
Net pension obligation (LEO)	577,412	78,357	48,528	607,241	-
Net pension liability (LGERS)	4,059,733	-	4,059,733	-	-
Other postemployment benefits	10,207,680	2,085,322	561,547	11,731,455	-
Total	<u>\$80,850,693</u>	<u>\$13,996,836</u>	<u>\$23,159,939</u>	<u>\$71,687,590</u>	<u>\$ 6,861,163</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

At June 30, 2015, Haywood County had a legal debt margin of \$529,893,705.

D. Deferred Inflows of Resources

The balance in deferred inflows of resources on the fund statements and unearned revenues on the government-wide statements at June 30, 2015 is composed of the following elements:

	Governmental Funds	Governmental Activities
Prepaid taxes not yet earned (General Fund)	\$ 128,938	\$ 128,938
Prepaid fees not yet earned (Special Revenue)	1,369	1,369
Taxes receivable, net (General Fund)	1,082,501	-
Fees receivable (General Fund)	83,878	-
Taxes receivable, net (Special Revenue)	111,188	-
Long-term notes receivable (General Fund)	631,881	-
Fees receivable (Special Revenue)	335,293	-
Grant revenue received in cash (General Fund)	577,766	577,766
Pension related deferrals (Governmental Activities)	-	4,773,150
	<hr/>	<hr/>
Total	<u>\$ 2,952,814</u>	<u>\$ 5,481,223</u>

E. Net Position and Fund Balances

- i. **Net Investment in Capital Assets** - Net investment in capital assets at June 30, 2015, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 73,622,315
Less capital debt:	
Gross debt	55,398,517
Less: School debt related to assets to which the County does not hold title	(17,863,000)
Less: Community College debt related to assets to which the County does not hold title	<u>(7,840,000)</u>
Net capital debt	<u>29,695,517</u>
Net investment in capital assets	<u>\$ 43,926,798</u>

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	\$ 22,676,868
Less:	
Inventories	110,712
Prepays	5,275
Stabilization by State Statute	5,614,929
Restricted for Sheriff's Department and Title III projects	114,291
Committed fund balance	1,655,228
Fund balance policy (11%)	<u>2,494,455</u>
Remaining fund balance	<u>\$ 12,681,978</u>

3. **Related Organizations** - Until July 1, 2014, the Haywood County Board of Commissioners appointed the members of the Haywood County Economic Development Commission (the "EDC"). Last July, the commissioners dissolved the EDC and merged it into the Haywood County Chamber of Commerce. The Chamber of Commerce is a separate non-profit organization. The Commissioners appropriated \$223,059 to the Chamber of Commerce for economic development activities through June 30, 2015 and have budgeted that same amount in the 2015-2016 fiscal year budget.

Haywood Regional Medical Center, a hospital authority, was sold to Duke Lifepoint in July 2014. Through an agreement at the time the authority was created, the County commissioners would receive any proceeds over and above the transferred assets at the time of the sale. The proceeds are currently being held in an escrow account by US Bank and will be maintained in that account until sometime in the future after the possibility of any court action or Medicaid chargebacks has passed. It is anticipated that the funds will be available within six years after the date of closing. The amount in the escrow account is approximately \$12 million. The Authority had a September 30th year end and the final audit report can be obtained at the administrative office of the new hospital at 262 Leroy George Drive, Clyde, NC 28721.

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

The County, in conjunction with the State of North Carolina and Haywood County Board of Education, participates in a joint venture to operate Haywood County Community College (the "Community College"). Each of the three participants appoints four members of the thirteen-member board of trustees of the Community College. The president of the Community College's student government association serves as a non-voting, ex-officio member of the board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,141,106 and \$275,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ending June 30, 2015 from the General Fund. In addition, the County expended \$601,346 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, 2015. 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, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$80,000 to the center to supplement its activities. In addition to the monetary contribution, the County entered into a sales

agreement with the Center on December 28, 2011, whereby the county sold the property on which the Center's building resided for an amount below the assessed value of the land and the leasehold improvements. The majority of the leasehold improvements had been constructed by the Center. Complete financial statements for the Center may be obtained from the Center's area offices at P. O. Box 280, Dillsboro, North Carolina, 28725.

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

	<u>Federal</u>	<u>State</u>
Special Supplemental Food Program for Women, Infants and Children	\$ 1,060,579	\$ -
Medical Assistance Program	57,231,319	31,430,355
State Children's Insurance Program - N.C. Health Choice	1,009,347	320,595
TANF/Work First	461,226	-
Independent Living Transitional	17,339	-
State/County Special Assistance for Adults	-	504,204
AFDC Payments and Penalties	(43)	(12)
IV-E Adoption	526,846	137,820
IV-E Foster Care	410,625	120,544
Child Welfare Services - Adoption Subsidy	-	298,275
Foster Care At Risk	-	12,267
State Foster Care Benefits Program	-	281,597
	<u>\$ 60,717,238</u>	<u>\$ 33,105,645</u>
Total		

7. **Summary Disclosure of Significant Contingencies** - The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.
8. **Conduit Debt Obligations** - Haywood County Industrial Facility and Pollution Control Financing Authority (the "Authority") has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as by letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2015, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$7,600,000.

9. **Interfund Receivables, Payables and Transfers** - Interfund transfers for the year ended June 30, 2015, consisted of the following:

Transfers to Public Schools ADM/Lottery Capital Project Fund from: General Fund	\$ 15,054
Transfers to County Building Renovations Capital Project Fund from: General Fund	\$ 46,616
Transfer to E-911 Consolidation Capital Project Fund from: Emergency Telephone System Special Revenue Fund	\$ 575,477
Transfers to Solid Waste Special Revenue Fund from: Solid Waste/Landfill Capital Project Fund	\$ 447,551
Transfer to General Fund from: Public Schools ADM/Lottery Capital Project Fund	\$ 90,004
County Building Renovations Capital Project Fund	16,707
Total	\$ 106,711

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, 2015, the County transferred \$575,477 from the E-911 Special Revenue Fund to the E-911 Consolidation Capital Project Fund, to cover the equipment that will be needed when the consolidation grant project is completed.

The County transferred \$447,551 from the Solid Waste/Landfill Capital Project Fund to close the Capital Project Fund and use the balance of the loan proceeds to cover the final debt service payment for the landfill construction. In addition, various other transfers were made to the General Fund totaling \$106,711 to close out smaller projects in other non-major capital projects funds.

10. **Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the Statement required the County to record beginning net pension liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental activities decreased by \$2,534,064.

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
- Schedule of Proportionate Share of Net Pension Liability (Asset) - Local Governmental Employees' Retirement System
- Schedule of the County's Contributions - Local Governmental Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability (Asset) - Register of Deeds' Supplemental Pension Fund
- Schedule of the County's Contributions - Register of Deeds' Supplemental Pension Fund

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]
12/31/14	-	\$ 711,834	\$ 731,834	0%	\$ 2,365,195	30.10%
12/31/13	-	699,396	699,396	0%	2,219,780	31.51%
12/31/12	-	592,243	592,243	0%	2,251,312	26.31%
12/31/11	-	650,963	650,963	0%	2,140,204	30.42%
12/31/10	-	632,550	632,550	0%	2,032,038	31.13%
12/31/09	-	598,789	598,789	0%	2,027,941	29.53%
12/31/08	-	471,329	471,329	0%	2,146,030	21.96%
12/31/07	-	405,297	405,297	0%	2,002,778	20.24%
12/31/06	-	346,965	346,965	0%	1,975,853	17.56%
12/31/05	-	308,732	308,732	0%	1,796,938	17.18%
12/31/04	-	329,421	329,421	0%	1,639,466	20.09%

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>
2013	\$ 76,710	33.85%
2014	\$ 58,441	76.31%
2015	\$ 78,357	61.93%

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	12/31/14
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 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]
12/31/14	\$ -	\$23,062,498	\$ 23,062,498	0%	\$ 19,948,193	115.6%
12/31/12	-	21,894,055	21,894,055	0%	19,148,052	114.3%
12/31/11	-	19,866,726	19,866,726	0%	19,265,594	103.1%

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>
2013	\$ 1,925,270	24.12%
2014	\$ 2,006,869	38.20%
2015	\$ 2,085,322	26.93%

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	12/31/14
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	7.50 - 5.00%
Post-Medicare trend rate	5.50 - 5.00%
Year of ultimate trend rate	2020

*Includes inflation at 3.00%

HAYWOOD COUNTY, NORTH CAROLINA

Required Supplementary Information – Schedule of the County's Proportionate
Share of the Net Pension Liability (Asset)
Local Governmental Employees' Retirement System

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.33193%	0.33680%
County's proportionate share of the net pension liability (asset) \$	\$ (1,957,545)	\$ 4,059,733
County's covered-employee payroll	\$ 19,279,263	\$ 19,052,305
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.15%	21.31%
Plan fiduciary net position as a percentage of total pension liability	102.64%	94.35%

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

HAYWOOD COUNTY, NORTH CAROLINA

Required Supplementary Information – Schedule of the County's Contributions Local Governmental Employees' Retirement System

Last Two Fiscal Years

	2015	2014
Contractually required contributions	\$ 1,389,017	\$ 1,367,400
Contributions in relation to the contractually required contribution	1,389,017	1,367,400
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	\$ 19,534,790	\$ 19,279,263
Contributions as a percentage of covered-employee payroll	7.11%	7.09%

HAYWOOD COUNTY, NORTH CAROLINA

Required Supplementary Information – Schedule of the County's Proportionate
Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.70658%	0.71396%
County's proportionate share of the net pension liability (asset) \$	\$ (160,159)	\$ (152,502)
County's covered-employee payroll	\$ 67,469	\$ 66,205
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-237.38%	-230.35%
Plan fiduciary net position as a percentage of total pension liability	193.88%	190.50%

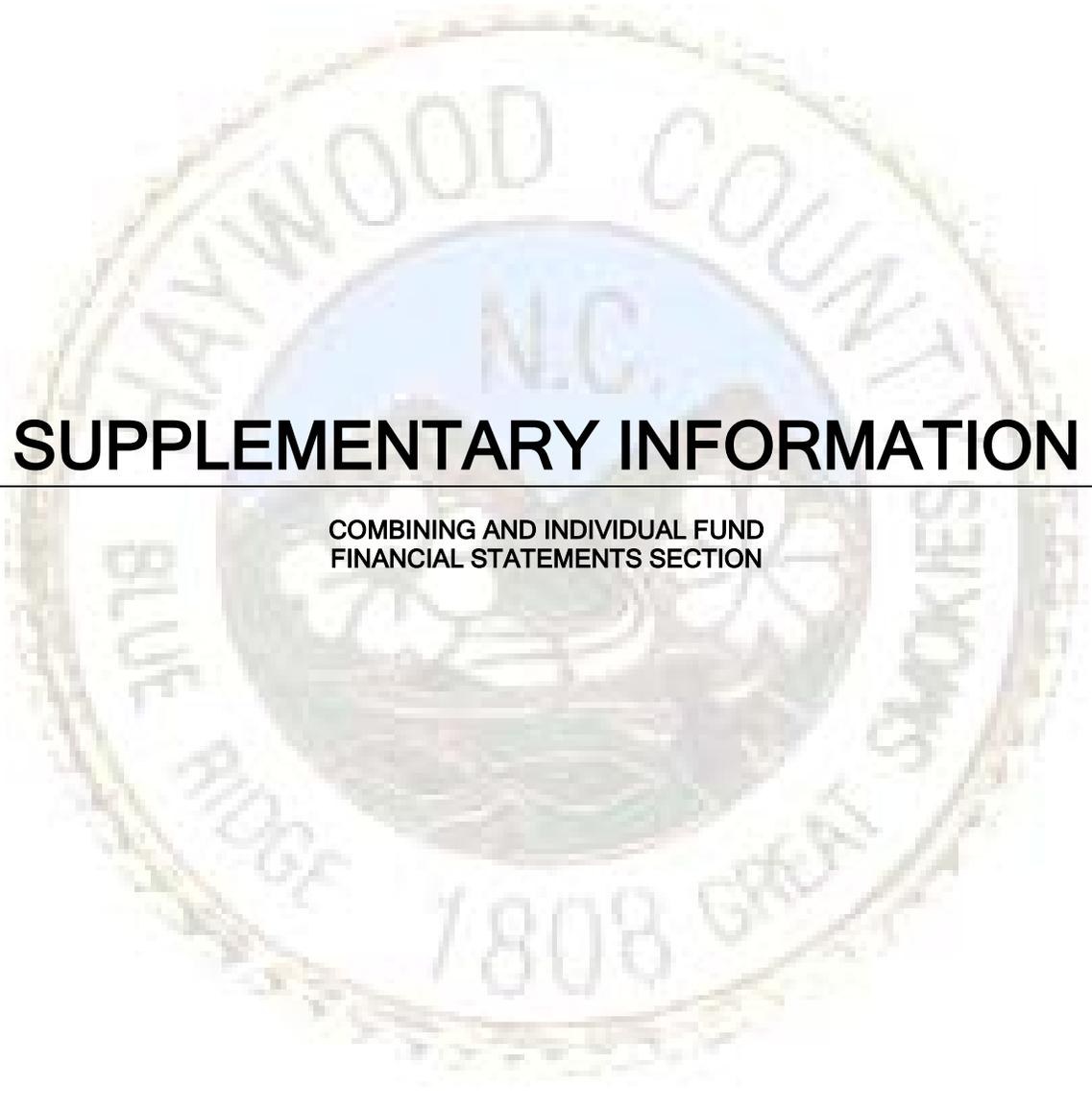
* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

HAYWOOD COUNTY, NORTH CAROLINA

Required Supplementary Information – Schedule of the County's Contributions
Registers of Deeds' Supplemental Pension Fund

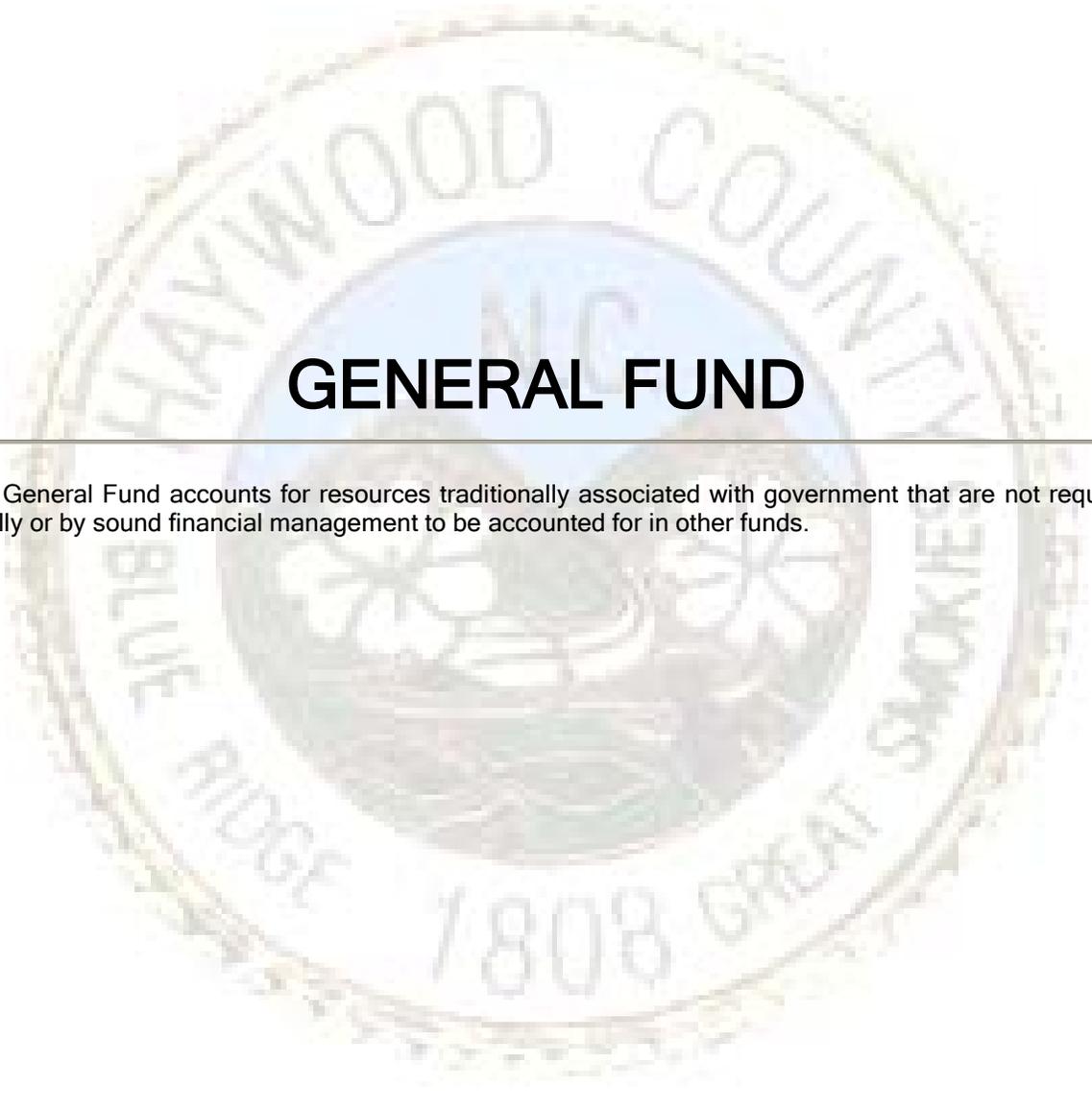
Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 6,054	\$ 5,769
Contributions in relation to the contractually required contribution	<u>6,054</u>	<u>5,769</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 68,815	\$ 67,469
Contributions as a percentage of covered-employee payroll	8.80%	8.55%

The seal of Haywood County, North Carolina, is a circular emblem. It features a central illustration of a plow being pulled by oxen across a field. Above the plow, the letters "N.C." are inscribed. The outer ring of the seal contains the text "HAYWOOD COUNTY" at the top, "1808" at the bottom, and "BLUE RIDGE" on the left and "GREAT SMOKIES" on the right. The seal is rendered in a light, faded style in the background.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

The seal of Haywood County, North Carolina, is a circular emblem. It features a central scene with a plow, a sheaf of wheat, and a sheaf of cotton. The text around the seal includes "HAYWOOD COUNTY" at the top, "1808" at the bottom, and "BLUE RIDGE" and "GREAT SMOKIES" on the sides. The seal is rendered in a light, faded style.

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 2014)

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Revenues:				
Ad valorem taxes:				
Current year and prior years		\$ 39,891,910		\$ 40,571,577
Penalties and interest		241,744		262,276
Total	\$ 39,510,155	40,133,654	\$ 623,499	40,833,853
Local option sales taxes:				
Article 39 one percent		5,196,979		4,611,057
Article 40 one-half of one percent		3,089,905		2,834,606
Article 42 one-half of one percent		2,860,084		2,544,978
Article 44 one-half of one percent		(879)		6,725
Article 46 one-quarter of one percent		1,600,475		1,410,052
Total	12,397,670	12,746,564	348,894	11,407,418
Other taxes and licenses:				
Occupancy tax		1,083,221		1,003,097
Deed stamp excise tax		599,968		434,495
Telecommunication video sales tax		312,533		311,891
Other taxes		464,030		446,932
Total	2,867,908	2,459,752	(408,156)	2,196,415
Unrestricted intergovernmental:				
Payments in lieu of taxes	310,000	308,781	(1,219)	339,051
Restricted intergovernmental:				
Federal, state and other grants		13,308,162		12,577,434
Court facilities fees		105,974		105,800
Health and Social Services revenues-local		517,849		864,004
ABC net revenues		44,410		17,300
Controlled substance tax		5,856		3,553
Other-local		593,580		587,563
Total	15,426,717	14,575,831	(850,886)	14,155,654

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Permits and fees:				
Building permits and inspection fees	\$ 398,500	\$ 351,838	\$ (46,662)	\$ 333,144
Sales and services:				
Library local revenues		17,273		15,713
Mapping sales		5,918		5,844
Sheriff's fees and commissions		188,998		169,204
Jail and officers' fees		180,384		123,117
Ambulance fees		2,534,077		2,462,008
Animal control fees		52,637		48,551
Dental clinic charges		111,146		122,010
Health dept patient fees		134,609		173,178
Environmental health fees		150,463		130,183
Social Services patient fees		45,131		52,094
Tax assessments—departmental services		416		411
Garage—departmental services		12,843		15,513
Tax collection fees		61,021		71,963
Public buildings—departmental services		57,080		55,994
Elections—departmental services		224		4,515
Extension 4H		12,498		20,350
Rent		192,405		191,620
Recreation fees		19,942		22,666
Total	3,552,421	3,777,065	224,644	3,684,934
Investment earnings	25,000	26,287	1,287	23,771
Miscellaneous:				
Other	319,294	251,621	(67,673)	242,404
Total revenues	74,807,665	74,631,393	(176,272)	73,216,644

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits		\$ 104,189		\$ 97,771
Operating		428,608		505,122
Total		<u>532,797</u>		<u>602,893</u>
Administration:				
Salaries and employee benefits		315,118		321,394
Operating		30,254		42,943
Capital outlay		-		2,800
Total		<u>345,372</u>		<u>367,137</u>
Finance:				
Salaries and employee benefits		500,191		481,785
Operating		58,768		37,972
Total		<u>558,959</u>		<u>519,757</u>
Human Resource:				
Salaries and employee benefits		152,115		146,163
Operating		543,594		547,570
Total		<u>695,709</u>		<u>693,733</u>
Wellness Clinic:				
Salaries and employee benefits		148,422		146,697
Operating		27,124		40,350
Total		<u>175,546</u>		<u>187,047</u>
Tax collections:				
Salaries and employee benefits		300,952		325,383
Operating		240,402		233,296
Capital outlay		-		4,595
Total		<u>541,354</u>		<u>563,274</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Tax assessments:				
Salaries and employee benefits		\$ 451,169		\$ 471,842
Operating		78,520		65,847
Total		<u>529,689</u>		<u>537,689</u>
Land records:				
Salaries and employee benefits		170,802		168,567
Operating		9,862		10,001
Total		<u>180,664</u>		<u>178,568</u>
Revaluation:				
Salaries and employee benefits		250,710		249,836
Operating		17,847		26,458
Total		<u>268,557</u>		<u>276,294</u>
Legal services				
Salaries and employee benefits		53,396		22,783
Operating		97,762		87,510
Total		<u>151,158</u>		<u>110,293</u>
Courts:				
Operating		-		94,690
Elections:				
Salaries and employee benefits		290,995		281,795
Operating		95,261		84,831
Capital outlay		6,533		-
Total		<u>392,789</u>		<u>366,626</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Expenditures, continued:				
General government, continued:				
Register of Deeds:				
Salaries and employee benefits		\$ 227,807		\$ 225,551
Operating		467,593		392,311
Capital outlay		-		1,550
Total		<u>695,400</u>		<u>619,412</u>
Total general government	\$ 5,418,203	<u>5,067,994</u>	\$ 350,209	<u>5,117,413</u>
Central Services:				
Information systems:				
Salaries and employee benefits		382,540		440,661
Operating		297,030		274,491
Capital outlay		11,071		8,852
Total		<u>690,641</u>		<u>724,004</u>
Garage:				
Salaries and employee benefits		106,873		104,311
Operating		30,854		35,013
Capital outlay		-		6,606
Total		<u>137,727</u>		<u>145,930</u>
Public buildings:				
Salaries and employee benefits		888,297		837,649
Operating		1,124,291		1,152,997
Capital outlay		195,429		146,911
Total		<u>2,208,017</u>		<u>2,137,557</u>
Total central services	3,465,548	<u>3,036,385</u>	429,163	<u>3,007,491</u>
Public safety:				
Sheriff:				
Salaries and employee benefits		3,640,804		3,802,076
Operating		556,216		593,082
Capital outlay		139,947		242,509
Total		<u>4,336,967</u>		<u>4,637,667</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Haywood County 911 Communication Center:				
Salaries and employee benefits		\$ 832,791		\$ 491,607
Operating		55,459		63,709
Capital outlay		4,795		9,596
Total		<u>893,045</u>		<u>564,912</u>
Public safety grants:				
Operating		82,801		166,984
Total		<u>82,801</u>		<u>166,984</u>
Sheriff-SRO officers:				
Salaries and employee benefits		265,960		223,873
Operating		1,416		1,563
Total		<u>267,376</u>		<u>225,436</u>
Detention:				
Salaries and employee benefits		1,910,907		1,836,006
Operating		562,249		500,501
Capital outlay		40,248		7,811
Total		<u>2,513,404</u>		<u>2,344,318</u>
Courts:				
Operating		92,522		-
NC forest service:				
Operating		68,479		79,269
Building inspections:				
Salaries and employee benefits		375,498		372,773
Operating		36,962		36,987
Capital outlay		-		23,025
Total		<u>412,460</u>		<u>432,785</u>
Medical examiner		48,350		44,900

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Expenditures, continued:				
Public safety, continued:				
Emergency medical service:				
Salaries and employee benefits		\$ 3,530,670		\$ 3,475,779
Operating		573,365		529,794
Capital outlay		282,757		346,131
Total		<u>4,386,792</u>		<u>4,351,704</u>
Rescue squad:				
Operating		<u>25,000</u>		<u>25,000</u>
Emergency management:				
Salaries and employee benefits		110,942		105,289
Operating		78,440		39,067
Capital outlay		18,131		6,413
Total		<u>207,513</u>		<u>150,769</u>
Animal control:				
Salaries and employee benefits		286,543		272,153
Operating		152,703		140,126
Total		<u>439,246</u>		<u>412,279</u>
Total public safety	\$ 14,811,141	<u>13,773,955</u>	\$ 1,037,186	<u>13,436,023</u>
Transportation:				
Mass transit	<u>288,089</u>	<u>197,811</u>	<u>90,278</u>	<u>246,070</u>
Environmental protection:				
Erosion control program:				
Salaries and employee benefits		154,516		152,679
Operating		2,967		3,764
Total	<u>159,585</u>	<u>157,483</u>	<u>2,102</u>	<u>156,443</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development:				
Planning:				
Salaries and employee benefits		\$ 178,416		\$ 173,195
Operating		4,903		4,702
Total		<u>183,319</u>		<u>177,897</u>
Economic development:				
Salaries and employee benefits		5,702		187,723
Operating		331,434		56,460
Total		<u>337,136</u>		<u>244,183</u>
Tourism development		<u>1,062,388</u>		<u>983,066</u>
Community development:				
Operating		<u>84,942</u>		<u>105,071</u>
Extension:				
Operating		<u>245,116</u>		<u>263,283</u>
Soil conservation:				
Salaries and employee benefits		182,076		179,536
Operating		21,195		21,195
Total		<u>203,271</u>		<u>200,731</u>
Soil and water conservation agricultural engineer:				
Salaries and employee benefits		<u>59,449</u>		<u>81,332</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development, continued:				
Soil and water conservation agricultural technician:				
Salaries and employee benefits		\$ 63,814		\$ 62,762
Operating		7,307		7,307
Total		<u>71,121</u>		<u>70,069</u>
Total economic and physical development	\$ 2,917,902	<u>2,246,742</u>	\$ 671,160	<u>2,125,632</u>
Human services:				
Health:				
Salaries and employee benefits		2,477,410		2,442,542
Operating		203,690		246,275
Capital outlay		21,160		10,086
Total		<u>2,702,260</u>		<u>2,698,903</u>
Immunization:				
Operating		<u>1,006</u>		<u>440</u>
Dental clinic:				
Salaries and employee benefits		358,454		328,258
Operating		87,219		136,536
Capital outlay		6,769		-
Total		<u>452,442</u>		<u>464,794</u>
Child health		<u>3,147</u>		<u>4,375</u>
Family planning:				
Operating		<u>37,644</u>		<u>35,543</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Adult health services:				
Operating		<u>\$ 55,859</u>		<u>\$ 14,231</u>
Health check:				
Salaries and employee benefits		-		20,878
Operating		-		194
Total		<u>-</u>		<u>21,072</u>
Cancer data base		<u>10,959</u>		<u>7,200</u>
American Cancer Society-Project Assist:				
Salaries and employee benefits		58,695		61,871
Operating		<u>2,175</u>		<u>6,351</u>
Total		<u>60,870</u>		<u>68,222</u>
WIC program:				
Salaries and employee benefits		10,740		10,889
Operating		<u>11,272</u>		<u>68,314</u>
Total		<u>22,012</u>		<u>79,203</u>
Maternal Health:				
Operating		<u>1,653</u>		<u>4,709</u>
Environmental health:				
Salaries and employee benefits		679,830		706,826
Operating		<u>30,713</u>		<u>34,956</u>
Total		<u>710,543</u>		<u>741,782</u>
T.B. control		<u>4,334</u>		<u>3,226</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Mental health		\$ 98,773		\$ 100,000
Social Services:				
Salaries and employee benefits		6,783,002		6,828,811
Operating		532,224		579,319
Capital outlay		49,372		75,179
Total		<u>7,364,598</u>		<u>7,483,309</u>
Work First-NCDOT Trans		<u>8,614</u>		<u>13,567</u>
Public Assistance:				
General assistance		1,294		3,579
Aid to the aged and disabled		503,751		553,669
Crisis intervention		220,616		228,108
Aid to blind		5,310		5,439
Adoption assistance		34,967		31,731
Medicaid transportation		321,551		346,667
Electrical assistance expenditures		282,206		245,515
Foster care		1,339,657		1,178,967
Total		<u>2,709,352</u>		<u>2,593,675</u>
Meals on Wheels:				
Salaries and employee benefits		154,882		149,208
Operating		64,326		70,167
Total		<u>219,208</u>		<u>219,375</u>
JOBS Work First:				
Operating		<u>3,684,934</u>		<u>3,579,161</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Adoption awareness		\$ 21,661		\$ 7,089
Adult Day Care:				
Salaries and employee benefits		134,131		150,048
Operating		79,702		77,914
Capital outlay		4,666		-
Total		<u>218,499</u>		<u>227,962</u>
Cap-Community Alternative Program				
Salaries and employee benefits		285,903		273,790
Operating		69,122		74,039
Total		<u>355,025</u>		<u>347,829</u>
Robert Wood Johnson Grant		<u>100,000</u>		<u>100,000</u>
Community Crisis Management		<u>2,346</u>		<u>1,535</u>
Adoption payments		<u>225,766</u>		<u>224,164</u>
Title III Grants		<u>342,661</u>		<u>349,517</u>
Senior citizens programs		<u>16,000</u>		<u>16,000</u>
Veteran's service:				
Salaries and employee benefits		101,175		97,060
Operating		6,549		7,418
Total		<u>107,724</u>		<u>104,478</u>
Youth Services:				
Operating		<u>191,975</u>		<u>184,759</u>
Total human services	\$ 21,101,268	<u>19,729,865</u>	\$ 1,371,403	<u>19,696,120</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Expenditures, continued:				
Culture and recreation:				
Library:				
Salaries and employee benefits		\$ 963,800		\$ 980,882
Operating		353,614		477,932
Capital outlay		20,536		114,186
Total		<u>1,337,950</u>		<u>1,573,000</u>
Recreation:				
Salaries and employee benefits		148,669		154,834
Operating		63,045		60,149
Total		<u>211,714</u>		<u>214,983</u>
Total culture and recreation	\$ 1,623,918	<u>1,549,664</u>	\$ 74,254	<u>1,787,983</u>
Education:				
Public schools-current		14,439,161		14,402,707
Public schools-capital outlay		385,000		385,504
Community college-current		2,141,106		2,100,456
Community college-capital outlay		275,000		250,000
Total education	17,280,999	<u>17,240,267</u>	40,732	<u>17,138,667</u>
Nondepartmental:	38,021	<u>-</u>	38,021	<u>-</u>
Debt service:				
Principal	5,903,932	5,813,918	90,014	5,315,917
Interest and other charges	1,903,945	1,898,355	5,590	2,449,034
Principal - refunding	-	-	-	14,318,533
Reserve	1,992	-	1,992	-
Total debt service	<u>7,809,869</u>	<u>7,712,273</u>	<u>97,596</u>	<u>22,083,484</u>
Total expenditures	<u>74,914,543</u>	<u>70,712,439</u>	<u>4,202,104</u>	<u>84,795,326</u>
Revenues over (under) expenditures	<u>(106,878)</u>	<u>3,918,954</u>	<u>4,025,832</u>	<u>(11,578,682)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual,
(with Comparative Totals for 2014) Continued

For the Fiscal Year Ended June 30, 2015

	2015		Variance Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Other financing sources (uses):				
Transfers from other funds	\$ 168,202	\$ 106,711	\$ (61,491)	\$ -
Transfers to other funds	(359,027)	(61,670)	297,357	(438,234)
Refunding proceeds from debt issued	10,843,000	10,783,000	(60,000)	14,585,000
Payment to escrow agent for refunded debt	(10,783,000)	(10,723,992)	59,008	-
Sale of capital assets	2,000	3,522	1,522	4,845
Total other financing sources (uses)	(128,825)	107,571	236,396	14,151,611
Revenues and other financing sources over (under) expenditures and other financing uses	(235,703)	4,026,525	4,262,228	2,572,929
Appropriated fund balance	235,703	-	(235,703)	-
Net change in fund balance	<u>\$ -</u>	4,026,525	<u>\$ 4,026,525</u>	2,572,929
Fund balance:				
Beginning of year, July 1		18,650,343		16,077,414
End of year, June 30		<u>\$ 22,676,868</u>		<u>\$ 18,650,343</u>

The seal of Haywood County, North Carolina, is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The text "HAYWOOD COUNTY" is arched across the top, and "N.C." is in the center. Below the figure, the words "THE RIDGE" and "1808 GREAT SMOKES" are visible, along with the year "1808".

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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees:			
Solid waste fees	\$ 3,449,887	\$ 3,488,180	\$ 38,293
Other taxes and licenses	120,000	128,577	8,577
Intergovernmental revenue:			
DENR Grants	47,000	112,687	65,687
Sales and services and fees	286,242	314,127	27,885
Miscellaneous revenue	-	12,900	12,900
Total revenues	<u>3,903,129</u>	<u>4,056,471</u>	<u>153,342</u>
Expenditures:			
Environmental Protection:			
Salaries and employee benefits	677,651	651,111	26,540
Operating	2,929,789	2,530,272	399,517
Capital outlay	2,411,551	1,736,845	674,706
Contingency	100,000	-	100,000
Debt service:			
Principal	500,000	500,000	-
Interest	9,675	9,675	-
Total expenditures	<u>6,628,666</u>	<u>5,427,903</u>	<u>1,200,763</u>
Revenues under expenditures	(2,725,537)	(1,371,432)	1,354,105
Other financing sources (uses):			
Transfers from other funds	447,551	447,551	-
Appropriated fund balance	<u>2,277,986</u>	<u>-</u>	<u>(2,277,986)</u>
Net change in fund balance	<u>\$ -</u>	<u>(923,881)</u>	<u>\$ (923,881)</u>
Fund balance:			
Beginning of year, July 1		<u>3,298,524</u>	
End of year, June 30		<u>\$ 2,374,643</u>	

The seal of Lenoir County, North Carolina, is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The text "LENOIR COUNTY" is arched across the top, "N.C." is in the center above the figure, "BLUE RIDGE" is on the left, "GREAT SMOKES" is on the right, and "1808" is at the bottom. A horizontal line is drawn across the middle of the seal, passing behind the main title text.

**COMBINING STATEMENTS FOR
NON-MAJOR FUNDS**

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet
Non-major Governmental Funds

June 30, 2015

	<u>Total Non-major Special Revenue Funds</u>	<u>Total Non-major Capital Projects Funds</u>	<u>Total Non-major Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 490,971	\$ 810,347	\$ 1,301,318
Taxes receivable, net	111,188	-	111,188
Due from other governments	22,901	187,667	210,568
	<u>625,060</u>	<u>998,014</u>	<u>1,623,074</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 110,982	\$ 170,980	\$ 281,962
	<u>111,188</u>	<u>-</u>	<u>111,188</u>
Deferred inflows of resources			
	<u>111,188</u>	<u>-</u>	<u>111,188</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	22,901	-	22,901
Public schools	-	28,778	28,778
E-911	379,989	575,477	955,466
Community College	-	102,374	102,374
Committed:			
Capital projects	-	120,405	120,405
Total fund balances	<u>402,890</u>	<u>827,034</u>	<u>1,229,924</u>
	<u>625,060</u>	<u>998,014</u>	<u>1,623,074</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 625,060</u>	<u>\$ 998,014</u>	<u>\$ 1,623,074</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Special Revenue Funds

June 30, 2015

	Emergency Telephone Fund	Fire Districts Fund	Crisis Assistance Housing Fund
Assets:			
Cash and cash equivalents	\$ 393,991	\$ 61,597	\$ 30,900
Taxes receivable, net	-	108,015	-
Due from other governments	22,901	-	-
Total assets	\$ 416,892	\$ 169,612	\$ 30,900
Liabilities:			
Accounts payable and accrued liabilities	\$ 14,002	\$ 61,597	\$ 30,900
Deferred inflows of resources	-	108,015	-
Fund balances:			
Restricted:			
Stabilization by State Statute	22,901	-	-
E-911	379,989	-	-
Total fund balances	402,890	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 416,892	\$ 169,612	\$ 30,900

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 2,602	\$ 1,881	\$ -	\$ 490,971
1,486	1,687	-	111,188
-	-	-	22,901
<u>\$ 4,088</u>	<u>\$ 3,568</u>	<u>\$ -</u>	<u>\$ 625,060</u>
<u>\$ 2,602</u>	<u>\$ 1,881</u>	<u>\$ -</u>	<u>\$ 110,982</u>
<u>1,486</u>	<u>1,687</u>	<u>-</u>	<u>111,188</u>
-	-	-	22,901
-	-	-	379,989
<u>-</u>	<u>-</u>	<u>-</u>	<u>402,890</u>
<u>\$ 4,088</u>	<u>\$ 3,568</u>	<u>\$ -</u>	<u>\$ 625,060</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Capital Project Funds

June 30, 2015

	Community College Projects Fund	Water and Sewer Lines Fund	Public Schools ADM/Lottery Fund
Assets:			
Cash and cash equivalents	\$ 106,611	\$ 16,669	\$ 28,778
Due from other governments	-	-	104,589
	-	-	104,589
Total assets	\$ 106,611	\$ 16,669	\$ 133,367
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,237	\$ -	\$ 104,589
	4,237	-	104,589
Fund balances:			
Restricted:			
Public schools	-	-	28,778
Community College	102,374	-	-
E-911	-	-	-
Committed:			
Capital projects	-	16,669	-
Total fund balances	102,374	16,669	28,778
Total liabilities and fund balances	\$ 106,611	\$ 16,669	\$ 133,367

County Building Renovations Fund	E-911 Consolidation Fund	Total Non-major Capital Projects Funds
\$ 103,736	\$ 554,553	\$ 810,347
-	83,078	187,667
<u>\$ 103,736</u>	<u>\$ 637,631</u>	<u>\$ 998,014</u>
<u>\$ -</u>	<u>\$ 62,154</u>	<u>\$ 170,980</u>
-	-	28,778
-	-	102,374
-	575,477	575,477
103,736	-	120,405
<u>103,736</u>	<u>575,477</u>	<u>827,034</u>
<u>\$ 103,736</u>	<u>\$ 637,631</u>	<u>\$ 998,014</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, 2015

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 4,095,719	\$ -	\$ 4,095,719
Restricted intergovernmental	502,979	756,675	1,259,654
Investment earnings	412	1,479	1,891
Miscellaneous	-	14,620	14,620
Total revenues	<u>4,599,110</u>	<u>772,774</u>	<u>5,371,884</u>
Expenditures:			
Current:			
General government	-	187,505	187,505
Public safety	3,956,770	219,617	4,176,387
Environmental protection	212,695	19,810	232,505
Economic and physical development	421,539	82,915	504,454
Culture and recreation	-	52,450	52,450
Intergovernmental:			
Education	-	2,346,400	2,346,400
Total expenditures	<u>4,591,004</u>	<u>2,908,697</u>	<u>7,499,701</u>
Revenues over (under) expenditures	<u>8,106</u>	<u>(2,135,923)</u>	<u>(2,127,817)</u>
Other financing sources (uses):			
Transfers from other funds	-	637,147	637,147
Transfers to other funds	(575,477)	(554,262)	(1,129,739)
Total other financing sources (uses)	<u>(575,477)</u>	<u>82,885</u>	<u>(492,592)</u>
Net change in fund balances	(567,371)	(2,053,038)	(2,620,409)
Fund balances:			
Beginning of year, July 1	<u>970,261</u>	<u>2,880,072</u>	<u>3,850,333</u>
End of year, June 30	<u>\$ 402,890</u>	<u>\$ 827,034</u>	<u>\$ 1,229,924</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, 2015

	Emergency Telephone System Fund	Fire District Fund
Revenues:		
Ad valorem taxes	\$ -	\$ 3,689,649
Restricted intergovernmental	274,815	-
Investment earnings	412	-
Total revenues	275,227	3,689,649
Expenditures:		
Current:		
Public safety	267,121	3,689,649
Environmental protection	-	-
Economic and physical development	-	-
Total expenditures	267,121	3,689,649
Revenues over expenditures	8,106	-
Other financing sources:		
Transfers to other funds	(575,477)	-
Net change in fund balances	(567,371)	-
Fund balances:		
Beginning of year, July 1	970,261	-
End of year, June 30	\$ 402,890	\$ -

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 212,695	\$ 193,375	\$ -	\$ 4,095,719
-	-	228,164	502,979
-	-	-	412
<u>212,695</u>	<u>193,375</u>	<u>228,164</u>	<u>4,599,110</u>
-	-	-	3,956,770
212,695	-	-	212,695
-	193,375	228,164	421,539
<u>212,695</u>	<u>193,375</u>	<u>228,164</u>	<u>4,591,004</u>
-	-	-	8,106
-	-	-	(575,477)
-	-	-	(567,371)
-	-	-	970,261
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,890</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, 2015

	Community College Projects Fund	Water and Sewer Lines Fund	Solid Waste/ Landfill Fund
Revenues:			
Restricted intergovernmental	\$ -	\$ -	\$ -
Investment earnings	778	-	-
Miscellaneous	-	-	-
Total revenues	778	-	-
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Environmental protection	-	-	-
Economic and physical development	-	-	-
Culture and recreation	-	-	-
Intergovernmental:			
Education	601,346	-	-
Total expenditures	601,346	-	-
Revenues under expenditures	(600,568)	-	-
Other financing sources (uses):			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	(447,551)
Total other financing sources (uses)	-	-	(447,551)
Net change in fund balances	(600,568)	-	(447,551)
Fund balances:			
Beginning of year, July 1	702,942	16,669	447,551
End of year, June 30	\$ 102,374	\$ 16,669	\$ -

Public Schools ADM/Lottery Fund	County Building Renovations Fund	E-911 Consolidation Fund	Total Non-major Capital Projects Funds
\$ 541,858	\$ -	\$ 214,817	\$ 756,675
701	-	-	1,479
-	14,620	-	14,620
<u>542,559</u>	<u>14,620</u>	<u>214,817</u>	<u>772,774</u>
-	187,505	-	187,505
-	4,800	214,817	219,617
-	19,810	-	19,810
-	82,915	-	82,915
-	52,450	-	52,450
1,745,054	-	-	2,346,400
<u>1,745,054</u>	<u>347,480</u>	<u>214,817</u>	<u>2,908,697</u>
(1,202,495)	(332,860)	-	(2,135,923)
15,054	46,616	575,477	637,147
(90,004)	(16,707)	-	(554,262)
<u>(74,950)</u>	<u>29,909</u>	<u>575,477</u>	<u>82,885</u>
(1,277,445)	(302,951)	575,477	(2,053,038)
1,306,223	406,687	-	2,880,072
<u>\$ 28,778</u>	<u>\$ 103,736</u>	<u>\$ 575,477</u>	<u>\$ 827,034</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions

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

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental	\$ 274,815	\$ 274,815	\$ -
Investment earnings	500	412	(88)
Total revenues	<u>275,315</u>	<u>275,227</u>	<u>(88)</u>
Expenditures:			
Public safety	<u>414,758</u>	<u>267,121</u>	<u>147,637</u>
Revenues over (under) expenditures	<u>(139,443)</u>	<u>8,106</u>	<u>(147,725)</u>
Other financing uses:			
Transfers to Capital Project Fund**	<u>(575,477)</u>	<u>(575,477)</u>	<u>-</u>
Appropriated fund balance	<u>714,920</u>	<u>-</u>	<u>(714,920)</u>
Net change in fund balance	<u>\$ -</u>	<u>(567,371)</u>	<u>\$ (862,645)</u>
Fund balance:			
Beginning of year, July 1		<u>970,261</u>	
End of year, June 30		<u>\$ 402,890</u>	

** The County transferred \$575,477 of eligible 911 funds to the E-911 Consolidation Capital Project Fund for a Positron Viper Telephone System.

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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 3,855,225	\$ 3,663,615	\$ (191,610)
Penalties and interest	47,275	26,034	(21,241)
Total	<u>3,902,500</u>	<u>3,689,649</u>	<u>(212,851)</u>
Expenditures:			
Public safety:			
Fire district:			
West Canton	75,000	66,585	8,415
North Canton	275,000	252,331	22,669
Center Pigeon	402,000	379,504	22,496
Lake Junaluska	362,000	340,306	21,694
Crabtree-Ironduff	271,000	250,162	20,838
Cruso	183,000	173,502	9,498
Saunook	171,356	160,823	10,533
Maggie Valley	719,630	719,573	57
Clyde	412,000	386,336	25,664
Jonathan Creek	454,000	436,284	17,716
South Waynesville	8	8	-
Big Cove (Waynesville)	6	6	-
Fines Creek	177,000	165,452	11,548
Lake Logan-Cecil	155,500	145,292	10,208
Waynesville (combined)	209,000	196,641	12,359
Eagles Nest	23,000	13,143	9,857
Howell Mill	13,000	3,701	9,299
Total expenditures	<u>3,902,500</u>	<u>3,689,649</u>	<u>212,851</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, 2015

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

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 250,495	\$ 211,778	\$ (38,717)
Penalties and interest	-	917	917
Total revenues	<u>250,495</u>	<u>212,695</u>	<u>(37,800)</u>
Expenditures:			
Environmental protection:			
Water and sewer	<u>250,495</u>	<u>212,695</u>	<u>37,800</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Road Service Fund

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

For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior year	\$ 209,428	\$ 192,845	\$ (16,583)
Penalties and interest	-	530	530
Total revenues	<u>209,428</u>	<u>193,375</u>	<u>(16,053)</u>
Expenditures:			
Economic and physical development	<u>209,428</u>	<u>193,375</u>	<u>16,053</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, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 400,000	\$ 171,698	\$ 228,164	\$ 399,862	\$ (138)
Miscellaneous revenue CDBG	15,937	15,132	-	15,132	(805)
Total revenues	<u>415,937</u>	<u>186,830</u>	<u>228,164</u>	<u>414,994</u>	<u>(943)</u>
Expenditures:					
Economic and physical development:					
CDBG Housing Rehab 2013	400,000	171,698	228,164	399,862	138
Other rehab-other repair	15,937	15,132	-	15,132	805
Total expenditures	<u>415,937</u>	<u>186,830</u>	<u>228,164</u>	<u>414,994</u>	<u>943</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ -</u>		

CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions

- **The Community College Projects Fund** accounts for the major capital projects at the community college that are funded by the article 46 ¼ cent sales tax revenues.
- **The Water and Sewer Lines Fund** accounts for the County water and sewer projects.
- **The Solid Waste/Landfill Fund** accounts for projects related to the White Oak Landfill construction and cell expansion.
- **The Public Schools ADM/Lottery Fund** accounts for projects funded with ADM revenues and lottery proceeds appropriated to Haywood County.
- **The County Building Renovations Fund** accounts for any large renovation projects for Haywood County that are not accounted for in a separate fund.
- **The E-911 Consolidation Fund** accounts for grant funding from the state to complete the E-911 consolidation.

HAYWOOD COUNTY, NORTH CAROLINA

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, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 32,065	\$ 32,200	\$ 778	\$ 32,978	\$ 913
Expenditures:					
HCC-Administration building:					
Professional services:					
Architectural and engineering	63,404	63,404	-	63,404	-
Other	25,544	25,544	-	25,544	-
Buildings, structures and improvements	1,579,352	1,579,352	-	1,579,352	-
Total	1,668,300	1,668,300	-	1,668,300	-
HCC-Creative Arts Building:					
Professional services:					
Architectural and engineering	1,010,984	1,010,984	-	1,010,984	-
Financing costs	66,352	66,352	-	66,352	-
Miscellaneous	188,847	168,847	12,000	180,847	8,000
Buildings, structures and improvements	8,837,623	8,837,623	-	8,837,623	-
Total	10,103,806	10,083,806	12,000	10,095,806	8,000
HCC-General Education Building 300 renovation:					
Professional services:					
Architectural and engineering	24,364	24,364	-	24,364	-
Buildings, structures and improvements	139,034	139,034	-	139,034	-
Total	163,398	163,398	-	163,398	-
HCC-Waterline project:					
Professional services:					
Architectural and engineering	40,298	40,298	-	40,298	-
Buildings, structures and improvements	290,822	290,822	-	290,822	-
Total	331,120	331,120	-	331,120	-
HCC-Demolition/grading/lighting:					
Professional services:					
Engineering	49,300	-	49,300	49,300	-
Professional services - other	64,000	-	60,800	60,800	3,200
Landscaping/site development	404,446	-	397,645	397,645	6,801
Total	517,746	-	507,745	507,745	10,001

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Expenditures: (continued)					
HCC-Other structures	149,066	-	81,601	81,601	67,465
Project contingency	15,995	-	-	-	15,995
Total expenditures	12,949,431	12,246,624	601,346	12,847,970	101,461
Revenues under expenditures	(12,917,366)	(12,214,424)	(600,568)	(12,814,992)	102,374
Other financing sources:					
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	12,917,366	12,917,366	-	12,917,366	-
Net change in fund balance	\$ -	\$ 702,942	(600,568)	\$ 102,374	\$ 102,374
Fund balance:					
Beginning of year, July 1			702,942		
End of year, June 30			\$ 102,374		

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, 2015

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

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, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 21,975	\$ 21,975	\$ -	\$ 21,975	\$ -
Expenditures:					
Landfill expansion-cell three:					
Professional services-legal/financing	26,498	26,498	-	26,498	-
Professional services-engineering	340,048	340,048	-	340,048	-
Professional services-monitoring wells	46,219	46,219	-	46,219	-
Equipment-truck wash	33,780	33,780	-	33,780	-
Equipment-electrical	30,800	30,800	-	30,800	-
Other structures	3,749,028	3,749,028	-	3,749,028	-
Total expenditures	4,226,373	4,226,374	-	4,226,373	-
Revenues under expenditures	(4,204,398)	(4,204,399)	-	(4,204,398)	-
Other financing sources (uses):					
Proceeds from note payable	4,500,000	4,500,000	-	4,500,000	-
Excess from completed projects	151,949	151,949	-	151,949	-
Transfer to other funds	(447,551)	-	(447,551)	(447,551)	-
Total other financing sources (uses)	4,204,398	4,651,949	(447,551)	4,204,398	-
Net change in fund balance	\$ -	\$ 447,551	(447,551)	\$ -	\$ -
Fund balance:					
Beginning of year, July 1			447,551		
End of year, June 30			\$ -		

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, 2015

	Actual			Total to Date	Variance Positive (Negative)
	Project Authorization	Prior Year	Current Year		
Revenues:					
Restricted intergovernmental	\$ 2,216,095	\$ 1,251,791	\$ 541,858	\$ 1,793,649	\$ (422,446)
Investment earnings	2,123	1,412	701	2,113	(10)
Total revenues	<u>2,218,218</u>	<u>1,253,203</u>	<u>542,559</u>	<u>1,795,762</u>	<u>(422,456)</u>
Expenditures:					
Building projects:					
Public school roofing projects:					
Roof repair/replacements	<u>783,304</u>	<u>263,278</u>	<u>259,208</u>	<u>522,486</u>	<u>260,818</u>
Pisgah High School addition:					
Professional Services:					
Architect and engineering	199,750	176,114	23,636	199,750	-
Financing costs	20,303	20,303	-	20,303	-
Main PHS renovations	<u>2,268,886</u>	<u>1,113,786</u>	<u>1,155,100</u>	<u>2,268,886</u>	<u>-</u>
Total	<u>2,488,939</u>	<u>1,310,203</u>	<u>1,178,736</u>	<u>2,488,939</u>	<u>-</u>
Waynesville Middle School:					
Reconstruction project	220,015	160,062	-	160,062	59,953
2015 WMS project	<u>174,500</u>	<u>-</u>	<u>110,136</u>	<u>110,136</u>	<u>64,364</u>
Total	<u>394,515</u>	<u>160,062</u>	<u>110,136</u>	<u>270,198</u>	<u>124,317</u>
Pisgah/Tuscola gym flooring:					
Floor replacements	<u>250,000</u>	<u>-</u>	<u>196,974</u>	<u>196,974</u>	<u>53,026</u>
Total expenditures	<u>3,916,758</u>	<u>1,733,543</u>	<u>1,745,054</u>	<u>3,478,597</u>	<u>438,161</u>
Revenues under expenditures	<u>(1,698,540)</u>	<u>(480,340)</u>	<u>(1,202,495)</u>	<u>(1,682,835)</u>	<u>(860,617)</u>
Other financing sources (uses):					
Proceeds from loans payable	1,700,000	1,700,000	-	1,700,000	-
Transfer from other funds	88,554	86,563	15,054	101,617	(13,063)
Transfer to other funds	<u>(90,014)</u>	<u>-</u>	<u>(90,004)</u>	<u>(90,004)</u>	<u>(10)</u>
Total other financing sources (uses)	<u>1,698,540</u>	<u>1,786,563</u>	<u>(74,950)</u>	<u>1,711,613</u>	<u>(13,073)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,306,223</u>	<u>(1,277,445)</u>	<u>\$ 28,778</u>	<u>\$ 28,778</u>
Fund balance:					
Beginning of year, July 1			<u>1,306,223</u>		
End of year, June 30			<u>\$ 28,778</u>		

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, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 45,900	\$ 45,900	\$ -	\$ 45,900	\$ -
Miscellaneous	39,620	106,651	14,620	121,271	81,651
Total revenue	85,520	152,551	14,620	167,171	81,651
Expenditures:					
Hemlock Street project:					
Professional services-survey	2,000	2,000	-	2,000	-
Professional services-architect	4,800	-	4,800	4,800	-
Total	6,800	2,000	4,800	6,800	-
Auxiliary Services building:					
Miscellaneous charges	1,535	1,535	-	1,535	-
Equipment	5,002	5,002	-	5,002	-
Building renovation	1,120,911	1,120,911	-	1,120,911	-
Site development	41,400	41,400	-	41,400	-
Total	1,168,848	1,168,848	-	1,168,848	-
Pigeon Community Center project:					
Professional services-architect	5,000	-	3,360	3,360	1,640
Other building costs-repairs	80,000	-	72,105	72,105	7,895
Other building repairs	20,000	-	7,450	7,450	12,550
Total	105,000	-	82,915	82,915	22,085
Courthouse irrigation project:					
Landscaping/site development	24,105	-	24,105	24,105	-
Contingency	-	-	-	-	-
Total	24,105	-	24,105	24,105	-
Old DSS roofing project:					
Roof replacement	163,400	-	163,400	163,400	-
Erosion control project:					
Repairs & maintenance	39,620	19,810	19,810	39,620	-

(continued)

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, 2015

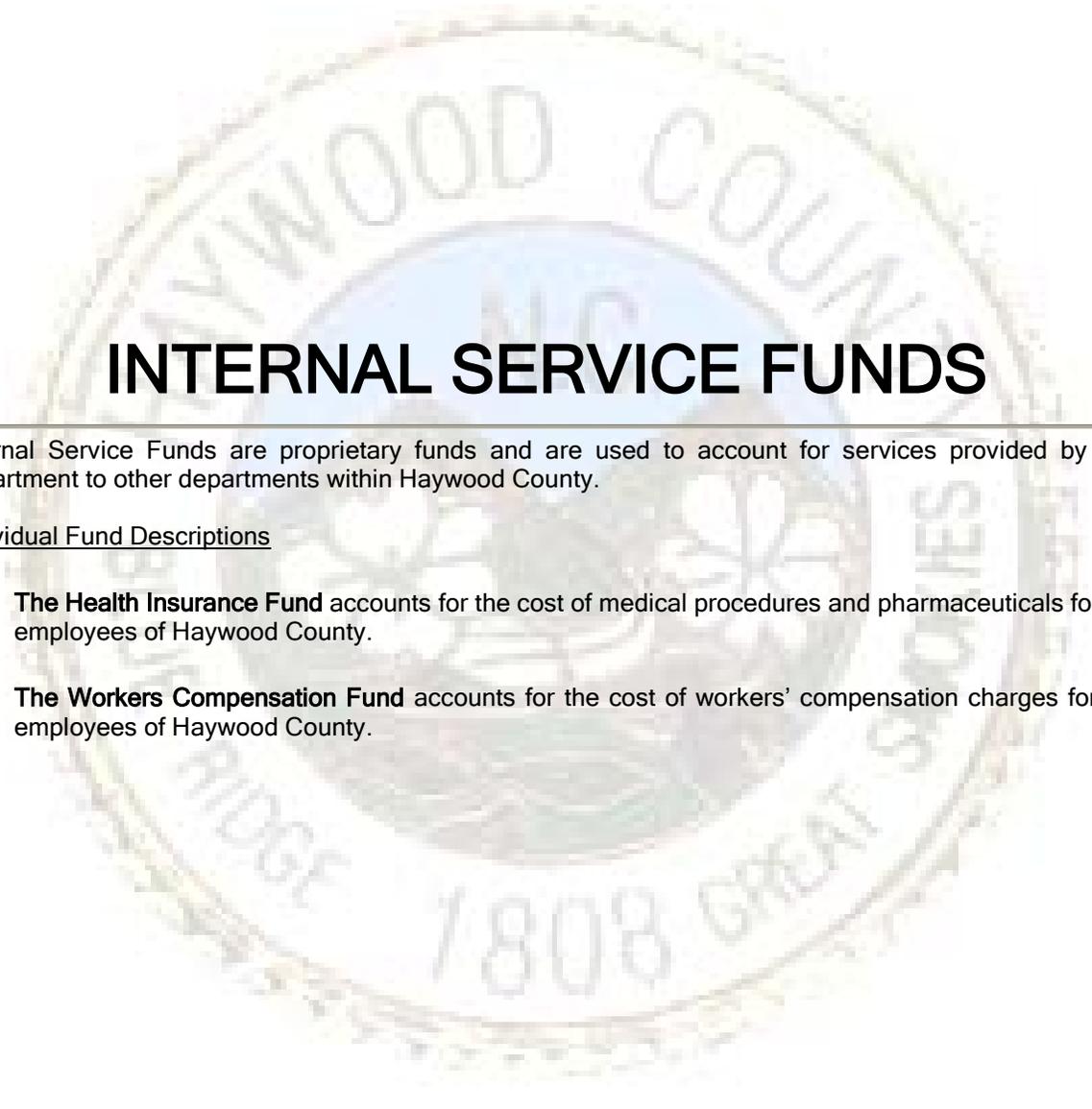
	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Paragon Parkway upgrades:					
Equipment	\$ 8,053	\$ 8,053	\$ -	\$ 8,053	\$ -
Paragon Prkwy building upgrades	37,110	37,110	-	37,110	-
Total	<u>45,163</u>	<u>45,163</u>	<u>-</u>	<u>45,163</u>	<u>-</u>
Canton Library project:					
Roof replacement	53,700	1,250	52,450	53,700	-
Total expenditures	<u>1,606,636</u>	<u>1,237,071</u>	<u>347,480</u>	<u>1,584,551</u>	<u>22,085</u>
Revenues over (under) expenditures	<u>(1,521,116)</u>	<u>(1,084,520)</u>	<u>(332,860)</u>	<u>(1,417,380)</u>	<u>59,566</u>
Other financing sources (uses):					
Proceeds of loans payable	650,000	650,000	-	650,000	-
Transfers from other funds	887,823	841,207	46,616	887,823	-
Transfer to other funds	<u>(16,707)</u>		<u>(16,707)</u>	<u>(16,707)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,521,116</u>	<u>1,491,207</u>	<u>29,909</u>	<u>1,521,116</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 406,687</u>	<u>(302,951)</u>	<u>\$ 103,736</u>	<u>\$ 103,736</u>
Fund balance:					
Beginning of year, July 1			<u>406,687</u>		
End of year, June 30			<u>\$ 103,736</u>		

HAYWOOD COUNTY, NORTH CAROLINA

Capital Project Fund-E-911 Consolidation
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Intergovernmental revenue - NC 911	\$ 2,694,827	\$ -	\$ 214,817	\$ 214,817	\$ (2,480,010)
Expenditures:					
Emergency Operations Center consolidation:					
Professional services-design	75,000	-	47,325	47,325	27,675
Professional services-administration and consulting	199,511	-	77,588	77,588	121,923
Technology equipment	2,119,363	-	89,904	89,904	2,029,459
EOC furniture and equipment	42,475	-	-	-	42,475
Building improvements	833,955	-	-	-	833,955
Total expenditures	3,270,304	-	214,817	214,817	3,055,487
Revenues under expenditures	(575,477)	-	-	-	(575,477)
Other financing sources:					
Transfer from E-911 Special Revenue Fund	575,477	-	575,477	575,477	-
Net change in fund balance	\$ -	\$ -	575,477	\$ 575,477	\$ 575,477
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 575,477		

The seal of Haywood County, North Carolina, is a circular emblem. It features a central figure of a Native American holding a bow and arrow. The text "HAYWOOD COUNTY" is arched across the top, and "1808 GREAT SMOKE RIDGE" is arched across the bottom. The seal is rendered in a light, faded style in the background.

INTERNAL SERVICE FUNDS

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

Individual Fund Descriptions

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

HAYWOOD COUNTY, NORTH CAROLINA

Combining Statement of Net Position
Internal Service Funds

June 30, 2015

	Internal Service Fund—Health Insurance	Internal Service Fund—Workers' Comp	Total Internal Service Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 907,443	\$ 1,104,173	\$ 2,011,616
Receivables, net	277,407	-	277,407
Prepays	-	10,000	10,000
Total assets	<u>1,184,850</u>	<u>1,114,173</u>	<u>2,299,023</u>
Liabilities:			
Current liabilities:			
Accrued expenses	<u>325,738</u>	<u>11,633</u>	<u>337,371</u>
Net position:			
Unrestricted	<u>\$ 859,112</u>	<u>\$ 1,102,540</u>	<u>\$ 1,961,652</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds

For the Fiscal Year Ended June 30, 2015

	Internal Service Fund-Health Insurance	Internal Service Fund-Workers' Comp	Total Internal Service Funds
Operating revenues:			
Internal charges for services	\$ 4,668,531	\$ 511,359	\$ 5,179,890
External charges for services	595,657	-	595,657
Total revenues	<u>5,264,188</u>	<u>511,359</u>	<u>5,775,547</u>
Operating expenses:			
Claims and administration	<u>5,786,059</u>	<u>451,499</u>	<u>6,237,558</u>
Change in net position	(521,871)	59,860	(462,011)
Net position:			
Beginning of year, July 1	<u>1,380,983</u>	<u>1,042,680</u>	<u>2,423,663</u>
End of year, June 30	<u>\$ 859,112</u>	<u>\$ 1,102,540</u>	<u>\$ 1,961,652</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows
Internal Service Funds

For The Fiscal Year Ended June 30, 2015

	Internal Service Fund-Health Insurance	Internal Service Fund-Workers' Comp	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from third-party payors and patients	\$ 4,986,781	\$ 511,359	\$ 5,498,140
Payments to providers	(5,762,828)	(449,162)	(6,211,990)
Net cash provided (used) by operating activities	<u>(776,047)</u>	<u>62,197</u>	<u>(713,850)</u>
Net increase (decrease) in cash and cash equivalents	(776,047)	62,197	(713,850)
Cash and cash equivalents:			
Beginning balance, July 1	<u>1,683,490</u>	<u>1,041,976</u>	<u>2,725,466</u>
Ending balance, June 30	<u>\$ 907,443</u>	<u>\$ 1,104,173</u>	<u>\$ 2,011,616</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ (521,871)	\$ 59,860	\$ (462,011)
Changes in assets and liabilities:			
Decrease (increase) in accrued expenses	<u>(254,176)</u>	<u>2,337</u>	<u>(251,839)</u>
Net cash provided (used) by operating activities	<u>\$ (776,047)</u>	<u>\$ 62,197</u>	<u>\$ (713,850)</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges for services	<u>\$ 5,686,500</u>	<u>\$ 5,264,188</u>	<u>\$ (422,312)</u>
Expenditures:			
Claims and administration	<u>6,166,500</u>	<u>5,786,059</u>	<u>380,441</u>
Operating loss	<u>(480,000)</u>	<u>(521,871)</u>	<u>(41,871)</u>
Other financing sources:			
Fund balance appropriated	<u>480,000</u>	<u>-</u>	<u>(480,000)</u>
Revenues under expenditures	<u><u>\$ -</u></u>	<u><u>\$ (521,871)</u></u>	<u><u>\$ (521,871)</u></u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges for services	\$ 540,000	\$ 511,359	\$ (28,641)
Expenditures:			
Claims and administration	540,000	451,499	88,501
Revenues over expenditures	<u>\$ -</u>	<u>\$ 59,860</u>	<u>\$ 59,860</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

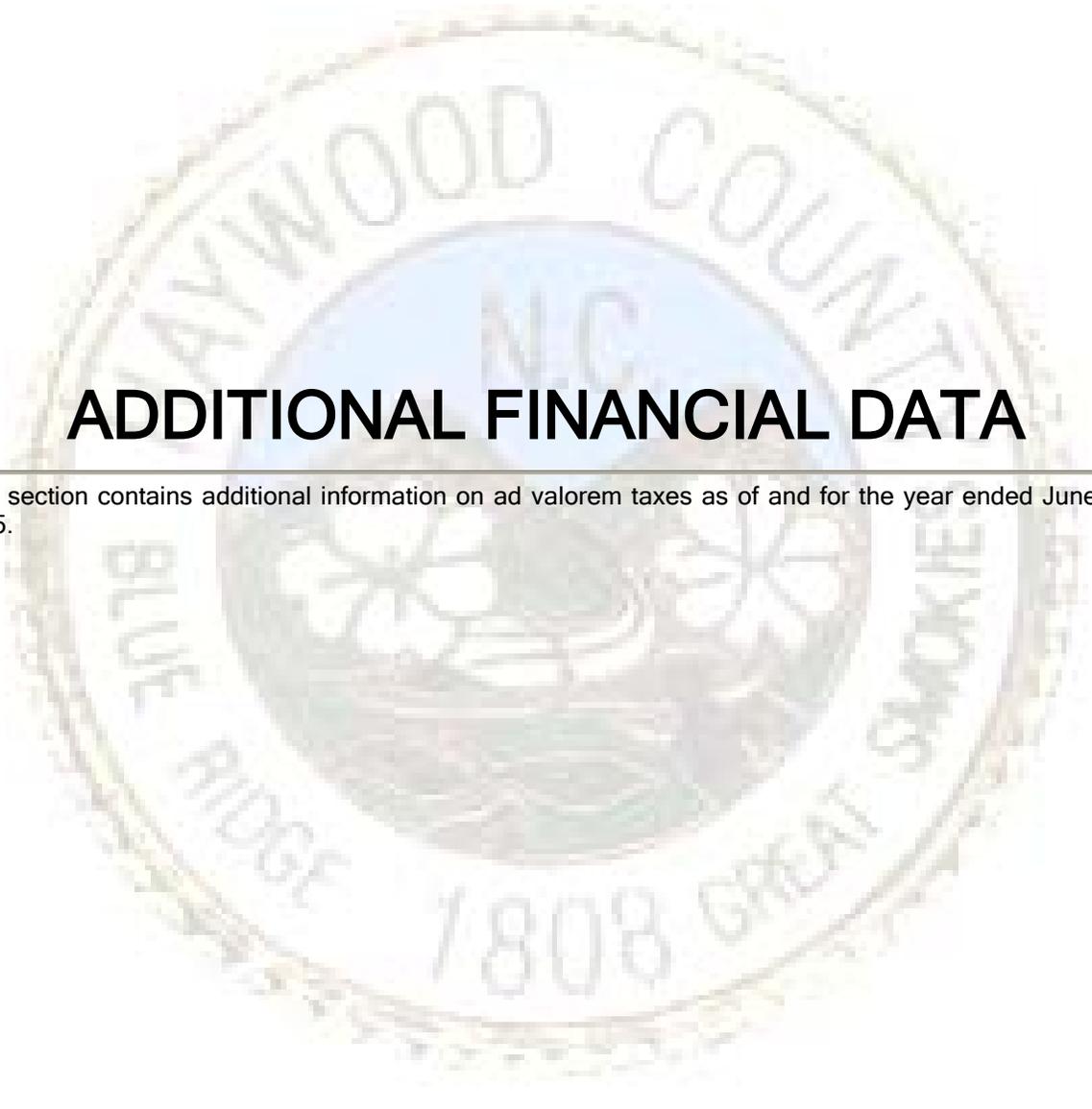
- **The Social Services Fund** accounts for assets held by the County as agent for individuals served by this department.
- **The Fines and Forfeitures Fund** accounts for various legal fines and forfeitures that the County is required to remit to the Haywood County Board of Education.
- **The Motor 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 Sheriff's Office Fund** accounts for inmate deposits for commissary use.
- **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, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
Social Services:				
Assets:				
Cash and cash equivalents	\$ 188,246	\$ 865,213	\$ 860,663	\$ 192,796
Liabilities:				
Amounts held for others	\$ 188,246	\$ 865,213	\$ 860,663	\$ 192,796
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 352,458	\$ 352,458	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 352,458	\$ 352,458	\$ -
Municipal Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 61,887	\$ 616,294	\$ 622,460	\$ 55,721
Liabilities:				
Due to other governments	\$ 61,887	\$ 616,294	\$ 622,460	\$ 55,721
Sheriff's Office:				
Assets:				
Cash and cash equivalents	\$ -	\$ 231,096	\$ 211,968	\$ 19,128
Liabilities:				
Amounts held for others	\$ -	\$ 231,096	\$ 211,968	\$ 19,128
Deed of Trust Fee:				
Assets:				
Cash and cash equivalents	\$ -	\$ 49,916	\$ 49,916	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 49,916	\$ 49,916	\$ -
Totals--All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 250,133	\$ 2,114,977	\$ 2,097,465	\$ 267,645
Liabilities:				
Amounts held for others	\$ 188,246	\$ 1,096,309	\$ 1,072,631	\$ 211,924
Due to other governments	61,887	1,018,668	1,024,834	55,721
Total liabilities	\$ 250,133	\$ 2,114,977	\$ 2,097,465	\$ 267,645

The seal of Wayne County, North Carolina, is a circular emblem. It features a central illustration of a plow in a field, with a sheaf of wheat and a bundle of cotton. The text "WAYNE COUNTY NC" is arched across the top. Below the central image, the words "BLUE RIDGE" and "1808 GREAT SMOKIES" are written in a circular path. The seal is rendered in a light, faded style in the background of the page.

ADDITIONAL FINANCIAL DATA

This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2015.

HAYWOOD COUNTY, NORTH CAROLINA

General Fund
Schedule of Ad Valorem Taxes Receivable

June 30, 2015

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Ending Balance</u>
2014-2015	\$ -	\$ 39,720,027	\$ 38,742,509	\$ 977,518
2013-2014	1,270,079	-	857,195	412,884
2012-2013	483,051	-	235,338	247,713
2011-2012	214,693	-	58,631	156,062
2010-2011	147,402	-	17,671	129,731
2009-2010	119,221	-	9,590	109,631
2008-2009	114,177	-	6,618	107,559
2007-2008	101,396	-	5,311	96,085
2006-2007	99,964	-	4,832	95,132
2005-2006	102,563	-	4,008	98,555
2004-2005	88,132	-	88,132	-
	<u>\$ 2,740,678</u>	<u>\$ 39,720,027</u>	<u>\$ 40,029,835</u>	2,430,870
Less: allowance for uncollectible accounts:				
General Fund				<u>(1,348,369)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 1,082,501</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes—General Fund				\$ 40,133,654
Reconciling items:				
Interest collected				(256,618)
2004 - 2005 write-off per statute of limitations				88,132
Other				64,667
Total reconciling items				<u>(103,819)</u>
Total collections and credits				<u>\$ 40,029,835</u>

HAYWOOD COUNTY, NORTH CAROLINA

Analysis of Current Tax Levy
County-wide Levy

For the Fiscal Year Ended June 30, 2015

	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	\$ 7,317,100,314	0.5413	\$ 39,607,464	\$ 36,847,365	\$ 2,760,099
Penalties	-		41,101	41,101	-
Total	<u>7,317,100,314</u>		<u>39,648,565</u>	<u>36,888,466</u>	<u>2,760,099</u>
Discoveries:					
Current year taxes	2,758,174	0.5413	14,930	14,930	-
Prior year taxes	-		58,015	58,015	-
Penalties	-		18,576	18,576	-
Total	<u>2,758,174</u>		<u>91,521</u>	<u>91,521</u>	<u>-</u>
Abatements	<u>(3,705,708)</u>	0.5413	<u>(20,059)</u>	<u>(20,059)</u>	<u>-</u>
Total property valuation	<u>\$ 7,316,152,780</u>				
Net levy			39,720,027	36,959,928	2,760,099
Uncollected taxes at June 30, 2014			<u>977,518</u>	<u>976,605</u>	<u>913</u>
Current year's taxes collected			<u>\$ 38,742,509</u>	<u>\$ 35,983,323</u>	<u>\$ 2,759,186</u>
Current levy collection percentage			<u>97.54%</u>	<u>97.36%</u>	<u>99.97%</u>

HAYWOOD COUNTY, NORTH CAROLINA

Secondary Market Disclosures

For the Fiscal Year Ended June 30, 2015

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio ¹	100%
Real property	\$ 6,207,558,192
Personal property	959,054,765
Public service companies ²	149,539,823
Total assessed valuation	<u>7,316,152,780</u>
Tax rate per \$100	0.5413
Levy (includes discoveries, releases and abatements) ³	<u><u>\$ 39,720,027</u></u>

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

Fire protection districts	\$ 3,358,616
Road service districts	182,802
Sanitary district	<u>193,093</u>
Total	<u><u>\$ 3,734,511</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.

HAYWOOD COUNTY, NORTH CAROLINA

Emergency Telephone System Unspent Balance
PSAP Reconciliation

For the Fiscal Year Ended June 30, 2015

Amounts reported on the Emergency Telephone system Fund budget to actual (Schedule "D-1") are different from the PSAP Revenue - Expenditure Report because:

Net Change in Fund Balance, reported on Budget to Actual	\$ (567,371)
The County transferred eligible 911 funds to the E-911 Consolidation Capital Project Fund to be used for a 911 eligible expense: Positron Viper Telephone System	<u>575,477</u>
Net Difference	8,106
Beginning Balance, PSAP Revenue-Expenditure Report	<u>970,261</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 978,367</u></u>

STATISTICAL SECTION

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

- *Financial Trends* - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.
- *Revenue Capacity* - These schedules contain information to help the reader access the County's most significant local revenue source, the property tax.
- *Debt Capacity* - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.
- *Demographic and Economic Information* - These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.
- *Operating Information* - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

HAYWOOD COUNTY, NORTH CAROLINA

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

	2015	2014	2013	2012
Expenses:				
Governmental activities:				
General government	\$ 9,202,544	7,168,720	\$ 8,748,556	\$ 8,560,054
Public safety	18,332,672	18,149,499	18,095,664	17,821,262
Transportation	197,811	246,070	233,951	238,829
Environmental protection	4,182,627	8,238,720	6,960,850	5,980,140
Economic and physical development	3,289,410	3,369,021	3,445,307	2,871,824
Human services	20,029,023	21,403,525	20,380,433	20,714,369
Cultural and recreation	1,685,345	1,908,029	1,751,594	1,760,349
Education	19,586,667	18,860,749	18,227,121	23,120,536
Interest on long-term debt	1,841,698	2,053,735	2,399,211	2,506,831
Total governmental activities expenses	78,347,797	81,398,068	80,242,687	83,574,194
Program revenues:				
Governmental activities:				
Charges for services:				
General government	330,727	348,880	344,358	312,438
Public safety	3,274,565	3,099,254	2,855,128	1,745,281
Environmental protection	3,835,700	4,933,647	5,081,817	5,139,520
Economic and physical development	-	6,190	2,025	247,751
Human services	442,379	477,466	489,236	500,329
Cultural and recreation	75,188	76,465	79,324	76,892
Operating grants:				
General government	103,006	198,494	128,791	188,366
Public safety	1,298,261	1,329,654	1,752,631	1,366,251
Transportation	133,783	155,388	-	-
Environmental protection	127,502	76,488	47,296	212,179
Economic and physical development	199,304	568,557	540,447	269,942
Human services	12,966,702	12,465,469	11,974,626	12,528,733
Cultural and recreation	164,582	253,471	192,300	207,976
Education	324,705	81,610	19,082	86,230

2011	2010	2009	2008	2007	2006
\$ 9,618,835	\$ 8,182,194	\$ 8,768,120	\$ 11,708,960	\$ 7,189,107	\$ 6,797,823
17,490,162	17,126,202	16,776,152	16,168,220	14,757,960	13,820,383
294,722	292,770	284,233	259,896	223,334	142,609
5,484,418	5,739,294	5,152,439	4,631,896	4,506,090	7,558,422
3,774,853	2,736,807	2,770,701	5,339,247	10,158,504	2,947,975
16,944,025	17,479,276	19,842,232	19,965,753	19,491,770	18,184,042
1,741,261	1,773,656	1,899,287	1,013,051	2,085,582	2,027,052
22,278,017	17,562,877	19,139,292	24,520,469	27,993,801	21,222,128
3,237,593	2,630,297	2,439,611	2,361,453	2,005,587	1,597,889
<u>80,863,886</u>	<u>73,523,373</u>	<u>77,072,067</u>	<u>85,968,945</u>	<u>88,411,735</u>	<u>74,298,323</u>
287,709	181,331	184,733	216,227	177,952	595,955
2,561,848	2,190,012	2,946,596	2,032,758	1,847,392	1,891,570
5,102,367	4,585,211	4,265,110	2,224,986	1,752,966	1,326,883
287,415	229,303	244,421	348,236	439,972	383,790
540,790	574,082	777,162	731,429	758,957	719,390
104,974	72,958	72,042	67,806	70,965	24,182
207,309	203,704	490,415	1,022,891	424,308	511,874
1,184,711	963,921	819,708	577,031	572,433	791,088
179,481	182,845	174,105	163,855	141,666	105,817
238,726	46,105	65,128	-	-	3,226,371
822,638	389,337	455,797	947,857	4,139,240	4,179,959
9,189,620	9,751,605	9,618,243	8,702,862	8,841,511	8,125,771
193,046	184,269	185,723	186,984	254,065	344,704
180,153	158,925	200,145	98,355	89,968	885,299

HAYWOOD COUNTY, NORTH CAROLINA

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

	2015	2014	2013	2012
Program revenues, continued:				
Governmental activities, continued:				
Capital grants:				
General government	\$ -	\$ 3,581	\$ 1,160,350	\$ -
Public safety	108,978	4,604	16,115	3,111
Environmental protection	-	34,499	18,426	881,455
Economic development	-	-	-	91,710
Human services	4,666	-	-	99,967
Culture and recreation	16,541	93,656	124,958	-
Education	541,858	1,078,408	458,032	675,418
Total governmental activities program revenues	23,948,447	25,285,781	25,284,942	24,633,549
Net (expense) revenue:				
Governmental activities	(54,399,350)	(56,112,287)	(54,957,745)	(58,940,645)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes, levied for general purpose	43,826,065	44,532,523	43,168,762	42,039,417
Local option sales tax	12,746,564	11,407,418	11,193,517	10,511,432
Other taxes	2,588,329	2,317,882	2,383,599	2,839,212
Grants and contributions not restricted to specific programs	308,781	339,051	306,971	312,905
Investment earnings, unrestricted	28,178	27,441	32,575	58,668
Miscellaneous, unrestricted	41,546	19,992	93,510	489,068
Special item	-	7,494,062	-	-
Total governmental activities	59,539,463	66,138,369	57,178,934	56,250,702
Change in net position:				
Governmental activities	\$ 5,140,113	\$ 10,026,082	\$ 2,221,189	\$ (2,689,943)

2011	2010	2009	2008	2007	2006
\$ 21,918	\$ -	\$ 5,372	\$ -	\$ -	\$ -
445,912	29,872	-	4,194	31,576	-
36,578	-	-	-	-	-
54,758	28,879	136,689	1,136,322	5,202,570	-
54,321	40,183	-	-	22,470	-
-	10,000	-	-	-	-
1,091,587	254,568	1,332,378	267,421	849,710	-
<u>22,785,861</u>	<u>20,077,110</u>	<u>21,973,767</u>	<u>18,729,214</u>	<u>25,617,721</u>	<u>23,112,653</u>
(58,078,025)	(53,446,263)	(55,098,300)	(67,239,731)	(62,794,014)	(51,185,670)
41,329,957	40,653,369	38,837,841	37,536,263	35,997,662	33,038,674
9,886,615	10,471,553	12,125,586	13,862,533	13,332,882	12,597,709
2,766,516	2,803,761	2,292,752	4,828,076	4,556,551	4,719,286
301,405	296,970	420,508	186,409	188,063	194,812
89,457	76,439	305,960	1,053,916	1,486,052	976,863
26,255	77,256	33,278	19,326	87	127,022
-	-	-	-	-	-
<u>54,400,205</u>	<u>54,379,348</u>	<u>54,015,925</u>	<u>57,486,523</u>	<u>55,561,297</u>	<u>51,654,366</u>
<u>\$ (3,677,820)</u>	<u>\$ 933,085</u>	<u>\$ (1,082,375)</u>	<u>\$ (9,753,208)</u>	<u>\$ (7,232,717)</u>	<u>\$ 468,696</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	2015	2014	2013	2012
Governmental activities:				
Net investment in capital assets	\$ 43,926,798	\$ 43,151,578	\$ 40,022,209	\$ 36,628,567
Restricted	9,434,549	9,227,579	6,917,922	11,009,703
Unrestricted (deficit)	(22,108,022)	(23,731,881)	(28,318,937)	(31,238,265)
Total governmental activities net position	\$ 31,253,325	\$ 28,647,276	\$ 18,621,194	\$ 16,400,005

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 34,025,761	\$ 31,810,284	\$ 30,453,109	\$ 31,578,244	\$ 34,381,766	\$ 30,081,323
17,985,523	9,558,867	8,289,420	11,338,365	11,010,647	21,451,889
<u>(32,921,336)</u>	<u>(18,601,383)</u>	<u>(16,907,846)</u>	<u>(19,999,551)</u>	<u>(12,722,147)</u>	<u>(11,630,992)</u>
<u>\$ 19,089,948</u>	<u>\$ 22,767,768</u>	<u>\$ 21,834,683</u>	<u>\$ 22,917,058</u>	<u>\$ 32,670,266</u>	<u>\$ 39,902,220</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:				
Non-spendable	\$ 115,987	\$ 115,978	\$ 92,536	\$ 100,794
Restricted	5,729,220	6,158,624	5,126,446	4,709,538
Committed	1,655,228	1,355,234	1,173,116	1,025,703
Assigned	39,479	236,685	321,667	1,161,066
Unassigned	15,136,954	10,783,822	9,363,649	7,515,009
Total General Fund	<u>22,676,868</u>	<u>18,650,343</u>	<u>16,077,414</u>	<u>14,512,110</u>
All other governmental funds:				
Non-spendable	1,000	2,000	-	-
Restricted	1,587,625	3,068,955	1,791,476	3,023,959
Committed	2,015,942	4,077,902	3,801,781	3,619,475
Total all other governmental funds	<u>3,604,567</u>	<u>7,148,857</u>	<u>5,593,257</u>	<u>6,643,434</u>
Total fund balances	<u>\$ 26,281,435</u>	<u>\$ 25,799,200</u>	<u>\$ 21,670,671</u>	<u>\$ 21,155,544</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 105,379	\$ 342,106	\$ 153,595	\$ 126,577	\$ 151,397	\$ 80,247
5,230,310	5,604,977	5,426,791	6,076,223	7,056,953	6,205,209
922,369	2,087,408	1,184,146	-	-	-
693,787	1,782,489	2,450,872	5,359,323	6,201,618	4,951,041
6,616,772	5,326,401	3,849,538	996,758	1,117,634	2,365,074
<u>13,568,617</u>	<u>15,143,381</u>	<u>13,064,942</u>	<u>12,558,881</u>	<u>14,527,602</u>	<u>13,601,571</u>
-	-	-	-	-	-
7,178,829	234,078	86,859	51,353	92,511	87,537
<u>6,190,208</u>	<u>4,398,888</u>	<u>5,197,605</u>	<u>9,653,570</u>	<u>12,006,276</u>	<u>16,394,468</u>
<u>13,369,037</u>	<u>4,632,966</u>	<u>5,284,464</u>	<u>9,704,923</u>	<u>12,098,787</u>	<u>16,482,005</u>
<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>	<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:				
Ad valorem taxes	\$ 44,229,373	\$ 44,970,038	\$ 43,272,044	\$ 42,408,756
Local option sales taxes	12,746,564	11,407,418	11,193,517	10,511,432
Other taxes and licenses	2,588,329	2,317,882	2,383,599	2,839,212
Unrestricted intergovernmental	308,781	339,051	306,971	312,905
Restricted intergovernmental	15,948,172	15,969,226	15,304,433	16,651,663
Permits and fees	3,840,018	3,704,922	3,691,013	3,581,528
Sales and services	4,091,192	5,209,763	5,130,002	4,416,878
Investment earnings	28,178	27,441	32,575	58,668
Miscellaneous	279,141	585,622	200,835	158,541
Total revenues	<u>84,059,748</u>	<u>84,531,363</u>	<u>81,514,989</u>	<u>80,939,583</u>
Expenditures:				
Current:				
General government	4,791,471	4,081,061	4,684,047	4,516,508
Central services	3,036,385	3,007,491	2,786,088	2,768,301
Public safety	17,339,529	16,748,491	16,664,497	16,255,963
Transportation	197,811	246,070	233,951	238,829
Environmental protection	3,574,816	4,173,339	4,367,858	4,473,356
Economic and physical development	2,751,196	2,799,718	2,767,853	2,188,431
Human services	19,652,564	20,547,639	19,363,542	19,742,912
Culture and recreation	1,536,524	1,734,884	1,586,495	1,590,109
Intergovernmental:				
Education	19,586,667	18,860,749	18,227,121	23,120,536
Capital outlay	2,951,132	2,025,428	1,247,969	5,840,809
Debt service:				
Principal	6,313,918	20,634,450	6,748,745	6,496,245
Interest	1,908,030	2,497,409	2,582,067	3,029,723
Bond issuance costs	-	-	-	-
Total expenditures	<u>83,640,043</u>	<u>97,356,729</u>	<u>81,260,233</u>	<u>90,261,722</u>
Revenues over (under) expenditures	<u>419,705</u>	<u>(12,825,366)</u>	<u>254,756</u>	<u>(9,322,139)</u>

2011	2010	2009	2008	2007	2006
\$ 41,673,838	\$ 40,835,842	\$ 38,246,641	\$ 37,341,541	\$ 35,790,491	\$ 33,182,820
9,886,615	10,471,553	12,125,586	13,862,533	13,332,882	12,597,709
2,766,516	2,803,761	2,292,752	4,828,076	4,556,551	4,321,866
301,405	296,970	420,508	186,409	188,063	194,812
13,861,876	12,217,455	13,023,512	12,297,790	20,260,573	18,185,311
3,667,014	2,841,608	3,345,578	522,945	756,169	471,015
5,189,552	4,964,417	5,115,187	5,050,041	4,239,314	4,076,009
89,457	76,439	305,960	1,053,916	1,486,052	976,863
232,679	212,480	641,333	1,004,000	498,061	610,897
<u>77,668,952</u>	<u>74,720,525</u>	<u>75,517,057</u>	<u>76,147,251</u>	<u>81,108,156</u>	<u>74,617,302</u>
5,530,293	4,559,550	5,073,435	4,934,640	2,971,055	4,594,140
2,643,017	2,499,061	2,327,613	2,146,925	2,020,639	1,726,140
15,845,398	15,412,448	15,058,395	15,031,455	13,650,977	13,050,720
294,722	292,770	284,233	259,896	223,334	142,609
4,282,103	4,584,173	3,964,429	3,614,960	3,225,444	6,712,915
3,115,104	2,387,145	2,420,865	5,026,356	9,918,856	2,680,521
16,037,412	16,568,534	19,031,989	19,912,019	19,301,078	17,960,083
1,578,155	1,597,366	1,735,876	912,665	1,977,203	1,903,382
22,278,017	17,562,877	19,139,292	24,520,469	27,993,801	21,222,128
11,580,962	5,377,218	4,669,773	6,178,600	9,958,195	9,836,752
5,702,536	4,423,360	4,457,487	3,955,964	2,503,127	5,824,825
2,610,060	2,535,736	2,567,745	2,384,555	2,222,189	1,454,371
-	-	-	153,085	-	177,462
<u>91,497,779</u>	<u>77,800,238</u>	<u>80,731,132</u>	<u>89,031,589</u>	<u>95,965,898</u>	<u>87,286,048</u>
<u>(13,828,827)</u>	<u>(3,079,713)</u>	<u>(5,214,075)</u>	<u>(12,884,338)</u>	<u>(14,857,742)</u>	<u>(12,668,746)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Other financing sources (uses):				
Transfers from other funds	\$ 1,191,409	\$ 438,234	\$ 567,960	\$ 141,132
Transfers to other funds	(1,191,409)	(438,234)	(567,960)	(141,132)
General obligation bonds issued	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Notes payable issued	-	2,350,000	-	3,053,600
Current refunding of certificates of participation issued	10,783,000	14,585,000	7,150,000	-
Payment to escrow agent for refunded debt	(10,723,992)	-	(7,079,605)	-
Sale of capital assets	3,522	18,895	189,976	486,429
Total other financing sources and uses	<u>62,530</u>	<u>16,953,895</u>	<u>260,371</u>	<u>3,540,029</u>
Net change in fund balance	482,235	4,128,529	515,127	(5,782,110)
Fund balances-beginning	<u>25,799,200</u>	<u>21,670,671</u>	<u>21,155,544</u>	<u>26,937,654</u>
Fund balances-ending	<u><u>\$ 26,281,435</u></u>	<u><u>\$ 25,799,200</u></u>	<u><u>\$ 21,670,671</u></u>	<u><u>\$ 21,155,544</u></u>
Debt service as a percentage of non-capital expenditures	10.19%	24.26%	11.66%	11.28%

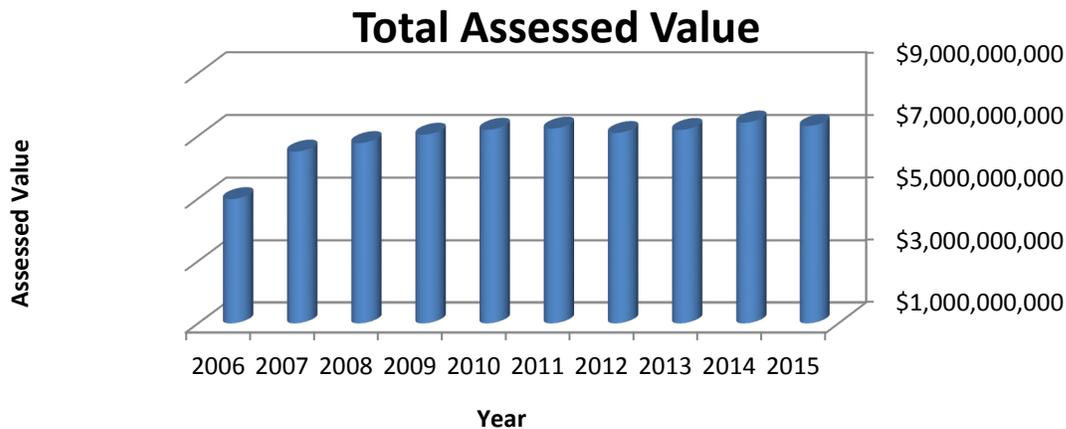
Capital outlay expenditures have been segregated here in order to calculate the percentage of non-capital expenditures.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 3,439,102	\$ 1,360,866	\$ 538,542	\$ 5,124,492	\$ 3,182,847	\$ 3,299,004
(3,439,102)	(1,360,866)	(538,542)	(5,124,492)	(3,182,847)	(3,299,004)
-	-	-	7,000,000	-	18,000,000
-	-	-	99,872	-	363,359
20,896,400	4,500,000	1,269,100	1,400,000	11,400,000	-
-	-	-	-	-	-
-	-	-	-	-	-
93,734	6,654	30,577	21,881	555	179,467
<u>20,990,134</u>	<u>4,506,654</u>	<u>1,299,677</u>	<u>8,521,753</u>	<u>11,400,555</u>	<u>18,542,826</u>
7,161,307	1,426,941	(3,914,398)	(4,362,585)	(3,457,187)	5,874,080
<u>19,776,347</u>	<u>18,349,406</u>	<u>22,263,804</u>	<u>26,626,389</u>	<u>30,083,576</u>	<u>24,209,496</u>
<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>	<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>
10.40%	9.61%	9.24%	7.65%	5.39%	9.40%

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)
2015	\$ 6,207,558,192	\$ 959,054,765	\$ 149,539,823	\$ 7,316,152,780	0.5413
2014	6,189,657,715	1,089,015,320	148,954,528	7,427,627,563	0.5413
2013	6,170,732,764	870,482,776	148,678,692	7,189,894,232	0.5413
2012	6,149,833,834	796,003,199	148,080,203	7,093,917,236	0.5413
2011	6,252,182,637	796,614,829	181,877,827	7,230,675,293	0.5140
2010	6,165,577,637	880,864,853	149,986,629	7,196,429,119	0.5140
2009	6,023,547,541	876,803,849	139,166,644	7,039,518,034	0.4970
2008	5,752,818,363	887,033,884	131,645,395	6,771,497,642	0.4970
2007	5,479,463,273	889,422,387	130,444,521	6,499,330,181	0.4970
2006	4,026,322,277	838,585,620	117,949,317	4,982,857,214	0.6100



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

	2015	2014	2013	2012
Haywood County	0.5413	0.5413	0.5413	0.5413
<u>Municipality Rates:</u>				
Town of Canton	0.5800	0.5800	0.5800	0.5800
Town of Clyde	0.4300	0.4300	0.4300	0.4300
Town of Maggie	0.3900	0.3900	0.3900	0.4200
Town of Waynesville	0.4382	0.4082	0.4082	0.4082
Municipal Service District	0.2000	0.2000	0.2000	0.2000
<u>Special Districts:</u>				
West Canton Fire District #1	0.100	0.100	0.100	0.100
North Canton Fire District #2	0.060	0.060	0.065	0.060
Center Pigeon Fire District	0.075	0.075	0.075	0.075
Lake Junaluska Fire District	0.070	0.070	0.070	0.070
Crabtree-Iron Duff Fire District	0.065	0.065	0.065	0.065
Cruso Fire District	0.095	0.095	0.095	0.095
Camp Branch Fire District	0.000	0.000	0.000	0.000
Saunook Fire District	0.040	0.040	0.040	0.040
Maggie Valley Fire District	0.060	0.060	0.060	0.050
Clyde Fire District	0.090	0.090	0.090	0.090
Jonathan Creek Fire District	0.070	0.070	0.070	0.070
South Waynesville Fire District	0.000	0.000	0.000	0.000
Big Cove Fire District	0.000	0.000	0.000	0.000
Fines Creek Fire District	0.090	0.090	0.090	0.090
Lake Logan-Cecil Fire District	0.100	0.100	0.100	0.100
Waynesville Fire District	0.060	0.060	0.060	0.060
Eagles Nest Fire Service District	0.060	***	***	***
Howell Mill Fire service District	0.060	***	***	***
Lake Junaluska Sanitary District	0.060	0.060	0.060	0.060
Maggie Valley Country Club Road Maintenance	0.140	0.140	0.140	0.140
Forest Park Road Maintenance	0.080	0.080	0.080	0.080
Oak Park Road Maintenance	0.100	0.100	0.100	0.080
Wildcat Mountain Road Maintenance	0.150	0.150	0.150	0.150
Walker-in-the-Hills Road Maintenance	0.095	0.095	0.095	0.095
Upper Chestnut Grove Road Maintenance	0.160	0.160	0.160	0.160
Norman Road Maintenance	0.150	0.150	0.150	0.150
Tuscola Park Road Maintenance	0.110	0.110	0.110	0.110
Fox Run Road Maintenance	0.150	0.150	0.150	0.150

Source: Haywood County Tax Assessor

* Did not begin collecting until FY2008

** Did not begin collecting until FY2010

*** Did not begin collecting until FY2015

2011	2010	2009	2008	2007	2006
0.5140	0.5140	0.4970	0.4970	0.4970	0.6100
0.5800	0.5800	0.5800	0.5800	0.5300	0.6100
0.4300	0.4300	0.4300	0.4300	0.4300	0.4500
0.4200	0.4200	0.4200	0.4200	0.4200	0.4200
0.4000	0.4000	0.4000	0.4000	0.4000	0.4300
0.2300	0.2300	0.2300	0.2300	*	*
0.100	0.100	0.100	0.100	0.100	0.100
0.060	0.060	0.060	0.055	0.060	0.060
0.075	0.065	0.065	0.065	0.065	0.065
0.070	0.070	0.070	0.070	0.065	0.080
0.065	0.065	0.065	0.065	0.065	0.065
0.095	0.100	0.100	0.090	0.090	0.100
0.000	0.000	0.060	0.060	0.060	0.060
0.040	0.040	0.040	0.040	0.035	0.040
0.050	0.050	0.050	0.050	0.050	0.050
0.090	0.090	0.090	0.090	0.090	0.090
0.070	0.070	0.070	0.070	0.070	0.070
0.000	0.000	0.060	0.060	0.060	0.060
0.000	0.000	0.060	0.060	0.060	0.060
0.090	0.090	0.090	0.090	0.090	0.090
0.100	0.100	0.100	0.100	0.100	0.100
0.060	0.060	**	**	**	**
***	***	***	***	***	***
***	***	***	***	***	***
0.060	0.060	0.060	0.060	0.060	0.060
0.140	0.140	0.140	0.100	0.100	0.100
0.080	0.080	0.080	0.080	0.100	0.100
0.080	0.080	0.140	0.140	0.140	0.140
0.150	0.150	0.150	0.150	0.150	0.150
0.095	0.095	0.095	0.095	0.095	0.120
0.160	0.160	0.160	0.120	0.120	0.120
0.150	0.150	0.150	0.150	0.130	0.130
0.110	0.110	0.110	0.110	0.110	0.110
0.150	0.150	0.150	0.150	0.130	0.150

HAYWOOD COUNTY, NORTH CAROLINA

Principal Property Taxpayers Current Year and 9 Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>
Blue Ridge Paper Products, Inc. (Evergreen Packaging)	Paper Mill
Duke Energy Progress, Inc. formerly Carolina Power & Light	Utility
Haywood Electric Membership Corporation	Utility
Bellsouth Telephone Company	Utility
Waynesville Commons Retail Association	Retail
Ingles Markets, Inc.	Super Market
Sonoco Plastics, Inc. formerly Associated Packaging	Manufacturing
Consolidated Metco	Manufacturing
Paccar, Inc.	Manufacturing
Maggie Valley Resort	Country Club
Developers Diversified Realty	Retail
Waynesville Country Club	Country Club
APAC	Rock Quarry
Totals	

Source: Haywood County Tax Assessor

2015			2006		
Valuation	Rank	% of Valuation	Valuation	Rank	% of Valuation
\$ 187,279,757	1	2.56%	\$ 154,926,432	1	3.11%
90,042,140	2	1.23%	68,827,402	2	1.38%
78,113,007	3	1.07%	40,975,414	4	0.82%
26,224,479	4	0.36%	41,511,017	3	0.83%
21,197,600	5	0.29%			
19,942,746	6	0.27%	17,758,767	5	0.36%
17,770,686	7	0.24%	10,638,425	7	0.21%
15,828,674	8	0.22%			
14,808,164	9	0.20%			
13,645,899	10	0.19%	8,862,065	9	0.18%
			11,735,842	6	0.24%
			10,106,333	8	0.20%
			7,541,084	10	0.15%
<u>\$ 484,853,152</u>		<u>6.63%</u>	<u>\$ 372,882,781</u>		<u>7.48%</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>Amount</u>	<u>Percentage of Levy Collected</u>
2015	\$ 39,720,027	\$ 38,742,509	97.54%
2014	40,319,389	39,049,310	96.85%
2013	39,068,709	37,541,809	96.09%
2012	38,510,277	37,038,187	96.18%
2011	37,385,829	35,939,892	96.13%
2010	36,901,784	35,358,950	95.82%
2009	35,207,806	33,690,143	95.69%
2008	33,773,929	32,768,263	97.02%
2007	32,438,583	31,468,784	97.01%
2006	30,554,021	29,623,523	96.95%

Source: Haywood County CAFRs.

Collections In Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
	Amount	Percentage of Total Tax Collections to Levy		
\$ -	\$ 38,742,509	97.54%	\$ 977,518	2.46%
857,195	39,906,505	98.98%	412,884	1.02%
1,279,187	38,820,996	99.37%	247,713	0.63%
1,316,028	38,354,215	99.59%	156,062	0.41%
1,316,206	37,256,098	99.65%	129,731	0.35%
1,433,203	36,792,153	99.70%	109,631	0.30%
1,410,104	35,100,247	99.69%	107,559	0.31%
909,581	33,677,844	99.72%	96,085	0.28%
874,667	32,343,451	99.71%	95,132	0.29%
831,943	30,455,466	99.68%	98,555	0.32%
			<u>\$ 2,430,870</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
2015	54	\$ 10,203,649	439	\$ 39,408,037	\$ 1,050,681,817	\$ 5,621,863,034
2014	60	12,576,586	396	31,988,838	1,032,385,921	5,623,591,513
2013	64	1,774,083	389	29,917,203	947,779,971	5,685,343,094
2012	50	6,370,685	327	27,799,418	887,532,635	5,732,616,855
2011	50	29,209,313	395	29,918,839	847,580,729	5,939,983,628
2010	34	2,670,085	346	30,044,418	847,580,729	5,322,126,385
2009	29	4,219,005	393	39,509,649	823,359,822	5,203,316,454
2008	53	17,514,488	721	81,259,490	795,117,342	4,960,694,472
2007	65	14,084,846	815	114,118,215	749,555,156	4,733,911,491
2006	47	27,760,337	836	105,075,783	722,992,583	3,280,319,019

Source:

⁽¹⁾Haywood County Inspection Department

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

⁽³⁾Haywood County Tax Assessor

HAYWOOD COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value ⁽³⁾	General Obligation Bonds ⁽³⁾	COPS ⁽³⁾	Special Revenue ⁽³⁾	Installment Loans ^{(3) (4)}
2015	\$ 7,316,152,780	\$ 22,699,328	\$ -	\$ -	\$ 32,699,189
2014	7,427,627,563	24,484,793	-	-	36,963,107
2013	7,189,894,232	26,458,067	7,849,489	-	31,157,557
2012	7,093,917,236	27,817,077	9,580,453	-	34,446,301
2011	7,230,675,293	29,597,423	11,296,417	-	34,488,946
2010	7,196,429,119	31,377,768	13,007,381	-	15,900,082
2009	7,039,518,034	33,158,113	14,713,345	-	12,433,442
2008	6,771,497,642	34,938,458	16,429,309	-	12,221,829
2007	6,499,330,181	29,265,427	18,160,273	-	11,712,793
2006	4,982,857,214	29,890,515	19,921,237	-	520,452

Sources:

⁽¹⁾NC Office of State Budget & Management-projection 2015, revised estimates 2010-2014

⁽²⁾Bureau of Economic Analysis - reflects revised numbers for 2006-2012

⁽³⁾Haywood County CAFRs

⁽⁴⁾Installment loans shown as notes payable

* Information not yet available

Total Primary Government	Net Debt to Assessed Value	Population⁽¹⁾	Personal Income⁽²⁾ (thousands)	Percentage of Personal Income	Net Debt Per Capita
\$ 55,398,517	0.76%	60,176	*	*	\$ 921
61,447,900	0.83%	59,955	*	*	1,025
65,465,113	0.91%	59,765	\$ 2,064,876	3.17%	1,095
71,843,831	1.01%	59,267	2,035,968	3.53%	1,212
75,382,786	1.04%	59,475	1,930,334	3.91%	1,267
60,285,231	0.84%	58,949	1,873,840	3.22%	1,023
60,304,900	0.86%	58,680	1,876,752	3.21%	1,028
63,589,596	0.94%	57,976	1,867,236	3.41%	1,097
59,138,493	0.91%	57,722	1,815,726	3.26%	1,025
50,332,204	1.01%	56,964	1,696,766	2.97%	884

HAYWOOD COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

Legal debt margin:	
Assessed value	\$ 7,316,152,780
Debt limit	8.00%
	585,292,222
Gross debt:	
General obligation bonds	22,699,328
Notes payable	32,699,189
	55,398,517
Total amount of debt applicable to debt limit	55,398,517
Legal debt margin	\$ 529,893,705

	2015	2014	2013	2012
Debt limit	\$ 585,292,222	\$ 594,210,205	\$ 575,191,539	\$ 567,513,379
Total net debt applicable to limit	55,398,517	61,447,900	65,465,113	71,843,831
Legal debt margin	\$ 529,893,705	\$ 532,762,305	\$ 509,726,426	\$ 495,669,548
Total net debt applicable to the limit as a percentage of debt limit	9.47%	10.34%	11.38%	12.66%

2011	2010	2009	2008	2007	2006
\$ 578,454,023 75,382,786	\$ 575,714,330 60,285,231	\$ 563,161,443 60,304,900	\$ 541,719,811 63,589,596	\$ 519,946,414 59,138,493	\$ 398,628,577 50,332,204
\$ 503,071,237	\$ 515,429,099	\$ 502,856,543	\$ 478,130,215	\$ 460,807,921	\$ 348,296,373
13.03%	10.47%	10.71%	11.74%	11.37%	12.63%

HAYWOOD COUNTY, NORTH CAROLINA

Computation of Direct and Overlapping Debt Governmental Activities

June 30, 2015

	<u>Municipalities Governmental Debt Outstanding ⁽¹⁾</u>	<u>Estimated Percentage Applicable</u>	
Municipalities:			
Town of Canton	\$ 109,309	100%	\$ 109,309
Town of Clyde	5,065	100%	5,065
Town of Maggie Valley	726,521	100%	726,521
Town of Waynesville	7,688,839	100%	<u>7,688,839</u>
 Total overlapping debt			 8,529,734
 Haywood County direct debt			 <u>55,398,517</u>
 Total direct and overlapping debt			 <u><u>\$ 63,928,251</u></u>

Note:

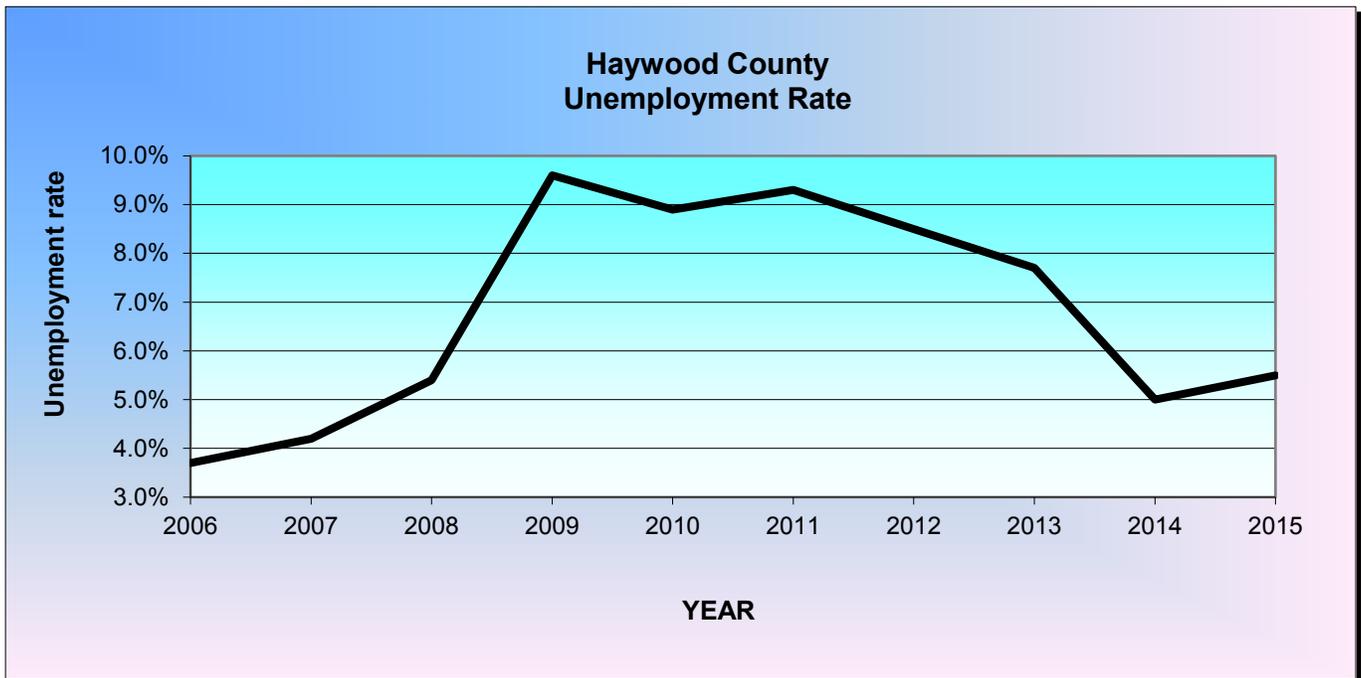
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the citizens and businesses of the County. This process recognizes that, when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

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

HAYWOOD COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Calendar Years

Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2015	60,176	*	7,239	5.5%
2014	59,913	*	7,564	5.0%
2013	59,675	34,890	7,459	7.7%
2012	59,267	34,638	7,530	8.5%
2011	59,475	32,891	7,582	9.3%
2010	58,949	31,786	7,588	8.9%
2009	58,680	31,728	7,677	9.6%
2008	57,976	31,750	7,658	5.4%
2007	57,722	31,099	7,652	4.2%
2006	56,964	29,406	7,969	3.7%



Sources:

⁽¹⁾NC Office of State Budget & Management-projection 2015, revised estimates 2010-2014

⁽²⁾Bureau of Economic Analysis-reflects revised numbers 2006 - 2012

⁽³⁾Haywood County Board of Education 2006 - 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 Nine Years Ago

Employer	2015			2006		
	Number of Employees ⁽¹⁾		% of Total County Employment ⁽²⁾	Number of Employees ⁽³⁾		% of Total County Employment ⁽²⁾
Haywood County Consolidated Schools	1,238	1	4.67%	1,280	2	4.68%
Blue Ridge Paper Products, Inc. (Evergreen Packaging)	1,186	2	4.47%	1,383	1	5.06%
Haywood Regional Medical Centers	909	3	3.43%	976	3	3.57%
Haywood County Government	605	4	2.28%	573	4	2.09%
Consolidated Metco	555	5	2.09%			
Ingles Markets, Inc.	545	6	2.05%	388	6	1.42%
Haywood Vocational Opportunities, Inc.	351	7	1.32%	263	8	0.96%
Wal-Mart Associates, Inc.	341	8	1.29%	325	7	1.19%
Haywood Community College	315	9	1.19%	397	5	1.45%
Town of Waynesville	256	10	0.96%	227	9	0.83%
Lowes Home Center, Inc.				220	10	0.80%
Totals	6,301		23.75%	6,032		22.05%

Sources:

⁽¹⁾Haywood County Economic Development Council, August 2015 publication

⁽²⁾Employment Security Commission of North Carolina

⁽³⁾Human Resource Department of companies - includes all full and part time employees

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2015</u>	<u>2014</u>	<u>2013⁽¹⁾</u>	<u>2012⁽¹⁾</u>	<u>2011⁽¹⁾</u>	<u>2010⁽¹⁾</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Number of employees:										
General government	49.66	49.57	49.07	50.00	52.00	51.34	57.00	55.00	53.00	54.00
Central services	30.15	29.00	28.05	24.30	25.50	24.60	28.75	24.50	23.50	22.50
Public safety	177.85	171.00	167.35	168.10	166.90	165.80	169.65	168.50	168.50	158.50
Environmental protection	18.50	18.50	18.50	27.50	28.30	48.25	47.25	48.50	48.50	48.50
Economic and physical development	7.50	9.50	9.50	9.50	9.70	11.50	10.50	10.50	9.50	9.50
Human services	205.29	204.50	205.50	207.50	213.75	212.75	221.75	217.00	217.00	211.00
Culture and recreation	19.50	19.50	19.50	19.50	19.50	20.20	22.20	24.00	24.00	24.00
 Total	<u>508.45</u>	<u>501.57</u>	<u>497.47</u>	<u>506.40</u>	<u>515.65</u>	<u>534.44</u>	<u>557.10</u>	<u>548.00</u>	<u>544.00</u>	<u>528.00</u>

Source:

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

⁽¹⁾Reduction in workforce

HAYWOOD COUNTY, NORTH CAROLINA

Operating Indicators By Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>General Government</u>			
Elections:			
Number of registered voters	40,974	42,152	41,717
Register of Deeds:			
Deeds and real estate documents indexed	10,550	10,247	12,323
<u>Public Safety</u>			
Building Inspections:			
Residential permits issued	439	396	389
Mobile home permits issued (9)	53	58	58
Commercial permits issued	54	60	64
Fire Control:			
Inspections performed	943	1024	866
Fire marshal and assistants	3	3	3
Detention:			
Booked inmates	3437	3252	3177
Average daily jail population	117	112	105
Sheriff:			
Hand gun permits processed (1)	n/a	1066	1501
EMS:			
Billable transports (2)	7677	6858	7256
EOC/Dispatching:			
Number of emergency calls dispatched	78,770	51,751	46,510
Number of fire related calls dispatched	8,572	5,650	2,634
Animal Services:			
Number of calls serviced (1)	n/a	1985	2266
Number of animals received (1)	n/a	2628	2707
Number of adoptions (1)	n/a	1108	969

2012	2011	2010	2009	2008	2007	2006
42,120	41,523	41,944	41,361	41,522	38,762	39,676
11,453	11,389	11,591	12,920	15,933	18,651	19,529
327	395	346	393	721	818	831
83	70	87	85			
50	50	34	29	53	62	52
685	504	409	480	551	763	1,025
3	3	3	2	3	3	3
2690	2704	2574	2825	2798	2624	n/a
75	85	93	83	93	90	n/a
1716	1422	1180	1255	1293	1135	742
6356	6601	6498	6385	6654	6619	6619
42,339	40,837	43,989	41,383	37,933	30,298	n/a
2,144	2,675	1,748	1,565	2,031	2,432	1,853
2259	2567	2946	2760	2,748	n/a	n/a
2916	3424	3612	3942	4,120	n/a	n/a
1343	1308	1449	885	698	n/a	n/a

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2015	2014	2013
<u>Environmental Protection</u>			
Solid Waste:			
Tons of solid waste buried (3)	160,565.57	57,331.00	42,859.40
Tons of yard waste processed	454.75	241.98	191.41
Tons of recyclables sent out	6,686.45	5,948.76	5,757.56
<u>Economic and Physical Development</u>			
Planning:			
Number of major subdivision plan reviews	4	2	3
Economic Development:			
Tourism revenues (1) (7)	n/a	\$161,590,000	\$155,380,000
Taxable sales (8)	\$631,113,234	\$565,672,010	\$560,682,306
<u>Human Services</u>			
Health Department:			
Number of health clients served	9,232	9,449	10,922
Number of food service inspections	677	785	810
Social Services:			
Average # of food stamp recipients per month (1)	n/a	10,687	10,256
Child support collections (1)	n/a	\$3,553,448	\$3,721,830
Total number of unduplicated children subject to child protection services (CPS) assessments (1)	n/a	496	517
Total number of unduplicated children in foster care (1)	n/a	150	154
<u>Culture and Recreation</u>			
Library:			
Library patrons	35,334	36,621	34,232
Items of library materials cataloged	149,615	146,621	143,401
Recreation:			
Park recreation program participants	1112	1263	1552

2012	2011	2010	2009	2008	2007	2006
44,510.30	44,857.70	46,328.69	50,881.02	57,554.94	58,455.37	42,790.16
138.64	201.72	224.30	397.59	1,187.28	1,216.39	1,086.00
6,083.67	6,374.19	6,903.09	5,770.90	3,483.59	3,079.32	3,177.81
3	1	6	16	28	62	82
\$148,630,000	\$120,400,000	\$116,310,000	\$108,880,000	\$113,460,000	\$116,640,000	\$111,060,000
\$540,735,523	\$518,290,311	\$498,088,247	\$489,719,216	\$549,879,484	\$538,500,941	\$485,930,182
12,108	13,418	12,370	12,736	12,666	n/a	n/a
706	717	885	896	777	n/a	n/a
10,487	9,908	9,960	8,253	6,542	5,933	5,775
\$3,756,082	\$3,648,803	\$3,622,478	\$3,818,785	\$4,178,218	\$4,191,812	\$4,274,285
524	352	360	379	374	311	248
158	138	161	183	171	144	195
29,859	35,667	40,491	38,346	35,429	31,771	33,558
147,709	168,813	176,281	179,615	185,419	190,960	177,083
2219	1822	1914	1572	1456	1455	1304

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2015	2014	2013
<u>Education</u>			
Public Schools:			
County appropriations per pupil-Final ADM (Average Daily Membership) (5)	\$1,988	\$1,903	\$1,896
Number of teachers (4)	522	537	533
Student enrollment (4) (5)	7,239	7,564	7,459
County appropriations for current operating per student - State ranking (5)	n/a	23	25
Community College: (6)			
Number of courses offered	1,140	1,234	1,166
Curriculum student enrollment	2,618	3,360	3,099
Curriculum full-time-equivalents (FTE) (fall and spring terms only)	1,526.00	1,694.00	1,756.00
Continuing Ed student enrollment (1)	n/a	4,391	5,161
Continuing Ed FTE (spring, summer, fall terms) (1)	n/a	295.6	343.0

Sources: Various governmental departments - Fiscal year data

- (1) Calendar year data
- (2) Source: EMS Management & Consultants- EMS Archived Data FY2006 & FY2007
- (3) 2015 increase due to privatization of White Oak Landfill - Santek has contracted for maximum tonnage allowance by DENR
- (4) Source: Haywood County Board of Education - Academic year data
- (5) Source: Department of Public Instruction - Student Enrollment is final ADM starting FY2011; 2015 is as of Month 8
- (6) Source: Haywood Community College - Academic year data
- (7) Source: Economic Development Partnership of NC
- (8) Source: NC Dept of Revenue Website
- (9) As of FY2009, mobile home permits separated from residential permits - FY2006 - FY2008 combined
- (10) EOC and Sheriff Dispatch consolidated FY2015

2012	2011	2010	2009	2008	2007	2006
\$1,854	\$1,898	\$1,882	\$1,725	\$1,776	\$1,685	\$1,599
535	546	547	619	568	568	551
7,530	7,582	7,588	7,779	7,658	7,652	7,969
26	22	23	28	23	18	22
1,233	1,358	1,239	1,212	1,191	1,197	n/a
2,599	3,493	3,341	3,413	3,174	3,045	2,828
1,927.00	1,968.56	1,838.12	1,653.87	1,607.68	1,601.12	1,562.29
5,370	5,122	5,400	7,355	6,497	5,648	5,912
337.34	314.10	343.03	332.27	293.33	295.09	334.20

HAYWOOD COUNTY, NORTH CAROLINA

Capital Assets Statistics By Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>General Government</u>				
Elections:				
Number of voting machines:				
Direct Record Electronic	187	187	187	187
Optical Scan voting	3	3	3	3
<u>Public Safety</u>				
Detention:				
Number of jail beds	137	137	137	132
Sheriff:				
Offices	1	1	1	1
Patrol vehicles	64	64	59	63
<u>Environmental Protection</u>				
Solid Waste:				
Landfills	2	2	2	2
Convenience centers (5 owned, 5 leased)	10	10	10	10
Material recovery facilities	1	1	1	1
<u>Culture and Recreation</u>				
Library:				
Number of libraries	4	4	4	4
Recreation:				
Park acreage-undeveloped	22	22	22	22
Park acreage-developed (leased property)	8	8	8	8
Multi-purpose arena	1	1	1	1
Ag & activities center	1	1	1	1

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
187 3	187 3	187 3	187 3	177 3	177 3
133	133	133	133	133	133
1 66	1 57	1 53	1 60	1 64	1 65
2 10 1	2 10 1	2 10 1	2 10 1	2 10 1	2 10 1
4	4	4	4	4	4
22 8 1 1	22 8 1 1	22 8 1 1	22 8 1 1	- 8 1 1	- 8 1 1

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2015	2014	2013	2012
<u>Education</u>				
Public Schools: ⁽¹⁾				
Number of schools	16	16	16	16
Community College: ⁽²⁾				
Number of colleges	1	1	1	1
<u>Hospitals</u> ⁽³⁾				
Number of hospitals	1	1	1	1

Source: Various governmental departments

⁽¹⁾Source: Haywood County Board of Education

⁽²⁾Source: Haywood Community College

⁽³⁾Source: Haywood Regional Medical Center

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
16	16	16	16	16	15
1	1	1	1	1	1
1	1	1	1	1	1



COMPLIANCE SECTION

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

Board of County Commissioners
Haywood County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated December 29, 2015. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Haywood County are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Dixon Hughes Goodman LLP

Asheville, North Carolina
December 29, 2015

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act

Board of County Commissioners
Haywood County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2015. Haywood County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinions on Each Major Federal Program

In our opinion, Haywood County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Haywood County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Haywood County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-002 to be a significant deficiency.

Haywood County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Haywood County's response was not

subjected to the auditing procedures in the audit of compliance and, accordingly, we express no opinion on the response.

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

Dixon Hughes Goodman LLP

Asheville, North Carolina
December 29, 2015



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

To the Board of County Commissioners
Haywood County, North Carolina

Report on Compliance for Each Major State Program

We have audited Haywood County's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015. Haywood County's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinions on Each Major State Program

In our opinion, Haywood County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

Haywood County's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Haywood County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-001 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2015-002 to be a significant deficiency.

Haywood County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Haywood County's response was not subjected to the auditing procedures in the audit of compliance and, accordingly, we express no opinion on the response.

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

Dixon Hughes Goodman LLP

Asheville, North Carolina
December 29, 2015

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Federal Awards:			
<u>U.S. Department of Agriculture</u>			
Food and Nutrition Service:			
Passed through N.C. Department of Health and Human Services:			
Division of Social Services:			
Supplemental Nutrition Assist. Program Cluster:			
State Administration Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)			
	10.561	\$ 557,601	\$ 129
Division of Public Health:			
Administration:			
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	252,163	-
Direct Benefit Payments:			
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	1,060,579	-
Passed through N.C. Department of Agriculture:			
Emergency Food Assistance Program Food Commodities (Non-cash)			
	10.569	13,178	-
Forest Service:			
Passed through the Office of State Budget and Management:			
Schools and Roads-Grants to States and Counties			
	10.665	<u>79,076</u>	<u>-</u>
Total U.S. Department of Agriculture		<u>1,962,597</u>	<u>129</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Office of Community Planning and Development:			
Passed through N.C. Department of Commerce:			
Community Development Block Grant/State's Program	14.228	\$ 228,164	\$ -
<u>U.S. Department of Justice</u>			
Violence Against Women Office:			
Passed through N.C. Department of Crime Control and Public Safety:			
Arrest Policies and Enforcement of Protection Orders	16.590	46,206	-
Arrest Grant Prosecution Unit and SART Training Team	16.590	36,595	-
Total U.S. Department of Justice		82,801	-
<u>U.S. Department of Transportation</u>			
Federal Transit Administration:			
Passed through N.C. Department of Transportation:			
Highway Planning and Construction:			
Blue Ridge National Heritage Area Trails	20.205-2	67,442	-
<u>U.S. Department of the Treasury</u>			
Local, County, and State Law Enforcement Agency			
Criminal Interdiction Training	21.000	1,327	-
<u>Institute of Museum and Library Services</u>			
Passed through N.C. Department of Cultural Resources:			
Grants to States:			
LSTA EZ Edge Technology Grant	45.310	3,922	-
LSTA EZ Literacy and Lifelong Learning Grant	45.310	44,859	-
Total Institute of Museum and Library Services		48,781	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Office of Population Affairs:			
Passed through N.C. Department of Health and Human Services:			
Division of Public Health:			
Family Planning	93.217	\$ 46,936	\$ -
Administration for Children and Families:			
Passed through N.C. Department of Health and Human Services:			
Division of Social Services:			
Foster Care and Adoption Cluster (Note D):			
Administration:			
Foster Care	93.658	59,556	-
IV-E Foster Care/Off Trn	93.658	182,006	-
Adoption/Foster Care	93.658	114,777	28,345
IV-E Adoption/Off Trn	93.659	7,685	-
Direct Benefit Payments:			
Foster Care At Risk		-	12,267
IV-E Foster Care	93.658	410,625	120,544
IV-E Adoption	93.659	<u>526,846</u>	<u>137,820</u>
Total Foster Care and Adoption (Note D)		<u>1,301,495</u>	<u>298,976</u>
Temporary Assistance for Needy Families Cluster:			
Temporary Assistance for Needy Families/ Work First			
	93.558	1,032,209	-
TANF/Work First--Direct Benefits	93.558	<u>461,226</u>	<u>-</u>
Total TANF Cluster		<u>1,493,435</u>	<u>-</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Child Care Development Fund	93.596	\$ 79,777	\$ -
NC Child Support Enforcement Section	93.563	413,296	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	44,198	-
Crisis Intervention Program	93.568	480,016	-
Permanency Planning--Families for Kids	93.645	10,583	-
SSBG-In-Home Service Fund	93.667	25,815	-
SSBG-Adult Day Care	93.667	52,373	28,146
SSBG-Other Services and Training	93.667	186,611	19,834
Child Protective Safety TANF to SSBG	93.667	164,828	-
Independent Living	93.674	14,214	3,553
Independent Living Transitional/LINKS-Direct Benefits	93.674	17,339	-
Family Preservation and Support Services	93.556	10,543	-
AFDC Payments & Penalties-Direct Benefits	93.560	(43)	(12)
AFDC Incent/Prog Integrity	93.560	-	561
Centers for Medicare and Medicaid Services:			
Passed through N.C. Department of Health and Human Services:			
Division of Medical Assistance:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	57,231,319	31,430,355
State Children's Insurance Program--N.C. Health Choice	93.767	1,009,347	320,595
Division of Social Services:			
Administration:			
Medical Assistance Program	93.778	1,521,797	7,927
State County Special Assistance	93.778	48,940	-
State Children's Insurance Program--N.C. Health Choice	93.767	28,002	1,140

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Centers for Disease Control and Prevention:			
Passed through N.C. Department of Health and Human Services:			
Division of Public Health:			
Public Health Emergency Preparedness	93.074	\$ 33,733	\$ -
Tuberculosis Prevention and Control and Laboratory Program	93.116	28	-
Injury Prevention and Control	93.136	2,500	-
Immunizations CoAg and Vaccines for Children Program	93.268	15,860	-
Prevention Investigation and Technical Assistance	93.283	56,250	-
National State Based Tobacco Control Programs	93.305	10,686	-
Preventive Health Services - Healthy Communities	93.758	17,515	-
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	16,055	-
HIV Prevention Activities-Health Department Based	93.940	1,000	-
Preventive Health Services -Sexually Transmitted Diseases Control Grants	93.977	217	-
Statewide Health Promotion Program	93.991	3,031	-
Health Resources and Services Administration:			
Division of Public Health:			
Maternal Child Health Block Grant to the States	93.994	86,556	64,924
Administration for Community Living:			
Passed through Southwestern N.C. Planning and Economic Development Commission:			
Aging Cluster:			
Special Programs for the Aging-Title III-B:			
Grants for Supportive Services and Senior Centers	93.044	29,038	5,124

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Special Programs for the Aging-Title III-C - Nutrition Services:			
Title III-C1 - Congregate	93.045	\$ 241,249	\$ 42,573
Title III-C2 - Home Delivered Meals	93.045	91,670	16,177
Total Aging Cluster		361,957	63,874
Total U.S. Department of Health and Human Services		64,786,209	32,239,873
 <u>U.S. Department of Homeland Security</u>			
Passed through the N.C. Department of Public Safety:			
Division of Emergency Management:			
Emergency Management Performance Grant (EMPG)	97.042	19,110	19,110
State Homeland Security Program:			
Incident Management Training	97.067	37,107	-
Total U.S. Department of Homeland Security		56,217	19,110
 State Awards:			
 <u>N.C. Department of Agriculture and Consumer Services</u>			
Farmland Preservation Trust Fund:			
Expansion of Buy Haywood Branding and Marketing		-	12,208
Spay and Neuter Program		-	42,212
Total N.C. Department of Agriculture and Consumer Services		-	54,420
 <u>N.C. Department of Cultural Resources</u>			
Division of State Library:			
State Aid to Public Libraries		-	100,904

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
<u>N.C. Department of Environment and Natural Resources</u>			
Division of Waste Management:			
Scrap Tire Disposal Grant		\$ -	\$ 100,589
Electronic Management Program		-	4,598
Division of Environmental Assistance and Outreach:			
Mercury Recycling Grant Program		-	7,500
Total N.C. Department of Environment and Natural Resources		-	112,687
<u>N.C. Department of Health and Human Services</u>			
Division of Social Services:			
Adoption Subsidy--Direct Benefit Payments		-	298,275
State Child Welfare/CPS		-	136,814
Energy Assistance-Private Grants		-	31,306
State/County Special Assistance for Adults--Direct Benefits		-	504,204
State Foster Care Benefits Program--Direct Benefits		-	281,597
Division of Public Health:			
Breast and Cervical Cancer Program		-	6,375
Child Health		-	3,524
General Aid to Counties		-	85,725
General Communicable Disease Control		-	11,423
Food and Lodging Fees		-	12,568
HMHC-Family Planning		-	3,357
HIV Testing		-	500
Maternal Health		-	408
Risk Reduction/Health Promotion		-	6,285
Sexually Transmitted Diseases		-	151
School Nurse Funding Initiative		-	100,000
TB Medical Service		-	540
Tuberculosis		-	2,186
WHSF-Women's Preventative Health		-	11,307

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass- Through) Expenditures</u>	<u>State Expenditures</u>
Division of Mental Health, Developmental Disabilities and Substance Abuse Services: Passed through Wake Forest University Health Services: North Carolina Coalition Initiative (NCCI): Building Capacity to Substance Free Communities		\$ -	\$ 17,839
Total N.C. Department of Health and Human Services		-	1,514,384
<u>N.C. Office of Juvenile Justice</u>			
Department of Juvenile Justice and Delinquency Prevention: Juvenile Crime Prevention Program		-	163,647
<u>N.C. Department of Public Instruction</u>			
Public School Building Capital Fund-Lottery		-	681,340
Public School Building Capital Fund-State ADM		-	82,602
Total N.C. Department of Public Instruction		-	763,942
<u>N.C. Department of Transportation</u>			
Rural Operating Assistance Program: Elderly and Disabled Transportation Assistance Program		-	65,441
Rural General Public Program		-	68,342
Work First/Employment		-	16,614
Total N.C. Department of Transportation		-	150,397
<u>N.C. General Assembly</u>			
Passed through the Office of Information Technology Services: N.C. 911 Board: E-911 Consolidated and End of Life Replacement/Relocate Consolidation and Individual PSAP Enhancement/Replacement Project		-	214,817
Total Federal and State Awards		\$ 67,233,538	\$ 35,334,310

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards (Continued)

For the Year Ended June 30, 2015

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity of Haywood County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2015. The information in this SEFSA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or cost principles contained in Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available.

NOTE C - FEDERAL AND STATE AWARDS WHICH HAVE BEEN PASSED THROUGH TO SUBRECIPIENTS

<u>Subrecipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Federal</u>	<u>State</u>
Haywood County Schools	National Forest Service Receipts	10.665	\$ 79,076	\$ -
Mountain Projects	Title III-C - Congregate	93.045	241,249	42,573
Interim Healthcare	Title III-C - Home Delivered Meals	93.045	20,072	3,542
Haywood County Schools	Public School Building Capital Fund	N/A	-	763,942
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	N/A	-	142,847
Mountain Projects	Rural General Public Program	N/A	-	68,342
Mountain Projects	Elderly and Disabled Transportation Assistance	N/A	-	65,441
Haywood Animal Welfare	Spay and Neuter Program	N/A	-	42,212
Blue Ridge National Heritage Area	Blue Ridge National Heritage Area Trails	20.205-2	67,442	-
			<u>\$ 407,839</u>	<u>\$ 1,128,899</u>

NOTE D - CLUSTERS

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

Foster Care and Adoption

HAYWOOD COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

 X yes no

(continued)

HAYWOOD COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I-Summary of Auditors' Results, Continued

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.767	State Children's Health Insurance Program - N.C. Health Choice
93.778	Medical Assistance Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 2,017,006

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major State programs:

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

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

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

Identification of major State programs:

Program Names

Medical Assistance Program
State Children's Insurance Program - N.C. Health Choice
State/County Special Assistance for Adults
Public School Building Capital Fund

Section II-Financial Statement Findings

None reported.

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2015

Section III-Federal Award Findings and Questioned Costs

Finding 2015-001: Medical Assistance Program

Federal Program: Medical Assistance Program (CFDA No. 93.778)

U.S. Department of Health and Human Services

N.C. Department of Health and Human Services

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Eligibility

Criteria:	The case records of clients evaluated for eligibility must contain documentation that the client's income was verified and a budget that has been computed correctly to support their eligibility. For Adult Medicaid cases, the case records must also contain 1) documentation that tax and Register of Deeds records were checked to verify if the client owns real property and, 2) documentation that financial resources were verified and determined to be countable or non-countable correctly.
Condition:	<p>For one case record that was reviewed, the client's countable income was calculated incorrectly and an incorrect income limit was used. However, the client would still have been eligible for MPW (as was determined at the time of application) had the correct countable income and income limit been used.</p> <p>For one case record that was reviewed, the case record contained no documentation that a real property verification was performed at the time of the client's application. However, a subsequent real property verification was performed and the client would still have been eligible for MAA if the verification had been performed at the time of application.</p> <p>For two case records that were reviewed, the clients' countable income was calculated incorrectly, which resulted in an incorrect determination of eligibility. Further, both cases did not contain documentation that a real property verification was performed and one case record did not contain documentation that a verification of financial resources was performed.</p>
Effect:	Clients may not receive the appropriate medical assistance benefits that they are eligible for. Further, medical assistance benefits could be paid to an ineligible client due to an incorrect eligibility determination.

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2015

Section III-Federal Award Findings and Questioned Costs, Continued

Questioned Costs:	Known questioned costs are \$3,250. However, if tests were extended to the entire population, questioned costs could be significant to the program.
Context:	A sample of 60 cases were examined from a population of 13,097 cases.
Recommendation:	We recommend that adequate policy and procedures be implemented to train employees on how to properly determine eligibility and on how to properly document the eligibility determination. Further, the County should review and revise its policy and procedures related to the monitoring of eligibility determinations.
Management's Response:	See Corrective Action Plan.

Finding 2015-002: State Children's Health Insurance Program - N.C. Health Choice

Federal Program: State Children's Health Insurance Program - N.C. Health Choice (CFDA No. 93.767)
U.S. Department of Health and Human Services
N.C. Department of Health and Human Services

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	The case records of clients evaluated for eligibility must contain a budget that has been computed correctly to support their eligibility.
Condition:	For two case records that were reviewed, the clients' countable income was calculated incorrectly. However, both clients would still have been eligible (as was determined at the time of application) had the correct countable income been used.
Effect:	Clients may not receive the appropriate health insurance benefits that they are eligible for. Further, health insurance benefits could be paid to an ineligible client due to an incorrect eligibility determination.
Recommendation:	We recommend that adequate policy and procedures be implemented to train employees on how to properly determine countable income. Further, the County should review and revise its policy and procedures related to the monitoring of eligibility determinations.
Management's Response:	See Corrective Action Plan.

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2015

Section IV-State Award Findings and Questioned Costs

See findings 2015-001 and 2015-002 in Section III.

HAYWOOD COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2015

Section II-Financial Statement Findings

None reported.

Section III-Federal Award Findings and Questioned Costs

Finding 2015-001: Medical Assistance Program

Federal Program: Medical Assistance Program (CFDA No. 93.778)
U.S. Department of Health and Human Services
N.C. Department of Health and Human Services

MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Eligibility

Name of Contact Person: Teresa Allison, Economic Services Division Director

Corrective Action: Haywood County HHS is recommending the following to achieve compliance:

- Income Maintenance Caseworkers will be re-trained on policy for budgeting income, calculating monthly income and using the proper verification source.
- Even though a budget is calculated in NCFAS, a manual budget will be a mandatory document for the case record.
- Training will be completed by each IMC on how to correctly document what income was used in the determination of income and how the income was verified.
- Train caseworkers to review the case record at each application and review.
- Re-train IMCs on countable versus non-countable resources for each Medicaid program and on determining what types of verifications are acceptable.
- A resource documentation sheet will be a required document for each case record when resources are applicable.
- One approved application/recertification will be reviewed per caseworker per month by a supervisor/lead worker. These cases will be randomly selected from a data warehouse query or NCFAS report.
- Supervisors will monitor case review data monthly to determine areas of weakness and to determine if job performance issues exist.

HAYWOOD COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2015

Section III-Federal Award Findings and Questioned Costs, Continued

Proposed Completion Date: Implementation of the use of the newly developed Income/Resource Documentation form and re-training and will be completed by January 31, 2016.
Monitoring of cases will be ongoing.

Finding 2015-002: State Children's Health Insurance Program - N.C. Health Choice

Federal Program: State Children's Health Insurance Program - N.C. Health Choice (CFDA No. 93.767)
U.S. Department of Health and Human Services
N.C. Department of Health and Human Services

SIGNIFICANT DEFICIENCY

Eligibility

Name of Contact Person: Teresa Allison, Economic Services Division Director

Corrective Action: Haywood County HHSA is recommending the following to achieve compliance:

- Income Maintenance Caseworkers will be re-trained on policy for budgeting income, calculating monthly income and using the proper verification source.
- Even though a budget is calculated in NCFAST, a manual budget will be a mandatory document for the case record.
- Training will be completed for each IMC on how to correctly document what income was used in the determination of countable income and how the income was verified.
- One approved NCHC application/recertification will be reviewed per caseworker per month by a supervisor/lead worker. These cases will be randomly selected from a data warehouse query or NCFAST report.
- Supervisors will monitor case review data monthly to determine areas of weakness and to determine if job performance issues exist.

Proposed Completion Date: Training will be completed by January 31, 2016.
Monitoring of cases will be ongoing.

Section IV-State Award Findings and Questioned Costs

See findings 2015-001 and 2015-002 in Section III.

HAYWOOD COUNTY, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2015

There were no findings in the previous two years.

