

HAYWOOD COUNTY, NORTH CAROLINA

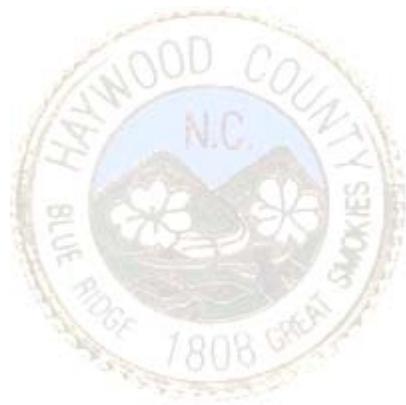
Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



Prepared by: Finance Department
Finance Director: Julie H. Davis, CPA



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HAYWOOD COUNTY, NORTH CAROLINA

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June 30, 2011

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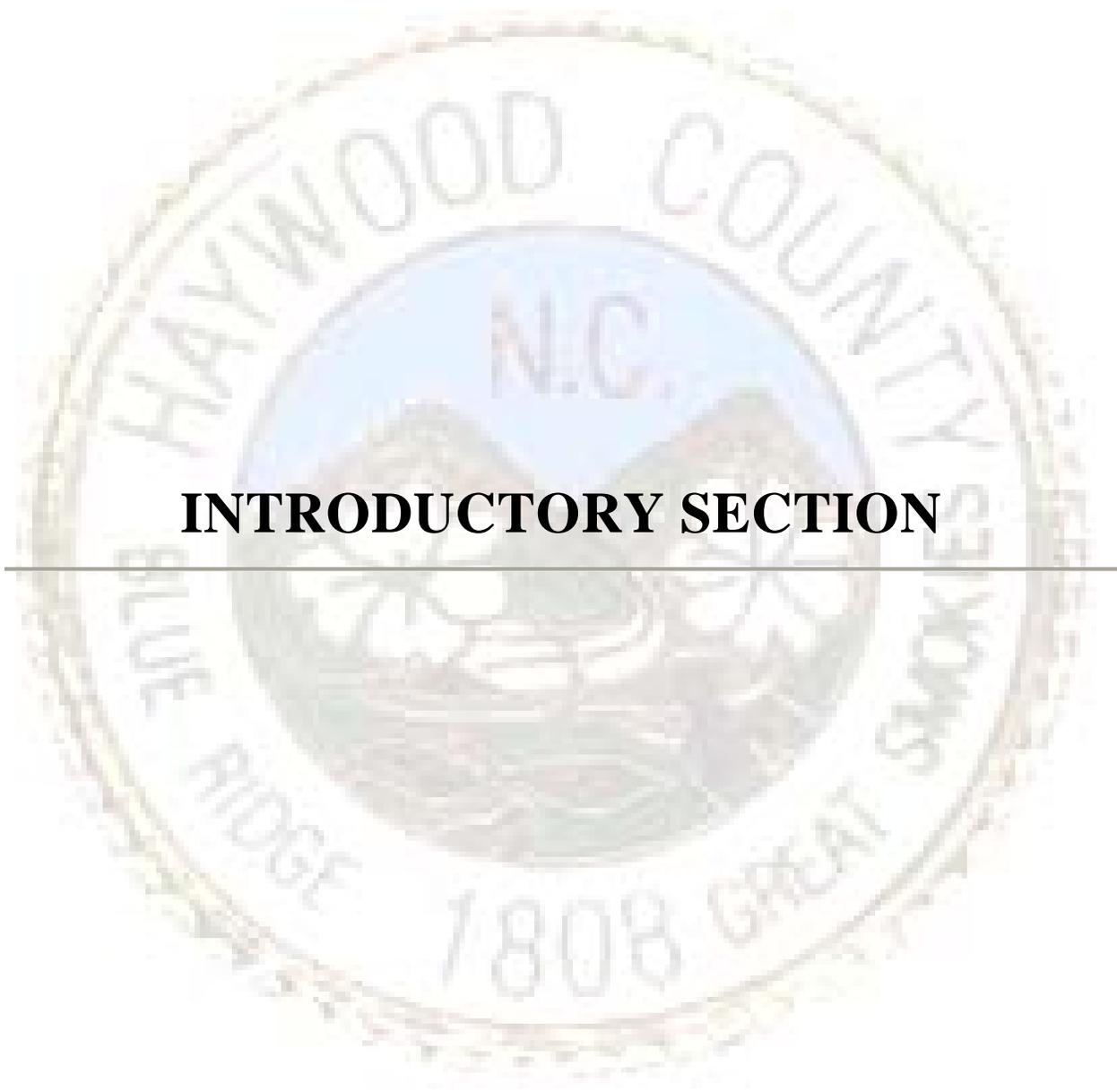
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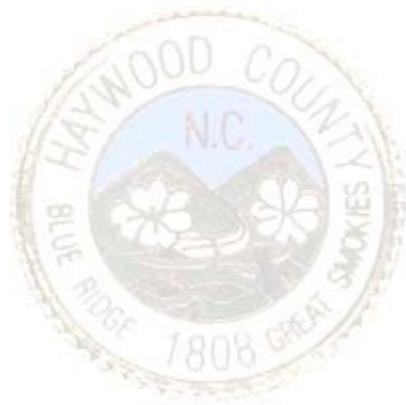
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INTRODUCTORY SECTION



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



County Manager:
Marty L. Stamey

County Attorney:
Leon M. Killian

October 30, 2011

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, 2011. Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the state publish a complete set of financial statements annually. The financial statements must be presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The goal of the independent audit is to provide reasonable assurance that the financial statements of Haywood County for the fiscal year ended June 30, 2011, 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

(i)

individual fund financial statements and schedules. The Statistical Section, which is unaudited, contains fiscal and economic data designed to provide a more complete understanding of the County. Many tables in this section present financial data for the past ten years. Finally, the Compliance Section presents reports and schedules required by the federal and state Single Audit Acts. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and independent auditors' reports on internal control and compliance with applicable laws and regulations are presented in the Compliance Section of this document.

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

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

Profile of the County

Haywood County was established in 1808 during the legislative session of the General Assembly, when Representative Thomas Love of Buncombe County introduced a bill establishing a new county in the western portion of North Carolina. Haywood County was named for John Haywood, who served as State Treasurer of North Carolina from 1787 to 1827. The County has land area of 546 square miles, features 19 mountain peaks over 6,000 feet above sea level, 130,335 acres of national forest land and a current population of 59,658. 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 have not declined in Haywood County during this latest recession as greatly as in other parts of the nation. The County noticed a decline in tourism related activity in 2009, and has seen a slight recovery both in 2010 and 2011. 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 9.3 percent, an increase from 8.9 percent at June 30, 2010, was below the state rate of 10.4 percent, and mirrored the national rate of 9.3 percent at June 30, 2011.
- The number of commercial building permits obtained during the fiscal year ended June 30, 2011 increased 37%, while the value of that construction increased 900% compared to the last fiscal year, indicating significantly more activity and larger projects, though local government building activity contributed a portion of this increase. Residential building permits increased 14% in number of permits though the value of that construction remained constant during the last fiscal year.
- The population of the County increased steadily over the past decade, with 2011 reflecting an 8% increase from 2002, while the per capita income has remained steady.

Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.08 percent of the County's total assessed valuation. Progress Energy owns 1.12 percent of assessed valuation. While no other taxpayer owns more than 1.00 percent, one other taxpayer, a utility company, owns .87 percent of the assessed valuation. The County is extremely fortunate to have such excellent corporate citizens; however, efforts to broaden the tax base continue. Over-reliance on a few large taxpayers is often viewed as a financial weakness.

Long-term Financial Planning

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

After much analysis of the entire solid waste management program, the County Commissioners determined multiple strategies that should save taxpayers money over the next few years, and, potentially, generate revenue over and above the operating costs of the programs. The first plan, that of privatizing the County's convenience centers (trash drop off points) was implemented in June 2010 and has saved approximately \$120,000 this year. It was also decided that a request for proposal would be advertised for the potential private management or purchase/lease of the landfill. The results of this initiative with the potential for over \$1 million in savings, currently, are outlined in the major initiatives section of this letter. On another solid waste management front, the Commissioners are considering closing the transfer function of trash hauling at the County's material recovery facility. This particular action is expected to save the County another \$1 million and allow for greater efficiencies in trash collection by not handling trash multiple times.

The taxpayers approved, in 2008, by referendum, a new ¼ cent sales tax, with proceeds now dedicated by the County Commissioners to go toward building maintenance and improvement projects at the local community college. This new sales tax generated \$1,403,383 in revenue dedicated to the community college projects in the fiscal year ended June 30, 2011, the first full year of collection, and \$1,254,506 in the current fiscal year just ended.

In addition to designating the sales tax revenue for the community college building projects, the County Commissioners have designated portions of the two ½ cent sales taxes for school construction to be used to pay back the debt service on \$25 million in general obligation bonds. The Education Lottery proceeds that have been appropriated to Haywood County have been

dedicated to individual school projects, as well. The two high schools in the County had their stadium athletic fields graded and covered with artificial turf in 2008. The artificial turf is expected to greatly reduce maintenance costs for the school system and allow a more varied use of the fields for other activities and events.

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

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

Major Initiatives

There are many pressing needs within county government as aging buildings require maintenance and renovations, and growing services require additional space with which to operate. At the top of the County Commissioners' priority list is providing adequate facilities for our social services and health departments, as well as maintaining adequate space in the county landfill to accommodate the current and future needs.

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

conversion to desktop virtualization, a process that will reduce costs for replacing computers by 75%. Virtualization will provide the social workers and health clinicians portability that will allow them to access data from any computer.

Another significant technology upgrade underway this year is implementation of our integrated computer aided dispatch (“CAD”) and mobile data information system (“MDIS”), which will improve the communications abilities of all public safety functions. Currently, Haywood County has four disconnected Public Safety Answering Points (“PSAP”) that receive and dispatch for all emergency and non-emergency fire, medical, and law enforcement incidents. Haywood County 9-1-1 is the primary PSAP that receives all incoming 9-1-1 calls. Each day, there are incidents that require these PSAPs to interact and exchange information, however each PSAP in Haywood County has a unique environment, and operates on separate data networks. Upon completion of this project, all Haywood County PSAPs will achieve interoperable communications through a unified computer aided dispatching, and mobile data system. This project will be funded through the use of designated and approved Emergency Telephone System Funds for public safety use. Total contract cost is \$284,944. There is an additional \$73,252 in hardware costs associated with this project. These funds will be expended from the Emergency 9-1-1 Special Revenue Fund across two fiscal years.

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

The County Commissioners continued to demonstrate its commitment to quality education in Haywood County schools by spending \$14.5 million for current expense and \$200,000 for current capital outlay. In May of 2005, the taxpayers of the County approved a general obligation bond of \$25 million to pay for a new elementary school as well as construction, repairs and renovations to other school buildings throughout the county. The new elementary school was completed in the summer of 2007. The bond proceeds have also been used to update the heating system and add air conditioning to the two middle schools in the County, upgrade or construct new ball fields and gymnasiums for the two high schools in the County, and to build additional classrooms for some of the elementary schools in 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. The County Commissioners, along with the community college board, over the past two years, have been planning the design for a new Creative Crafts building to replace an obsolete building. When completed, the \$11.1 million project will house computer and multipurpose classrooms for film and video and other curriculum courses as well as housing the professional crafts programs, an important resource to the local economy. The project will also replace instructional space lost due to flooding in 2004 and will provide for significant student growth and program expansion. Plans for this project include solar collectors for energy savings and are intended to meet the guidelines for platinum Leadership in Energy and Environmental Design ("LEED") certification. The County closed on the loan for this project in October 2010 and construction began last winter. During the fiscal year, the County Commissioners contributed \$2.1 million for operational expense and \$168,000 for capital outlay for the community college.

In recent years, Haywood County was awarded grant funds from several state and federal sources. These grant funds benefit Haywood County citizens by creating cost-sharing opportunities for equipment purchases and programming initiatives, so that these costs do not have to be covered by property tax revenues. Grant funds are being used for the following purposes:

- \$400,000 from the U.S. Department of Justice Victim's Services Programs to continue an arrest program with law enforcement for violence against women;
- \$115,000 from U.S. Department of Agriculture - The Rural Center Economic Development Program for the renovation and rehabilitation of Imperial Hotel & Restaurant Project in Canton;
- \$150,000 from the NC Department of Environmental and Natural Resources, Clean Water Management Fund for sediment removal at Lake Junaluska;
- \$132,000 from The Rural Center Economic Development Program for assistance to MedWest Haywood to build a Hospice/Palliative Care Unit;
- \$400,000 from U.S. Department of Housing and Urban Development for assistance in rehabilitation of housing for low income households;
- \$350,065 from the NC Clean Water Management Trust Fund to acquire property abutting the Pigeon River between the Towns of Canton and Clyde to preserve and protect the river and protect water quality;
- \$1,000,000 from U.S. Department of Energy through the NC Department of Commerce, State Energy Office, for a methane gas collection project at the County's Francis Farm Landfill.

Awards and Acknowledgements

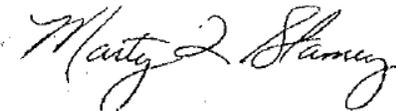
The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to Haywood County for its comprehensive annual financial report (“CAFR”) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

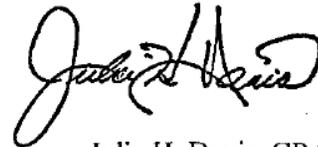
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

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

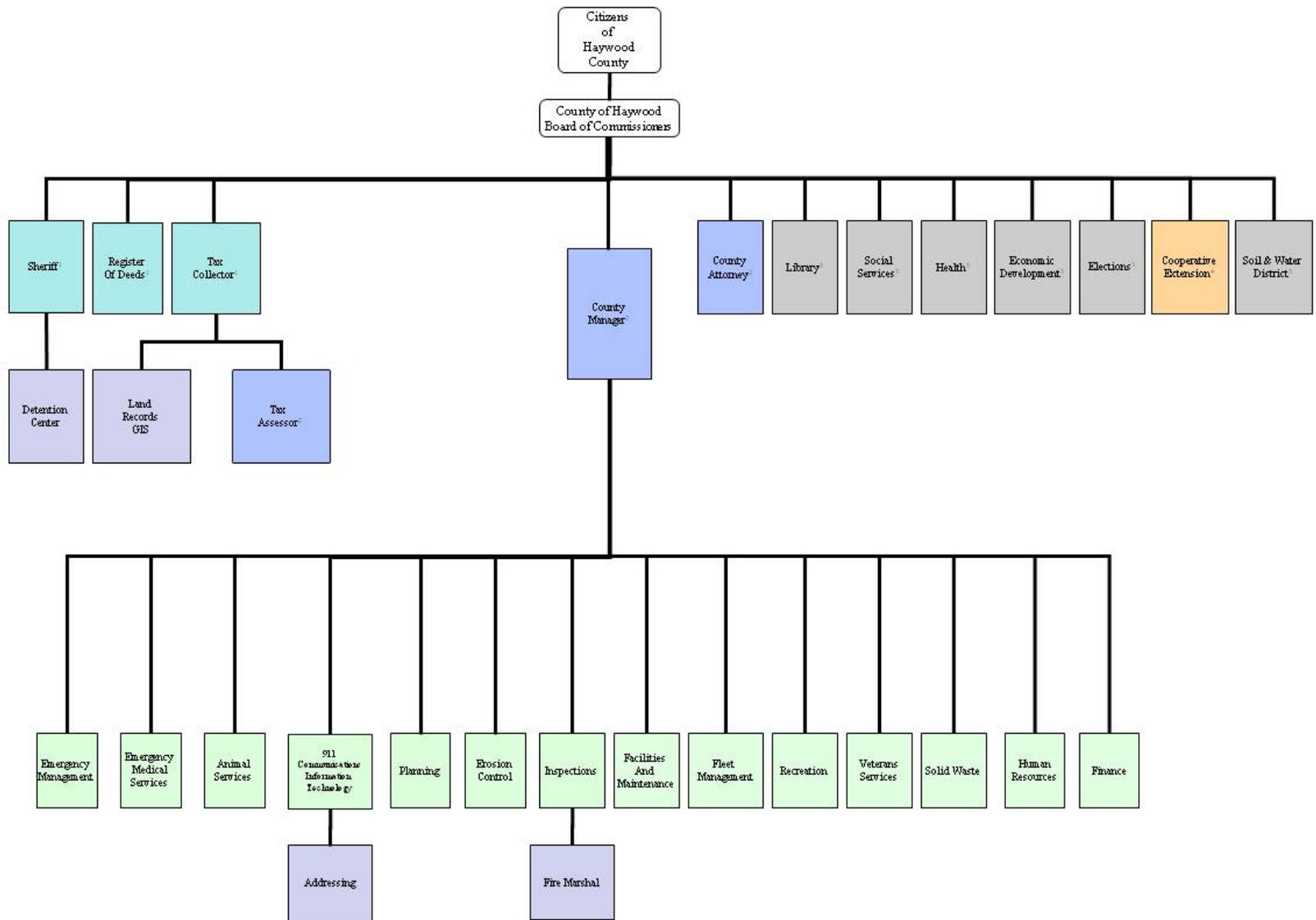
Respectfully submitted,



Marty L. Stamey
County Manager



Julie H. Davis, CPA
Finance Director



- 1 – Elected
 - 2 – Appointed by Board of Commissioners
 - 3 – Appointed by Independent Board of Directors
- 4 – Appointment by North Carolina State
 - 5 – Direct Report – County Manager
 - 6 – Direct Report – Department Director

HAYWOOD COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2011

Board of County Commissioners

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

County Officials

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Haywood County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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

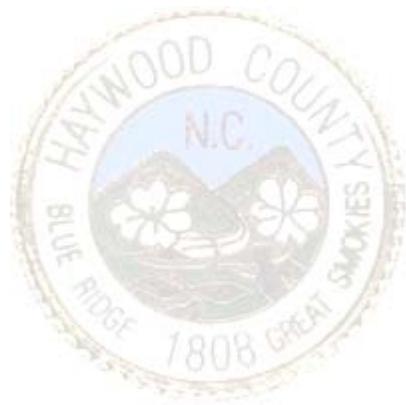


Linda C. Danson

President

Jeffrey R. Enos

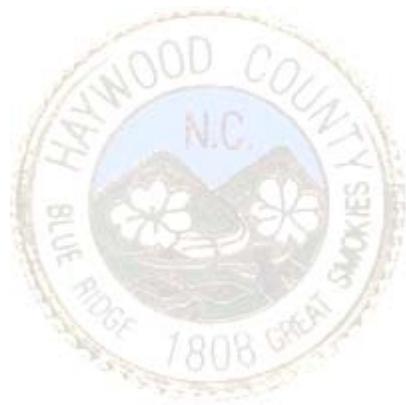
Executive Director



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FINANCIAL SECTION



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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

- Independent Auditors' Report -

To the Board of County Commissioners
Haywood County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haywood County's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and the solid waste management fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4 to the financial statements, the County restated beginning fund balance in the General Fund as a result of the implementation of GASB Statement No. 54.

Independent Auditors' Report
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2011, our consideration of Haywood County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Accordingly, we express no opinion. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the schedules of funding progress, employer contributions and the notes to the required schedules for the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedule of Funding Progress and Employer Contributions (on Pages 3 - 13 and 66 - 69, respectively) are not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Haywood County, North Carolina. The introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical tables, as well as the accompanying schedule 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 purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

October 30, 2011

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2011

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, 2011. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and in the County's financial statements, which follow this narrative.

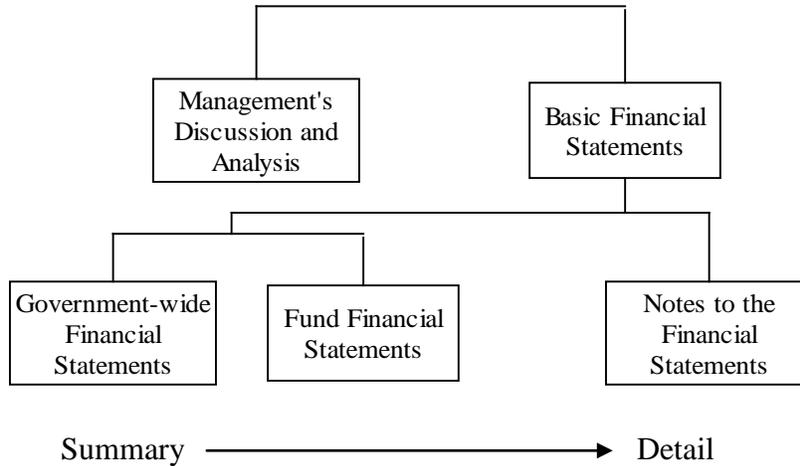
Financial Highlights

- The assets of Haywood County exceeded its liabilities at the close of the fiscal year by \$19,089,948 (*net assets*).
- The government's total net assets decreased by \$3,677,820, primarily due to the allocation of the sales tax revenues to the local community college projects.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$26,937,654, an increase of \$7,161,307 in comparison with the prior year. This is largely due to the amount of loan proceeds received in this fiscal year for projects not yet completed by year end. Approximately 24.6 percent of this total amount, or \$6,616,772, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,616,772 or 9.7 percent of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt increased by \$17,443,801 (24.4%) during the current fiscal year. This is mainly due to the new installment loans entered into for the DSS/Health/Central Permitting building and community college building projects, along with recognizing approximately another \$2 million liability for other post employment benefits (OPEB).
- Haywood County's bond rating from Moody's Investor Service for the latest general obligation bond issue was A2, and was upgraded last spring 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to 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 West Canton Water and Sewer District, although also legally separate, functions as a special revenue fund within the county government, maintains the same board of directors as the County, and therefore, has been included as an integral part of the primary government.

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

Fund Financial Statements

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

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

the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

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

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 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 66 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Haywood County exceeded liabilities by \$19,089,948 as of June 30, 2011. The County's net assets decreased by \$3,677,820 for the fiscal year ended June 30, 2011. One of the largest portions (178%) reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Haywood County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Haywood County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Haywood County's net assets (94%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net assets of (\$32,921,336) 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 school board and community college board retains title to the schools, while the County incurs the related debt.

Haywood County's Net Assets
Figure 2

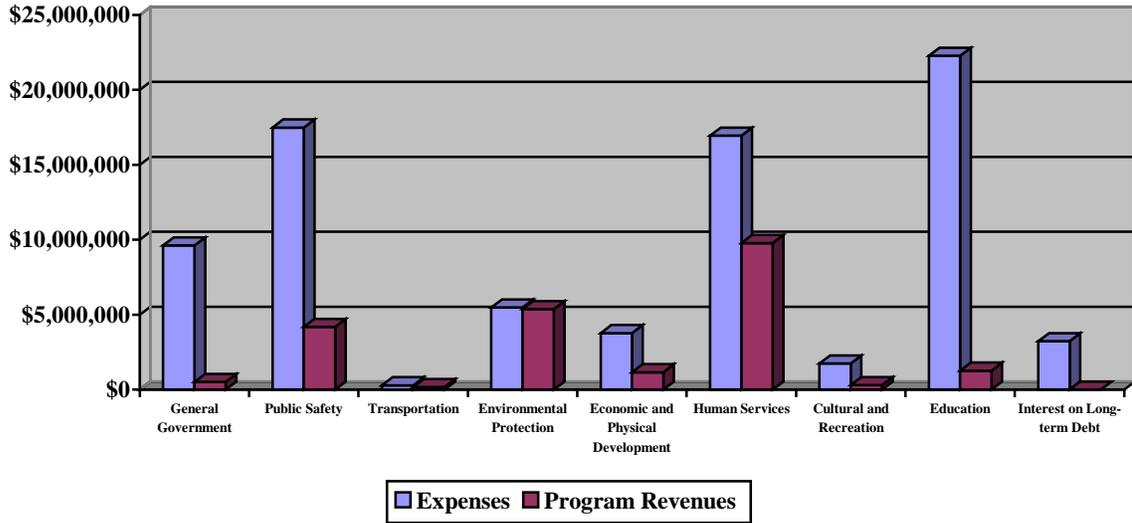
	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 38,729,905	\$ 29,811,080
Capital assets	76,871,562	68,831,567
Total assets	<u>115,601,467</u>	<u>98,642,647</u>
Long-term liabilities outstanding	89,004,395	71,560,594
Other liabilities	7,507,124	4,314,285
Total liabilities	<u>96,511,519</u>	<u>75,874,879</u>
Net assets:		
Invested in capital assets, net of related debt	34,025,761	31,810,284
Restricted	17,985,523	9,558,867
Unrestricted	<u>(32,921,336)</u>	<u>(18,601,383)</u>
Total net assets	<u>\$ 19,089,948</u>	<u>\$ 22,767,768</u>

Haywood County's Changes in Net Assets
Figure 3

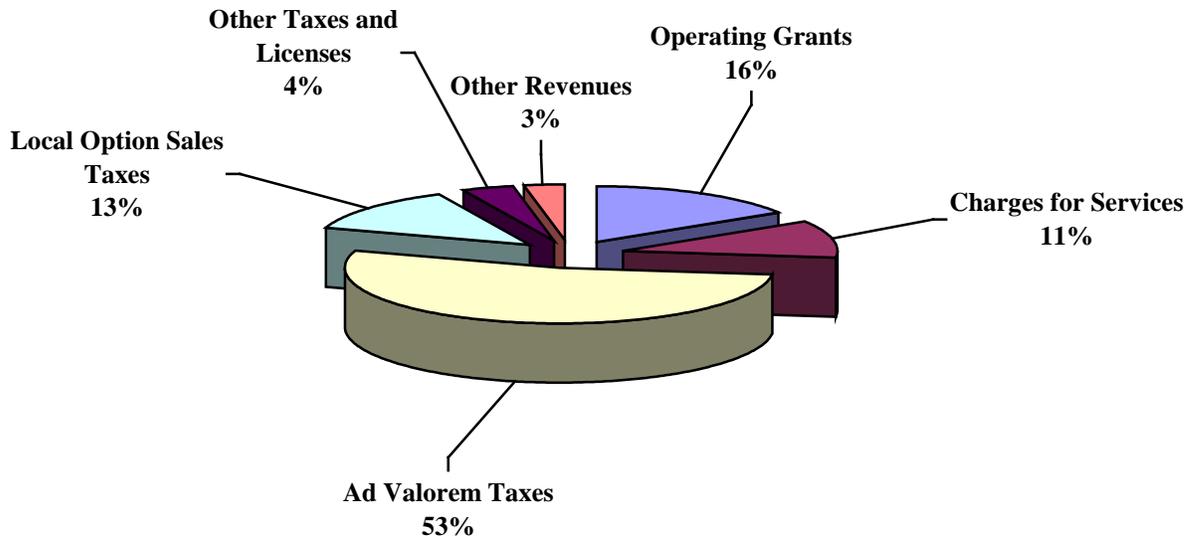
	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,885,103	\$ 7,832,897
Operating grants and contributions	12,195,684	11,880,711
Capital grants and contributions	1,705,074	363,502
General revenues:		
Property taxes	41,329,957	40,653,369
Other taxes	12,653,131	13,275,314
Grants and contributions not restricted to specific programs	301,405	296,970
Other	115,712	153,695
	<u>77,186,066</u>	<u>74,456,458</u>
Expenses:		
General government	9,618,835	8,182,194
Public safety	17,490,162	17,126,202
Transportation	294,722	292,770
Environmental protection	5,484,418	5,739,294
Economic and physical development	3,774,853	2,736,807
Human services	16,944,025	17,479,276
Culture and recreation	1,741,261	1,773,656
Education	22,278,017	17,562,877
Interest on long-term debt	3,237,593	2,630,297
Total expenses	<u>80,863,886</u>	<u>73,523,373</u>
Increase (decrease) in net assets	(3,677,820)	933,085
Net assets, July 1	<u>22,767,768</u>	<u>21,834,683</u>
Net assets, June 30	<u>\$ 19,089,948</u>	<u>\$ 22,767,768</u>

Expense and Program Revenues - Governmental Activities

Expenses and Program Revenues



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 \$8,638,462 while total fund balance reached \$13,568,617. 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 12.64% of general fund expenditures, while total fund balance represents 19.85% of that same amount.

The Solid Waste Management Fund reports the activities in running the landfill, convenience centers, and the material recovery facility. At the end of the current fiscal year, the total fund balance in that fund, \$3,100,727, reflects the increase in revenues from tipping fees and availability fees that are expected to be available to cover future landfill expansion and closing costs.

The Community College Projects Fund reports the activities for current capital projects at the community college. At the end of the current fiscal year, the total fund balance in that fund, \$8,581,981, reflects the loan proceeds and transfers from the General Fund for current projects not yet completed.

The Master Facilities Projects Fund reports the activities for current capital projects within County government. At the end of the current fiscal year, the total fund balance in that fund, \$325,948, reflects the transfers from the General Fund for current projects not yet completed.

At June 30, 2011, the governmental funds of Haywood County reported a combined fund balance of \$26,937,654, a 36% increase over last year. The increase was largely due to the loan proceeds included in other financing sources for projects that were not yet completed by year end.

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 \$3,225,026, 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, 2011, total \$76,871,562 (net of accumulated depreciation). These assets include buildings, land, other improvements, machinery and equipment, furniture, and vehicles.

Major capital asset transactions during the year include:

- Purchased new vehicles for the Sheriff’s office;
- Purchased a vacant Wal-Mart building to renovate for DSS/Health/Permitting departments;
- Sold a vacated county building;
- Renovated the County Fairgrounds property for ADA compliance; and
- Began a Methane Gas Collection system at a closed the county landfill.

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

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Land	\$ 11,472,857	\$ 8,800,657
Buildings	45,289,950	46,283,279
Improvements other than buildings	10,040,451	6,755,193
Equipment	2,050,673	2,194,104
Vehicles	795,963	829,148
Construction in progress	7,221,668	3,969,186
Total	\$ 76,871,562	\$ 68,831,567

Additional information on the County’s capital assets can be found in Note 3A of the Basic Financial Statements.

Long-term Debt - As of June 30, 2011, Haywood County had \$29.15 million in bonded debt outstanding.

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

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
General obligation bonds	\$ 29,150,000	\$ 30,900,000

Haywood County’s total debt increased by \$17,443,801 (24%) during the current fiscal year. This is mainly due to the County incurring new liabilities by obtaining installment loans for the community college and county building projects as well as recognizing an additional liability for other post employment benefits (“OPEB”) of \$1,910,008.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Haywood County is \$503,945,077.

Additional information regarding Haywood County’s long-term debt can be found in Note 3B.

Economic Factors and Next Year’s Budgets and Rates

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

- The County’s unemployment rate was 9.3%, mirroring the federal rate and below the State unemployment rate of 10.4%.
- New residential construction continues, reflected in a 14% increase in number of permits, while values of the units remain constant.
- Property values for both commercial and residential construction have shown an increase since 2006, the latest revaluation year, of 24%, which reflects an 11% increase compared to June 30, 2010.

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Funds - Budgeted revenues in the General Fund for the year ending June 30, 2012 reflect the results of the County’s latest property tax revaluation, which resulted in lower values throughout portions of the County, and higher values within certain city limits, the Town of Waynesville, for example. Total property values for budgeting purposes, which includes the reductions for land use, senior citizen exemptions and historic exemptions, had increased over

the previous revaluation by 11.23%, with reduced increases for the most recent years, leading up to a decrease in overall property values for budgeting in 2011-2012 fiscal year of 2.37%. The tax rate of 54.13 cents per \$100 value, an increase of 2.73 cents from last year, reflects an amount that would bring in substantially the same amount of revenue had there been no revaluation.

Due to economic changes on the federal and state levels, and the reliance on grant revenues to fund certain programs on the local level, as well as the lack of desire to burden local taxpayers with increased fees, The General Fund budget reflects a reduction compared to recent years. As increased fees are generated from increased permitting, building, and property transfers, or grant reimbursements become available, the budget will be adjusted. An emphasis on efficiency and public safety has allowed for investing in technology advancements such as the implementation of a computer aided dispatch ("CAD") and mobile data information system ("MDIS"), which will improve the communications abilities of the County's public safety functions, as well as allow access to communication among the public safety offices of the municipalities within the County.

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

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.



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HAYWOOD COUNTY, NORTH CAROLINA

Statement of Net Assets

June 30, 2011

	Primary Government	Component Unit
	Governmental Activities	Haywood County Tourism Development Authority
Assets:		
Cash and cash equivalents	\$ 19,220,230	\$ 119,069
Restricted cash	9,228,669	-
Receivables (net)	4,430,489	189,537
Due from other governments	5,175,534	-
Inventories	105,379	-
Prepaid items	1,000	-
Deferred charge--issuance costs	568,604	-
Capital assets:		
Land, improvements, and construction in progress	18,694,525	-
Other capital assets, net of depreciation	58,177,037	29,950
Total capital assets	76,871,562	29,950
 Total assets	 115,601,467	 338,556
Liabilities:		
Accounts payable and accrued expenses	5,738,399	17,155
Unearned revenue	394,487	-
Accrued interest payable	1,374,238	-
Long-term liabilities:		
Due within one year	7,318,939	-
Due in more than one year	81,685,456	-
Total liabilities	96,511,519	17,155
Net assets:		
Invested in capital assets, net of related debt	34,025,761	29,950
Restricted for:		
Public safety	436,998	-
Environmental protection	3,753,522	-
Education	8,555,545	-
Stabilization by State Statute	5,238,990	-
Economic and physical development	468	-
Unrestricted (deficit)	(32,921,336)	291,451
 Total net assets	 \$ 19,089,948	 \$ 321,401

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, 2011

Functions/Programs	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 9,618,835	\$ 287,709	\$ 207,309	\$ 21,918
Public safety	17,490,162	2,561,848	1,184,711	445,912
Transportation	294,722	-	179,481	-
Environmental protection	5,484,418	5,102,367	238,726	36,578
Economic and physical development	3,774,853	287,415	822,638	54,758
Human services	16,944,025	540,790	9,189,620	54,321
Culture and recreation	1,741,261	104,974	193,046	-
Education	22,278,017	-	180,153	1,091,587
Interest on long-term debt	3,237,593	-	-	-
Total primary government	\$ 80,863,886	\$ 8,885,103	\$ 12,195,684	\$ 1,705,074
Component unit:				
Haywood County Tourism Development Authority	\$ 904,184	\$ 69,102	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Occupancy taxes				
Real property transfer				
Deed stamp excise tax				
Telecommunications/video tax				
Other taxes and licenses				
Grants and contributions not restricted to specific programs				
Investment earnings, unrestricted				
Miscellaneous, unrestricted				
Total general revenues				
Change in net assets				
Net assets-beginning				
Net assets-ending				

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

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	Component Unit
Governmental Activities	Haywood County Tourism Development Authority
\$ (9,101,899)	
(13,297,691)	
(115,241)	
(106,747)	
(2,610,042)	
(7,159,294)	
(1,443,241)	
(21,006,277)	
(3,237,593)	
<u>(58,078,025)</u>	
	<u>\$ (835,082)</u>
41,329,957	-
9,886,615	-
907,928	891,406
401,601	-
246,018	-
350,584	-
860,385	-
301,405	-
89,457	121
26,255	-
<u>54,400,205</u>	<u>891,527</u>
(3,677,820)	56,445
<u>22,767,768</u>	<u>264,956</u>
<u>\$ 19,089,948</u>	<u>\$ 321,401</u>

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds

June 30, 2011

	<u>General</u>	<u>Solid Waste Management Fund</u>	<u>Community College Projects Fund</u>	<u>Master Facilities Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>						
Cash and cash equivalents	\$ 11,938,608	\$ 3,164,509	\$ 539,527	\$ 1,496,305	\$ 1,064,358	\$ 18,203,307
Restricted cash	-	-	8,828,351	-	400,318	9,228,669
Accounts receivable, net	677,832	128,459	-	-	90,301	896,592
Taxes receivable, net	2,357,284	-	-	-	237,894	2,595,178
Other tax receivables	617,605	-	-	-	-	617,605
Due from other governments	4,911,305	54,939	-	-	209,290	5,175,534
Other receivables	9,412	298,650	-	-	-	308,062
Inventories	105,379	-	-	-	-	105,379
Total assets	<u>\$ 20,617,425</u>	<u>\$ 3,646,557</u>	<u>\$ 9,367,878</u>	<u>\$ 1,496,305</u>	<u>\$ 2,002,161</u>	<u>\$ 37,130,326</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,906,283	\$ 246,597	\$ 785,897	\$ 1,170,357	\$ 403,886	\$ 5,513,020
Deferred revenues	4,142,525	299,233	-	-	237,894	4,679,652
Total liabilities	<u>7,048,808</u>	<u>545,830</u>	<u>785,897</u>	<u>1,170,357</u>	<u>641,780</u>	<u>10,192,672</u>
Fund balances:						
Non-spendable:						
Inventories	105,379	-	-	-	-	105,379
Restricted:						
Stabilization by State Statute	4,824,776	183,398	-	-	230,816	5,238,990
Sheriff's department	102,527	-	-	-	-	102,527
Meals on Wheels	303,007	-	-	-	-	303,007
Community College	-	-	6,764,615	-	-	6,764,615
Committed	922,369	2,917,329	1,817,366	325,948	1,129,565	7,112,577
Assigned:						
Debt service	623,787	-	-	-	-	623,787
LEO Special Separation Allowance	70,000	-	-	-	-	70,000
Unassigned	6,616,772	-	-	-	-	6,616,772
Total fund balances	<u>13,568,617</u>	<u>3,100,727</u>	<u>8,581,981</u>	<u>325,948</u>	<u>1,360,381</u>	<u>26,937,654</u>
Total liabilities and fund balances	<u>\$ 20,617,425</u>	<u>\$ 3,646,557</u>	<u>\$ 9,367,878</u>	<u>\$ 1,496,305</u>	<u>\$ 2,002,161</u>	

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Balance Sheet
Governmental Funds, Continued

June 30, 2011

<u>General</u>	<u>Solid Waste Management Fund</u>	<u>Community College Projects Fund</u>	<u>Master Facilities Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Deferred charges related to advance refunding bond issue					\$ 568,604
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.					76,871,562
The internal service fund is used by management to account for the activities of the self-insurance plan of the County for employee medical claims to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.					792,544
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:					
Accrued interest receivable					13,052
Notes receivable					1,349,190
Liabilities for earned but deferred revenues in fund statements.					2,935,975
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:					
Accrued interest payable					(1,374,238)
Long-term obligations					<u>(89,004,395)</u>
Net assets of governmental activities					<u>\$ 19,089,948</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, 2011

	General	Solid Waste Management Fund	Community College Projects Fund	Master Facilities Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	\$ 37,720,211	\$ -	\$ -	\$ -	\$ 3,953,627	\$ 41,673,838
Local option sales taxes	9,886,615	-	-	-	-	9,886,615
Other taxes and licenses	2,085,681	125,182	-	-	555,653	2,766,516
Unrestricted intergovernmental	301,405	-	-	-	-	301,405
Restricted intergovernmental	12,325,155	87,492	-	-	1,449,229	13,861,876
Permits and fees	316,816	3,350,198	-	-	-	3,667,014
Sales and services	3,476,073	1,713,479	-	-	-	5,189,552
Investment earnings	71,756	-	14,442	-	3,259	89,457
Miscellaneous	149,528	-	-	-	83,151	232,679
Total revenues	<u>66,333,240</u>	<u>5,276,351</u>	<u>14,442</u>	<u>-</u>	<u>6,044,919</u>	<u>77,668,952</u>
Expenditures:						
Current:						
General government	5,091,797	-	-	802,425	34,157	5,928,379
Central services	2,643,017	-	-	-	-	2,643,017
Public safety	12,476,543	-	-	-	4,059,625	16,536,168
Transportation	294,722	-	-	-	-	294,722
Environmental protection	179,254	3,766,307	-	-	724,251	4,669,812
Economic and physical development	2,493,058	-	-	-	1,065,863	3,558,921
Human services	16,256,504	-	-	9,434,908	-	25,691,412
Culture and recreation	1,584,735	-	-	-	-	1,584,735
Intergovernmental:						
Education	16,929,791	-	4,349,827	-	998,399	22,278,017
Debt service:						
Principal	4,702,536	1,000,000	-	-	-	5,702,536
Interest and other charges	2,446,633	163,427	-	-	-	2,610,060
Total expenditures	<u>65,098,590</u>	<u>4,929,734</u>	<u>4,349,827</u>	<u>10,237,333</u>	<u>6,882,295</u>	<u>91,497,779</u>
Revenues over (under) expenditures	<u>1,234,650</u>	<u>346,617</u>	<u>(4,335,385)</u>	<u>(10,237,333)</u>	<u>(837,376)</u>	<u>(13,828,827)</u>
Other financing sources (uses):						
Transfers from other funds	-	-	1,817,366	870,997	750,739	3,439,102
Transfers to other funds	(3,253,148)	(185,954)	-	-	-	(3,439,102)
Notes payable issued	350,000	-	-	-	-	350,000
Proceeds from installment loan	-	-	11,100,000	9,446,400	-	20,546,400
Sale of capital assets	93,734	-	-	-	-	93,734
Total other financing sources (uses)	<u>(2,809,414)</u>	<u>(185,954)</u>	<u>12,917,366</u>	<u>10,317,397</u>	<u>750,739</u>	<u>20,990,134</u>
Net change in fund balances	<u>(1,574,764)</u>	<u>160,663</u>	<u>8,581,981</u>	<u>80,064</u>	<u>(86,637)</u>	<u>7,161,307</u>
Fund balances--beginning, as restated (Note 4)	<u>15,143,381</u>	<u>2,940,064</u>	<u>-</u>	<u>245,884</u>	<u>1,447,018</u>	<u>19,776,347</u>
Fund balances--ending	<u>\$ 13,568,617</u>	<u>\$ 3,100,727</u>	<u>\$ 8,581,981</u>	<u>\$ 325,948</u>	<u>\$ 1,360,381</u>	<u>\$ 26,937,654</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

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

Net change in fund balances--total governmental funds	\$ 7,161,307
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	11,580,962
Depreciation	(3,448,217)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(93,869)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in ad valorem taxes receivable	(343,881)
Change in notes receivable	(165,260)
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	1,119
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Proceeds	(20,896,400)
Issuance premium, net of amortization	96,309
Repayments	5,702,536
Issuance costs, net of amortization	(55,274)
The internal service fund is used by management to account for the activities of the self-insurance plan of the County for employee medical claims to individual funds. The net revenue is reported with the governmental activities	(147,063)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: The following are accrued in the government-wide statements but not in the fund statements because they do not use current resources:	
Compensated absences	(150,895)
Landfill closure and post closure costs	(273,823)
Net pension obligation	(11,520)
OPEB liability	(1,910,008)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	(723,843)
Total changes in net assets of governmental activities	<u>\$ (3,677,820)</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-- Budget and Actual--General Fund and Solid Waste Management Fund

For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 36,453,256	\$ 36,818,756	\$ 37,720,211	\$ 901,455
Local option sales tax	10,781,313	10,781,313	9,886,615	(894,698)
Other taxes and licenses	2,175,500	2,180,000	2,085,681	(94,319)
Unrestricted intergovernmental	200,000	200,000	301,405	101,405
Restricted intergovernmental	11,271,602	13,983,156	12,325,155	(1,658,001)
Permits and fees	297,000	297,000	316,816	19,816
Sales and services	3,417,260	3,506,472	3,476,073	(30,399)
Investment earnings	200,000	200,000	71,756	(128,244)
Miscellaneous	189,150	243,410	149,528	(93,882)
Total revenues	64,985,081	68,210,107	66,333,240	(1,876,867)
Expenditures:				
Current:				
General government	4,815,985	5,375,110	5,091,797	283,313
Central services	2,473,173	2,843,240	2,643,017	200,223
Public safety	11,791,102	13,357,535	12,476,543	880,992
Transportation	308,265	308,265	294,722	13,543
Environmental protection	187,703	179,285	179,254	31
Economic and physical development	2,000,532	3,128,561	2,493,058	635,503
Human services	16,958,621	17,323,439	16,256,504	1,066,935
Culture and recreation	1,574,636	1,698,065	1,584,735	113,330
Contingency and non-departmental	581,956	-	-	-
Intergovernmental:				
Education	18,597,626	17,210,871	16,929,791	281,080
Debt service:				
Principal	6,691,189	4,950,085	4,702,536	247,549
Interest and other charges	854,764	4,050,249	2,446,633	1,603,616
Total expenditures	66,835,552	70,424,705	65,098,590	5,326,115
Revenues over (under) expenditures	(1,850,471)	(2,214,598)	1,234,650	3,449,248
Other financing sources (uses):				
Transfers to other funds	-	(2,697,371)	(3,253,148)	(555,777)
Proceeds from long term debt	-	350,000	350,000	-
Sale of capital assets	25,000	105,000	93,734	(11,266)
Total other financing sources (uses)	25,000	(2,242,371)	(2,809,414)	(567,043)

Solid Waste Management Fund

Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
60,000	131,122	125,182	(5,940)
-	-	-	-
-	79,446	87,492	8,046
3,254,987	3,285,987	3,350,198	64,211
1,335,918	1,703,047	1,713,479	10,432
-	-	-	-
-	-	-	-
<u>4,650,905</u>	<u>5,199,602</u>	<u>5,276,351</u>	<u>76,749</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,587,478	4,100,299	3,766,307	333,992
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,000,000	1,000,000	1,000,000	-
163,427	163,427	163,427	-
<u>4,750,905</u>	<u>5,263,726</u>	<u>4,929,734</u>	<u>333,992</u>
<u>(100,000)</u>	<u>(64,124)</u>	<u>346,617</u>	<u>410,741</u>
-	(185,954)	(185,954)	-
-	-	-	-
<u>-</u>	<u>(185,954)</u>	<u>(185,954)</u>	<u>-</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, 2011

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,825,471)	\$ (4,456,969)	\$ (1,574,764)	\$ 2,882,205
Appropriated fund balance	1,825,471	4,456,969	-	(4,456,969)
Net change in fund balances	\$ -	\$ -	(1,574,764)	\$ (1,574,764)
Fund balances:				
Beginning of year, July 1			15,131,521	
End of year, June 30			13,556,757	
A legally budgeted capital reserve fund is consolidated into the General Fund for reporting purposes:				
Fund balance, beginning			11,860	
Fund balance, ending (Exhibit 4)			\$ 13,568,617	

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)
\$ (100,000)	\$ (250,078)	\$ 160,663	\$ 410,741
<u>100,000</u>	<u>250,078</u>	<u>-</u>	<u>(250,078)</u>
<u>\$ -</u>	<u>\$ -</u>	160,663	<u>\$ 160,663</u>
		<u>2,940,064</u>	
		<u>\$ 3,100,727</u>	

HAYWOOD COUNTY, NORTH CAROLINAStatement of Net Assets
Proprietary Funds

June 30, 2011

	<u>Internal Service Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,016,923
Prepays	1,000
Total assets	<u>1,017,923</u>
Liabilities:	
Current liabilities:	
Accrued expenses	<u>225,379</u>
Net assets:	
Unrestricted	<u><u>\$ 792,544</u></u>

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

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

For the Fiscal Year Ended June 30, 2011

	<u>Internal Service Funds</u>
Operating revenues:	
Internal charges	\$ 4,615,057
External charges for services	532,915
Cobra subsidy	13,523
Total operating revenues	<u>5,161,495</u>
Operating expenses:	
Claims and administration	<u>5,308,558</u>
Operating income (loss) in net assets	<u>(147,063)</u>
Other financing sources:	
Transfers to other funds	(300,000)
Transfers from other funds	300,000
Total other financing sources	<u>-</u>
Change in net assets	(147,063)
Net assets:	
Beginning of year, July 1	<u>939,607</u>
End of year, June 30	<u>\$ 792,544</u>

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

HAYWOOD COUNTY, NORTH CAROLINAStatement of Cash Flows
Proprietary Funds

For The Fiscal Year Ended June 30, 2011

	<u>Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from third-party payors and patients	\$ 5,161,495
Payments to providers	(5,043,444)
Net cash used by operating activities	<u>118,051</u>
Cash flows from noncapital financing activities	
Transfers to other funds	(300,000)
Transfers from other funds	300,000
Net cash provided (used) by noncapital financing activities	<u>-</u>
Decrease in cash and cash equivalents	118,051
Cash and cash equivalents, July 1	<u>898,872</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,016,923</u></u>
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ (147,063)
Changes in assets and liabilities:	
Decrease in prepaids	54,802
Increase/decrease in accrued expenses	<u>210,312</u>
Net cash used by operating activities	<u><u>\$ 118,051</u></u>

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

HAYWOOD COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Assets
Fiduciary Fund

For the Fiscal Year Ended June 30, 2011

	Agency Funds
	<hr/>
Assets:	
Cash and cash equivalents	\$ 277,218
	<hr/>
Liabilities:	
Amounts held for others	201,173
Due to other governments	76,045
	<hr/>
Total liabilities	<u>\$ 277,218</u>

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



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HAYWOOD COUNTY, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2011

1. **Summary of Significant Accounting Policies**

The accounting policies of Haywood County and its blended component units conform to generally accepted accounting principles as they apply to governments. The following is a summary of the more significant accounting policies:

A. **Reporting Entity**

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The discretely presented component units presented below are reported in separate columns in the County's basic financial statements in order to emphasize that they are legally separate from the County.

Component Units:

Haywood County Industrial Facility and Pollution Control Financing Authority

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

Haywood County Financing Corporation

The Haywood County Financing Corporation (the "Corporation") is organized and operated exclusively for the purpose of promoting the general welfare of the citizens of Haywood County by assisting the County in carrying out its governmental functions through the acquisition, construction and operation, sale or lease of real estate and improvements, facilities and equipment for the use and benefit of the general public. The Corporation has a board of directors consisting

of no less than three persons and no more than five persons, all of which are appointed by the Haywood County Board of Commissioners. The Corporation has no financial transactions or account balances, therefore, is not reported in the basic financial statements. The Corporation does not issue separate financial statements.

□ **Haywood County Tourism Development Authority**

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

B. **Basis of Presentation**

Government-Wide Statements:

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

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the

operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

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

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

The County reports the following major governmental funds for the year ended June 30, 2011:

General Fund

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

Solid Waste Management Fund

This fund accounts for all operational and capital activities for the landfill, the 10 convenience centers throughout the County, the materials recovery facility, and the recycling programs. This fund did not meet the calculation for a major fund; however, management has elected to present this fund as major since this fund has historically been a major fund.

Community College Projects Fund

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

Master Facilities Projects Fund

This fund primarily accounts for purchase and renovation to the new DSS and Health and Central Permitting building.

Additionally, the County reports the following fund types:

 Committed Special Revenue Funds

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

 Capital Projects Funds

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

 Internal Service Funds

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

 Agency Funds

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

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

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

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

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

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

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

Governmental Fund Financial Statements:

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a

revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Haywood County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements.

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

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

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

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

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

Deposits and Investments:

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

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

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

Cash and Cash Equivalents:

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

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

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

Ad Valorem Taxes Receivable:

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010.

Allowances for Doubtful Accounts:

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

Inventories and Prepaid Items:

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

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

Capital Assets:

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

construction costs. Agreements between the County and the Board of Education and Community College give the Board of Education and Community College full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education and Community College, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Haywood County Board of Education and the Haywood County Community College.

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

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

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

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

Long-Term Obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements for governmental fund types, the net proceeds of debt issued is reported as an other financing source.

Compensated Absences:

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

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

Net Assets:

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

Fund Balances:

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

The governmental fund types classify fund balances as follows:

 Non-spendable Fund Balance

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

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

Restricted Fund Balance

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

- ✓ Restricted for stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].
- ✓ Restricted for Sheriff's department - portion of fund balance that is restricted by the revenue source to pay for expenditures related to the drug seizure funds.
- ✓ Restricted for Meals on Wheels - portion of fund balance that is restricted by the donor to be used only for the Meals on Wheels program.
- ✓ Restricted for Community College - portion of fund balance that represents proceeds from the installment note payable for the Community College capital projects.

 Committed Fund Balance

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

 Assigned Fund Balance

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

- ✓ Assigned for Debt Service - portion of fund balance that has been assigned to pay for future debt service payments.
- ✓ Assigned for LEO Special Separation Allowance - portion of fund balance that has been assigned for future expenditures related to the LEO Special Separation Allowance.

 Unassigned Fund Balance

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

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

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

2. **Stewardship, Compliance, and Accountability**

Budgetary Violations - During the year, expenditures exceeded budget for the transfers to other funds in the General Fund and in the arbitration award payment in the Master Facilities Projects Fund. This payment was awarded after year-end.

Corrective Action Plan: The budget will be reviewed on a frequent basis for all funds and budget amendments will be prepared to reflect changing budgetary needs.

3. **Summary of Significant Accounting Policies**

A. **Assets**

Deposits:

All of the County and the TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or TDA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the TDA, these deposits are considered to be held by their agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the TDA under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and the TDA have no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The County and

the TDA comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2011, the County's deposits had a carrying amount of \$27,917,728 and a bank balance of \$28,387,018. Of the bank balance, \$1,207,044 was covered by federal depository insurance and \$27,179,974 by collateral held under the Pooling Method.

At June 30, 2011, the County had \$5,175 cash on hand.

At June 30, 2011, the carrying amount of deposits for the TDA was \$118,819, and the bank balance was \$160,426, all of which was covered by federal depository insurance. The TDA had cash on hand at year-end in the amount of \$250.

Investments:

At June 30, 2011, the County had \$803,214 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard & Poor's. The County has no formal policy regarding credit risk.

Receivables:

Notes Receivable

On January 31, 2002, the County and the Town of Waynesville (the "Town") entered into a cooperative agreement in which the Town agreed to contribute \$2,500,000 to be used as payment on the installment financing contract for the construction of new parking facilities, with payment scheduled for a twenty year period. On July 8, 2003 the County and the Town modified the agreement. The Town will pay to the County fifteen equal annual payments of \$227,047, including interest at 4.479% through July 15, 2017. At June 30, 2011, the balance was \$1,338,936.

On May 5, 2003, the County received a note for the sale of property. The original amount of the note was \$53,500, payable to the County in equal monthly installments of \$446, with no interest through May 2013. At June 30, 2011, the balance was \$10,254.

Receivables at government-wide level at June 30, 2011 were as follows:

	Accounts Receivable	Taxes and Related Accrued Interest Receivable	Due from Other Governments	Other	Total
Governmental activities:					
General Fund	\$ 1,177,832	\$ 3,677,324	\$ 4,911,305	\$ 9,412	\$ 9,775,873
Interest receivable - governmental activities only	-	13,052	-	-	13,052
Other governmental	376,760	237,894	264,229	298,650	1,177,533
Total receivables	1,554,592	3,928,270	5,175,534	308,062	10,966,458
Allowance for doubtful accounts	(658,000)	(702,435)	-	-	(1,360,435)
Total governmental activities	\$ 896,592	\$ 3,225,835	\$ 5,175,534	\$ 308,062	\$ 9,606,023
Amounts not expected to be collected within one year	\$ -	\$ -	\$ 1,171,864	\$ 4,905	\$ 1,176,769

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

Local option sales tax	\$ 2,611,436
Long term receivable from town	1,349,190
Sales tax refund	386,460
Other	828,448
	<u>\$ 5,175,534</u>

Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Nondepreciable assets:					
Land	\$ 8,800,657	\$ 2,672,200	\$ -	\$ -	\$ 11,472,857
Construction in progress	3,969,186	7,221,668	-	(3,969,186)	7,221,668
Total capital assets not being depreciated	12,769,843	9,893,868	-	(3,969,186)	18,694,525
Depreciable assets:					
Improvements	13,862,810	402,463	21,698	3,969,186	18,212,761
Buildings	53,129,889	420,584	611,633	-	52,938,840
Equipment	12,646,557	726,508	2,521,068	-	10,851,997
Vehicles	4,567,007	422,377	111,382	-	4,878,002
Total capital assets being depreciated	84,206,263	1,971,932	3,265,781	3,969,186	86,881,600
Less accumulated depreciation:					
Improvements	7,107,617	1,086,391	21,698	-	8,172,310
Buildings	6,846,610	1,062,715	260,435	-	7,648,890
Equipment	10,452,453	844,668	2,495,797	-	8,801,324
Vehicles	3,737,859	454,443	110,263	-	4,082,039
Total accumulated depreciation	28,144,539	\$ 3,448,217	\$ 2,888,193	\$ -	28,704,563
Capital assets, net	56,061,724				58,177,037
Governmental activities capital assets, net	\$ 68,831,567				\$ 76,871,562

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

General government	\$ 907,063
Public safety	997,248
Environmental protection	757,492
Economic and physical development	607,387
Human services	87,403
Cultural and recreational	<u>91,624</u>
Total	<u>\$ 3,448,217</u>

Construction Commitments

The government had three construction projects not yet completed as of June 30, 2011, in addition to an amount in dispute for the historic courthouse renovation. The construction contracts for new building projects which began in the fiscal year ended June 30, 2011 are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
County building renovation project	\$ 2,536,524	\$ 2,867,488
Community college crafts building project	1,498,713	6,898,344
Community college administration building project	1,483,198	76,873

□ **Discretely Presented Component Unit**

Activity for the TDA for the year ended June 30, 2011 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Depreciable assets:				
Improvements	\$ 39,078	\$ 1,753	\$ -	\$ 40,831
Equipment and furniture	17,996	5,492	-	23,488
Total capital assets being depreciated	<u>57,074</u>	<u>7,245</u>	<u>-</u>	<u>64,319</u>
Less accumulated depreciation:				
Improvements	11,073	3,922	-	14,995
Equipment and furniture	17,203	2,171	-	19,374
Total accumulated depreciation	<u>28,276</u>	<u>\$ 6,093</u>	<u>\$ -</u>	<u>34,369</u>
Capital assets, net	<u>\$ 28,798</u>			<u>\$ 29,950</u>

B. **Liabilities**

Payables:

Payables at the government-wide level at June 30, 2011 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 1,426,988	\$ 620,130	\$ 859,165	\$ 2,906,283
Solid waste management fund	217,668	28,929	-	246,597
Community college projects fund	785,897	-	-	785,897
Master facilities projects fund	1,170,357	-	-	1,170,357
Estimated claims payable	-	-	225,379	225,379
Other governmental	401,247	2,639	-	403,886
Total governmental activities	<u>\$ 4,002,157</u>	<u>\$ 651,698</u>	<u>\$ 1,084,544</u>	<u>\$ 5,738,399</u>

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

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

Funding Policy - Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.35% and 6.82%, respectively, of annual covered payroll. The contribution requirements of members and of the County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2011, 2010 and 2009 were \$1,107,852, \$865,635, and \$977,673 respectively. The contributions made by the County equaled the required contributions for each year.

 Law Enforcement Officers' Special Separation Allowance

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>53</u>
 Total	 <u>57</u>

Summary of Significant Accounting Policies -

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

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

Contributions - The County is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2010 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, 2010 was 20 years.

Annual Pension Cost and Net Pension Obligation -

Annual required contribution		
Employer annual required contribution	\$	71,273
Interest on net pension obligation		23,652
Adjustment to annual required contribution		<u>(25,324)</u>
Annual pension cost		69,601
Less: Contributions made		<u>58,081</u>
Increase in net pension obligation		11,520
Net pension obligation beginning of year		<u>473,030</u>
Net pension obligation end of year	\$	<u><u>484,550</u></u>

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2011	\$ 69,601	83.45%	\$ 484,550
6/30/2010	\$ 61,412	45.01%	\$ 473,030
6/30/2009	\$ 55,538	50.66%	\$ 439,260

Funded Status and Funding Progress - As of December 31, 2010, 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 \$632,550. The covered payroll (annual payroll of active employees covered by the plan) was \$2,032,038, and the ratio of the UAAL to the covered payroll was 31.13%.

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

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (the “Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$134,709, which consisted of \$101,309 from the County and \$33,400 from the law enforcement officers.

Supplemental Retirement Income Plan for Employees Not Engaged in Law Enforcement

Full-time employees not engaged in law enforcement are eligible to participate in the Supplemental Retirement Plan under Internal Revenue Code Section 401(k). Under this plan, an employee may contribute a percentage of their annual gross salary as limited by federal tax laws. Haywood County contributed an amount equal to 5.5% of annual gross pay through March 2009, at which point the contribution by the County was discontinued, and all amounts contributed were vested immediately. Contributions for the year ended June 30, 2011 were \$236,222, all of which was from employees.

Registers of Deeds’ Supplemental Pension Fund

Plan Description - Haywood County also contributes to the Registers of Deeds’ Supplemental Pension Fund (the “Fund”), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to Haywood County Register of Deeds that is retired under the Local Government Employees’ Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds’ Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State’s CAFR includes financial statements and required supplementary information for the Registers of Deeds’ Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund’s assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2011, the County’s required and actual contributions were \$6,032.

□ **Other Postemployment Benefits--Healthcare Benefits**

Plan Description - In addition to providing pension benefits, Haywood County has elected to provide healthcare benefits to retirees of Haywood County, as a single-employer defined benefit plan, who have at least thirty years of service with the North Carolina Local Governmental Employees’ Retirement System (the “System”) and, on a pro-rata basis, employees who are credited with at least twenty years of service with the System. Retired employees meeting the criteria discussed herein will be provided hospitalization in the same manner as the active County employees. Haywood County pays 100% of the retiree costs for those retirees who have thirty years of service with the System and seven years with the County. The County pays 50% of health insurance costs for those retirees who have 15 years with the System and are at least 60 years of age. For those retirees with fewer than 30 years of service, who are aged 50 to 59, a pro-rata cost share in health insurance costs is received. Retirees can purchase coverage for their dependents at Haywood County’s group rates. Currently, 85 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2011, Haywood County made payments for post-retirement health benefit premiums of \$131,104. Haywood County is self insured for health care costs and pays the Medicare Supplement for retirees who qualify, also on a pro-rata basis. A separate report was not issued for the plan.

Membership of the Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	General Employees and Law Enforcement Officers
Retirees and dependents receiving benefits	85
Active plan members	546
Total	631

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

The current ARC rate is 10.09% of annual covered payroll. For the current year, the County contributed \$131,104 or 0.60% 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	\$ 2,020,158
Interest on net OPEB obligation	152,662
Adjustment to annual required contribution	(131,708)
Annual OPEB cost	<u>2,041,112</u>
Contributions made	<u>(131,104)</u>
Increase in net OPEB obligation	1,910,008
Net OPEB obligation, beginning of year	<u>3,816,554</u>
Net OPEB obligation, end of year	<u><u>\$ 5,726,562</u></u>

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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>
2011	\$ 2,041,112	6.42%	\$ 5,726,562
2010	\$ 2,032,799	5.53%	\$ 3,816,554
2009	\$ 2,020,158	6.14%	\$ 1,896,088

Fund Status and Funding Progress - As of December 31, 2009, 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 \$18,569,987. The covered payroll (annual payroll of active employees covered by the plan) was \$19,520,324, and the ratio of the UAAL to the covered payroll was 95.1 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

□ **Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but no less than \$25,000 and no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2011, the County made contributions to the State for death benefits of \$19,372. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.13% and 0.14%, respectively, of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount.

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

State and federal laws and regulations require the County to place a final cover on its White Oak Landfill Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs based on the estimated life of the landfill and the usage of the landfill for a particular period. As of June 30, 2011, the estimated accrual for landfill closure and postclosure care of \$5,870,034, which is based on the use of 100% of the estimated capacity of Phase I of the landfill and 95.01% of the estimated capacity of Phase II, had increased by \$273,823. The County will recognize the remaining estimated cost of closure and postclosure care of \$148,356 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2011. Haywood County expects to close the White Oak Facility in the year 2032. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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

Deferred/Unearned Revenues:

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at June 30, 2011 is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ 104,886	\$ 104,886
Prepaid fees not yet earned (Special Revenue)	584	584
Taxes receivable, net (General)	2,357,284	-
Fees receivable (General)	42,148	-
Taxes receivable, net (Special Revenue)	237,894	-
Long-term notes receivable (General)	1,349,190	-
Fees receivable (Special Revenue)	298,649	-
Grant revenue received in cash (General)	<u>289,017</u>	<u>289,017</u>
Total	<u>\$ 4,679,652</u>	<u>\$ 394,487</u>

Risk Management:

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

The County does not carry flood insurance. The County had insignificant flooding at the edge of the concrete pad at the animal shelter during the two flood events of 2004, and does not consider the cost of flood insurance determination to be a reasonable expense. The employee medical benefits program is funded through the Insurance Internal Service Fund. The program is funded by both employee and employer contributions. Fringe benefits paid through this program include group health and dental insurance. The group health plan operates with a specific stop-loss of \$60,000 and an aggregate stop-loss of 100 percent of the estimated loss fund. The employee workers' compensation program is funded through the Workers' Compensation Internal Service Fund.

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

	<u>2011</u>	<u>2010</u>
Estimated claims payable, July 1	\$ 15,067	\$ 461,749
Plus: Incurred claims and changes in estimates	5,308,558	5,256,394
Less: Claims payments	<u>(5,098,246)</u>	<u>(5,703,076)</u>
Estimated claims payable, June 30	<u>\$ 225,379</u>	<u>\$ 15,067</u>

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance, Tax Collector and Register of Deeds are individually bonded for \$50,000, \$100,000, and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

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

Claims and Judgments:

At June 30, 2011, 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. However, at June 30, 2011, the County was involved in a binding arbitration activity with the contractor for the historic courthouse renovation. In August 2011, after the fiscal year end, but before these financial statements were issued, an Arbitration Award was paid by the County in the amount of approximately \$713,000. The County has recognized a liability for this amount in the Master Facilities Projects Fund.

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%.	\$ 146,821
\$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%.	1,129,023
\$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 4.376%.	150,668
\$9,900,000 note was issued for the courthouse renovation project and to make a contribution to the community college for their Child Development Center. The note was entered into on January 8, 2007, requiring 15 annual principal payments of \$660,000, plus interest payments at 3.67%.	7,260,000
\$1,400,000 note was issued for the public schools' artificial turf project at the two high school stadiums. The note was entered into on April 1, 2008, requiring five annual principal payments of \$280,000, plus interest payments at 3.32%.	560,000
\$146,100 note was issued for the Haywood Advancement Loan. The note was entered into on November 6, 2008, requiring one annual principal payment of \$146,100, plus interest payments at 4.00%.	146,100
\$1,123,000 note was issued to finance the acquisition of land for a future County park. The note was entered into on June 12, 2009, requiring fifteen annual principal payments of \$74,867, plus interest at 4.17%.	973,267
\$3,876,000 note issued to finance the expansion of the County landfill on July 1, 2009. This note requires one principal payment of \$376,000, plus interest, three annual principal payments of \$1,000,000, plus interest and one annual principal payment of \$500,000 plus interest, all at 3.87%.	3,500,000

(continued)

\$12,500,000 note was issued for the adaptive renovation project from USDA with ARRA funds to purchase a vacated Wal-Mart building to house the Social Services, Health, and Central Permitting departments in the County. The note was entered into on October 4, 2010 and requires 40 annual payments of \$608,243, including interest at 3.75%. As of June 30, 2011, \$9,446,400 has been drawn down from the USDA. The remaining balance of \$3,053,600 is held by the USDA and is expected to be expended during fiscal year 2012.	\$ 9,446,400
\$11,100,000 note was issued for the community college building projects on October 15, 2010, requiring 15 annual principal payments of \$746,866, plus interest at 3.14%.	10,826,667
\$350,000 note was issued for renovations to the local County fairgrounds to bring the property into ADA compliance, requiring two annual principal payments of \$175,000, plus interest at 1.69%	<u>350,000</u>
Total installment notes payable--governmental activities	<u>\$ 34,488,946</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>
2012	\$ 3,096,245	\$ 1,324,125	\$ 4,420,370
2013	3,248,496	1,211,142	4,459,638
2014	2,653,789	1,108,393	3,762,182
2015	2,160,427	1,012,266	3,172,693
2016	1,667,323	944,905	2,612,228
2017-2021	8,449,777	3,849,529	12,299,306
2022-2026	5,503,933	2,512,594	8,016,527
2027-2031	1,522,110	1,945,442	3,467,552
2032-2036	1,840,076	1,627,478	3,467,554
2037-2041	2,224,897	1,242,651	3,467,548
2042-2046	2,448,560	787,309	3,235,869
2046-2051	2,726,913	314,302	3,041,215
	<u>\$ 37,542,546</u>	<u>\$ 17,880,136</u>	<u>\$ 55,422,682</u>

* Reflects future payments with the anticipation that the remaining \$3,053,600 of the ARRA USDA loan above will be expended by Haywood County in fiscal year 2012 and the full \$12,500,000 of this loan will be payable to USDA.

Certificates of Participation

In October 2002, the County entered into an installment-financing contract with a bank for construction of a new justice center and parking deck in the amount of \$22,000,000. In February 2003, the County entered into an installment-financing contract with a bank for refunding of the previous installment contract and the note payable for the construction of the agricultural center. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$911,644 and a reduction of \$1,815,976 in future debt service payments. The contract was funded by execution and delivery of Certificates of Participation. The outstanding contract at June 30, 2011 is as follows:

\$22,705,000 Building Construction and Renovation
 Program Series 2002 due in annual principal payments
 on October 1, ranging from \$50,000 to \$1,765,000,
 and semi-annual interest payments on April 1 and
 October 1 through 2017; interest ranges from 2.0% to
 5.0%, fluctuating throughout the life of the certificates. \$ 10,870,000

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,650,000	\$ 476,125	\$ 2,126,125
2013	1,665,000	393,250	2,058,250
2014	1,585,000	312,001	1,897,001
2015	1,495,000	242,475	1,737,475
2016	1,490,000	175,325	1,665,325
2017 - 2018	<u>2,985,000</u>	<u>132,362</u>	<u>3,117,362</u>
Total	<u>\$ 10,870,000</u>	<u>\$ 1,731,538</u>	<u>\$ 12,601,538</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, 2011 are comprised of the following individual issues:

\$12,000,000 2005 Jail/Law Enforcement Center Serial Bonds due on December 1 and June 1 with interest payments through December 1, 2005; beginning June 1, 2006, installments of \$600,000 plus interest through June 1, 2025; interest rates ranging from 3.5% to 4.8%	\$ 8,400,000
\$18,000,000 2006 School Facility Serial Bonds due on November 1 and May 1 with interest payments through November 1, 2007; beginning May 1, 2008, installments of \$800,000 plus interest each May 1 through 2013; installment of \$900,000 plus interest due May 1, 2014; installments of \$1,000,000 plus interest through May 1, 2025, and a payment of \$1,300,000 plus interest on May 1, 2026. Interest payments are also due each November. Interest rates range from 3.75% to 5.00%.	14,800,000
\$7,000,000 2008 School Facility Serial Bonds due on March 1 and September 1 with interest payments through September 1, 2008; beginning March 1, 2009, installments of \$350,000 plus interest due each March 1 through March 1, 2025; \$650,000 installment plus interest on March 1, 2026 and a payment of \$400,000 plus interest on March 1, 2027. Interest payments are also due each September. Interest rates range from 3% to 4.125%.	<u>5,950,000</u>
Total	<u><u>\$ 29,150,000</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,750,000	\$ 1,226,888	\$ 2,976,888
2013	1,750,000	1,163,388	2,913,388
2014	1,850,000	1,098,888	2,948,888
2015	1,950,000	1,028,388	2,978,388
2016	1,950,000	943,887	2,893,887
2017 - 2021	9,750,000	3,427,474	13,177,474
2022 - 2026	9,750,000	1,349,474	11,099,474
2027	<u>400,000</u>	<u>16,500</u>	<u>416,500</u>
Total	<u><u>\$ 29,150,000</u></u>	<u><u>\$ 10,254,887</u></u>	<u><u>\$ 39,404,887</u></u>

□ **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	\$ 30,900,000	\$ -	\$ 1,750,000	\$ 29,150,000	\$ 1,750,000
Deferred issuance premium on bonds	477,768	-	30,345	447,423	-
Certificates of Participation	12,515,000	-	1,645,000	10,870,000	1,650,000
Deferred issuance premium on COPs	492,381	-	65,964	426,417	-
Notes payable	15,900,082	20,896,400	2,307,536	34,488,946	3,096,245
Landfill closure and postclosure care costs	5,596,211	273,823	-	5,870,034	-
Compensated absences	1,389,568	1,339,419	1,188,524	1,540,463	822,694
Net pension obligation	473,030	69,601	58,081	484,550	-
Other post employment benefits	3,816,554	2,041,112	131,104	5,726,562	-
Total	<u>\$ 71,560,594</u>	<u>\$24,620,355</u>	<u>\$ 7,176,554</u>	<u>\$ 89,004,395</u>	<u>\$ 7,318,939</u>

At June 30, 2011, Haywood County had a legal debt margin of \$503,945,077.

C. **Capital Assets, Net of Related Debt** - Capital assets, net of related debt at June 30, 2011, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 76,871,562
Less capital debt:	
Gross debt	75,382,786
Less: School debt related to assets to which the County does not hold title	(21,310,000)
Less: Community College debt related to assets to which the County does not hold title	(10,826,667)
Unexpended debt proceeds	<u>(400,318)</u>
Net capital debt	<u>42,845,801</u>
Capital assets, net of related debt	<u>\$ 34,025,761</u>

- D. **Fund Balance** - The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance--General Fund	\$ 13,568,617
Less:	
Inventories	105,379
Stabilization by State Statute	4,824,776
Restricted for Sheriff's Department and Meals on Wheels	405,534
Committed fund balance	922,369
Fund balance policy (11%)	<u>1,492,548</u>
Remaining fund balance	<u>\$ 5,818,011</u>

- E. **Related Organization** - The Haywood County Board of Commissioners are responsible for appointing the members of the Haywood County Economic Development Commission (the "EDC"), but the County's accountability for this organization does not extend beyond making these appointments. The EDC exists to advise County management regarding the creation of capital investment and job opportunities through the attraction of new business and industry to Haywood County. The EDC had no financial transactions or account balances during the fiscal year ended June 30, 2011.

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

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

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

serves as a non-voting, ex-officio member of the board of trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$2,118,456 and \$168,130 to the Community College for operating and capital purposes, respectively, during the fiscal year ending June 30, 2011 from the General Fund. In addition, the County expended \$4,349,827 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, 2011. 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, 2011. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$116,362 to the center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's area offices at P. O. Box 280, Dillsboro, North Carolina, 28725.

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

	<u>Federal</u>	<u>State</u>
Medical Assistance Program	\$ 52,432,579	\$ 21,097,510
TANF Emergency Assistance	800,869	(89)
Special Supplemental Food Program for Women, Infants, and Children	897,907	-
Low-Income Home Energy Assistance	747,227	-
Independent Living Transitional	9,644	-
State/County Special Assistance for Adults	-	484,594
AFDC Payments and Penalties	(373)	(102)
Child Welfare Services--Adoption Subsidy	-	343,805
Foster Care at Risk	-	(13,015)
IV-E Adoption	449,876	99,665
IV-E Foster Care	274,447	73,220
State Foster Care Benefits Program	-	166,171
Total	<u>\$ 55,612,176</u>	<u>\$ 22,251,759</u>

- I. **Summary Disclosure of Significant Contingencies** - The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.
- J. **Conduit Debt Obligations** - Haywood County Industrial Facility and Pollution Control Financing Authority (the "Authority") has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as by letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2011, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$11,200,000.

- K. **Interfund Receivables, Payables and Transfers** - Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfers to Community College Fund from:	
General Fund	\$ 1,817,366
Transfer to Master Facilities Fund from:	
General Fund	870,997
Transfers to non-major governmental funds from:	
General Fund	564,785
Solid Waste Fund	185,954

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.

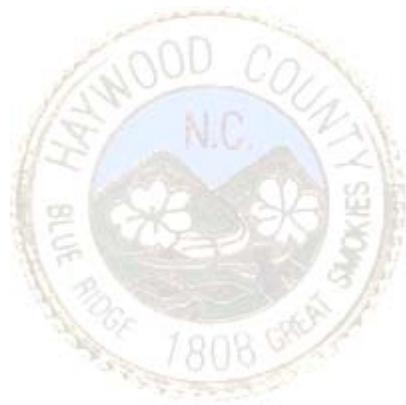
During the year ended June 30, 2011, the County transferred \$1,817,366 from the General Fund to the Community College Capital Project Fund, the amount of available sales tax revenues committed to the college, to begin some college building renovation projects. The County transferred \$315,220 from the General Fund to the Master Facilities Capital Project Fund for the addition of a kitchen for the Meals on Wheels program in the Social Services portion of the new building project. Also transferred to the Master Facilities Fund from the General Fund was \$555,777 to cover the Arbitration Award payment to the courthouse renovation construction company. The County transfers from the General Fund to non-major funds included \$430,000 to the Capital Project Fund for County projects for the county fairground renovations to bring the fairgrounds into ADA compliance and \$134,785 to the Public Schools ADM/Lottery Capital Project Fund as a 25% match for school building renovation projects, 75% funded by the Public Schools Capital Building Fund. A transfer from the Solid Waste fund to the Landfill Capital Project Fund of \$185,954 was made to cover additional expenditures for the methane gas collection project at the landfill.

- L. **Subsequent Events** - Subsequent to year end, the County was ordered to pay approximately \$713,000 as an Arbitration Award in a binding arbitration case with the construction company that had originally been contracted to renovate the County's historic courthouse. The County recognized a liability for this amount at June 30, 2011, which is reported in the Master Facilities Projects Fund.

4. **Net Asset/Fund Balance Restatements**

During the year, the County implemented GASB Statement No. 54. As a result, beginning fund balance in the General Fund was increased to reflect the previously reported Capital Reserve Fund to be consolidated into the General Fund. As of July 1, 2010, fund balance in the General Fund as previously reported was restated as follows:

	<u>Fund Balance</u>
Beginning balance:	
As previously reported	\$ 15,131,521
Change in fund classification--Capital Reserve Fund	<u>11,860</u>
As restated	<u><u>\$ 15,143,381</u></u>

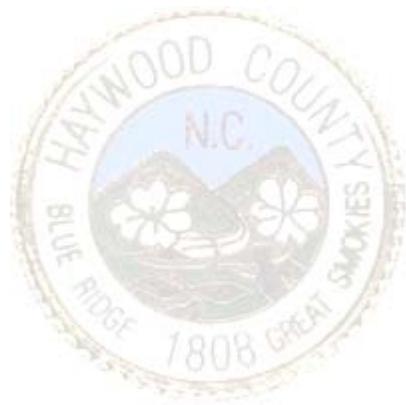


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The seal of Lenoir County, North Carolina, is a circular emblem. It features a central figure, possibly a Native American or a historical figure, surrounded by a wreath. The text "LENOIR COUNTY, N.C." is written in a circle around the top, and "1808 GREAT BRIDGE" is written around the bottom. The seal is faded and serves as a background for the text.

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



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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]
12/31/10	\$ -	\$ 632,550	\$ 632,550	0%	\$ 2,032,038	31.13%
12/31/09	-	598,789	598,789	0%	2,027,941	29.53%
12/31/08	-	471,329	471,329	0%	2,146,030	21.96%
12/31/07	-	405,297	405,297	0%	2,002,778	20.24%
12/31/06	-	346,965	346,965	0%	1,975,853	17.56%
12/31/05	-	308,732	308,732	0%	1,796,938	17.18%
12/31/04	-	329,421	329,421	0%	1,639,466	20.09%
12/31/03	-	308,145	308,145	0%	1,447,599	21.29%
12/31/02	-	305,477	305,477	0%	1,386,108	22.04%
12/31/01	-	299,161	299,161	0%	1,418,501	21.09%

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>
2009	\$ 51,707	54.42%
2010	\$ 57,236	48.29%
2011	\$ 71,273	81.49%

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	12/31/10
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	20 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]
12/31/09	\$ -	\$ 18,569,987	\$ 18,569,987	0%	\$ 19,520,324	95.1%
12/31/08		19,487,023	19,487,023	0%	20,026,959	97.3%

HAYWOOD COUNTY, NORTH CAROLINA

Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions

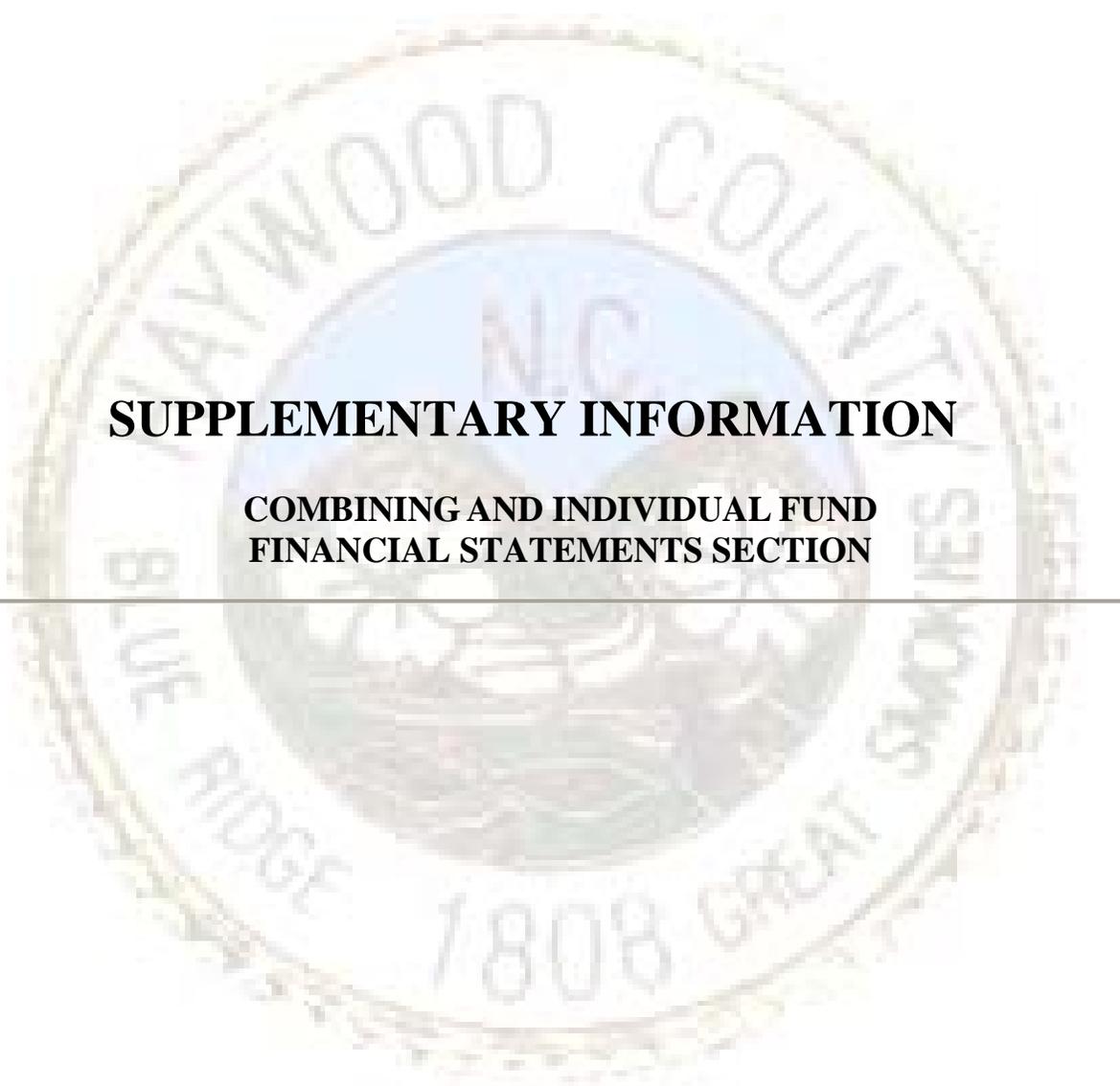
<u>Year Ending June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2009	\$ 2,020,158	6.14%
2010	\$ 2,020,158	5.56%
2011	\$ 2,020,158	6.49%

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	12/31/09
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	10.50 - 5.00%
Post-Medicare trend rate	9.00 - 5.00%
Year of ultimate trend rate	2017

*Includes inflation at 3.75%

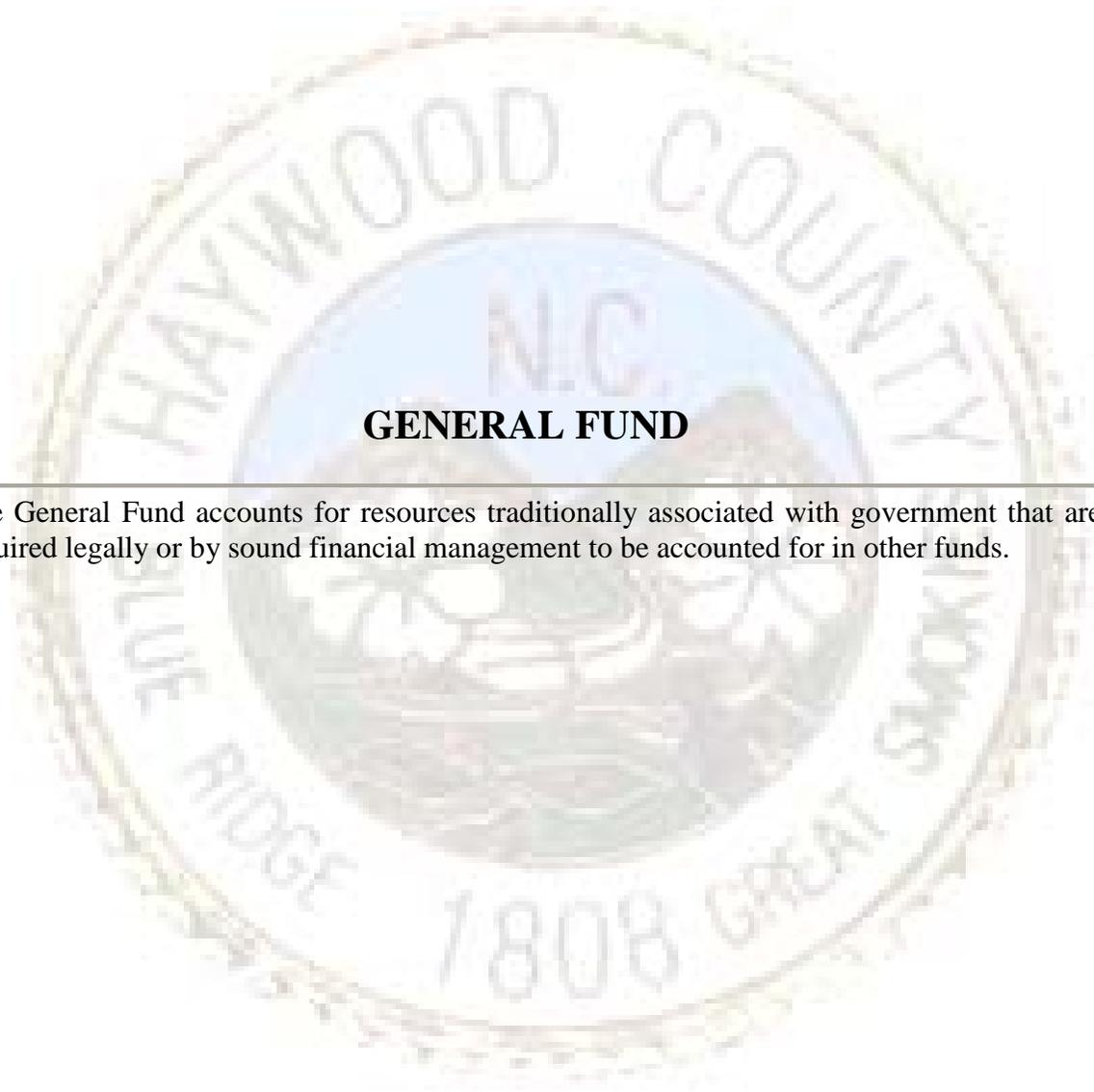
The background of the page features a large, faded seal of the State of Tennessee. The seal is circular and contains the text "THE GREAT SEAL OF THE STATE OF TENNESSEE" around the perimeter. In the center, it depicts a plow, a sheaf of wheat, and a cotton plant, with the year "1796" at the bottom. The seal is centered behind the text.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**



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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 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Current year and prior years		\$ 37,434,260		\$ 36,715,334
Penalties and interest		285,951		271,401
Total	\$ 36,818,756	37,720,211	\$ 901,455	36,986,735
Local option sales taxes:				
Article 39 one percent		4,000,501		4,176,798
Article 40 one-half of one percent		2,455,091		2,378,883
Article 42 one-half of one percent		2,227,684		2,247,028
Article 44 one-half of one percent		(51,167)		264,951
Article 46 one-quarter of one percent		1,254,506		1,403,893
Total	10,781,313	9,886,615	(894,698)	10,471,553
Other taxes and licenses:				
Rental vehicle tax		23,494		22,177
Occupancy tax		907,928		902,195
Cable television tax		11,253		29,644
Telecommunication video sales tax		339,331		347,718
Real property transfer tax		647,619		417,226
Other taxes		156,056		395,480
Total	2,180,000	2,085,681	(94,319)	2,114,440
Unrestricted intergovernmental:				
Payments in lieu of taxes	200,000	301,405	101,405	296,970
Restricted intergovernmental:				
Federal, state and other grants		10,545,269		10,174,666
Court facilities fees		123,515		113,940
Health and Social Services revenues-local		972,026		1,069,495
ABC net revenues		109,031		73,433
Controlled substance tax		3,087		10,357
Other--local		572,227		559,834
Total	13,983,156	12,325,155	(1,658,001)	12,001,725

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	2011		Variance Favorable (Unfavorable)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues, continued:				
Permits and fees:				
Building permits and inspection fees	\$ 297,000	\$ 316,816	\$ 19,816	\$ 265,594
Sales and services:				
Library local revenues		15,695		16,807
Mapping sales		7,576		6,638
Sheriff's fees and commissions		129,007		150,888
Jail and officers' fees		125,357		175,613
Ambulance fees		2,245,063		1,800,278
Animal control fees		58,695		60,247
Dental clinic charges		90,899		56,089
Health dept patient fees		397,261		458,853
Social Services patient fees		52,631		59,140
Tax assessments--departmental services		454		458
Garage--departmental services		17,854		14,732
Tax collection fees		43,376		34,222
Public buildings--departmental services		36,560		35,679
Elections--departmental services		1,075		7,058
EDC--property management fees		12,000		12,000
Extension 4H		16,954		17,075
Rent		173,306		71,924
Recreation fees		52,310		23,148
Total	<u>3,506,472</u>	<u>3,476,073</u>	<u>(30,399)</u>	<u>3,000,849</u>
Investment earnings	<u>200,000</u>	<u>71,756</u>	<u>(128,244)</u>	<u>163,399</u>
Miscellaneous:				
Other	<u>243,410</u>	<u>149,528</u>	<u>(93,882)</u>	<u>212,480</u>
Total revenues	<u>68,210,107</u>	<u>66,333,240</u>	<u>(1,876,867)</u>	<u>65,513,745</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
General government:				
Governing body:				
Salaries and employee benefits		\$ 96,949		\$ 87,739
Operating		468,058		466,967
Total		<u>565,007</u>		<u>554,706</u>
Administration:				
Salaries and employee benefits		435,472		434,661
Operating		38,632		42,871
Total		<u>474,104</u>		<u>477,532</u>
Finance:				
Salaries and employee benefits		401,910		352,988
Operating		41,058		32,619
Total		<u>442,968</u>		<u>385,607</u>
Human Resource:				
Salaries and employee benefits		182,952		197,471
Operating		155,418		147,691
Total		<u>338,370</u>		<u>345,162</u>
Wellness Clinic:				
Salaries and employee benefits		32,280		146,529
Operating		117,991		-
Total		<u>150,271</u>		<u>146,529</u>
Tax collections:				
Salaries and employee benefits		303,459		290,107
Operating		130,705		115,608
Total		<u>434,164</u>		<u>405,715</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	2011		Variance Favorable (Unfavorable)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Tax assessments:				
Salaries and employee benefits		\$ 433,077		\$ 414,093
Operating		51,280		60,707
Total		<u>484,357</u>		<u>474,800</u>
Land records:				
Salaries and employee benefits		155,185		160,624
Operating		8,312		9,989
Total		<u>163,497</u>		<u>170,613</u>
Revaluation:				
Salaries and employee benefits		284,211		283,698
Operating		172,623		94,031
Total		<u>456,834</u>		<u>377,729</u>
Legal services		<u>516,269</u>		<u>275,819</u>
Courts:				
Operating		100,095		168,024
Capital outlay		6,717		-
Total		<u>106,812</u>		<u>168,024</u>
CJPP technical assistance:				
Salaries and employee benefits		55,830		54,817
Operating		22,697		14,963
Total		<u>78,527</u>		<u>69,780</u>
Elections:				
Salaries and employee benefits		264,930		278,390
Operating		39,602		43,832
Capital outlay		-		2,726
Total		<u>304,532</u>		<u>324,948</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	2011		Variance Favorable (Unfavorable)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
General government, continued:				
Register of Deeds:				
Salaries and employee benefits		\$ 207,755		\$ 203,827
Operating		368,330		369,545
Total		<u>576,085</u>		<u>573,372</u>
Total general government	\$ 5,375,110	<u>5,091,797</u>	\$ 283,313	<u>4,750,336</u>
Central Services:				
Information systems:				
Salaries and employee benefits		291,241		283,379
Operating		158,584		179,461
Capital outlay		256,603		94,057
Total		<u>706,428</u>		<u>556,897</u>
Garage:				
Salaries and employee benefits		105,507		103,116
Operating		28,217		29,528
Total		<u>133,724</u>		<u>132,644</u>
Public buildings:				
Salaries and employee benefits		706,543		661,331
Operating		999,179		1,037,579
Capital outlay		97,143		110,610
Total		<u>1,802,865</u>		<u>1,809,520</u>
Total central services	<u>2,843,240</u>	<u>2,643,017</u>	200,223	<u>2,499,061</u>
Public safety:				
Sheriff:				
Salaries and employee benefits		3,450,711		3,346,380
Operating		659,448		588,401
Capital outlay		251,400		110,738
Total		<u>4,361,559</u>		<u>4,045,519</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Haywood County 911 Communication Center:				
Salaries and employee benefits		\$ 455,422		\$ 436,515
Operating		36,400		42,856
Total		<u>491,822</u>		<u>479,371</u>
Public safety grants:				
Salaries and employee benefits		294,204		5,227
Operating		(2,513)		294,229
Capital outlay		931		-
Total		<u>292,622</u>		<u>299,456</u>
Sheriff--SRO officers:				
Salaries and employee benefits		160,042		208,914
Operating		2,735		3,023
Total		<u>162,777</u>		<u>211,937</u>
Detention:				
Salaries and employee benefits		1,620,751		1,624,063
Operating		416,838		438,515
Capital outlay	-	3,385		-
Total		<u>2,040,974</u>		<u>2,062,578</u>
NC forest service:				
Operating		<u>80,491</u>		<u>74,084</u>
Building inspections:				
Salaries and employee benefits		430,077		430,505
Operating		24,590		30,673
Capital outlay		-		21,636
Total		<u>454,667</u>		<u>482,814</u>
Medical examiner		<u>34,300</u>		<u>30,000</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	2011		Variance Favorable (Unfavorable)	2010
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Public safety, continued:				
Emergency medical service:				
Salaries and employee benefits		\$ 3,197,100		\$ 3,208,609
Operating		417,691		397,984
Capital outlay		266,803		99,362
Total		<u>3,881,594</u>		<u>3,705,955</u>
Rescue squad:				
Operating		<u>50,000</u>		<u>73,260</u>
Emergency management:				
Salaries and employee benefits		93,502		93,901
Operating		35,625		30,987
Capital outlay		115,914		-
Total		<u>245,041</u>		<u>124,888</u>
Animal control:				
Salaries and employee benefits		256,660		274,327
Operating		124,036		104,781
Total		<u>380,696</u>		<u>379,108</u>
Total public safety	\$ 13,357,535	<u>12,476,543</u>	\$ 880,992	<u>11,968,970</u>
Transportation:				
Mass transit	<u>308,265</u>	<u>294,722</u>	<u>13,543</u>	<u>292,770</u>
Environmental protection:				
Erosion control program:				
Salaries and employee benefits		175,112		167,097
Operating		4,142		5,421
Total	<u>179,285</u>	<u>179,254</u>	<u>31</u>	<u>172,518</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		Variance Favorable (Unfavorable)	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Economic and physical development:				
Planning:				
Salaries and employee benefits		\$ 176,230		\$ 314,622
Operating		44,413		13,876
Total		<u>220,643</u>		<u>328,498</u>
Economic development:				
Salaries and employee benefits		160,822		156,789
Operating		56,649		75,827
Total		<u>217,471</u>		<u>232,616</u>
Haywood County Agricultural and Activities Board		<u>404,428</u>		<u>-</u>
Tourism development		<u>888,848</u>		<u>883,173</u>
Community development:				
Operating		<u>178,053</u>		<u>-</u>
Extension:				
Operating		<u>254,616</u>		<u>234,635</u>
Soil conservation:				
Salaries and employee benefits		166,480		160,001
Operating		22,554		22,554
Total		<u>189,034</u>		<u>182,555</u>
Soil and water conservation agricultural engineer:				
Salaries and employee benefits		<u>74,639</u>		<u>72,337</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<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		\$ 57,523		\$ 57,366
Operating		7,803		7,803
Total		<u>65,326</u>		<u>65,169</u>
Total economic and physical development	\$ 3,128,561	<u>2,493,058</u>	\$ 635,503	<u>1,998,983</u>
Human services:				
Health:				
Salaries and employee benefits		1,943,428		2,034,440
Operating		215,496		240,648
Capital outlay		54,321		40,183
Total		<u>2,213,245</u>		<u>2,315,271</u>
Medicaid:				
Salaries and employee benefits		475,591		529,216
Operating		77,612		104,497
Capital outlay		-		21,655
Total		<u>553,203</u>		<u>655,368</u>
Immunization:				
Operating		1,800		1,816
Capital outlay		-		5,675
Total		<u>1,800</u>		<u>7,491</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Dental clinic:				
Salaries and employee benefits		\$ 392,080		\$ 315,545
Operating		118,093		188,747
Total		<u>510,173</u>		<u>504,292</u>
Child health		<u>4,517</u>		<u>15,250</u>
Family planning:				
Operating		<u>47,562</u>		<u>48,015</u>
Adult health services:				
Operating		<u>25,695</u>		<u>33,999</u>
Health check:				
Salaries and employee benefits		39,712		16,747
Operating		496		115
Total		<u>40,208</u>		<u>16,862</u>
Cancer data base		<u>7,769</u>		<u>9,378</u>
American Cancer Society--Project Assist:				
Salaries and employee benefits		60,388		100,480
Operating		11,402		186,175
Total		<u>71,790</u>		<u>286,655</u>
WIC program:				
Operating		63,962		27,862
Capital outlay		-		1,257
Total		<u>63,962</u>		<u>29,119</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	<u>Actual</u>
			<u>(Unfavorable)</u>	
Expenditures, continued:				
Human services, continued:				
Kate B. Reynolds Public School Health				
Program:				
Salaries and employee benefits				
Operating		\$ -		\$ 17,324
Smart & Healthy Start:				
Operating		2,317		6,175
Capital outlay		2,333		-
Total		<u>4,650</u>		<u>6,175</u>
Maternal Health:				
Operating		<u>4,709</u>		<u>82,831</u>
Environmental health:				
Salaries and employee benefits		909,075		950,025
Operating		<u>33,248</u>		<u>45,245</u>
Total		<u>942,323</u>		<u>995,270</u>
T.B. control		<u>3,226</u>		<u>3,228</u>
Mental health		<u>116,362</u>		<u>166,596</u>
Social Services:				
Salaries and employee benefits		6,349,681		6,285,050
Operating		496,517		664,088
Capital outlay		244,268		5,898
Total		<u>7,090,466</u>		<u>6,955,036</u>
Work First--NCDOT Trans		<u>35,988</u>		<u>11,952</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures, continued:				
Human services, continued:				
Public Assistance:				
General assistance		\$ 3,217		\$ 2,473
Medicaid		(828)		(23,180)
Aid to the aged and disabled		483,215		500,446
Crisis intervention		311,713		293,204
Aid to blind		6,974		10,435
Adoption assistance		27,345		90,193
Medicaid transportation		560,199		306,565
Electrical assistance expenditures		88,521		66,993
Foster Care		944,126		1,116,909
Public assistance		54,254		69,763
Total		<u>2,478,736</u>		<u>2,433,801</u>
Meals on Wheels:				
Salaries and employee benefits		162,387		169,363
Operating		81,081		73,619
Total		<u>243,468</u>		<u>242,982</u>
Meals on Wheels-bequests		-		8,543
JOBS Work First:				
Operating		<u>272,780</u>		<u>300,926</u>
Food assistance		<u>4,906</u>		<u>1,588</u>
Adoption awareness		<u>250</u>		<u>117</u>
Adult Day Care:				
Salaries and employee benefits		126,039		103,385
Operating		75,893		68,427
Total		<u>201,932</u>		<u>171,812</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	<u>Actual</u>
			<u>(Unfavorable)</u>	
Expenditures, continued:				
Human services, continued:				
Cap-Community Alternative Program				
Salaries and employee benefits		\$ 327,472		\$ 312,124
Operating		90,367		95,407
Total		<u>417,839</u>		<u>407,531</u>
Robert Wood Johnson Grant		<u>65,000</u>		<u>36,250</u>
Community Crisis Management		<u>5,997</u>		<u>8,118</u>
Adoption payments		<u>202,371</u>		<u>217,423</u>
Title III Grants		<u>340,010</u>		<u>377,940</u>
Senior citizens programs		<u>16,000</u>		<u>-</u>
Veteran's service:				
Salaries and employee benefits		73,205		94,663
Operating		4,492		7,021
Capital outlay		-		1,259
Total		<u>77,697</u>		<u>102,943</u>
Youth Services:				
Operating		<u>191,870</u>		<u>187,188</u>
Total human services	\$ 17,323,439	<u>16,256,504</u>	\$ 1,066,935	<u>16,657,274</u>
Culture and recreation:				
Library:				
Salaries and employee benefits		930,503		959,754
Operating		381,263		426,651
Capital outlay		19,878		12,244
Total		<u>1,331,644</u>		<u>1,398,649</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	2011		Variance Favorable (Unfavorable)	2010
	Budget	Actual		Actual
Expenditures, continued:				
Recreation:				
Salaries and employee benefits		\$ 156,391		\$ 152,217
Operating		96,700		58,744
Total		<u>253,091</u>		<u>210,961</u>
Total culture and recreation	\$ 1,698,065	<u>1,584,735</u>	\$ 113,330	<u>1,609,610</u>
Education:				
Public schools--current		14,445,197		14,430,019
Public schools--capital outlay		198,008		199,980
Community college--current		2,118,456		2,118,456
Community college--capital outlay		168,130		665,631
Total education	17,210,871	<u>16,929,791</u>	281,080	<u>17,414,086</u>
Debt service:				
Principal		4,702,536		4,423,360
Interest		2,446,633		2,533,156
Other charges		-		2,580
Total debt service	9,000,334	<u>7,149,169</u>	1,851,165	<u>6,959,096</u>
Total expenditures	70,424,705	<u>65,098,590</u>	5,326,115	<u>64,322,704</u>
Revenues over (under) expenditures	<u>(2,214,598)</u>	<u>1,234,650</u>	<u>3,449,248</u>	<u>1,191,041</u>
Other financing sources (uses):				
Transfers from other funds	-	-	-	1,047,181
Transfers to other funds	(2,697,371)	(3,253,148)	(555,777)	(178,297)
Proceeds from long term debt	350,000	350,000	-	
Sale of capital assets	105,000	93,734	(11,266)	6,654
Total other financing sources (uses)	<u>(2,242,371)</u>	<u>(2,809,414)</u>	<u>(567,043)</u>	<u>875,538</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual, Continued
(with Comparative Totals for 2010)

For the Fiscal Year Ended June 30, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>	<u>2010</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ (4,456,969)	\$ (1,574,764)	\$ 2,882,205	\$ 2,066,579
Appropriated fund balance	<u>4,456,969</u>	<u>-</u>	<u>(4,456,969)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,574,764)</u>	<u>\$ (1,574,764)</u>	<u>2,066,579</u>
Fund balance, July 1		<u>15,131,521</u>		<u>13,064,942</u>
Fund balance, June 30		<u>\$ 13,556,757</u>		<u>\$ 15,131,521</u>

The seal of Wayne County, North Carolina, is a circular emblem. It features a central shield with a plow and a sheaf of wheat, symbolizing agriculture. Above the shield is a banner with the letters "NC". The outer ring of the seal contains the text "WAYNE COUNTY" at the top, "1808" at the bottom, and "GREAT SMOKING RIDGE" on the sides.

SOLID WASTE MANAGEMENT FUND

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



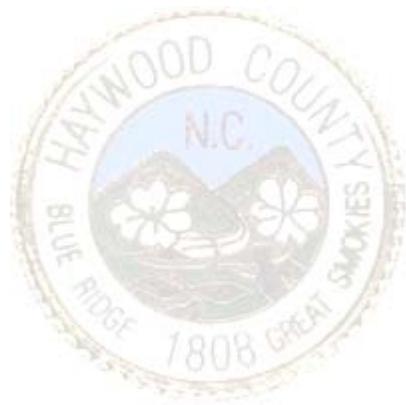
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HAYWOOD COUNTY, NORTH CAROLINA

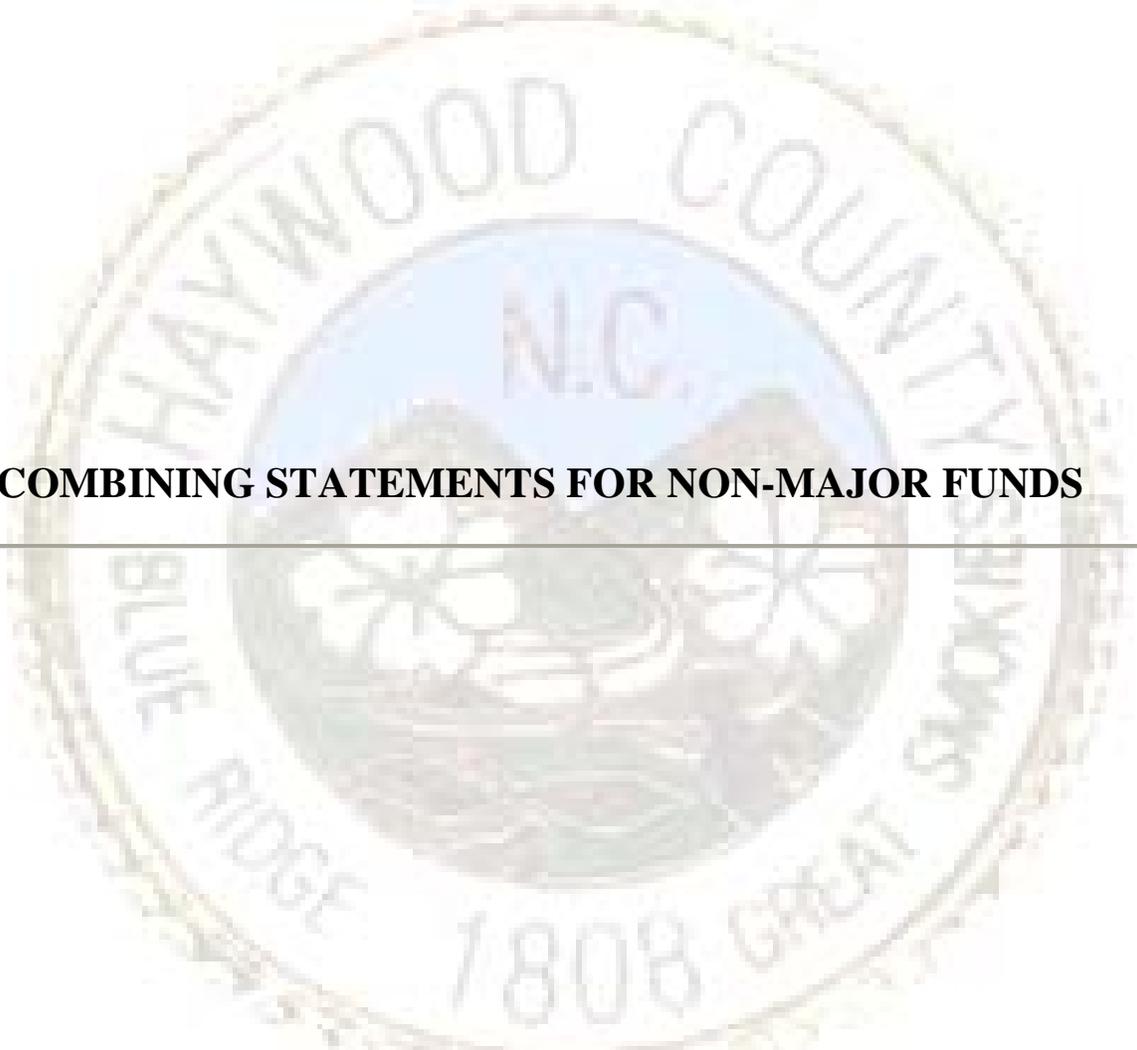
Solid Waste Management Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance--Budget and Actual

For the Fiscal Year Ended June 30, 2011

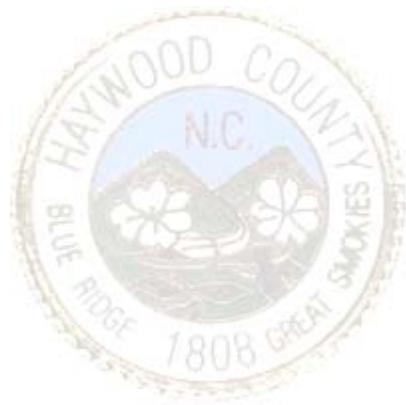
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Permits and fees:			
Solid waste fees	\$ 3,285,987	\$ 3,350,198	\$ 64,211
Other taxes and licenses	131,122	125,182	(5,940)
Intergovernmental revenue:			
DENR Grants	79,446	87,492	8,046
Sales and services	1,703,047	1,713,479	10,432
Total revenues	<u>5,199,602</u>	<u>5,276,351</u>	<u>76,749</u>
Expenditures:			
Salaries and employee benefits	1,388,903	1,330,593	58,310
Operating	2,569,887	2,299,018	270,869
Solid waste disposal tax	91,000	89,715	1,285
Capital outlay	50,509	46,981	3,528
Debt service:			
Principal	1,000,000	1,000,000	-
Interest	163,427	163,427	-
Total expenditures	<u>5,263,726</u>	<u>4,929,734</u>	<u>333,992</u>
Revenues over (under) expenditures	(64,124)	346,617	410,741
Other financing sources (uses):			
Transfer to other funds:			
Capital Project Fund-Solid Waste/Landfill	(185,954)	(185,954)	-
Appropriated fund balance	<u>250,078</u>	<u>-</u>	<u>(250,078)</u>
Net change in fund balance	<u>\$ -</u>	<u>160,663</u>	<u>\$ 160,663</u>
Fund balance:			
Beginning of year, July 1		<u>2,940,064</u>	
End of year, June 30		<u>\$ 3,100,727</u>	



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The seal of Haywood County, North Carolina, is a circular emblem. The outer ring contains the text "HAYWOOD COUNTY" at the top, "N.C." in the center, and "1808 GREAT SMOKESHIP" at the bottom. The inner circle features a landscape with mountains, a river, and two sheaves of wheat. A horizontal line is drawn across the center of the seal.

COMBINING STATEMENTS FOR NON-MAJOR FUNDS



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

June 30, 2011

	Total Non- major Special Revenue Funds	Total Non- major Capital Projects Funds	Total Non- major Governmental Funds
<u>Assets</u>	<u></u>	<u></u>	<u></u>
Cash and cash equivalents	\$ 639,148	\$ 425,210	\$ 1,064,358
Restricted cash	-	400,318	400,318
Accounts receivable, net	337	89,964	90,301
Taxes receivable, net	237,894	-	237,894
Due from other governments	90,744	118,546	209,290
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 968,123</u>	<u>\$ 1,034,038</u>	<u>\$ 2,002,161</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 244,021	\$ 159,865	\$ 403,886
Deferred revenue	237,894	-	237,894
Total liabilities	<u>481,915</u>	<u>159,865</u>	<u>641,780</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	48,742	182,074	230,816
Committed	437,466	692,099	1,129,565
Total fund balances	<u>486,208</u>	<u>874,173</u>	<u>1,360,381</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 968,123</u>	<u>\$ 1,034,038</u>	<u>\$ 2,002,161</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Special Revenue Funds

June 30, 2011

	Emergency Telephone Fund	Fire Districts Fund	Crisis Assistance Housing Fund
<u>Assets</u>			
Cash and cash equivalents	\$ 462,179	\$ 139,441	\$ 25,929
Accounts receivable, net	-	-	-
Taxes receivable, net	-	224,350	-
Due from other governments	46,305	-	5,491
Total assets	<u>\$ 508,484</u>	<u>\$ 363,791</u>	<u>\$ 31,420</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 25,181	\$ 139,441	\$ 29,320
Deferred revenue	-	224,350	-
Total liabilities	<u>25,181</u>	<u>363,791</u>	<u>29,320</u>
Fund balances:			
Restricted:			
Stabilization by State Statute	46,305	-	2,100
Committed	436,998	-	-
Total fund balances	<u>483,303</u>	<u>-</u>	<u>2,100</u>
Total liabilities and fund balances	<u>\$ 508,484</u>	<u>\$ 363,791</u>	<u>\$ 31,420</u>

Special Revenue Funds

Sanitary District Fund	Lake Junaluska Sediment Removal Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non- major Special Revenue Funds
\$ 6,847	\$ -	\$ 4,284	\$ 468	\$ 639,148
-	-	-	337	337
9,670	-	3,874	-	237,894
-	38,948	-	-	90,744
<u>\$ 16,517</u>	<u>\$ 38,948</u>	<u>\$ 8,158</u>	<u>\$ 805</u>	<u>\$ 968,123</u>
\$ 6,847	\$ 38,948	\$ 4,284	\$ -	\$ 244,021
9,670	-	3,874	-	237,894
<u>16,517</u>	<u>38,948</u>	<u>8,158</u>	<u>-</u>	<u>481,915</u>
-	-	-	337	48,742
-	-	-	468	437,466
-	-	-	805	486,208
<u>\$ 16,517</u>	<u>\$ 38,948</u>	<u>\$ 8,158</u>	<u>\$ 805</u>	<u>\$ 968,123</u>

HAYWOOD COUNTY, NORTH CAROLINA

Combining Balance Sheet Non-major Capital Project Funds

June 30, 2011

	Capital Projects Funds				
	Water and Sewer Lines	Solid Waste/Landfill	Public Schools ADM/Lottery	County Building Renovations	Total Non- major Capital Projects Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 56,669	\$ 181,466	\$ 65,107	\$ 121,968	\$ 425,210
Restricted cash	-	400,318	-	-	400,318
Accounts receivable, net	-	-	89,964	-	89,964
Due from other governments	-	118,546	-	-	118,546
	-	118,546	-	-	118,546
Total assets	\$ 56,669	\$ 700,330	\$ 155,071	\$ 121,968	\$ 1,034,038
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 44,241	\$ 91,543	\$ 24,081	\$ 159,865
Fund balances:					
Restricted:					
Stabilization by State Statute	-	118,546	63,528	-	182,074
Committed	56,669	537,543	-	97,887	692,099
Total fund balances	56,669	656,089	63,528	97,887	874,173
Total liabilities and fund balances	\$ 56,669	\$ 700,330	\$ 155,071	\$ 121,968	\$ 1,034,038

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

For the Fiscal Year Ended June 30, 2011

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues:			
Ad valorem taxes	\$ 3,953,627	\$ -	\$ 3,953,627
Other taxes	555,653	-	555,653
Restricted intergovernmental	508,180	941,049	1,449,229
Investment earnings (loss)	892	2,367	3,259
Miscellaneous	-	83,151	83,151
Total revenues	<u>5,018,352</u>	<u>1,026,567</u>	<u>6,044,919</u>
Expenditures:			
Current:			
General government	-	34,157	34,157
Public safety	4,059,625	-	4,059,625
Environmental Protection	267,496	456,755	724,251
Economic and physical development	644,241	421,622	1,065,863
Intergovernmental:	-	-	-
Education	-	998,399	998,399
Total expenditures	<u>4,971,362</u>	<u>1,910,933</u>	<u>6,882,295</u>
Revenues over (under) expenditures	<u>46,990</u>	<u>(884,366)</u>	<u>(837,376)</u>
Other financing sources (uses):			
Transfers from other funds	<u>-</u>	<u>750,739</u>	<u>750,739</u>
Net change in fund balances	46,990	(133,627)	(86,637)
Fund balances:			
Beginning of year, July 1	<u>439,218</u>	<u>1,007,800</u>	<u>1,447,018</u>
End of year, June 30	<u>\$ 486,208</u>	<u>\$ 874,173</u>	<u>\$ 1,360,381</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, 2011

	Emergency Telephone System Fund	Fire District Fund	Crisis Assistance Housing Fund
Revenues:			
Ad valorem taxes	\$ -	\$ 3,565,202	\$ -
Other taxes	555,653	-	-
Restricted intergovernmental	-	-	96,522
Investment earnings	892	-	-
Total revenues	556,545	3,565,202	96,522
Expenditures:			
Current:			
Public safety	494,423	3,565,202	-
Environmental protection	-	-	-
Economic and physical development	-	-	96,522
Total expenditures	494,423	3,565,202	96,522
Net change in fund balances	62,122	-	-
Fund balances, beginning	421,181	-	2,100
Fund balances, ending	\$ 483,303	\$ -	\$ 2,100

Special Revenue Funds

Sanitary District Fund	Lake Junaluska Sediment Removal Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total Non-major Special Revenue Funds
\$ 198,229	\$ -	\$ 190,196	\$ -	\$ 3,953,627
-	-	-	-	555,653
-	69,267	-	342,391	508,180
-	-	-	-	892
<u>198,229</u>	<u>69,267</u>	<u>190,196</u>	<u>342,391</u>	<u>5,018,352</u>
-	-	-	-	4,059,625
198,229	69,267	-	-	267,496
-	-	190,196	357,523	644,241
<u>198,229</u>	<u>69,267</u>	<u>190,196</u>	<u>357,523</u>	<u>4,971,362</u>
-	-	-	(15,132)	46,990
-	-	-	15,937	439,218
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805</u>	<u>\$ 486,208</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, 2011

	Capital Projects Funds				Total Non-major Capital Project Funds
	Water and Sewer Lines Fund	Solid Waste/ Landfill Fund	Public Schools ADM/Lottery Fund	Building Renovations Fund	
Revenues:					
Restricted intergovernmental	\$ -	\$ 118,545	\$ 788,347	\$ 34,157	\$ 941,049
Investment earnings	-	2,367	-	-	2,367
Miscellaneous	-	-	-	83,151	83,151
Total revenues	<u>-</u>	<u>120,912</u>	<u>788,347</u>	<u>117,308</u>	<u>1,026,567</u>
Expenditures:					
Current:					
General government	-	-	-	34,157	34,157
Environmental protection	-	456,755	-	-	456,755
Economic and physical development	-	-	-	421,622	421,622
Intergovernmental:					
Education	-	-	998,399	-	998,399
Total expenditures	<u>-</u>	<u>456,755</u>	<u>998,399</u>	<u>455,779</u>	<u>1,910,933</u>
Revenues under expenditures	<u>-</u>	<u>(335,843)</u>	<u>(210,052)</u>	<u>(338,471)</u>	<u>(884,366)</u>
Other financing sources (uses):					
Transfers from other funds	<u>-</u>	<u>185,954</u>	<u>134,785</u>	<u>430,000</u>	<u>750,739</u>
Net change in fund balances	-	(149,889)	(75,267)	91,529	(133,627)
Fund balances, beginning	<u>56,669</u>	<u>805,978</u>	<u>138,795</u>	<u>6,358</u>	<u>1,007,800</u>
Fund balances, ending	<u>\$ 56,669</u>	<u>\$ 656,089</u>	<u>\$ 63,528</u>	<u>\$ 97,887</u>	<u>\$ 874,173</u>

SPECIAL REVENUE FUNDS

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

Individual Fund Descriptions

The Emergency Telephone Fund accounts for 9-1-1 system subscriber fees and levies as provided for in North Carolina General Statute (NCGS) 159-26(b)(2). Under NCGS Chapter 62A, Haywood County imposes a monthly service charge to cover the cost of administering an enhanced emergency telecommunications wire line system. NCGS Chapter 62A also provides for the levy of a monthly service charge by the State for each wireless mobile connection unit to recover costs associated with operating a wireless enhanced system.

The Fire Districts Fund accounts for the ad valorem tax levies of the fifteen fire districts in Haywood County.

The Crisis Assistance Housing Fund accounts for the administration of federal and state grants for relocation and rehabilitation assistance related to damage from recent hurricanes.

The Sanitary District Fund accounts for the ad valorem tax levy for a sanitary district in Haywood County.

The Lake Junaluska Sediment Removal Fund accounts for the grant funding for the dredging of Lake Junaluska in the County.

The Road Service Fund accounts for the ad valorem tax levy of a road service district.

The CDBG Scattered Site Project Fund accounts for Federal grants received and expended for community development.

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Other taxes:			
9-1-1 system subscriber fees	\$ 555,648	\$ 555,653	\$ 5
Investment earnings	-	892	892
Total revenues	<u>555,648</u>	<u>556,545</u>	<u>897</u>
Expenditures:			
Public safety:			
Salaries and employee benefits	115,612	114,949	663
Operating expenses	256,143	173,106	83,037
Capital outlay	318,570	206,368	112,202
Contingency	90,313	-	90,313
Total expenditures	<u>780,638</u>	<u>494,423</u>	<u>286,215</u>
Revenues over (under) expenditures	(224,990)	62,122	287,112
Appropriated fund balance	<u>224,990</u>	-	<u>(224,990)</u>
Net change in fund balance	<u>\$ -</u>	62,122	<u>\$ 62,122</u>
Fund balance:			
Beginning of year, July 1		<u>421,181</u>	
End of year, June 30		<u>\$ 483,303</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Fire Districts Fund

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

For the Fiscal Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 3,609,583	\$ 3,535,781	\$ (73,802)
Penalties and interest	30,500	29,421	(1,079)
Total	<u>3,640,083</u>	<u>3,565,202</u>	<u>(74,881)</u>
Expenditures:			
Public safety:			
Fire district:			
West Canton	68,800	68,578	222
North Canton	231,015	230,548	467
Center Pigeon	369,222	363,995	5,227
Lake Junaluska	348,489	340,729	7,760
Crabtree-Ironduff	270,647	256,459	14,188
Cruso	197,000	190,176	6,824
Camp Branch (Waynesville)	250	120	130
Saunook	171,342	167,205	4,137
Maggie Valley	610,200	601,742	8,458
Clyde	395,492	382,060	13,432
Jonathan Creek	436,984	435,177	1,807
South Waynesville	500	357	143
Big Cove (Waynesville)	250	126	124
Fines Creek	204,242	196,113	8,129
Lake Logan-Cecil	144,348	140,563	3,785
Waynesville (combined)	191,302	191,254	48
Total expenditures	<u>3,640,083</u>	<u>3,565,202</u>	<u>74,881</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, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
NC Department of Crime Control and Public Safety--CHAF	\$ 5,405,402	\$ 3,731,716	\$ -	\$ 3,731,716	\$ (1,673,686)
NC Department of Environment and Natural Resources	154,300	150,049	-	150,049	(4,251)
Clean Water Management Trust Easement	350,066	120,301	96,522	216,823	(133,243)
Total revenues	<u>5,909,768</u>	<u>4,002,066</u>	<u>96,522</u>	<u>4,098,588</u>	<u>(1,811,180)</u>
Expenditures:					
Crises Housing Assistance Fund (CHAF):					
Housing rehab/construction	530,000	300,533	-	300,533	229,467
Renters' assistance	328,900	8,166	-	8,166	320,734
Homeowners' relocation assistance	1,020,000	580,060	-	580,060	439,940
Operating expenditures	254,120	253,164	-	253,164	956
Housing counselors	123,392	118,587	-	118,587	4,805
Replacement assistance	3,146,000	2,466,116	-	2,466,116	679,884
C/O data processing equipment	2,990	2,990	-	2,990	-
Total	<u>5,405,402</u>	<u>3,729,616</u>	<u>-</u>	<u>3,729,616</u>	<u>1,675,786</u>
Bethel Floodplains project:					
Professional services--legal/other soft costs	13,373	13,360	-	13,360	13
Land/ easement acquisition	140,927	136,689	-	136,689	4,238
Total	<u>154,300</u>	<u>150,049</u>	<u>-</u>	<u>150,049</u>	<u>4,251</u>
Clean Water Trust easement:					
Professional services	106,354	61,423	25,021	86,444	19,910
Property management	48,647	29,999	16,743	46,742	1,905
C/O land easement	195,065	28,879	54,758	83,637	111,428
Total	<u>350,066</u>	<u>120,301</u>	<u>96,522</u>	<u>216,823</u>	<u>133,243</u>
Total expenditures	<u>5,909,768</u>	<u>3,999,966</u>	<u>96,522</u>	<u>4,096,488</u>	<u>1,813,280</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,100</u>	<u>-</u>	<u>\$ 2,100</u>	<u>\$ 2,100</u>
Fund balance:					
Beginning of year, July 1			<u>2,100</u>		
End of year, June 30			<u>\$ 2,100</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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior	\$ 197,694	\$ 197,093	\$ (601)
Penalties and interest	10,000	1,136	(8,864)
Total revenues	<u>207,694</u>	<u>198,229</u>	<u>(9,465)</u>
Expenditures:			
Environmental protection:			
Water and sewer	<u>207,694</u>	<u>198,229</u>	<u>9,465</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance:			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

HAYWOOD COUNTY, NORTH CAROLINA

Lake Junaluska Sediment Removal Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 319,000	\$ -	\$ 69,267	\$ 69,267	\$ (249,733)
Expenditures:					
Environmental protection	319,000	-	69,267	69,267	249,733
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>		

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, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year and prior year	\$ 204,417	\$ 189,618	\$ (14,799)
Penalties and interest	-	578	578
Total revenues	<u>204,417</u>	<u>190,196</u>	<u>(14,221)</u>
Expenditures:			
Economic and physical development	<u>204,417</u>	<u>190,196</u>	<u>14,221</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, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Federal Grant: CDBG	\$ 400,000	\$ 47,711	\$ 342,391	\$ 390,102	\$ (9,898)
Miscellaneous revenue CDBG	15,937	15,937	-	15,937	-
Total revenues	<u>415,937</u>	<u>63,648</u>	<u>342,391</u>	<u>406,039</u>	<u>(9,898)</u>
Expenditures:					
Economic and physical development:					
Administration	40,000	8,625	31,375	40,000	-
Rehabilitation	249,320	32,136	207,625	239,761	9,559
Planning	7,000	6,700	-	6,700	300
Relocation assistance	92,016	-	92,016	92,016	-
Clearance activity	11,664	250	11,375	11,625	39
Other rehab--other repair	15,937	-	15,132	15,132	805
Total expenditures	<u>415,937</u>	<u>47,711</u>	<u>357,523</u>	<u>405,234</u>	<u>10,703</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,937</u>	<u>(15,132)</u>	<u>\$ 805</u>	<u>\$ 805</u>
Fund balance:					
Beginning of year, July 1			<u>15,937</u>		
End of year, June 30			<u>\$ 805</u>		

CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions

MAJOR FUNDS

The Community College Projects Fund accounts for the major capital projects at the community college that are funded by the article 46¼ cent sales tax revenues.

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

NON-MAJOR FUNDS

The Water and Sewer Lines Fund accounts for the County water and sewer projects.

The Solid Waste/Landfill Fund accounts for projects related to the White Oak Landfill construction and cell expansion.

The Public Schools ADM/Lottery Fund accounts for projects funded with ADM revenues and lottery proceeds appropriated to Haywood County.

The County Building Renovations Fund accounts for any large renovation projects for Haywood County that are not accounted for in a separate fund.

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings (loss)	\$ -	\$ -	\$ 14,442	\$ 14,442	\$ 14,442
Expenditures:					
HCC--Administration building:					
Professional services:					
Architectural and engineering	215,870	-	50,335	50,335	165,535
Other	20,399	-	20,399	20,399	-
Buildings, structures and improvements	1,560,069	-	1,483,198	1,483,198	76,871
Contingency	21,028	-	-	-	21,028
Total	1,817,366	-	1,553,932	1,553,932	263,434
HCC--Creative Arts Building					
Professional services:					
Architectural and engineering	985,000	-	781,918	781,918	203,082
Financing costs	67,000	-	63,065	63,065	3,935
Miscellaneous	219,735	-	68,131	68,131	151,604
Buildings, structures and improvements	8,397,057	-	1,498,713	1,498,713	6,898,344
Contingency	627,375	-	-	-	627,375
Total	10,296,167	-	2,411,827	2,411,827	7,884,340
HCC--General Education building 300 renovation					
Professional services:					
Architectural and engineering	25,000	-	24,364	24,364	636
Buildings, structures and improvements	139,034	-	139,034	139,034	-
Contingency	7,465	-	-	-	7,465
Total	171,499	-	163,398	163,398	8,101
HCC--Waterline project					
Professional services:					
Architectural and engineering	32,300	-	30,096	30,096	2,204
Buildings, structures and improvements	238,918	-	190,574	190,574	48,344
Contingency	11,950	-	-	-	11,950
Total	283,168	-	220,670	220,670	62,498

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Project contingency	\$ 349,166	\$ -	\$ -	\$ -	\$ 349,166
Total expenditures	12,917,366	-	4,349,827	4,349,827	8,567,539
Revenues under expenditures	(12,917,366)	-	(4,335,385)	(4,335,385)	8,581,981
Other financing sources (uses):					
Proceeds from Installment loans	11,100,000	-	11,100,000	11,100,000	-
Tranfers from other funds	1,817,366	-	1,817,366	1,817,366	-
Total other financing sources (uses)	12,917,366	-	12,917,366	12,917,366	-
Net change in fund balance	\$ -	\$ -	8,581,981	\$ 8,581,981	\$ 8,581,981
Fund balance:					
Beginning of year, July 1			-		
End of year, June 30			\$ 8,581,981		

HAYWOOD COUNTY, NORTH CAROLINAMajor Fund--Capital Project Fund--Master Facilities Projects
Schedule of Revenues, Expenditures and Changes in Fund Balance--Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 443,912	\$ 444,676	\$ -	\$ 444,676	\$ 764
Sales tax refunds	18,323	18,323	-	18,323	-
Total revenues	<u>462,235</u>	<u>462,999</u>	<u>-</u>	<u>462,999</u>	<u>764</u>
Expenditures:					
Historic Courthouse Renovation:					
Professional services--architectural	312,884	312,884	-	312,884	-
Professional services--other	322,566	269,646	44,689	314,335	8,231
Miscellaneous charges	58,863	58,743	-	58,743	120
Arbitration award payment	-	-	713,058	713,058	(713,058)
Bank charges and fees	38,646	38,646	-	38,646	-
Capital outlay--Furniture and equipment	391,200	387,773	-	387,773	3,427
Capital outlay--Buildings--reconstruction	7,120,405	6,931,752	44,678	6,976,430	143,975
Total	<u>8,244,564</u>	<u>7,999,444</u>	<u>802,425</u>	<u>8,801,869</u>	<u>(557,305)</u>
Other project:					
Contribution to Haywood Community					
College	<u>1,821,500</u>	<u>1,821,500</u>	<u>-</u>	<u>1,821,500</u>	<u>-</u>
DSS & Health & Permitting - adaptive reuse:					
Professional services--architectural	319,000	-	283,355	283,355	35,645
Professional services--other	15,029	-	15,029	15,029	-
Capital outlay--Furniture and equipment	477,179	-	-	-	477,179
Capital outlay--Buildings--reconstruction	6,600,000	-	6,600,000	6,600,000	-
Capital outlay--reconstruction	5,404,012	-	2,536,524	2,536,524	2,867,488
Total	<u>12,815,220</u>	<u>-</u>	<u>9,434,908</u>	<u>9,434,908</u>	<u>3,380,312</u>
Total expenditures	<u>22,881,284</u>	<u>9,820,944</u>	<u>10,237,333</u>	<u>20,058,277</u>	<u>2,823,007</u>
Revenues under expenditures	<u>(22,419,049)</u>	<u>(9,357,945)</u>	<u>(10,237,333)</u>	<u>(19,595,278)</u>	<u>2,823,771</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Other financing sources (uses):					
Proceeds from installment loan	\$ 22,400,000	\$ 9,900,000	\$ 9,446,400	\$ 19,346,400	\$ (3,053,600)
Transfers from other funds	315,220	-	870,997	870,997	555,777
Transfers to other funds	(296,171)	(296,171)	-	(296,171)	-
Total other financing sources (uses)	<u>22,419,049</u>	<u>9,603,829</u>	<u>10,317,397</u>	<u>19,921,226</u>	<u>(2,497,823)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 245,884</u>	80,064	<u>\$ 325,948</u>	<u>\$ 325,948</u>
Fund balance:					
Beginning of year, July 1			<u>245,884</u>		
End of year, June 30			<u>\$ 325,948</u>		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Sales and services	\$ -	\$ 56,669	\$ -	\$ 56,669	\$ 56,669
Net change in fund balance	<u>\$ -</u>	<u>\$ 56,669</u>	-	<u>\$ 56,669</u>	<u>\$ 56,669</u>
Fund balance:					
Beginning of year, July 1			<u>56,669</u>		
End of year, June 30			<u>\$ 56,669</u>		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,000,000	\$ -	118,545	\$ 118,545	(881,455)
Investment earnings	-	19,608	2,367	21,975	21,975
Total revenues	<u>1,000,000</u>	<u>19,608</u>	<u>120,912</u>	<u>140,520</u>	<u>(859,480)</u>
Expenditures:					
Landfill expansion--cell three:					
Professional services--legal/financing	41,000	26,474	-	26,474	14,526
Professional services--engineering	371,481	331,495	8,552	340,047	31,434
Professional services--monitoring wells	46,219	3,708	42,511	46,219	-
Equipment-truck wash	152,000	-	-	-	152,000
Equipment-electrical	37,571	30,800	-	30,800	6,771
Other structures	3,749,028	3,603,183	145,845	3,749,028	-
Construction contingency	92,684	-	-	-	92,684
Contingency	10,017	-	-	-	10,017
Total	<u>4,500,000</u>	<u>3,995,660</u>	<u>196,908</u>	<u>4,192,568</u>	<u>307,432</u>
Landfill gas collection project (phase 1):					
Professional services	107,494	-	107,198	107,198	296
Land clearing	27,130	-	27,130	27,130	-
Easement acquisition	6,000	-	6,000	6,000	-
Total	<u>140,624</u>	<u>-</u>	<u>140,328</u>	<u>140,328</u>	<u>296</u>
Landfill gas flaring project (phases 2 & 3):					
Professional services	178,200	-	82,941	82,941	95,259
Gas collection/flaring	838,259	-	36,578	36,578	801,681
Power generator	77,061	-	-	-	77,061
Contingency	81,890	-	-	-	81,890
Total	<u>1,175,410</u>	<u>-</u>	<u>119,519</u>	<u>119,519</u>	<u>1,055,891</u>
Total expenditures	<u>5,816,034</u>	<u>3,995,660</u>	<u>456,755</u>	<u>4,452,415</u>	<u>1,363,619</u>
Revenues under expenditures	<u>(4,816,034)</u>	<u>(3,976,052)</u>	<u>(335,843)</u>	<u>(4,311,895)</u>	<u>(2,223,099)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Capital Project Fund--Solid Waste/Landfill

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

From Inception and for the Fiscal Year Ended June 30, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Other financing sources:					
Proceeds from note payable	\$ 4,500,000	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -
Transfer from other funds	316,034	130,080	185,954	316,034	-
Excess from completed projects	-	151,950	-	151,950	151,950
Total other financing sources	<u>4,816,034</u>	<u>4,782,030</u>	<u>185,954</u>	<u>4,967,984</u>	<u>151,950</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 805,978</u>	<u>(149,889)</u>	<u>\$ 656,089</u>	<u>\$ 656,089</u>
Fund balance:					
Beginning of year, July 1			<u>805,978</u>		
End of year, June 30			<u>\$ 656,089</u>		

HAYWOOD COUNTY, NORTH CAROLINA

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

From Inception and for the Fiscal Year Ended June 30, 2011

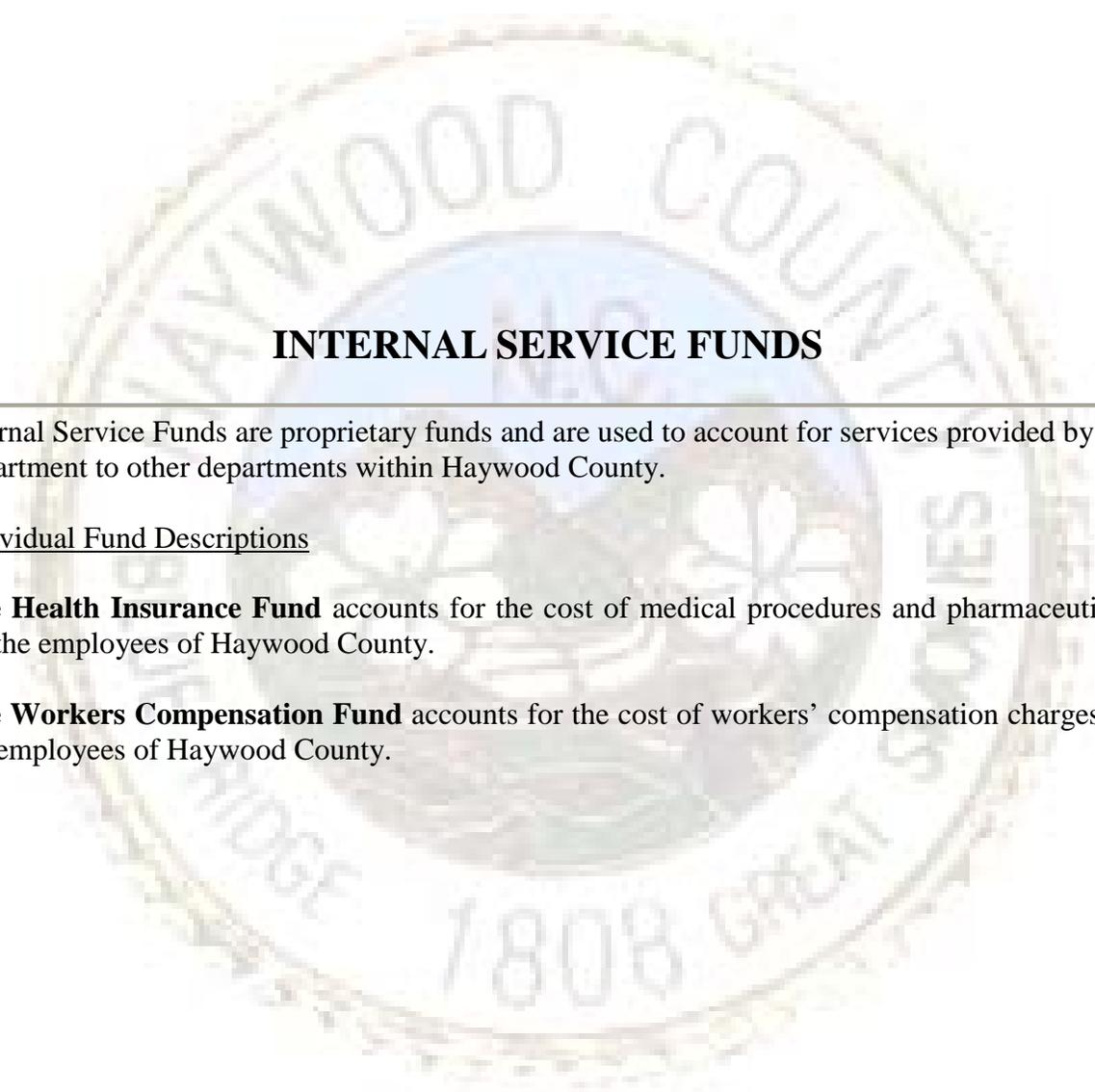
	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental	\$ 1,273,838	\$ -	\$ 788,347	\$ 788,347	\$ (485,491)
Expenditures:					
Building projects:					
Public School roofing projects:					
North Canton Elementary	56,400	-	39,344	39,344	17,056
Canton Middle School	189,000	-	119,318	119,318	69,682
Meadowbrook	198,740	-	84,006	84,006	114,734
Total	<u>444,140</u>	<u>-</u>	<u>242,668</u>	<u>242,668</u>	<u>201,472</u>
North Canton Elementary School roof:					
Professional services	9,450	-	-	-	9,450
Repair and maintenance	211,550	-	168,359	168,359	43,191
Total	<u>221,000</u>	<u>-</u>	<u>168,359</u>	<u>168,359</u>	<u>52,641</u>
Public Schools building projects:					
Building costs	238,327	206,032	32,295	238,327	-
Central Haywood High School:					
Capital outlay--buildings	300,000	-	300,000	300,000	-
Canton Middle School entrance repair:					
Repair and maintenance	109,400	-	9,400	9,400	100,000
Lottery bleacher/ADA ramp repairs:					
Repair and maintenance	<u>440,583</u>	<u>-</u>	<u>245,677</u>	<u>245,677</u>	<u>194,906</u>
Total expenditures	<u>1,753,450</u>	<u>206,032</u>	<u>998,399</u>	<u>1,204,431</u>	<u>549,019</u>
Revenues under expenditures	<u>(479,612)</u>	<u>(206,032)</u>	<u>(210,052)</u>	<u>(416,084)</u>	<u>63,528</u>
Other financing sources (uses):					
Transfer from other funds	<u>479,612</u>	<u>344,827</u>	<u>134,785</u>	<u>479,612</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 138,795</u>	<u>(75,267)</u>	<u>\$ 63,528</u>	<u>\$ 63,528</u>
Fund balance:					
Beginning of year, July 1			<u>138,795</u>		
End of year, June 30			<u>\$ 63,528</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, 2011

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 47,413	\$ 10,000	\$ 34,157	\$ 44,157	\$ (3,256)
Contributions	1,500	-	1,500	1,500	-
Miscellaneous	-	-	81,651	81,651	81,651
Total revenue	<u>48,913</u>	<u>10,000</u>	<u>117,308</u>	<u>127,308</u>	<u>78,395</u>
Expenditures:					
County buildings:					
Voting supplies	13,943	-	11,792	11,792	2,151
Building upgrades	12,000	-	11,020	11,020	980
Site development	11,470	-	11,345	11,345	125
Total	<u>37,413</u>	<u>-</u>	<u>34,157</u>	<u>34,157</u>	<u>3,256</u>
Recreation Park project:					
Professional services--architectural and engineering	<u>15,308</u>	<u>14,950</u>	<u>-</u>	<u>14,950</u>	<u>358</u>
Fairgrounds project:					
Miscellaneous costs	9,878	-	-	-	9,878
Financing costs	5,122	-	5,122	5,122	-
Buildings, structures and improvements	<u>416,500</u>	<u>-</u>	<u>416,500</u>	<u>416,500</u>	<u>-</u>
Total	<u>431,500</u>	<u>-</u>	<u>421,622</u>	<u>421,622</u>	<u>9,878</u>
Total expenditures	<u>484,221</u>	<u>14,950</u>	<u>455,779</u>	<u>470,729</u>	<u>13,492</u>
Revenues under expenditures	<u>(435,308)</u>	<u>(4,950)</u>	<u>(338,471)</u>	<u>(343,421)</u>	<u>64,903</u>
Other financing sources (uses):					
Transfers from other funds:					
General	430,000	6,000	430,000	436,000	6,000
Capital reserve	<u>5,308</u>	<u>5,308</u>	<u>-</u>	<u>5,308</u>	<u>-</u>
Total other financing sources	<u>435,308</u>	<u>11,308</u>	<u>430,000</u>	<u>441,308</u>	<u>6,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,358</u>	<u>91,529</u>	<u>\$ 97,887</u>	<u>\$ 97,887</u>
Fund balance:					
Beginning of year, July 1			<u>6,358</u>		
End of year, June 30			<u>\$ 97,887</u>		

The seal of Haywood County, Oregon, is a circular emblem. It features a central figure of a Native American man in traditional dress, holding a bow and arrow. The seal is surrounded by the text "HAYWOOD COUNTY OREGON" at the top and "1808 GREAT SMOKE MOUNTAIN" at the bottom. The seal is rendered in a light, faded color in the background of the page.

INTERNAL SERVICE FUNDS

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

Individual Fund Descriptions

The Health Insurance Fund accounts for the cost of medical procedures and pharmaceuticals for the employees of Haywood County.

The Workers Compensation Fund accounts for the cost of workers' compensation charges for the employees of Haywood County.

HAYWOOD COUNTY, NORTH CAROLINACombining Statement of Net Assets
Internal Service Funds

June 30, 2011

	Internal Service Fund-- Health Insurance	Internal Service Fund-- Workers' Comp	Total Internal Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 231,232	\$ 785,691	\$ 1,016,923
Prepays	-	1,000	1,000
Total assets	<u>231,232</u>	<u>786,691</u>	<u>1,017,923</u>
Liabilities:			
Current liabilities:			
Accrued expenses	<u>223,199</u>	<u>2,180</u>	<u>225,379</u>
Net assets:			
Unrestricted	<u>\$ 8,033</u>	<u>\$ 784,511</u>	<u>\$ 792,544</u>

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

For the Fiscal Year Ended June 30, 2011

	Internal Service Fund-- Health Insurance	Internal Service Fund-- Workers' Comp	Total Internal Service Funds
Revenues:			
Internal charges for services	\$ 4,080,773	\$ 534,284	\$ 4,615,057
External charges for services	532,915	-	532,915
Cobra subsidy	13,523	-	13,523
Total revenues	<u>4,627,211</u>	<u>534,284</u>	<u>5,161,495</u>
Expenses:			
Claims and administration	<u>4,983,765</u>	<u>324,793</u>	<u>5,308,558</u>
Operating income (loss)	<u>(356,554)</u>	<u>209,491</u>	<u>(147,063)</u>
Other financing sources:			
Transfers to other funds	-	(300,000)	(300,000)
Transfers from other funds	300,000	-	300,000
Total other financing sources	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>
Change in net assets	(56,554)	(90,509)	(147,063)
Net assets:			
Beginning of year, July 1	<u>64,587</u>	<u>875,020</u>	<u>939,607</u>
End of year, June 30	<u>\$ 8,033</u>	<u>\$ 784,511</u>	<u>\$ 792,544</u>

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

For The Fiscal Year Ended June 30, 2011

	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	\$ 4,627,211	\$ 534,284	\$ 5,161,495
Payments to providers	<u>(4,705,764)</u>	<u>(337,680)</u>	<u>(5,043,444)</u>
Net cash provided (used) by operating activities	<u>(78,553)</u>	<u>196,604</u>	<u>118,051</u>
Cash flows from non-capital financing activities			
Transfers to other funds	-	(300,000)	(300,000)
Transfers from other funds	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Net cash provided (used) by non-capital financing activities	<u>300,000</u>	<u>(300,000)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	221,447	(103,396)	118,051
Cash and cash equivalents, July 1	<u>9,785</u>	<u>889,087</u>	<u>898,872</u>
Cash and cash equivalents, June 30	<u>\$ 231,232</u>	<u>\$ 785,691</u>	<u>\$ 1,016,923</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (356,554)	\$ 209,491	\$ (147,063)
Changes in assets and liabilities:			
Decrease in prepaids	54,802	-	54,802
Increase (decrease) in accrued expenses	<u>223,199</u>	<u>(12,887)</u>	<u>210,312</u>
Net cash provided (used) by operating activities	<u>\$ (78,553)</u>	<u>\$ 196,604</u>	<u>\$ 118,051</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating revenues:			
Charges for services	\$ 4,634,500	\$ 4,627,211	\$ (7,289)
Operating expenses:			
Claims and administration	<u>4,999,000</u>	<u>4,983,765</u>	<u>15,235</u>
Operating loss	<u>(364,500)</u>	<u>(356,554)</u>	<u>7,946</u>
Other financing sources:			
Transfers to other funds	300,000	300,000	-
Fund balance appropriated	<u>64,500</u>	<u>-</u>	<u>(64,500)</u>
Total other financing sources	<u>364,500</u>	<u>300,000</u>	<u>(64,500)</u>
Revenues and other financing sources over expenses	<u>\$ -</u>	<u>\$ (56,554)</u>	<u>\$ 72,446</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating revenues:			
Charges for services	\$ 834,300	\$ 534,284	\$ (300,016)
Operating expenses:			
Claims and administration	<u>534,300</u>	<u>324,793</u>	<u>209,507</u>
Operating income	300,000	209,491	(90,509)
Other financing sources:			
Transfers to other funds	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Revenues and other financing sources over expenses	<u>\$ -</u>	<u>\$ (90,509)</u>	<u>\$ (90,509)</u>

AGENCY FUNDS

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

Individual Fund Descriptions

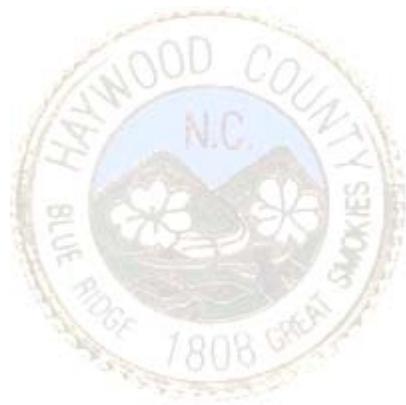
The Social Services Fund accounts for assets held by the County as agent for individuals served by this department.

The Fines and Forfeitures Fund accounts for various legal fines and forfeitures that the County is required to remit to the Haywood County Board of Education.

The Motor Vehicle Tax Fund accounts for the proceeds of the motor vehicle taxes that are collected by the County on behalf of the municipalities within the County.

The NC DMV Interest Fund accounts for fees and interest for the Department of Motor Vehicles.

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



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HAYWOOD COUNTY, NORTH CAROLINA

Agency Funds
 Combining Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 187,153	\$ 766,599	\$ 752,579	\$ 201,173
Liabilities:				
Amounts held for others	\$ 187,153	\$ 766,599	\$ 752,579	\$ 201,173
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 382,636	\$ 382,636	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 382,636	\$ 382,636	\$ -
Motor Vehicle Tax:				
Assets:				
Cash and cash equivalents	\$ 76,371	\$ 450,026	\$ 452,950	\$ 73,447
Liabilities:				
Due to other governments	\$ 76,371	\$ 450,026	\$ 452,950	\$ 73,447
NC DMV Interest:				
Assets:				
Cash and cash equivalents	\$ 2,907	\$ 25,957	\$ 26,266	\$ 2,598
Liabilities:				
Due to other governments	\$ 2,907	\$ 25,957	\$ 26,266	\$ 2,598

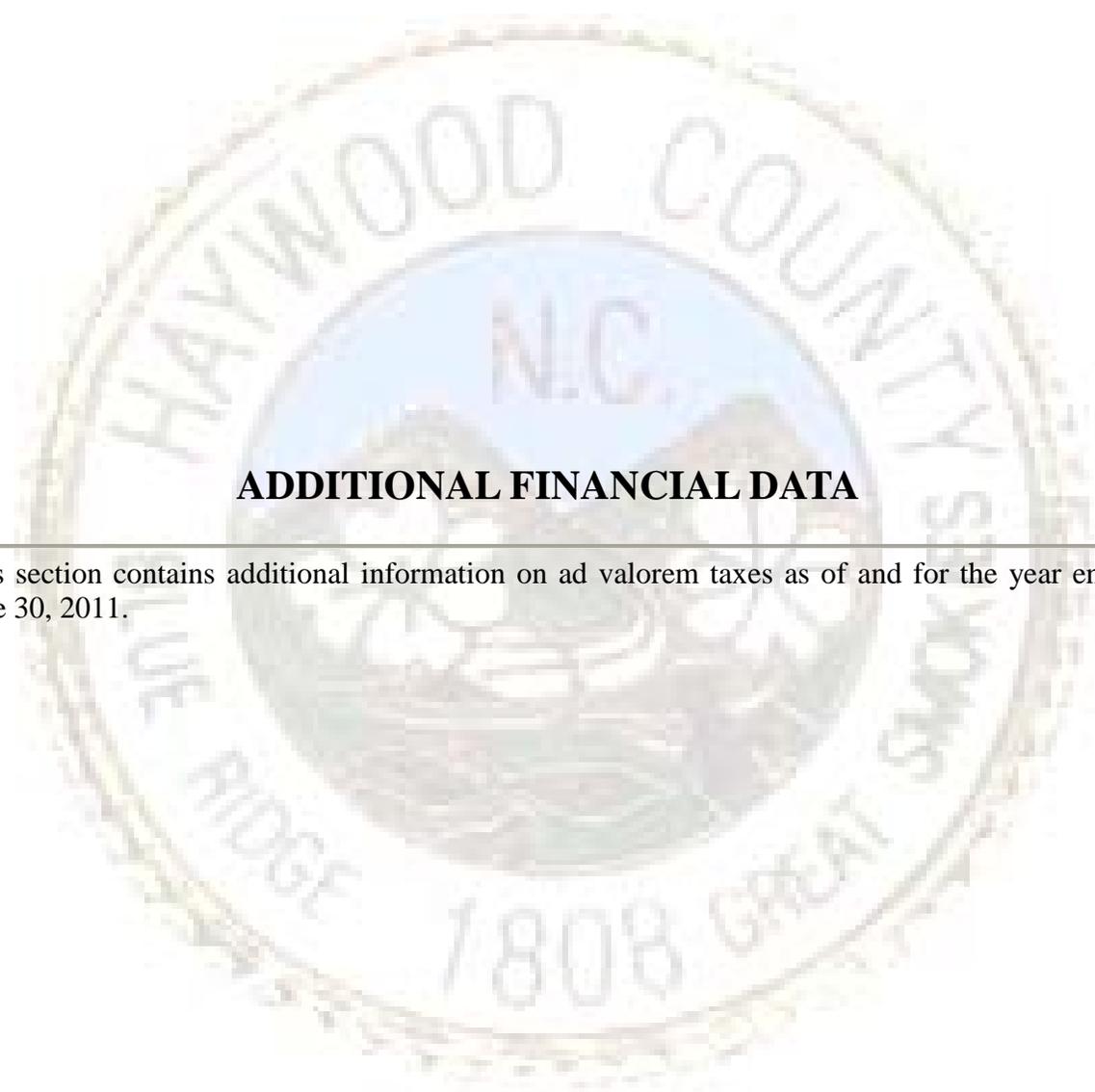
(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

For the Fiscal Year Ended June 30, 2011

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
NC Deed of Trust Fee Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 11,750	\$ 11,750	\$ -
Liabilities:				
Due to other governments	\$ -	\$ 11,750	\$ 11,750	\$ -
Totals--All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 266,431	\$ 1,636,968	\$ 1,626,181	\$ 277,218
Liabilities:				
Amounts held for others	\$ 187,153	\$ 766,599	\$ 752,579	\$ 201,173
Due to other governments	79,278	870,369	873,602	76,045
Total liabilities	\$ 266,431	\$ 1,636,968	\$ 1,626,181	\$ 277,218



ADDITIONAL FINANCIAL DATA

This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2011.

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

For the Fiscal Year Ended June 30, 2011

	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	\$ 7,237,717,121	0.514%	\$ 37,201,866	\$ 34,972,977	\$ 2,228,889
Penalties	-		36,827	36,827	-
Total	<u>7,237,717,121</u>		<u>37,238,693</u>	<u>35,009,804</u>	<u>2,228,889</u>
Discoveries:					
Current year taxes	11,118,872	0.514%	57,151	57,151	-
Prior year taxes	-		146,353	146,353	-
Penalties	-		36,978	36,978	-
Total	<u>11,118,872</u>		<u>240,482</u>	<u>240,482</u>	<u>-</u>
Abatements	<u>(18,160,700)</u>	0.514%	<u>(93,346)</u>	<u>(67,733)</u>	<u>(25,613)</u>
Total property valuation	<u>\$ 7,230,675,293</u>				
Net levy			37,385,829	35,182,553	2,203,276
Uncollected taxes at June 30, 2011			<u>1,445,937</u>	<u>1,125,121</u>	<u>320,816</u>
Current year's taxes collected			<u>\$ 35,939,892</u>	<u>\$ 34,057,432</u>	<u>\$ 1,882,460</u>
Current levy collection percentage			<u>96.13%</u>	<u>96.80%</u>	<u>85.44%</u>

HAYWOOD COUNTY, NORTH CAROLINA

General Fund
Schedule of Ad Valorem Taxes Receivable

June 30, 2011

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Ending Balance</u>
2010-2011	\$ -	\$ 37,385,829	\$ 35,939,892	\$ 1,445,937
2009-2010	1,542,834	-	1,087,718	455,116
2008-2009	505,360	-	254,285	251,075
2007-2008	213,210	-	64,678	148,532
2006-2007	162,411	-	33,874	128,537
2005-2006	144,358	-	17,247	127,111
2004-2005	120,742	-	14,508	106,234
2003-2004	108,425	-	5,405	103,020
2002-2003	113,491	-	6,888	106,603
2001-2002	95,535	-	2,416	93,119
2000-2001	122,911	-	122,911	-
	<u>\$ 3,129,277</u>	<u>\$ 37,385,829</u>	<u>\$ 37,549,822</u>	2,965,284
Less: allowance for uncollectible accounts:				
General Fund				<u>(608,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 2,357,284</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes--General Fund				\$ 37,720,211
Reconciling items:				
Interest collected				(285,951)
2000 - 2001 write-off per statute of limitations				121,502
Other				(5,940)
Total reconciling items				<u>(170,389)</u>
Total collections and credits				<u>\$ 37,549,822</u>

HAYWOOD COUNTY, NORTH CAROLINA

Secondary Market Disclosures

For the Fiscal Year Ended June 30, 2011

Secondary Market Disclosures:

Assessed valuation:		
Assessment ratio ¹		100 %
Real property	\$ 6,252,182,637	
Personal property	796,614,829	
Public service companies ²	181,877,827	
Total assessed valuation	7,230,675,293	
Tax rate per \$100		0.514
Levy (includes discoveries, releases and abatements) ³	\$ 37,385,829	

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

Fire protection districts	1.06
Road service districts	1.12
Sanitary district	0.06
Total	2.24

¹ Percentage of appraised value has been established by Statute.

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

³ The levy includes interest and penalties.

STATISTICAL SECTION

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

HAYWOOD COUNTY, NORTH CAROLINA

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

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

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

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

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

Note: Haywood County implemented GASB 34 for the fiscal year ended June 30, 2003.

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

HAYWOOD COUNTY, NORTH CAROLINA

Net Assets by Component
Last Nine Fiscal Years⁽¹⁾
(accrual basis of accounting)

	2011	2010	2009
Governmental activities:			
Invested in capital assets, net of related debt	\$ 34,025,761	\$ 31,810,284	\$ 30,453,109
Restricted	17,985,523	9,558,867	8,289,420
Unrestricted	(32,921,336)	(18,601,383)	(16,907,846)
 Total governmental activities net assets	 \$ 19,089,948	 \$ 22,767,768	 \$ 21,834,683

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

⁽¹⁾Net asset information has been restated with the implementation of GASB Statement No. 54.

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

HAYWOOD COUNTY, NORTH CAROLINA

Fund Balances, Governmental Funds
Last Ten Fiscal Years⁽¹⁾
(modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:				
Non-spendable	\$ 105,379	\$ 342,106	\$ 153,595	\$ 126,577
Restricted	5,230,310	5,604,977	5,426,791	6,076,223
Committed	922,369	2,087,408	1,184,146	-
Assigned	693,787	1,782,489	2,450,872	5,359,323
Unassigned	6,616,772	5,326,401	3,849,538	996,758
Total General Fund	<u>13,568,617</u>	<u>15,143,381</u>	<u>13,064,942</u>	<u>12,558,881</u>
All other governmental funds:				
Restricted	7,178,829	234,078	86,859	51,353
Committed	6,190,208	4,398,888	5,197,605	9,653,570
Total all other governmental funds	<u>13,369,037</u>	<u>4,632,966</u>	<u>5,284,464</u>	<u>9,704,923</u>
Total fund balance	<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>

⁽¹⁾Fund balance information has been restated with the implementation of GASB Statement No. 54.

2007	2006	2005	2004	2003	2002
\$ 151,397	\$ 80,247	\$ 100,164	\$ 122,464	\$ 33,058	\$ 11,672
7,056,953	6,205,209	5,281,976	4,951,053	4,798,973	4,052,355
-	-	-	-	-	-
6,201,618	4,951,041	4,952,836	4,307,493	2,497,856	109,365
1,117,634	2,365,074	3,886,345	4,943,761	4,380,264	5,124,700
<u>14,527,602</u>	<u>13,601,571</u>	<u>14,221,321</u>	<u>14,324,771</u>	<u>11,710,151</u>	<u>9,298,092</u>
92,511	87,537	207,375	311,320	45,659	71,898
<u>12,006,276</u>	<u>16,394,468</u>	<u>9,780,800</u>	<u>23,528,896</u>	<u>23,077,168</u>	<u>5,367,999</u>
<u>12,098,787</u>	<u>16,482,005</u>	<u>9,988,175</u>	<u>23,840,216</u>	<u>23,122,827</u>	<u>5,439,897</u>
<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>	<u>\$ 24,209,496</u>	<u>\$ 38,164,987</u>	<u>\$ 34,832,978</u>	<u>\$ 14,737,989</u>

HAYWOOD COUNTY, NORTH CAROLINA

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:				
Ad valorem taxes	\$ 41,673,838	\$ 40,835,842	\$ 38,246,641	\$ 37,341,541
Local option sales taxes	9,886,615	10,471,553	12,125,586	13,862,533
Other taxes and licenses	2,766,516	2,803,761	2,292,752	4,828,076
Unrestricted intergovernmental	301,405	296,970	420,508	186,409
Restricted intergovernmental	13,861,876	12,217,455	13,023,512	12,297,790
Permits and fees	3,667,014	2,841,608	3,345,578	522,945
Sales and services	5,189,552	4,964,417	5,115,187	5,050,041
Investment earnings	89,457	76,439	305,960	1,053,916
Miscellaneous	232,679	212,480	641,333	1,004,000
Total revenues	<u>77,668,952</u>	<u>74,720,525</u>	<u>75,517,057</u>	<u>76,147,251</u>
Expenditures:				
Current:				
General government	5,530,293	4,559,550	5,073,435	4,934,640
Central services	2,643,017	2,499,061	2,327,613	2,146,925
Public safety	15,845,398	15,412,448	15,058,395	15,031,455
Transportation	294,722	292,770	284,233	259,896
Environmental protection	4,282,103	4,584,173	3,964,429	3,614,960
Economic and physical development	3,115,104	2,387,145	2,420,865	5,026,356
Human services	16,037,412	16,568,534	19,031,989	19,912,019
Culture and recreation	1,578,155	1,597,366	1,735,876	912,665
Intergovernmental:				
Education	22,278,017	17,562,877	19,139,292	24,520,469
Capital outlay	11,580,962	5,377,218	4,669,773	6,178,600
Debt service:				
Principal	5,702,536	4,423,360	4,457,487	3,955,964
Interest	2,610,060	2,535,736	2,567,745	2,384,555
Bond issuance costs	-	-	-	153,085
Total expenditures	<u>91,497,779</u>	<u>77,800,238</u>	<u>80,731,132</u>	<u>89,031,589</u>
Excess (deficiency) of revenues over expenditures	<u>(13,828,827)</u>	<u>(3,079,713)</u>	<u>(5,214,075)</u>	<u>(12,884,338)</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 35,790,491	\$ 33,182,820	\$ 31,735,034	\$ 31,095,860	\$ 29,940,776	\$ 22,179,519
13,332,882	12,597,709	11,678,096	11,714,322	9,316,612	8,395,679
4,556,551	4,321,866	3,908,701	3,714,225	3,496,286	3,609,355
188,063	194,812	191,725	187,441	183,149	1,171,569
20,260,573	18,185,311	15,330,861	10,321,297	9,763,395	12,355,394
756,169	471,015	351,454	410,600	406,516	427,886
4,239,314	4,076,009	4,110,317	3,062,294	3,545,485	2,642,029
1,486,052	976,863	599,171	370,191	296,692	355,316
498,061	610,897	588,309	378,993	1,289,459	779,544
<u>81,108,156</u>	<u>74,617,302</u>	<u>68,493,668</u>	<u>61,255,223</u>	<u>58,238,370</u>	<u>51,916,291</u>
2,971,055	4,594,140	3,975,169	3,713,711	3,541,775	3,349,414
2,020,639	1,726,140	1,444,474	1,463,974	1,183,890	1,296,847
13,650,977	13,050,720	10,934,771	9,893,161	8,765,051	8,059,220
223,334	142,609	151,208	213,441	218,802	133,586
3,225,444	6,712,915	3,576,632	2,498,147	2,768,246	2,444,159
9,918,856	2,680,521	4,583,665	2,404,651	2,745,429	1,888,494
19,301,078	17,960,083	16,584,243	15,417,996	14,569,431	14,272,574
1,977,203	1,903,382	1,763,524	1,632,926	1,545,995	1,672,065
27,993,801	21,222,128	15,403,890	14,193,940	13,650,156	12,306,941
9,958,195	9,836,752	17,033,386	14,341,485	7,224,923	5,090,521
2,503,127	5,824,825	5,660,959	3,632,883	3,769,107	3,358,980
2,222,189	1,454,371	1,651,984	1,382,164	900,965	798,516
-	177,462	2,580	218,081	-	-
<u>95,965,898</u>	<u>87,286,048</u>	<u>82,925,015</u>	<u>71,006,560</u>	<u>60,883,770</u>	<u>54,671,317</u>
<u>(14,857,742)</u>	<u>(12,668,746)</u>	<u>(14,431,347)</u>	<u>(9,751,337)</u>	<u>(2,645,400)</u>	<u>(2,755,026)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

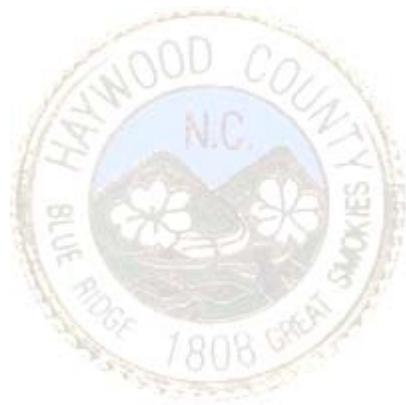
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years, Continued (modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Other financing sources (uses):				
Transfers from other funds	\$ 3,439,102	\$ 1,360,866	\$ 538,542	\$ 5,124,492
Transfers to other funds	(3,439,102)	(1,360,866)	(538,542)	(5,124,492)
General obligation bonds issued	-	-	-	7,000,000
Premium on general obligation bonds issued	-	-	-	99,872
Refunding certificates of participation issued	-	-	-	-
Premium on certificates of participation issued	-	-	-	-
Certificates of participation issued				
Notes payable issued	20,896,400	4,500,000	1,269,100	1,400,000
Current refunding of certificates of participation issued	-	-	-	-
Sale of capital assets	93,734	6,654	30,577	21,881
Total other financing sources and uses	<u>20,990,134</u>	<u>4,506,654</u>	<u>1,299,677</u>	<u>8,521,753</u>
Net change in fund balance	7,161,307	1,426,941	(3,914,398)	(4,362,585)
Fund balances-beginning	<u>19,776,347</u>	<u>18,349,406</u>	<u>22,263,804</u>	<u>26,626,389</u>
Fund balances-ending	<u>\$ 26,937,654</u>	<u>\$ 19,776,347</u>	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>
Debt service as a percentage of non-capital expenditures	10.40%	9.61%	9.24%	7.65%

For year 2002, debt service as percentage of non-capital expenditures is not reduced by functional capital outlay as this was before GASB 34 and not available.

Expenditures for fiscal years 2009 - 2012 have been adjusted to be comparative to fiscal years 2010 - 2011.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 3,182,847	\$ 3,299,004	\$ 2,232,682	\$ 2,294,839	\$ 1,973,559	\$ 920,203
(3,182,847)	(3,299,004)	(2,274,682)	(2,294,839)	(1,973,559)	(1,510,203)
-	18,000,000	-	12,000,000	-	-
-	363,359	-	148,482	-	-
-	-	-	-	22,705,000	-
-	-	-	-	956,485	-
-	-	-	-	22,000,000	-
11,400,000	-	263,500	924,160	300,000	236,516
-	-	-	-	(23,250,465)	-
555	179,467	254,356	10,704	29,369	-
<u>11,400,555</u>	<u>18,542,826</u>	<u>475,856</u>	<u>13,083,346</u>	<u>22,740,389</u>	<u>(353,484)</u>
(3,457,187)	5,874,080	(13,955,491)	3,332,009	20,094,989	(3,108,510)
<u>30,083,576</u>	<u>24,209,496</u>	<u>38,164,987</u>	<u>34,832,978</u>	<u>14,737,989</u>	<u>17,846,499</u>
<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>	<u>\$ 24,209,496</u>	<u>\$ 38,164,987</u>	<u>\$ 34,832,978</u>	<u>\$ 14,737,989</u>
5.39%	9.40%	11.45%	8.85%	8.70%	8.39%

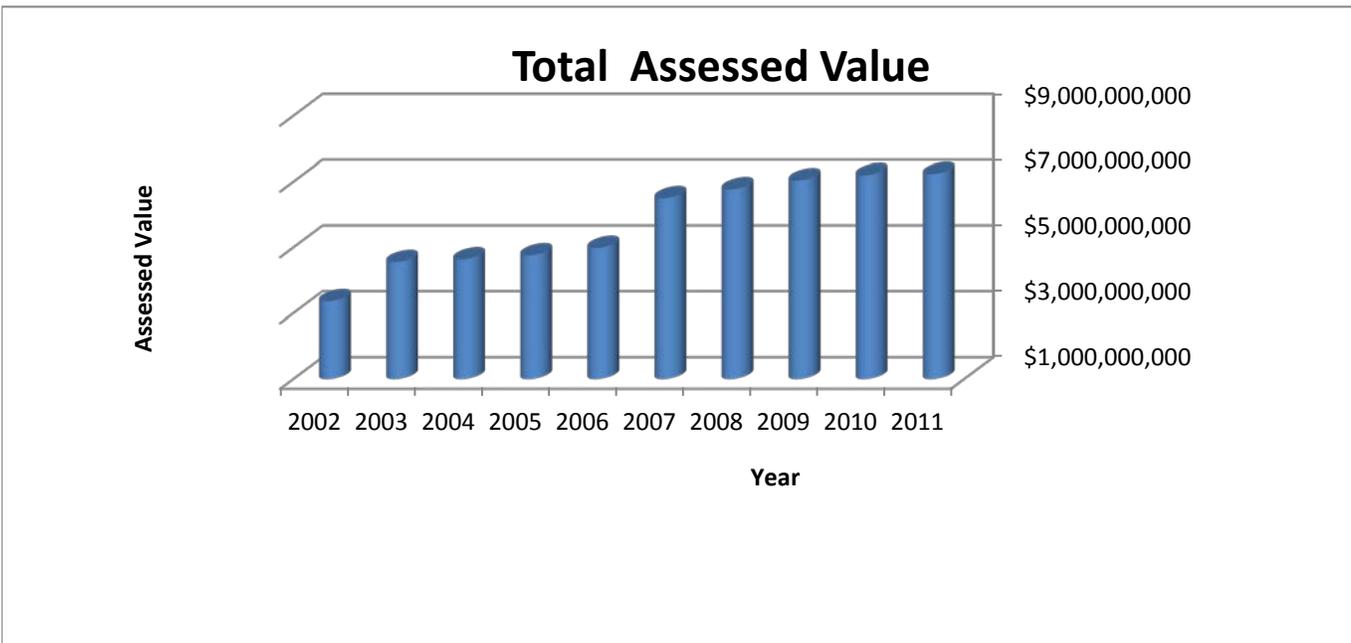


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HAYWOOD COUNTY, NORTH CAROLINA

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)
2011	\$6,252,182,637	\$ 796,614,829	\$ 181,877,827	\$7,230,675,293	0.514
2010	6,165,577,637	880,864,853	149,986,629	7,196,429,119	0.514
2009	6,023,547,541	876,803,849	139,166,644	7,039,518,034	0.497
2008	5,752,818,363	887,033,884	131,645,395	6,771,497,642	0.497
2007	5,479,463,273	889,422,387	130,444,521	6,499,330,181	0.497
2006	4,026,322,277	838,585,620	117,949,317	4,982,857,214	0.610
2005	3,886,891,055	756,171,829	114,829,257	4,757,892,141	0.610
2004	3,766,999,899	753,011,266	113,470,278	4,633,481,443	0.610
2003	3,612,925,041	827,717,472	110,468,374	4,551,110,887	0.610
2002	2,491,902,646	790,836,385	77,840,262	3,360,579,293	0.610



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, 2006, for the 2007 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

<u>Fiscal Year Ended June 30,</u>	<u>Town of Waynesville</u>	<u>Town of Canton</u>	<u>Town of Clyde</u>	<u>Town of Maggie Valley</u>
2011	0.40	0.58	0.43	0.42
2010	0.40	0.58	0.43	0.42
2009	0.40	0.58	0.43	0.42
2008	0.40	0.58	0.43	0.42
2007	0.40	0.53	0.43	0.42
2006	0.43	0.61	0.45	0.42
2005	0.43	0.61	0.45	0.39
2004	0.43	0.61	0.45	0.39
2003	0.43	0.61	0.48	0.39
2002	0.45	0.61	0.45	0.45

Source: Haywood County Tax Assessor

* Did not begin collecting until FY2008

Municipal Service District (T.O.W)	Junaluska Sanitary District	Fire Districts 1 - 16	Road Districts 1-9	Haywood County	Total
0.23	0.06	0.965	1.115	0.514	4.714
0.23	0.06	0.960	1.115	0.514	4.709
0.23	0.06	1.080	1.175	0.497	4.872
0.23	0.06	1.065	1.095	0.497	4.777
*	0.06	1.060	1.075	0.497	4.472
*	0.06	1.090	1.120	0.610	4.790
*	0.06	1.065	1.070	0.610	4.685
*	0.06	1.065	1.050	0.610	4.665
*	0.06	1.055	1.050	0.610	4.685
*	0.06	1.090	1.190	0.610	4.910

HAYWOOD COUNTY, NORTH CAROLINA

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

Fiscal Year Ended June 30,	Fire District No. 1	Fire District No. 2	Fire District No. 3	Fire District No. 4	Fire District No. 5	Fire District No. 6	Fire District No. 7
2011	0.100	0.060	0.075	0.070	0.065	0.095	0.000
2010	0.100	0.060	0.065	0.070	0.065	0.100	0.000
2009	0.100	0.060	0.065	0.070	0.065	0.100	0.060
2008	0.100	0.055	0.065	0.070	0.065	0.090	0.060
2007	0.100	0.060	0.065	0.065	0.065	0.090	0.060
2006	0.100	0.060	0.065	0.080	0.065	0.100	0.060
2005	0.100	0.060	0.065	0.080	0.070	0.100	0.060
2004	0.100	0.060	0.065	0.080	0.070	0.100	0.060
2003	0.100	0.050	0.065	0.080	0.070	0.100	0.060
2002	0.100	0.065	0.065	0.080	0.070	0.100	0.060

Source: Haywood County Tax Assessor

* Did not begin collecting until FY2010: No. 7, 12, and 13 combined into No. 16

Fire District No. 8	Fire District No. 9	Fire District No. 10	Fire District No. 11	Fire District No. 12	Fire District No. 13	Fire District No. 14	Fire District No. 15	Fire District No. 16	Total
0.040	0.050	0.090	0.070	0.000	0.000	0.090	0.100	0.060	0.965
0.040	0.050	0.090	0.070	0.000	0.000	0.090	0.100	0.060	0.960
0.040	0.050	0.090	0.070	0.060	0.060	0.090	0.100	*	1.080
0.040	0.050	0.090	0.070	0.060	0.060	0.090	0.100	*	1.065
0.035	0.050	0.090	0.070	0.060	0.060	0.090	0.100	*	1.060
0.040	0.050	0.090	0.070	0.060	0.060	0.090	0.100	*	1.090
0.040	0.050	0.080	0.070	0.060	0.060	0.090	0.080	*	1.065
0.040	0.050	0.080	0.070	0.060	0.060	0.090	0.080	*	1.065
0.040	0.050	0.090	0.075	0.060	0.060	0.090	0.065	*	1.055
0.050	0.050	0.090	0.075	0.060	0.060	0.100	0.065	*	1.090

HAYWOOD COUNTY, NORTH CAROLINA

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

Fiscal Year Ended June 30,	Road District No. 1	Road District No. 2	Road District No. 3	Road District No. 4
2011	0.140	0.080	0.080	0.150
2010	0.140	0.080	0.080	0.150
2009	0.140	0.080	0.140	0.150
2008	0.100	0.080	0.140	0.150
2007	0.100	0.100	0.140	0.150
2006	0.100	0.100	0.140	0.150
2005	0.100	0.100	0.140	0.150
2004	0.100	0.100	0.140	0.150
2003	0.100	0.100	0.140	0.150
2002	0.100	0.100	0.140	0.150

Source: Haywood County Tax Assessor

Road District No. 5	Road District No. 6	Road District No. 7	Road District No. 8	Road District No. 9	Total
0.095	0.160	0.150	0.110	0.150	1.115
0.095	0.160	0.150	0.110	0.150	1.115
0.095	0.160	0.150	0.110	0.150	1.175
0.095	0.120	0.150	0.110	0.150	1.095
0.095	0.120	0.130	0.110	0.130	1.075
0.120	0.120	0.130	0.110	0.150	1.120
0.120	0.070	0.130	0.110	0.150	1.070
0.120	0.070	0.130	0.110	0.130	1.050
0.120	0.070	0.130	0.110	0.130	1.050
0.140	0.160	0.140	0.110	0.150	1.190

HAYWOOD COUNTY, NORTH CAROLINA

Principal Property Taxpayers Current Year and 9 Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011</u>		
		<u>Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Evergreen Packaging (Blue Ridge Paper)	Paper Mill	\$ 150,374,280	1	2.08%
Progress Energy	Utility	80,818,328	2	1.12%
Haywood Electric Membership	Utility	62,954,546	3	0.87%
Bell South (AT&T)	Utility	28,675,265	4	0.40%
Ingles	Super Market	21,633,022	5	0.30%
Carolina Log Homes Inc	Land Developers	20,007,876	6	0.28%
Maggie Valley Resort	Country Club	18,801,350	7	0.26%
Graves Development Corp	Land Developers	18,740,890	8	0.26%
Consolidated Metco	Manufacturing	15,448,038	9	0.21%
Vantagepoint Investments of Waynesville	Retail	13,815,580	10	0.19%
Carolina Power & Light	Utility			
Sunoco (Associated Packaging)	Manufacturing			
Spang & Company	Country Club			
Developers Diversified Realty	Retail			
Waynesville Country Club	Retail			
Totals		<u>\$ 431,269,175</u>		<u>5.97%</u>

Source: Haywood County Tax Assessor

2002

<u>Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
\$ 202,295,042	1	6.02%
15,756,383	4	0.47%
24,980,420	3	0.74%
13,835,920	5	0.41%
5,793,778	10	0.17%
32,415,202	2	0.96%
12,609,055	6	0.38%
9,932,348	7	0.30%
9,288,068	8	0.28%
7,068,666	9	0.21%
<u>\$ 333,974,882</u>		<u>9.94%</u>

HAYWOOD COUNTY, NORTH CAROLINA

Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections In Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy Collected</u>	
2011	\$ 37,385,829	\$ 35,939,892	96.13%	\$ -
2010	36,901,784	35,358,950	95.82%	1,087,718
2009	35,207,806	33,690,143	95.69%	1,266,588
2008	33,773,929	32,768,263	97.02%	857,134
2007	32,438,583	31,468,784	97.01%	841,262
2006	30,554,021	29,623,523	96.95%	803,387
2005	29,119,470	28,225,215	96.93%	788,021
2004	28,303,373	27,368,399	96.70%	831,954
2003	27,803,680	26,682,230	95.97%	1,014,847
2002	20,540,411	19,554,722	95.20%	892,570

Source: Haywood County CAFRs.

Total Collections to Date			
Amount	Percentage of Total Tax Collections to Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
\$ 35,939,892	96.13%	\$ 1,445,937	3.87%
36,446,668	98.77%	455,116	1.23%
34,956,731	99.29%	251,075	0.71%
33,625,397	99.56%	148,532	0.44%
32,310,046	99.60%	128,537	0.40%
30,426,910	99.58%	127,111	0.42%
29,013,236	99.64%	106,234	0.36%
28,200,353	99.64%	103,020	0.36%
27,697,077	99.62%	106,603	0.38%
20,447,292	99.55%	93,119	0.45%
		<u>\$ 2,965,284</u>	



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HAYWOOD COUNTY, NORTH CAROLINA

Property Value and Construction Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Commercial Construction ⁽¹⁾</u>		<u>Residential Construction ^(1, 2)</u>		<u>Property Value ⁽³⁾</u>	
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	<u>Commercial</u>	<u>Residential</u>
2011	50	\$ 29,209,313	395	\$ 29,918,839	\$ 847,580,729 ⁽⁴⁾	\$ 5,939,983,628
2010	34	2,670,085	346	30,044,418	847,580,729	5,322,126,385
2009	29	4,219,005	393	39,509,649	823,359,822	5,203,316,454
2008	53	17,514,488	721	81,259,490	795,117,342	4,960,694,472
2007	65	14,084,846	815	114,118,215	749,555,156	4,733,911,491
2006	47	27,760,337	836	105,075,783	722,992,583	3,280,319,019
2005	41	22,615,456	820	83,512,860	539,586,807	3,463,724,795
2004	47	16,492,185	676	74,479,565	685,904,122	3,373,338,635
2003	89	19,398,037	540	70,166,315	506,251,959	3,469,882,536
2002	51	5,322,887	666	59,571,731	946,241,974	1,677,278,736

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

⁽⁴⁾2011 values are not available

HAYWOOD COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	Assessed Value⁽³⁾	General Obligation Bonds⁽³⁾	COPS⁽³⁾	Special Revenue⁽³⁾	Capital Leases⁽³⁾
2011	\$7,230,675,293	\$ 29,150,000	\$ 10,870,000	\$ -	\$ -
2010	7,196,429,119	30,900,000	12,515,000	-	-
2009	7,039,518,034	32,650,000	14,155,000	-	-
2008	6,771,497,642	34,400,000	15,805,000	-	-
2007	6,499,330,181	28,800,000	17,470,000	-	-
2006	4,982,857,214	29,400,000	19,165,000	-	-
2005	4,757,892,141	12,000,000	20,890,000	546,491	-
2004	4,633,481,443	12,000,000	22,655,000	1,613,398	-
2003	4,551,110,887	-	22,705,000	2,646,457	41,375
2002	3,360,579,293	-	-	3,626,215	121,388

Sources:

⁽¹⁾North Carolina Office of State Budget & Management reflects revised numbers 2002 - 2009, estimate 2010, projection 2011

⁽²⁾Bureau of Economic Analysis - reflects revised amounts for 2002 - 2009

⁽³⁾Haywood County CAFRs

⁽⁴⁾Installment Loans show as notes payable

* Information not yet available

Installment Loans^{(3) (4)}	Total Primary Government	Net Debt to Assessed Value	Population⁽¹⁾	Personal Income⁽²⁾ (thousands)	Percentage of Personal Income	Net Debt Per Capita
\$ 34,488,946	\$ 74,508,946	1.03%	59,658	*	*	\$ 1,249
15,900,082	59,315,082	0.82%	59,148	*	*	1,003
12,433,442	59,238,442	0.84%	58,680	\$ 1,801,924	3.29%	1,010
12,221,829	62,426,829	0.92%	57,976	1,807,332	3.45%	1,077
11,712,793	57,982,793	0.89%	57,722	1,766,989	3.28%	1,005
520,452	49,085,452	0.99%	56,964	1,648,111	2.98%	862
3,473,787	36,910,278	0.78%	56,441	1,552,328	2.38%	654
6,039,339	42,307,737	0.91%	56,429	1,482,046	2.85%	750
7,623,628	33,016,460	0.73%	55,907	1,409,255	2.34%	591
11,282,931	15,030,534	0.45%	55,251	1,371,502	1.10%	272

HAYWOOD COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

Legal debt margin:	
Assessed value--January 1, 2011	\$ 7,230,675,293
Debt limit--8 percent of assessed value	0.08
	578,454,023
Gross debt:	
General obligation bonds	29,150,000
Certificates of participation	10,870,000
Notes payable	34,488,946
Total amount of debt applicable to debt limit	74,508,946
Legal debt margin--June 30, 2011	\$ 503,945,077

	2011	2010	2009	2008
Debt limit	\$ 578,454,023	\$ 575,714,330	\$ 563,161,443	\$ 541,719,811
Total net debt applicable to limit	74,508,946	59,315,082	59,238,442	62,426,829
Legal debt margin	\$ 503,945,077	\$ 516,399,248	\$ 503,923,001	\$ 479,292,982
Total net debt applicable to the limit as a percentage of debt limit	14.79%	11.49%	11.76%	13.02%

Fiscal Years					
2007	2006	2005	2004	2003	2002
\$ 519,946,414	\$ 398,628,577	\$ 380,631,371	\$ 370,678,515	\$ 364,088,871	\$ 268,846,343
57,982,793	49,085,452	36,910,278	42,307,737	33,016,460	15,030,534
<u>\$ 461,963,621</u>	<u>\$ 349,543,125</u>	<u>\$ 343,721,093</u>	<u>\$ 328,370,778</u>	<u>\$ 331,072,411</u>	<u>\$ 253,815,809</u>
12.55%	14.04%	10.74%	12.88%	9.97%	5.92%

HAYWOOD COUNTY, NORTH CAROLINA

Computation of Direct and Underlying Debt
General Obligation Bonds

June 30, 2011

	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Haywood County	\$ 29,150,000	100%	\$ 29,150,000
Underlying:			
Junaluska Sanitary District ⁽¹⁾	<u>504,000</u>	100%	<u>504,000</u>
Totals	<u><u>\$ 29,654,000</u></u>		<u><u>\$ 29,654,000</u></u>

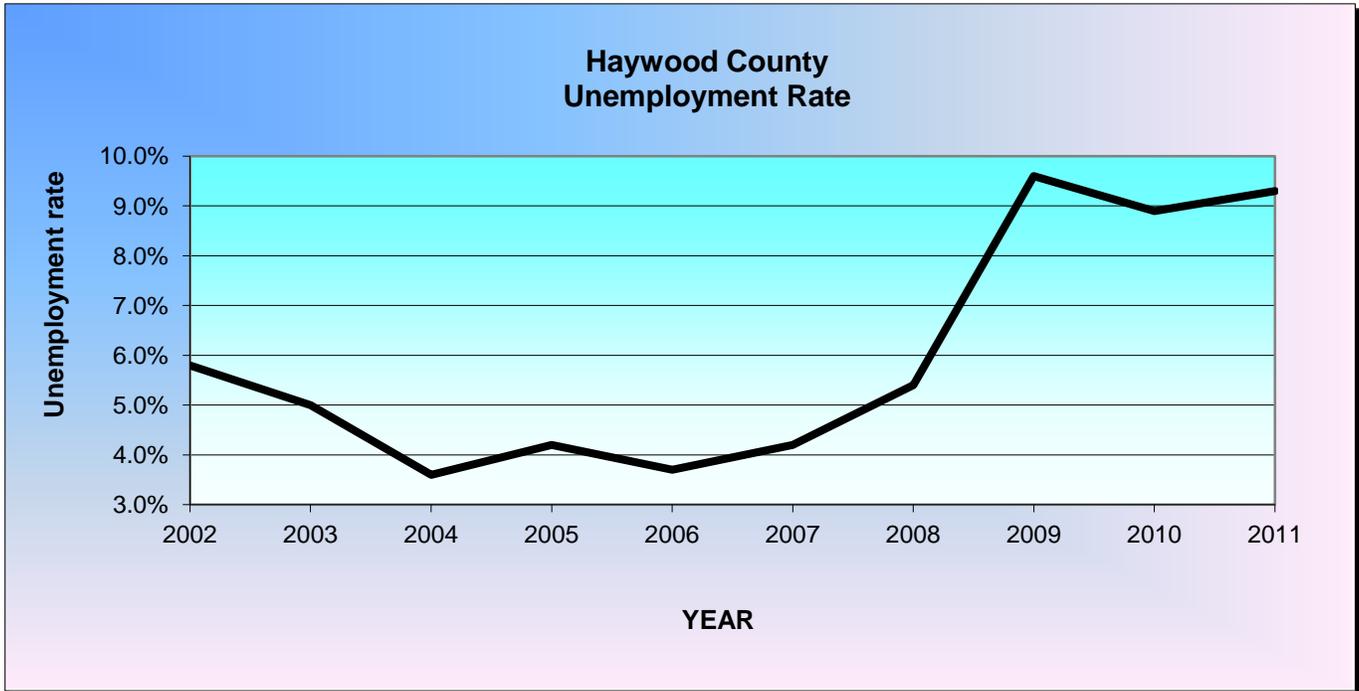
Source:

⁽¹⁾Audited financial statements of the district.

HAYWOOD COUNTY, NORTH CAROLINA

Demographic Statistics Last Ten Calendar Years

Year	Population ⁽¹⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2011	59,658	*	7,582	9.3%
2010	59,148	*	7,588	8.9%
2009	58,680	\$ 31,552	7,677	9.6%
2008	57,976	31,777	7,658	5.4%
2007	57,722	31,180	7,652	4.2%
2006	56,964	29,330	7,969	3.7%
2005	56,441	27,806	7,910	4.2%
2004	56,429	26,558	7,898	3.6%
2003	55,907	25,465	7,843	5.0%
2002	55,251	24,976	7,735	5.8%



Sources:

⁽¹⁾North Carolina Office of State Budget & Management reflects revised numbers 2002 - 2009, estimate 2010, projection 2011

⁽²⁾Bureau of Economic Analysis

⁽³⁾Haywood County Board of Education 2002 - 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 5 Years Ago

<u>Employer⁽²⁾</u>	<u>2011</u>			<u>2006*</u>		
	<u>Number of Employees⁽¹⁾</u>	<u>% of Total County Employment⁽³⁾</u>	<u>Number of Employees⁽¹⁾</u>	<u>% of Total County Employment⁽³⁾</u>	<u>Number of Employees⁽¹⁾</u>	<u>% of Total County Employment⁽³⁾</u>
Haywood County Consolidated Schools	1,425	1	5.67%	1,383	2	5.06%
Evergreen Packaging (Blue Ridge Paper)	1,136	2	4.52%	1,280	1	4.68%
Haywood Regional Medical Centers	1,024	3	4.07%	976	3	3.57%
Haywood County Government	588	4	2.34%	573	4	2.09%
Haywood Community College	492	5	1.96%	388	5	1.42%
Ingles Markets, Inc.	477	6	1.90%	397	6	1.45%
Wal-Mart Associates, Inc.	390	7	1.55%	263	7	0.96%
Haywood Vocational Opportunities, Inc.	343	8	1.36%	325	8	1.19%
Consolidated Metco, Inc	234	9	0.93%			
Town of Waynesville	232	10	0.92%	227	9	0.83%
Lowes Home Center, Inc.				220	10	0.80%
Totals	<u>6,341</u>		<u>25.22%</u>	<u>6,032</u>		<u>22.05%</u>

Sources:

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

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

⁽³⁾Employment Security Commission of North Carolina

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

HAYWOOD COUNTY, NORTH CAROLINA

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

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

Source:

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

⁽¹⁾Reduction in workforce FY2010 and FY2011

Note: Full time-equivalent (FTE) employee information by function not available before 2005.

HAYWOOD COUNTY, NORTH CAROLINA

Operating Indicators By Function/Program Last Ten Fiscal Years

Date of Establishment: 1808

Form of County Government: Commissioner - Manager

Area in Square Miles: 546

Function/Program	2011	2010	2009	2008
<u>General Government</u>				
Elections:				
Number of registered voters	41,523	41,944	41,361	41,522
Register of Deeds:				
Deeds and real estate documents indexed	11,389	11,591	12,920	15,933
<u>Public Safety</u>				
Building Inspections:				
Residential permits issued	395	346	393	721
Mobile home permits issued (10)	70	87	85	
Commercial permits issued	50	34	29	53
Fire Control:				
Inspections performed	504	409	480	551
Fire marshal and assistants	3	3	2	3
Detention:				
Booked inmates (1)(10)	n/a	4366	4304	4357
Average daily jail population (1)	n/a	93	88	75
Sheriff:				
Hand gun permits processed (1)	n/a	1180	1255	1293
EMS:				
Billable transports (2) (3)	6601	6498	6385	6654
EOC/Dispatching:				
Number of emergency calls dispatched	40,837	43,989	41,383	37,933
Number of fire related calls dispatched	2,675	1,748	1,565	2,031
Animal Control:				
Number of calls serviced (1)	n/a	2946	2760	2,748
Number of animals received (1)	n/a	3612	3942	4,120
Number of adoptions (1)	n/a	1449	885	698

Fiscal Year					
2007	2006	2005	2004	2003	2002
38,762	39,676	36,414	37,511	35,283	34,987
18,651	19,529	18,122	19,997	19,151	18,126
818	831	809	687	583	656
62	52	52	36	46	61
763	1,025	1,064	n/a	n/a	n/a
3	3	3	3	3	3
3641	n/a	n/a	n/a	n/a	n/a
75	n/a	n/a	n/a	n/a	n/a
1135	742	851	979	1096	949
6619	6619	8182	6299	6091	6091
30,298	n/a	n/a	n/a	n/a	n/a
2,432	1,853	1,321	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	2011	2010	2009	2008
<u>Environmental Protection</u>				
Solid Waste:				
Tons of solid waste buried	44,857.70	46,328.69	50,881.02	57,554.94
Tons of yard waste processed	201.72	224.30	397.59	1,187.28
Tons of recyclables sent out	6,374.19	6,903.09	5,770.90	3,483.59
<u>Economic and Physical Development</u>				
Planning:				
Number of major subdivision plan reviews	1	6	16	28
Economic Development:				
Tourism revenues (1) (8)	n/a	\$116,310,000	\$103,570,000	\$113,460,000
Taxable sales (9)	\$518,290,311	\$498,088,247	\$489,719,216	\$549,879,484
Gross retail sales (9)	*	*	*	*
<u>Human Services</u>				
Health Department:				
Number of health clients served	13,418	12,370	12,736	12,666
Number of food service inspections	717	885	896	777
Social Services:				
Average # of food stamp recipients per month (1)	n/a	9960	8253	6542
Child support collections (1)	n/a	\$3,622,478	\$3,818,785	\$4,178,218
Average # of children subject to child protection services (CPS) assessments (1)	n/a	360	379	374
Average # of children in foster care (1)	n/a	161	183	171
<u>Culture and Recreation</u>				
Library:				
Library patrons	35,667	40,491	38,346	35,429
Items of library materials cataloged	168,813	176,281	179,615	185,419
Recreation:				
Park recreation program participants	1822	1914	1572	1456

Fiscal Year					
2007	2006	2005	2004	2003	2002
58,455.37	42,790.16	56,055.20	42,579.99	49,579.91	48,893.07
1,216.39	1,086.00	1,272.78	982.52	1,779.29	4,051.11
3,079.32	3,177.81	3,847.95	3,695.81	3,570.45	3,294.48
62	82	51	27	n/a	n/a
\$116,640,000	\$111,060,000	\$103,460,000	\$98,130,000	\$95,930,000	\$97,800,000
\$538,500,941	\$485,930,182	*	*	*	*
*	*	\$768,834,606	\$737,708,374	\$645,580	\$520,573,226
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
5933	5775	5649	5436	4760	4335
\$4,191,812	\$4,274,285	\$4,201,558	\$4,049,578	\$3,341,649	\$3,322,939
311	248	230	224	328	379
144	195	216	190	179	133
31,771	33,558	37,404	34,050	31,076	28,530
190,960	177,083	179,695	176,147	179,661	171,019
1455	1304	1135	810	720	305

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

	2011	2010	2009	2008
<u>Education</u>				
Public Schools:				
Dollars spent per pupil-ADM (Average Daily Membership) (5)	\$1,898	\$1,882	\$1,725	\$1,776
Number of teachers (4)	546	547	619	568
Student enrollment (4)(5)	7,582	7,588	7,677	7,658
County appropriations for current operating per student - State ranking (5)	n/a	n/a	n/a	23
Community College: (6)				
Number of courses offered	1,358	1,239	1,212	1,191
Curriculum student enrollment	n/a	3,341	3,413	3,174
Curriculum full-time-equivalents (FTE) (fall and spring terms only)	1,968.56	1,838.12	1,653.87	1,607.68
Continuing Ed student enrollment	n/a	7,355	6,497	5,648
Continuing Ed FTE (spring, summer, fall terms)	343.03	332.27	293.33	295.09
<u>Hospitals (7)</u>				
Number of patient beds	189	189	190	190
Fitness Centers	1	1	1	1

Sources: Various governmental departments - Fiscal year data

- (1) Calendar year data
 - (2) FY2008 - FY2010 provided by EMS Management & Consultants
 - (3) FY2007 - FY2002 provided by EMS Archived Data
 - (4) Source: Haywood County Board of Education - Academic year data
 - (5) Source: Department of Public Instruction - Student Enrollment is final ADM starting 2011,
\$ spent per pupil adjusted to final ADM
 - (6) Source: Haywood Community College - Academic year data
 - (7) Source: Haywood Regional Medical Center
 - (8) Source: Haywood County Economic Development - NC Dept of Commerce/Tourism Services
 - (9) Source: Haywood County Economic Development - NC Dept of Revenue Website
 - (10) As of FY2009, mobile home permits separated from residential permits - FY2002 - FY2008 combined
- * FY05-06 the *Streamline Sales Tax Agreement* was implemented by NC which changed the reporting from Gross Retail Sales to Taxable Sales

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$1,685	\$1,599	\$1,546	\$1,436	\$1,355	\$1,293
568	551	629	611	580	580
7,652	7,969	7,910	7,898	7,843	7,735
18	22	22	23	25	27
1,197	n/a	n/a	n/a	n/a	n/a
3,045	2,828	2,673	2,680	2,573	2,521
1,601.12	1,562.29	1,516.08	1,542.18	1,531.83	1,401.13
5,912	6,804	6,774	7,454	7,352	6,974
334.20	291.25	275.44	311.21	285.20	274.04
190	190	190	190	190	200
1	1	1	1	1	1

HAYWOOD COUNTY, NORTH CAROLINA

Capital Assets Statistics By Function/Program Last Ten Fiscal Years

Function/Program	2011	2010	2009	2008
<u>General Government</u>				
Elections:				
Number of voting machines:				
Direct Record Electronic ⁽¹⁾	187	187	187	187
Optical Scan voting ⁽²⁾	3	3	3	3
<u>Public Safety</u>				
Fire Control:				
Volunteer fire departments	13	13	15	15
Detention:				
Number of jail beds	133	133	133	133
Sheriff:				
Offices	1	1	1	1
Patrol vehicles	66	57	53	60
<u>Environmental Protection</u>				
Solid Waste:				
Landfills	1	1	1	1
Convenience centers (5 owned, 5 leased)	10	10	10	10
Material recovery facilities	1	1	1	1
<u>Culture and Recreation</u>				
Library:				
Number of libraries	4	4	4	4
Recreation:				
Park acreage-undeveloped	22	22	22	22
Park acreage-developed (leased property)	8	8	8	8
Multi-purpose arena	1	1	1	1
Ag & activities center	1	1	1	1

Fiscal Year					
2007	2006	2005	2004	2003	2002
177	177	-	-	-	-
3	3	35	35	35	35
15	15	15	15	15	13
133	133	93	93	93	93
1	1	1	1	1	1
64	65	n/a	54	50	n/a
1	1	1	1	1	2
10	10	10	10	10	10
1	1	1	1	1	1
4	4	4	3	3	3
-	-	-	-	-	-
8	8	8	8	-	-
1	1	1	-	-	-
1	1	1	1	-	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

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

Function/Program	2011	2010	2009	2008
<u>Education</u>				
Public Schools: ⁽³⁾				
Number of schools	16	16	16	16
Community College: ⁽⁴⁾				
Number of colleges	1	1	1	1
<u>Hospitals</u> ⁽⁵⁾				
Number of hospitals	1	1	1	1

Source: Various governmental departments

⁽¹⁾2011 - 2006 Direct Record Electronic Voting Machines

⁽²⁾2005 - 2002 Optical Scan Voting Machines

⁽³⁾Source: Haywood County Board of Education

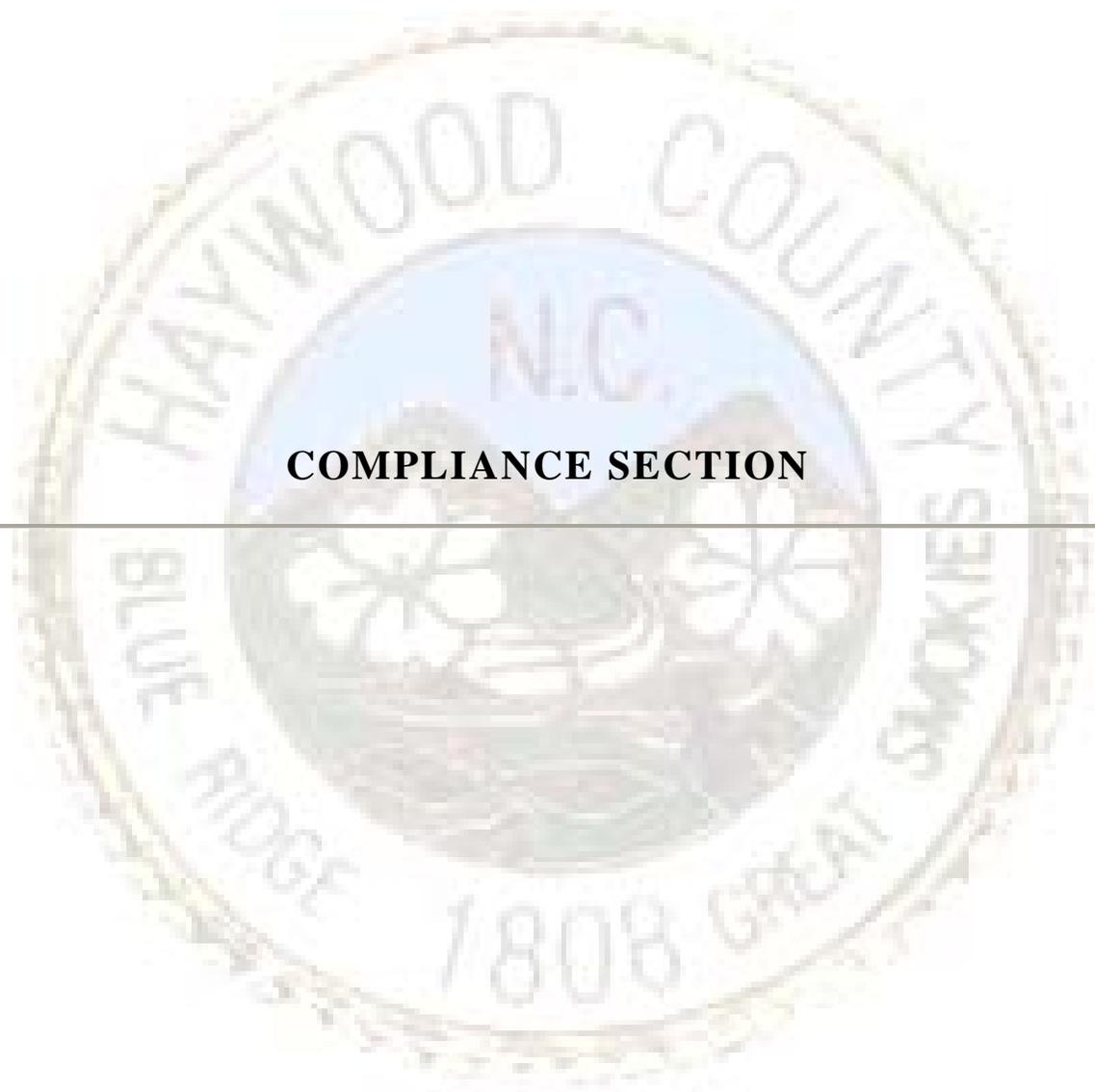
⁽⁴⁾Source: Haywood Community College

⁽⁵⁾Source: Haywood Regional Medical Center

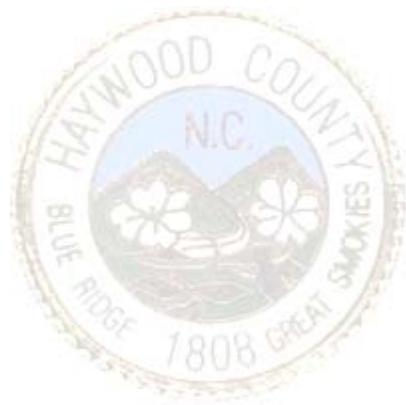
Fiscal Year					
2007	2006	2005	2004	2003	2002
16	15	15	15	15	15
1	1	1	1	1	1
1	1	1	1	1	1



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COMPLIANCE SECTION



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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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

To the Board of County Commissioners
Haywood County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Haywood County, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated October 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Haywood County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Board of County Commissioners
Haywood County, North Carolina
Page Two

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Haywood County in a separate letter dated October 30, 2011.

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

October 30, 2011

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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

To the Board of County Commissioners
Haywood County, North Carolina

Compliance

We have audited the compliance of Haywood County, North Carolina, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each major federal program for the year ended June 30, 2011. Haywood County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Haywood County's management. Our responsibility is to express an opinion on Haywood County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Haywood County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Haywood County's compliance with those requirements.

In our opinion, Haywood County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

We noted certain matters that we reported to management of Haywood County in a separate letter dated October 30, 2011.

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

October 30, 2011

Dixon Hughes Goodman LLP



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

**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

Compliance

We have audited the compliance of Haywood County, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each major State program for the year ended June 30, 2011. Haywood County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Haywood County's management. Our responsibility is to express an opinion on Haywood County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Haywood County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Haywood County's compliance with those requirements.

In our opinion, Haywood County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

We noted certain matters that we reported to management of Haywood County in a separate letter dated October 30, 2011.

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

October 30, 2011

Dixon Hughes Goodman LLP

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
Federal Awards:				
<u>U.S. Department of Agriculture</u>				
Food and Nutrition Service				
Passed through the N.C. Department of Health and Human Services:				
Division of Social Services:				
Administration:				
Supplemental Nutrition Assist. Program Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
	10.561	\$ 631,225	\$ -	\$ 544,021
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women, Infants and Children				
	10.557	262,351	-	-
Direct benefit payments:				
Special Supplemental Nutrition Program for Women, Infants and Children				
	10.557	897,907	-	-
Administration:				
Child and Adult Care Food Program				
	10.558	14,467	-	-
Passed through the N.C. Department of Agriculture:				
Emergency Food Assistance Program--Food Commodities				
	10.569	17,467	-	-
Passed through the Office of State Budget and Management:				
National Forest Service receipts				
	10.665	96,373	-	-
Rural Development:				
ARRA Community Facilities Loans and Grants:				
Community programs:				
Adaptive Reuse Project				
	10.780	9,434,907	-	-
Total U.S. Department of Agriculture		<u>11,354,697</u>	<u>-</u>	<u>544,021</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>U.S. Department of Energy</u>				
Passed through N.C. Department of Commerce State Energy Office: ARRA - Energy Efficiency and Conservation Block Grant (EECBG)	81.128	\$ 118,545	\$ -	\$ -
<u>U.S. Department of Justice</u>				
Passed through N.C. Department of Crime Control and Public Safety:				
Arrest Policies and Enforcement of Protection Orders	16.590	208,552	-	-
Edward Byrne Memorial Justice Assistance Byrne JAG Program	16.738	38,879	-	-
Bureau of Justice Assistance: Direct programs:				
ARRA - Edward Byrne Memorial Justice Assistance--Byrne JAG Program:				
States and Territories:				
Gang Assessment Program	16.803	12,005	-	-
Empowering Youth	16.803	1,765	-	-
Units of Local Government	16.804	13,155	-	-
Office of Community Oriented Policing Services Office: Direct programs:				
ARRA - Public Safety Partnership and Community Policing Grants	16,710	199,737	-	-
Total U.S. Department of Justice		474,093	-	-
<u>U.S. Department of Transportation</u>				
N.C. Department of Transportation Division of Bicycle and Pedestrian Transportation: ARRA - Highway Planning and Construction: Haywood County Bicycle Plan	20.205	13,708	-	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local 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	\$ 56,997	\$ -	\$ -
Administration for Children and Families:				
Passed through the N.C. Department of Health and Human Services:				
Division of Social Services:				
Foster Care and Adoption Cluster (Note C):				
Administration:				
IV-E Foster Care/Off Trn	93.658	241,365	-	241,365
Adoption/Foster Care	93.658	446,398	43,770	225,792
Family Violence Prevention	93.671	3,513	-	-
Direct benefit payments:				
Foster Care at Risk		-	(13,015)	821
IV-E Foster Care	93.658	274,447	73,220	78,721
ARRA - IV-E Foster Care	93.658	6,630	-	-
IV-E Adoption	93.659	449,876	99,665	99,665
ARRA - IV-E Adoption	93.658	13,568	-	-
Total Foster Care and Adoption (Note C)		<u>1,435,797</u>	<u>203,640</u>	<u>646,364</u>
Temporary Assistance for Needy Families Cluster:				
Temporary Assistance for Needy Families (TANF)/Work First				
TANF/Work First--Direct Benefit Payments	93.558	1,049,466	-	693,293
TANF/Work First--Direct Benefit Payments	93.558	800,869	(89)	586
Total TANF Cluster		<u>1,850,335</u>	<u>(89)</u>	<u>693,879</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>U.S. Department of Health and Human Services, Continued:</u>				
Office of Population Affairs, Continued:				
Administration for Children and Families, Continued:				
Passed through the N.C. Department of Health and Human Services, Continued:				
Division of Social Services, Continued:				
N.C. Child Support Enforcement Section	93.563	\$ 419,569	\$ 8	\$ 216,132
ARRA - Child Support Enforcement				
Incentive Recovery	93.563	8,529	-	4,394
Low-Income Home Energy Assistance				
Block Grant:				
Administration	93.568	41,261	-	-
Energy Assistance Payments--				
Direct Benefit Payments	93.568	747,227	-	169
Crisis Intervention Program	93.568	311,299	-	-
Child Welfare Services--State Grants:				
Adoption Subsidy--Direct Benefit				
Payments	93.645	-	343,805	106,945
Permanency Planning--Families for				
Kids	93.645	15,420	-	5,452
SSBG--Other Service and Training	93.667	190,006	19,935	1,160,547
Independent Living Grant	93.674	20,320	5,080	-
Independent Living Transitional/LINKS--				
Direct Benefit Payments	93.674	9,644	-	-
Family Preservation and Support Services	93.556	7,430	-	-
AFDC Payments and Penalties--Direct				
Benefit Payments	93.560	(373)	(102)	(102)
AFDC Incent/Prog. Integrity		-	51	-
TANF Incent/Prog. Integrity		-	1,628	-
County Funded Program		-	-	937,562
Division of Aging and Adult Services:				
Division of Social Services:				
SSBG--State In-Home Service Fund	93.667	27,307	-	3,901
SSBG--State Adult Day Care	93.667	35,809	25,418	8,747

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>U.S. Department of Health and Human Services, Continued:</u>				
Office of Population Affairs, Continued:				
Centers for Medicare and Medicaid Services:				
Passed-through the N.C. Department of Health and Human Services:				
Division of Medical Assistance:				
Direct Benefit Payments:				
Medical Assistance Program	93.778	\$ 52,432,579	\$ 21,097,510	\$ 32,133
Division of Public Health:				
Administration:				
Medical Assistance Program				
CCNC & Pregnancy Prevention	93.778	37,214	14,357	-
Division of Social Services:				
Administration:				
Medical Assistance Program	93.778	877,694	28,223	849,471
State Children's Insurance Program--				
N.C. Health Choice	93.767	22,933	2,442	5,047
Centers for Disease Control and Prevention:				
Division of Public Health:				
Childhood Immunizations	93.268	15,494	-	-
BCCP Chronic Diseases	93.283	56,250	-	-
Tobacco Prevention CDC Core Grant	93.283	11,250	-	-
CDC Breast and Cervical Cancer Control Program	93.283	16,477	-	-
CDC ESMM Community Grants	93.283	1,780	-	-
N.C. System for Public Health/Bioterrorism Grant	93.283	111,853	-	-
Preparedness and Response/Bioterrorism Grant	93.069	14,102	-	-
Women's Preventive Health--TANF	93.558	3,694	-	-
Preventive Health Services Block Grant	93.991	21,853	-	-
Women's Preventive Health	93.994	39,739	29,808	-
Total Centers for Disease Control		<u>292,492</u>	<u>29,808</u>	<u>-</u>

(continued)

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

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>U.S. Department of Health and Human Services, Continued:</u>				
Office of Population Affairs, Continued:				
Health Resources and Services Administration:				
Division of Public Health:				
Maternal Child Health Block Grant to the States	93.994	\$ 2,691	\$ 2,018	\$ -
Child Care Coordination	93.994	17,586	13,191	-
Child Health	93.994	37,295	27,976	-
Total Health Resources and Services Administration		<u>57,572</u>	<u>43,185</u>	<u>-</u>
Administration on Aging:				
Division of Aging and Adult Services:				
Passed through the N.C. Department of Aging:				
Passed through the Southwestern N.C. Planning and Economic Development Commission:				
Aging Cluster:				
Special Program for the Aging--Title III-B Grants for Supportive Services and Senior Centers	93.044	37,695	2,218	-
Special Program for the Aging--Title III-C Nutrition Services:				
Title III-C1 - Congregate	93.045	266,910	15,701	-
Title III-C2 - Home Delivered Meals	93.045	94,477	5,558	-
Total Administration on Aging		<u>399,082</u>	<u>23,477</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>\$ 59,296,143</u>	<u>\$ 21,838,376</u>	<u>\$ 4,670,641</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through N.C. Department of Commerce:				
Community Development Block Grant State's Program	14.228	342,391	-	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Crime Control and Public Safety:				
Emergency Management Performance Grant (EMPG)	97.042	\$ 20,932	\$ 20,931	\$ -
Homeland Security Grant Program	97.067	115,915	-	-
Homeland Security Grant Program	97.067	7,699	-	-
Total U.S. Department of Homeland Security		<u>144,546</u>	<u>20,931</u>	<u>-</u>
Total Federal Awards		<u>71,744,123</u>	<u>21,859,307</u>	<u>5,214,662</u>
<u>State Awards</u>				
<u>N.C. Department of Administration</u>				
State Board of Elections:				
One-Stop Voting--HAVA		-	7,275	-
EAID Health & Human Services--HAVA		-	34,157	-
Total N.C. Department of Administration		<u>-</u>	<u>41,432</u>	<u>-</u>
<u>N.C. Department of Agriculture and Consumer Services</u>				
Animal Welfare:				
Spay and Neuter Program		-	17,459	-
<u>N.C. Department of Correction</u>				
Criminal Justice Partnership Program		-	56,101	-
<u>N.C. Department of Crime Control and Public Safety</u>				
Haywood Car to Car		-	43,604	-
Kids at Work		-	84,071	-
Total N.C. Department of Crime Control and Public Safety		<u>-</u>	<u>127,675</u>	<u>-</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>N.C. Department of Cultural Resources</u>				
Division of State Library:				
State Aid to Public Libraries		\$ -	\$ 110,564	\$ -
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Waste Management:				
Scrap Tire Disposal Grant		-	83,312	-
Electronics Management Program		-	4,179	-
Division of Water Resources:				
Clean Water Management Fund		-	96,522	-
Lake Junaluska Sediment Removal Project		-	69,267	-
Total N.C. Department of Environment and Natural Resources		-	253,280	-
<u>N.C. Department of Health and Human Services</u>				
Division of Social Services:				
Energy Assistance--Private Grants		-	70,455	-
State Adult Protection		-	30,979	-
State/County Special Assistance for Adults--Direct Benefit Payments		-	484,594	547,593
State Foster Care Benefits Program--Direct Benefit Payments		-	166,171	255,251
CPS Expansion State Program		-	95,786	-
Total Division of Social Services		-	847,985	802,844
Division of Public Health Services:				
General		-	158,609	-
Child Health		-	100,000	-
Communicable Disease		-	11,423	-
HIV/STD		-	500	-
Risk Reduction/Health Promotion		-	5,823	-
Tuberculosis		-	2,186	-
Women's Preventative Health		-	16,646	-
TB Medical		-	540	-
Total Division of Public Health		-	295,727	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>N.C. Department of Health and Human Services, Continued:</u>				
Division of Child Development:				
Passed through the N.C. Health and Wellness Trust Fund:				
N.C. Smoke Tobacco Education Program		\$ -	\$ 5,858	\$ -
Total N.C. Department of Health and Human Services		-	1,149,570	802,844
<u>N.C. Office of Juvenile Justice</u>				
Department of Juvenile Justice and Delinquency Prevention:				
Juvenile Crime Prevention Program		-	145,786	-
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund:				
Public School Building Capital Fund--Lottery		-	437,078	-
Public School Building Capital Fund--State ADM		-	654,509	-
Total N.C. Department of Public Instruction		-	1,091,587	-
<u>N.C. Department of Transportation</u>				
Rural Operating Assistance Program:				
Elderly and Disabled Transportation Assistance Program		-	86,954	-
Rural General Public Program		-	92,527	-
Work First/Employment		-	35,988	-
Blue Ridge National Heritage Area Trails		-	3,744	-
Governor's High Safety Program		-	121,650	-
Total N.C. Department of Transportation		-	340,863	-
<u>N.C. Department of Veteran Affairs</u>				
Veteran Services		-	2,000	-

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

<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>Local Expenditures</u>
<u>N.C. General Assembly</u>				
The Rural Center:				
Imperial Hotel and Restaurant - 2009		\$ -	\$ 70,738	\$ -
Imperial Hotel and Restaurant - 2011		-	21,000	-
The Homestead and Haywood Regional Medical Center Hospice and Palliative Care		-	77,055	-
		-	168,793	-
Total State awards		-	3,505,110	802,844
Total Federal and State awards		\$ 71,744,123	\$ 25,364,417	\$ 6,017,506

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

NOTE B--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	\$ 96,373	\$ -
Southwestern NC Planning and Economic Development Commission	Mountain Projects Title III-C - Congregate	93.045	266,910	15,701
Southwestern NC Planning and Economic Development Commission	Haywood Regional Medical Center Title III-C - Home Delivered Meals	93.045	21,300	1,253
Haywood County Schools	Public School Building Capital Fund	N/A	-	1,091,587
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	93.707	-	145,786
Southwestern NC Planning and Economic Development Commission	ARRA - Juvenile Crime Prevention Council	16.803	12,005	-
Mountain Projects	Rural General Public Program	N/A	-	92,527
Mountain Projects	Elderly and Disabled Transportation Service	N/A	-	86,954
Haywood Animal Welfare	Spay and Neuter Program	N/A	-	17,459
Blue Ridge National Heritage Area	Blue Ridge National Heritage Area Trails	N/A	-	3,744
Aspire Youth and Family, Inc.	Kids at Work	N/A	-	84,071
Lake Junaluska Assembly	Lake Junaluska Sediment Removal project	N/A	-	69,267
Imperial Hotel and Restaurant	Patrick Smathers	N/A	-	91,738

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards

For the Fiscal Year Ended June 30, 2011

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

Continued

<u>Subrecipient</u>	<u>Program Name</u>	<u>Federal CFDA Number</u>	<u>Federal</u>	<u>State</u>
The Homestead and HRMC Hospice and Palliative Care	MedWest/HRMC	N/A	\$ -	\$ 77,055
			<u>\$ 396,588</u>	<u>\$ 1,777,142</u>

NOTE C--CLUSTERS

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

Foster Care and Adoption

See the accompanying Independent Auditors' Report.

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2011

Section I--Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no

- Significant deficiencies identified that
are not considered to be material
weaknesses? _____ yes X none reported

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no

- Significant deficiencies identified that
are not considered to be material
weaknesses? _____ yes X none reported

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

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

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2011

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.780	ARRA - Community Facilities Loans and Grants Community Programs
93.778	Medical Assistance Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 2,152,324

Auditee qualified as low-risk auditee? _____ yes X no

State Awards

Internal control over major State programs:

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

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

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

Identification of major State programs:

Program Name

Medical Assistance Program

HAYWOOD COUNTY, NORTH CAROLINA

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2011

Section II--Financial Statement Findings

None reported.

Section III--Federal Award Findings and Questioned Costs

None reported.

Section IV--State Award Findings and Questioned Costs

None reported.

HAYWOOD COUNTY, NORTH CAROLINA

Corrective Action Plan

For the Fiscal Year Ended June 30, 2011

Section II--Financial Statement Findings

None reported.

Section III--Federal Award Findings and Questioned Costs

None reported.

Section IV--State Award Findings and Questioned Costs

None reported.

HAYWOOD COUNTY, NORTH CAROLINA

Summary Schedule of Prior Year Audit Findings

For the Fiscal Year Ended June 30, 2011

2009-1	Finding has been corrected.
2009-2	Finding has been corrected.
2009-3	Finding has been corrected.
2010-1	Finding has been corrected.



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