

HAYWOOD COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2009

HAYWOOD COUNTY, NORTH CAROLINA

Waynesville, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009



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

HAYWOOD COUNTY, NORTH CAROLINA
Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION

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Board of Commissioners:

J. W. "Kirk" Kirkpatrick, III, Chairman
Bill L. Upton, Vice Chairman
Charles "Skeeter" Curtis
L. Kevin Ensley
Mark S. Swanger

County Manager:
David B. Cotton

County Attorney:
Leon M. Killian

October 28, 2009

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 for the fiscal year ended June 30, 2009. 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 generally accepted accounting principals (GAAP). The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin Starnes & Associates, CPAs, P.A. 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 is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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, 2009, are free of material misstatements.

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

The financial reporting entity, in accordance with Government Accounting Standards Board, includes all the funds of the primary government (Haywood County), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. 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. During the fiscal year the corporation directed and approved an industrial revenue bond (International Paper Company Project); 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 and is located in the western portion of North Carolina. It has land area of 546 square miles and a population of 57,031. 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 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 and Capital Reserve 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. The balances in the Capital Reserve Fund are appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the fund. 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

Haywood County has not seen as large a decline in property values in residential real estate as other parts of the nation have seen during this latest recession. The county has noticed a small decline in tourism related activity. However, though the local livestock industry has somewhat declined due to lower pricing and previous year droughts, the local horticulture industry has held its own, partly due to a successful "Buy Haywood" campaign capitalizing on locally produced items with emphasis on stocking local grocery stores with locally grown seasonal fruits and vegetables. The local unemployment rate of 9.6 percent was below the state rate of 11.2 percent, as well as just under the national rate of 9.7 percent at June 30, 2009. While manufacturing industry is declining, the county still maintains a manufacturing base. Major industries in Haywood County include retail trade, government, medical, agriculture, and tourism.

Evergreen Packaging, formerly Blue Ridge Paper, continues to be the largest taxpayer in the County, with 2.05 percent of the County's total assessed valuation. Progress Energy owns 1.20 percent of assessed valuation. While no other taxpayer owns more than 1.00 percent, one other taxpayer, a utility company, owns .8 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. Additionally, the taxpayers approved last year, by referendum, a new $\frac{1}{4}$ cent sales tax, with proceeds now dedicated by the County Commissioners to go toward building maintenance and improvement projects at the community college. This new sales tax generated \$1,184,146 in revenue dedicated to the community college projects in the 2008-2009 fiscal year. The previous $\frac{1}{2}$ percent sales tax, implemented in the County December 2002, had been dedicated by the board to cover debt service for some of the County's projects. This revenue source, the county's portion having been reduced to $\frac{1}{4}$ percent during this fiscal year, generated \$1,220,551 in the fiscal year ended June 30, 2009. The remaining $\frac{1}{4}$ percent will be transferred to the state in October 2009 as part of the Medicaid swap plan, which transfers the $\frac{1}{2}$ cent sales tax to the state and, in exchange, reduces counties' Medicaid costs across the state. Haywood County is expected to benefit from this "swap" as the reduction in Medicaid costs outweighs the reduction in that particular $\frac{1}{2}$ cent sales tax revenue. Due to the swap, and the subsequent reduction in this sales tax source, the Commissioners have dedicated, in the current budget, a portion of the 1 cent sales tax to cover the debt service incurred that was originally appropriated from the "swapped" sales tax. Designating the sales tax revenues toward making debt service payments enabled the county to take advantage of the recent low interest rate environment to build a \$22 million Justice Center and parking deck; renovate the historic courthouse in downtown Waynesville, which includes new county offices and an historic courtroom museum; as well as enabling the county to contribute \$1.8 million to the local community college to go toward construction of a \$4 million child development center on its campus.

In addition to designating the sales tax revenue for the county and community college building projects, the county commissioners have designated portions of the two $\frac{1}{2}$ cent sales taxes for school construction to be used to pay back the debt service on \$25 million in general obligation bonds. The first issue of the bonds, for \$18 million, was used to construct a new elementary school in the Bethel community of the county. The second issue, \$7 million, was issued March 2008 and has been used to renovate existing school buildings and construct new ball fields at the county's middle and high schools. 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 ball fields graded and covered with artificial turf last summer just in time for football season. The artificial turf is expected to greatly reduce maintenance costs for the school system and allow much more use of the fields for other sports activities and events.

The County Commissioners have dedicated proceeds from land sales of the county owned properties, newly graded and marketed for industry development, to a capital reserve fund that will be used for future economic development purposes, as well as water and sewer line projects. Transfers are intended to be made from this fund to the Capital Project Funds as projects are identified. A current project involves 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. The balances in the Capital Reserve Fund for Economic Development, at June 30, 2008, of \$232,419 and a balance in the Capital Project Fund of \$189,516 were transferred into the Economic Development Capital Project Fund in August 2008 to begin this grading project. The balance of money to proceed with 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 stemming from two earlier agreements - a 1999 appropriation agreement in which the Foundation was granted \$391,100 and a 2002 agreement between the County and Haywood Advancement Foundation whereby \$650,000 was granted from the County to the Foundation to enable its purchase of property left idle when a local plant closed. The 2002 agreement included the stipulation that when the Foundation subsequently sold the property, the \$650,000 grant amount, less all costs of sale would be paid back to the County. By June 30, 2009 the \$702,694 project was complete and ready for sale. 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.

Major Initiatives

In order to address the space needs of the County facilities, especially the courts and jail, three major projects were initiated over the last few years – a new justice center, the related parking deck and a new law enforcement/detention center. The original plan was modified to meet the financial constraints of the county, but, also, to maintain adequate size and function for decades to come. The parking deck was completed in the fall of 2003, and the justice center, which is in downtown Waynesville adjacent to the historic courthouse building, was completed in May 2005. The \$22 million project included a contribution from the Town of Waynesville, through an interlocal agreement, that requires annual contributions from the town as payment toward \$2.5 million of the county's debt service for the parking deck portion of the project. In October 2002, the county entered into a Certificate of Participation contract with Branch Banking and Trust

(BB&T) to borrow \$22 million for a fifteen year term. In January 2003, the loan was refinanced into an insured tax-exempt Certificates of Participation issue with a lower interest rate.

In June 2003, taxpayers in the county passed a \$12 million bond referendum to fund the new detention and law enforcement center. The bond sale closed in May 2004 as construction began on the project. In December 2005 the Haywood County Law Enforcement Center was dedicated. This building now houses both the Sheriff's Office and a 92 bed detention center. The building replaces the old Sheriff Office and the jail cells that were located atop the historic courthouse.

A fourth major project, the renovation of the historic courthouse, including the restoration of the historic courtroom, began four years ago with the hiring of an architectural firm to study space needs and develop specifications for renovations. The County Commissioners have worked with the local historic society to research records to restore the historic courtroom back to its 1932 original appearance. The renovation began in 2007 and also included updating the historic building to house county offices in the remainder of the building as well as a new elevator and stair tower to allow accessibility for everyone. The County entered into an installment loan with Bank of America for \$9.9 million in January 2007. This financing also included the related equipment and financing costs, as well as the contribution to the community college of \$1.8 million for their child development center. The historic courthouse renovation project became delayed when the County determined that sufficient cause justified ending the current construction contract and pursued legal remedies through the contractors bonding company. The renovation was completed in June 2009.

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. In recent years the Commissioners contracted with McGill and Associates, a local engineering and consulting firm, to compile the needs of the county into one document and to present various financing scenarios for meeting those needs. The report was presented to the Commissioners and priorities have been examined. The recent downturn in the economy created a situation that left the County Commissioners with the opinion that any new capital projects would be tabled until the affect on County tax collections could be determined. By Spring of 2009, it became apparent that the White Oak Landfill expansion, which was a part of the capital improvement plan, would need to begin with the construction of a new cell. There was also a determination that the funding sources, which include solid waste tipping and availability fees, recycling fees, potential methane gas recovery fees, as well as a portion of property taxes, would sufficiently cover this new project. Therefore, an installment loan agreement for \$4.5 million was entered into in June 2009 for the expansion of the landfill, and construction began in July.

As mentioned above, Haywood County operates the White Oak Landfill and Materials Recovery Facility. The County's solid waste landfill is subject to the Environmental Protection Agency's (EPA's) regulations for municipal solid waste landfill closure and post closure care. These total costs are currently estimated to be approximately \$5.88 million. Although it is likely that most of the payments for closure and post closure care will not be made until near the time of the

landfill's closing, the County has already recognized a liability for closure and post closure care in the amount of \$5,256,213, based on the amount of the landfill's capacity used to date. Phase one of the landfill, with a total capacity of 12.5 acres, is 100% utilized. Phase two is currently 78.27% utilized. Plans to begin construction of a third phase were formulated during the year and construction began in July 2009, as mentioned above. Although the County has complied with the EPA's financial assurance requirements through the use of the local governmental financial test, moneys are being accumulated in the Special Revenue - Solid Waste Fund for these future costs.

Phase I of the Construction & Demolition landfill has reached capacity. Plans have been halted for phases II and III as state regulations have tightened to the point that the feasibility of expansion is being reconsidered. The Board of County Commissioners continues to promote recycling as a major way to increase the life of the landfill. Glass recycling has recently been added as an option for county taxpayers, and recycling revenue was \$228,586 for the fiscal year ended June 30, 2009. Construction of a new 10-acre Subtitle D compliant waste cell, two new solid waste construction projects and a two lane access road to White Oak Landfill have been completed. These projects included improvements to the existing roadway and closeout of the Wood Waste Landfill located near Canton.

The Board of County Commissioners continued to demonstrate its commitment to quality education in Haywood County schools by spending \$13.47 million for current expense and \$687,108 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 and/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. In addition to the \$1.8 million mentioned earlier and contributed to the college for the child development center, the commissioners have committed to borrow approximately \$2.6 million to cover immediate construction needs at the college. As mentioned earlier the Commissioners have also dedicated the latest ¼ cent sales tax to go toward building projects at the college. Plans are underway to borrow the \$2.6 million as well as another \$10 million in January 2010 for these projects. During the fiscal year, the County

Commissioners contributed \$2 million for operational expense and \$400,000 for capital outlay for the community college.

Recognizing the importance of recreation to the citizens of Haywood County, the Board of County Commissioners agreed to continue funding part of the operating cost for the new Waynesville Recreation Center, as well as contributing to the Town of Canton's recreation program. The commissioners also contributed a match of \$250,000 over two years, to the Haywood County Agriculture and Activities Center Association for construction of a multi-purpose arena at the fairgrounds, which was funded partially through federal grant funds. In addition, the board committed funds to construct a waterline to the fairgrounds, which has now been completed, and appropriated an additional \$60,000 in the 2008 fiscal year and \$50,000 in the 2009 fiscal year toward stadium seating and other projects at the arena.

The recreation department of the county, along with the municipalities within the county, began to explore long-range recreation planning by contracting with an engineering and planning firm to develop a master county-wide recreation plan. The completed plan suggested, among other needs, the need for property to be purchased within the northern portion of the county for a parks and recreation area. Not long after the plan was presented, a small parcel of land, 22 acres, became available for sale and was purchased by the county within an upset bid process to be designated for a park. Amounts from the Recreation department, and grants from the Haywood County Tourism Development Authority have already been committed to begin design work for the park. A total amount of \$17,168 has been transferred to the Capital Reserve Fund for this purpose. Recreation grant funding in the future is expected to be sought as a means to begin implementation of the plan.

Awards and acknowledgements

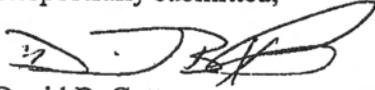
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Haywood County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement 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 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 Martin Starnes & Associates, 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 Board of 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.

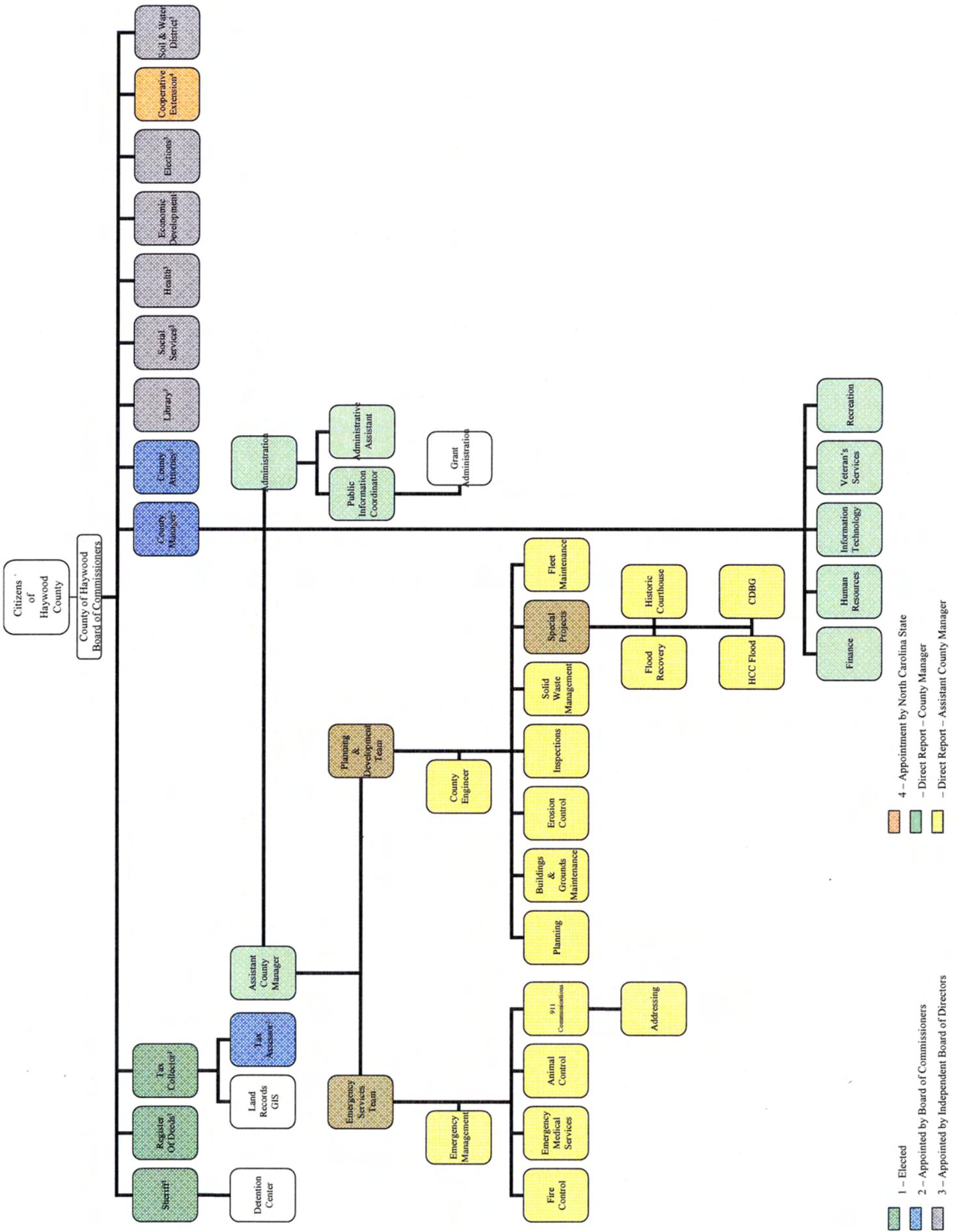
Respectfully submitted,



David B. Cotton
County Manager



Julie H. Davis, CPA
Finance Director



(X)

- 4 - Appointment by North Carolina State
- Direct Report - County Manager
- Direct Report - Assistant County Manager

- 1 - Elected
- 2 - Appointed by Board of Commissioners
- 3 - Appointed by Independent Board of Directors

HAYWOOD COUNTY, NORTH CAROLINA

List of Principal Officials

June 30, 2009

Board of County Commissioners

J.W. "Kirk" Kirkpatrick, III, Chairman
Bill L. Upton, Vice-Chairman
Charles "Skeeter" Curtis, Commissioner
L. Kevin Ensley, Commissioner
Mark S. Swanger, Commissioner

County Officials

David B. Cotton, County Manager
Julie H. Davis, CPA, Finance Director
Judy Ballard, Tax Assessor
David Francis, Tax Administrator
Amy Murray, 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, 2008

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.



President

Executive Director



FINANCIAL SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITORS' REPORT

To the Board of 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, 2009, 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 an opinion 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 basic financial statements are free of material misstatement. The financial statements of 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, 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, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison 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.

Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Required Supplementary Information, and the Other Post-Employment Benefit schedules are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 the information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2009, on our consideration of Haywood County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on financial statements that collectively comprise the basic financial statements of Haywood County, North Carolina. The combining and individual major and nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual major and nonmajor fund financial statements and the accompanying Schedule of Expenditures of Federal and State Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 28, 2009

HAYWOOD COUNTY, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2009

As management of Haywood 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, 2009. 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.

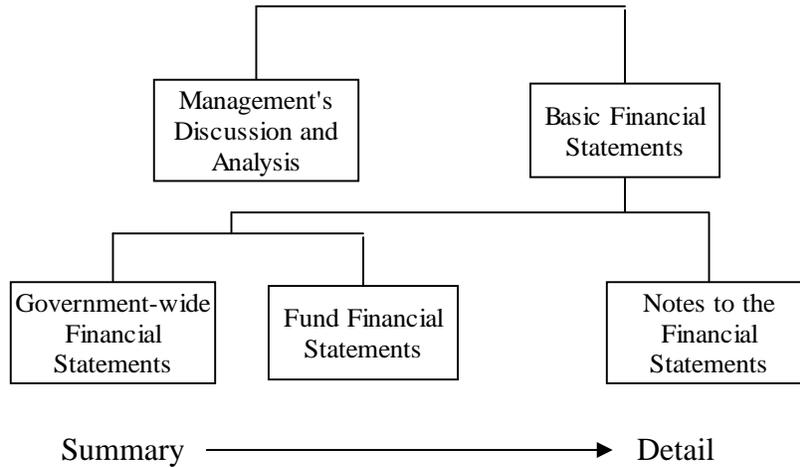
Financial Highlights

- The assets of Haywood County exceeded its liabilities at the close of the fiscal year by \$21,834,683 (*net assets*).
- The government's total net assets decreased by \$1,082,375, primarily due to the decrease in expenditures and accounts payable in the General Fund at the end of the year.
- As of the close of the current fiscal year, Haywood County's governmental funds reported combined ending fund balances of \$18,349,406, a decrease of \$3,914,398 in comparison with the prior year. This is largely due to the expenditures for the projects that had been funded by debt proceeds received in prior years. Approximately 71 percent of this total amount, or \$12,984,231, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$7,786,626 or 11.7 percent of total General Fund expenditures and transfers for the fiscal year.
- Haywood County's total debt decreased by \$990,993 (1%) during the current fiscal year. This is due to the combination of retiring current debt in the amount of \$4.94 million while incurring new installment loan debt of \$1.26 million and recognizing the liability for other post-employment benefits (OPEB) of \$1,896,088.
- Haywood County's bond rating from Moody's Investor Service for the latest general obligation bond issue was A2. 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 A and B) 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 C through J) 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 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; 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 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 A and B 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 monies 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 nineteen governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the master facilities capital project fund, both of which are considered to be major funds. Data from the other seventeen governmental funds are combined by type, with the special revenue funds aggregated and presented separately, and the remaining capital project funds aggregated and presented separately from the major funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on Pages 26-57 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 58 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 \$21,834,683 as of June 30, 2009. The County’s net assets decreased by \$1,082,375 for the fiscal year ended June 30, 2009. One of the largest portions (140%) 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 (15%) represents resources that are subject to external restrictions on how they may be used. The balance of negative unrestricted net assets of (\$11,784,946) reflects the outstanding debt for the public school building projects without a related asset. This is due to the fact that the school board retains title to the schools, while the County incurs the related debt.

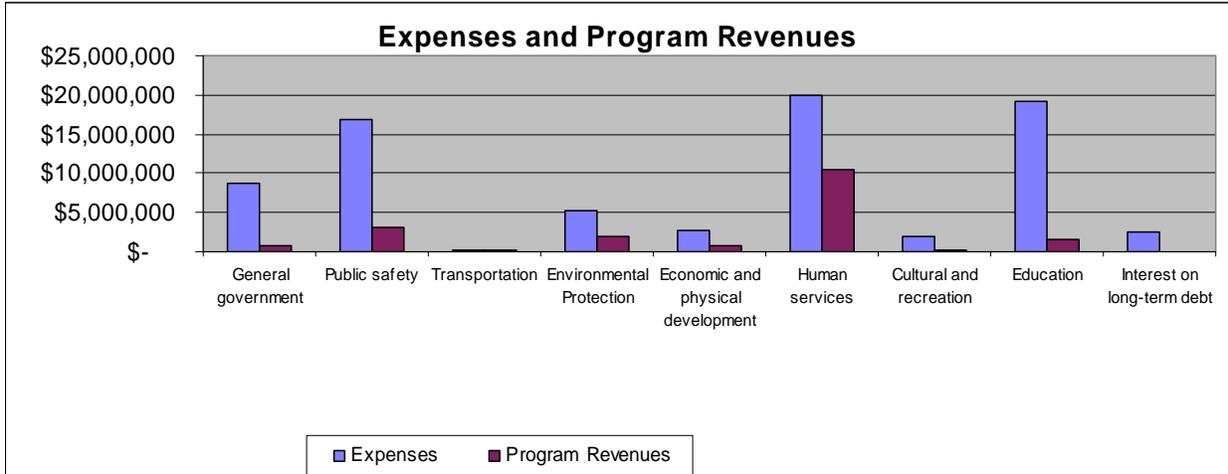
Haywood County’s Net Assets
Figure 2

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 29,637,795	\$ 34,647,068
Capital assets	<u>66,587,716</u>	<u>65,431,724</u>
Total assets	<u>96,225,511</u>	<u>100,078,792</u>
Long-term liabilities outstanding	69,247,926	65,508,543
Other liabilities	<u>5,142,902</u>	<u>11,653,191</u>
Total liabilities	<u>74,390,828</u>	<u>77,161,734</u>
Net assets:		
Invested in capital assets, net of related debt	30,453,109	31,578,244
Restricted	3,166,520	5,562,616
Unrestricted	<u>(11,784,946)</u>	<u>(14,223,802)</u>
Total net assets	<u>\$ 21,834,683</u>	<u>\$ 22,917,058</u>

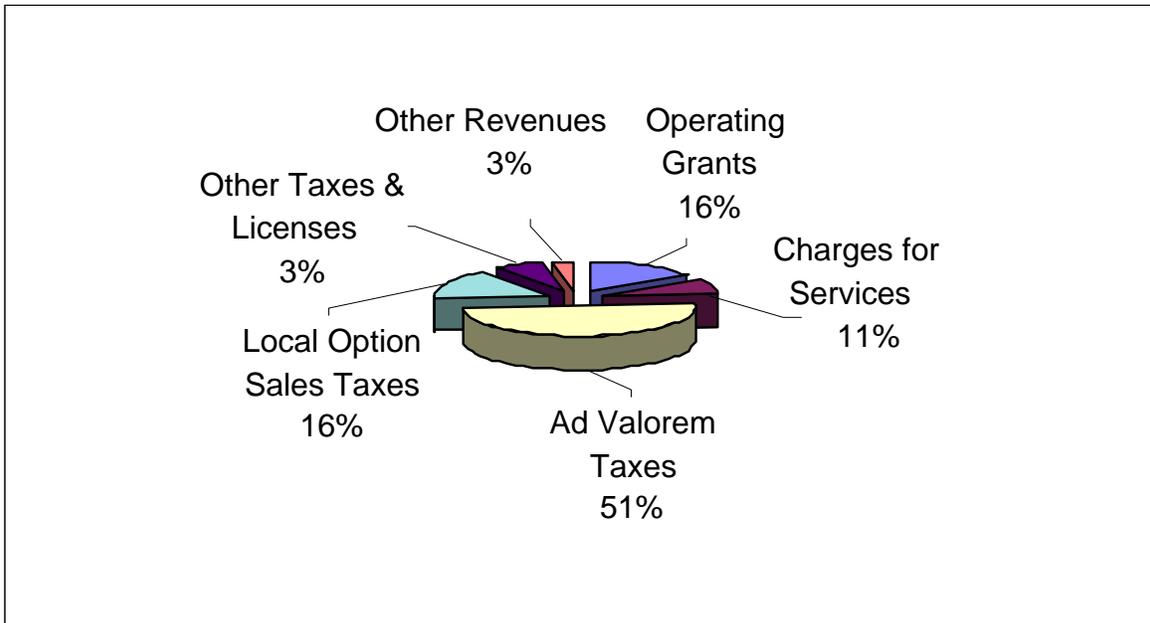
Haywood County's Changes in Net Assets
Figure 3

	Governmental Activities	
	<u>2009</u>	<u>2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 8,490,064	\$ 5,621,442
Operating grants and contributions	12,009,264	11,699,835
Capital grants and contributions	1,474,439	1,407,937
General revenues:		
Property taxes	38,837,841	37,536,263
Other taxes	14,418,338	18,690,609
Grants and contributions not restricted to specific programs	420,508	186,409
Other	<u>339,238</u>	<u>1,073,242</u>
Total revenues	<u>75,989,692</u>	<u>76,215,737</u>
Expenses:		
General government	8,768,120	11,708,960
Public safety	16,776,152	16,168,220
Transportation	284,233	259,896
Environmental protection	5,152,439	4,631,896
Economic and physical development	2,770,701	5,339,247
Human services	19,842,232	19,965,753
Cultural and recreational	1,899,287	1,013,051
Education	19,139,292	24,520,469
Interest on long-term debt	<u>2,439,611</u>	<u>2,361,453</u>
Total expenses	<u>77,072,067</u>	<u>85,968,945</u>
Increase (decrease) in net assets	(1,082,375)	(9,783,208)
Net assets, July 1	<u>22,917,058</u>	<u>32,670,266</u>
Net assets, June 30	<u>\$ 21,834,683</u>	<u>\$ 22,917,058</u>

Expense and Program Revenues – Governmental Activities



Revenues by Source - Governmental Activities



Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Haywood County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7,786,626 while total fund balance reached \$13,064,942. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.7 percent of total General Fund expenditures and transfers, while total fund balance represents 19.7 percent of that same amount.

The Solid Waste 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, \$2,631,510 reflects the increase in revenues from tipping fees and availability fees that are expected to be available to cover future landfill expansion.

At June 30, 2009, the governmental funds of Haywood County reported a combined fund balance of \$18,349,406, a 17.6% decrease over last year. The decrease is partially due to the decrease in cash in the Master Facilities Projects Fund and the Public Schools Capital Project Fund and the increase in expenses in the same funds as the projects were completed.

General Fund Budgetary Highlights - During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$838,007, largely due to grant appropriations throughout the year, netted against the recognition of a decrease in revenues from estimated amounts in the original budget.

Significant differences in the final budget and the actual amounts are due to a number of factors as follows: During the year it became evident that, due to the recession, revenues would not be coming in as originally estimated and the fund balance appropriation would need to be reduced in order to maintain an ending fund balance at an acceptable level. For these reasons, expenditures were reduced across the board, which affected County capital outlay as well as operating reductions and also affected education for over \$1 million, including capital outlay allocations to the public schools and community college.

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 - Haywood County's capital assets for its governmental activities as of June 30, 2009, total \$66,587,716 (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.
- Completed construction on the historic courthouse and renovation for County offices, as well as reconstruction of the historic courtroom.

Haywood County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities	
	<u>2009</u>	<u>2008</u>
Land	\$ 8,766,876	\$ 7,928,330
Buildings	46,919,893	38,743,002
Improvements other than buildings	7,241,201	7,780,260
Equipment	2,661,971	3,300,359
Vehicles	997,775	1,305,216
Construction in progress	<u>-</u>	<u>6,377,557</u>
 Total	 <u>\$ 66,587,716</u>	 <u>\$ 65,431,724</u>

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

Long-Term Debt - As of June 30, 2009, Haywood County had \$32.65 million in bonded debt outstanding.

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

	Governmental Activities	
	<u>2009</u>	<u>2008</u>
General obligation bonds	\$ <u>32,650,000</u>	\$ <u>34,400,000</u>

Haywood County's total debt decreased by \$990,993 (1%) during the current fiscal year. This is due to the combination of retiring current debt in the amount of \$4.79 million while incurring new installment loan debt of only \$1.26 million and recognizing the liability for other post-employment benefits (OPEB) of \$1,896,088.

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 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 \$503,923,001.

Additional information regarding Haywood County's long-term debt can be found in Note 2B beginning on Page 49 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The County experienced an increase in the unemployment rate to 9.6%, which is below the State rate of 11.2% and just below the national rate of 9.7%
- New construction continues, though at a much slower pace than in recent years, reflected in a 76% reduction in commercial construction from the prior year. Residential construction dropped 50% from the prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities - Budgeted revenues in the General Fund reflect a small increase in the property tax base from new residential and commercial construction. The tax rate was increased from 49.7 cents per \$100 valuation to 51.4 cents per \$100 valuation in order to maintain an adequate fund balance and maintain operations within the current economic climate since lower than average revenues are expected for the fiscal year ending June 30, 2010, particularly those related to deed transfers, permitting, and sales taxes. The General Fund budget did not appropriate any fund balance. In addition, the only contingency budgeted was a small amount for capital outlay as needed by departments. The budget of the Solid Waste Management Fund, recently segregated from the general fund into a special revenue fund, includes one new position, that of recycling supervisor to coordinate all recycling efforts within the County government, the local towns and the residents of the County. A new landfill expansion project, cell three in the master landfill plan, was started in July of the 2009-2010 fiscal year. The debt service for this \$4.5 million project will be paid from the General Fund in future years since the solid waste fund's revenues just cover the operation of the solid waste operations, which include the landfill, convenience centers, and material recovery facilities.

Budgeted expenditures in the General Fund are expected to rise to reflect the debt service on the general obligation bonds as principal amounts become due; the debt service on new debt incurred for County building projects, including the new landfill expansion; the transfers into a debt service fund for accounting purposes, the additional sales tax revenues appropriated for future debt service payments; and the increase in education funding for the public schools and community college. The County is in the seventh year of a formula allocation for current school operating expenditures, which was developed in cooperation with the Haywood County Board of Education, and which should maintain appropriations at equal to, or above, the statewide average per pupil appropriation.

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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BASIC FINANCIAL STATEMENTS

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HAYWOOD COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental</u>	<u>Haywood County</u>
	<u>Activities</u>	<u>Tourism</u>
		<u>Development</u>
		<u>Authority</u>
Assets:		
Cash and cash equivalents	\$ 18,517,826	\$ 176,912
Receivables, net	4,322,624	183,839
Due from other governments	5,964,598	-
Inventories	127,595	-
Prepaid items	26,000	12,700
Deferred charge - issuance costs	679,152	-
Capital assets:		
Land, improvements, and construction in progress	8,766,876	-
Other capital assets, net of depreciation	<u>57,820,840</u>	<u>35,523</u>
Total capital assets	<u>66,587,716</u>	<u>35,523</u>
Total assets	<u>96,225,511</u>	<u>408,974</u>
Liabilities:		
Accounts payable and accrued expenses	3,565,646	27,597
Unearned revenue	1,117,732	-
Accrued interest payable	459,524	-
Long-term liabilities:		
Due within one year	4,814,693	-
Due in more than one year	<u>64,433,233</u>	<u>-</u>
Total liabilities	<u>74,390,828</u>	<u>27,597</u>
Net Assets:		
Invested in capital assets, net of related debt	30,453,109	35,523
Restricted for:		
Public safety	337,121	-
Environmental protection	2,788,662	-
Education	24,800	-
Other purposes	15,937	-
Unrestricted (deficit)	<u>(11,784,946)</u>	<u>345,854</u>
Total net assets	<u>\$ 21,834,683</u>	<u>\$ 381,377</u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental	Unit
						Haywood County Tourism Development Authority
Primary Government:						
Governmental Activities:						
General government	\$ 8,768,120	\$ 184,733	\$ 490,415	\$ 5,372	\$ (8,087,600)	
Public safety	16,776,152	2,946,596	819,708	-	(13,009,848)	
Transportation	284,233	-	174,105	-	(110,128)	
Environmental protection	5,152,439	4,265,110	65,128	-	(822,201)	
Economic and physical development	2,770,701	244,421	455,797	136,689	(1,933,794)	
Human services	19,842,232	777,162	9,618,243	-	(9,446,827)	
Cultural and recreation	1,899,287	72,042	185,723	-	(1,641,522)	
Education	19,139,292	-	200,145	1,332,378	(17,606,769)	
Interest on long-term debt	2,439,611	-	-	-	(2,439,611)	
Total governmental activities	<u>\$ 77,072,067</u>	<u>\$ 8,490,064</u>	<u>\$ 12,009,264</u>	<u>\$ 1,474,439</u>	<u>(55,098,300)</u>	
Component Unit:						
Tourism Development Authority	<u>\$ 978,872</u>	<u>\$ 81,353</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (897,519)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purpose					38,837,841	-
Local option sales tax					12,125,586	-
Occupancy tax					975,405	-
Deed stamp excise tax					408,414	-
Real property transfer tax					386,668	-
Telecommunications/video tax					338,436	-
Other taxes and licenses					183,829	955,651
Grants and contributions not restricted to specific programs					420,508	-
Investment earnings, unrestricted					305,960	1,735
Miscellaneous, unrestricted					33,278	1,100
Total general revenues					<u>54,015,925</u>	<u>958,486</u>
Change in net assets					(1,082,375)	60,967
Net Assets:						
Beginning of year - July 1					<u>22,917,058</u>	<u>320,410</u>
End of year - June 30					<u>\$ 21,834,683</u>	<u>\$ 381,377</u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	General	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 11,680,989	\$ 2,788,662	\$ 2,808,801	\$ 17,278,452
Accounts receivable, net	609,292	41,840	61,094	712,226
Taxes receivable, net	2,788,026	-	320,009	3,108,035
Other tax receivables	141,637	-	-	141,637
Other receivables	20,954	330,391	-	351,345
Due from other governments	5,964,598	-	-	5,964,598
Prepays	26,000	-	-	26,000
Inventories	127,595	-	-	127,595
Total assets	<u>\$ 21,359,091</u>	<u>\$ 3,160,893</u>	<u>\$ 3,189,904</u>	<u>\$ 27,709,888</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,689,236	\$ 197,706	\$ 216,955	\$ 3,103,897
Deferred revenues	<u>5,604,913</u>	<u>331,677</u>	<u>319,995</u>	<u>6,256,585</u>
Total liabilities	<u>8,294,149</u>	<u>529,383</u>	<u>536,950</u>	<u>9,360,482</u>
Fund Balances:				
Reserved for:				
Inventories	127,595	-	-	127,595
State statute	5,036,041	40,554	46,305	5,122,900
Prepays	26,000	-	-	26,000
Sheriff drug seizure funds	88,680	-	-	88,680
Unreserved:				
Designated for subsequent years expenditures:				
Special revenue funds	-	-	33,105	33,105
Capital project funds	-	-	1,908,716	1,908,716
Designated for debt service	2,306,879	-	-	2,306,879
Designated for MOW program	302,070	-	-	302,070
Designated for LEO Special Separation Allowance	60,000	-	-	60,000
Designated for future public school capital projects	83,993	-	-	83,993
Designated for future community college				
Debt service	1,184,146	-	-	1,184,146
Undesignated	3,849,538	2,590,956	-	6,440,494
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	339,621	339,621
Capital projects funds	-	-	325,207	325,207
Total fund balances	<u>13,064,942</u>	<u>2,631,510</u>	<u>2,652,954</u>	<u>18,349,406</u>
Total liabilities and fund balances	<u>\$ 21,359,091</u>	<u>\$ 3,160,893</u>	<u>\$ 3,189,904</u>	

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

Deferred charges related to advance refunding bond issue	679,152
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	66,587,716
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.	777,625
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Accrued interest receivable	9,381
Notes receivable	20,954
Liabilities for earned but deferred revenues in fund statements	5,117,899
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable	(459,524)
Long-term obligations	(69,247,926)
Net assets of governmental activities	<u>\$ 21,834,683</u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>	<u>Solid Waste Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Ad valorem taxes	\$ 34,714,350	\$ -	\$ 3,532,291	\$ 38,246,641
Local option sales taxes	12,125,586	-	-	12,125,586
Other taxes and licenses	2,192,339	100,413	-	2,292,752
Unrestricted intergovernmental	420,508	-	-	420,508
Restricted intergovernmental	11,754,451	65,128	1,203,933	13,023,512
Permits and fees	374,240	2,352,816	618,522	3,345,578
Sales and services	3,339,587	1,775,263	337	5,115,187
Investment earnings	256,002	-	49,958	305,960
Miscellaneous	507,432	-	133,901	641,333
Total revenues	<u>65,684,495</u>	<u>4,293,620</u>	<u>5,538,942</u>	<u>75,517,057</u>
Expenditures:				
Current:				
General government	5,081,869	-	5,000	5,086,869
Central services	2,457,239	-	-	2,457,239
Public safety	12,009,717	-	3,444,148	15,453,865
Transportation	284,233	-	-	284,233
Environmental protection	182,026	3,754,217	198,434	4,134,677
Economic and physical development	2,161,757	-	1,099,274	3,261,031
Human services	19,059,450	-	-	19,059,450
Cultural and recreational	1,760,736	-	-	1,760,736
Education	16,570,281	-	2,569,011	19,139,292
Capital outlay	-	-	3,068,508	3,068,508
Debt service:				
Principal	4,457,487	-	-	4,457,487
Interest	2,567,745	-	-	2,567,745
Total expenditures	<u>66,592,540</u>	<u>3,754,217</u>	<u>10,384,375</u>	<u>80,731,132</u>
Revenues over (under) expenditures	<u>(908,045)</u>	<u>539,403</u>	<u>(4,845,433)</u>	<u>(5,214,075)</u>
Other Financing Sources (Uses):				
Transfers from other funds	447,396	-	91,146	538,542
Transfers to other funds	(183,502)	(7,058)	(347,982)	(538,542)
Notes payable issued	1,119,635	-	149,465	1,269,100
Sale of capital assets	30,577	-	-	30,577
Total other financing sources (uses)	<u>1,414,106</u>	<u>(7,058)</u>	<u>(107,371)</u>	<u>1,299,677</u>
Net change in fund balance	506,061	532,345	(4,952,804)	(3,914,398)
Fund Balances:				
Beginning of year - July 1	<u>12,558,881</u>	<u>2,099,165</u>	<u>7,605,758</u>	<u>22,263,804</u>
End of year - June 30	<u>\$ 13,064,942</u>	<u>\$ 2,631,510</u>	<u>\$ 2,652,954</u>	<u>\$ 18,349,406</u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds (Exhibit D)	\$ (3,914,398)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	4,669,773
Depreciation	(3,400,595)

Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(115,886)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in ad valorem taxes receivable	591,200
Change in notes receivable	(151,842)
Fair value of assets donated that is not recorded in the fund statements but is recorded in the government-wide statements	2,700

The issuance of long-term debt provides current financial resources to governmental funds, while 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	(1,269,100)
Issuance premium, net of amortization	96,309
Repayments	4,457,487
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.

	269,148
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following are accrued in the government-wide statements but not in the fund statements because they do not use current resources:

Compensated absences	(30,187)
Landfill closure and post-closure costs	(340,047)
Net pension obligation	(27,400)
OPEB Liability	(1,896,088)

Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual).	31,825
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Total changes in net assets of governmental activities (Exhibit B)	\$ (1,082,375)
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The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 34,616,794	\$ 34,715,794	\$ 34,714,350	\$ (1,444)
Local option sales tax	12,266,383	11,271,407	12,125,586	854,179
Other taxes and licenses	2,511,000	2,386,000	2,192,339	(193,661)
Unrestricted intergovernmental	190,000	190,000	420,508	230,508
Restricted intergovernmental	10,851,273	12,364,318	11,754,451	(609,867)
Permits and fees	618,742	518,742	374,240	(144,502)
Sales and services	3,094,300	3,850,973	3,339,587	(511,386)
Investment earnings	800,000	256,000	256,002	2
Miscellaneous	261,750	495,015	507,432	12,417
Total revenues	<u>65,210,242</u>	<u>66,048,249</u>	<u>65,684,495</u>	<u>(363,754)</u>
Expenditures:				
Current:				
General government	5,294,300	5,525,336	5,081,869	443,467
Central services	2,457,459	2,564,718	2,457,239	107,479
Public safety	11,590,200	12,645,380	12,009,717	635,663
Transportation	232,009	288,009	284,233	3,776
Environmental protection	205,585	202,637	182,026	20,611
Economic and physical development	2,453,063	2,264,821	2,161,757	103,064
Human services	20,348,673	20,707,554	19,059,450	1,648,104
Cultural and recreational	1,962,589	1,850,714	1,760,736	89,978
Contingency and non-departmental	1,386,097	-	-	-
Intergovernmental:				
Education	18,144,956	16,570,283	16,570,281	2
Debt service:				
Principal retirement	4,572,488	4,572,488	4,457,487	115,001
Interest and other charges	2,625,485	2,625,485	2,567,745	57,740
Total expenditures	<u>71,272,904</u>	<u>69,817,425</u>	<u>66,592,540</u>	<u>3,224,885</u>
Revenues over (under) expenditures	<u>(6,062,662)</u>	<u>(3,769,176)</u>	<u>(908,045)</u>	<u>2,861,131</u>
Other Financing Sources (Uses):				
Transfers from other funds	3,437,913	1,460,402	447,396	(1,013,006)
Transfers to other funds	(2,593,803)	(185,783)	(183,502)	2,281
Proceeds from long-term debt	-	-	1,119,635	1,119,635
Sale of capital assets	5,000	5,000	30,577	25,577
Total other financing sources (uses)	<u>849,110</u>	<u>1,279,619</u>	<u>1,414,106</u>	<u>134,487</u>
Revenues and other financing sources uses over (under) expenditures and other financing uses	<u>(5,213,552)</u>	<u>(2,489,557)</u>	<u>506,061</u>	<u>2,995,618</u>
Appropriated fund balance	<u>5,213,552</u>	<u>2,489,557</u>	<u>-</u>	<u>(2,489,557)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>506,061</u>	<u>\$ 506,061</u>
Fund Balance:				
Beginning of year, July 1			<u>12,558,881</u>	
End of year, June 30			<u>\$ 13,064,942</u>	

The accompanying notes are an integral part of the financial statements.

Exhibit F

Solid Waste Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
\$ -	\$ -	\$ -	\$ -
-	-	-	-
86,000	86,000	100,413	14,413
-	-	-	-
-	-	65,128	65,128
1,800,000	1,975,000	2,352,816	377,816
1,953,500	1,953,500	1,775,263	(178,237)
-	-	-	-
-	-	-	-
<u>3,839,500</u>	<u>4,014,500</u>	<u>4,293,620</u>	<u>279,120</u>
-	-	-	-
-	-	-	-
-	-	-	-
3,839,500	4,007,442	3,754,217	253,225
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,839,500</u>	<u>4,007,442</u>	<u>3,754,217</u>	<u>253,225</u>
-	7,058	539,403	532,345
-	-	-	-
-	(7,058)	(7,058)	-
-	-	-	-
-	-	-	-
-	(7,058)	(7,058)	-
-	-	-	-
-	-	532,345	532,345
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>532,345</u>	<u>\$ 532,345</u>
		<u>2,099,165</u>	
		<u>\$ 2,631,510</u>	

HAYWOOD COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2009

	<u>Proprietary Funds</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,239,374
Total assets	<u>1,239,374</u>
 Liabilities:	
Current liabilities:	
Accrued expenses	<u>461,749</u>
Total liabilities	<u>461,749</u>
 Net Assets:	
Unrestricted	<u>777,625</u>
Total net assets	<u>\$ 777,625</u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Proprietary Funds</u>
Operating Revenues:	
Charges for services	\$ <u>5,551,304</u>
Operating Expenses:	
Claims and administration	<u>5,282,156</u>
Operating income (loss)	269,148
Net Assets:	
Beginning of year, July 1	<u>508,477</u>
End of year, June 30	<u><u>\$ 777,625</u></u>

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Proprietary Funds
Cash Flows From Operating Activities:	
Receipts from third-party payers and patients	\$ 5,551,304
Payments to providers	(4,254,286)
Payments to administrator	(706,958)
Net cash provided (used) by operating activities	590,060
 Net increase (decrease) in cash and cash equivalents	 590,060
 Cash and Cash Equivalents, July 1	 649,314
 Cash and Cash Equivalents, June 30	 \$ 1,239,374
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 269,148
 Changes in assets and liabilities:	
Increase (decrease) in accrued expenses	320,912
 Net cash provided (used) by operating activities	 \$ 590,060

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

**FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Agency Funds</u>
Assets:	
Cash and cash equivalents	\$ 213,722
Liabilities :	
Amounts held for others	\$ 213,722

The accompanying notes are an integral part of the financial statements.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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 (Authority) exists to issue and service 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 (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, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

West Canton Water and Sewer District

The County, in conjunction with the Town of Canton, has established the West Canton Water and Sewer District in order to seek grant funding to provide sewer service to the District, which lies adjacent to the Town of Canton. Upon completion of construction by the County, the Town of Canton took over operation and maintenance of the sewer system. The District, having served its useful purpose, was abolished effective June 30, 2008 in accordance with Article 6 of Chapter 162A of the North Carolina General Statutes.

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 Haywood County Tourism Development Authority (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 Authority may be obtained at the administrative office of the TDA at 1233 North Main Street, Suite I-40, 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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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 nonmajor 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, 2009:

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.

Solid Waste 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.

Additionally, the County reports the following fund types:

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

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

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;

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

the Motor Vehicle Tax Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities and special districts within the County; and the NC DMV Interest Fund, which accounts for fees and interests for the Department of Motor Vehicles.

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.

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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

D. Budgetary Data

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

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a Capital Projects Fund in accordance with the project ordinance adopted for the reserve fund. 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

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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 Fund Equity

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the TDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT) an SEC- registered (2a-7) money market mutual fund. The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. 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.

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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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

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, 2008.

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. 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 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 give the Board of Education 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, 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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 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.

Liabilities

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

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Net Assets / Fund Balances

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, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b) (16)] restricts the appropriation of fund balance or fund equity to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved

Reserved by State Statute - portion of fund balance, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which are not offset by deferred revenues.

Reserved for Inventories - portion of fund balance not available for appropriation because it represents the year-end balance of inventories, which are not expendable, available resources.

Reserved for Prepaids – portion of fund balance, which is not available for appropriation because it represents the year-end fund balance of ending prepaids, which are not expendable, available resources.

Reserved for Sheriff Drug Seizure Funds – portion of fund balance that is available for appropriation but legally segregated for expenditure as designated by the Sheriff's department.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Unreserved

Designated for Subsequent Year's Expenditures - portion of total fund balance available for appropriation which has been designated for the adopted 2009-2010 budget ordinance.

Unreserved fund balance had the following designations at June 30, 2009:

Designated for subsequent year's expenditures:

Special Revenue Funds:		
Capital Reserve Fund	\$	17,168
CDBG Scattered Site Project Fund		15,937
Capital Projects Funds:		
Economic Development		79
Public Schools GO Bond Building		1,151,249
Master Facilities Projects Fund		700,543
Water and Sewer Lines		56,669
County Building Renovations		176

Other Designations – portions of total fund balance available for appropriation that have been designated for debt service, Meals on Wheels (“MOW”) program, future public school capital projects, future community college capital outlay, and the Law Enforcement Officers’ Special Separations Allowance, at the discretion of the Board of Commissioners.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

2. Detail Notes on All Funds

A. Assets

Deposits

All of the County and the TDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or TDA's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the TDA, these deposits are considered to be held by their agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the TDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the TDA under the

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Pooling Method, the potential exists for undercollateralization, 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, 2009, the County's deposits had a carrying amount of \$5,012,668 and a bank balance of \$5,138,605. Of the bank balance, \$642,674 was covered by federal depository insurance and \$4,495,931 by collateral held under the Pooling Method.

At June 30, 2009, the County had \$5,175 cash on hand.

At June 30, 2009, the carrying amount of deposits for the TDA was \$176,512, and the bank balance was \$223,946, of which \$223,946 was covered by federal depository insurance, and the balance was covered by collateral held under the Pooling Method. The TDA had cash on hand at year-end in the amount of \$400.

Investments

At June 30, 2009, the County had \$13,713,705 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 policy regarding credit risk.

Receivables

Notes Receivable

On January 31, 2002, the County and the Town of Waynesville (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, 2009, the balance was \$1,651,899.

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, 2009, the balance was \$20,954.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Receivables at Exhibit A at June 30, 2009, were as follows:

	<u>Accounts Receivable</u>	<u>Taxes and Related Accrued Interest Receivable</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 959,292	\$ 3,189,044	\$ 20,954	\$ 4,169,290
Other governmental	127,934	336,094	330,391	794,419
Total receivables	1,087,226	3,525,138	351,345	4,963,709
Allowance for doubtful accounts	(375,000)	(266,085)	-	(641,085)
 Total governmental activities	 <u>\$ 712,226</u>	 <u>\$ 3,259,053</u>	 <u>\$ 351,345</u>	 <u>\$ 4,322,624</u>
 Amounts not expected to be collected within one year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 15,604</u>	 <u>\$ 15,604</u>

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

Local option sales tax	\$ 3,072,400
Long-term receivable from town	1,651,899
Sales tax refund	503,334
Other	736,965
	<u>\$ 5,964,598</u>

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2009</u>
Governmental Activities:					
Non-Depreciable Assets:					
Land	\$ 7,928,330	\$ 838,546	\$ -	\$ -	\$ 8,766,876
Construction in progress	<u>6,377,557</u>	<u>-</u>	<u>-</u>	<u>(6,377,557)</u>	<u>-</u>
Total capital assets not being depreciated	<u>14,305,887</u>	<u>838,546</u>	<u>-</u>	<u>(6,377,557)</u>	<u>8,766,876</u>
Depreciable Assets:					
Improvements	13,954,906	-	(92,096)	-	13,862,810
Buildings	43,740,024	2,755,377	(158,114)	6,377,557	52,714,844
Equipment	11,848,661	855,793	(27,705)	-	12,676,749
Vehicles	<u>4,519,227</u>	<u>222,757</u>	<u>(421,415)</u>	<u>-</u>	<u>4,320,569</u>
Total capital assets being depreciated	<u>74,062,818</u>	<u>3,833,927</u>	<u>(699,330)</u>	<u>6,377,557</u>	<u>83,574,972</u>
Less Accumulated Depreciation:					
Improvements	6,177,647	493,848	(49,885)	-	6,621,610
Buildings	4,997,022	882,368	(84,439)	-	5,794,951
Equipment	8,548,302	1,494,181	(27,705)	-	10,014,778
Vehicles	<u>3,214,010</u>	<u>530,198</u>	<u>(421,415)</u>	<u>-</u>	<u>3,322,793</u>
Total accumulated depreciation	<u>22,936,981</u>	<u>\$ 3,400,595</u>	<u>\$ (583,444)</u>	<u>\$ -</u>	<u>25,754,132</u>
Capital assets, net	<u>51,125,837</u>				<u>57,820,840</u>
Governmental activities capital assets, net	<u>\$65,431,724</u>				<u>\$ 66,587,716</u>

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

Governmental Activities:	
General government	\$ 943,216
Public safety	1,193,178
Environmental protection	688,779
Economic and physical development	319,663
Human services	151,978
Cultural and recreational	<u>103,781</u>
Total	<u>\$ 3,400,595</u>

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Construction Commitments

The government had only one active construction project as of June 30, 2009, in addition to an amount in dispute for the historic courthouse renovation. The construction contract for the new landfill expansion project just signed at the end of June had a balance of \$3,673,445, which was funded by an installment loan.

Discretely Presented Component Unit

Capital asset activity for the TDA for the year ended June 30, 2009, was as follows:

	<u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>
Governmental Activities:				
Depreciable Assets:				
Improvements	\$ 39,078	\$ -	\$ -	\$ 39,078
Equipment and furniture	<u>16,699</u>	<u>1,297</u>	<u>-</u>	<u>17,996</u>
Total capital assets being depreciated	<u>55,777</u>	<u>1,297</u>	<u>-</u>	<u>57,074</u>
Less Accumulated Depreciation:				
Improvements	3,257	3,908	-	7,165
Equipment and furniture	<u>12,935</u>	<u>1,451</u>	<u>-</u>	<u>14,386</u>
Total accumulated depreciation	<u>16,192</u>	<u>\$ 5,359</u>	<u>\$ -</u>	<u>21,551</u>
Capital assets, net	<u>\$ 39,585</u>			<u>\$ 35,523</u>

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

B. Liabilities

Payables

Payables at Exhibit A at June 30, 2009, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,930,814	\$ 743,757	\$ 14,665	\$ 2,689,236
Solid waste management fund	163,643	34,063	-	197,706
Internal service fund	-	-	461,749	461,749
Other governmental	<u>215,572</u>	<u>1,383</u>	<u>-</u>	<u>216,955</u>
Total governmental activities	<u>\$ 2,310,029</u>	<u>\$ 779,203</u>	<u>\$ 476,414</u>	<u>\$ 3,565,646</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 4.80% and 5.27%, 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, 2009, 2008, and 2007 were \$977,673, \$1,070,888, and \$848,710, respectively. The contributions made by the County equaled the required contributions for each year.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>57</u>
Total	<u><u>60</u></u>

Summary of Significant Accounting Policies

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

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

Contributions

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

The annual required contribution for the current year was determined as part of the December 31, 2008, actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both items (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-retirement benefit increases.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 2008, was 22 years.

Annual Pension Cost and Net Pension Obligation

Annual required contribution	\$ 51,707
Interest on net pension obligation	29,860
Adjustment to annual required contribution	<u>(26,029)</u>
Annual pension cost	55,538
Less: Contributions made	<u>28,139</u>
Increase in net pension obligation	27,399
Net pension obligation beginning of year	<u>411,861</u>
Net pension obligation end of year	<u><u>\$ 439,260</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/09	\$ 55,538	50.66%	\$ 439,260
6/30/08	52,230	29.73%	411,860
6/30/07	46,073	21.21%	375,159

Funded Status and Funding Progress

As December 31, 2008, 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 \$471,329. The covered payroll (annual payroll of active employees covered by the plan) was \$2,146,030, and the ratio of the UAAL to the covered payroll was 21.96%.

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 ("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

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 2009, were \$148,037, which consisted of \$109,327 from the County and \$38,710 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, 2009, were \$978,711, which consisted of \$686,635 from the County and \$292,076 from employees.

Registers of Deeds' Supplemental Pension Fund

Plan Description

Haywood County also contributes to the Registers of Deeds' Supplemental Pension Fund (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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 2009, the County's required and actual contributions were \$6,127.

Other Post-Employment Benefits - Healthcare Benefits

Plan Description

In addition to providing pension benefits, Haywood County has elected to provide healthcare benefits to retirees of Haywood County who have at least thirty years of service with the North Carolina Local Governmental Employees' Retirement System (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 20 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, 72 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2009, Haywood County made payments for post-retirement health benefit premiums of \$124,070. Haywood County is self-insured for healthcare 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, 2008, the date of the latest actuarial valuation:

	<u>General Employees</u>
Retirees and dependents receiving benefits	72
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>569</u>
Total	<u><u>641</u></u>

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Haywood County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

<u>Year Ended June 30</u>	<u>Annual OBEP Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 2,020,158	6.14%	\$ 1,896,088

Fund Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$19,487,023. The covered payroll (annual payroll of active employees covered by the plan) was \$20,026,959, and the ratio of the UAAL to the covered payroll was 97.3 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 multi-year trend information about whether 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, 2008, 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, 2008, was 30 years.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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, 2009, the County made contributions to the State for death benefits of \$20,336. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.14% 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 Post-Closure 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 post-closure 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 post-closure care costs based on the estimated life of the landfill and the usage of the landfill for a particular period. As of June 30, 2009, the estimated accrual for landfill closure and post-closure care of \$5,256,213, which is based on the use of 100% of the estimated capacity of Phase I of the landfill and 78.27% of the estimated capacity of Phase II, had increased by \$340,047. The County will recognize the remaining estimated cost of closure and post-closure care of \$631,931 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. Haywood County expects to close the White Oak Facility in the year 2011. 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 post-closure care requirements. However, the County has plans to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Funding Policy. Haywood County's obligation to continue the plan is established and may be amended by 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, Haywood County contributed \$124,070, or .62% of annual covered payroll. There were no contributions made by employees, except for dependent coverage in the amount of \$16,771. Haywood County's obligation to contribute to the Plan is established and may be amended by Haywood County's Board.

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:

	Governmental Activities
Annual required contribution	\$ 2,020,158
Interest on net OPEB obligation	-
Adjustments to annual required contribution	-
Annual OPEB cost (expense)	2,020,158
Contributions made	(124,070)
Increase (decrease) in net OPEB obligation	1,896,088
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 1,896,088</u>

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Deferred / Unearned Revenues

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at June 30, 2009 is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned (General)	\$ 107,539	\$ 107,539
Prepaid taxes not yet earned (Special Revenue)	1,285	1,285
Taxes receivable, net (General)	2,815,613	-
Taxes receivable, net (Special Revenue)	650,387	-
Long-term notes receivable (General)	1,672,853	-
Grant revenue received in cash (General)	<u>1,008,908</u>	<u>1,008,908</u>
Total	<u>\$ 6,256,585</u>	<u>\$ 1,117,732</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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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

	<u>2008</u>	<u>2009</u>
Estimated claims payable, July 1	\$ 177,397	\$ 140,838
Plus: incurred claims and changes in estimates	4,765,763	5,282,156
Less: claims payments	<u>(4,802,322)</u>	<u>(4,961,245)</u>
Estimated claims payable, June 30	<u>\$ 140,838</u>	<u>\$ 461,749</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, 2009, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Long-Term Obligations

Notes Payable

The County has entered into seven notes payable.

The first note was issued to finance the acquisition of land for a park in the northern part of the county for recreation. The note was entered into on June 12, 2009, requiring five annual principal payments of \$121,313.66 plus interest at 4.17%. \$ 1,123,000

The second 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%. 151,032

The third 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 \$68,282, including interest at 4.625%. 1,159,084

The fourth 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%. 154,226

The fifth 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%. 8,580,000

The sixth 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 5 annual principal payments of \$280,000, plus interest payments at 3.32%. 1,120,000

The seventh note was issued for the Haywood Advancement Loan. The note was entered into on November 6, 2008, requiring 1 annual principal payment of \$151,944, plus interest payments at 4.00%. 146,100

Total installment notes payable – governmental activities \$ 12,433,442

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

Annual debt service requirements to maturity for the County's installment financing are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,179,460	\$ 460,644	\$ 1,640,104
2011	1,034,203	422,763	1,456,966
2012	1,035,085	385,243	1,420,328
2013	1,036,005	347,683	1,383,688
2014	756,972	314,726	1,071,698
2015-2019	3,800,926	1,147,419	4,948,345
2020-2024	2,512,553	456,446	2,968,999
2025-2029	197,754	228,690	426,444
2030-2034	247,181	179,312	426,493
2035-2039	308,970	117,582	426,552
2040-2044	308,470	40,393	348,863
2045-2049	15,863	694	16,557
	<u>\$12,433,442</u>	<u>\$4,101,595</u>	<u>\$16,535,037</u>

Certificates of Participation

In October 2002, the County entered into an installment-financing contract with a bank for construction of a new justice center and parking deck in the amount of \$22,000,000. In February 2003, the County entered into an installment-financing contract with a bank for refunding of the previous installment contract and the note payable for the construction of the agricultural center. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in an economic gain of \$911,644 and a reduction of \$1,815,976 in future debt service payments. The contract was funded by execution and delivery of Certificates of Participation. The outstanding contract at June 30, 2009, 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.

\$ 14,155,000

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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>
2010	\$ 1,640,000	\$ 632,425	\$ 2,272,425
2011	1,645,000	558,500	2,203,500
2012	1,650,000	476,125	2,126,125
2013	1,665,000	393,250	2,058,250
2014	1,585,000	175,813	1,760,813
2015-2018	5,970,000	686,350	6,656,350
	<u>\$ 14,155,000</u>	<u>\$ 2,922,463</u>	<u>\$ 17,077,463</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, 2009 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% \$ 9,600,000

\$18,000,000 2006 School Facility Serial Bonds due on November 1 and May 1 with interest payments through November 1, 2007; beginning May 1, 2008, installments of \$800,000 plus interest each May 1 through 2013; installment of \$900,000 plus interest due May 1, 2014; installments of \$1,000,000 plus interest through May 1, 2025, and a payment of \$1,300,000 plus interest on May 1, 2026. Interest payments are due each November. Interest rates range from 3.75% to 5.00%. 16,400,000

\$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 and September 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 rates range from 3% to 4.125%. 6,650,000

Total \$ 32,650,000

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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

	Principal	Interest	Total
2010	\$ 1,750,000	\$ 1,353,888	\$ 3,103,888
2011	1,750,000	1,290,388	3,040,388
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
2015-2019	9,750,000	4,279,800	14,029,800
2020-2024	9,750,000	2,184,075	11,934,075
2025-2029	4,300,000	301,849	4,601,849
	\$ 32,650,000	\$ 12,899,164	\$ 45,549,164

Changes in Long-Term Liabilities

A summary of changes in long-term liabilities follows:

	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds	\$ 34,400,000	\$ -	\$ 1,750,000	\$ 32,650,000	\$ 1,750,000
Deferred issuance					
premium on bonds	538,458	-	30,345	508,113	-
Certificates of Participation	15,805,000	-	1,650,000	14,155,000	1,640,000
Deferred issuance					
premium on COPs	624,309	-	65,964	558,345	-
Notes payable	12,221,847	1,269,100	1,057,505	12,433,442	1,179,460
Landfill closure and					
post-closure care costs	4,916,166	340,047	-	5,256,213	-
Compensated absences	1,321,278	272,992	242,805	1,351,465	245,233
Net pension obligation	411,861	55,538	28,139	439,260	-
Other post-employment benefits	-	2,020,158	124,070	1,896,088	-
Total	\$ 70,238,919	\$ 3,957,835	\$ 4,948,828	\$ 69,247,926	\$ 4,814,693

At June 30, 2009, Haywood County had a legal debt margin of \$503,923,001.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

C. Capital Assets, Net of Related Debt

Capital assets, net of related debt at June 30, 2009, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 66,587,716
Less capital debt:	
Gross debt	60,304,900
Less:	
School debt related to assets to which the County does not hold title	(24,170,000)
Unexpended debt proceeds	<u>(293)</u>
Net capital debt	<u>36,134,607</u>
Capital assets, net of related debt	<u>\$ 30,453,109</u>

D. Related Organization

The Haywood County Board of Commissioners are responsible for appointing the members of Haywood County Economic Development Commission (Commission), but the County's accountability for this organization does not extend beyond making these appointments. The Commission 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 Commission had no financial transactions or account balances during the fiscal year ended June 30, 2009.

E. 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 Haywood County Tourism Development Authority (Authority). The Authority 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 Authority. Although the participating entities do not have any equity interest in the joint venture, the County does appoint the twelve board members. Therefore, the Authority is presented as a component unit of the County in the financial statements. Complete financial statements for the Authority may be obtained from the Authority's offices at 1233 North Main Street, Suite I-40, Waynesville, NC 28786.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

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. 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 \$2,015,255 and \$400,000 to the community college for operating and capital purposes, respectively, during the fiscal year ending June 30, 2009. 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, 2009. Complete financial statements for the community college may be obtained from the community college's administrative offices at Freedlander Drive, Clyde, N.C., 28721.

The County, in conjunction with fourteen other county governments, participates in a joint venture to operate the Smoky Mountain Center for Mental Health (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, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$177,663 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, N.C., 28725.

F. Jointly Governed Organization

The County, in conjunction with 21 town and county governments, established the Southwestern North Carolina Planning and Economic Development 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.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

G. 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	\$ 50,021,168	\$ 20,123,012
TANF Emergency Assistance	722,284	-
Food Stamps	9,629,093	-
Special Supplemental Food Program for Women, Infants, and Children	913,235	-
Low-Income Home Energy Assistance	505,381	-
CWS Adoption Subsidy	-	346,535
Foster Care at Risk	-	58,936
IV-E Foster Care	270,539	37,620
IV-E Adoption	395,043	74,202
Total	<u>\$ 62,456,743</u>	<u>\$ 20,640,305</u>

H. 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.

I. Conduit Debt Obligations

Haywood County Industrial Facility and Pollution Control Financing 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, 2009, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$18,625,000.

HAYWOOD COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2009

J. Interfund Receivables, Payables and Transfers

Interfund transfers for the year ended June 30, 2009 consisted of the following:

Transfers to the General Fund from:

Solid Waste Fund	\$ 7,058
Nonmajor governmental funds	<u>440,338</u>
Total	<u>\$ 447,396</u>

Transfers to nonmajor governmental funds from :

General Fund	<u>\$ 183,502</u>
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Transfers between nonmajor governmental funds	<u>\$ 232,419</u>
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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, 2009, the County transferred \$324,775 to the General Fund from the Public Schools Capital Project Fund as reimbursement of furniture expenditures for the new Bethel Elementary School that the County originally funded from the General Fund revenues. The County transferred \$7,058 to the General Fund from the Solid Waste Management Fund to cover the vehicle expense paid by the General Fund. The County transferred \$115,563 to the General Fund from the E911 Fund that represented the amount available at the end of the prior year to cover General Fund expenditures. Transfers from the General Fund to nonmajor funds included \$17,168 to the Capital Reserve Special revenue Fund for a future recreation project; \$12,000 to the Public Schools ADM/Lottery Capital Project Fund as a 25% match for a \$48,000 school parking lot resurfacing project, 75% funded by the Public Schools Capital Building Fund; and \$154,334 to the Public Schools ADM/Lottery Capital Project Fund to fund roofing projects on two schools with the "Medicaid Swap" money put aside in the prior year for school projects. The transfer between nonmajor governmental funds of \$232,419 was a transfer from the Capital Reserve Fund for economic development to cover additional grading work at the industrial park reported in the Economic Development Capital Project Fund.

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REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by accounting principles generally accepted in the United States of America.

Analysis of Funding Progress for the Law Enforcement Officers' Special Separation Allowance

Analysis of Funding Progress for the Other Post-Employment Benefits

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HAYWOOD COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
FOR THE YEAR ENDED JUNE 30, 2009**

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 % of Covered Payroll (b-a)/c)
12/31/2008	\$ -	\$ 471,329	\$ 471,329	-	\$ 2,146,030	21.96%
12/31/2007	-	405,297	405,297	-	2,002,778	20.24%
12/31/2006	-	346,965	346,965	-	1,975,853	17.56%
12/31/2005	-	308,732	308,732	-	1,796,938	17.18%
12/31/2004	-	329,421	329,421	-	1,639,466	20.09%
12/31/2003	-	308,145	308,145	-	1,447,599	21.29%
12/31/2002	-	305,477	305,477	-	1,386,108	22.04%
12/31/2001	-	299,161	299,161	-	1,418,501	21.09%
12/31/2000	-	263,294	263,294	-	1,353,839	19.45%
12/31/1999	-	136,386	136,386	-	1,193,567	11.43%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 51,707	54.42%
2008	52,230	29.73%
2007	46,073	21.21%

Notes to the Required Schedules:

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
*Includes inflation at	3.75%
Cost of living adjustments	None

HAYWOOD COUNTY, NORTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2009**

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 % of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 19,487,023	\$ 19,487,023	0.00%	\$ 20,026,959	97.30%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 2,020,158	6.14%

Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return *	4.00%
Medical cost trend rate	10.50%-5.00%
Year of Ultimate trend rate	2016

* Includes inflation at 3.75%



SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL

FUND

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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.

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HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Revenues:				
Ad Valorem Taxes:				
Current and prior years		\$ 34,537,505		\$ 33,801,780
Penalties and interest		176,845		168,733
Total	\$ 34,715,794	34,714,350	\$ (1,444)	33,970,513
Local Option Sales Taxes:				
Article 39 one percent		4,722,924		5,583,168
Article 40 one-half of one percent		2,512,605		2,843,589
Article 42 one-half of one percent		2,485,360		2,817,769
Article 44 one-half of one percent		1,220,551		2,618,007
Article 46 one-quarter of one percent		1,184,146		-
Total	11,271,407	12,125,586	854,179	13,862,533
Other Taxes and Licenses:				
Rental vehicle tax		21,371		24,697
Scrap tire disposal fee		-		63,660
Occupancy tax		975,405		930,481
White goods disposal tax		-		21,832
Utility franchise tax		62,045		90,025
Telecommunications/video tax		338,436		317,170
Real property transfer tax		386,668		687,520
Deed stamp excise tax		408,414		439,499
Total	2,386,000	2,192,339	(193,661)	2,574,884
Unrestricted Intergovernmental:				
Payments in lieu of taxes		420,508		186,409
Total	190,000	420,508	230,508	186,409
Restricted Intergovernmental:				
State grants		2,585,721		2,073,626
Federal grants		517,837		236,276
Social services federal and State grants		6,959,489		6,117,273
Court facilities fees		151,716		179,133
Health revenue - local		1,001,470		999,769
Social Services revenues - local		29,644		36,111
ABC revenue - library		5,533		4,632
ABC net revenues		97,903		66,827

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Literacy Council - local		-		29,992
Towns - local		256,047		275,547
Other - local		149,091		145,931
Total	12,364,318	11,754,451	(609,867)	10,165,117
Permits and Fees:				
Building permits and inspection fees		374,240		522,945
Total	518,742	374,240	(144,502)	522,945
Sales and Services:				
Library local revenues		15,955		65
Mapping sales		8,845		29,276
Sheriff's fees and commissions		135,320		128,281
Jail and officers' fees		206,275		379,078
Ambulance fees		1,917,225		1,470,369
Animal control fees		65,539		52,408
Dental clinic charges		18,826		21,612
Health dept patient fees		707,259		682,947
Social services patient fees		51,078		26,871
Tax assessments - departmental services		201		295
Garage - departmental services		11,930		10,093
Tax collection fees		24,289		29,221
Public buildings - departmental services		47,618		43,062
Elections- departmental services		336		1,730
EDC - property management fees		10,560		3,360
Extension 4H		24,286		29,580
Solid waste fees		-		3,866
Rent		74,167		72,970
Sale of recyclables		-		389,282
Recreation fees		19,878		19,320
Total	3,850,973	3,339,587	(511,386)	3,393,686
Investment Earnings	256,000	256,002	2	743,262
Miscellaneous:				
Other		507,432		992,841
Total	495,015	507,432	12,417	992,841
Total revenues	66,048,249	65,684,495	(363,754)	66,412,190

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008
	Budget	Actual	Variance Over/Under
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits		96,354	104,806
Operating expenses		474,352	424,774
Capital outlay		-	5,000
Total		570,706	534,580
Administration:			
Salaries and employee benefits		404,797	385,068
Operating expenses		65,611	102,572
Capital outlay		-	5,829
Total		470,408	493,469
Finance:			
Salaries and employee benefits		352,374	344,720
Operating expenses		45,513	50,206
Capital outlay		-	1,659
Total		397,887	396,585
Human Resources:			
Salaries and employee benefits		193,642	167,045
Operating expenses		159,591	219,324
Capital outlay		-	23,970
Total		353,233	410,339
Wellness Clinic:			
Operating expenses		135,972	24,711
Capital outlay		1,015	12,706
Total		136,987	37,417
Tax Collections:			
Salaries and employee benefits		286,928	283,977
Operating expenses		103,794	114,951
Capital outlay		1,435	-
Total		392,157	398,928

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008
	Budget	Actual	Variance Over/Under
			Actual
Tax Assessments:			
Salaries and employee benefits		443,225	404,437
Operating expenses		62,444	81,801
Capital outlay		-	6,159
Total		505,669	492,397
Land Records:			
Salaries and employee benefits		241,152	197,082
Operating expenses		14,511	25,902
Capital outlay		-	5,426
Total		255,663	228,410
Revaluation:			
Salaries and employee benefits		289,082	332,615
Operating expenses		29,836	32,830
Capital outlay		-	11,942
Total		318,918	377,387
Legal Services		452,663	259,130
Engineering Support:			
Salaries and employee benefits		89,673	73,572
Operating expenses		5,101	10,494
Capital outlay		5,613	2,539
Total		100,387	86,605
Courts:			
Operating expenses		136,948	157,977
Capital outlay		-	14,428
Total		136,948	172,405
CJPP Technical Assist:			
Salaries and employee benefits		56,193	54,013
Operating expenses		16,521	19,859
Capital outlay		-	2,631
Total		72,714	76,503

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Mountain Dispute Settlement		1,875		2,500
Elections:				
Salaries and employee benefits		273,806		233,553
Operating expenses		52,559		94,711
Capital outlay		5,372		13,525
Total		331,737		341,789
Register of Deeds:				
Salaries and employee benefits		248,900		250,677
Operating expenses		335,017		460,259
Capital outlay		-		3,349
Total		583,917		714,285
Total general government	5,525,336	5,081,869	443,467	5,022,729
Central Services:				
Information Systems:				
Salaries and employee benefits		335,691		238,786
Operating expenses		167,386		165,514
Capital outlay		42,775		1,170
Total		545,852		405,470
Garage:				
Salaries and employee benefits		103,370		100,686
Operating expenses		21,909		26,690
Capital outlay		-		14,504
Total		125,279		141,880
Public Buildings:				
Salaries and employee benefits		793,451		702,374
Operating expenses		905,806		933,609
Capital outlay		86,851		24,549
Total		1,786,108		1,660,532
Total central services	2,564,718	2,457,239	107,479	2,207,882

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008
	Budget	Actual	Variance Over/Under Actual
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,331,650	3,302,178
Operating expenses		546,091	612,350
Capital outlay		274,674	251,709
Total		<u>4,152,415</u>	<u>4,166,237</u>
Haywood County 911 Communication Center:			
Salaries and employee benefits		473,261	457,112
Operating expenses		48,185	46,727
Capital outlay		81,026	5,368
Total		<u>602,472</u>	<u>509,207</u>
Arrest Grant Project:			
Operating expenses		78,616	39,740
Total		<u>78,616</u>	<u>39,740</u>
Sheriff - SRO Officers:			
Salaries and employee benefits		201,591	146,155
Operating expenses		9,797	1,653
Total		<u>211,388</u>	<u>147,808</u>
Detention:			
Salaries and employee benefits		1,682,876	1,694,352
Operating expenses		416,404	484,164
Capital outlay		-	1,474
Total		<u>2,099,280</u>	<u>2,179,990</u>
Fire Control:			
Salaries and employee benefits		141,851	136,443
Operating expenses		13,607	21,751
Total		<u>155,458</u>	<u>158,194</u>
NC Forest Service:			
Operating expenses		82,148	101,809
Total		<u>82,148</u>	<u>101,809</u>

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Building Inspections:				
Salaries and employee benefits		362,883		398,511
Operating expenses		24,349		35,918
Total		<u>387,232</u>		<u>434,429</u>
Medical Examiner		<u>33,100</u>		<u>27,200</u>
Emergency Medical Service:				
Salaries and employee benefits		3,172,447		2,866,361
Operating expenses		351,160		367,111
Capital outlay		39,771		456,134
Total		<u>3,563,378</u>		<u>3,689,606</u>
Rescue Squad:				
Operating expenses		74,936		72,987
Total		<u>74,936</u>		<u>72,987</u>
Emergency Management:				
Salaries and employee benefits		91,779		120,283
Operating expenses		100,658		80,105
Capital outlay		-		5,566
Total		<u>192,437</u>		<u>205,954</u>
Hurricane Recovery:				
Operating expenses		-		2,799
Total		<u>-</u>		<u>2,799</u>
Animal Control:				
Salaries and employee benefits		264,167		244,242
Operating expenses		112,690		108,772
Capital outlay		-		32,300
Total		<u>376,857</u>		<u>385,314</u>
Total public safety	<u>12,645,380</u>	<u>12,009,717</u>	<u>635,663</u>	<u>12,121,274</u>
Transportation:				
Mass transit	<u>288,009</u>	<u>284,233</u>	<u>3,776</u>	<u>259,896</u>

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Environmental Protection:				
Solid Waste Management:				
Salaries and employee benefits		-		1,731,351
Operating expenses		-		1,179,981
Total		-		2,911,332
Erosion Control Program:				
Salaries and employee benefits		176,703		177,488
Operating expenses		5,323		13,420
Total		182,026		190,908
Total environmental protection	202,637	182,026	20,611	3,102,240
Economic and Physical Development:				
Planning:				
Salaries and employee benefits		226,675		203,161
Operating expenses		10,603		11,383
Total		237,278		214,544
Economic Development:				
Salaries and employee benefits		156,563		150,303
Operating expenses		129,232		179,532
Capital outlay		-		1,900
Total		285,795		331,735
Haywood Co Agriculture & Activities Board		50,000		150,000
Tourism Development		955,651		911,176
Community Development:				
Operating expenses		19,000		33,750
Total		19,000		33,750
Special Employment Programs		3,000		6,200

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Extension:				
Operating expenses		291,183		301,086
Capital outlay		1,619		12,482
Total		<u>292,802</u>		<u>313,568</u>
Soil Conservation:				
Salaries and employee benefits		160,689		156,762
Operating expenses		22,135		29,011
Total		<u>182,824</u>		<u>185,773</u>
Soil and Water Conservation Agricultural Engineer:				
Salaries and employee benefits		73,363		71,018
Total		<u>73,363</u>		<u>71,018</u>
Agricultural Technician:				
Salaries and employee benefits		55,845		57,343
Operating expenses		6,199		8,266
Total		<u>62,044</u>		<u>65,609</u>
Total economic and physical development	<u>2,264,821</u>	<u>2,161,757</u>	<u>103,064</u>	<u>2,283,373</u>
Human Services:				
Health:				
Salaries and employee benefits		2,127,754		2,184,652
Operating expenses		309,140		354,721
Capital outlay		4,810		30,146
Total		<u>2,441,704</u>		<u>2,569,519</u>
Medicaid:				
Salaries and employee benefits		531,523		544,658
Operating expenses		107,453		89,411
Capital outlay		4,400		1,746
Total		<u>643,376</u>		<u>635,815</u>
Immunization:				
Operating expenses		500		500
Total		<u>500</u>		<u>500</u>

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008
	Budget	Actual	Variance Over/Under Actual
Dental Clinic:			
Salaries and employee benefits		383,450	344,029
Operating expenses		105,012	96,378
Capital outlay		-	28,363
Total		<u>488,462</u>	<u>468,770</u>
Child Health		<u>4,134</u>	<u>8,225</u>
Family Planning:			
Operating expenses		65,109	64,370
Capital outlay		-	4,252
Total		<u>65,109</u>	<u>68,622</u>
Adult Health Services:			
Operating expenses		30,034	30,407
Total		<u>30,034</u>	<u>30,407</u>
Cancer Database		<u>9,600</u>	<u>9,224</u>
American Cancer Society - Project Assist:			
Salaries and employee benefits		103,993	-
Operating expenses		196,848	214,897
Capital outlay		-	1,914
Total		<u>300,841</u>	<u>216,811</u>
WIC Program:			
Operating expenses		11,708	19,009
Total		<u>11,708</u>	<u>19,009</u>
Kate B. Reynolds Public School Health Program:			
Salaries and employee benefits			
Operating expenses		2,666	10,000
Total		<u>2,666</u>	<u>10,000</u>
Smart & Healthy Start:			
Operating expenses		7,181	8,175
Total		<u>7,181</u>	<u>8,175</u>

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Maternal Health:				
Operating expenses		104,459		104,459
Total		104,459		104,459
Environmental Health:				
Salaries and employee benefits		1,042,457		953,325
Operating expenses		72,619		76,033
Capital outlay		-		21,058
Total		1,115,076		1,050,416
T.B. Control		3,228		3,128
Mental Health		177,663		231,155
Programs for Family and Sexual Abuse		25,000		50,000
Social Services:				
Salaries and employee benefits		6,601,385		6,338,610
Operating expenses		472,833		593,651
Capital outlay		18,251		17,005
Total		7,092,469		6,949,266
Work First - NCDOT Trans		7,526		7,112
Public Assistance:				
General assistance		2,119		1,882
Medicaid		1,481,042		2,782,797
Aid to the aged and disabled		597,143		561,648
Crisis intervention		389,948		269,619
State foster home		501,644		491,938
Foster children		24,862		35,642
Aid to blind		12,307		12,205
Adoption assistance		78,765		92,824
Medicaid transportation		332,234		294,356
Electrical assistance expenditures		99,589		63,828
Foster care Christmas gifts		5,791		9,991
CBA -foster care		44,218		32,679
IV-E foster care		618,603		491,045
Public assistance		67,802		52,659
Total		4,256,067		5,193,113

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		2008
	Budget	Actual	Variance Over/Under
Meals on Wheels:			
Salaries and employee benefits		179,287	206,756
Operating expenses		88,638	115,536
Capital outlay		-	1,921
Total		<u>267,925</u>	<u>324,213</u>
Meals on Wheels - Special		<u>-</u>	<u>8,554</u>
JOBS Work First:			
Operating expenses		<u>346,910</u>	<u>385,863</u>
Total		<u>346,910</u>	<u>385,863</u>
Food Assistance		<u>6,775</u>	<u>7,950</u>
Adoption Awareness		<u>6,346</u>	<u>16,558</u>
Adult Day Care:			
Salaries and employee benefits		110,093	106,826
Operating expenses		<u>68,568</u>	<u>42,174</u>
Total		<u>178,661</u>	<u>149,000</u>
Cap-Community Alternative Program:			
Salaries and employee benefits		358,689	293,968
Operating expenses		<u>91,744</u>	<u>97,572</u>
Total		<u>450,433</u>	<u>391,540</u>
Robert Wood Johnson Grant		<u>36,250</u>	<u>36,250</u>
Community Crisis Management		<u>11,988</u>	<u>11,927</u>
Adoption Payments		<u>188,015</u>	<u>147,010</u>
Title III Grants		<u>370,467</u>	<u>359,309</u>
Senior Citizens Programs		<u>16,000</u>	<u>16,000</u>
Volunteer Program		<u>250</u>	<u>380</u>

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Good Samaritan Clinic		8,750		17,500
Contribution to Hospital		-		5,000
Veteran's Service:				
Salaries and employee benefits		89,254		82,571
Operating expenses		6,216		6,919
Total		95,470		89,490
Youth Services:				
Operating expenses		181,951		172,246
Total		181,951		172,246
Haywood Mountain Home:				
Operating expenses		106,456		245,908
Total		106,456		245,908
 Total human services	20,707,554	19,059,450	1,648,104	20,018,424
Culture and Recreation:				
Library:				
Salaries and employee benefits		1,040,308		1,039,342
Operating expenses		366,315		461,370
Capital outlay		23,342		21,276
Total		1,429,965		1,521,988
LSCA Title VI Literacy Grant:				
Salaries and employee benefits		3,260		70,852
Recreation:				
Salaries and employee benefits		156,072		152,675
Operating expenses		142,421		253,062
Capital outlay		1,518		1,373
Total		300,011		407,110
Arts		27,500		55,000
 Total culture and recreation	1,850,714	1,760,736	89,978	2,054,950

HAYWOOD COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008

	2009		Variance Over/Under	2008
	Budget	Actual		Actual
Education:				
Public schools - current expense		13,467,918		13,926,597
Public schools - capital outlay		687,108		600,000
Community College - current expense		2,015,255		2,056,228
Community College - capital outlay		400,000		400,000
Total education	16,570,283	16,570,281	2	16,982,825
Debt Service:				
Principal retirements	4,572,488	4,457,487		3,955,964
Interest	2,622,685	2,566,715		2,384,555
Service charges	-	1,030		-
Total debt service	7,197,973	7,025,232	172,741	6,340,519
Total expenditures	69,817,425	66,592,540	3,224,885	70,394,112
Revenues over (under) expenditures	(3,769,176)	(908,045)	2,861,131	(3,981,922)
Other Financing Sources (Uses):				
Operating transfers from other funds	1,460,402	447,396	(1,013,006)	3,337,906
Operating transfers to other funds	(185,783)	(183,502)	2,281	(1,346,586)
Proceeds from long-term debt	-	1,119,635	1,119,635	-
Sale of fixed assets and materials and scrap	5,000	30,577	25,577	21,881
Total other financing sources (uses)	1,279,619	1,414,106	134,487	2,013,201
Revenues and other financing sources over (under) expenditures and other financing uses	(2,489,557)	506,061	2,995,618	(1,968,721)
Appropriated fund balance	2,489,557	-	(2,489,557)	-
Net change in fund balance	\$ -	506,061	\$ 506,061	(1,968,721)
Fund Balance:				
Beginning of year - July 1		12,558,881		14,527,602
End of year - June 30		\$ 13,064,942		\$ 12,558,881



SOLID WASTE FUND

Solid Waste 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 FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Budget	Actual	Variance Over/Under
Revenues:			
Availability and use taxes:			
Solid waste fees	\$ 1,975,000	\$ 2,352,816	\$ 377,816
Other taxes & licenses	86,000	100,413	14,413
Intergovernmental revenue	-	65,128	65,128
Sales and services	1,953,500	1,775,263	(178,237)
Total revenues	4,014,500	4,293,620	279,120
Expenditures:			
Salaries and employee benefits	1,874,057	1,767,231	106,826
Operating expenses	1,970,195	1,816,738	153,457
Capital outlay - equipment	170,248	170,248	-
Total expenditures	4,007,442	3,754,217	260,283
Revenues over (under) expenditures	7,058	539,403	532,345
Other Financing Sources (Uses):			
Operating transfer out:			
General Fund	(7,058)	(7,058)	-
Total other financing sources (uses)	(7,058)	(7,058)	-
Net change in fund balance	\$ -	532,345	\$ 532,345
Fund Balance:			
Beginning of year, July 1		2,099,165	
Beginning of year, June 30		\$ 2,631,510	

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COMBINING STATEMENTS FOR NONMAJOR FUNDS

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HAYWOOD COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
Assets:			
Cash and cash equivalents	\$ 510,789	\$ 2,298,012	\$ 2,808,801
Accounts receivable, net	61,094	-	61,094
Taxes receivable, net	320,009	-	320,009
Total assets	\$ 891,892	\$ 2,298,012	\$ 3,189,904
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 152,866	\$ 64,089	\$ 216,955
Deferred revenue	319,995	-	319,995
Total liabilities	472,861	64,089	536,950
Fund Balances:			
Reserved by State statute	46,305	-	46,305
Unreserved:			
Designated for subsequent year expenditures	33,105	1,908,716	1,941,821
Undesignated	339,621	325,207	664,828
Total fund balances	419,031	2,233,923	2,652,954
Total liabilities and fund balances	\$ 891,892	\$ 2,298,012	\$ 3,189,904

HAYWOOD COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Capital Reserve Fund	Emergency Telephone Fund	Fire Districts Fund	Crisis Assistance Housing Fund
Assets:				
Cash and cash equivalents	\$ 17,168	\$ 348,688	\$ 93,094	\$ 28,907
Accounts receivable, net	-	46,305	-	11,807
Taxes receivable, net	-	-	298,134	-
Total assets	<u>\$ 17,168</u>	<u>\$ 394,993</u>	<u>\$ 391,228</u>	<u>\$ 40,714</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 11,567	\$ 93,094	\$ 38,214
Deferred revenue	-	-	298,134	-
Total liabilities	<u>-</u>	<u>11,567</u>	<u>391,228</u>	<u>38,214</u>
Fund Balances:				
Reserved by State statute	-	46,305	-	-
Unreserved:				
Designated for subsequent year expenditures	17,168	-	-	-
Undesignated	-	337,121	-	2,500
Total fund balances	<u>17,168</u>	<u>383,426</u>	<u>-</u>	<u>2,500</u>
Total liabilities and fund balances	<u>\$ 17,168</u>	<u>\$ 394,993</u>	<u>\$ 391,228</u>	<u>\$ 40,714</u>

Schedule 6

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total
\$ 4,893	\$ 2,102	\$ 15,937	\$ 510,789
-	-	2,982	61,094
<u>15,105</u>	<u>6,770</u>	-	<u>320,009</u>
<u>\$ 19,998</u>	<u>\$ 8,872</u>	<u>\$ 18,919</u>	<u>\$ 891,892</u>
\$ 4,894	\$ 2,115	\$ 2,982	\$ 152,866
<u>15,104</u>	<u>6,757</u>	-	<u>319,995</u>
<u>19,998</u>	<u>8,872</u>	<u>2,982</u>	<u>472,861</u>
-	-	-	46,305
-	-	15,937	33,105
-	-	-	<u>339,621</u>
-	-	<u>15,937</u>	<u>419,031</u>
<u>\$ 19,998</u>	<u>\$ 8,872</u>	<u>\$ 18,919</u>	<u>\$ 891,892</u>

HAYWOOD COUNTY, NORTH CAROLINA

**NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Economic Development Fund	Public Schools GO Bond Fund	Water & Sewer Lines Fund	Solid Waste/ Landfill Fund
Assets:				
Cash and cash equivalents	\$ 79	\$ 1,151,249	\$ 56,669	\$ 151,950
Total assets	\$ 79	\$ 1,151,249	\$ 56,669	\$ 151,950
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund Balances:				
Unreserved:				
Designated for subsequent year expenditures	79	1,151,249	56,669	-
Undesignated	-	-	-	151,950
Total fund balances	79	1,151,249	56,669	151,950
Total liabilities and fund balances	\$ 79	\$ 1,151,249	\$ 56,669	\$ 151,950

Schedule 7

Master Facilities Fund	Public Schools ADM/Lottery Fund	County Building Renovations Fund	Total
\$ 757,223	\$ 180,666	\$ 176	\$ 2,298,012
<u>\$ 757,223</u>	<u>\$ 180,666</u>	<u>\$ 176</u>	<u>\$ 2,298,012</u>
\$ 56,680	\$ 7,409	\$ -	\$ 64,089
<u>56,680</u>	<u>7,409</u>	<u>-</u>	<u>64,089</u>
700,543	-	176	1,908,716
<u>-</u>	<u>173,257</u>	<u>-</u>	<u>325,207</u>
<u>700,543</u>	<u>173,257</u>	<u>176</u>	<u>2,233,923</u>
<u>\$ 757,223</u>	<u>\$ 180,666</u>	<u>\$ 176</u>	<u>\$ 2,298,012</u>

HAYWOOD COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Ad valorem taxes	\$ 3,532,291	\$ -	\$ 3,532,291
Restricted intergovernmental	192,612	1,011,321	1,203,933
Permits and fees	618,522	-	618,522
Sales and services	337	-	337
Investment earnings	-	49,958	49,958
Miscellaneous	-	133,901	133,901
Total revenues	<u>4,343,762</u>	<u>1,195,180</u>	<u>5,538,942</u>
Expenditures:			
Current:			
General government	-	5,000	5,000
Public safety	3,444,148	-	3,444,148
Environmental protection	198,434	-	198,434
Economic and physical development	394,052	705,222	1,099,274
Education	-	2,569,011	2,569,011
Capital outlay	-	3,068,508	3,068,508
Total expenditures	<u>4,036,634</u>	<u>6,347,741</u>	<u>10,384,375</u>
Revenues over (under) expenditures	<u>307,128</u>	<u>(5,152,561)</u>	<u>(4,845,433)</u>
Other Financing Sources (Uses):			
Transfers from other funds	17,168	73,978	91,146
Transfers to other funds	(347,982)	-	(347,982)
Installment purchase obligations issued	-	149,465	149,465
Total other financing sources (uses)	<u>(330,814)</u>	<u>223,443</u>	<u>(107,371)</u>
Net change in fund balances	(23,686)	(4,929,118)	(4,952,804)
Fund Balances:			
Beginning of year, July 1	<u>442,717</u>	<u>7,163,041</u>	<u>7,605,758</u>
End of year, June 30	<u>\$ 419,031</u>	<u>\$ 2,233,923</u>	<u>\$ 2,652,954</u>

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HAYWOOD COUNTY, NORTH CAROLINA

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Capital Reserve Fund</u>	<u>Emergency Telephone Fund</u>	<u>Fire Districts Fund</u>	<u>Crisis Assistance Housing Fund</u>
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 3,129,917	\$ -
Restricted intergovernmental	-	-	-	182,930
Permits and fees	-	618,522	-	-
Sales and services	-	337	-	-
Total revenues	<u>-</u>	<u>618,859</u>	<u>3,129,917</u>	<u>182,930</u>
Expenditures:				
Current:				
Public safety	-	314,231	3,129,917	-
Environmental protection	-	-	-	-
Economic and physical development	-	-	-	180,430
Total expenditures	<u>-</u>	<u>314,231</u>	<u>3,129,917</u>	<u>180,430</u>
Revenues over (under) expenditures	<u>-</u>	<u>304,628</u>	<u>-</u>	<u>2,500</u>
Other Financing Sources (Uses):				
Transfers from other funds	17,168	-	-	-
Transfers to other funds	<u>(232,419)</u>	<u>(115,563)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(215,251)</u>	<u>(115,563)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(215,251)	189,065	-	2,500
Fund Balances:				
Beginning of year, July 1	<u>232,419</u>	<u>194,361</u>	<u>-</u>	<u>-</u>
End of year, June 30	<u>\$ 17,168</u>	<u>\$ 383,426</u>	<u>\$ -</u>	<u>\$ 2,500</u>

Schedule 9

Sanitary District Fund	Road Service Fund	CDBG Scattered Site Project Fund	Total
\$ 198,434	\$ 203,940	\$ -	\$ 3,532,291
-	-	9,682	192,612
-	-	-	618,522
-	-	-	337
<u>198,434</u>	<u>203,940</u>	<u>9,682</u>	<u>4,343,762</u>
-	-	-	3,444,148
198,434	-	-	198,434
<u>-</u>	<u>203,940</u>	<u>9,682</u>	<u>394,052</u>
<u>198,434</u>	<u>203,940</u>	<u>9,682</u>	<u>4,036,634</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>307,128</u>
-	-	-	17,168
<u>-</u>	<u>-</u>	<u>-</u>	<u>(347,982)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(330,814)</u>
-	-	-	(23,686)
<u>-</u>	<u>-</u>	<u>15,937</u>	<u>442,717</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,937</u>	<u>\$ 419,031</u>

HAYWOOD COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2009

	Economic Development Fund	Public Schools GO Bond Fund	Water and Sewer Lines Fund	Solid Waste/ Landfill Fund
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	27,505	-	-
Miscellaneous	133,901	-	-	-
Total revenues	133,901	27,505	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Economic and physical development	701,857	-	-	-
Education	-	1,091,232	-	-
Capital outlay	-	-	-	-
Total expenditures	701,857	1,091,232	-	-
Revenues over (under) expenditures	(567,956)	(1,063,727)	-	-
Other Financing Sources (Uses):				
Transfers from (to) other funds	232,419	(324,775)	-	-
Installment purchase obligations issued	146,100	-	-	-
Total other financing sources (uses)	378,519	(324,775)	-	-
Net change in fund balances	(189,437)	(1,388,502)	-	-
Fund Balances:				
Beginning of year, July 1	189,516	2,539,751	56,669	151,950
End of year, June 30	\$ 79	\$ 1,151,249	\$ 56,669	\$ 151,950

Schedule 10

Solid Waste/ Landfill Fund	Master Facilities Fund	Public School ADM/Lottery Fund	County Building Renovations Fund	Total
\$ -	\$ -	\$ 1,011,321	\$ -	\$ 1,011,321
-	22,315	-	-	49,820
-	-	138	-	134,039
-	22,315	1,011,459	-	1,195,180
-	-	-	5,000	5,000
-	-	-	3,365	705,222
-	-	1,477,779	-	2,569,011
-	3,068,508	-	-	3,068,508
-	3,068,508	1,477,779	8,365	6,347,741
-	(3,046,193)	(466,320)	(8,365)	(5,152,561)
-	-	166,334	-	73,978
-	-	-	3,365	149,465
-	-	166,334	3,365	223,443
-	(3,046,193)	(299,986)	(5,000)	(4,929,118)
151,950	3,746,736	473,243	5,176	7,163,041
<u>\$ 151,950</u>	<u>\$ 700,543</u>	<u>\$ 173,257</u>	<u>\$ 176</u>	<u>\$ 2,233,923</u>

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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 Capital Reserve Fund accounts for the accumulation of funds to be used for economic development.

The Emergency Telephone Fund accounts for 911 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 911 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 911 system.

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

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

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

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

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

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HAYWOOD COUNTY, NORTH CAROLINA

**CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Operating transfer in:			
General Fund	\$ -	\$ 17,168	\$ 17,168
Economic Development Fund	<u>(232,419)</u>	<u>(232,419)</u>	<u>-</u>
Total other financing sources (uses)	<u>(232,419)</u>	<u>(215,251)</u>	<u>17,168</u>
Appropriated fund balance	<u>232,419</u>	<u>-</u>	<u>(232,419)</u>
Net change in fund balance	<u>\$ -</u>	<u>(215,251)</u>	<u>\$ (215,251)</u>
Fund Balance:			
Beginning of year, July 1		<u>232,419</u>	
End of year, June 30		<u>\$ 17,168</u>	

HAYWOOD COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Budget	Actual	Variance Over/Under
Revenues:			
Permits and fees:			
911 system subscriber fees	\$ 445,301	\$ 618,522	\$ 173,221
Departmental sales	-	337	337
Total revenues	445,301	618,859	173,558
Expenditures:			
Public safety:			
Salaries & employee benefits	128,167	73,056	55,111
Operating expenses	303,603	241,175	62,428
Capital outlay			
Contingency	11,472	-	11,472
Total expenditures	443,242	314,231	129,011
Other Financing Sources (Uses):			
Transfers to General Fund	(115,563)	(115,563)	-
Total other financing sources (uses)	(115,563)	(115,563)	-
Revenues over (under) expenditures	(113,504)	189,065	302,569
Appropriated fund balance	113,504	-	(113,504)
Net change in fund balance	\$ -	189,065	\$ 189,065
Fund Balance:			
Beginning of year, July 1		194,361	
End of year, June 30		\$ 383,426	

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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current and prior years	\$ 3,125,236	\$ 3,109,070	\$ (16,166)
Penalties and interest	<u>39,450</u>	<u>20,847</u>	<u>(18,603)</u>
Total revenues	<u>3,164,686</u>	<u>3,129,917</u>	<u>(34,769)</u>
Expenditures:			
Public safety:			
Fire district:			
West Canton	68,300	66,141	2,159
North Canton	216,000	214,101	1,899
Center Pigeon	312,146	306,591	5,555
Lake Junaluska	323,182	321,724	1,458
Crabtree-Ironduff	240,000	235,303	4,697
Cruso	197,100	195,738	1,362
Camp Branch	29,500	28,344	1,156
Saunook	155,800	155,332	468
Maggie Valley	554,000	551,645	2,355
Central Haywood	374,476	368,126	6,350
Jonathan Creek	360,500	358,931	1,569
South Waynesville	53,000	53,026	(26)
Big Cove	12,500	11,712	788
Fines Creek	131,763	129,308	2,455
Lake Logan-Cecil	136,419	133,715	2,704
Waynesville	-	180	(180)
Total expenditures	<u>3,164,686</u>	<u>3,129,917</u>	<u>34,769</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 BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
FEMA - Hazard Mitigation Grant Program	\$ 1,725,210	\$ 1,223,081	\$ -	\$ 1,223,081	\$ (502,129)
NC Division of Emergency Management:					
Hazard Mitigation Grant Program	7,914,952	5,810,375	-	5,810,375	(2,104,577)
NC Department of Crime Control & Public Safety - CHAF	5,405,402	3,632,964	19,687	3,652,651	(1,752,751)
NC Department of Commerce - CDBG grant program	600,000	600,000	-	600,000	-
NC Department of Environment & Natural Resources	154,300	9,988	140,061	150,049	(4,251)
Clean Water Management Trust Easement	<u>1,000,000</u>	<u>-</u>	<u>23,182</u>	<u>23,182</u>	<u>(976,818)</u>
Total revenues	<u>16,799,864</u>	<u>11,276,408</u>	<u>182,930</u>	<u>11,459,338</u>	<u>(5,340,526)</u>
Expenditures:					
Crisis 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	251,505	237,728	15,436	253,164	(1,659)
Housing counselors	126,007	118,433	-	118,433	7,574
Replacement assistance	3,146,000	2,388,044	1,262	2,389,306	756,694
C/O Data Processing Equipment	<u>2,990</u>	<u>-</u>	<u>2,990</u>	<u>2,990</u>	<u>-</u>
Total expenditures	<u>5,405,402</u>	<u>3,632,964</u>	<u>19,688</u>	<u>3,652,652</u>	<u>1,752,750</u>
Barefoot Ridge Development Project:					
Professional services - administration/planning	71,920	71,920	-	71,920	-
C/O Site development - infrastructure	<u>528,080</u>	<u>528,080</u>	<u>-</u>	<u>528,080</u>	<u>-</u>
Total	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>	<u>-</u>
HMGP 53 Properties Acquisition:					
Professional services - legal/surveying/other soft costs	176,370	86,631	-	86,631	89,739
Demolition	310,910	85,007	-	85,007	225,903
Land acquisition	<u>4,457,056</u>	<u>2,960,705</u>	<u>-</u>	<u>2,960,705</u>	<u>1,496,351</u>
Total	<u>4,944,336</u>	<u>3,132,343</u>	<u>-</u>	<u>3,132,343</u>	<u>1,811,993</u>
HMGP 21 Properties Acquisition:					
Professional services - legal/surveying/other soft costs	358,504	87,601	-	87,601	270,903
Miscellaneous administration	9,479	1,291	-	1,291	8,188
Land acquisition	<u>1,911,508</u>	<u>1,523,823</u>	<u>-</u>	<u>1,523,823</u>	<u>387,685</u>
Total	<u>2,279,491</u>	<u>1,612,715</u>	<u>-</u>	<u>1,612,715</u>	<u>666,776</u>

HAYWOOD COUNTY, NORTH CAROLINA

CRISIS ASSISTANCE HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Year	Current Year		
HMGP 14 Properties Acquisition:					
Professional services -					
legal/surveying/other soft costs	81,650	29,344	-	29,344	52,306
Demolition	78,255	50,393	-	50,393	27,862
Land acquisition	1,143,458	1,139,398	-	1,139,398	4,060
Total	<u>1,303,363</u>	<u>1,219,135</u>	<u>-</u>	<u>1,219,135</u>	<u>84,228</u>
HMGP 4 Properties Acquisition:					
Professional services -					
legal/surveying/other soft costs	23,612	22,343	-	22,343	1,269
Demolition	53,138	10,698	-	10,698	42,440
Land acquisition	1,023,000	1,023,000	-	1,023,000	-
Total	<u>1,099,750</u>	<u>1,056,041</u>	<u>-</u>	<u>1,056,041</u>	<u>43,709</u>
Bethel Floodplains Project:					
Professional services - legal/other soft costs	13,373	9,988	872	10,860	2,513
Land/ easement acquisition	140,927	-	136,689	136,689	4,238
Total	<u>154,300</u>	<u>9,988</u>	<u>137,561</u>	<u>147,549</u>	<u>6,751</u>
Clean Water Trust Easement:					
Professional services	243,450	-	14,250	14,250	229,200
Property management	98,000	-	8,931	8,931	89,069
C/O Land Easement	658,550	-	-	-	658,550
Total	<u>1,000,000</u>	<u>-</u>	<u>23,181</u>	<u>23,181</u>	<u>976,819</u>
Total expenditures	<u>16,786,642</u>	<u>11,263,186</u>	<u>180,430</u>	<u>11,443,616</u>	<u>5,343,026</u>
Revenues over (under) expenditures	<u>13,222</u>	<u>13,222</u>	<u>2,500</u>	<u>15,722</u>	<u>2,500</u>
Other Financing Sources (Uses):					
Transfer to General Fund	<u>(13,222)</u>	<u>(13,222)</u>	<u>-</u>	<u>(13,222)</u>	<u>-</u>
Total other financing sources (uses)	<u>(13,222)</u>	<u>(13,222)</u>	<u>-</u>	<u>(13,222)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Fund Balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 2,500</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, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current and prior years	\$ 201,600	\$ 197,326	\$ (4,274)
Penalties and interest	<u>2,000</u>	<u>1,108</u>	<u>(892)</u>
Total revenues	<u>203,600</u>	<u>198,434</u>	<u>(5,166)</u>
Expenditures:			
Environmental protection:			
Water and sewer	<u>203,600</u>	<u>198,434</u>	<u>5,166</u>
Total expenditures	<u>203,600</u>	<u>198,434</u>	<u>5,166</u>
Revenues over (under) expenditures	<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, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current and prior years	\$ 207,542	\$ 203,458	\$ (4,084)
Penalties and interest	-	482	482
Total revenues	<u>207,542</u>	<u>203,940</u>	<u>(3,602)</u>
Expenditures:			
Economic and physical development	<u>207,542</u>	<u>203,940</u>	<u>3,602</u>
Total expenditures	<u>207,542</u>	<u>203,940</u>	<u>3,602</u>
Revenues over (under) expenditures	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year, July 1		-	
End of year, June 30		<u>\$ -</u>	

HAYWOOD COUNTY, NORTH CAROLINA

**CDBG SCATTERED SITE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
Federal Grant: CDBG	\$ 400,000	\$ 390,829	\$ 9,682	\$ 400,511	\$ 511
Miscellaneous revenue CDBG	-	40,762	-	40,762	40,762
Haywood County HPG	-	197,645	-	197,645	197,645
Total revenues	<u>400,000</u>	<u>629,236</u>	<u>9,682</u>	<u>638,918</u>	<u>238,918</u>
Expenditures:					
Administration	40,000	61,330	2,982	64,312	(24,312)
Rehabilitation	128,000	196,256	-	196,256	(68,256)
Planning	7,000	10,733	6,700	17,433	(10,433)
Relocation assistance	190,000	291,317	-	291,317	(101,317)
Clearance activity	<u>35,000</u>	<u>53,664</u>	<u>-</u>	<u>53,664</u>	<u>(18,664)</u>
Total expenditures	<u>400,000</u>	<u>613,299</u>	<u>9,682</u>	<u>622,981</u>	<u>(222,981)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 15,937</u>	<u>-</u>	<u>\$ 15,937</u>	<u>\$ 15,937</u>
Fund Balance:					
Beginning of year, July 1			<u>15,937</u>		
End of year, June 30			<u>\$ 15,937</u>		



CAPITAL PROJECT FUNDS

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

Individual Fund Descriptions

The Economic Development Fund accounts for projects related to bringing industry into Haywood County.

The Public Schools G.O. Bond Building Fund accounts for the school building projects paid by the general obligation bonds issued. A new elementary school was built and various building renovations projects were funded by a \$25 million bond approved in May 2005.

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

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

The Master Facilities Fund accounts for the recent major building projects the Board of County Commissioners has designated to be paid with sales taxes collected. The projects include a new Justice Center and parking deck, a new Law Enforcement Center and the renovation of the historic Haywood County courthouse for office buildings.

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.

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HAYWOOD COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Contributions and donations	\$ 133,901	\$ -	\$ 133,901	\$ 133,901	\$ -
Total revenues	<u>133,901</u>	<u>-</u>	<u>133,901</u>	<u>133,901</u>	<u>-</u>
Expenditures:					
Site development	702,694	20,568	701,857	722,425	(19,731)
Other contracts	-	59,757	-	59,757	(59,757)
Total expenditures	<u>702,694</u>	<u>80,325</u>	<u>701,857</u>	<u>782,182</u>	<u>(79,488)</u>
Revenues over (under) expenditures	<u>(568,793)</u>	<u>(80,325)</u>	<u>(567,956)</u>	<u>(648,281)</u>	<u>(79,488)</u>
Other Financing Sources (Uses):					
Proceeds from note payable	146,858	-	146,100	146,100	(758)
Transfers in (out):					
Capital reserve fund	<u>421,935</u>	<u>269,841</u>	<u>232,419</u>	<u>502,260</u>	<u>80,325</u>
Total other financing sources (uses)	<u>568,793</u>	<u>269,841</u>	<u>378,519</u>	<u>648,360</u>	<u>79,567</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 189,516</u>	<u>(189,437)</u>	<u>\$ 79</u>	<u>\$ 79</u>
Fund Balance:					
Beginning of year, July 1			<u>189,516</u>		
End of year, June 30			<u>\$ 79</u>		

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - PUBLIC SCHOOLS GO BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 439,498	\$ 439,498	\$ -	\$ 439,498	\$ -
Investment earnings	212,980	685,888	27,505	713,393	500,413
Total revenues	652,478	1,125,386	27,505	1,152,891	500,413
Expenditures:					
Bethel Elementary School:					
Professional services -					
architectural and engineering	293,257	293,256	-	293,256	1
Other	7,263	7,263	-	7,263	-
Financing costs	177,462	177,462	-	177,462	-
Miscellaneous	5,297	5,297	-	5,297	-
Equipment	128,214	128,214	-	128,214	-
Buildings, structures and improvements	14,812,059	14,812,059	-	14,812,059	-
Landscaping /site development	1,439,447	1,329,982	109,464	1,439,446	1
Total	16,862,999	16,753,533	109,464	16,862,997	2
Public school building projects:					
Canton and Waynesville Middle Schools					
window and air conditioning project:					
Professional services -					
architectural and engineering	38,000	38,000	-	38,000	-
Buildings, structures and improvements	846,116	846,116	-	846,116	-
Total	884,116	884,116	-	884,116	-
Phase 2 School Bond Building projects:					
Professional services	6,146	-	6,146	6,146	-
Financing costs	153,100	153,085	-	153,085	15
Furniture	245,000	14,866	200,308	215,174	29,826
Clyde Elementary renovations	1,259,426	1,071,410	178,265	1,249,675	9,751
N. Canton Elementary renovations	1,199,803	985,340	214,463	1,199,803	-
Riverbend Elementary renovations	760,971	711,075	49,896	760,971	-
Pisgah High School Gym	1,215,699	1,076,108	139,591	1,215,699	-
Tuscola High School Gym	1,164,680	1,010,427	144,388	1,154,815	9,865
Pisgah/Canton Middle ball fields	273,000	248,379	21,209	269,588	3,412
Preliminary/moving expenditures	85,040	81,939	2	81,941	3,099
Other structures	41,860	-	27,500	27,500	14,360
Contingency	155,275	-	-	-	155,275
Total	6,560,000	5,352,629	981,768	6,334,397	225,603
Total expenditures	24,307,115	22,990,278	1,091,232	24,081,510	2
Revenues over (under) expenditures	(23,654,637)	(21,864,892)	(1,063,727)	(22,928,619)	726,018

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - PUBLIC SCHOOLS GO BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Year	Current Year		
Other Financing Sources (Uses):					
Transfers to General Fund	(943,363)	(618,588)	(324,775)	(943,363)	-
Transfers to Capital Project Fund	(440,000)	(440,000)	-	(440,000)	-
Proceeds from GO Bonds:	18,000,000	18,000,000	-	18,000,000	-
Proceeds from GO Bonds:	7,000,000	7,000,000	-	7,000,000	-
Premium on GO Bonds	38,000	463,231	-	463,231	425,231
Total other financing sources (uses)	<u>23,654,637</u>	<u>24,404,643</u>	<u>(324,775)</u>	<u>24,079,868</u>	<u>425,231</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,539,751</u>	(1,388,502)	<u>\$ 1,151,249</u>	<u>\$ 1,151,249</u>
Fund Balance:					
Beginning of year, July 1			<u>2,539,751</u>		
End of year, June 30			<u>\$ 1,151,249</u>		

HAYWOOD COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND - WATER & SEWER LINES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Sales and services	\$ -	\$ 56,669	\$ -	\$ 56,669	\$ 56,669
Total revenues	<u>-</u>	<u>56,669</u>	<u>-</u>	<u>56,669</u>	<u>56,669</u>
Revenues over (under) expenditures	<u>-</u>	<u>56,669</u>	<u>-</u>	<u>56,669</u>	<u>(56,669)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 56,669</u>	<u>-</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 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009**

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Expenditures:					
Professional services - legal/financing	\$ 41,000	\$ -	\$ -	\$ -	\$ 41,000
Professional services - engineering	362,928	-	-	-	362,928
Professional services--monitoring wells	14,400	-	-	-	14,400
C/O - equipment-truck wash	152,000	-	-	-	152,000
C/O - equipment-electrical	37,571	-	-	-	37,571
C/O - other structures	3,673,445	-	-	-	3,673,445
Construction contingency	185,000	-	-	-	185,000
Contingency	33,656	-	-	-	33,656
Total expenditures	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,000</u>
Revenues over (under) expenditures	<u>(4,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,000</u>
Other Financing Sources (Uses):	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500,000)</u>
Total other financing sources (uses)	<u>4,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:			151,950		
Beginning of year, July 1			\$ 151,950		
End of year, June 30					

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - MATER FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ 443,912	\$ 422,361	\$ 22,315	\$ 444,676	\$ 764
Sales tax refunds	18,323	18,323	-	18,323	-
Total revenues	<u>462,235</u>	<u>440,684</u>	<u>22,315</u>	<u>462,999</u>	<u>764</u>
Expenditures:					
Historic Courthouse Renovation:					
Professional services - architectural	347,536	289,320	23,774	313,094	34,442
Professional services - other	216,875	91,861	125,014	216,875	-
Miscellaneous charges	54,990	3,531	35,409	38,940	16,050
Bank charges and fees	38,646	38,646	-	38,646	-
Capital outlay - furniture & equipment	363,026	55,966	288,366	344,332	18,694
Capital outlay - buildings - reconstruction	<u>7,223,491</u>	<u>3,996,953</u>	<u>2,595,945</u>	<u>6,592,898</u>	<u>630,593</u>
Total	<u>8,244,564</u>	<u>4,476,277</u>	<u>3,068,508</u>	<u>7,544,785</u>	<u>699,779</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>
Total expenditures	<u>10,066,064</u>	<u>6,297,777</u>	<u>3,068,508</u>	<u>9,366,285</u>	<u>699,779</u>
Revenues over (under) expenditures	<u>(9,603,829)</u>	<u>(5,857,093)</u>	<u>(3,046,193)</u>	<u>(8,903,286)</u>	<u>700,543</u>
Other Financing Sources (Uses):					
Proceeds from installment loan	9,900,000	9,900,000	-	9,900,000	-
Transfers to General Fund	<u>(296,171)</u>	<u>(296,171)</u>	<u>-</u>	<u>(296,171)</u>	<u>-</u>
Total other financing sources (uses)	<u>9,603,829</u>	<u>9,603,829</u>	<u>-</u>	<u>9,603,829</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 3,746,736</u>	<u>(3,046,193)</u>	<u>\$ 700,543</u>	<u>\$ 700,543</u>
Fund Balance:					
Beginning of year, July 1			<u>3,746,736</u>		
End of year, June 30			<u>\$ 700,543</u>		

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND- PUBLIC SCHOOLS ADM/LOTTERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Over/Under
		Prior Year	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental	\$ 1,792,921	\$ 677,062	\$ 998,323	\$ 1,675,385	\$ (117,536)
Investment earnings	1,822	3,242	138	3,380	1,558
Contribution from HC Schools	100,000	-	12,998	12,998	(87,002)
Total revenues	<u>1,894,743</u>	<u>680,304</u>	<u>1,011,459</u>	<u>1,691,763</u>	<u>(202,980)</u>
Expenditures:					
Building projects:					
Canton Middle School Band Building:					
Professional services - architectural and engineering	97,404	32,400	-	32,400	65,004
Miscellaneous project costs	100	-	-	-	-
Buildings, structures and improvements	507,496	451,828	-	451,828	55,668
Landscaping and site development	35,000	29,158	-	29,158	5,842
Total	<u>640,000</u>	<u>513,386</u>	<u>-</u>	<u>513,386</u>	<u>126,514</u>
Waynesville Middle School:					
Buildings	31,120	31,120	-	31,120	-
Roadway and pavement	29,850	-	29,850	29,850	-
Total	<u>60,970</u>	<u>31,120</u>	<u>29,850</u>	<u>60,970</u>	<u>-</u>
Public schools building projects:					
Building costs	<u>595,996</u>	<u>155,835</u>	<u>343,028</u>	<u>498,863</u>	<u>97,133</u>
Total	<u>595,996</u>	<u>155,835</u>	<u>343,028</u>	<u>498,863</u>	<u>97,133</u>
Preliminary costs - phase 2 GO Bonds:					
Professional services - architectural	<u>440,000</u>	<u>424,145</u>	<u>15,855</u>	<u>440,000</u>	<u>-</u>
Total	<u>440,000</u>	<u>424,145</u>	<u>15,855</u>	<u>440,000</u>	<u>-</u>
Junaluska School roofing project:					
Building costs	<u>926,248</u>	<u>5,831</u>	<u>856,751</u>	<u>862,582</u>	<u>63,666</u>
Total	<u>926,248</u>	<u>5,831</u>	<u>856,751</u>	<u>862,582</u>	<u>63,666</u>
Astroturf ballfields projects:					
Professional services - architectural and engineering	56,360	-	-	-	56,360
Financing	40,000	17,724	-	17,724	22,276
Structures and improvements	1,395,274	1,162,979	232,295	1,395,274	-
Contingency	10,188	-	-	-	10,188
Total	<u>1,501,822</u>	<u>1,180,703</u>	<u>232,295</u>	<u>1,412,998</u>	<u>88,824</u>
Total expenditures	<u>4,165,036</u>	<u>2,311,020</u>	<u>1,477,779</u>	<u>3,788,799</u>	<u>376,137</u>
Revenues over (under) expenditures	<u>(2,270,293)</u>	<u>(1,630,716)</u>	<u>(466,320)</u>	<u>(2,097,036)</u>	<u>173,157</u>

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND- PUBLIC SCHOOLS ADM/LOTTERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>	
Other Financing Sources (Uses):					
Proceeds from L/P agreements	1,400,000	1,400,000	-	1,400,000	-
Transfer in from:					
General Fund	275,959	263,959	12,000	275,959	-
Public Schools ADM/Lottery Fund	154,334	-	154,334	154,334	-
Capital Project Fund	440,000	440,000	-	440,000	-
Total other financng sources (uses)	<u>2,270,293</u>	<u>2,103,959</u>	<u>166,334</u>	<u>2,270,293</u>	<u>-</u>
Revenues and other financing sources					
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 473,243</u>	(299,986)	<u>\$ 173,257</u>	<u>\$ 173,157</u>
Fund Balance:					
Beginning of year, July 1			<u>473,243</u>		
End of year, June 30			<u>\$ 173,257</u>		

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND - COUNTY BUILDING RENOVATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Year	Current Year		
Revenues:					
Miscellaneous - other/settlements	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -
Expenditures:					
County buildings:					
Repairs & maintenance	5,000	4,865	135	5,000	-
Grading & drainage	22,500	17,459	4,865	22,324	176
Total	27,500	22,324	5,000	27,324	176
Recreation property purchase:					
Miscellaneous financing/legal	8,078	-	8,078	8,078	-
Capital purchase - land	1,114,922	1,119,635	3,365	1,123,000	(8,078)
Total	1,123,000	1,119,635	3,365	1,123,000	(8,078)
Total expenditures	1,150,500	1,141,959	8,365	1,150,324	(7,902)
Revenues over (under) expenditures	(1,145,500)	(1,136,959)	(8,365)	(1,145,324)	7,902
Other Financing Sources (Uses):					
Proceeds from note payable	3,365	-	3,365	3,365	-
Transfers from General Fund	1,142,135	1,142,135	-	1,142,135	-
Total other financing sources (uses)	1,145,500	1,142,135	3,365	1,145,500	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 5,176	(5,000)	\$ 176	\$ 176
Fund Balance:					
Beginning of year, July 1			5,176		
End of year, June 30			\$ 176		

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INTERNAL SERVICE FUNDS

Internal Service funds are proprietary funds and are used to account for services provided by one department to other departments within the county

Individual Fund Descriptions

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

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

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HAYWOOD COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET INTERNAL SERVICE FUNDS JUNE 30, 2009

	Internal Service Funds		
	Health Insurance	Workers' Compensation	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 460,462	\$ 778,912	\$ 1,239,374
Total assets	460,462	778,912	1,239,374
Liabilities:			
Current liabilities:			
Accrued expenses	457,843	3,906	461,749
Total liabilities	457,843	3,906	461,749
Net Assets:			
Unrestricted	2,619	775,006	777,625
Total net assets	\$ 2,619	\$ 775,006	\$ 777,625

HAYWOOD COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS - INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Internal Service Funds		Total
	Health Insurance	Workers' Compensation	
Revenues:			
Charges for services	\$ 5,019,278	\$ 532,026	\$ 5,551,304
Expenditures:			
Claims and administration	5,092,139	190,017	5,282,156
Operating income (loss)	(72,861)	342,009	269,148
Net Assets:			
Beginning of year, July 1	75,480	432,997	508,477
End of year, June 30	\$ 2,619	\$ 775,006	\$ 777,625

HAYWOOD COUNTY, NORTH CAROLINA

**SELF-INSURANCE FUND - HEALTH INSURANCE
SCHEDULE OF REVENUES AND EXPENSES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	<u>\$ 4,863,020</u>	<u>\$ 5,019,278</u>	<u>\$ 156,258</u>
Total operating revenues	<u>4,863,020</u>	<u>5,019,278</u>	<u>156,258</u>
Operating Expenses:			
Claims and administration	<u>4,863,020</u>	<u>5,092,139</u>	<u>(229,119)</u>
Total operating expenses	<u>4,863,020</u>	<u>5,092,139</u>	<u>(229,119)</u>
Operating income (loss)	<u>\$ -</u>	<u>(72,861)</u>	<u>\$ (72,861)</u>
Net Assets:			
Beginning of year - July 1		<u>75,480</u>	
End of year - June 30		<u>\$ 2,619</u>	

HAYWOOD COUNTY, NORTH CAROLINA

SELF-INSURANCE FUND - WORKERS' COMPENSATION SCHEDULE OF REVENUES AND EXPENSES FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2009

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for services	\$ 530,000	\$ 532,026	\$ 2,026
Total operating revenues	<u>530,000</u>	<u>532,026</u>	<u>2,026</u>
Operating Expenses:			
Claims and administration	<u>530,000</u>	<u>190,017</u>	<u>339,983</u>
Total operating expenses	<u>530,000</u>	<u>190,017</u>	<u>339,983</u>
Operating income (loss)	<u>\$ -</u>	342,009	<u>\$ 342,009</u>
Net Assets:			
Beginning of year - July 1		<u>432,997</u>	
End of year - June 30		<u>\$ 775,006</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 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 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.

NC DMV Interest accounts for the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

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HAYWOOD COUNTY, NORTH CAROLINA

**AGENCY FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Social Services Fund</u>	<u>Motor Vehicle Tax Fund</u>	<u>NC DMV Interest Fund</u>	<u>Total Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 136,024	\$ 74,803	\$ 2,895	\$ 213,722
Total assets	<u>\$ 136,024</u>	<u>\$ 74,803</u>	<u>\$ 2,895</u>	<u>\$ 213,722</u>
Liabilities:				
Amounts held for others	\$ 136,024	\$ 74,803	\$ 2,895	\$ 213,722
Total liabilities	<u>\$ 136,024</u>	<u>\$ 74,803</u>	<u>\$ 2,895</u>	<u>\$ 213,722</u>

HAYWOOD COUNTY. NORTH CAROLINA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
Social Services:				
Assets:				
Cash and cash equivalents	\$ 170,871	\$ 739,157	\$ 774,004	\$ 136,024
Liabilities:				
Amounts held for others	\$ 170,871	\$ 739,157	\$ 774,004	\$ 136,024
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 576,941	\$ 576,941	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 479,810	\$ 479,810	\$ -
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 47,452	\$ 500,729	\$ 473,378	\$ 74,803
Liabilities:				
Amounts held for others	\$ 47,452	\$ 500,729	\$ 473,378	\$ 74,803
NC DMV Interest:				
Assets:				
Cash and cash equivalents	\$ 3,198	\$ 33,155	\$ 33,458	\$ 2,895
Liabilities:				
Amounts held for others	\$ 3,198	\$ 33,155	\$ 33,458	\$ 2,895
Totals - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 221,521	\$ 1,849,982	\$ 1,857,781	\$ 213,722
Liabilities:				
Amounts held for others	\$ 221,521	\$ 1,273,041	\$ 1,280,840	\$ 213,722
Intergovernmental payable	-	479,810	479,810	-
Total liabilities	\$ 221,521	\$ 1,752,851	\$ 1,760,650	\$ 213,722



ADDITIONAL FINANCIAL DATA

This section contains additional information on ad valorem taxes as of and for the year ended June 30, 2009.

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HAYWOOD COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2009**

<u>Year</u>	<u>Uncollected Balance July 1, 2008</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2009</u>
2008-2009	\$ -	\$ 35,207,806	\$ 33,690,143	\$ 1,517,663
2007-2008	1,005,666	-	637,322	368,344
2006-2007	326,313	-	92,710	233,603
2005-2006	220,018	-	40,736	179,282
2004-2005	158,872	-	20,944	137,928
2003-2004	135,349	-	13,533	121,816
2002-2003	138,659	-	16,888	121,771
2001-2002	109,676	-	9,426	100,250
2000-2001	127,888	-	2,819	125,069
1999-2000	133,213	-	913	132,300
1998-1999	121,711	-	121,711	-
	<u>\$ 2,477,365</u>	<u>\$ 35,207,806</u>	<u>\$ 34,647,145</u>	3,038,026
Less: allowance for uncollectible accounts:				
General Fund				<u>(250,000)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 2,788,026</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 34,714,350
Reconciling items:				
Interest collected				(218,771)
Refunds payable				(46,521)
Releases of prior year taxes				95,956
1998-1999 write-off per statute of limitations				121,711
Other				<u>(19,580)</u>
Total reconciling items				<u>(67,205)</u>
Total collections and credits				<u>\$ 34,647,145</u>

HAYWOOD COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2009

	County-Wide			Total Levy	
	Property	Rate	Amount of Levy	Property	Registered
	Valuation			Excluding Registered Motor Vehicles	Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,044,587,324	0.497	\$ 35,011,599	\$ 32,563,924	\$ 2,447,675
Penalties	-		26,744	26,744	-
Total	<u>7,044,587,324</u>		<u>35,038,343</u>	<u>32,590,668</u>	<u>2,447,675</u>
Discoveries:					
Current year taxes	9,707,338	0.497	48,245	48,245	-
Prior year taxes	-		147,621	147,621	-
Penalties	-		47,037	47,037	-
Total	<u>9,707,338</u>		<u>242,903</u>	<u>242,903</u>	<u>-</u>
Abatements	<u>(14,776,628)</u>	0.497	<u>(73,440)</u>	<u>(41,597)</u>	<u>(31,843)</u>
Total property valuation	<u>\$ 7,039,518,034</u>				
Net Levy			35,207,806	32,791,974	2,415,832
Uncollected taxes at June 30, 2009			<u>1,517,663</u>	<u>1,162,188</u>	<u>355,475</u>
Current Year's Taxes Collected			<u>\$ 33,690,143</u>	<u>\$ 31,629,786</u>	<u>\$ 2,060,357</u>
Current Levy Collection Percentage			<u>95.69%</u>	<u>96.46%</u>	<u>85.29%</u>

HAYWOOD COUNTY, NORTH CAROLINA

SECONDARY MARKET DISCLOSURES FOR THE YEAR ENDED JUNE 30, 2009

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 6,023,547,541
Personal Property	876,803,849
Public Service Companies ²	<u>139,166,644</u>
Total assessed valuation	<u>\$ 7,039,518,034</u>

Tax rate per \$100 0.497

Levy (includes discoveries, releases and abatements)³ \$ 35,207,806

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

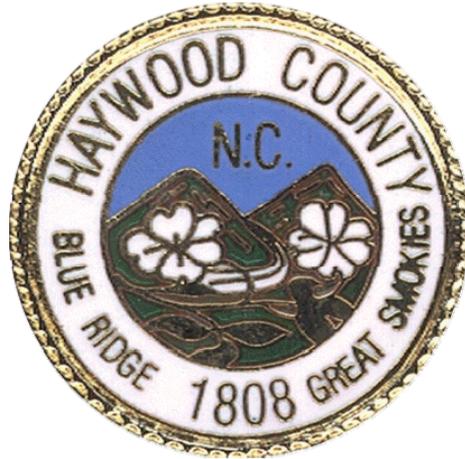
Fire Protection Districts	1.06
Road Service Districts	1.12
Sanitary District	<u>0.06</u>
Total	<u>2.24</u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

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STATISTICAL SECTION

This part of the 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 that year.

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HAYWOOD COUNTY, NORTH CAROLINA

**CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:							
Governmental activities:							
General government	\$ 8,768,120	\$ 11,708,960	\$ 7,189,107	\$ 6,797,823	\$ 5,899,868	\$ 5,542,126	\$ 4,489,622
Public safety	16,776,152	16,168,220	14,757,960	13,820,383	11,393,440	10,412,999	9,199,382
Transportation	284,233	259,896	223,334	142,609	151,208	213,441	218,802
Environmental protection	5,152,439	4,631,896	4,506,090	7,558,422	4,286,107	3,109,881	3,295,029
Economic and physical development	2,770,701	5,339,247	10,158,504	2,947,975	2,824,937	2,656,375	2,788,097
Human services	19,842,232	19,965,753	19,491,770	18,184,042	16,803,064	15,676,474	14,761,560
Cultural and recreation	1,899,287	1,013,051	2,085,582	2,027,052	1,863,920	1,764,400	1,646,722
Education	19,139,292	24,520,469	27,993,801	21,222,128	15,562,420	14,193,940	13,650,156
Interest on long-term debt	2,439,611	2,361,453	2,005,587	1,597,889	1,404,216	1,237,979	1,382,240
Total governmental activities expenses	<u>77,072,067</u>	<u>85,968,945</u>	<u>88,411,735</u>	<u>74,298,323</u>	<u>60,189,180</u>	<u>54,807,615</u>	<u>51,431,610</u>
Total government expenses	<u>\$ 77,072,067</u>	<u>\$ 85,968,945</u>	<u>\$ 88,411,735</u>	<u>\$ 74,298,323</u>	<u>\$ 60,189,180</u>	<u>\$ 54,807,615</u>	<u>\$ 51,431,610</u>
Program revenues:							
Governmental activities:							
Charges for services:							
General government	184,733	216,227	177,952	595,955	610,109	223,404	256,793
Public safety	2,946,596	2,032,758	1,847,392	1,891,570	2,159,261	1,248,398	1,733,019
Environmental protection	4,265,110	2,224,986	1,752,966	1,326,883	1,202,507	1,175,051	184,106
Economic and physical development	244,421	348,236	439,972	383,790	324,394	368,186	371,948
Human services	777,162	731,429	758,957	719,390	542,614	444,286	393,559
Cultural and recreation	72,042	67,806	70,965	24,182	25,138	13,569	12,524
Operating grants:							
General government	490,415	1,022,891	424,308	511,874	119,756	69,882	68,644
Public safety	819,708	577,031	572,433	791,088	1,318,692	825,836	237,873
Transportation	174,105	163,855	141,666	105,817	122,467	162,256	168,287
Environmental protection	65,128	-	-	3,226,371	1,831,549	-	-
Economic and physical development	455,797	947,857	4,139,240	4,179,959	3,510,776	1,182,361	126,088
Human services	9,618,243	8,702,862	8,841,511	8,125,771	7,756,284	7,282,638	6,309,468
Cultural and recreation	185,723	186,984	254,065	344,704	259,029	265,514	81,410
Education	200,145	98,355	89,968	885,299	573,070	485,740	174,142
Capital grants:							
General government	5,372	-	-	-	-	-	2,500,000
Public safety	-	4,194	31,576	-	-	-	-
Economic development	136,689	1,136,322	5,202,570	-	-	-	-
Human services	-	-	22,470	-	-	-	-
Education	1,332,378	267,421	849,710	-	-	-	-
Total governmental activities program revenues	<u>21,973,767</u>	<u>18,729,214</u>	<u>25,617,721</u>	<u>23,112,653</u>	<u>20,355,646</u>	<u>13,747,121</u>	<u>12,617,861</u>
Net (expense) revenue:							
Governmental activities	<u>(55,098,300)</u>	<u>(67,239,731)</u>	<u>(62,794,014)</u>	<u>(51,185,670)</u>	<u>(39,833,534)</u>	<u>(41,060,494)</u>	<u>(38,813,749)</u>
Total government net expense	<u>\$ (55,098,300)</u>	<u>\$ (67,239,731)</u>	<u>\$ (62,794,014)</u>	<u>\$ (51,185,670)</u>	<u>\$ (39,833,534)</u>	<u>\$ (41,060,494)</u>	<u>\$ (38,813,749)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

**CHANGES IN NET ASSETS, CONTINUED
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General revenues and other changes in net assets:							
Governmental activities:							
Taxes:							
Property taxes, levied for general purpose	38,837,841	37,536,263	35,997,662	33,038,674	32,085,262	30,990,635	30,513,052
Local option sales tax	12,125,586	13,862,533	13,332,882	12,597,709	11,678,096	11,714,322	9,316,612
Other taxes and licenses	2,292,752	4,828,076	4,556,551	4,719,286	3,908,701	3,714,225	3,496,286
Grants and contributions not restricted to specific programs	420,508	186,409	188,063	194,812	191,725	187,441	2,957,101
Investment earnings, unrestricted	305,960	1,053,916	1,486,052	976,863	599,171	370,191	296,692
Miscellaneous, unrestricted	33,278	19,326	87	127,022	212,730	256,761	2,174,932
Total governmental activities	<u>54,015,925</u>	<u>57,486,523</u>	<u>55,561,297</u>	<u>51,654,366</u>	<u>48,675,685</u>	<u>47,233,575</u>	<u>48,754,675</u>
Change in net assets:							
Governmental activities	<u>\$ (1,082,375)</u>	<u>\$ (9,753,208)</u>	<u>\$ (7,232,717)</u>	<u>\$ 468,696</u>	<u>\$ 8,842,151</u>	<u>\$ 6,173,081</u>	<u>\$ 9,940,926</u>
Total government	<u>\$ (1,082,375)</u>	<u>\$ (9,753,208)</u>	<u>\$ (7,232,717)</u>	<u>\$ 468,696</u>	<u>\$ 8,842,151</u>	<u>\$ 6,173,081</u>	<u>\$ 9,940,926</u>

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

HAYWOOD COUNTY, NORTH CAROLINA

**NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:						
Invested in capital assets, net of related debt	\$ 30,453,109	\$ 31,578,244	\$ 34,381,766	\$ 30,081,323	\$ 25,572,842	\$ 19,005,791
Restricted	3,166,520	5,562,616	4,125,665	15,463,218	4,798,607	1,238,995
Unrestricted	<u>(11,784,946)</u>	<u>(14,223,802)</u>	<u>(5,837,165)</u>	<u>(5,642,321)</u>	<u>9,062,838</u>	<u>10,347,350</u>
Total governmental activities net assets	<u>\$ 21,834,683</u>	<u>\$ 22,917,058</u>	<u>\$ 32,670,266</u>	<u>\$ 39,902,220</u>	<u>\$ 39,434,287</u>	<u>\$ 30,592,136</u>

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

HAYWOOD COUNTY, NORTH CAROLINA

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$ 5,278,316	\$ 5,897,339	\$ 6,943,868	\$ 5,826,628	\$ 5,078,065
Unreserved	<u>7,786,626</u>	<u>6,661,542</u>	<u>7,583,734</u>	<u>7,774,943</u>	<u>9,143,256</u>
Total General Fund	<u>\$ 13,064,942</u>	<u>\$ 12,558,881</u>	<u>\$ 14,527,602</u>	<u>\$ 13,601,571</u>	<u>\$ 14,221,321</u>
All other governmental funds:					
Reserved	\$ 86,859	\$ 51,353	\$ 105,143	\$ 87,537	\$ 207,375
Unreserved, reported in:					
Special revenue funds	2,963,682	2,490,529	2,737,998	2,857,757	3,927,936
Capital projects funds	<u>2,233,923</u>	<u>7,163,041</u>	<u>9,255,646</u>	<u>13,536,711</u>	<u>5,852,864</u>
Total all other governmental funds	<u>\$ 5,284,464</u>	<u>\$ 9,704,923</u>	<u>\$ 12,098,787</u>	<u>\$ 16,482,005</u>	<u>\$ 9,988,175</u>
Total fund balance	<u>\$ 18,349,406</u>	<u>\$ 22,263,804</u>	<u>\$ 26,626,389</u>	<u>\$ 30,083,576</u>	<u>\$ 24,209,496</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 4,775,562	\$ 4,536,713	\$ 3,763,325	\$ 3,787,173	\$ 2,884,431
<u>9,549,209</u>	<u>7,173,438</u>	<u>5,534,767</u>	<u>8,053,310</u>	<u>8,608,459</u>
<u>\$ 14,324,771</u>	<u>\$ 11,710,151</u>	<u>\$ 9,298,092</u>	<u>\$ 11,840,483</u>	<u>\$ 11,492,890</u>
\$ 311,320	\$ 45,659	\$ 71,898	\$ 52,249	\$ 150,602
4,279,446	4,691,704	4,244,047	3,484,796	2,244,763
<u>19,249,450</u>	<u>18,385,464</u>	<u>1,123,952</u>	<u>2,941,056</u>	<u>1,250,358</u>
<u>\$ 23,840,216</u>	<u>\$ 23,122,827</u>	<u>\$ 5,439,897</u>	<u>\$ 6,478,101</u>	<u>\$ 3,645,723</u>
<u>\$ 38,164,987</u>	<u>\$ 34,832,978</u>	<u>\$ 14,737,989</u>	<u>\$ 18,318,584</u>	<u>\$ 15,138,613</u>

HAYWOOD COUNTY, NORTH CAROLINA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Ad valorem taxes	\$ 38,246,641	\$ 37,341,541	\$ 35,790,491	\$ 33,182,820	\$ 31,735,034
Local option sales taxes	12,125,586	13,862,533	13,332,882	12,597,709	11,678,096
Other taxes and licenses	2,292,752	4,828,076	4,556,551	4,321,866	3,908,701
Unrestricted intergovernmental	420,508	186,409	188,063	194,812	191,725
Restricted intergovernmental	13,023,512	12,297,790	20,260,573	18,185,311	15,330,861
Permits and fees	3,345,578	522,945	756,169	471,015	351,454
Sales and services	5,115,187	5,050,041	4,239,314	4,076,009	4,110,317
Investment earnings	305,960	1,053,916	1,486,052	976,863	599,171
Miscellaneous	641,333	1,004,000	498,061	610,897	588,309
Total revenues	<u>75,517,057</u>	<u>76,147,251</u>	<u>81,108,156</u>	<u>74,617,302</u>	<u>68,493,668</u>
Expenditures:					
Current:					
General government	5,086,869	5,043,803	4,940,879	6,287,379	4,340,879
Central services	2,457,239	2,207,882	2,161,489	1,821,907	1,544,304
Public safety	15,453,865	16,093,365	14,915,045	17,954,460	11,481,528
Transportation	284,233	259,896	223,334	142,609	151,208
Environmental protection	4,134,677	3,780,092	3,935,902	7,325,961	3,912,831
Economic and physical development	3,261,031	5,336,668	10,991,960	3,094,990	4,386,500
Human services	19,059,450	20,018,424	19,526,132	18,066,863	16,736,432
Cultural and recreational	1,760,736	2,054,950	2,049,515	1,981,642	1,797,609
Sewer	-	-	-	-	-
Interdepartmental	-	-	-	-	-
Education	19,139,292	24,520,469	27,993,801	21,222,128	15,403,890
Capital outlay	3,068,508	3,222,436	4,502,525	1,931,451	15,854,311
Debt service:					
Principal	4,457,487	3,955,964	2,503,127	5,824,825	5,660,959
Interest	2,567,745	2,384,555	2,222,189	1,454,371	1,651,984
Bond issuance costs	-	153,085	-	177,462	2,580
Total expenditures	<u>80,731,132</u>	<u>89,031,589</u>	<u>95,965,898</u>	<u>87,286,048</u>	<u>82,925,015</u>
Revenues over (under) expenditures	<u>(5,214,075)</u>	<u>(12,884,338)</u>	<u>(14,857,742)</u>	<u>(12,668,746)</u>	<u>(14,431,347)</u>

	2004	2003	2002	2001	2000
\$	31,095,860	\$ 29,940,776	\$ 22,179,519	\$ 21,836,297	\$ 21,190,626
	11,714,322	9,316,612	8,395,679	8,390,623	8,113,518
	3,714,225	3,496,286	3,609,355	2,866,900	2,793,442
	187,441	183,149	1,171,569	1,385,793	1,360,769
	10,321,297	9,763,395	12,355,394	10,841,565	9,688,918
	410,600	406,516	427,886	249,433	233,182
	3,062,294	3,545,485	2,642,029	2,594,855	2,445,293
	370,191	296,692	355,316	1,052,187	1,098,640
	378,993	1,289,459	779,544	268,918	464,823
	<u>61,255,223</u>	<u>58,238,370</u>	<u>51,916,291</u>	<u>49,486,571</u>	<u>47,389,211</u>
	3,860,351	3,369,226	3,349,414	3,128,613	3,141,353
	1,555,196	1,573,307	1,296,847	1,185,567	1,247,577
	10,496,987	9,080,932	8,059,220	7,528,175	6,832,114
	213,441	218,802	133,586	93,361	103,529
	2,796,232	2,739,585	2,444,159	2,344,969	2,491,892
	2,574,217	2,754,974	1,888,494	1,890,804	1,501,683
	15,597,711	14,923,790	14,272,574	13,638,429	12,837,590
	1,675,083	1,668,061	1,672,065	1,515,731	1,387,899
	-	-	-	53,115	53,115
	-	-	-	9,518	-
	14,815,441	13,189,694	12,306,941	11,507,636	10,955,636
	12,188,773	6,695,327	5,090,521	4,615,157	10,093,520
	3,632,883	3,769,107	3,358,980	3,036,081	4,499,134
	1,382,164	900,965	798,516	778,298	800,094
	218,081	-	-	-	-
	<u>71,006,560</u>	<u>60,883,770</u>	<u>54,671,317</u>	<u>51,325,454</u>	<u>55,945,136</u>
	<u>(9,751,337)</u>	<u>(2,645,400)</u>	<u>(2,755,026)</u>	<u>(1,838,883)</u>	<u>(8,555,925)</u>

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, CONTINUED
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Other Financing Sources (Uses):					
Transfers from other funds	538,542	5,124,492	3,182,847	3,299,004	2,232,682
Transfers to other funds	(538,542)	(5,124,492)	(3,182,847)	(3,299,004)	(2,274,682)
General obligation bonds issued	-	-	-	18,000,000	-
Premium on general of participation issued	-	-	-	-	-
Premium on certificates of participation issues	-	-	-	-	-
Certificates of participation issues	-	-	-	-	-
Notes payable issued	1,269,100	1,400,000	1,500,000	-	263,500
Current refunding of Certificates					
Sale of capital assets	30,577	21,881	555	179,467	254,356
Proceeds from note payable	-	-	-	-	-
Proceeds from capital lease obligations	-	-	-	-	-
Proceeds from long-term debt	-	7,000,000	9,900,000	-	-
Total other financing sources (uses)	<u>1,299,677</u>	<u>8,521,753</u>	<u>11,400,555</u>	<u>18,542,826</u>	<u>475,856</u>
Net change in fund balance	(3,914,398)	(4,362,585)	(3,457,187)	5,874,080	(13,955,491)

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

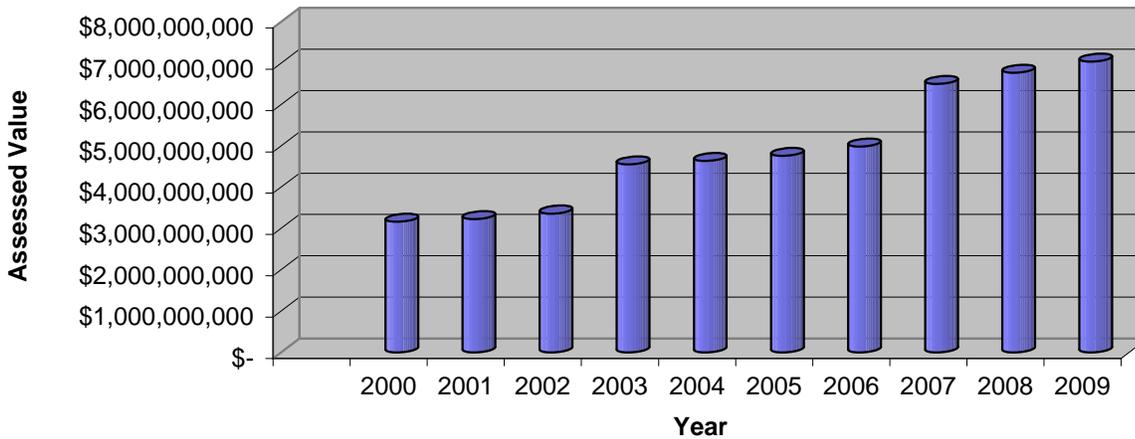
<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
2,294,839	1,973,559	920,203	817,215	2,889,243
(2,294,839)	(1,973,559)	(1,510,203)	(817,215)	(2,889,243)
12,000,000	-	-	-	-
-	22,705,000	-	-	-
-	956,485	-	-	-
-	22,000,000	-	-	-
924,160	300,000	-	-	-
10,704	29,369	-	18,854	20,692
-	-	-	-	-
-	-	-	-	-
-	-	236,516	5,000,000	70,000
<u>13,083,346</u>	<u>22,740,389</u>	<u>(353,484)</u>	<u>5,018,854</u>	<u>90,692</u>
3,332,009	20,094,989	(3,108,510)	3,179,971	(8,465,233)

HAYWOOD COUNTY, NORTH CAROLINA

ASSESSED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Company Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate (Per \$100)</u>
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
2001	2,424,794,426	728,403,607	73,494,918	3,226,692,951	0.610
2000	2,337,816,337	734,612,091	89,178,621	3,161,607,049	0.610

Total Assessed Value



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 years. The last revaluation was completed as of January 1, 2006 for the 2007 fiscal year.

Source: Haywood County Tax Assessor

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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,	Town of Waynesville	Town of Canton	Town of Clyde	Town of Maggie Valley	Municipal Service District (T.O.W.)
2009	0.40	0.58	0.43	0.42	0.23
2008	0.40	0.58	0.43	0.42	0.23
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	*
2001	0.45	0.61	0.45	0.40	*
2000	0.40	0.61	0.45	0.36	*

Source: Haywood County Tax Assessor

*Did not begin collection until FY2008

Junaluska Sanitary District	Fire Districts 1 - 15	Road Districts 1-9	Haywood County	Total
0.06	1.080	1.175	0.497	4.872
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
0.06	1.120	1.080	0.610	4.730
0.06	1.110	0.880	0.610	4.480

HAYWOOD COUNTY, NORTH CAROLINA

**PROPERTY TAX RATES - DIRECT AND 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	Fire District No. 8
2009	0.100	0.060	0.065	0.070	0.065	0.100	0.060	0.040
2008	0.100	0.055	0.065	0.070	0.065	0.090	0.060	0.040
2007	0.100	0.060	0.065	0.065	0.065	0.090	0.060	0.035
2006	0.100	0.060	0.065	0.080	0.065	0.100	0.060	0.040
2005	0.100	0.060	0.065	0.080	0.070	0.100	0.060	0.040
2004	0.100	0.060	0.065	0.080	0.070	0.100	0.060	0.040
2003	0.100	0.050	0.065	0.080	0.070	0.100	0.060	0.040
2002	0.100	0.065	0.065	0.080	0.070	0.100	0.060	0.050
2001	0.100	0.050	0.065	0.080	0.070	0.100	0.060	0.060
2000	0.080	0.060	0.065	0.080	0.070	0.100	0.060	0.060

Source: Haywood County Tax Assessor

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	Total
0.050	0.090	0.070	0.060	0.060	0.090	0.100	1.080
0.050	0.090	0.070	0.060	0.060	0.090	0.100	1.065
0.050	0.090	0.070	0.060	0.060	0.090	0.100	1.060
0.050	0.090	0.070	0.060	0.060	0.090	0.100	1.090
0.050	0.080	0.070	0.060	0.060	0.090	0.080	1.065
0.050	0.080	0.070	0.060	0.060	0.090	0.080	1.065
0.050	0.090	0.075	0.060	0.060	0.090	0.065	1.055
0.050	0.090	0.075	0.060	0.060	0.100	0.065	1.090
0.050	0.090	0.075	0.060	0.060	0.100	0.100	1.120
0.050	0.090	0.075	0.060	0.060	0.100	0.100	1.110

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	Road District No. 5	Road District No. 6
2009	0.140	0.080	0.140	0.150	0.095	0.160
2008	0.100	0.080	0.140	0.150	0.095	0.120
2007	0.100	0.100	0.140	0.150	0.095	0.120
2006	0.100	0.100	0.140	0.150	0.120	0.120
2005	0.100	0.100	0.140	0.150	0.120	0.070
2004	0.100	0.100	0.140	0.150	0.120	0.070
2003	0.100	0.100	0.140	0.150	0.120	0.070
2002	0.100	0.100	0.140	0.150	0.140	0.160
2001	0.100	0.100	0.140	0.150	0.140	0.160
2000	0.100	0.100	0.140	0.100	0.140	0.160

Source: Haywood County Tax Assessor

Road District No. 7	Road District No. 8	Road District No. 9	Total
0.150	0.110	0.150	1.175
0.150	0.110	0.150	1.095
0.130	0.110	0.130	1.075
0.130	0.110	0.150	1.120
0.130	0.110	0.150	1.070
0.130	0.110	0.130	1.050
0.130	0.110	0.130	1.050
0.140	0.110	0.150	1.190
0.140	0.150	0.000	1.080
0.140	0.000	0.000	0.880

HAYWOOD COUNTY, NORTH CAROLINA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND 9 YEARS AGO**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2009</u>		
		<u>Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Blue Ridge Paper (Evergreen Packaging)	Paper Mill	\$ 144,469,301	1	2.05%
Progress Energy	Utility	84,721,042	2	1.20%
Haywood Electric Membership	Utility	56,235,936	3	0.80%
Bell South (AT&T)	Utility	38,796,054	4	0.55%
Ingles	Super Market	22,188,603	5	0.32%
Carolina Log Homes Inc	Land Developers	21,303,583	6	0.30%
Graves Development Corp	Land Developers	19,835,067	7	0.28%
Maggie Valley Resort	Country Club	14,521,617	8	0.21%
Preserve at Chestnut Flats	Land Developers	12,878,855	9	0.18%
RCG-Waynesville LLC	Retail	12,404,590	10	0.18%
Developers Diversified Realty	Retail	-		-
Associated Packaging	Manufacturing	-		-
Oppenheimer HPA (HPA Partners)	Country Club	-		-
Piedmont Country Club	Country Club	-		-
Lea Industries and Labb Furniture	Manufacturing	-		-
	Totals	<u>\$ 427,354,648</u>		<u>6.07%</u>

Source: Haywood County Tax Assessor

2000

<u>Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
\$ 221,640,349	1	7.01%
28,690,868	2	0.91%
24,885,002	3	0.79%
14,838,383	5	0.47%
16,215,947	4	0.51%
-		0.00%
-		-
-		-
-		-
-		-
9,288,068	7	0.29%
12,630,545	6	0.40%
5,790,886	8	0.18%
5,474,426	9	0.17%
<u>4,689,853</u>	10	<u>0.15%</u>
<u>\$ 344,144,327</u>		<u>10.74%</u>

HAYWOOD COUNTY, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Tax Collections
2009	\$ 35,207,806	\$ 33,690,143	95.69%	\$ 957,002	\$ 34,647,145
2008	33,773,929	32,768,263	97.02%	878,708	33,646,971
2007	32,438,583	31,468,784	97.01%	831,779	32,300,563
2006	30,554,021	29,623,523	96.95%	813,773	30,437,296
2005	29,119,470	28,225,215	96.93%	865,670	29,090,885
2004	28,303,373	27,368,399	96.70%	994,373	28,362,772
2003	27,803,680	26,682,230	96.00%	901,663	27,583,893
2002	20,540,411	19,554,722	95.20%	846,196	20,400,918
2001	19,816,783	18,999,909	95.88%	1,312,019	20,311,928
2000	19,296,785	18,396,635	95.34%	1,578,917	19,975,552

Source: Haywood County Audit Reports

Percent of Total Tax Collections to Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
98.41%	\$ 3,038,026	8.6%
99.62%	2,477,365	7.3%
99.57%	2,350,407	7.2%
99.62%	2,212,366	7.2%
99.90%	2,095,640	7.2%
100.21%	2,067,056	7.3%
99.21%	2,126,455	7.6%
99.30%	1,906,668	9.3%
102.50%	1,767,175	8.9%
103.52%	2,262,320	11.7%

HAYWOOD COUNTY, NORTH CAROLINA
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Ad Valorem Taxes	Sales Taxes	Other Taxes and Licenses	Intergovernmental Revenues
2009	\$ 38,246,641	\$ 12,125,586	\$ 2,292,752	\$ 13,444,020
2008	37,341,541	13,862,533	4,828,076	12,484,199
2007	35,790,491	13,332,882	4,556,551	20,448,636
2006	33,182,820	12,597,709	4,321,866	18,380,123
2005	31,735,034	11,678,096	3,908,701	15,522,586
2004	31,095,860	11,714,322	3,714,225	10,508,738
2003	29,940,776	9,316,612	3,496,286	9,946,544
2002	22,179,519	8,395,679	3,070,291	13,405,743
2001	21,836,297	8,390,623	2,866,900	11,852,160
2000	21,190,626	8,113,518	2,793,442	11,049,687
1999	20,147,260	7,708,802	2,641,642	10,431,342

Source: Haywood County Audit Reports

Note: Revenues include all governmental fund types.

<u>Permits and Fees</u>	<u>Sales and Services</u>	<u>Investment Earnings</u>	<u>Other Revenues</u>	<u>Total</u>
\$ 3,345,578	\$ 5,115,187	\$ 305,960	\$ 641,333	\$ 75,517,057
522,945	5,050,041	1,053,916	1,004,000	76,147,251
756,169	4,239,314	1,486,052	498,061	81,108,156
471,015	4,076,009	976,863	610,897	74,617,302
351,454	4,110,317	599,171	588,309	68,493,668
410,600	3,062,294	370,191	378,993	61,255,223
406,516	3,545,485	296,692	1,289,459	58,238,370
427,886	3,302,311	355,317	779,544	51,916,290
249,433	2,594,855	1,052,187	268,918	49,111,373
233,182	2,445,293	1,098,640	464,823	47,389,211
205,792	2,514,245	911,564	166,352	44,726,999

HAYWOOD COUNTY, NORTH CAROLINA

**PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Commercial Construction (1)		Residential Construction (1)		Property Value (2)	
	Number of Units	Value	Number of Units	Value	Commercial	Residential
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
2001	70	12,801,150	563	55,027,089	933,440,824	2,178,028,590
2000	54	2,596,045	368	50,237,710	906,433,514	2,115,011,533

Source: (1) Haywood County Inspection Department
(2) Haywood County Tax Assessor

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HAYWOOD COUNTY, NORTH CAROLINA

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Assessed Value	General Obligation Bonds	COPS(3)	Special Revenue(3)	Capital Leases(3)	Installment Loans(3) (4)
2009	\$ 7,039,518,034	\$ 32,650,000	\$ 14,155,000	\$ -	\$ -	\$ 12,433,442
2008	6,771,497,642	34,400,000	15,805,000	-	-	12,221,829
2007	6,499,330,181	28,800,000	17,470,000	-	-	11,712,793
2006	4,982,857,214	29,400,000	19,165,000	-	-	520,452
2005	4,757,892,141	12,000,000	20,890,000	546,491	-	3,473,787
2004	4,633,481,443	12,000,000	22,655,000	1,613,398	-	6,039,339
2003	4,551,110,887	-	22,705,000	2,646,457	41,375	7,623,628
2002	3,360,579,293	-	-	3,626,215	121,388	11,282,931
2001	3,226,692,951	-	-	4,542,210	23,518	13,524,418
2000	3,161,607,049	-	-	-	307,577	15,504,831

Sources: (1) NC State Data Center

(2) Bureau of Economic Analysis - reflects revised estimates for 2005-2006

(3) Data from 2000-2009 taken from Haywood County CAFRs

(4) Installment Loans show as notes payable

(5) Population for 2009 is a projection from North Carolina Office of State Budget & Management

(6) Employment Security Commission of North Carolina

* Information not yet available

	<u>Total Primary Government</u>	<u>Net Debt to Assessed Value</u>	<u>Population(1)</u>		<u>Personal Income⁽²⁾ (\$thousands)</u>	<u>Percentage of Personal Income</u>	<u>Net Debt Per Capita</u>
\$	59,238,442	0.84%	57,430	(5)	*	*	\$ 1,031
	62,426,829	0.92%	57,328	(6)	*	*	1,089
	57,982,793	0.89%	57,031		1,655,821	3.50%	1,017
	49,085,452	0.99%	56,538		1,566,690	3.13%	868
	36,910,278	0.78%	56,160		1,482,826	2.49%	657
	42,307,737	0.91%	56,218		1,408,260	3.00%	753
	33,016,460	0.73%	55,754		1,350,129	2.45%	592
	15,030,534	0.45%	55,140		1,312,037	1.15%	273
	18,090,146	0.56%	54,695		1,292,781	1.40%	331
	15,812,408	0.50%	54,192		1,261,878	1.25%	292

HAYWOOD COUNTY, NORTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Legal debt margin:	
Assessed value--January 1, 2009	\$ 7,039,518,034
	<u>0.08</u>
Debt limit-8 percent of assessed value	<u>563,161,443</u>
Gross debt:	
General Obligation Bonds	32,650,000
Certificates of Participation	14,155,000
Lease financing agreements	-
Notes payable	12,433,442
Total amount of debt applicable to debt limit	<u>59,238,442</u>
Legal debt margin--June 30, 2009	<u><u>\$ 503,923,001</u></u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt limit	\$ 563,161,443	\$ 541,719,811	\$ 519,946,414	\$ 398,628,577	\$ 380,631,371
Total net debt applicable to limit	<u>59,238,442</u>	<u>62,426,829</u>	<u>57,982,793</u>	<u>49,085,452</u>	<u>36,910,278</u>
Legal debt margin	<u><u>\$ 503,923,001</u></u>	<u><u>\$ 479,292,982</u></u>	<u><u>\$ 461,963,621</u></u>	<u><u>\$ 349,543,125</u></u>	<u><u>\$ 343,721,093</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u>11.76%</u>	<u>13.02%</u>	<u>12.55%</u>	<u>14.04%</u>	<u>10.74%</u>

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 370,678,515	\$ 364,088,871	\$ 268,846,343	\$ 260,313,109	\$ 252,928,564
<u>42,307,737</u>	<u>33,016,460</u>	<u>15,030,534</u>	<u>18,090,146</u>	<u>15,812,408</u>
<u>\$ 328,370,778</u>	<u>\$ 331,072,411</u>	<u>\$ 253,815,809</u>	<u>\$ 242,222,963</u>	<u>\$ 237,116,156</u>
<u>12.88%</u>	<u>9.97%</u>	<u>5.92%</u>	<u>7.47%</u>	<u>6.67%</u>

HAYWOOD COUNTY, NORTH CAROLINA

**COMPUTATION OF DIRECT AND UNDERLYING DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2009**

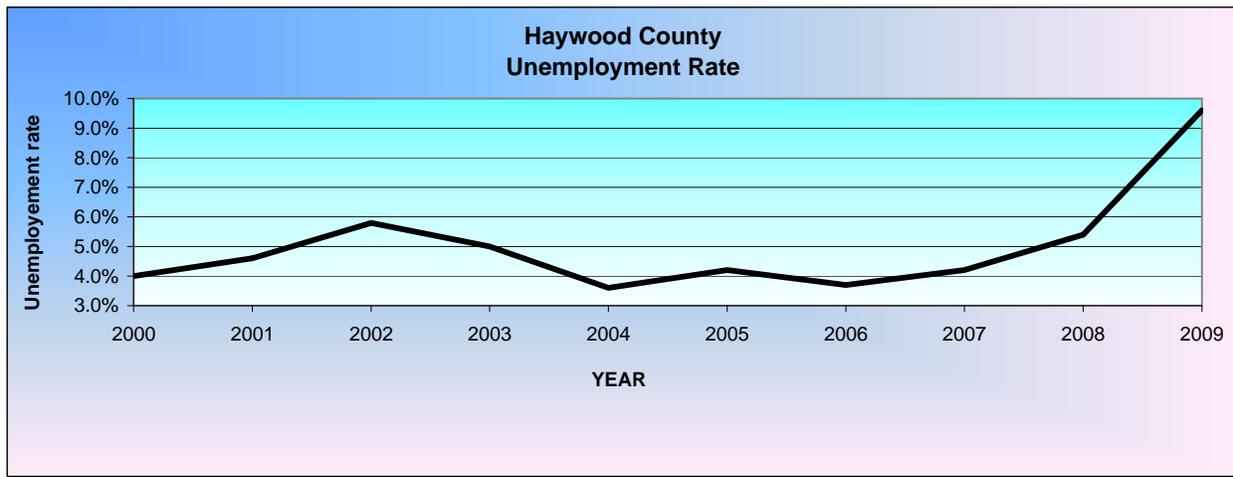
	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
Haywood County	\$ 32,650,000	100%	\$ 32,650,000
Underlying:			
Junaluska Sanitary District	<u>855,500</u>	100%	<u>855,500</u>
Total	<u>\$ 33,505,500</u>		<u>\$ 33,505,500</u>

Source: 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)	Unemployment Rate (4)
2009	57,430 (5)	*	7,677	9.6%
2008	57,328 (4)	*	7,658	5.4%
2007	57,031	29,356	7,652	4.2%
2006	56,538	27,930	7,969	3.7%
2005	56,160	26,556	7,910	4.2%
2004	56,218	25,231	7,898	3.6%
2003	55,754	24,394	7,843	5.0%
2002	55,140	23,891	7,735	5.8%
2001	54,695	23,694	7,789	4.6%
2000	54,192	23,322	7,654	4.0%



- Sources:
- (1) NC State Data Center
 - (2) Bureau of Economic Analysis - reflects revised estimates for 2000-2006
 - (3) Haywood County Board of Education
 - (4) Employment Security Commission of North Carolina
 - (5) Population for 2009 is a projection from North Carolina Office of State Budget & Management

* Information not yet available

HAYWOOD COUNTY, NORTH CAROLINA

TEN PRINCIPAL EMPLOYERS CURRENT YEAR AND 9 YEARS AGO

<u>Employer (2)</u>	<u>2009</u>		<u>2000</u>	
	<u>Number of Employees (1)</u>	<u>% of Total County Employment (3)</u>	<u>Number of Employees (4)</u>	<u>% of Total County Employment (3)</u>
Evergreen Packaging (<i>Formerly Blue Ridge Paper Products, Inc</i>)	1,126	4.51%	unavailable	unavailable
Haywood County Consolidated Schools	1,003	4.01%	"	"
Haywood Regional Medical Centers	960	3.84%	"	"
Haywood County Government	590	2.36%	"	"
Ingles Markets, INC	440	1.76%	"	"
Haywood Community College	373	1.49%	"	"
Wal-Mart Associates, INC	340	1.36%	"	"
Haywood Vocational Opportunities	306	1.22%	"	"
Town of Waynesville	164	0.66%	"	"
Silver Bluff Village	161	0.64%	"	"
Totals	<u>\$ 5,463</u>	<u>21.86%</u>	<u>"</u>	<u>"</u>
Total County Employment		24,986		25,217

Sources:

- (1) Human Resource Department of companies - includes all full and part time employees
- (2) Top ten employers and County employment updated 8/2009 is from the Employment Security Commission of North Carolina.
- (3) Employment Security Commission of North Carolina
- (4) Haywood County did not start reporting top ten employers until 2006, no archived data available from Local or State Employment Security Commission for 2000.

HAYWOOD COUNTY, NORTH CAROLINA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION FOR THE LAST FIVE FISCAL YEARS

	2009	2008	2007	2006	2005
Number of Employees:					
General government	57.00	55.00	53.00	54.00	54.00
Central services	28.75	24.50	23.50	22.50	23.50
Public safety	170.25	168.50	168.50	158.50	152.50
Environmental protection	48.50	48.50	48.50	48.50	48.50
Economic and physical development	10.50	10.50	9.50	9.50	9.50
Human services	223.00	217.00	217.00	211.00	211.00
Cultural and recreational	23.00	24.00	24.00	24.00	24.00
 Total	561.00	548.00	544.00	528.00	523.00

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

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

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	2009	2008	2007	2006
<u>General Government</u>				
Elections:				
Number of registered voters	41,361	41,522	38,762	39,676
Register of Deeds:				
Deeds and real estate documents indexed	12,920	15,933	18,651	19,529
<u>Public Safety</u>				
Building Inspections:				
Residential permits issued	478	721	818	831
Commercial permits issued	29	53	62	52
Fire Control:				
Inspections performed	480	551	763	1,025
Fire marshal and assistants	2	3	3	3
Detention:				
Booked inmates	1656	2488	2640	2640
Average daily jail population	87	87	104	104
Sheriff:				
Hand gun permits processed (1)	n/a	1293	1135	742
EMS:				
Billable transports (2) (3)	6385	6654	6619	6619
EOC/Dispatching:				
Number of emergency calls dispatched	41,383	37,933	30,298	n/a
Number of fire related calls dispatched	1,565	2,031	2,432	1,853
Animal Control:				
Number of calls serviced (1)	n/a	2,748	n/a	n/a
Number of animals received (1)	n/a	4,120	n/a	n/a
Number of adoptions (1)	n/a	698	n/a	n/a
<u>Environmental Protection</u>				
Solid Waste:				
Tons of solid waste buried	50,881.02	57,554.94	58,455.37	42,790.16
Tons of yard waste processed	397.59	1,187.28	1,216.39	1,086.00
Tons of recyclables sent out	5,770.90	3,483.59	3,079.32	3,177.81
<u>Economic and Physical Development</u>				
Planning:				
Number of major subdivision plan reviews	16	28	62	82
Economic Development:				
Tourism Revenues (1) (8)	n/a	\$ 113,460	\$ 116,640	\$ 111,060
Taxable Sales (9)	\$ 489,719,216	\$ 549,879,484	\$ 538,500,941	\$ 485,930,182
Gross Retail Sales (9)	*	*	*	*

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
36,414	37,511	35,283	34,987	34,562	36,754
18,122	19,997	19,151	18,126	15,062	13,950
809	687	583	656	678	687
52	36	46	61	58	72
1,064	n/a	n/a	n/a	n/a	n/a
3	3	3	3	3	3
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
851	979	1096	949	1333	1249
8182	6299	6091	6091	6008	n/a
n/a	n/a	n/a	n/a	n/a	n/a
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	n/a	n/a
56,055.20	42,579.99	49,579.91	48,893.07	43,259.63	47,187.06
1,272.78	982.52	1,779.29	4,051.11	6,210.14	5,415.11
3,847.95	3,695.81	3,570.45	3,294.48	3,232.64	3,661.52
51	27	n/a	n/a	n/a	n/a
\$ 103,460	\$ 98,130	\$ 95,930	\$ 97,800	\$ 97,700	\$ 99,960
*	*	*	*	*	*
\$ 768,834,606	\$ 737,708,374	\$ 645,580	\$ 520,573,226	\$ 614,882,175	n/a

(continued)

HAYWOOD COUNTY, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM, CONTINUED LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Health Department:				
Number of health clients served	12,736	12,666	n/a	n/a
Number of food service inspections	896	777	n/a	n/a
Social Services:				
Average # of food stamp recipients per month (1)	n/a	6542	5933	5775
Child support collections (1)	n/a	\$ 4,178,218	\$ 4,191,812	\$ 4,274,285
Average # of children subject to child protection services (CPS) assessments (1)	n/a	374	311	248
Average # of children in foster care (1)	n/a	171	144	195
<u>Cultural and Recreation</u>				
Library:				
Library patrons	38,346	35,429	31,771	33,558
Items of library materials cataloged	179,615	185,419	190,960	177,083
Recreation:				
Park recreation program participants	1572	1456	1455	1304
<u>Education</u>				
Public Schools: (4)				
Dollars spent per pupil -				
ADM (Average Daily Membership) (5)	\$ 1,716	\$ 1,776	\$ 1,685	\$ 1,599
Number of teachers	619	568	568	551
Student enrollment	7677	7,658	7,652	7,969
Community College: (6)				
Number of courses offered	n/a	1,212	1,191	1,197
Student enrollment	n/a	4,633	4,391	4,363
<u>Hospitals (7)</u>				
Number of patient beds	190	190	190	190
Fitness Centers	1	1	1	1

Sources: Various governmental departments - Fiscal year data

- (1) Calendar year data
 - (2) FY2008 and FY2009 provided by EMS Management & Consultants
 - (3) FY2007-2001 provided by EMS Archived Data
 - (4) Source: Haywood County Board of Education - Academic year data
 - (5) Academic year 2009 is an estimate due to final ADM number not available
 - (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 Website
 - (9) Source: Haywood County Economic Development -NC Dept of Revenue Website
- * FY05-06 the *Streamline Sales Tax Agreement* was implemented by NC which changed the reporting from Gross Retail Sales to Taxable Sales

	2005	2004	2003	2002	2001	2000
	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a
	5649	5436	4760	4335	3884	3763
\$	4,201,558	\$ 4,049,578	\$ 3,341,649	\$ 3,322,939	\$ 3,283,531	\$ 3,059,169
	230	224	328	379	391	372
	216	190	179	133	155	163
	37,404	34,050	31,076	28,530	33,398	30,524
	179,695	176,147	179,661	171,019	157,286	146,949
	1135	810	720	305	0	0
\$	1,546	\$ 1,436	\$ 1,355	\$ 1,293	\$ 1,213	\$ 1,151
	629	611	580	580	581	470
	7,910	7,898	7,843	7,735	7,789	7,654
	n/a	n/a	n/a	n/a	n/a	n/a
	n/a	n/a	n/a	n/a	n/a	n/a
	190	190	190	200	200	200
	1	1	1	1	1	1

HAYWOOD COUNTY, NORTH CAROLINA

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function/Program					
<u>General Government</u>					
Elections:					
Number of voting machines (1) (2)	187	187	177	177	35
<u>Public Safety</u>					
Fire Control:					
Volunteer fire departments	15	15	15	15	15
Detention:					
Number of jail beds	133	133	133	133	93
Sheriff:					
Offices	1	1	1	1	1
Patrol vehicles	53	60	64	65	n/a
<u>Environmental Protection</u>					
Solid Waste:					
Landfills	1	1	1	1	1
Convenience centers (5 owned, 5 leased)	10	10	10	10	10
Material recovery facilities	1	1	1	1	1
<u>Cultural and Recreation</u>					
Library:					
Number of libraries	4	4	4	4	4
Recreation:					
Park acreage-undeveloped	22	22			
Park acreage-developed (leased property)	8	8	8	8	8
Multi-purpose arena	1	1	1	1	1
Ag & activities center	1	1	1	1	1
<u>Education</u>					
Public Schools: (3)					
Number of schools	16	16	16	15	15
Community College: (4)					
Number of colleges	1	1	1	1	1
<u>Hospitals (5)</u>					
Number of hospitals	1	1	1	1	1

Source: Various governmental departments

(1) 2009-2006 Direct Record Electronic Voting Machines

(2) 2005-2000 Optical Scan Voting Machines

(3) Source: Haywood County Board of Education

(4) Source: Haywood Community College

(5) Source: Haywood Regional Medical Center

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
35	35	35	35	35
15	15	13	13	13
93	93	93	93	93
1	1	1	1	1
54	50	n/a	n/a	n/a
1	1	2	2	2
10	10	10	10	10
1	1	1	1	1
3	3	3	3	2
8	-	-	-	-
-	-	-	-	-
1	-	-	-	-
15	15	15	15	15
1	1	1	1	1
1	1	1	1	1

HAYWOOD COUNTY, NORTH CAROLINA

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Government	Central Services	Public Safety	Transportation	Environmental Protection	Economic and Physical Development	Human Services
2009	\$ 5,086,869	\$ 2,457,239	\$ 15,453,865	\$ 284,233	\$ 4,134,677	\$ 3,261,031	\$ 19,059,450
2008	5,043,803	2,207,882	16,093,365	259,896	3,780,092	5,336,668	20,018,424
2007	4,940,879	2,161,489	14,915,045	223,334	3,935,902	10,991,960	19,526,132
2006	6,287,379	1,821,907	17,954,460	142,609	7,325,961	3,094,990	18,066,863
2005	4,384,292	1,544,304	11,481,528	151,208	3,912,831	2,374,312	16,736,432
2004	3,860,351	1,555,196	10,496,987	213,441	2,796,232	2,574,217	15,597,711
2003	3,369,226	1,573,307	9,080,932	218,802	2,739,585	2,754,974	14,923,790
2002	3,349,414	1,296,847	8,059,220	133,586	2,444,159	1,888,494	14,272,574
2001	3,128,613	1,185,567	7,528,177	93,361	1,969,769	1,890,804	13,638,429
2000	3,141,353	1,247,577	6,832,114	103,529	2,491,892	1,501,683	12,837,590

Source: Haywood County Audit Reports

Note: Expenditures include all governmental fund types.

<u>Cultural and Recreational</u>	<u>Non- Departmental</u>	<u>Education</u>	<u>Capital Outlay</u>	<u>Sewer</u>	<u>Debt Service</u>	<u>Total</u>
\$ 1,760,736	\$ -	\$ 19,139,292	\$ 3,068,508	\$ -	\$ 7,025,232	\$ 80,731,132
2,054,950	-	24,520,469	3,222,436	-	6,493,604	89,031,589
2,049,515	-	27,993,801	4,502,525	-	4,725,316	95,965,898
1,981,642	-	21,222,128	1,931,451	-	7,456,658	87,286,048
1,797,609	-	15,403,890	17,865,086	-	7,315,523	82,967,015
1,675,083	-	14,815,441	12,188,773	-	5,233,128	71,006,560
1,668,061	-	13,189,694	6,695,327	-	4,670,072	60,883,770
1,757,925	-	12,306,941	5,090,521	-	4,157,496	54,757,177
1,515,731	9,518	11,507,636	4,615,157	53,115	3,814,379	50,950,256
1,387,899	-	10,955,636	10,093,520	53,115	5,299,228	55,945,136

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COMPLIANCE SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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 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, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 28, 2009. We conducted our audit in accordance with generally accepted auditing standards 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 Tourism Development Authority were not audited in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 the County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in 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 grants, 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*.

This report is intended solely for the information and use of the Board of Commissioners, management, 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 28, 2009

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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 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 are applicable to each of its major federal programs for the year ended June 30, 2009. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses 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 are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2009-1, 2009-2, and 2009-3.

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, 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 the County's internal control over compliance.

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

A control deficiency in a County's 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 non-compliance with a type of compliance requirement of a federal program that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency in internal control over compliance described in the accompanying of Findings, Responses, and Questioned costs as items 2009-1, 2009-2, and 2009-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings, Responses, and Questioned Costs to be material weaknesses.

Haywood County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. We did not audit Haywood County's responses and, accordingly, we express no opinion on it.

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 28, 2009

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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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 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 are applicable to each of its major state programs for the year ended June 30, 2009. Haywood County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses 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 are applicable to each of its major State programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements that are required to be reported in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act and which are described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2009-1, 2009-2, and 2009-3.

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, 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 the County's internal control over compliance.

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

A control deficiency in a County's 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 non-compliance with a type of compliance requirement of a State program on a timely basis, a significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a State program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings, Responses, and Questioned Costs as items 2009-1, 2009-2, and 2009-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a State program will not be prevented or detected by the County's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings, Responses, and Questioned Costs to be material weaknesses.

Haywood County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings, Responses, and Questioned Costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 28, 2009

HAYWOOD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness identified	No
• Significant deficiency identified that is not considered to be a material weakness	No
Non-compliance material to financial statements noted	No

Federal Awards

Internal control over major Federal programs:	
• Material weakness(es) identified	No
• Significant deficiency identified that is not considered to be a material weakness	Yes
Type of auditors' report issued on compliance for major Federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	Yes
Identification of major federal programs:	

<u>Program Name</u>	<u>CFDA#</u>
Title XIX Medicaid Cluster	93.778
Temporary Assistance for Needy Families	93.558
Food Stamp Cluster:	
Food Stamp Program	10.551
State Administrative Matching Grants for Food Stamps	10.561
Foster Care and Adoption Cluster:	
IV-E Foster Care	93.658
IV-E Adoption	93.659

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$2,044,207</u>
Auditee qualified as low-risk auditee?	No

HAYWOOD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

State Awards

Internal control over major State programs:

- Material weakness identified No

- Significant deficiency identified that is not considered to be a material weakness Yes

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

Yes

Identification of major State programs:

Program Name

Medical Assistance Program
State/County Special Assistance for Adults
Child Welfare Services
Public School Building – State ADM/Lottery

2. Findings Related to the Audit of the Basic Financial Statements

None

3. Federal and State Award Findings and Questioned Costs

2009-01

Criteria: In accordance with the Division of Social Services Fiscal Manual, DSS employees should control physical access to the State network terminals or personal computers that are connected to the State mainframe.

Condition: Upon surprise inspection, two out of six unattended work stations of DSS employees were logged onto the State network without anyone attending to the work stations.

Effect: Unauthorized access to the State system could be obtained due to the unattended logon to the system throughout the DSS building.

Cause: New employees were not informed of internal control procedures for unattended computer terminals.

HAYWOOD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

Questioned Costs: The finding represents an internal control issue; therefore, no questioned cost is applicable.

Recommendation: Require County human resources or supervisors of new employees to inform new employees, on their first day of work, of the internal control procedures for unattended computer terminals. All employees should be aware of internal control procedures. All employees should be required to logout of work stations where access to the State DSS system is granted. The control procedures should include random verification of logout in instances where offices are unattended.

Views of responsible officials and planned corrective actions:

Name of contact person: Pat Hyatt, Social Services Director

Corrective Action: At new worker orientation all new employees will receive a written procedure of internal controls stating the requirement to log out of computers connected to the State network when leaving their workstations unattended. All Staff have received refresher training on computer security. Supervisors will routinely monitor and do random audits of unattended computer terminals.

Proposed Completion Date: Ongoing hand outs and random monitoring. Refresher training completed March 2009.

2009-02

Criteria: In accordance with the Department of Health and Human Services' Adult Medicaid Manual, Adult Medicaid must be redetermined annually. Case workers should send review notice, DSS-8189, two months prior to the end of the certification period. Case worker should meet with participant to verify that living arrangements, resources, income, need/financial responsibility, disability/blindness (when applicable), and unmet medical needs have not made the participant ineligible for Medicaid services. The participant must cooperate in establishing eligibility for redetermination and must sign a release of information to continue to receive benefits.

Condition: When participant files were pulled for Medicaid testing, an MAD case had been recertified without reviewing eligibility criteria with the participant. Case worker was told to recertify participant without first determining that the participant was still eligible. This was because several case workers were out sick when participant required the review.

Effect: The participant receiving Medicaid may not be eligible to receive benefits. This could potentially result in a questioned cost if participant is receiving benefits and is indeed ineligible.

Cause: Case worker was told to recertify participant without reviewing eligibility with that participant.

HAYWOOD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

Questioned Costs: There were no questioned costs given that the case worker subsequently reviewed eligibility with the participant. They determined that the participant was indeed eligible.

Recommendation: Care should be taken to ensure that case workers are reviewing participant eligibility timely and that Medicaid funds are not being disbursed to participants who are ineligible for benefits.

Views of responsible officials and planned corrective actions:

Name of contact person: Pat Hyatt, Social Services Director

Corrective Action:

- As of August 2009, another IMC has been dedicated to help with reviews and is also available to fill in as necessary should this program be short staffed again.
- Several brain-storming sessions with all workers responsible for MA/LTC/CAP cases has been conducted for ways to improve the process necessary to address the condition found by the auditor. Through these sessions, we have come up with some ways to use technology more efficiently which will help in completing the process with more efficiency and allow more time for concentrating on the quality of the work.
- On these MA cases, the workers were instructed in February and March 2009 to take their lists and work in all the MA cases that may not have had a full review in December and do a complete review on them. This way, even though it was late, if there was a possible error it would not go unmissed for the full six month certification period.

Proposed Completion Date: Ongoing.

2009-03

Criteria: In accordance with the Department of Health and Human Services' Special Assistance Manual, Special Assistance eligibility must be redetermined annually. To authorize assistance, case workers must have a current FL-2/MR-2, Level of Care Recommendation/Mental Retardation Services, signed and dated by a physician recommending the appropriate level of care. Case worker must conduct review with the participant and the signed redetermination forms must be keyed into the system. To continue to receive benefits, the participant must cooperate in establishing eligibility for redetermination.

Condition: When participant files were pulled for Special Assistance testing, an SAA and an SAD case had been recertified without reviewing eligibility criteria with the participant. Case workers were told to recertify participants without first determining that the participants were still eligible.

Effect: The participants receiving Special Assistance may not be eligible to receive benefits. This could potentially result in a questioned cost if participant is receiving benefits and is indeed ineligible.

HAYWOOD COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

Cause: Case workers were told to recertify participants without first reviewing eligibility with those participants.

Questioned Costs: There were no questioned costs given that the case workers subsequently reviewed eligibility with the participants. They determined that the participants were indeed eligible.

Recommendation: Care should be taken to ensure that case workers are reviewing participant eligibility timely and that Special Assistance funds are not being disbursed to participants who are ineligible for benefits.

Views of responsible officials and planned corrective actions:

Name of contact person: Pat Hyatt, Social Services Director

Corrective Action: Another worker has been dedicated to help with reviews and is available to fill in as necessary should this program be short staffed. Brainstorming sessions with all SA workers have been conducted for ways to improve the recertification process. Ways to use technology more efficiently will allow the process to be completed more efficiently.

Proposed Completion Date: August 2009 and ongoing.

HAYWOOD COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

Finding: 2008-1

Status: Continued in 2009. See Finding 2009-1.

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass- Through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:				
<u>U.S. Department of Agriculture</u>				
<u>Food and Nutrition Service</u>				
Passed through N.C. Department of Health and Human Services:				
Division of Social Services:				
Administration:				
Food Stamp Cluster:				
Direct Benefit Payments:				
Supplemental Nutrition Assistance Program (SNAP)	10.551	\$ 9,629,093	\$ -	\$ -
State Administration Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	484,208	-	480,941
Total Food Stamp Cluster		<u>10,113,301</u>	<u>-</u>	<u>480,941</u>
Passed through N.C. Department of Health and Human Services:				
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women,				
Infants and Children	10.557	183,562	-	-
Child and Adult Care Food Program	10.558	15,301	-	-
Direct Benefit Payments:				
Special Supplemental Food Program for Women				
Infants and Children	10.557	913,235	-	-
Passed through the Office of State Budget and Management:				
National Forest Service:				
Secure Payments for States and Counties Containing Federal Lands				
Total U.S. Department of Agriculture	10.665	<u>118,150</u>	<u>-</u>	<u>-</u>
		<u>11,343,549</u>	<u>-</u>	<u>480,941</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	9,682	-	-
Total U.S. Department of Housing and Urban Development		<u>9,682</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Violence Against Women Office:				
Arrest Policies and Enforcement of Protection Orders	16.590	78,616	-	-
Bureau of Justice Assistance:				
Bulletproof Vest Partnership Program	16.607	4,120	-	-
Total U.S. Department of Justice		<u>82,736</u>	<u>-</u>	<u>-</u>

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<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>				
<u>Office of Population Affairs</u>				
Passed through the NC Department of Health and Human Services:				
Division of Public Health:				
Family Planning-Services	93.217	\$ 84,614	\$ -	\$ -
<u>Administration for Children and Families</u>				
Division of Social Services:				
Domestic Violence - Temporary Assistance for Needy Families (TANF)	93.558	18,255	-	-
Administration:				
Family Preservation and Support Services	93.556	1,790	-	-
Temporary Assistance for Needy Families (TANF)	93.558	1,106,584	-	917,892
Child Support Enforcement Section	93.563	482,644	-	248,635
Low-Income Home Energy Assistance	93.568	435,690	-	-
Child Welfare Services	93.645	64,287	4,100	17,329
Adoption Assistance	93.659	2,894	-	965
Social Services Block Grant-Other Services	93.667	191,351	19,834	1,055,415
Social Services Block Grant-Adult Day Care	93.667	36,257	30,560	9,545
Social Services Block Grant-In-Home Services	93.667	27,080	-	3,868
Independent Living-Chafee Foster Care Independence	93.674	24,841	4,559	-
AFDC Incent/Prog Integrity	N/A	-	240	-
TANF Incent/Prog Integrity	N/A	-	2,353	-
County Funded Programs	N/A	-	-	805,086
Direct Benefit Payments:				
Temporary Assistance for Needy Families (TANF)	93.558	722,284	(182)	59
Special Children Adoption	93.558	52,500	-	-
AFDC Payments & Penalties	93.560	(1,871)	(512)	(512)
Low-Income Home Energy Assistance	93.568	508,381	-	111
Child Welfare Services Adoption Subsidy	93.645	-	346,535	101,853
Total Administration for Children and Families		<u>3,672,967</u>	<u>407,487</u>	<u>3,160,246</u>
<u>Foster Care and Adoption</u>				
Division of Social Services:				
Foster Care and Adoption Cluster:				
Administration:				
IV-E Foster Care/Off Trn	93.658	327,079	-	324,292
Adoption/Foster Care	93.658	410,333	57,361	176,831
Direct Benefit Payments:				
Foster Care At Risk	N/A	-	58,936	7,055
IV-E Foster Care	93.658	270,539	37,620	109,053
IV-E Adoption	93.659	395,043	74,202	101,799
Total Foster Care and Adoption Cluster		<u>1,402,994</u>	<u>228,119</u>	<u>719,030</u>

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<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>Administration on Aging</u>				
Passed through the N.C. Department of Aging:				
Passed through the Southwestern N.C. Planning and Economic Development Commission:				
Special Programs for the Aging Cluster:				
Special Programs for the Aging-Title III-B-Supportive Services	93.044	\$ 286,842	\$ 50,619	\$ -
Special Programs for the Aging-Title III-C2-Nutrition Services	93.045	55,451	9,786	-
Total Administration on Aging		<u>342,293</u>	<u>60,405</u>	<u>-</u>
<u>Centers for Medicare and Medicaid Services</u>				
Passed through N.C. Department of Health and Human Services:				
Division of Public Health:				
Medicaid Cluster:				
Administration:				
Medical Assistance Program	93.778	888,757	35,081	853,539
Children Health Insurance Program (CHIP)	93.767	33,033	2,822	8,131
Direct Benefit Payments:				
Medical Assistance Program	93.778	50,021,168	20,123,012	1,463,581
Total Medicaid Cluster		<u>50,942,958</u>	<u>20,160,915</u>	<u>2,325,251</u>
<u>Centers for Disease Control</u>				
Division of Public Health:				
Childhood Immunizations	93.268	13,994	-	-
Centers for Disease Control and Prevention	93.283	78,120	-	-
Preparedness and Response/Bioterrorism Grant	93.283	13,000	-	-
Women's Preventive Health - TANF	93.558	3,694	-	-
Breast and Cervical Cancer Early Detection	93.919	12,373	-	-
Preventive Health Services Block Grant	93.991	22,154	-	-
Women's Preventive Health	93.994	28,311	21,236	-
Total Centers for Disease Control		<u>171,646</u>	<u>21,236</u>	<u>-</u>
<u>Health Resources and Services Administration</u>				
Division of Public Health:				
Summer Food Service Program for Children	10.559	223	-	-
Maternal Child Health Block Grant to the States	93.994	2,691	2,018	-
Child Care Coordination	93.994	17,585	13,191	-
Child Health	93.994	48,728	36,551	-
Total Health Resources and Services Administration		<u>69,227</u>	<u>51,760</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>56,686,699</u>	<u>20,929,922</u>	<u>6,204,527</u>
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Crime Control and Public Safety:				
Emergency Management Performance Grant (EMPG)	97.042	17,574	17,574	-
Homeland Security Grant Program	97.067	-	7,208	-
Homeland Security Grant Program	97.067	-	1,936	-
State Homeland Security Program (SHSP)	97.073	-	68,903	-
Total U.S. Department of Homeland Security		<u>17,574</u>	<u>95,621</u>	<u>-</u>
Total Federal Awards		<u>68,140,240</u>	<u>21,025,543</u>	<u>6,685,468</u>

State Awards:

N.C. Department of Corrections

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass- Through) Expenditures	State Expenditures	Local Expenditures
Criminal Justice Partnership Program		\$ -	\$ 68,339	\$ -
Total N.C. Department of Corrections		-	68,339	-
<u>N.C. Department of Crime Control and Public Safety</u>				
Crisis Housing Assistance Funds (CHAF)		-	19,687	-
Total N.C. Department of Crime Control and Public Safety		-	19,687	-
<u>N.C. Department of Cultural Resources</u>				
Division of State Library:				
State Aid to Public Libraries		-	115,965	-
Total N.C. Department of Cultural Resources		-	115,965	-
<u>N.C. Department of Environment and Natural Resources</u>				
Division of Water Resources:				
Protection of Floodplains Grant		-	140,061	-
Scrap Tire Disposal Grant		-	64,688	-
White Goods Grant		-	440	-
Clean Water Management Fund		-	23,181	-
Total N.C. Department of Environment and Natural Resources		-	228,370	-
<u>N.C. Department of Health and Human Services</u>				
Division of Social Services:				
Energy Assistance-Private Grants		-	113,356	-
State Aid to Counties		-	41,356	-
State Adult Protection		-	31,383	37,251
State/County Special Assistance for Adults		-	559,227	595,884
State Foster Care Benefits Program		-	163,244	163,243
CPS Expansion State Program		-	108,777	-
Total Division of Social Services		-	1,017,343	796,378
Division of Public Health Services:				
General		-	137,631	-
Cancer Advisory		-	8,000	-
Child Health		-	100,000	-
Communicable Disease		-	11,423	-
Health Carolinians		-	5,727	-
HIV		-	500	-
Preparedness & Response		-	33,733	-
Risk Reduction/Health Promotion		-	7,765	-
Tuberculosis		-	2,186	-
Women's Preventative Health		-	17,450	-
TB Medical		-	540	-
Total Division of Public Health		-	324,955	-

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass- Through) Expenditures	State Expenditures	Local Expenditures
Division of Child Development:				
Passed through Region A Partnership for Children:				
Smart Start		\$ -	\$ 14,196	\$ -
Passed through the N.C. Health and Wellness Trust Fund:				
NC Spit Tobacco Education Program		-	145,712	-
NC Smoke Tobacco Education Program		-	60,371	-
Total Division of Child Development		-	220,279	-
Total N.C. Department of Health and Human Services		-	1,562,577	796,378
<u>N.C. Office of Juvenile Justice</u>				
Department of Juvenile Justice and Delinquency Prevention:				
Juvenile Crime Prevention Program		-	147,209	-
Total N.C. Office of Juvenile Justice		-	147,209	-
<u>N.C. Department of Public Instruction</u>				
Public School Building Capital Fund:				
Public School Building Capital Fund-Lottery		-	588,694	-
Public School Building Capital Fund-State ADM		-	730,686	-
Total N.C. Department of Public Instruction		-	1,319,380	-
<u>N.C. State Board of Elections</u>				
State Board of Elections:				
2008 Special HAVA Grant		-	18,115	-
Total N.C. State Board of Elections		-	18,115	-
<u>N.C. Department of Transportation</u>				
Rural Operating Assistance Program:				
Elderly and Disabled Transportation Assistance Program		-	87,729	-
Rural General Public Program		-	86,376	-
Work First/Employment		-	19,089	-
Total N.C. Department of Transportation		-	193,194	-
<u>N.C. Department of Veteran Affairs</u>				
Veteran Services		-	2,000	-
Total N.C. Department of Veteran Affairs		-	2,000	-
Total State Awards		-	3,674,836	796,378
Total Federal and State Awards		\$ 68,140,240	\$ 24,700,379	\$ 7,481,846

HAYWOOD COUNTY, NORTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

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 the Non-Profits Organizations, and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the County's involvement in determining eligibility, they are considered federal and State awards to the County and are included in this schedule.

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

<u>Sub recipient</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	\$ 118,150	\$ -
Southwestern NC Planning and Economic Development Commission	In-Home Services: Title III-B	93.044	286,842	50,619
Southwestern NC Planning and Economic Development Commission	Home Delivered Meals: Title III-C2	93.045	55,451	9,786
Haywood County Schools	Public School Building Capital Fund	N/A	-	1,319,380
Southwestern NC Planning and Economic Development Commission	Juvenile Crime Prevention Council	N/A	-	147,209
Mountain Projects	Rural General Public Program	N/A	-	86,376
Mountain Projects	Elderly and Disabled Transportation Assistance	N/A	-	87,729
			<u>\$ 460,443</u>	<u>\$ 1,701,099</u>

NOTE C - CLUSTERS

The following are clustered by the North Carolina Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.