



# ANNUAL COMPREHENSIVE FINANCIAL **REPORT**

FOR THE FISCAL YEAR ENDING JUNE 30, 2022



**BUNCOMBE COUNTY**  
NORTH CAROLINA

BUNCOMBE COUNTY, NORTH CAROLINA

# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDING  
JUNE 30, 2022

## **BOARD OF COMMISSIONERS**

Brownie Newman, Chair  
Al Whitesides, Vice Chair  
Jasmine Beach-Ferrara  
Amanda Edwards  
Robert Pressley  
Parker Sloan  
Terri Wells

## **COUNTY MANAGER**

Avril Pinder, CPA, ICMA-CM

## **DIRECTOR OF FINANCE**

Donald P. Warn, MPA

Prepared by the Finance Department



# Annual Comprehensive Financial Report

For the Fiscal Year Ending June 30, 2022

## Buncombe County

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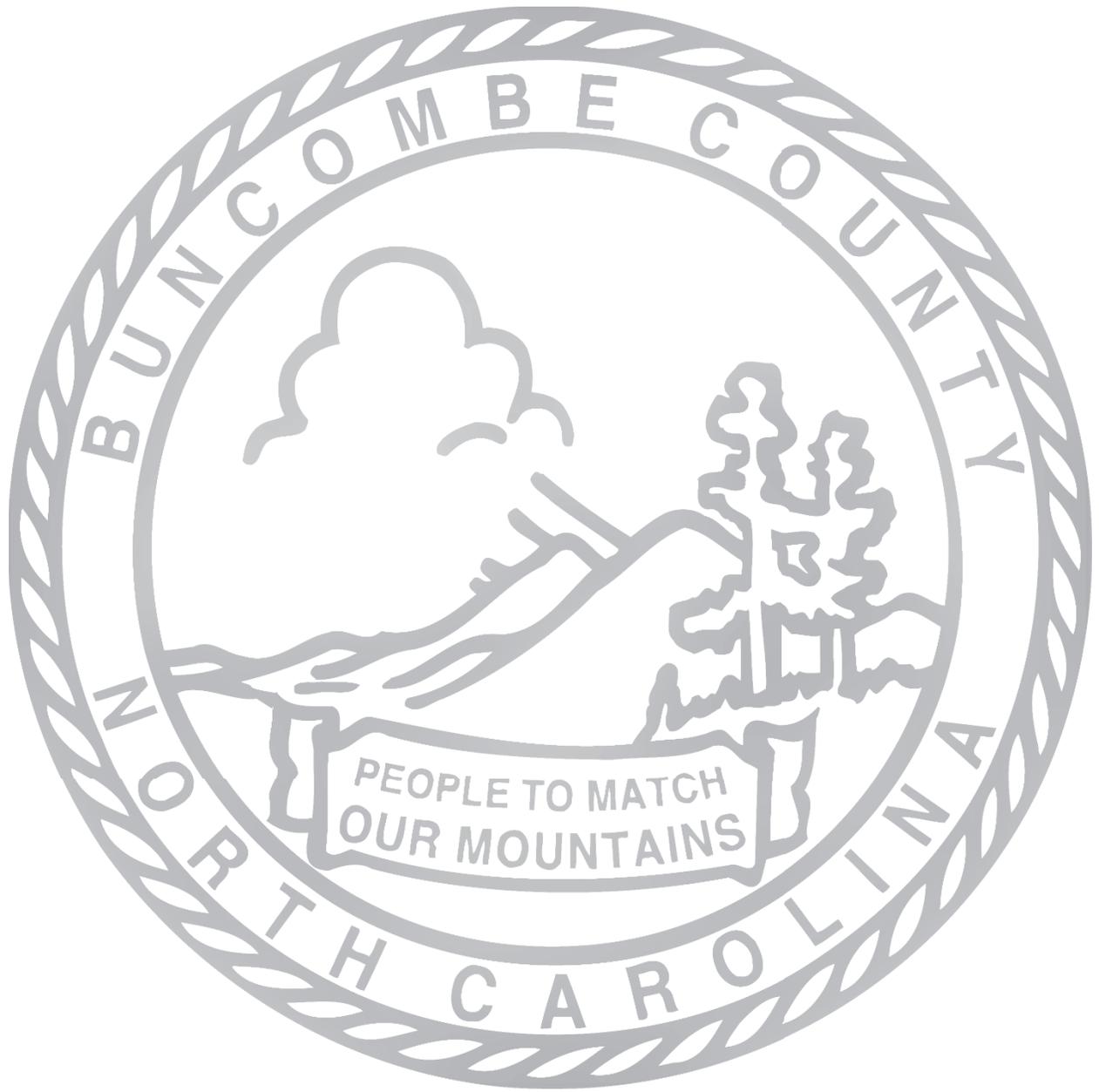
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# Introductory Section







*November 29, 2022*

## To the Board of County Commissioners and the Citizens of Buncombe County, North Carolina

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. State law requires local governments to publish a complete set of financial statements annually.

Management of Buncombe County assumes responsibility for the completeness and reliability of all the information presented in this report based upon a comprehensive framework of internal control that it has established for this purpose. This report consists of management's representations concerning the financial position and results of operations for the fiscal year ended June 30, 2022.

CliftonLarsonAllen LLP (known as CliftonLarsonAllen or CLA), was engaged this year to conduct the annual audit. CLA is the eighth largest accountancy firm in the United States and brings a wealth of experience and advanced accounting techniques to their audit approach.

CLA has audited the financial statements in accordance with generally accepted auditing standards. The cost of internal control should not exceed anticipated benefits; therefore, the auditor's review is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. The independent auditors concluded that the statements are presented in conformity with generally accepted accounting principles and there was a reasonable basis for issuing an unmodified opinion on the Buncombe County financial statements for the year ended June 30, 2022. The Independent Auditor's Report is located at the front of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with emphasis on administration of federal grants.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis complement this letter of transmittal and should be read in combination with it.



## Profile of Buncombe County, North Carolina

Buncombe County, established in 1791, is located in the southwestern portion of North Carolina in the heart of the Blue Ridge Mountains. Nicknamed the “Land of the Sky”, the County comprises 660 square miles of land and water and is shaped by one of the oldest mountain ranges in the world. With approximately 275,800 residents who call this home, Buncombe is the most populous county in western North Carolina accounting for over half of the population in the four-county Asheville Metropolitan Area.

The County encompasses six incorporated municipalities, the largest being the City of Asheville (population of approximately 96,800 or approximately 35% of the County), which lies at the geographic center of the County and serves as the County seat. Throughout history Buncombe County has been an important crossroads, being approximately 240 miles west of the state capital, Raleigh, North Carolina; 205 miles north of Atlanta, Georgia; and, 120 miles east of Knoxville, Tennessee.

The County operates under a commissioner/manager form of government. Presently, a seven-member Board of County Commissioners governs Buncombe County. The Chair is elected separately by all the qualified voters in Buncombe County every four years. Two commissioners are elected from each of the three House of Representative Districts in Buncombe County to serve staggered four-year terms. Each commissioner is required to reside in and represent one of the districts, and only the qualified voters of that district will be eligible to vote for that district seat.

Buncombe County is a caring community in harmony with its environment where citizens succeed, thrive, and realize their potential. The County promotes a healthy, safe, well-educated, and thriving community with a sustainable quality of life. To that effort the County provides a full range of services to meet the complex needs of this unique community including human services, public safety, economic and physical development, environmental protection, cultural and recreational activities, and others. The majority of the annual budget is spent on public safety, human services, and support of local public education entities. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these partners are the Asheville City Board of Education, the Buncombe County Board of Education, the Asheville-Buncombe Technical Community College, the Tourism Development Authority, the Land of Sky Regional Council, Buncombe County Service Foundation, and the Vaya Health Managed Care Organization.

The annual budget serves as the base for the County’s financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County’s financial operations including funding for various agencies outside the County’s organizational structure. The County Manager submits the annual balanced budget to the Board of Commissioners before June each year. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North



Carolina statutes, the governing board shall adopt a budget not earlier than 10 days after the budget is presented to the Board and no later than July 1.

## The Local Economy

Buncombe County serves as the regional economic center for western North Carolina. The County's economy is supported by a variety of robust and growing industries. Major industries located within the County's boundaries include the region's growing healthcare system; a thriving tourism and hospitality industry; strong educational and public sector systems; and, a resurgent manufacturing industry. In addition, small businesses and entrepreneurship are active engines fueling the region's diverse business landscape. Approximately 96% of establishments in the Metro area have fewer than 50 employees.

Buncombe County's economic development growth is driven by businesses innovating in advanced manufacturing; science and technology; healthcare; and, knowledge-based entrepreneurship. These industries are supported by a highly skilled workforce, steady population growth and reputable educational institutions meeting the talent needs of top-tier companies. The area stands as a hub for technology and business innovation and growth, making it an attractive destination for corporate relocation. Thanks to its remarkable quality of life, Buncombe County is a thriving center for outdoor recreation, creative arts and mountain cultures, as well as a budding community for entrepreneurs across all industries. Economic development in the region is supported by strong workforce development initiatives which work to ensure that the region has a globally competitive workforce that encourages local, regional, and international business investment. Workforce Development anticipates and delivers the types of education and training that are relevant to the local economy, provides transferable skills that benefit individuals into the future and ensures that the region's workforce is capable of meeting the ever-changing demands of the business world.

During fiscal year 2022, the Buncombe County Board of Commissioners recognized the continued growth of a well-known existing employer. In July 2021, East Fork Pottery, LLC announced plans to invest approximately \$2.38 million through the year 2027 in a new Buncombe County-based manufacturing facility. The expansion adds 50 jobs at an average wage of \$22.50/per hour to the existing 80 employee workforce.

Buncombe County's employment market has picked up steam and refilled more consistently throughout fiscal year 2022. Buncombe County's unemployment rate of 3.3% aligns with the State-wide metric at 3.4% at the close of the fiscal year. These are marked improvements from the County unemployment rate of 4.9% and State rate of 5.9% posted at the end of the prior fiscal year. The shifting unemployment rate has created new concerns related to workforce availability and employers have been challenged to find employees across industries. Wage growth continued to grow with the year-over-year average weekly wage increasing about 4% from Q4 2021 to Q4 2022 according to the Bureau of Labor Statistics.



Despite lingering concerns regarding sufficient workforce to meet back-to-business demands, Buncombe County's sales and occupancy tax collections in the fiscal year significantly outpaced projections. Sales tax collected exceeded budgeted projections by over 16%, equating to nearly \$6 million; year-end occupancy tax was more than 135% of the previous year's collections and exceeded projections by nearly \$7 million. Among other things, this can be attributed to a drastic increase in online sales throughout the pandemic as well as pent-up demand for the travel and recreation opportunities for which Buncombe County is well-known.

The Buncombe County housing market remains dynamic and by all measures is considered to be a seller's market. Median days for a house on the market is 45 days which represents a 3% decrease from the prior year, however the median listing price (currently \$550,000) continues to rise and is up 12.8% since the prior year. Concerns are prevalent that the supply of housing could be a long-term workforce challenge and the number of active listings is down 1.5% from the prior year.

North Carolina law requires all counties to reappraise real property—land, buildings, structures, and improvements—at least once every eight years. Buncombe County attempts to reappraise all real property every four years; the most recent reappraisal is effective as of January 1, 2021. By completing this extensive process more often than the State requirement, the County seeks to maintain accurate current market values in pace with a booming housing market; avoid large and unpredictable changes to property values; and, minimize the opportunities for inequities that are commonly associated with longer reappraisal cycles. Based on the most recent reappraisal, property values increased across the County by approximately 18% on average; this includes both residential and commercial properties.

## Long-term Financial Planning and Major Initiatives

The County uses a Capital Improvement Program (CIP) to identify all capital projects for the next budget year and five additional years. The CIP is formulated under the direction of the County Manager for financial planning purposes. A capital project is defined as purchases over \$100,000 with an anticipated useful life of at least five years. These items are generally for major information technology projects, buildings, land, vehicle replacement programs, etc. All capital projects are reviewed by the CIP committee around November of each year. After the projects are reviewed and prioritized, they are submitted to the Board of Commissioners for further discussion and approval. Each capital project includes detailed descriptions, estimated total cost, impact on operating budget, and funding source. The CIP budget through fiscal year 2027 includes projects such as Elections facilities; emergency services base construction, solar panel installations; radio system and fleet replacements, as well as dispatch call center upgrades, for emergency services; parks and recreation upgrades; and, detention center facility expansion.



In June 2020, Buncombe County's Board of Commissioners received the final results of a comprehensive facility study that evaluated 38 county facilities, and included collection of both employee and citizen feedback. The primary goals of the study were to assess maintenance needs and costs for existing County facilities, and to collect data to support future capital planning. The Board unanimously accepted the findings of the study and, by doing so, incorporated its recommendations into the CIP process for future years.

Another major achievement in the prior fiscal year (2020) was the adoption of the Buncombe County Strategic Plan 2020-2025. As the County continued work on the strategic plan goals in fiscal year 2022, work on the County's Comprehensive Plan 2043 saw significant progress. A comprehensive plan is used by local governments as a broad, long-range planning tool for the community. The County's plan will consider a wide range of community concerns and needs from land use to equity. The plan will guide growth, address community needs and priorities, and inform how the County manages its resources for a 20-year period.

## Relevant Financial Policies

Fund balance is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term *reserves* is often used by public finance practitioners, but is not a governmental accounting term. It refers to the portion of fund balance held in reserve to buffer against financial distress or risk. The North Carolina State Treasurer recommends a minimum unallocated general fund balance of 8%. However, the County policy is more restrictive, requiring a range of 15% to 20%. The policy was also to require any unreserved, undesignated fund balance more than 20% to be transferred to the County's capital projects fund. These changes create better management of undesignated fund balance in the General Fund while maintaining reasonable fund balance levels and create a mechanism to help fund capital expenditures commonly referred to as pay-go capital.

If fund balance is appropriated to balance the following year's budget in an amount that, if spent, would reduce the percentage below 15%, an explanation and a plan to save or replenish the fund balance will be included in this transmittal letter. The County has a strong history of meeting the challenge to realize cost savings and avoid spending appropriated fund balance. It has not had to tap into this resource for over a decade.

The County's debt policy is the operational rulebook for the issuance and management of debt. This policy is reviewed regularly to ensure that debt is issued responsibly, affordably, and in keeping with the best interests of tax payers. There have been no significant changes to this policy in recent years. Buncombe County maintains Triple-A credit ratings from Moody's and Standard and Poor's for general obligation debt based on the most recent credit rating opinions received in 2020. Buncombe continues to be in an exclusive group of governments with two Triple-A ratings and this strongly affirms the County's financial strength and position to support the needs of the community as well as encouraging business development.



Buncombe County's Investment Policy sets forth the County's general investment philosophy for its financial assets that do not have other special restrictions. The County pools the cash resources of its various funds into a single pool in order to maximize investment opportunities. These funds are accounted for in the Financial Statements section of this report. Each fund's portion of total cash and investments is summarized by fund type in the combined balance sheet as equity or deficit in pooled cash and investments. The Investment Policy was most recently updated in May 2020 to add clarity and best practices regarding external investment advisors, legal guidelines for investment, and diversification of investment types.

## Awards and Acknowledgements

The County anticipates the Government Finance Officers Association of the United States and Canada (GFOA) to award a Certificate of Achievement for Excellence in Financial Reporting to Buncombe County for its annual comprehensive financial report for the fiscal year ending June 30, 2021. This would mark the forty-third consecutive year that Buncombe County has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Award for Distinguished Budget Presentation for its 2021 annual budget document. This is the twenty-seventh year that the award has been presented to the County. In order to qualify for this award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. The Budget Department believes the fiscal year 2022 budget document continues to conform to program requirements and has submitted it to the GFOA to determine eligibility for another award.

Many professional staff members in the Finance Department contributed to the preparation of this report. Their hard work, dedication, and continuing efforts to produce and improve the quality of this report are a direct benefit to all that read and use it. We would also like to commend each County department for their cooperation and assistance throughout the year in the efficient administration and commitment to the vision, mission and goals of Buncombe County Government. We also thank CliftonLarsonAllen for their hard work and efforts throughout the audit process.

Recognition and appreciation are also extended to the Board of County Commissioners for their leadership and dedication to serving the people of Buncombe County. This report is a testament to their continued support and desire for maintaining the highest standards in fiscal management and accountability.

Respectfully submitted,



Avril Pinder, CPA  
County Manager



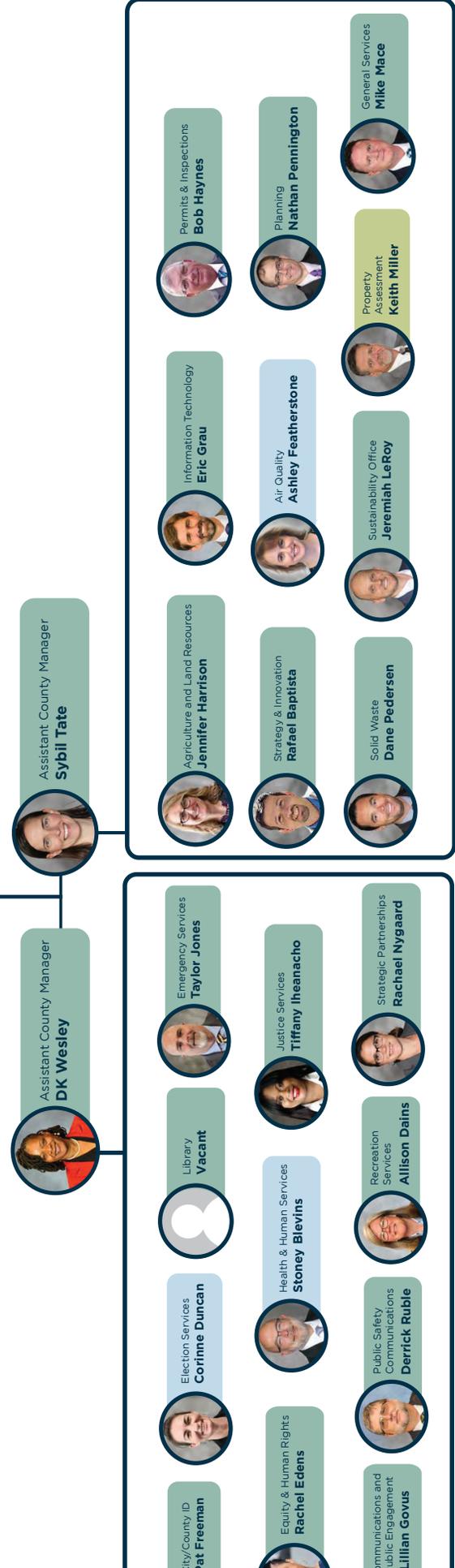
Donald P. Warn  
Finance Director



# Organizational Chart

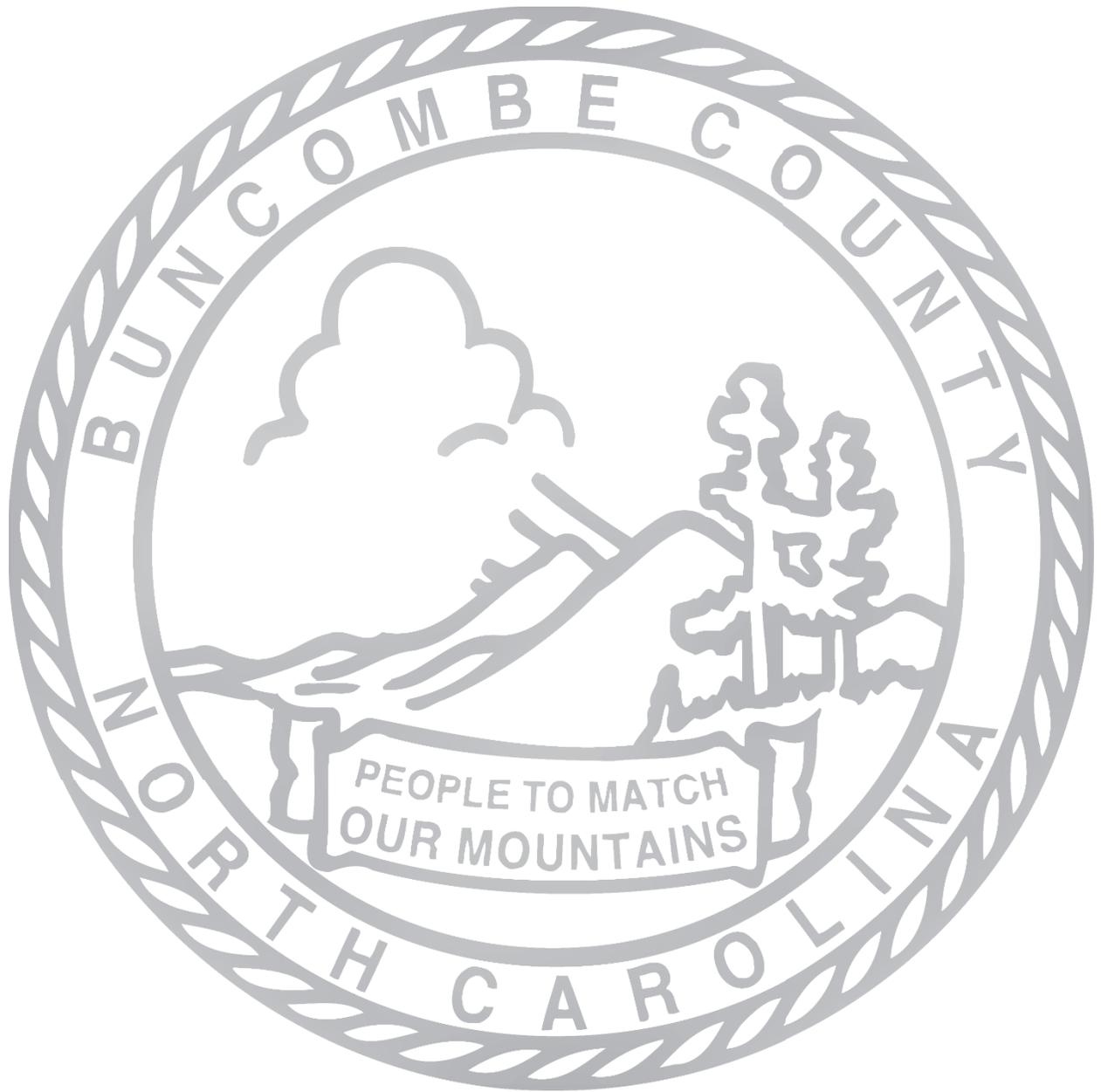
ELECTED APPOINTED SEPARATE BOARD DEPARTMENT HEAD

## Residents



# Financial Section







## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buncombe County, North Carolina (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, the occupancy tax fund, and the special taxing districts fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As described in Note 1, the County changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*, in 2022. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension schedules, and the other postemployment benefit schedules (collectively referred to as required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules, the other schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act (collectively referred to as the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated February 21, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The amounts reported in prior years in the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for Grant Projects, Public School Capital Needs, AB Tech Capital Projects, Public Schools ADM Sales Tax and Lottery Project, County Capital Projects and Special Projects Capital Projects funds (the supplementary project information) for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 financial statements. The amounts reported in prior years in the supplementary information have been subjected to the auditing procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the prior year amounts for the supplementary project information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
November 29, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## INTRODUCTION

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As management of Buncombe County (the County), we offer readers of the financial statements this overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information here in conjunction with additional information we have furnished in the County's financial statements, which follow this discussion and analysis.

## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR

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- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$46.4 million (net position).
- The County's total net position increased by \$59.2 million during the fiscal year. The increase was primarily caused by the governmental activities, specifically from the net result of revenues exceeding budget expectations, expenditures that did not occur combined with vacant positions that were not filled as of June 30, 2022.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$233.6 million, an increase of \$57.0 million from the prior year. Approximately 52% of this total amount, or \$122.0 million, is restricted or nonspendable.
- The County's General Fund increased fund balance by approximately \$7.7 million during the fiscal year for many of the same reasons as County's total net position increased.
- At June 30, 2022, available fund balance for the General Fund was \$91.9 million, or 24.8% of total general fund expenditures and transfers for the fiscal year which is 9.8% higher than the County's minimum fund balance policy.
- At June 30, 2022, the total amount of outstanding long-term debt was \$424.1 million, an increase of \$17.1 million from the previous fiscal year.
- Under State law, the County is responsible for providing capital funding for the school systems and community college. At the end of the fiscal year, approximately \$228 million or 53.6% of the outstanding debt on the County's financial statements is related to assets to be included in the respective entity's statements.
- The County maintains a Aaa bond rating from Moody's Investor Service and a AAA bond rating from Standard and Poor's Rating Service.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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 readers' understanding of the fiscal condition of the County.

## BASIC FINANCIAL STATEMENTS

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

The next statements (Exhibits 3 through 12) 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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 funds statements; and 4) the fiduciary funds 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 general statutes can also 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. These statements are prepared under the full-accrual basis of accounting where all the current year's revenues and expenses are included regardless of when cash is received or paid. The government-wide statements provide short and long-term information about the County's financial status as a whole.

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

The government-wide financial statements are divided into the following three types of activities:

**Governmental Activities** – These activities of the County include general government, public safety, human services, economic and physical development, education, and cultural and recreation. Property taxes and state and federal grant funds finance most of these activities.

**Business-type Activities** – The County charges fees to recover the costs associated with providing certain services. These activities include Solid Waste Disposal and Inmate Commissary/Welfare.

**Component Units** – The government-wide financial statements include not only the County of Buncombe (known as the primary government), but also a legally separate tourism development authority and a legally separate air quality agency for which the County of Buncombe is financially accountable. Financial information for these component units is reported separately from the financial information for the primary government.

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

## **Fund Financial Statements**

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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accounting method which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported on the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements. A detailed reconciliation can be found in the notes to the financial statements.

The County adopts an annual budget for its General Fund as required by the NC 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 of Commissioners 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* – The County has two kinds of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste and inmate commissary/welfare operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for its insurance programs. Because this operation benefits predominately governmental rather than business-type activities, the internal service fund has been included with the governmental activities in the government-wide financial statements.

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Buncombe County's own programs. Buncombe County has eight fiduciary funds. One is a trust fund for the future health insurance benefits for retirees and the others are custodial funds. Information about these funds can be found on Exhibits 11 and 12 as well as the budgetary statements following the notes.

## 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 follow the financial statements.

## Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide health insurance benefits to retirees and pension benefits to its law enforcement officers. Required supplementary information can be found after the notes.

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## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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As noted earlier, net position may serve as a useful indicator of a government's financial condition. As shown in Figure 1, the County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$46.4 million at June 30, 2022. The County's net position increased by \$59.3 million for the fiscal year ended June 30, 2022. The largest portion of Buncombe County's net position is reflected in the County's Net

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Investment in Capital Assets. Buncombe County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Buncombe 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.

**Figure 1**  
**Net Position (in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 381.4	\$ 283.2	\$ 35.8	\$ 22.6	\$ 417.2	\$ 305.8
Capital assets	233.4	234.7	35.8	30.5	269.2	265.2
Total assets	614.8	517.9	71.6	53.1	686.4	571.0
Total deferred outflows of resources	73.0	75.9	1.5	1.6	74.5	77.5
Long-term liabilities outstanding	550.5	638.7	39.3	24.2	589.8	662.9
Other liabilities	95.8	78.6	2.6	0.7	98.4	79.3
Total liabilities	646.3	717.3	41.9	24.9	688.2	742.2
Total deferred inflows of resources	117.2	11.8	1.9	0.2	119.1	12.0
Net position:						
Net investment in capital assets	86.0	72.8	28.3	29.5	114.3	102.3
Restricted	105.6	67.4	-	-	105.6	67.4
Unrestricted	(267.3)	(275.5)	1.0	0.1	(266.3)	(275.4)
Total net position (deficit)	\$ (75.7)	\$ (135.3)	\$ 29.3	\$ 29.6	\$ (46.4)	\$ (105.7)

Buncombe County has a negative balance of \$266.3 million in unrestricted net position (deficit). As with many counties in the State of North Carolina, the County's deficit in unrestricted net position is due to the portion of the County's outstanding debt incurred for the benefit of local educational entities: the Buncombe County Board of Education, the City of Asheville Board of Education, and AB-Tech Community College. Under North Carolina law, the County is responsible for providing capital funding for these institutions. The County has chosen to meet its legal obligation by using a mixture of County funds and debt financing. The assets funded by the County, however, are owned and utilized by these institutions. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$228 million or 53.6% of the outstanding debt on the County's financial statements was related to assets included in the financial statements of the school systems and community college. The unrestricted net position deficit decreased by \$9.1 million from fiscal year 2021.

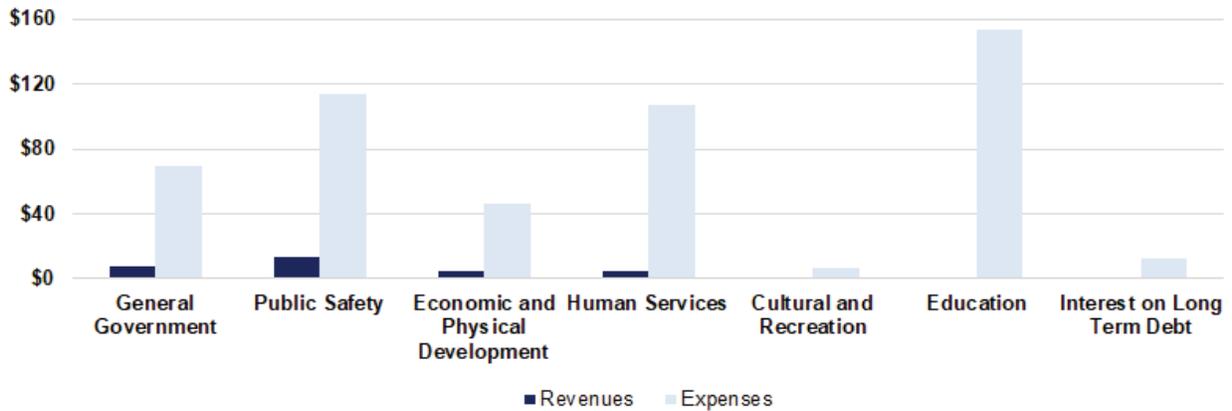
# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Figure 2**  
**Change in Net Position (in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 31.9	\$ 28.4	\$ 10.9	\$ 11.6	\$ 42.8	\$ 40.0
Operating grants and contributions	79.4	63.0	0.5	0.7	79.9	63.7
Capital grants and contributions	0.8	1.2	-	-	0.8	1.2
<b>General revenues:</b>						
Property taxes	277.5	256.9	-	-	277.5	256.9
Other taxes	172.5	143.4	-	-	172.5	143.4
Other	6.1	5.7	0.7	0.1	6.8	5.8
Total revenues	<u>568.2</u>	<u>498.6</u>	<u>12.1</u>	<u>12.4</u>	<u>580.3</u>	<u>511.0</u>
<b>Expenses:</b>						
General government	69.3	62.9	-	-	69.3	62.9
Public safety	113.8	110.2	-	-	113.8	110.2
Economic and physical development	46.1	37.9	-	-	46.1	37.9
Human services	106.8	103.8	-	-	106.8	103.8
Culture and recreation	7.2	9.8	-	-	7.2	9.8
Education	153.1	138.7	-	-	153.1	138.7
Interest on long-term debt	12.3	13.7	-	-	12.3	13.7
Solid waste disposal	-	-	12.0	12.7	12.0	12.7
Other	-	-	0.4	0.2	0.4	0.2
Total expenses	<u>508.6</u>	<u>477.0</u>	<u>12.4</u>	<u>12.9</u>	<u>521.0</u>	<u>489.9</u>
<b>Increase (decrease) in net position</b>						
Before transfers	59.6	21.6	(0.3)	(0.5)	59.3	21.1
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	59.6	21.6	(0.3)	(0.5)	59.3	21.1
Net position, beginning of year	<u>(135.3)</u>	<u>(156.9)</u>	<u>29.6</u>	<u>30.1</u>	<u>(105.7)</u>	<u>(126.8)</u>
Net position (deficit), ending	<u>\$ (75.7)</u>	<u>\$ (135.3)</u>	<u>\$ 29.3</u>	<u>\$ 29.6</u>	<u>\$ (46.4)</u>	<u>\$ (105.7)</u>

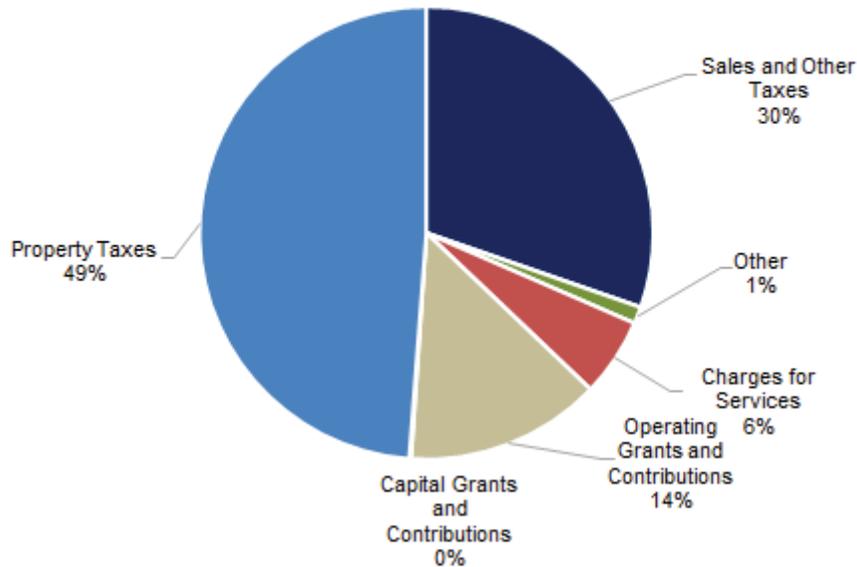
# MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure 3**  
**2022 Expenses and Program Revenues - Governmental Activities**  
 (in millions)



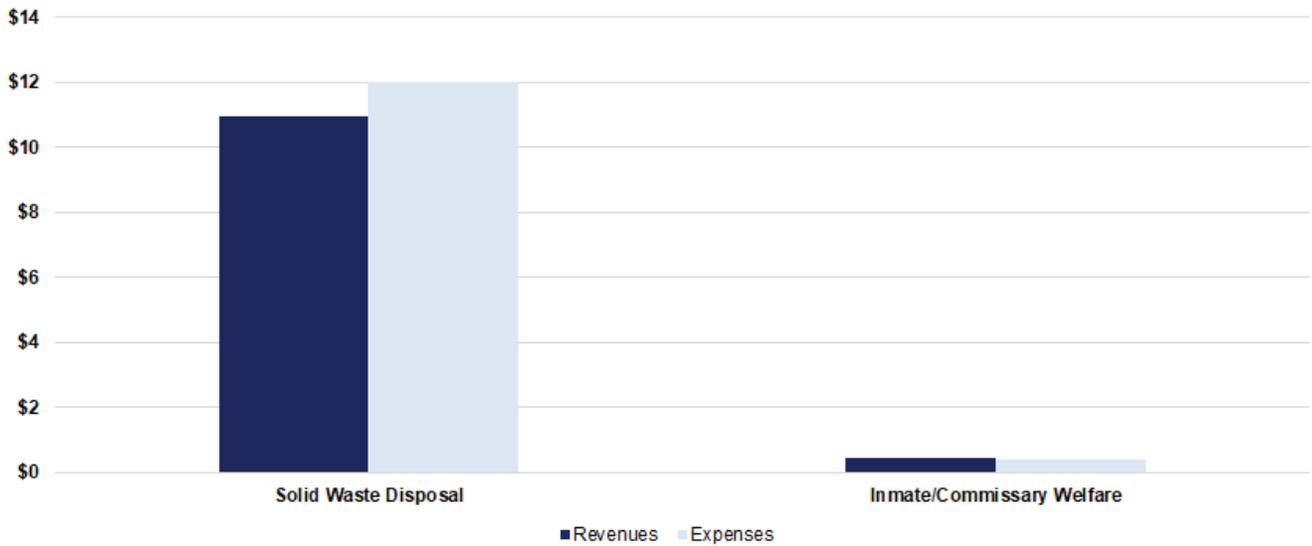
**Governmental Activities.** Governmental activities increased the County’s net position \$57.0 million. Increased revenues combined with most categories of expenditures coming in under budget. Specifically, vacant positions in the detention center, EMS, IT and public health, economic development incentive payments that did not occur, reduced contract and professional services and travel and training were the primary drives for the change in net position.

**Figure 4**  
**2022 Revenues By Source**  
**Governmental Activities**



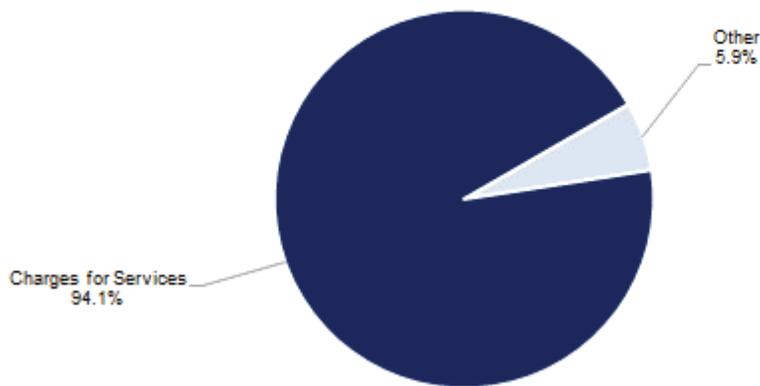
# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Figure 5**  
**2022 Expenses and Program Revenues - Business-Type Activities**  
**(in millions)**



**Business-type Activities.** Business-type activities decreased Buncombe County's overall net position by \$0.3 million in fiscal year ending June 30, 2022.

**Figure 6**  
**2022 Revenues By Source**  
**Business-Type Activities**



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The County's major governmental funds include the General Fund, the Public School Capital Needs Fund, the AB Tech Capital Projects Fund, the Public School ADM Project Fund, the County Capital Fund, the Special Projects Capital Projects Fund, Grant Projects Fund, the Occupancy Tax Fund and the Special Taxing District Fund. The remaining governmental funds are considered non-major.

At June 30, 2022, the governmental funds of Buncombe County reported a combined fund balance of \$233.5 million, a \$57.0 million increase from last year. Of the total governmental fund balance, \$121.6 million, or 52%, is considered nonspendable or legally restricted as to use.

The General Fund is the chief operating fund of Buncombe County. At the end of the current fiscal year, Buncombe County's fund balance available in the General Fund was \$91.9 million, while total fund balance reached \$124.3 million. The Board of Commissioners has determined that the County should maintain a minimum available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 24.8% of general fund expenditures and transfers.

During the fiscal year, the County revised the General Fund 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 revenue \$11.6 million. The actual revenue collected was more than the final budget amount by \$13.4 million. This can be attributed to revenues exceeding budget in multiple areas. Ad Valorem Tax are budgeted based on estimated assessed values and collection rate and actual assessed values were higher than estimated. Consumer spending was stronger than anticipated and resulted in significantly higher than expected Local Option Sales Tax. Additionally, the County also saw higher than anticipated building permits fees, recording fees, sales and services associated with ambulance fees and Medicaid cost settlements.

The fund balance of the County's General Fund saw an increase of approximately \$7.7 million from the previous year; savings in all functional areas contributed to this increase. This is the tenth consecutive year that the County has seen an increase in its General Fund fund balance.

County Capital Projects Fund accounts for capital asset construction or acquisition from general government resources and financing. The total fund balance increased \$18.3 million from \$12.4 million in fiscal year 2021 to \$30.7 million in 2022. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The most significant cause of the increase is due to debt proceeds received in 2022.

Public School ADM Sales Tax/Lottery Projects Fund accounts for major capital maintenance projects for local public schools with article 40/42 sales tax and lottery funds. Once constructed, the assets will be capitalized by the local school units.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Public School Capital Needs Fund accounts for revenues restricted for public school capital outlay projects. The total fund balance increased \$25.2 million from \$16.1 million in fiscal year 2021 to \$41.3 million in 2022. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The most significant cause of the increase is due to debt proceeds received in 2022.

The AB Tech Capital Project Fund accounts for revenues restricted for use on capital projects benefiting AB Tech Community College. The total fund balance increased \$4.3 million from \$14.5 million in fiscal year 2021 to \$18.8 million in 2022. Similar to other capital project funds, total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The most significant cause of the increase is due to debt proceeds received in 2022.

Special Projects Capital Projects Fund accounts for special projects that may not necessarily result in a capital asset for the County. The total fund balance increased \$1.9 million from \$12.3 million in fiscal year 2021 to \$14.2 million in 2022. Total fund balance can fluctuate from year to year due to the timing of collections on long-term receivables associated with affordable housing loans and project completions. The most significant cause to the increase is due to the timing of when funds are transferred in and when the actual project expenditures occurs combined with collections on long-term receivables.

Grant Projects Fund accounts for revenues received from multi-year grants and related expenditures. The total fund balance decreased \$1.84 million from (\$0.09) million in fiscal year 2021 to (\$1.9) million in 2022. Total fund balance can fluctuate from year to year due to the timing of grant reimbursements and when the actual project expenditures occurred.

Occupancy Tax Fund accounts for the revenues from the room occupancy tax to fund the development and implementation of strategies to promote tourism in Buncombe County. Occupancy tax net of collection fees is remitted to the component unit (Tourism Development Authority) to achieve this purpose.

Special Taxing Districts Fund accounts for the revenues from property taxes and local option sales tax collected and remitted on behalf of the school districts and fire districts within the Buncombe County.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Disposal Fund at the end of the fiscal year amounted to \$.1 million. The Solid Waste Fund net position decreased \$0.39 million from fiscal year 2021, the County is performing a new rate study to determine the amount to increase fees as well as managing operating expenditures so that they don't exceed revenues.

## Capital Asset and Debt Administration

**Capital Assets.** As of June 30, 2022, the County's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities totaled \$266.2 million. These assets include land, buildings and improvements, equipment, automotive equipment, and construction in progress. This is an increase of \$1 million, or 0.36%, from fiscal year 2021. This increase is primarily due to construction in progress associated with the solid waste in business-type activities and the net effect of the increase in accumulated depreciation in the governmental activities. See Figure 7.

Major capital asset events during the current fiscal year included the following:

- County facilities solar project
- Continued major maintenance of older buildings to maintain safety and extend their useful lives.
- Continued courthouse exterior renovations
- Woodfin Greenway

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional information on the County's capital assets can be found in Note 3(A)(5) Capital Assets, in the notes of the financial statements.

**Figure 7**  
**Capital Assets - Net of Depreciation**  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 21.6	\$ 21.6	\$ 6.8	\$ 6.8	\$ 28.4	\$ 28.4
Buildings and improvements	188.0	191.8	19.8	20.6	207.7	212.4
Equipment	2.8	2.7	2.2	2.1	5.0	4.8
Automotive equipment	4.0	4.0	0.2	0.2	4.2	4.2
Intangibles	6.3	6.3	-	-	6.3	6.3
Construction in progress	9.1	8.3	5.6	0.8	14.7	9.0
<b>Total capital assets</b>	<b>\$ 231.8</b>	<b>\$ 234.7</b>	<b>\$ 34.5</b>	<b>\$ 30.5</b>	<b>\$ 266.3</b>	<b>\$ 265.3</b>

**Outstanding Debt.** As of June 30, 2022, the County's total debt outstanding was \$424.1 million, of which \$10 million is debt backed by the full faith and credit of the County. Installment notes account for the remaining \$414.1 million. Collateral for these notes are the assets purchased or constructed

As mentioned earlier, the County is required by State law to provide capital funding for the two local public school systems and the community college. At the end of the fiscal year, the outstanding balance of the debt for these activities is approximately \$228 million, of which \$170.8 million is for the school systems and \$57 million is for the community college.

State law also requires the County to provide court facilities for the State of North Carolina. At the end of the fiscal year, the outstanding balance of the debt related to courthouse facilities was \$24.5 million, or 5.8% of the total outstanding debt of the County.

As mentioned in the financial highlights section of this document, Buncombe County maintained its AAA bond rating from Standard and Poor's Corporation and received a Aaa rating with Moody's Investor Service. These bond ratings are a clear indication of the sound financial condition of Buncombe County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

**Figure 8**  
**Outstanding Debt**  
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 10.0	\$ 12.9	\$ -	\$ -	\$ 10.0	\$ 12.9
Installment Notes Payable	398.1	393.1	16.0	1.0	414.1	394.1
<b>Total Outstanding Debt</b>	<b>\$ 408.1</b>	<b>\$ 406.0</b>	<b>\$ 16.0</b>	<b>\$ 1.0</b>	<b>\$ 424.1</b>	<b>\$ 407.0</b>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Buncombe County is \$3.4 billion. The County's policy is to limit amount of debt issued to 3% of the total assessed value of taxable property located within that government's boundaries. The County's imposed debt margin is \$1.06 billion.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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Additional information regarding the County's long-term debt can be found in Note 3(B)(8) Long-Term Obligations, in the notes of the financial statements.

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## FISCAL YEAR 2023 BUDGET HIGHLIGHTS

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The total operating budget for Buncombe County is \$573.8 million. The General Fund budget for fiscal year 2023 is \$398.1 million. This is an increase of 2.23% from the fiscal year 2022 amended General Fund budget.

The tax rate for fiscal year 2023 is set at 48.8 cents per \$100 of property value, the tax rate remained the same as 2022.

The FY2023 budget includes increased investment in Early Childhood Education to ensure that every child has an equal opportunity to thrive during their first 2,000 days. This includes \$3,820,348 for to achieve the following goals:

- Creating new classrooms to serve more children in early care and education settings;
- Supporting capacity and/or quality for existing programs;
- Implementing workforce development strategies to recruit and retain qualified teachers;
- Providing support services for children and families enrolled in early care and education programs;
- Enhancing the effectiveness of overall system of early care and education, including advocacy approaches.

Buncombe County Commissioners continue their commitment to environmental and energy stewardship in the FY2023 budget by allocating the following:

- \$750,000 – Expanding Conservation Easements
- \$120,000 – Electric Vehicle Charging Station Infrastructure

Other major items funded in the FY2023 budget include:

- \$2,000,000 for reparations
- \$240,515 for community paramedics
- \$2.31M investment in affordable housing
- \$3.86M investment in economic development
- \$4.73M investment in capital improvements

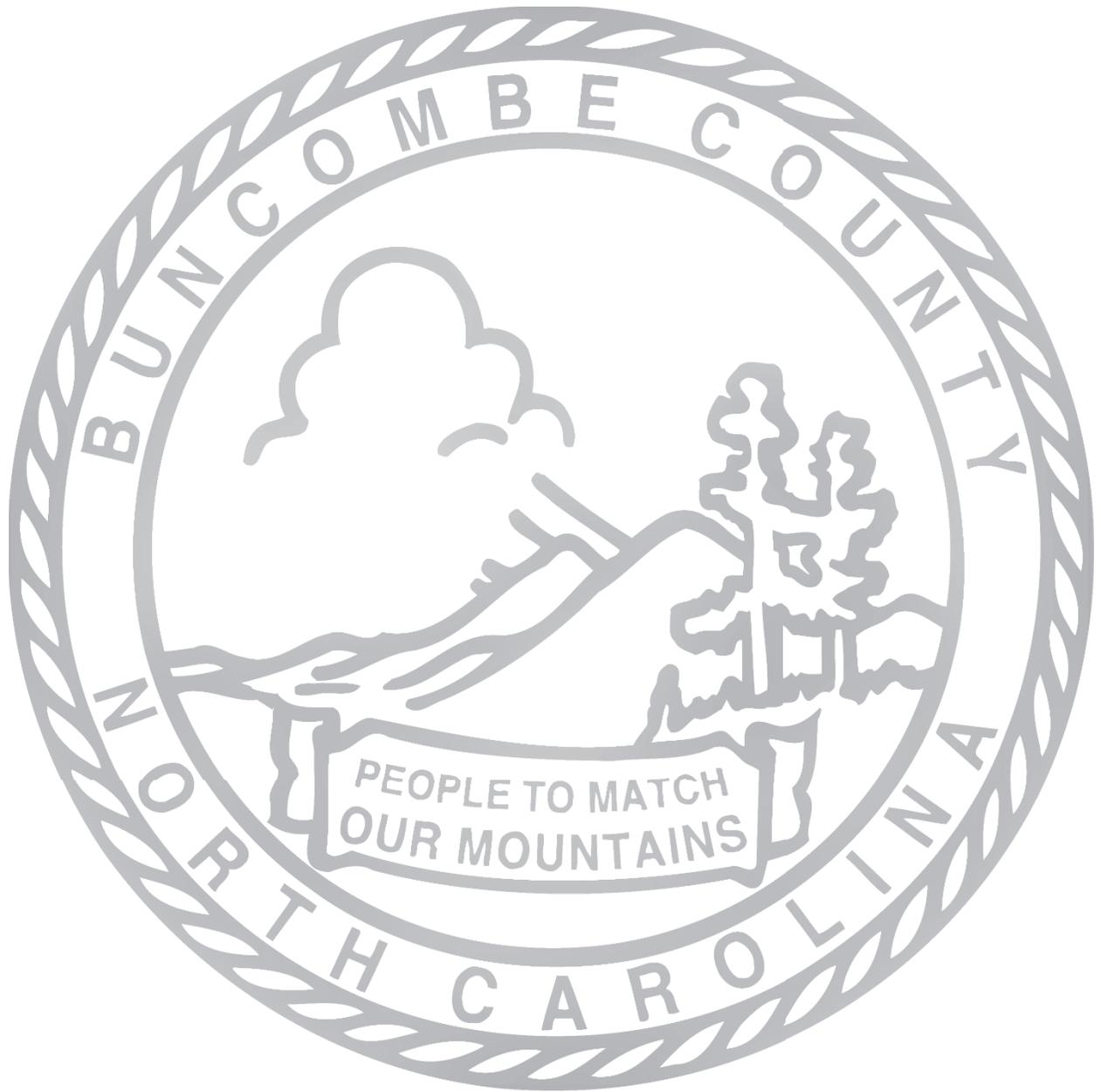
The fiscal year 2023 budget includes a fund balance appropriation of \$15.8 million. Fund balance appropriation is one of the available means to lower the burden on property tax owners. The County appropriates fund balance each year with the challenge to save the appropriated amount.

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## REQUESTS FOR INFORMATION

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This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, PO Box 7526, Asheville, NC 28802. You can also call the Finance Department at 828-250-4130, visit our website at [www.buncombecounty.org](http://www.buncombecounty.org) or send an email to [FinanceInfo@buncombecounty.org](mailto:FinanceInfo@buncombecounty.org).



*Basic Financial Statements*

Buncombe County, North Carolina

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BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Net Position

JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 215,546,808	\$ 24,961,968	\$ 240,508,776
Receivables (net)	10,796,547	840,943	11,637,490
Due from other governments	48,237,302	192,797	48,430,099
Due from primary government	-	-	-
Inventories	-	48,487	48,487
Prepays	612,446	-	612,446
Restricted cash and investments	76,542,809	9,744,687	86,287,496
Net pension asset	582,434	-	582,434
Long-term receivables	7,950,385	-	7,950,385
Lease receivable	21,138,268	-	21,138,268
Capital assets:			
Land and construction in progress	30,727,995	12,399,200	43,127,195
Other capital assets, net of depreciation	201,036,850	22,149,608	223,186,458
Total capital assets	231,764,845	34,548,808	266,313,653
Right to use leased asset, net of amortization	1,627,889	1,297,183	2,925,072
Total assets	614,799,733	71,634,873	686,434,606
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	73,008,951	1,503,202	74,512,153
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	32,348,522	2,542,343	34,890,865
Accrued interest payable	1,073,133	8,711	1,081,844
Payable from restricted cash	2,241,330	-	2,241,330
Unearned revenue	44,835,261	-	44,835,261
Other liabilities	8,932,311	-	8,932,311
Due to component unit	6,375,616	-	6,375,616
Noncurrent liabilities:			
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	43,038,118	3,270,550	46,308,668
Due in more than one year:			
Total pension liability - LEOSSA	11,115,331	-	11,115,331
Net pension liability - LGERS	20,710,651	460,489	21,171,140
Net OPEB liability	97,179,866	2,160,730	99,340,596
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	378,454,997	33,436,198	411,891,195
Total noncurrent liabilities	550,498,963	39,327,967	589,826,930
Total liabilities	646,305,136	41,879,021	688,184,157
<b>DEFERRED INFLOWS OF RESOURCES</b>	117,212,041	1,972,971	119,185,012
<b>NET POSITION</b>			
Net investment in capital assets	86,010,615	28,301,409	114,312,024
Restricted for:			
Stabilization by State statute	30,703,536	-	30,703,536
Product development	-	-	-
Capital projects	7,939,178	-	7,939,178
Education	60,255,558	-	60,255,558
Other	6,727,411	-	6,727,411
Unrestricted (deficit)	(267,344,791)	984,674	(266,360,117)
Total net position	\$ (75,708,493)	\$ 29,286,083	\$ (46,422,410)

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

	Component Units	
	Tourism	Asheville-Buncombe
	Development Authority	Air Quality Agency
<b>ASSETS</b>		
Cash and investments	\$ 53,214,244	\$ 761,862
Receivables (net)	16,668	2,516
Due from other governments	-	-
Due from primary government	6,375,616	-
Inventories	-	-
Prepays	-	-
Restricted cash and investments	-	-
Net pension asset	-	-
Long-term receivables	-	-
Lease receivable	-	-
Capital assets:	-	-
Land and construction in progress	-	-
Other capital assets, net of depreciation	-	15,635
Total capital assets	-	15,635
Right to use leased asset, net of amortization	4,220,298	-
Total assets	<u>57,451,210</u>	<u>780,013</u>
DEFERRED OUTFLOWS OF RESOURCES	-	<u>307,637</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	5,116,196	48,616
Accrued interest payable	7,775	-
Payable from restricted cash	-	-
Unearned revenue	-	-
Other liabilities	628,024	-
Due to component unit	-	-
Noncurrent liabilities:	-	-
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	138,545	93,630
Due in more than one year:		
Total pension liability - LEOSSA	-	-
Net pension liability - LGERS	-	65,178
Net OPEB liability	-	462,757
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	4,170,017	-
Total noncurrent liabilities	<u>4,308,562</u>	<u>621,565</u>
Total liabilities	<u>10,060,557</u>	<u>670,181</u>
DEFERRED INFLOWS OF RESOURCES	-	<u>377,739</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	15,635
Restricted for:		
Stabilization by State statute	6,392,284	-
Product development	24,248,133	-
Capital projects	-	-
Education	-	-
Other	-	-
Unrestricted (deficit)	23,125,852	24,095
Total net position	<u>\$ 53,766,269</u>	<u>\$ 39,730</u>

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Activities

FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
General government	\$ 69,303,669	\$ 7,379,953	\$ 11,536,603	\$ -
Public safety	113,768,142	13,947,930	6,500,837	-
Economic and physical development	46,154,773	4,367,490	474,025	263,305
Human services	106,825,233	4,800,514	60,336,516	-
Cultural and recreational	7,193,826	283,372	507,069	144,158
Education	153,123,698	1,116,720	-	390,900
Interest on long-term debt	12,316,370	-	-	-
Total governmental activities	508,685,711	31,895,979	79,355,050	798,363
BUSINESS-TYPE ACTIVITIES:				
Solid Waste Disposal	12,035,590	10,929,639	-	-
Inmate Commissary/Welfare	398,720	466,869	-	-
Total business-type activities	12,434,310	11,396,508	-	-
Total primary government	\$ 521,120,021	\$ 43,292,487	\$ 79,355,050	\$ 798,363
COMPONENT UNITS:				
Tourism Development Authority	\$ 23,477,074	\$ 187,719	\$ 36,369,268	\$ -
Asheville-Buncombe Air Quality Agency	909,431	502,005	270,642	-
Total component units	\$ 24,386,505	\$ 689,724	\$ 36,639,910	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Payments in lieu of taxes

Investment earnings (loss), unrestricted

Grants and contributions, unrestricted

Other, unrestricted

Gain on sale of assets

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

Exhibit 2

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Asheville-Buncombe Air Quality Agency
\$ (50,387,113)	\$ -	\$ (50,387,113)		
(93,319,375)	-	(93,319,375)		
(41,049,953)	-	(41,049,953)		
(41,688,203)	-	(41,688,203)		
(6,259,227)	-	(6,259,227)		
(151,616,078)	-	(151,616,078)		
(12,316,370)	-	(12,316,370)		
<u>(396,636,319)</u>	<u>-</u>	<u>(396,636,319)</u>		
-	(1,105,951)	(1,105,951)		
-	68,149	68,149		
-	(1,037,802)	(1,037,802)		
<u>(396,636,319)</u>	<u>(1,037,802)</u>	<u>(397,674,121)</u>		
			\$ 13,079,913	\$ -
			-	(136,784)
			<u>13,079,913</u>	<u>(136,784)</u>
277,517,395	-	277,517,395	-	-
123,354,415	-	123,354,415	-	-
49,084,779	747,118	49,831,897	-	153,344
93,992	-	93,992	-	-
(52,847)	(36,477)	(89,324)	64,026	(1,348)
2,737,810	-	2,737,810	-	-
3,449,881	-	3,449,881	172,121	17
9,025	901	9,926	-	-
<u>456,194,450</u>	<u>711,542</u>	<u>456,905,992</u>	<u>236,147</u>	<u>152,013</u>
59,558,131	(326,260)	59,231,871	13,316,060	15,229
<u>(135,266,624)</u>	<u>29,612,343</u>	<u>(105,654,281)</u>	<u>40,450,209</u>	<u>24,501</u>
<u>\$ (75,708,493)</u>	<u>\$ 29,286,083</u>	<u>\$ (46,422,410)</u>	<u>\$ 53,766,269</u>	<u>\$ 39,730</u>

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

BUNCOMBE COUNTY, NORTH CAROLINA

Balance Sheet

Governmental Funds

JUNE 30, 2022

	General	Occupancy Tax	Special Taxing Districts	Grant Projects
<b>ASSETS</b>				
Cash and investments	\$ 117,178,482	\$ 3,070,283	\$ 1,977,375	\$ -
Restricted cash and investments	449,064	-	-	44,300,008
Receivables, net	6,666,080	3,355,751	149,787	5,164
Due from other governments	22,822,674	-	4,042,378	2,202,195
Due from other funds	1,545,953	-	-	-
Prepaid items	228,446	-	-	-
Long-term receivable	11,207	-	-	-
Lease receivable	21,138,268	-	-	-
Total assets	<u>\$ 170,040,174</u>	<u>\$ 6,426,034</u>	<u>\$ 6,169,540</u>	<u>\$ 46,507,367</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 15,101,450	\$ -	\$ 6,058,690	\$ 680,717
Payable from restricted cash	-	-	-	1,030,950
Unearned revenue	944,765	-	-	43,269,058
Other liabilities	3,334,125	-	-	-
Due to component unit	-	6,375,616	-	-
Due to other funds	-	50,418	-	1,495,535
Total liabilities	<u>19,380,340</u>	<u>6,426,034</u>	<u>6,058,690</u>	<u>46,476,260</u>
DEFERRED INFLOWS OF RESOURCES	26,345,780	-	110,850	1,973,526
<b>FUND BALANCES</b>				
Nonspendable	453,917	-	-	-
Restricted				
Stabilization by State statute	29,496,399	-	-	-
Education	-	-	-	-
Capital projects	110,789	-	-	-
Other	2,392,872	-	-	-
Committed for capital projects	1,803,066	-	-	-
Assigned				
Subsequent year's expenditures	15,947,652	-	-	-
Capital projects	-	-	-	-
Human services	-	-	-	-
Unassigned	74,109,359	-	-	(1,942,419)
Total fund balances	<u>124,314,054</u>	<u>-</u>	<u>-</u>	<u>(1,942,419)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 170,040,174</u>	<u>\$ 6,426,034</u>	<u>\$ 6,169,540</u>	<u>\$ 46,507,367</u>

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

Exhibit 3

Public School Capital Needs	AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 18,776,700	\$ 14,891,491	\$ -	\$ 17,110,031	\$ 11,867,457	\$ 5,585,971	\$ 190,457,790
15,799,950	7,099	-	15,364,072	-	622,616	76,542,809
-	1,668	-	19,950	-	16,465	10,214,865
7,294,454	4,990,872	5,548,553	-	-	1,336,176	48,237,302
-	-	-	-	-	-	1,545,953
-	-	-	-	-	-	228,446
-	-	-	-	7,939,178	-	7,950,385
-	-	-	-	-	-	21,138,268
<u>\$ 41,871,104</u>	<u>\$ 19,891,130</u>	<u>\$ 5,548,553</u>	<u>\$ 32,494,053</u>	<u>\$ 19,806,635</u>	<u>\$ 7,561,228</u>	<u>\$ 356,315,818</u>
\$ 487,820	\$ 1,010,296	\$ 5,548,553	\$ 625,165	\$ 121,402	\$ 400,057	\$ 30,034,150
8,560	-	-	1,201,820	-	-	2,241,330
-	-	-	-	-	621,438	44,835,261
-	-	-	-	5,491,114	107,072	8,932,311
-	-	-	-	-	-	6,375,616
-	-	-	-	-	-	1,545,953
<u>496,380</u>	<u>1,010,296</u>	<u>5,548,553</u>	<u>1,826,985</u>	<u>5,612,516</u>	<u>1,128,567</u>	<u>93,964,621</u>
-	-	-	-	-	342,541	28,772,697
-	-	-	-	-	-	453,917
-	-	-	-	-	1,207,137	30,703,536
41,374,724	18,880,834	-	-	-	-	60,255,558
-	-	-	15,364,072	7,939,178	-	23,414,039
-	-	-	-	-	4,334,539	6,727,411
-	-	-	-	-	-	1,803,066
-	-	-	-	-	-	15,947,652
-	-	-	15,302,996	6,254,941	-	21,557,937
-	-	-	-	-	548,444	548,444
-	-	-	-	-	-	72,166,940
<u>41,374,724</u>	<u>18,880,834</u>	<u>-</u>	<u>30,667,068</u>	<u>14,194,119</u>	<u>6,090,120</u>	<u>233,578,500</u>
<u>\$ 41,871,104</u>	<u>\$ 19,891,130</u>	<u>\$ 5,548,553</u>	<u>\$ 32,494,053</u>	<u>\$ 19,806,635</u>	<u>\$ 7,561,228</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different:

Reconciliation to full accrual basis of accounting (see Note 1)	(309,286,993)
Net position (deficit) of governmental activities	<u>\$ (75,708,493)</u>

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

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	General	Occupancy Tax	Special Taxing Districts	Grant Projects
<b>REVENUES</b>				
Ad valorem taxes	\$ 235,895,731	\$ -	\$ 41,857,406	\$ -
Incremental tax revenue	-	-	-	-
Local option sales taxes	42,321,900	-	15,034,829	-
Other taxes and licenses	12,160,723	36,924,056	-	-
Unrestricted intergovernmental	2,737,810	-	-	-
Restricted intergovernmental	46,356,340	-	-	27,036,322
Permits and fees	5,498,064	-	-	-
Sales and services	24,460,157	-	-	-
Investment earnings (loss)	(133,968)	-	-	-
Other	1,862,593	-	-	1,420,948
Total revenues	<u>371,159,350</u>	<u>36,924,056</u>	<u>56,892,235</u>	<u>28,457,270</u>
<b>EXPENDITURES</b>				
Current:				
General government	56,300,529	-	-	10,531,854
Public safety	68,892,097	-	41,116,498	3,515,111
Economic and physical development	7,523,631	36,924,056	-	82,265
Human services	88,389,362	-	-	15,786,181
Cultural and recreational	7,808,208	-	-	1,371,252
Education	98,693,816	-	15,775,737	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	13,818,946	-	-	-
Interest and fees	6,078,649	-	-	-
Total expenditures	<u>347,505,238</u>	<u>36,924,056</u>	<u>56,892,235</u>	<u>31,286,663</u>
Revenues over (under) expenditures	<u>23,654,112</u>	<u>-</u>	<u>-</u>	<u>(2,829,393)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,047,502	-	-	1,062,896
Transfers to other funds	(23,041,555)	-	-	(79,682)
Installment obligations issued	1,153,000	-	-	-
Leases issued	1,901,015	-	-	-
Payment to refunded bond escrow agent	(1,150,217)	-	-	-
Sale of capital assets	99,186	-	-	-
Total other financing sources (uses)	<u>(15,991,069)</u>	<u>-</u>	<u>-</u>	<u>983,214</u>
Net changes in fund balances	<u>7,663,043</u>	<u>-</u>	<u>-</u>	<u>(1,846,179)</u>
Fund balances, beginning	<u>116,651,011</u>	<u>-</u>	<u>-</u>	<u>(96,240)</u>
Fund balances, ending	<u>\$ 124,314,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,942,419)</u>

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

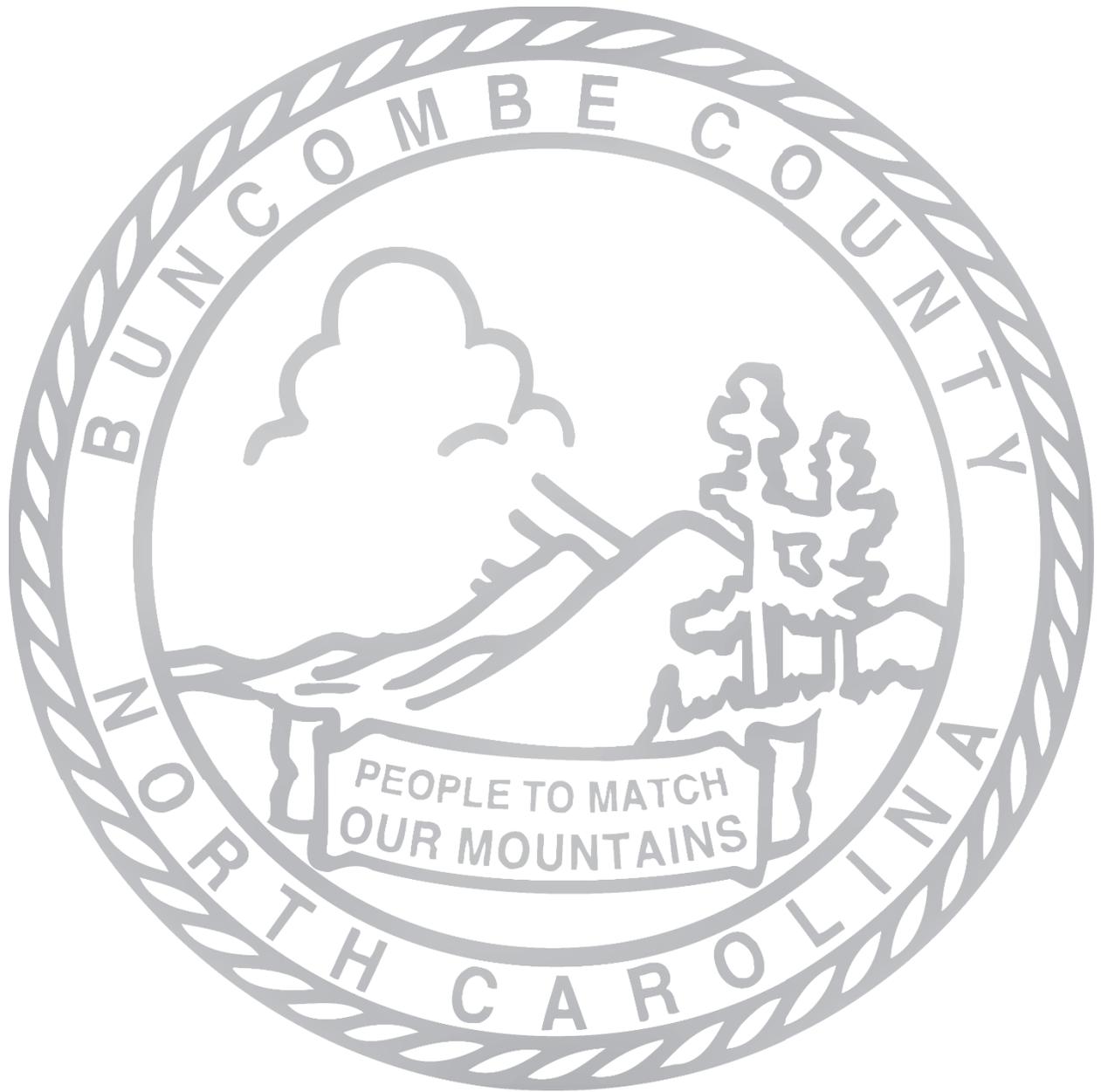
Exhibit 4

Public School Capital Needs	AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,753,137
-	-	-	-	-	426,027	426,027
26,764,165	18,660,923	20,572,598	-	-	-	123,354,415
-	-	-	-	-	-	49,084,779
-	-	-	-	-	-	2,737,810
189,394	-	201,506	144,158	263,305	4,493,623	78,684,648
-	-	-	-	-	512,290	6,010,354
-	-	-	-	(28,151)	1,116,720	25,548,726
26,308	(18,408)	-	15,606	-	(5,702)	(116,164)
-	-	-	138,149	67,737	295,821	3,785,248
26,979,867	18,642,515	20,774,104	297,913	302,891	6,838,779	567,268,980
-	-	-	-	-	405,393	67,237,776
-	-	-	-	-	443,365	113,967,071
-	-	-	-	-	-	44,529,952
-	-	-	-	-	4,184,718	108,360,261
-	-	-	-	-	-	9,179,460
-	-	-	-	-	1,116,720	115,586,273
15,526,342	1,368,034	20,774,104	7,383,441	1,919,980	527,464	47,499,365
14,381,566	5,073,204	-	-	-	311,106	33,584,822
7,105,554	2,893,500	-	12,980	-	513,098	16,603,781
37,013,462	9,334,738	20,774,104	7,396,421	1,919,980	7,501,864	556,548,761
(10,033,595)	9,307,777	-	(7,098,508)	(1,617,089)	(663,085)	10,720,219
-	-	-	16,564,403	3,507,974	1,985,964	28,168,739
-	(5,000,000)	-	-	(22,157)	(25,345)	(28,168,739)
67,127,000	37,707,000	-	8,794,000	-	10,050,000	124,831,000
-	-	-	-	-	196,897	2,097,912
(31,897,614)	(37,633,015)	-	-	-	(10,030,849)	(80,711,695)
-	-	-	-	-	-	99,186
35,229,386	(4,926,015)	-	25,358,403	3,485,817	2,176,667	46,316,403
25,195,791	4,381,762	-	18,259,895	1,868,728	1,513,582	57,036,622
16,178,933	14,499,072	-	12,407,173	12,325,391	4,576,538	176,541,878
\$ 41,374,724	\$ 18,880,834	\$ -	\$ 30,667,068	\$ 14,194,119	\$ 6,090,120	\$ 233,578,500

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different:

Net changes in fund balances - total governmental funds	\$ 57,036,622
Reconciliation to full accrual basis of accounting (see Note 1)	2,521,509
Total change in net position (deficit) of governmental activities	\$ 59,558,131

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



BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 5

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

FOR THE YEAR ENDED JUNE 30, 2022

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 233,596,662	\$ 233,596,662	\$ 235,895,731	\$ 2,299,069
Local option sales taxes	36,344,931	36,853,740	42,321,900	5,468,160
Other taxes and licenses	8,286,000	11,786,000	12,160,723	374,723
Unrestricted intergovernmental	625,000	1,202,500	2,737,810	1,535,310
Restricted intergovernmental	42,613,596	47,148,688	46,356,340	(792,348)
Permits and fees	4,707,000	4,933,000	5,498,064	565,064
Sales and services	18,329,982	20,520,760	24,460,157	3,939,397
Investment earnings (loss)	50,000	50,000	(133,968)	(183,968)
Other	1,401,750	1,454,644	1,869,103	414,459
Total revenues	<u>345,954,921</u>	<u>357,545,994</u>	<u>371,165,860</u>	<u>13,619,866</u>
<b>EXPENDITURES</b>				
Current:				
General government	56,047,429	57,981,886	56,300,529	1,681,357
Public safety	73,082,103	74,664,878	68,892,097	5,772,781
Economic and physical development	10,635,222	11,820,551	7,523,631	4,296,920
Human services	88,369,635	94,340,813	88,389,362	5,951,451
Culture and recreation	8,731,599	8,739,293	7,808,208	931,085
Intergovernmental:				
Education	96,870,608	98,836,668	98,693,816	142,852
Total current expenditures	<u>333,736,596</u>	<u>346,384,089</u>	<u>327,607,643</u>	<u>18,776,446</u>
Debt service:				
Principal retirement			13,818,946	
Interest and other charges			<u>6,078,649</u>	
Total debt service	<u>20,388,805</u>	<u>20,891,805</u>	<u>19,897,595</u>	<u>994,210</u>
Total expenditures	<u>354,125,401</u>	<u>367,275,894</u>	<u>347,505,238</u>	<u>19,770,656</u>
Revenues over (under) expenditures	<u>(8,170,480)</u>	<u>(9,729,900)</u>	<u>23,660,622</u>	<u>33,390,522</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,025,346	5,025,346	5,025,345	(1)
Transfers to other funds	(6,269,214)	(23,080,542)	(23,041,555)	38,987
Installment obligations issued	-	1,155,000	1,153,000	(2,000)
Lease liabilities issued	-	-	1,901,015	1,901,015
Payment to refunded bond escrow agent	-	(1,152,000)	(1,150,217)	1,783
Sales of capital assets	70,000	70,000	99,186	29,186
Appropriated fund balance	9,344,348	27,712,096	-	(27,712,096)
Total other financing sources (uses)	<u>8,170,480</u>	<u>9,729,900</u>	<u>(16,013,226)</u>	<u>(25,743,126)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,647,396</u>	<u>\$ 7,647,396</u>
Reconciliation from budgetary basis to GAAP:				
Reconciling items:				
Net collections on long-term loans			(6,510)	
Transfer from Special Projects Capital Projects Fund for long-term loans			<u>22,157</u>	
Change in fund balance			7,663,043	
Fund balance, beginning			<u>116,651,011</u>	
Fund balance, ending			<u>\$ 124,314,054</u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 6

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Occupancy Tax Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 41,000,000	\$ 36,924,056	\$ (4,075,944)
EXPENDITURES			
Current:			
Economic and physical development:			
Tourism development	41,000,000	36,924,056	4,075,944
Revenues over expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 7

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes		\$ 41,857,406	
Local option sales taxes		<u>15,034,829</u>	
Total revenues	<u>\$ 58,241,373</u>	<u>56,892,235</u>	\$ (1,349,138)
EXPENDITURES			
Current:			
Public safety:			
Volunteer fire departments		41,116,498	
Education:			
Asheville City Schools		<u>15,775,737</u>	
Total expenditures	<u>58,241,373</u>	<u>56,892,235</u>	1,349,138
Net change in fund balance	<u><u>\$ -</u></u>	-	<u><u>\$ -</u></u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u><u>\$ -</u></u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 8

Statement of Net Position

Proprietary Funds

JUNE 30, 2022

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 23,882,124	\$ 1,079,844	\$ 24,961,968	\$ 25,089,018
Restricted cash and cash equivalents	9,744,687	-	9,744,687	-
Receivables, net	837,137	3,806	840,943	243,026
Due from other governments	192,797	-	192,797	-
Prepays	-	-	-	384,000
Inventories	48,487	-	48,487	-
Total current assets	34,705,232	1,083,650	35,788,882	25,716,044
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	12,399,200	-	12,399,200	-
Other capital assets, net of depreciation	22,060,990	88,618	22,149,608	-
Total capital assets	34,460,190	88,618	34,548,808	-
Right to use leased asset, net of amortization	1,297,183	-	1,297,183	-
Total noncurrent assets	35,757,373	88,618	35,845,991	-
Total assets	70,462,605	1,172,268	71,634,873	25,716,044
DEFERRED OUTFLOWS OF RESOURCES	1,433,555	69,647	1,503,202	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,288,299	71,223	2,359,522	645,709
Accrued interest payable	8,711	-	8,711	-
Salaries and payroll taxes payable	169,442	13,379	182,821	45,075
Compensated absences	228,899	7,986	236,885	-
Other liabilities	-	-	-	902,422
Installment obligations payable, current portion	2,470,000	-	2,470,000	-
Lease obligations payable, current portion	563,665	-	563,665	-
Total current liabilities	5,729,016	92,588	5,821,604	1,593,206
Noncurrent liabilities:				
Accrued landfill closure and postclosure care costs	19,180,594	-	19,180,594	-
Net OPEB liability	2,060,617	100,113	2,160,730	-
Net pension liability - LGERS	439,153	21,336	460,489	-
Installment obligations payable	13,529,000	-	13,529,000	-
Lease obligations payable	726,604	-	726,604	-
Total noncurrent liabilities	35,935,968	121,449	36,057,417	-
Total liabilities	41,664,984	214,037	41,879,021	1,593,206
DEFERRED INFLOWS OF RESOURCES	1,881,557	91,414	1,972,971	-
<b>NET POSITION</b>				
Net investment in capital assets	28,212,791	88,618	28,301,409	-
Unrestricted (deficit)	136,828	847,846	984,674	24,122,838
Total net position	\$ 28,349,619	\$ 936,464	\$ 29,286,083	\$ 24,122,838

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 9

Statement of Revenues, Expenses, and Change in Net Position  
Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,246,732	\$ 466,869	\$ 10,713,601	\$ 37,574,394
Other	682,907	-	682,907	2,003,633
Total operating revenues	10,929,639	466,869	11,396,508	39,578,027
<b>OPERATING EXPENSES</b>				
Salaries, wages, and fringe benefits	3,048,157	186,704	3,234,861	295,308
Other operating expenses	5,184,973	182,577	5,367,550	2,748,702
Landfill closure and postclosure care costs	1,120,653	-	1,120,653	-
Depreciation	1,992,884	29,439	2,022,323	-
Amortization	648,178	-	648,178	-
Insurance premiums	-	-	-	1,595,942
Claims	-	-	-	33,293,350
Total operating expenses	11,994,845	398,720	12,393,565	37,933,302
Operating income (loss)	(1,065,206)	68,149	(997,057)	1,644,725
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment loss	(34,879)	(1,598)	(36,477)	-
Disposal taxes	747,118	-	747,118	-
Interest and other charges	(40,745)	-	(40,745)	-
Gain on disposal of assets	901	-	901	-
Total nonoperating revenues (expenses)	672,395	(1,598)	670,797	-
Change in net position	(392,811)	66,551	(326,260)	1,644,725
Net position, beginning	28,742,430	869,913	29,612,343	22,478,113
Net position, ending	\$ 28,349,619	\$ 936,464	\$ 29,286,083	\$ 24,122,838

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Cash Flows

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2022

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 10,327,960	\$ 476,814	\$ 10,804,774	\$ 37,340,360
Cash paid for goods and services	(3,456,453)	(192,740)	(3,649,193)	(39,364,174)
Cash paid to employees for services	(3,393,100)	(163,744)	(3,556,844)	(269,571)
Other operating revenue	666,133	-	666,133	2,003,633
Net cash provided by operating activities	4,144,540	120,330	4,264,870	(289,752)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenues	747,118	-	747,118	-
Net cash provided by noncapital financing activities	747,118	-	747,118	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(6,047,504)	-	(6,047,504)	-
Disposal of capital assets	901	-	901	-
Proceeds from installment obligation	15,324,000	-	15,324,000	-
Principal paid on installment obligations	(320,000)	-	(320,000)	-
Principal paid on lease obligations	(655,091)	-	(655,091)	-
Interest and fees paid on long-term liabilities	(39,764)	-	(39,764)	-
Net cash provided by capital and related financing activities	8,262,542	-	8,262,542	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest (loss) on investments	(34,879)	(1,598)	(36,477)	-
Net cash used by investing activities	(34,879)	(1,598)	(36,477)	-
Net increase in cash and investments	13,119,321	118,732	13,238,053	(289,752)
Cash and investments, beginning of year	20,507,490	961,112	21,468,602	25,378,770
Cash and investments, end of year	\$ 33,626,811	\$ 1,079,844	\$ 34,706,655	\$ 25,089,018

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

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (1,065,206)	\$ 68,149	\$ (997,057)	\$ 1,644,725
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,992,884	29,439	2,022,323	-
Amortization	648,178	-	648,178	-
Landfill closure and postclosure care costs	985,105	-	985,105	-
Changes in assets, liabilities and deferred outflows and inflows of resources:				
Accounts receivable	64,454	9,945	74,399	(234,034)
Inventories	(7,276)	-	(7,276)	-
Deferred outflows of resources - pensions	(108,934)	(11,431)	(120,365)	-
Net pension liability	(572,876)	(16,556)	(589,432)	-
Deferred inflows of resources - pensions	616,067	30,229	646,296	-
Accounts payable	1,871,344	(10,163)	1,861,181	(1,726,180)
Salaries and payroll taxes payable	(4,542)	5,529	987	25,737
Deferred outflows of resources - OPEB	222,305	(298)	222,007	-
Net OPEB liability	(1,570,601)	(35,844)	(1,606,445)	-
Deferred inflows of resources - OPEB	1,067,519	53,773	1,121,292	-
Accrued compensated absences	6,119	(2,442)	3,677	-
Total adjustments	5,209,746	52,181	5,261,927	(1,934,477)
Net cash provided by operating activities	\$ 4,144,540	\$ 120,330	\$ 4,264,870	\$ (289,752)

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 11

Statement of Fiduciary Net Position

Fiduciary Funds

JUNE 30, 2022

	OPEB Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 1,186,831
Investments:		
State Treasurer Short Term Investment Fund	6,901,658	-
State Treasurer Bond Index Fund	2,659,060	-
Mutual funds	24,010,835	-
Receivables, net	-	846,202
Total assets	<u>33,571,553</u>	<u>2,033,033</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	1,070
Due to other governments	-	1,598,731
Total liabilities	<u>-</u>	<u>1,599,801</u>
<b>NET POSITION</b>		
Restricted for:		
Postemployment benefits other than pensions	33,571,553	-
Individuals and other governments	-	433,232
Total net position	<u>\$ 33,571,553</u>	<u>\$ 433,232</u>

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

BUNCOMBE COUNTY, NORTH CAROLINA

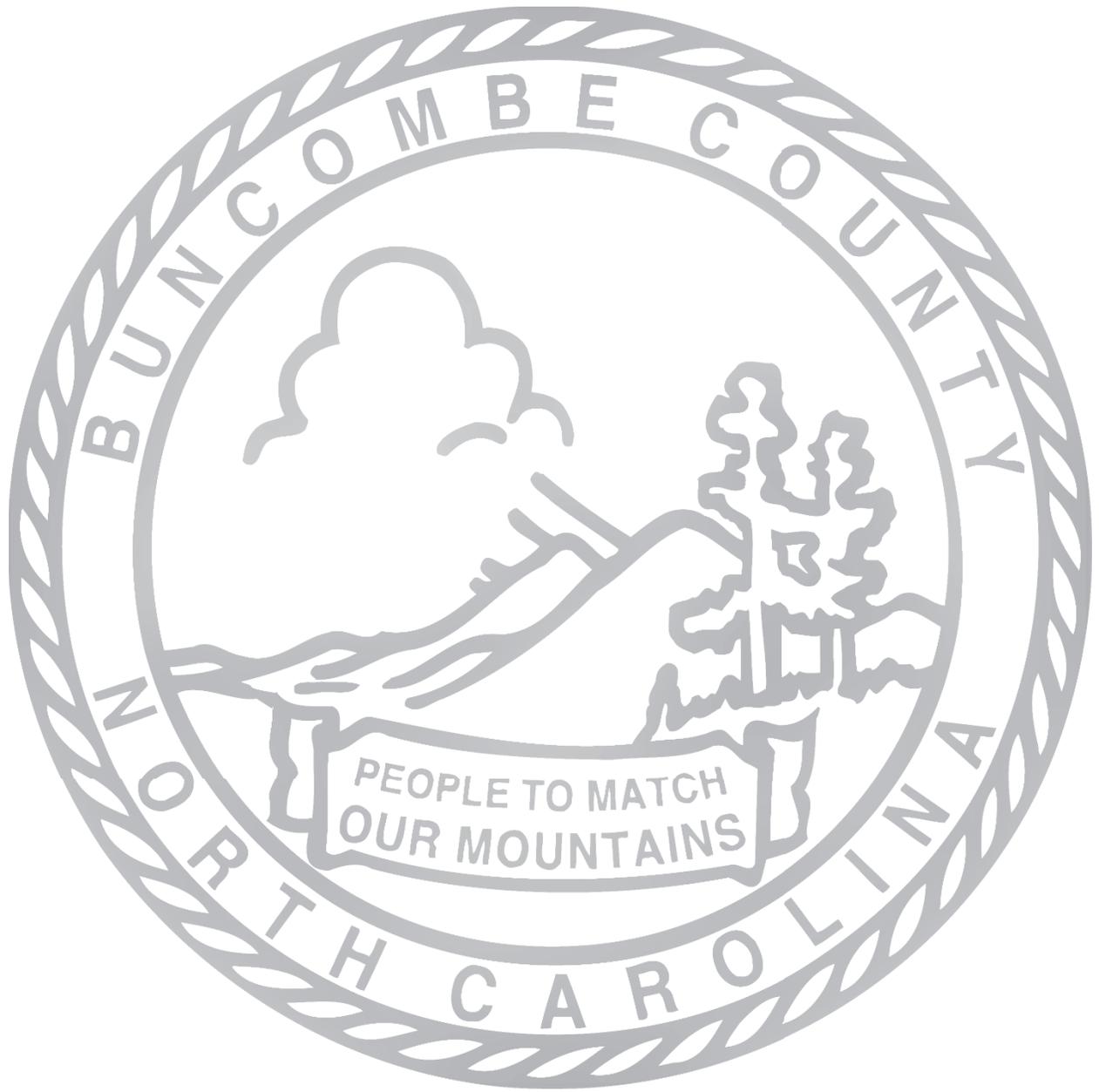
Exhibit 12

Statement of Changes in Fiduciary Net Position

FOR THE YEAR ENDED JUNE 30, 2022

	OPEB Trust Fund	Custodial Funds
<b>ADDITIONS</b>		
Employer contributions	\$ 9,607,144	\$ -
Investment income:		
Interest and dividends	92,932	-
Loss on sales of investments	(15,710)	-
Net appreciation in fair value of investments	(4,643,325)	-
Less: investment management fees	(6,874)	-
Investment income, net	(4,572,977)	-
Ad valorem taxes collected for other governments	-	98,037,357
Collections on behalf of inmates	-	1,222,858
Total additions	5,034,167	99,260,215
<b>DEDUCTIONS</b>		
Benefit payments	7,607,144	-
Tax distributions to other governments	-	98,074,651
Payments on behalf of inmates	-	1,240,440
Total deductions	7,607,144	99,315,091
Change in net position	(2,572,977)	(54,876)
<b>NET POSITION</b>		
Beginning	36,144,530	488,108
Ending	\$ 33,571,553	\$ 433,232

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



**BUNCOMBE COUNTY, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

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**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of Buncombe County and its discretely presented component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**(A) Reporting Entity**

The County, which is governed by a seven-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. Buncombe County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The OPEB Trust Fund holds funds used to provide postretirement benefits to qualifying employees of the County and the Asheville-Buncombe Air Quality Agency. It is presented as a fiduciary fund in the financial statements. Buncombe County Tourism Development Authority (the Tourism Development Authority) and Asheville-Buncombe Air Quality Agency (the Agency), which have a June 30 year-end, are presented as if they are separate governmental funds of the County (discrete presentation). The discretely presented component units listed below are reported in separate columns in the County's financial statements in order to emphasize that they are legally separate from the County. Buncombe County Service Foundation, Inc. (the Foundation) meets the blending requirements of Governmental Accounting Standards Board (GASB) Statement No. 80, and is therefore presented as a special revenue fund of the County.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Buncombe County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued (no amounts have been presented because no financial transactions or account balances exist).
OPEB Trust Fund	Fiduciary Fund	The OPEB Trust Fund provides postretirement healthcare benefits to qualifying employees of the County and the WNC Regional Air Quality component unit. The trust was formed by the decision of the County Commissioners.	None issued.
Buncombe County Tourism Development Authority	Discrete	The Tourism Development Authority is governed by members appointed by the County Commissioners, the Asheville City Council, and the Asheville Area Chamber of Commerce. The Development Authority derives its revenues through a special room occupancy tax which is authorized by, and may be repealed by, the County Commissioners.	Tourism Development Authority Post Office Box 1010 Asheville, North Carolina 28812

<p>Buncombe County Service Foundation, Inc.</p>	<p>Blended</p>	<p>The Foundation is a 501(c)(3) nonprofit organization that supports the programs of Buncombe County Government with an emphasis on health and human services activities. The Foundation undertakes projects to improve access to health, safety, independence, wellness, recreation, and community services in alignment with Buncombe County sustainability goals. The Foundation is managed through a three-member board of directors, as appointed by the Buncombe County Manager. The Foundation’s budget is adopted on an annual basis by the Foundation board. The Foundation has no corporate members, however the County provides financial assistance as well as operational staff and other non-monetary support.</p>	<p>None issued.</p>
<p>Asheville-Buncombe Air Quality Agency</p>	<p>Discrete</p>	<p>The Agency was established by an interlocal agreement between the City of Asheville (City) and the County pursuant to State statute. The governing board members are selected by the County Commissioners and the Asheville City Council. The County and the City are responsible for financing any operating deficits of the Agency and the County shall provide personnel and financial services in that all employees of the Agency shall be County employees subject to the Buncombe County personnel plan in all respects except for the Agency Director, which shall serve at the pleasure of the Agency Board. The County will also provide financial, payroll and bookkeeping services for the Agency with cost of services and personnel to be reimbursed by the Agency in accordance with the County cost allocation plan. The Agency’s budget is adopted on an annual basis by the Agency board.</p>	<p>None issued.</p>

**(B) Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government net position (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 are generally 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. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The County reports the following major governmental funds:

*General Fund:* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Reappraisal Reserve budgeted fund is consolidated into the General Fund for reporting purposes.

*Occupancy Tax Fund:* This fund accounts for the revenues from room occupancy tax used to fund the development and implementation of strategies to promote tourism in Buncombe County. Occupancy tax, net of collection fees, is remitted to the Tourism Development Authority component unit to achieve this purpose.

*Grant Projects Fund:* This fund accounts for revenues received from multi-year grants and related expenditures.

*Public School Capital Needs Fund:* This fund accounts for construction related to local public schools funded by article 39 sales tax and general obligation bonds and installment obligations serviced by the tax. Once constructed, the assets will be capitalized by the local school units.

*AB Tech Capital Projects Fund:* This fund is used to account for capital improvements to Asheville-Buncombe Technical Community College (ABTCC). Sales tax and installment obligations are used to finance these projects. Once completed, these assets will be capitalized by ABTCC.

*Public School ADM Sales Tax/Lottery Projects Fund:* This fund accounts for major capital maintenance projects for local public schools with article 40/42 sales tax and lottery funds. Once constructed, the assets will be capitalized by the local school units.

*County Capital Projects Fund:* This fund accounts for capital asset construction or acquisition from general government resources and financing. Assets constructed or acquired by this fund will be owned by the County.

*Special Projects Capital Projects Fund:* This fund accounts for special projects that may not necessarily result in a capital asset for the County.

*Special Taxing Districts:* This fund accounts for ad valorem tax revenues levied and collected by the County on behalf of 20 special fire protection districts and the Asheville City Schools Supplemental Taxing District. It also accounts for sales tax revenues as distributed by the State and passed through the County to these entities.

The County reports the following major enterprise fund:

*Solid Waste Disposal Fund:* This fund accounts for landfill operations. For financial reporting purposes, the Landfill Capital Projects budgeted fund has been consolidated into this fund.

The County reports the following fund types:

*Internal Service Fund:* The Internal Service fund is used to account for the accumulation and allocation of costs associated with the County's self-insured group health and dental insurance program, and other insurance and risk-related programs.

*Trust Funds:* Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans.

The OPEB Trust Fund is used for the accumulation of funds and the payment of other post-employment benefit costs related to health benefits.

*Custodial Funds:* Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities in the County but that are not revenues to the County, and the Inmate Trust Fund, which accounts for the revenues and expenditures of activity funds belonging to inmates during the period of incarceration.

*Non-major Funds:* The County maintains these additional legally budgeted special revenue funds: the Emergency Telephone System Fund, the Register of Deeds Automation Fund, the Register of Deeds Fund, the Representative Payee Fund, the Sondley Estate Trust Fund, the Transportation Fund, the Drug Forfeitures Fund, the School Fines and Forfeitures Fund, the Opioid Settlement Fund, the PDF Woodfin Downtown Fund, and the Buncombe County Service Foundation blended component unit presented as a fund. The Reappraisal Reserve Fund is legally budgeted, but is consolidated into the General Fund for reporting purposes.

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. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using 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. 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. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing through leases are reported as other financing sources.

The County considers 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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State Law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when the vehicles are registered.

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

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

### **(C) 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, the Special Taxing Districts Fund, Emergency Telephone System Fund, Occupancy Tax Fund, Register of Deeds Automation Fund, Register of Deeds Fund, Representative Payee Fund, Opioid Settlement Fund, Sondley Estate Trust Fund, Drug Forfeitures Fund, School Fines and Forfeitures Fund, PDF Woodfin Downtown Fund, Transportation Fund, the Reappraisal Reserve Fund, the Buncombe County Service Foundation, Inc. and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Capital Projects Fund, the Public School Capital Needs Fund, the AB Tech Capital Projects Fund, the Public School ADM Sales Tax/Lottery Projects Fund, the Grant Projects Fund, the Special Projects Capital Projects Funds, and the enterprise capital projects fund, which is consolidated with the enterprise operating funds for reporting purposes.

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. Amendments are required for any revisions that alter total expenditures of any fund and the governing board must approve all amendments. The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$75,000 per expenditure; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$75,000 per expenditure must be approved by the governing board. During the year, several amendments to the original budget were necessary. 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.

### **(D) Assets, Liabilities, Deferred Inflows and Outflows of Resources and Fund Equity**

#### **(1) Deposits and Investments**

All deposits of the County, Buncombe County Tourism Development Authority, and Asheville-Buncombe Air Quality Agency (Agency), are made in board-designated official depositories and are secured as required by North Carolina General Statute (G.S.) 159-31. The County, Tourism Development Authority, and Agency may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, Tourism Development Authority, and Agency 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, Tourism Development Authority, and Agency 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, local government investment pools and the North Carolina Capital Management Trust (NCCMT).

The North Carolina Capital Management Trust (NCCMT), which consists of an SEC-registered mutual fund (the Government Portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAM rating from S&P and AAmf from Moody's Investors Service. It is reported at fair value.

The County, Tourism Development Authority, and Agency'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.

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

G.S. 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer’s Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund, a common trust fund considered to be commingled in nature authorized under G.S 147-69.2(b)(8).

STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of 0.9 years. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2022.

BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund’s fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2022 the fair value of the fund was \$27.230307 per share. Fair value for this fund is determined using Level 1 inputs.

**(2) Cash and Cash Equivalents**

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

**(3) Restricted Assets**

Unexpended bond and grant proceeds are classified as restricted assets within the governmental funds because their use is completely restricted to the purpose for which the bonds and grants were originally issued. Money in the Reappraisal Reserve Fund, which is combined with the General Fund for reporting purposes, is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

Governmental Activities:			
General Fund	Unexpended bond proceeds	\$	110,789
General Fund	Unexpended grant proceeds	\$	82,295
General Fund	Reserve for tax reappraisal		255,980
Opioid Settlement Fund	Unexpended settlement proceeds		621,438
Grant Projects Fund	Unexpended grant proceeds		44,300,008
County Capital Projects Fund	Unexpended bond proceeds		15,364,072
Public School Capital Needs Fund	Unexpended bond proceeds		15,799,950
AB Tech Capital Projects Fund	Unexpended bond proceeds		7,099
Other Governmental Funds	Unexpended grant proceeds		1,178
			\$ 76,542,809
Total restricted cash			

**(4) 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, 2021.

**(5) Lease Receivable**

The County’s lease receivables are measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreements. Deferred inflows of resources are recorded for the leases. The deferred inflows of resources are recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivables. The deferred inflows of resources are amortized on a straight-line basis over the terms of the leases.

**(6) 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 and the age of individual outstanding balances.

**(7) Inventories and Prepaid Items**

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The inventory of the County’s enterprise funds consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County’s enterprise funds is recorded as an expense as it is consumed or sold.

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.

**(8) Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. The minimum capitalization cost is \$25,000 (except for land and vehicles, which are capitalized regardless of cost). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The County holds title to certain Buncombe County Board of Education, Asheville City Board of Education and AB-Tech Community College properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs. Agreements between the County and the respective boards give the school systems 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 boards once all restrictions of the financing agreements have been met. The properties are reflected as capital assets in the financial statements of the school systems.

Capital assets of the County and Asheville-Buncombe Air Quality Agency are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	30
Improvements	20
Furniture and equipment	5-10
Intangibles	5
Vehicles	3-5

**(9) Right to Use Lease Assets**

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

**(10) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – charges on refunding of debt, pension and OPEB related deferrals, and contributions made to the benefit plans in the current fiscal year.

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – advance receipt of ad valorem taxes, various unavailable receivables, other pre-payments, leases, and pension and OPEB related deferrals.

**(11) Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position. Bond and installment note premiums and discounts are deferred and amortized over the life of the debt using the effective interest method. Bond and installment notes payable are reported net of the applicable bond premiums or discount. Debt issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred.

In fund financial statements, governmental fund types recognize bond and note premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**(12) Compensated Absences**

County personnel policies permit an employee to accumulate vacation earned in the equivalent of two years of service, with any accrual in excess of two years converted to sick leave on January 1 of each year. In addition, non-exempt employees who work beyond the normal working day in conducting County business earn compensatory time at one and one-half hours for each hour actually worked. Upon termination any unexpired entitlement is due to the employee. For the County's government-wide financial statements and proprietary fund types in the fund financial statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The County's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**(13) Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmericourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

1. 15% directly to the State ("State Abatement Fund")
2. 80% to abatement funds established by Local Governments ("Local Abatement Funds")
3. 5% to a County Incentive Fund

The County received \$621,438 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30<sup>th</sup>, 2022. The MOA offered the County two options of expending the funds. The County chose Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

#### **(14) Reimbursements for Pandemic Related Expenditures**

In FY 2020-21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$50,733,290 of fiscal recovery funds to be paid in two equal installments. The first installment of \$25,366,645 was received in May 2021. The second installment was received in June 2022. County staff and the Board of Commissioners elected to use \$1,023,750 of the ARPA funds for premium pay. The County plans to use the remainder of the funds as follows: \$10,000,000 for revenue replacement, \$33,528,670 to address public health and negative economic impacts, and \$6,000,000 for infrastructure.

#### **(15) Net Position/Fund Balances**

##### **Net Position**

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt net of any unused bond proceeds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

##### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

Prepaid items: Portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Leases: Portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Long-term loans: Portion of fund balance that is not an available resource because it represents the long-term amount of loans and notes receivable.

**Restricted Fund Balance:** This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute: North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for education: Portion of fund balance representing sales tax income designated for school capital by Senate Bill 888 and unspent bond proceeds restricted to school capital.

Restricted for capital projects: Portion of fund balance representing unspent bond proceeds and revolving loans restricted for capital project expenditures.

Restricted for other purposes as detailed below:

*Restricted for Register of Deeds:* Fund balance of \$408,491 restricted by revenue source for Register of Deeds related automation expenditures.

*Restricted for tax reappraisal:* Fund balance of \$239,239 restricted for expenditures related to tax reappraisal per G.S. 153A-150.

*Restricted for economic and physical development:*

Fund balance of \$2,105,752 restricted by revenue source to the support of the Permits and Inspections department per G.S. 153A-354, \$47,881 restricted by revenue source for soil conservation activities, and \$2,942 restricted by revenue source to paying debt service of the PDF Woodfin Downtown Fund.

*Restricted for human services:*

Fund balance of \$218,261 restricted by revenue source for human service activities of the Buncombe County Service Foundation, \$29,242 that can only be used for beneficiaries under the Social Security's Representative Payee Program, and \$621,438 restricted by revenue source to addressing the opioid crisis.

*Restricted for library:* Fund balance of \$865,962 restricted for the libraries by the donor.

*Restricted for public safety:* Fund balance of \$2,809,641 restricted by revenue source for public safety purposes

**Committed Fund Balance:** Portion of fund balance that can only be used for specific purpose imposed by majority vote of Buncombe County's Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing body.

Committed for capital: Portion of fund balance to be transferred to the County Capital Projects Fund per the County's Fund Balance Policy as adopted by the Board of County Commissioners.

**Assigned Fund Balance:** Portion of fund balance that the Buncombe County Board of Commissioners has budgeted.

Subsequent Year's Expenditures: Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$75,000.

Assigned for capital projects: Portion of fund balance that has been designated by the Board of Commissioners for various capital projects.

**Unassigned Fund Balance:** Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Buncombe County has a revenue spending guideline for programs with multiple revenue sources. The Finance Director uses resources in the following hierarchy: debt proceeds, federal funds, State funds, local non-county funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Director may deviate from this policy if it is in the best interest of the County.

Buncombe County has also adopted a fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 15% of budgeted expenditures. Any portion of the General Fund balance in excess of 15% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget. Unassigned fund balance in excess of 20% of budgeted expenditures at year end is to be transferred to the County Capital Projects Fund in the following year.

#### **(16) Defined Benefit Pension and OPEB Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Government Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered, defined benefit pension plans"), administers a single-employer Law Enforcement Officers' Special Separation Allowance (LEOSSA) defined benefit pension plan, and administers one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

**(E) Reconciliation of Government-wide and Fund Financial Statements**

**(1) Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position.** The Governmental Funds Balance Sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the Government-wide Statement of Net Position. The net adjustment consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 231,764,845
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	1,627,889
Net pension asset	582,434
Pension and other post-employment benefit activity relating to deferred outflows and inflows is not used or reported in the funds	(18,565,170)
Accrued interest receivable on long-term loans and investments reported in the government-wide activities, but not in the fund statements	207,601
Net receivable and payable activity for a tax refund reported in the government-wide activities, but not in the fund statements	(664,365)
Deferred inflows of resources are reported in the fund statements but not the government-wide statements	5,756,951
The assets and liabilities of the internal service fund, which is used by management to charge the cost of insurance to individual funds, are included in governmental activities in the statement of net position	24,122,838
Deferred inflows and outflows related to advance refunding bonds issued – included on government-wide statement of net position, but not in the fund statements	(2,622,174)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds and installment financing	(408,158,498)
Lease liabilities	(1,650,605)
Compensated absences	(10,369,810)
Total pension liability - LEOSSA	(11,115,331)
Net OPEB liability	(97,179,866)
Net pension liability - LGERS	(20,710,651)
Accrued salaries related to retirement incentive	(294,125)
Pension spiking liability	(1,020,077)
Accrued interest payable	(998,879)
Total	<u>\$ (309,286,993)</u>

(2) **Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities.** The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities. There are several elements of that total adjustment as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the statement of activities, net of depreciation and amortization.	(3,052,653)
Cost of disposed capital assets not recorded in fund statements	(90,160)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(6,247,072)
A portion of expense activity related to the Local Government Employee Retirement System, the Law Enforcement Special Separation Allowance, the Register of Deeds' Supplemental Pension Fund, and other post-employment benefits is not reported in the governmental funds and is included in the Statement of Activities:	
Local Government Employee Retirement System expense adjustment	1,865,006
Law Enforcement Special Separation Allowance expense adjustment	(851,303)
Register of Deeds' Supplemental Pension Fund expense adjustment	(6,510)
Other post-employment benefit expense adjustment	6,828,116
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Compensated absences	386,723
Payments related to the 2014 Retirement Incentive	942,053
Pension spiking liability	79,946
Accrued interest on tax refund	(74,254)
Difference in expenditures between fund statements (modified accrual) and government-wide statements (full accrual) related to accrued tax refund	131,055
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Difference in interest revenue between fund statements (modified accrual) and government-wide statements (full accrual)	83,221
Increase of deferred inflows of resources – taxes receivable	59,397
Increase of deferred inflows of resources – EMS receivable	336,899
Increase in deferred inflows of resources - grant receivables	1,207,486
Difference in accrued tax refund between fund statements (modified accrual) and government-wide statements (full accrual)	(721,166)
Net expense, including transfers, of internal service funds determined to be governmental type	1,644,725
Total	<u>\$ 2,521,509</u>

**(F) 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.

**(G) Adoption of New Accounting Standards**

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard as of that date.

**Note 2 - Stewardship, Compliance, and Accountability****Deficit Fund Equity**

At June 30, 2022, the Grant Projects Fund, a major fund, has a deficit fund balance of \$1,942,419. The deficit is related to grants for which there were expenditures, but no recorded revenue since reimbursement was not received and available as a current resource within the year or period of accrual after year end. This will resolve when revenue is received in the following fiscal year.

**Note 3 - Detail Notes on All Funds****(A) Assets****(1) Deposits**

All deposits of the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency are either insured or collateralized by using the Pooling Method. 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, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency, these deposits are considered to be held by their agents in the entities' 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, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the County's (including Asheville-Buncombe Air Quality) deposits had a carrying amount of \$125,298,713 and a bank balance of \$125,794,781. Of the bank balance, \$500,000 was covered by federal depository insurance and \$125,294,781 was covered by collateral held under the Pooling Method. These amounts

include \$1,186,831 held by the County in its fiduciary capacity for its custodial funds. At June 30, 2022, Buncombe County had \$11,050 cash on hand.

At June 30, 2022, the Tourism Development Authority’s deposits had a carrying amount of \$15,043,435 and a bank balance of \$15,057,299. Of the bank balance, \$250,000 was covered by federal depository insurance and \$14,807,299 was covered by collateral held under the Pooling Method.

**(2) Investments**

As of June 30, 2022, the County had the following investments and maturities:

Investment Type	Valuation		Less Than 6 Months	6-12 Months	1-3 Years
	Measurement Method	Fair Value			
US Treasuries	Fair Value-Level 1	\$ 28,153,570	\$ 3,982,321	\$ 4,912,890	\$ 19,258,359
US Government agencies	Fair Value-Level 2	11,291,027	-	977,038	10,313,989
Commercial paper	Fair Value-Level 2	3,992,420	3,992,420	-	-
NCCMT - Government Portfolio	Fair Value-Level 1	99,772,770	99,772,770	-	-
NC Investment Pool	Fair Value-Level 1	60,225,415	60,225,415	-	-
Total		<u>\$ 203,435,202</u>	<u>\$ 167,972,926</u>	<u>\$ 5,889,928</u>	<u>\$ 29,572,348</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days and the NC Investment Pool has a weighted average maturity of less than 60 days, they are presented as investments with maturities of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAMf by Moody’s Investors Service and the NC Investment Pool has an AAAM rating from S&P and AAAMmf from Fitch Ratings.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

At June 30, 2022, the Tourism Development Authority’s investments consisted of \$38,170,809 in the North Carolina Capital Management Trust’s Government Portfolio, Fair Value-Level 1, with a maturity of less than 6 months.

A reconciliation of deposits and investments to the government-wide financial statements is as follows:

	Primary Government	Tourism Development Authority	Asheville-Buncombe Air Quality
Deposits	\$ 125,298,713	\$ 15,043,435	\$ -
Cash on hand	11,050	-	-
Investments	203,435,202	38,170,809	-
	<u>328,744,965</u>	<u>53,214,244</u>	<u>-</u>
Reported in Component Units	(761,862)	-	761,862
	<u>\$ 327,983,103</u>	<u>\$ 53,214,244</u>	<u>\$ 761,862</u>
Reported on government-wide statement of net position:			
Cash and investments	\$ 240,508,776	\$ 53,214,244	\$ 761,862
Restricted cash and investments	86,287,496	-	-
	<u>326,796,272</u>	<u>\$ 53,214,244</u>	<u>\$ 761,862</u>
Reported in custodial funds:			
Cash and investments	1,186,831		
	<u>\$ 327,983,103</u>		

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s investment policy mitigates interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The County’s investment policy also requires that the portfolio be diversified by security type and institution as well as limiting all securities to a final maturity of no more than three years.

**Credit Risk**

The County’s policy is to limit investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by S&P. The County’s investments in the North Carolina Investment Pool (NCIP) carried a credit rating of Aam by S&P and AAAMmf by Fitch Ratings.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Buncombe County Investment Policy mitigates custodial credit risk by stating that all trades where applicable will be executed by Delivery vs. Payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

**Concentration of Credit Risk**

The County’s investment policy limits commercial paper to \$5 million per issuer and less than or equal to 25% of the portfolio in total. Management also employs an internal target holding allocation to limit concentrations of credit risk.

**State Treasurer’s OPEB Fund**

At June 30, 2022, the Buncombe County Healthcare Benefits (HCB) Plan Fund had \$33,571,553 invested in the State Treasurer’s Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to G.S. 159-30.1. The State Treasurer’s OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes.

At year-end, the State Treasurer’s OPEB Fund was invested as follows:

	Fair Value	Percent of Total
State Treasurer’s Long-Term Investment Fund (BIF)	\$ 2,659,060	7.92%
State Treasurer’s Short-Term Investment Fund (STIF)	6,901,658	20.56%
BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund	24,010,835	71.52%
Total	<u>\$ 33,571,553</u>	<u>100.00%</u>

**Interest Rate Risk**

The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund.

**(3) Property Tax - Use-Value Assessment on Certain Lands**

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable.

The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year	Fiscal Year			
	Levied	Tax	Interest	Total
2019	\$ 4,136,098	\$ 982,323	\$ 5,118,421	
2020	4,026,242	593,871	4,620,112	
2021	4,032,048	231,843	4,263,890	
2022	4,562,492	-	4,562,492	
Total	<u>\$ 16,756,880</u>	<u>\$ 1,808,037</u>	<u>\$ 18,564,915</u>	

**(4) Receivables**

Receivables at the government-wide level at June 30, 2022 were as follows:

	Accounts	Taxes and	Due From	Leases	Long-term	Total
		Related Accrued Interest	Other Governments		Loans	
<b>Governmental Activities:</b>						
General	\$ 6,756,085	\$ 2,490,122	\$ 22,822,674	\$ 21,138,268	\$ 11,207	\$ 53,218,356
Occupancy Tax	-	3,355,751	-	-	-	3,355,751
Grant Projects	5,164	-	2,202,195	-	-	2,207,359
Public School Capital Needs	-	-	7,294,454	-	-	7,294,454
AB Tech Capital Projects	1,668	-	4,990,872	-	-	4,992,540
Public Schools ADM	-	-	5,548,553	-	-	5,548,553
County Capital Projects	19,950	-	-	-	-	19,950
Special Projects Capital Projects	-	-	-	-	7,939,178	7,939,178
Internal Service Fund	243,026	-	-	-	-	243,026
Other Governmental	21,017	207,478	5,378,554	-	-	5,607,049
	7,046,910	6,053,351	48,237,302	21,138,268	7,950,385	90,426,216
Allowance for doubtful accounts	(2,206,795)	(435,575)	-	-	-	(2,642,370)
Total	4,840,115	5,617,776	48,237,302	21,138,268	7,950,385	87,783,846
Governmental Activities	338,656	-	-	-	-	338,656
Total - governmental activities	<u>\$ 5,178,771</u>	<u>\$ 5,617,776</u>	<u>\$ 48,237,302</u>	<u>\$ 21,138,268</u>	<u>\$ 7,950,385</u>	<u>\$ 88,122,502</u>
<b>Business-type Activities</b>						
Solid Waste Disposal	\$ 837,137	\$ -	\$ 192,797	\$ -	\$ -	\$ 1,029,934
Other Business-type	12,176	-	-	-	-	12,176
	849,313	-	192,797	-	-	1,042,110
Allowance for doubtful accounts	(8,370)	-	-	-	-	(8,370)
Total - business-type activities	<u>\$ 840,943</u>	<u>\$ -</u>	<u>\$ 192,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,033,740</u>

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

Local option sales tax	\$ 33,139,572
Other	15,097,730
Total	<u>\$ 48,237,302</u>

No allowance for uncollectible accounts has been recorded by the Tourism Development Authority or Asheville-Buncombe Air Quality Agency.

On July 1, 2021, the County, as lessor, entered into a 280 month sub-lease with a communications company as for the use of the Barnardsville tower site. An initial lease receivable was recorded in the amount of \$664,081. As of June 30, 2022, the value of the lease receivable is \$648,028. The lessee is required to make monthly fixed payments of \$2,070. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.462%. The value of the deferred inflow of resources as of June 30, 2022 was \$635,664, and the County recognized lease revenue of \$28,417 during the fiscal year. The lessee has 4 extension options, each for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

On July 1, 2021, the County, as lessor, entered into a 220 month lease with a communication company for the use of the Swannanoa tower site. An initial lease receivable was recorded in the amount of \$566,108. As of June 30, 2022, the value of the lease receivable is \$545,375. The lessee is required to make monthly fixed payments of \$2,300. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.312%. The value of the deferred inflow of resources as of June 30, 2022 was \$535,230, and the County recognized lease revenue of \$30,879 during the fiscal year. The lessee has 3 extension options, each for 60 months. The lessee had a termination period of 41 months as of the lease commencement.

On July 1, 2021, the County, as lessor, entered into a 299 month sublease with a communication company for the use of the Barnardville tower site. An initial lease receivable was recorded in the amount of \$765,783. As of June 30, 2022, the value of the lease receivable is \$750,350. The lessee is required to make monthly fixed payments of \$2,150. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.502%. The value of the deferred inflow of resources as of June 30, 2022 was \$735,049, and the County recognized lease revenue of \$30,734 during the fiscal year. The lessee has 4 extension options, each for 60 months. The lessee had a termination period of 59 months as of the lease commencement.

On July 1, 2021, the County, as lessor, entered into a 145 month lease with a bank for the use of a portion of a County-owned building. An initial lease receivable was recorded in the amount of \$6,634,069. As of June 30, 2022, the value of the lease receivable is \$6,169,634. The lessee is required to make monthly fixed payments of \$43,997. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.083%. The value of the deferred inflow of resources as of June 30, 2022 was \$6,086,930, and the County recognized lease revenue of \$547,140 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On July 1, 2021, the County, as lessor, entered into a 162 month lease with Land of Sky Regional Council, a jointly governed organization as described in Note 5, for the use of a portion of a County-owned building. An initial lease receivable was recorded in the amount of \$1,234,037. As of June 30, 2022, the value of the lease receivable is \$1,159,325. The lessee is required to make semi-annual payments based on the debt service the County pays on the building. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.1500%. The value of the deferred inflow of resources as of June 30, 2022 was \$1,142,627, and the County recognized lease revenue of \$91,410 during the fiscal year.

On July 1, 2021, the County, as lessor, entered into a 150 month lease with a manufacturer for the use of a County-owned building. An initial lease receivable was recorded in the amount of \$12,813,591. As of June 30, 2022, the value of the lease receivable is \$11,865,556. The lessee is required to make monthly fixed payments of \$89,838 with an escalation clause. The lease was measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.15%. The value of the deferred inflow of resources as of June 30, 2022 was \$11,788,504, and the County recognized lease revenue of \$1,025,087 during the fiscal year. The lessee has 4 extension options, each for 60 months.

The principal and interest expected to maturity on these leases is as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 1,537,064	\$ 270,900
2024	1,594,024	250,860
2025	1,638,524	230,122
2026	1,674,451	208,756
2027	1,697,101	186,980
2028-2032	9,102,998	589,995
2033-2037	3,116,896	108,815
2038-2042	483,213	38,619
2043-2047	293,997	7,790
Total	<u>\$ 21,138,268</u>	<u>\$ 1,892,837</u>

**(5) Capital Assets**

Capital asset activity for the year ended June 30, 2022 was as follows:

<b>Governmental Activities</b>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 21,587,883	\$ -	\$ -	\$ 21,587,883
Construction in progress	8,264,916	10,608,539	9,733,343	9,140,112
Total assets not being depreciated	<u>29,852,799</u>	<u>10,608,539</u>	<u>9,733,343</u>	<u>30,727,995</u>
Capital assets being depreciated				
Buildings	223,815,536	126,494	-	223,942,030
Other improvements	101,705,133	7,878,068	78,006	109,505,195
Equipment	25,510,918	1,482,059	35,500	26,957,477
Intangibles	8,394,283	253,872	-	8,648,155
Vehicles	16,366,725	2,152,555	504,683	18,014,597
Total assets being depreciated	<u>375,792,595</u>	<u>11,893,048</u>	<u>618,189</u>	<u>387,067,454</u>
Less accumulated depreciation for:				
Buildings	95,186,504	6,989,797	-	102,176,301
Other improvements	38,485,825	4,851,336	19,501	43,317,660
Equipment	22,836,790	1,315,024	3,845	24,147,969
Intangibles	2,076,449	299,488	-	2,375,937
Vehicles	12,325,140	2,192,280	504,683	14,012,737
Total accumulated depreciation	<u>170,910,708</u>	<u>\$ 15,647,925</u>	<u>\$ 528,029</u>	<u>186,030,604</u>
Total capital assets being depreciated, net	<u>204,881,887</u>			<u>201,036,850</u>
Governmental activities capital assets, net	<u>\$ 234,734,686</u>			<u>\$ 231,764,845</u>

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities</b>	
General government	\$ 7,553,960
Public safety	4,124,200
Economic and physical development	23,250
Human services	2,780,545
Cultural and recreational	1,165,970
Total depreciation expense	<u>\$ 15,647,925</u>

Business-Type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Solid Waste Disposal				
Capital assets not being depreciated:				
Land	\$ 6,842,138	\$ -	\$ -	\$ 6,842,138
Construction in progress	770,928	5,647,899	861,765	5,557,062
Total capital assets not being depreciated	<u>7,613,066</u>	<u>5,647,899</u>	<u>861,765</u>	<u>12,399,200</u>
Capital assets being depreciated:				
Buildings and improvements	55,274,429	789,331	-	56,063,760
Equipment	4,207,076	426,775	-	4,633,851
Vehicles	1,963,342	45,264	50,833	1,957,773
Total capital assets being depreciated	<u>61,444,847</u>	<u>1,261,370</u>	<u>50,833</u>	<u>62,655,384</u>
Less accumulated depreciation for:				
Buildings and improvements	34,686,463	1,598,592	-	36,285,055
Equipment	2,194,879	312,681	-	2,507,560
Vehicles	1,771,001	81,611	50,833	1,801,779
Total accumulated depreciation	<u>38,652,343</u>	<u>1,992,884</u>	<u>50,833</u>	<u>40,594,394</u>
Total capital assets being depreciated, net	<u>22,792,504</u>			<u>22,060,990</u>
Solid Waste Disposal capital assets, net	<u>30,405,570</u>			<u>34,460,190</u>
Other Business-Type Activities				
Capital assets being depreciated:				
Equipment	165,100	-	-	165,100
Vehicles	29,129	-	-	29,129
Total capital assets being depreciated	<u>194,229</u>	<u>-</u>	<u>-</u>	<u>194,229</u>
Less accumulated depreciation for:				
Equipment	47,043	29,439	-	76,482
Vehicles	29,129	-	-	29,129
Total accumulated depreciation	<u>76,172</u>	<u>29,439</u>	<u>-</u>	<u>105,611</u>
Total capital assets being depreciated, net	<u>118,057</u>			<u>88,618</u>
Other Business-type capital assets, net	<u>118,057</u>			<u>88,618</u>
Business-type capital assets, net	<u>\$ 30,523,627</u>			<u>\$ 34,548,808</u>

Net investment in capital assets on the Statement of Net Position is calculated as follows:

	Governmental Activities	Business-Type Activities	Total
Capital assets, net	\$ 231,764,845	\$ 34,548,808	\$ 266,313,653
Right to use leased asset, net	1,627,889	1,297,183	2,925,072
Total	<u>233,392,734</u>	<u>35,845,991</u>	<u>269,238,725</u>
Debt:			
General obligation bonds	(10,004,000)	-	(10,004,000)
Installment notes (including deferrals)	(400,776,669)	(15,999,000)	(416,775,669)
Lease installment obligations	(1,650,605)	(1,290,269)	(2,940,874)
Gross debt	<u>(412,431,274)</u>	<u>(17,289,269)</u>	<u>(429,720,543)</u>
Add portion of debt that has not given rise to capital assets:			
Unspent bond proceeds	15,474,861	9,744,687	25,219,548
Debt relating to schools and community college	237,503,907	-	237,503,907
Debt relating to economic development	12,070,387	-	12,070,387
Net debt	<u>(147,382,119)</u>	<u>(7,544,582)</u>	<u>(154,926,701)</u>
Capital assets, net of related debt	<u>\$ 86,010,615</u>	<u>\$ 28,301,409</u>	<u>\$ 114,312,024</u>

**Construction commitments**

The County has the following commitments with contractors for active construction projects at June 30, 2022:

Project	Spent-to-date	Remaining Commitment
AHS New Classroom Replacement Building	\$ 2,007,692	\$ 1,936,119
Multiple ACS Schools - Safety & Security Concerns	20,162	177,543
Montford Retaining Wall Repairs	326,501	279,414
Enka Recreation Destination	2,787,957	4,442,627
AB Tech Capital Plan Maintenance	9,501,001	3,434,195
FY20 Garren Creek Tower Retrofit	519,720	191,410
FY21 Solar on Public Facilities	6,593,293	3,005,543
FY22 Solar Panel Installation Phase 2	94,887	239,302
Woodfin Greenway	460,859	200,834
Cell 7 Engineering	4,272,228	9,160,026
FY22 Landfill Phase 7 C&D	949,139	784,363
Subtitle D Vertical Expansion	789,331	18,610
Total construction commitments	<u>\$ 28,322,770</u>	<u>\$ 23,869,986</u>

**Discretely presented component units**

Capital asset activity for Asheville-Buncombe Air Quality Agency for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 31,802	\$ -	\$ -	\$ 31,802
Vehicles	46,430	-	-	46,430
Total capital assets being depreciated	<u>78,232</u>	<u>-</u>	<u>-</u>	<u>78,232</u>
Less accumulated depreciation for:				
Equipment	12,987	3,180	-	16,167
Vehicles	46,430	-	-	46,430
Total accumulated depreciation	<u>59,417</u>	<u>\$ 3,180</u>	<u>\$ -</u>	<u>62,597</u>
Asheville-Buncombe Air Quality capital assets, net	<u>\$ 18,815</u>			<u>\$ 15,635</u>

**(6) Right to Use Leased Asset**

The County has recorded eleven right to use leased assets. The assets are right to use assets for leased computer equipment and leased vehicles. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Right to use assets				
Various towers for public safety	\$ -	\$ 1,546,991	\$ -	\$ 1,546,991
Office space for transportation	-	196,897	-	196,897
Office space for elections	-	354,025	354,025	-
Total right to use assets	-	2,097,913	354,025	1,743,888
Less accumulated amortization for:				
Various towers for public safety	-	83,946	-	83,946
Office space for transportation	-	32,053	-	32,053
Office space for elections	-	58,686	58,686	-
Total accumulated amortization	-	174,685	58,686	115,999
Right to use assets, net	\$ -	\$ 1,923,228	\$ 295,339	\$ 1,627,889
Business-Type Activities:				
Right to use assets				
Various heavy equipment for solid waste operations	\$ -	\$ 1,945,361	\$ -	\$ 1,945,361
Total right to use assets	-	1,945,361	-	1,945,361
Less accumulated amortization for:				
Various heavy equipment for solid waste operations	-	648,178	-	648,178
Total accumulated amortization	-	648,178	-	648,178
Right to use assets, net	\$ -	\$ 1,297,183	\$ -	\$ 1,297,183

The Tourism Development Authority has recorded one right to use leased asset for office space. The related lease is discussed in the Leases subsection of the Long-term obligations section of this note. The right to use leased asset is amortized on a straight-line basis over the term of the lease. Right to use asset activity for TDA for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Right to use assets				
Office space	\$ -	\$ 4,431,313	\$ -	\$ 4,431,313
Less accumulated amortization for:				
Office space	-	211,015	-	211,015
Right to use assets, net	\$ -	\$ 4,220,298	\$ -	\$ 4,220,298

**(B) Liabilities**

**(1) Payables**

Payables at the government-wide level at June 30, 2022, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities			
General	\$ 6,013,727	\$ 9,087,723	\$ 15,101,450
Grant Projects	1,532,223	179,444	1,711,667
Public School Capital Needs	496,380	-	496,380
AB Tech Capital Projects	1,010,296	-	1,010,296
Public Schools ADM Sales Tax/Lottery Projects	5,548,553	-	5,548,553
County Capital Projects	1,826,985	-	1,826,985
Special Projects Capital Projects	121,402	-	121,402
Internal Service Fund	645,709	45,075	690,784
Other Governmental	6,458,747	-	6,458,747
Total	23,654,022	9,312,242	32,966,264
Governmental Activities	1,623,588	-	1,623,588
Total - governmental activities	<u>\$ 25,277,610</u>	<u>\$ 9,312,242</u>	<u>\$ 34,589,852</u>
Business-type Activities			
Solid Waste Disposal	\$ 2,288,299	\$ 169,442	\$ 2,457,741
Other Business-type	71,223	13,379	84,602
Total - business-type activities	<u>\$ 2,359,522</u>	<u>\$ 182,821</u>	<u>\$ 2,542,343</u>

**(2) Pension Plan and Other Postemployment Obligations**

**(a) Local Governmental Employees' Retirement System**

1. Plan Description.

Buncombe County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

2. Benefits Provided.

LGERS provides retirement, disability and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

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

3. Contributions.

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contribution rates are set periodically and affirmed annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022 was 12.04% of compensation for law enforcement officers and 11.39% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$10,925,396 for the year ended June 30, 2022.

4. Refunds of Contributions.

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

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

At June 30, 2022, the County reported a liability of \$21,171,139 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 using update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the County's proportion was 1.380% (measured as of June 30, 2021), which was an increase of 0.087% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$8,996,890. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,735,300	\$ -
Changes of assumptions	13,300,883	-
Net difference between projected and actual earnings on pension plan investments	-	30,247,199
Changes in proportion and differences between employer contributions and proportionate share of contributions	849,409	740,481
Employer contributions subsequent to the measurement date	10,925,396	-
<b>Total</b>	<b>\$ 31,810,988</b>	<b>\$ 30,987,680</b>

Deferred outflows of resources related to pensions of \$10,925,396 resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year

ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	1,863,082
2024		(698,160)
2025		(2,011,183)
2026		(9,255,827)
2027		-
Thereafter		-
	\$	<u>(10,102,088)</u>

At June 30, 2022, the Asheville-Buncombe Air Quality Agency reported a liability of \$65,178 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 using update procedures incorporating the actuarial assumptions. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Agency’s proportion was 0.0043% (measured as of June 30, 2021), which was an increase of 0.0004% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the Agency recognized pension expense of \$32,840. At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	20,735	-
Changes in assumptions	40,948	-
Net difference between projected and actual earnings on pension plan investments	-	93,120
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,287	6,424
Employer contributions subsequent to the measurement date	53,916	-
Total	<u>\$ 133,886</u>	<u>\$ 99,544</u>

Deferred outflows of resources related to pensions of \$53,916 resulting from Agency contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	9,286
2024		1,999
2025		(2,363)
2026		(28,496)
2027		-
Thereafter		-
	\$	<u>(19,574)</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.50%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies’ return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability in the December 31, 2020 valuation was 6.50%, which is a decrease of 0.50% in the December 31, 2019 valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the County’s and Agency’s proportionate shares of the net pension asset calculated using the discount rate of 6.50%, as well as what the County’s and Agency’s proportionate shares of the net pension asset or net pension liability would be if they were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County’s proportionate share of the net pension liability	<u>\$82,184,601</u>	<u>\$21,171,139</u>	<u>\$(29,039,394)</u>
Asheville-Buncombe Air Quality Agency’s proportionate share of the net pension liability	<u>\$ 253,015</u>	<u>\$ 65,178</u>	<u>\$ (89,401)</u>

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**(b) Law Enforcement Officers’ Special Separation Allowance**

1. Plan Description.

Buncombe 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service, and have completed at least five years of continuous service as a law enforcement officer immediately preceding a service retirement. The Separation Allowance is equal to 0.85 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2020 valuation date, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	43
Active plan members	<u>235</u>
Total	<u><u>278</u></u>

2. 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 are recognized when due and payable in accordance with the terms of the plan. The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions.

The entry age normal actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 7.75%, including inflation and productivity factor
Discount rate	2.25%

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2020.

**MORTALITY ASSUMPTION:** All mortality rates use Pub-2010 amount-weighted tables.

**MORTALITY PROJECTION:** All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**DEATHS AFTER RETIREMENT (Healthy):** Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

**DEATHS AFTER RETIREMENT (Disabled Members at Retirement):** Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

**DEATHS AFTER RETIREMENT (Survivors of Deceased Members):** Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

**DEATHS PRIOR TO RETIREMENT:** Mortality rates are based on the Safety Mortality Table for Employees.

4. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefits on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are paid as they come due. The County paid \$568,535 as benefits came due for the measurement period.

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

At June 30, 2022, the County reported a total pension liability of \$11,115,331. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$1,435,053. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the Separation Allowance from the following sources:

**Law Enforcement Officers' Pension**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 624,699	\$ 209,494
Changes in assumptions	2,083,492	316,361
County benefit payments and administrative expenses paid subsequent to the measurement date	297,079	-
Total	\$ 3,005,270	\$ 525,855

The County paid \$295,431 in benefit payments and \$1,648 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Increase to Pension Expense
2023	\$ 800,117	\$ 149,112	\$ 651,005
2024	739,516	119,681	619,835
2025	669,252	92,468	576,784
2026	499,306	92,468	406,838
2027	-	72,126	(72,126)
	<u>\$ 2,708,191</u>	<u>\$ 525,855</u>	<u>\$ 2,182,336</u>

*Sensitivity of the County’s total pension liability to changes in the discount rate.* The following presents the County’s total pension liability calculated using the discount rate of 2.25 percent, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
County’s proportionate share of the total pension liability	<u>\$12,040,820</u>	<u>\$11,115,331</u>	<u>\$ 10,266,744</u>

Schedule of Changes in Total Pension Liability	
Total pension liability as of December 31, 2020	\$11,440,707
Changes for the year:	
Service cost at end of year	562,306
Interest	215,319
Difference between expected & actual experience	(246,852)
Changes of assumptions and other inputs	(287,614)
Benefit payments	(568,535)
Net changes	<u>(325,376)</u>
Total pension liability as of December 31, 2021	<u>\$ 11,115,331</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at December 31, 2020 to 2.25 percent at December 31, 2021.

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

**(c) Supplemental Retirement Income Plan for Law Enforcement Officers**

1. 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 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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State’s ACFR 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.

2. Funding Policy.

Article 12E of G.S. Chapter 143 requires the County contribute each month an amount equal to 5% of each officer's salary. The County has opted to fund at an amount equal to 8%. All amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$1,194,881 for the reporting year. No amounts were forfeited.

**(d) Supplemental Retirement Income Plan for Non-Law Enforcement Officers 401(k) Plan**

1. Plan Description.

The County contributes to the Supplemental Retirement Income Plan of North Carolina, often referred to as the State's 401(k) Plan, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the County who are members of the Local Government Employees' Retirement System. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

2. Funding Policy.

The Board of Commissioners has directed that the County contribute each month an amount equal to 8% of each qualified non-law enforcement employee's salary which is vested immediately. Also, the employees may elect to make voluntary contributions to the plan. The County contributed \$6,253,866 for the reporting year. No amounts were forfeited.

**(e) Register of Deeds' Supplemental Pension Fund**

1. Plan Description.

Buncombe County also contributes to the Register of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any eligible county register of deeds who 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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, or online at [www.osc.nc.gov](http://www.osc.nc.gov).

2. Benefits Provided.

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

3. Contributions.

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$34,132 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$582,434 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share

of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County’s proportion was 3.031%, which was an decrease of 0.060% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$40,637. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,214	\$ 7,063
Changes of assumptions	42,471	-
Net difference between projected and actual earnings on pension plan investments	-	1,789
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,099	12,593
Employer contributions subsequent to the measurement date	34,132	-
Total	<u>\$ 104,916</u>	<u>\$ 21,445</u>

Deferred outflows of resources related to pensions of \$34,132 resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 21,871
2024	15,252
2025	(1,364)
2026	13,580
2027	-
Thereafter	-
	<u>\$ 49,339</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	3.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems (System), including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability in the December 31, 2020 valuation was 3.00% which was a decrease of 0.75% from the rate used in the December 31, 2019 valuation. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on these assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County’s proportionate share of the net pension asset	\$ 462,631	\$ 582,434	\$ 683,109

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**(f) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability (asset) for LGERS and RODSPF was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020.

The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	RODSPF	LEOSSA	Total
County’s proportionate share of the net pension liability (asset)	\$ 21,171,139	\$ (582,434)	\$ -	\$ 20,588,705
County’s proportion of the net pension liability (asset)	1.38049%	-3.03146%	N/A	-
Total pension liability	-	-	\$ 11,115,331	\$ 11,115,331
Pension expense	\$ 8,996,890	\$ 40,637	\$ 1,435,053	\$ 10,472,580

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>RODSPF</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 6,735,300	\$ 6,214	\$ 624,699	\$ 7,366,213
Changes in assumptions	13,300,883	42,471	2,083,492	15,426,846
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	849,409	22,099	-	871,508
County contributions (LGERS, RODSPF)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	10,925,396	34,132	297,079	<u>11,256,607</u>
Total				<u>\$ 34,921,174</u>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 7,063	\$ 209,494	\$ 216,557
Changes in assumptions	-	-	316,361	316,361
Net difference between projected and actual earnings on pension plan investments	30,247,199	1,789	-	30,248,988
Changes in proportion and differences between employer contributions and proportionate share of contributions	740,481	12,593	-	<u>753,074</u>
Total				<u>\$ 31,534,980</u>

**(g) Other Post-Employment Benefits**

**Healthcare Benefits**

1. Plan Description.

Under a County resolution, Buncombe County provides healthcare benefits to employees hired before July 1, 2008 through the Healthcare Benefits Plan (the HCB Plan) as a single-employer defined benefit plan to cover retirees of the County and the WNC Regional Air Quality component unit who participate in the North Carolina Local Governmental Employees' Retirement System (System). Employees who are hired on or after July 1, 2008 and before July 1, 2015 and have at least 20 years of creditable service with the County are covered by the HCB plan. The County pays the full cost of coverage for these benefits. Retirees may also purchase coverage for their dependents at the County's group rates. The HCB Plan is available to qualified retirees at 100% until the age of 65 or until Medicare eligible, whichever is sooner. Employees hired after June 30, 2015 will not be eligible to receive health insurance coverage upon retirement. The plan does not issue a stand-alone report. Management of the HCB Plan is vested with the Buncombe County Board of Commissioners.

Membership of the County's HCB Plan consisted of the following at June 30, 2020, the valuation date:

	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefit payments	560
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	<u>870</u>
Total	<u>1,430</u>

2. Benefits Provided.

Employees will have the full cost for the eligible retiree’s individual health insurance coverage paid for by the County until the retiree attains age sixty-five. Retiring members that elected to retire under the provisions of the 2006 Buncombe County Cost Reduction Incentive Plan will receive either a monthly flat dollar amount (either \$268 or \$371) to purchase the Medicare Supplement Plan of their choice or the County will purchase Medicare Supplement Plan F and Medicare Part D prescription drug coverage on their behalf. This benefit begins at age 65 and continues for the retirees’ life time. Employees hired after June 30, 2014 are not eligible for the 2006 Buncombe County Cost Reduction Incentive Plan. Retiring members that elect to retire under the 2014 Buncombe County Employee Retirement Incentive Plan will receive one year of the employee’s annual salary at retirement paid on a bi-weekly basis over three (3) years. In addition, the retiree can elect to receive a monthly flat dollar amount of \$268 to purchase the Medicare Supplement Plan of their choice, or receive a one-time payment of one-half of the retiree’s annual salary. The Medicare Supplement Plan option benefit begins at age 65 and continues for the retirees’ lifetime.

3. Contributions.

The County pays the cost of retiree health insurance coverage as it comes due. In addition, it is the intent of the Board of Commissioners to fully or partially fund the County’s annual required contributions (ARC) when possible. Determinations are made on an annual basis. Actual contributions are reported in the GASB Statement 75 Employer Reporting section of this note.

4. Investments.

*Investment policy.* The HCB Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan’s discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value.

The following was the Board’s adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Equity Index Fund	65.0%
Bond Index Fund	10.0%
Short-term Investment Fund	25.0%
Total	100.0%

*Rate of return.* The long-term expected rate of return on investments used for determining the ADC and in the calculation of the Single Equivalent Interest Rate (SEIR) was selected by the County.

5. Net OPEB Liability of the Plan.

The components of the net OPEB liability of the Plan at June 30, 2022 were as follows:

Total OPEB liability	\$ 138,022,896
Plan fiduciary net position	33,571,553
Plan's net OPEB liability	\$ 104,451,343
Plan fiduciary net position as a percentage of the total OPEB liability	24.32%

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	3.25% to 8.41%
Long-term investment rate of return	5.00% net of OPEB plan investment expense, including price inflation
Municipal bond index rate	
Prior measurement date	2.16%
Measurement date	3.54%
Year FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	5.00%
Measurement date	5.00%
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare Medical and Prescription Drug	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

The discount rate used to measure the TOL was based on the long-term expected rate of return.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

*Discount rate (SEIR).* The discount rate used to measure the TOL as of the measurement date was 5.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of the last 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Cash flows occur mid-year.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.

Based on these assumptions, the Plan's fiduciary net position (FNP) was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the measurement date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will

actually run out of money, the financial condition of the Plan, or the Plan’s ability to make benefit payments in future years.

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the Plan, calculated using the discount rate of 5.00%, as well as what the Plan’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	\$ 122,574,431	\$ 104,451,343	\$ 89,570,129

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the Plan, as well as what the Plan’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 86,004,529	\$ 104,451,343	\$ 127,404,332

**GASB Statement 75 Employer Reporting**

1. Contributions.

For the year ended June 30, 2022, contributions to the plan consisted of \$7,607,144 in retirees’ health insurance benefits and a \$3,000,000 investment in plan assets.

2. Component Unit Allocation.

Employees of the Asheville-Buncombe Air Quality component unit are eligible for participation in the HCB plan. Allocation of OPEB expense and liability to the component unit is based on the component unit’s percentage of salary expense of the total salary expense of the County and Agency. At June 30, 2022 the Asheville-Buncombe Air Quality’s Agency’s (the Agency) allocation percentage was 0.46%.

3. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At June 30, 2022, the County reported a net OPEB liability of \$99,340,596 and the Agency a liability of \$462,757. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial report measured as of June 30, 2021.

At June 30, 2022 the components of the net OPEB liability of the County and Agency, measured as of June 30, 2021, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances measured at June 30, 2020	\$ 193,440,819	\$ 25,984,208	\$ 167,456,611
Changes for the year			
Service cost	5,619,858	-	5,619,858
Interest	4,291,419	-	4,291,419
Difference between expected and actual experience	163,090	-	163,090
Changes in assumptions	(60,417,274)	-	(60,417,274)
Contributions	-	10,150,029	(10,150,029)
Net investment income	-	7,160,322	(7,160,322)
Benefit payments	(7,150,029)	(7,150,029)	-
Net change	(57,492,936)	10,160,322	(67,653,258)
Balances measured at June 30, 2021	\$ 135,947,883	\$ 36,144,530	\$ 99,803,353

For the year ended June 30, 2022, the County recognized OPEB expense of \$2,515,865 and the Agency (\$2,728). At June 30, 2022, the County and Agency combined reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,035,089	\$ 2,295,415
Changes of assumptions or other inputs	26,830,927	53,623,527
Net difference between projected and actual earnings on plan investments	-	4,079,793
Contributions subsequent to the measurement date	9,607,144	-
Total	<u>\$ 37,473,160</u>	<u>\$ 59,998,735</u>

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. These amounts are found in the preceding Deferred Outflows of Resources table above. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (6,024,843)
2024	(6,025,519)
2025	(6,137,524)
2026	(6,268,474)
2027	(7,676,359)
Thereafter	-
	<u>\$ (32,132,719)</u>

*Sensitivity of the net OPEB liability to changes in the discount rate.* The following presents the net OPEB liability of the County, as well as what the County’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	\$ 117,782,136	\$ 99,803,353	\$ 85,053,910

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the County, as well as what the County’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 82,623,225	\$ 99,803,353	\$ 121,138,371

4. Investments.

The following was the Board’s adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Equity Index Fund	65.0%
Bond Index Fund	10.0%
Short-term Investment Fund	25.0%
Total	<u>100.0%</u>

**(h) 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 (System), 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 the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

**(3) Closure and Postclosure Care Costs**

State and federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

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

**Closed Landfill:**

Landfill Permit Number 11-01: The previous landfill site of the County was closed on September 26, 1997. There is \$914,591 reported as landfill postclosure care liability for this site at June 30, 2022, which represents the projected cost for the remaining 7 years of required postclosure care based on 2022 costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**Landfills in Operation:****Municipal Solid Waste Landfill Permit Number 11-07:**

The \$13,701,985 reported as landfill closure and postclosure care liability at June 30, 2022 represents the cost to close and monitor the 40.52% of the total estimated capacity of this landfill that has been used as of June 30, 2022. The County will recognize the total estimated cost of closure and postclosure care of \$28,880,120 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2022. The County expects to operate this landfill until at least the year 2046. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**Construction and Demolition (C&D) Landfill Permit Number 11-07:**

The County currently operates a C&D landfill with a closure and postclosure care liability of \$4,336,140 reported as of June 30, 2022 representing a cumulative amount reported to date based on the use of 51.53% of the total estimated capacity of this unit. The County will recognize the total estimated cost of closure and postclosure care of \$8,758,883 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2022. The remaining capacity of the C&D landfill is expected to last nearly 20 years. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

**(4) Deferred Outflows and Inflows of Resources**

Deferred outflows of resources for governmental activities and business-type activities at June 30, 2022 were as follows:

	Governmental Activities	Business-type Activities
Deferred charges on refunding of debt (Note 3)	\$ 2,291,571	\$ -
Deferred outflow related to pensions (Note 3)	34,229,261	691,913
Deferred outflow related to OPEB (Note 3)	36,488,119	811,289
Total deferred outflows of resources	<u>\$ 73,008,951</u>	<u>\$ 1,503,202</u>

Deferred inflows of resources for governmental funds, governmental activities, and business-type activities at June 30, 2022 were as follows:

	Governmental Funds	Governmental Activities	Business-type Activities
Prepaid taxes not yet earned (General Fund)	\$ 2,091,742	\$ 2,091,742	\$ -
Unavailable taxes receivable, net (General Fund)	580,401	-	-
Unavailable EMS revenue receivable (General Fund)	2,702,596	-	-
Unavailable taxes receivable, net (Special Revenue)	110,850	-	-
Unavailable grants receivable	2,363,104	-	-
Leases	20,924,004	20,924,004	-
Debt refunding related deferrals (Note 3)	-	4,913,745	-
OPEB related deferrals (Note 3)	-	58,421,575	1,298,966
Pension related deferrals (Note 3)	-	30,860,975	674,005
Total deferred inflows of resources	<u>\$ 28,772,697</u>	<u>\$ 117,212,041</u>	<u>\$ 1,972,971</u>

**(5) Risk Management**

The County has adopted risk management principles in order to protect the health, safety and welfare of its employees and the citizens it serves; to protect its property, assets, and other resources; and to maintain its reputation and good standing in the wider community. The County provides a wide range of services, all of which give rise to some level of risk. The County regularly assesses and treats these risks to minimize their effects. The County is primarily self-insured and purchases conventional insurance to manage the effect of unavoidable risks. Several department-specific risk policies are purchased as well. Settled claims have not exceeded coverage in any of the past three fiscal years.

The County-owned properties are insured at their scheduled limits and this policy carries a \$100,000 self-insured retention (SIR). The premium is based on the amount of scheduled items. The County carries liability insurance to include general, auto, law enforcement, public officials and employee benefits liability. Currently, this policy carries a limit of \$7,000,000 per occurrence/claim with a \$500,000 SIR. Public officials and employee benefits liability are per claims made. Premiums are based on underwriting requirements.

A separate claims-made medical professional liability policy is purchased for the Buncombe County Health Department. This policy carries a primary limit of \$1,000,000 per incident and an excess limit of \$10,000,000 per incident with a \$5,000 deductible. This policy is written for the North Carolina Health Directors and premiums are based on the experience of the pool.

A separate commercial package policy is purchased for EMS operations and equipment. General, professional, and auto liability limit is \$1,000,000 per occurrence with an additional excess limit of \$2,000,000 per occurrence. Premiums are based on underwriting requirements.

The County purchases excess workers' compensation and employer's liability coverage. Workers' compensation coverage carries a statutory limit. The County currently carries a \$750,000 SIR per occurrence.

The limit of Employer's Liability insurance is \$2,000,000. The premium is based on County employees' payroll and classification. The County adheres to the North Carolina Workers Compensation Act per N.C.G.S. Chapter 97 as administered by the North Carolina Industrial Commission, a division of the North Carolina Department of Insurance.

The County provides health insurance benefits through a self-insured health insurance plan. The County is protected against catastrophic individual and aggregate loss by stop-loss insurance coverage. The accompanying statement of net position and balance sheets as of June 30, 2022 include a loss reserve liability for estimated outstanding medical claims of \$902,422. Changes in the health claims liability are presented as follows:

	2022	2021
Estimated claims payable, beginning	\$ 1,642,659	\$ 1,944,320
Incurred claims and changes in estimates	30,798,597	31,967,124
Claims paid	(31,538,834)	(32,268,785)
Estimated claims payable, ending	<u>\$ 902,422</u>	<u>\$ 1,642,659</u>

In accordance with North Carolina General Statutes, the following are required to be individually bonded for faithful performance in the discharge of the duties of their office: Finance Officer at \$200,000; Tax Collector at \$100,000; Register of Deeds at \$10,000; and the Sheriff at \$20,000. In addition, any County officer, employee, or agent who handles or has custody of more than \$100 of County money at any one time is performance bonded under a commercial blanket bond at \$250,000 per occurrence.

### **(6) Contingent Liabilities**

The County is presently a defendant in several lawsuits and is also subject to potential claims which may arise out of the ordinary conduct of its affairs. It is the opinion of the County's management and the County Attorney that settlement of these matters, if any, will not have a material adverse effect on the County's financial position.

### **(7) Long-Term Obligations**

#### **(a) Leases**

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

On July 1, 2021, the County entered into a 44 month lease for the use of office space for the Board of Elections. An initial lease liability was recorded in the amount of \$354,025. The lease was terminated during the year and, as of June 30, 2022, the value of the lease liability the right to use asset are \$0. The County was required to make monthly fixed payments of \$7,928. The lease was measured at a discount rate of 0.417%.

On July 1, 2021, the County entered into a 245 month lease for the use of the Upper Hominy tower site for public safety communications. An initial lease liability was recorded in the amount of \$195,294. As of June 30, 2022, the value of the lease liability is \$186,770. The County is required to make annual fixed payments of \$9,960. The lease is measured at a discount rate of 1.401%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$185,762 as of June 30, 2022.

On July 1, 2021, the County entered into a 191 month lease for the use of Elk Mountain radio tower for public safety communications. An initial lease liability of \$900,843 was recorded. As of June 30, 2022, the value of the lease liability is \$864,639. The County is required to make monthly fixed payments of \$3,843. The lease is measured at a discount rate of 1.244%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$844,248 as of June 30, 2022. The County has 3 extension options, each for 60 months.

On July 1, 2021, the County entered into a 364 month lease for the use of Barnardsville tower for public safety communications. An initial lease liability was recorded in the amount of \$233,098. As of June 30, 2022, the value of the lease liability is \$226,014. The County is required to make annual fixed payments of \$8,000. The lease is measured at a discount rate of 1.04%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$225,425 at June 30, 2022. The County has 4 extension options, each for 60 months.

On July 1, 2021, the County entered into a 257 month lease for the use of Spivey Mountain tower for public safety communications. An initial lease liability of \$217,753 was recorded. As of June 30, 2022, the value of the lease liability is \$207,392. The County is required to make annual fixed payments of \$12,000. The lease is measured at a discount rate of 1.433%. As a result of the lease, the County has recorded a right to use asset with a net book

value of \$207,610 at June 30, 2022. The County has 4 extension options, each for 60 months. The County had a termination period of 6 months as of the lease commencement.

On July 1, 2021, the County entered into a 29 month lease for a wheeled loader for solid waste operations. An initial lease liability of \$173,811 was recorded. As of June 30, 2022, the value of the lease liability is \$101,977. The County is required to make monthly fixed payments of \$6,008. The lease is measured at a discount rate of 0.198%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$102,382 at June 30, 2022.

On July 1, 2021, the County entered into a 29 month lease for an wheeled excavator for solid waste operations. An initial lease liability of \$146,068 was recorded. As of June 30, 2022, the value of the lease liability is \$85,700. The County is required to make monthly fixed payments of \$5,049. The lease is measured at a discount rate of 0.198%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$86,040 at June 30, 2022.

On July 1, 2021, the County entered into a 16 month lease for a compactor for solid waste operations. An initial lease liability of \$185,935 was recorded. As of June 30, 2022, the value of the lease liability is \$46,520. The County is required to make monthly fixed payments of \$11,634. The lease is measured at a discount rate of 0.165%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$52,062 at June 30, 2022.

On July 1, 2021, the County entered into a 44 month lease for a compactor for solid waste operations. An initial lease liability of \$832,865 was recorded. As of June 30, 2022, the value of the lease liability is \$606,848. The County is required to make monthly fixed payments of \$19,073. The lease is measured at a discount rate of 0.417%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$607,598 at June 30, 2022.

On July 1, 2021, the County entered into a 46 month lease for a track-type tractor for solid waste operations. An initial lease liability of \$606,680 was recorded. As of June 30, 2022, the value of the lease liability is \$449,224. The County is required to make monthly fixed payments of \$13,293. The lease is measured at a discount rate of 0.417%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$449,101 at June 30, 2022.

On December 1, 2021, the County entered into a 43 month lease for the use of office space for the Mountain Mobility transportation program. An initial lease liability was recorded in the amount of \$196,897. As of June 30, 2022, the value of the lease liability is \$165,791. The County is required to make monthly fixed payments of \$4,500. The lease is measured at a discount rate of 0.435%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$164,844 at June 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 112,983	\$ 19,097	\$ 563,665	\$ 3,937	\$ 676,648	\$ 23,034
2024	117,535	18,089	441,583	2,089	559,118	20,178
2025	122,268	17,038	285,021	492	407,289	17,530
2026	68,027	16,061	-	-	68,027	16,061
2027	71,072	15,182	-	-	71,072	15,182
2028-2032	412,039	61,260	-	-	412,039	61,260
2033-2037	516,667	31,799	-	-	516,667	31,799
2038-2042	147,723	9,793	-	-	147,723	9,793
2043-2047	44,770	3,358	-	-	44,770	3,358
2048-2052	37,521	981	-	-	37,521	981
Total	<u>\$ 1,650,605</u>	<u>\$ 192,658</u>	<u>\$ 1,290,269</u>	<u>\$ 6,518</u>	<u>\$ 2,940,874</u>	<u>\$ 199,176</u>

The Tourism Development Authority entered into a 252 month lease as lessee for the use of 31 College Place LLC as office space. An initial lease liability was recorded in the amount of \$4,431,313. As of June 30, 2022, the value of the lease liability is \$4,308,562. TDA is required to make monthly fixed payments of \$17,700. The lease is measured at a discount rate of 2.24%. TDA has 2 extension option(s), each for 60 months. TDA had a termination period of 60 months as of the lease commencement.

TDA’s future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 138,545	\$ 95,095
2024	141,680	91,960
2025	144,887	88,753
2026	148,166	85,474
2027	151,519	82,121
2028-2032	934,101	350,919
2033-2037	1,180,348	232,997
2038-2042	1,469,316	85,187
Total	<u>\$ 4,308,562</u>	<u>\$ 1,112,506</u>

**(b) General Obligation Bond Indebtedness**

The County issues general obligation bonds for the acquisition and construction of major capital facilities for the County and public schools. All general obligation bonds serviced by the County’s general fund are direct obligations collateralized by the full faith, credit, and taxing power of the County. In the event of a default, the County agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the County.

The 2009B Qualified School Construction General Obligation Bonds were issued to fund the capital costs of acquiring, constructing, renovating and equipping certain public school facilities.

The 2012B General Obligation Refunding Bonds were issued to refund the 2002B variable rate general obligation bonds.

General obligation bonds outstanding at June 30, 2022:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities					
General Obligation Bonds					
2009 Qualified School Construction Bonds	\$ 5,685,000	November 10, 2009	0.50%	2022	\$ 404,000
2012B Refunding Bonds	<u>32,500,000</u>	October 1, 2012	1.70%	2025	<u>9,600,000</u>
	<u>\$ 38,185,000</u>				<u>\$ 10,004,000</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 2,804,000	\$ 143,810
2024	2,400,000	102,000
2025	2,400,000	61,200
2026	2,400,000	20,400
Total	<u>\$ 10,004,000</u>	<u>\$ 327,410</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt, (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes). The County may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2022, Buncombe County had a legal debt margin of approximately \$3,468,000,000.

**(c) Installment Note Obligations**

As authorized by State law [G.S. 160A-20 and 153A-158.1], the County has financed various property acquisitions including general government buildings and facilities, equipment, and vehicles with installment notes, certificates of participation (COPs), or limited obligation bonds (LOBs).

The 2009 Federal American Recovery and Reinvestment Act (ARRA) Revolving Loan, a direct borrowing, was acquired to finance the landfill gas-to-energy project. The loan is payable solely from available funds. If a default occurs, the State may withhold any other monies due to the County and apply them to the payment of this obligation.

The 2010C Taxable Limited Obligation Bonds were issued to provide funds to finance renovations to the science laboratory at Asheville High School pursuant to a deed of trust in which the County’s courthouse is pledged as collateral for this debt. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2012A Limited Obligation Bonds were issued to provide funds for various capital projects for the County, including public safety buildings and radio network, human services automation, expansion of the construction and demolition landfill, as well as capital projects for Asheville-Buncombe Technical Community College. A portion of the issue was also used to refinance 2003 and 2005 certificates of participation. The bonds were issued pursuant to the 2010 deed of trust in which the County’s courthouse is pledged as collateral for this debt. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2014A Limited Obligation Bonds were issued to provide funds for construction of public safety offices and training facility, public school construction, and community college construction projects. A portion of the issue was also used to refinance 2006 certificates of participation and the 2008 Woodfin Downtown Corridor Development bonds. The 2014A bonds were issued pursuant to the 2010 deed of trust in which the County’s courthouse is pledged as collateral, with an extension of the lien to include the sites where Asheville Middle School and the community college Allied Health Building were to be constructed. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2014B Taxable Limited Obligation Bonds were issued to provide funds for construction of a terminal facility to be used by Old Dominion Freight Lines and an office and light manufacturing facility to be used by GE Aviation pursuant to a long-term lease from the County. The security and default provisions of the 2014B bonds are the same as the 2014A limited obligation bonds.

The NC Drinking Water State Revolving Loan, a direct borrowing, was issued by the State of North Carolina to provide funds for the on-going cleanup of the CTS of Asheville, Inc. Superfund Site. The note is payable solely from revenues of the project or benefited systems, or other available funds. If a default occurs, the State may withhold any other monies due to the County and apply them to the payment of this obligation.

The 2015 Limited Obligation Bonds were issued to provide funds for construction of a health and human services facility and parking deck, a public school, public safety training facility additions, a swimming pool, and various County renovations and equipment. A portion of the issuance was used to refinance certain of the County's 2005, 2006, and 2007 certificates of participation, 2009C taxable limited obligation bonds and to refund the County's 2005A general obligation public improvement bonds. The bonds were issued pursuant to a 2015 deed of trust in which the sites of the Enka Intermediate School and the Health and Human Services Facility are pledged as collateral for this debt. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2018 Limited Obligation Bonds were issued to provide funds for improvements to various County and City school facilities. The bonds were issued pursuant to the 2015 deed of trust with an extension of the lien to include the sites on which Asheville High School and Montford North Star Academy are located. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2019 Sheriff Vehicle Installment Financing Agreement, a direct borrowing, was entered into to provide financing for vehicles for the sheriff's office. The vehicles and funds held in the project account are pledged as security for the agreement and in the event of default, the lender may take possession of said vehicles and funds. No deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the obligation.

The 2020A Limited Obligation Bonds were issued to provide funds for the acquisition, construction and equipping of improvements to public schools and various County facilities, refinancing portions of the 2009A certificates of participation and 2010A limited obligation bonds, and refinancing all of the 2010B limited obligation bonds. The 2020A bonds were issued pursuant to the 2010 deed of trust in which the County's courthouse is pledged as collateral for this debt, including the 2014 lien extension of the sites of Asheville Middle School and the community college Allied Health Building. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2020B Taxable Limited Obligation Bonds were issued to provide funds for the partial refinancing of the 2012A limited obligation bonds. The security and default provisions of the 2020B bonds are the same as the 2020A limited obligation bonds.

The 2020C Limited Obligation Bonds, a direct placement, were issued to provide funds for installing solar panels on public facilities. The security and default provisions of the 2020C bonds are the same as the 2020A and 2020B limited obligation bonds.

The 2022A Limited Obligation Bonds, a direct placement, were issued to provide funds for various school and County facility improvements, solid waste landfill expansion, solar panel installation, and fleet and general services complex upgrades. If a default occurs, the mortgaged property can be foreclosed, and the proceeds used to pay off the debt. There can be no assurance that the proceeds will be sufficient to pay the principal and interest due and no deficiency judgment can be rendered against the County if the proceeds are not sufficient to pay off the bonds.

The 2022B Taxable Limited Obligation Bonds, a direct placement, were issued to provide funds for the partial refinancing of the 2014A limited obligation bonds. The security and default provisions of the 2022B bonds are the same as the 2022A limited obligation bonds.

Installment financings outstanding at June 30, 2022:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
<b>Governmental Activities</b>					
2010C Taxable Limited Obligation Bonds	\$ 3,800,000	December 16, 2010	6.375%	2025	\$ 705,000
2012A Limited Obligation Bonds	73,380,000	July 3, 2012	2.0% - 5.0%	2032	3,850,000
2014A Limited Obligation Bonds	151,590,000	February 27, 2014	3.0% - 5.0%	2037	13,765,000
2014B Taxable Limited Obligation Bonds	28,725,000	February 27, 2014	0.5% - 5.1%	2032	19,465,000
NC Drinking Water State Revolving Loan	1,964,204	February 6, 2015	0.0%	2035	1,320,390
2015 Limited Obligation Bonds	126,635,000	April 30, 2015	3.0% - 5.0%	2035	81,790,000
2018 Limited Obligation Bonds	54,730,000	March 28, 2018	3.0% - 5.0%	2038	43,790,000
2019 Sheriff Vehicle Installment Financing	1,675,000	September 4, 2019	1.9837%	2024	1,023,000
2020A Limited Obligation Bonds	56,495,000	April 9, 2020	2.0% - 5.0%	2040	47,720,000
2020B Taxable Limited Obligation Bonds	32,235,000	April 9, 2020	1.48% - 2.6%	2032	31,180,000
2020C Limited Obligation Bonds	10,096,000	October 14, 2020	1.99%	2035	9,374,000
2022A Limited Obligation Bonds	43,961,000	June 22, 2022	2.93%	2037	43,961,000
2022B Limited Obligation Bonds	80,870,000	June 22, 2022	3.71%	2037	80,870,000
Total governmental activities	<u>666,156,204</u>				<u>378,813,390</u>
<b>Business-type Activities</b>					
2009 ARRA Loan	4,061,396	August 4, 2009	0.0%	2031	675,000
2012A Limited Obligation Bonds	1,985,000	July 3, 2012	2.0% - 5.0%	2022	-
2022A Limited Obligation Bonds	15,324,000	June 22, 2022	2.93%	2037	15,324,000
Total business-type activities	<u>21,370,396</u>				<u>15,999,000</u>
Total installment financings	<u>\$ 687,526,600</u>				<u>\$ 394,812,390</u>

For Buncombe County, the future minimum payments for installment financings as of June 30, 2022, are:

Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 32,048,568	\$ 14,950,609	\$ 2,470,000	\$ 422,801	\$ 34,518,568	\$ 15,373,410
2024	32,183,569	13,785,372	2,514,000	378,820	34,697,569	14,164,192
2025	31,950,568	12,459,188	2,585,000	307,358	34,535,568	12,766,546
2026	30,678,567	11,110,710	2,659,000	233,814	33,337,567	11,344,524
2027	30,260,568	9,882,427	2,734,000	158,102	32,994,568	10,040,529
2028-2032	140,098,841	31,647,323	3,037,000	80,194	143,135,841	31,727,517
2033-2037	74,402,705	7,784,078	-	-	74,402,705	7,784,078
2038-2040	7,190,003	359,606	-	-	7,190,003	359,606
Total	<u>\$ 378,813,390</u>	<u>\$ 101,979,313</u>	<u>\$ 15,999,000</u>	<u>\$ 1,581,089</u>	<u>\$ 394,812,390</u>	<u>\$ 103,560,402</u>

**(d) Refundings**

On April 9, 2020, the County issued \$26,730,000 of series 2020A tax exempt bonds (interest rates ranging from 2.5% to 5.0%) to refund \$4,320,000 of outstanding 2009A certificates of participation which had interest rates ranging from 4.0% to 4.75%, \$5,110,000 of outstanding 2010A limited obligation bonds which had interest rates ranging from 5.0% to 5.25%, and \$20,420,000 of outstanding 2010B taxable limited obligation bonds which had interest rates ranging from 6.5% to 6.8%. Net proceeds of \$30,266,781 (including premium of \$3,869,464 and after payment of \$327,347 in issuance costs) were deposited in an irrevocable trust with an escrow agent, along with \$460,529 of County funds, to provide funds used to call the balance of these issuances on June 1, 2020. The reacquisition price exceeded the net carrying amount of the old debt, including related premiums of \$162,684, by

\$254,098. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt. The refunding reduced total debt service payments by \$3,807,349 (including interest subsidy on 2010B bonds) to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,386,066.

On April 9, 2020, the County also issued \$32,235,000 of series 2020B taxable bonds (interest rates ranging from 1.48% to 2.6%) to advance refund \$29,045,000 of outstanding 2012A limited obligation bonds which had an interest rate of 5.0%. The net proceeds of \$32,008,258 (after payment of \$222,122 in issuance costs) along with additional County funds of \$516,356, were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, a portion of the 2012A bonds are considered defeased and the liability for those issuances has been removed from the statement of net position. The net carrying amount of the old debt, including related premiums of \$3,763,373, exceeded the reacquisition price by \$800,115. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunded debt. The advance refunding reduced total debt service payments by \$2,982,193 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,612,592.

On June 22, 2022, the County issued \$80,870,000 of series 2022B taxable bonds with an interest rate of 3.71% to advance refund \$77,260,000 of outstanding 2014A limited obligation bonds which had interest rates ranging from 3.0%-5.0%. The net proceeds of \$80,711,695 (after payment of \$158,305 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, a portion of the 2014A bonds are considered defeased and the liability for those issuances has been removed from the statement of net position. The net carrying amount of the old debt, including related premiums of \$7,565,324, exceeded the reacquisition price by \$4,113,629. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunded debt. The advance refunding reduced total debt service payments by \$3,543,808 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$2,528,245.

The County has defeased debt in prior years by placing the proceeds of new bonds and the County's own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds until the debt is called or matures. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the County's financial statements. At June 30, 2022, \$78,260,000 of defeased bonds remain outstanding.

**(e) Debt Related to Capital Activities**

Of the total Governmental Activities debt listed, only \$154,075,375 relates to assets for which the County holds title. Unspent restricted cash related to this debt amounts to \$15,474,861.

**(f) 2014 Buncombe County Employee Retirement Incentive Plan**

On July 8, 2014, the Buncombe County Board of Commissioners approved the 2014 Buncombe County Employee Retirement Incentive Plan. A liability of \$294,125 is recorded on the government-wide statements at June 30, 2022 to reflect remaining payments owed under this plan.

**(g) Pension Spiking Liability**

Pension spiking is a substantial increase in compensation that results in unusually high liabilities to the State's retirement system which, without intervention, would then be absorbed by other members and employers in the System. North Carolina adopted anti-pension spiking laws, effective January 1, 2015, which apply to retirements with an average final salary greater than \$100,000, adjusted annually for inflation. A contribution-based benefit cap (CBBC) is calculated, and if the benefit exceeds the cap, the employer must make an additional contribution to the retirement system. The County's potential spiking liability of \$1,020,077 for current active employees who will be retiring with an average final salary greater than \$116,367, the inflation adjusted amount for 2022, has been recorded on the government-wide statements at June 30, 2022.

**(h) Transfer of Enka-Candler Water and Sewer District Bonds**

On July 2, 1990, the County transferred the ownership, operation, and maintenance responsibility for the sanitary districts to the Metropolitan Sewerage District. The contracts effecting the transfer call for the Metropolitan Sewerage District to assume the liability for the Enka-Candler Water and Sewer District Bonds. Consequently, the

bonds have been removed from the County's financial statements. The Enka-Candler Water and Sewer District, for which the County Board of Commissioners is the governing body, is liable for the payments on these bonds if the Metropolitan Sewerage District defaults. As of June 30, 2022, the balance of the bonds outstanding was \$84,000.

**(i) Conduit Debt Obligations**

The Buncombe 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 businesses 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, 2022, there were industrial revenue bonds outstanding with a principal amount payable of \$10,202,754.

**(j) Long Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2022:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Governmental Activities:					
General obligation bonds	\$ 12,877,000	\$ -	\$ 2,873,000	\$ 10,004,000	\$ 2,804,000
Limited obligation bonds	348,935,000	-	106,670,000	242,265,000	27,549,999
Installment financings-direct borrowing	2,772,956	-	429,566	2,343,390	435,568
Installment financings-direct placement	10,096,000	124,831,000	722,000	134,205,000	4,063,001
Premium on long-term debt	31,340,385	-	11,999,277	19,341,108	-
Lease installment obligations	-	2,097,913	447,308	1,650,605	112,983
Net pension liability -- LEOSSA	11,440,707	777,625	1,103,001	11,115,331	-
Net pension liability -- LGERS	45,164,841	-	24,454,190	20,710,651	-
Net OPEB liability	162,951,999	-	65,772,133	97,179,866	-
Retirement incentive liability	1,236,178	-	942,053	294,125	294,125
Pension spiking liability	1,100,023	-	79,946	1,020,077	297,483
Compensated absences	10,756,533	8,879,603	9,266,326	10,369,810	7,480,959
Total governmental activities	<u>621,897,843</u>	<u>136,586,141</u>	<u>224,758,800</u>	<u>550,498,963</u>	<u>43,038,118</u>
Business-type Activities:					
Limited obligation bonds	\$ 245,000	\$ -	\$ 245,000	\$ -	\$ -
Installment financings-direct borrowing	750,000	-	75,000	675,000	75,000
placement	-	15,324,000	-	15,324,000	2,395,000
Premium on long-term debt	6,774	-	6,774	-	-
Lease installment obligations	-	1,945,361	655,092	1,290,269	563,665
Net pension liability -- LGERS	1,049,921	-	589,432	460,489	-
Net OPEB liability	3,767,175	-	1,606,445	2,160,730	-
Compensated absences	233,208	127,449	123,772	236,885	236,885
Accrued landfill closure and postclosure care costs	18,195,489	1,421,531	436,426	19,180,594	-
Total business-type activities	<u>22,260,417</u>	<u>18,818,341</u>	<u>3,737,941</u>	<u>39,327,967</u>	<u>3,270,550</u>
Total primary government	<u>\$ 644,158,260</u>	<u>\$ 155,404,482</u>	<u>\$ 228,496,741</u>	<u>\$ 589,826,930</u>	<u>\$ 46,308,668</u>

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
<b>Discretely Presented Component Units:</b>					
Air Quality:					
Net pension liability -- LGERS	\$ 139,364	\$ -	\$ 74,186	\$ 65,178	\$ -
Net OPEB liability	737,436	-	274,679	462,757	-
Compensated absences	88,844	47,981	43,195	93,630	93,630
	<u>\$ 1,067,135</u>	<u>\$ 47,981</u>	<u>\$ 392,060</u>	<u>\$ 621,565</u>	<u>\$ 93,630</u>
Tourism Development Authority:					
Lease installment obligations	\$ -	\$ 4,431,313	\$ 122,751	\$ 4,308,562	\$ 138,545

Compensated absences, other postemployment benefits and pension liability typically have been liquidated in the funds in which they have been earned, with the majority of governmental activities liability liquidated in the General Fund and business-type activities liability in the Solid Waste Disposal Fund.

**(C) Interfund Balances and Activity**

Interfund loans consisted of the following at June 30, 2022:

*Due to General Fund:*

From the Occupancy Tax Fund for June collection fees	\$ 50,418
From the Grant Projects Fund for short term cash flow needs	<u>1,495,535</u>
General Fund - Due from Other Funds	<u>\$ 1,545,953</u>

Transfers to/from other funds during the year ended June 30, 2022 consist of the following:

*Major Governmental Funds:*

*General Fund:*

From the General Fund to the Grant Projects Fund to fund grant matches	\$ 1,062,896
From the General Fund to the Special Projects Capital Projects Fund for housing and conservation projects and a comprehensive plan	3,507,974
From the General Fund to the County Capital Projects Fund to fund various capital projects and annual transfer per fund balance policy	16,564,403
From the General Fund to the Transportation Fund for transportation services	1,636,581
From the General Fund to the PDF Woodfin Downtown Fund to subsidize debt service costs	37,744
From the General Fund to the Emergency Telephone System Fund for 911 related expenses	231,957

*Grant Projects Fund:*

From the Grant Projects Fund to the Transportation Fund to return savings on Transportation	79,682
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*AB Tech Capital Projects Fund:*

From the AB Tech Capital Projects Fund to the General Fund for community college operations	5,000,000
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*Special Projects Capital Projects Fund:*

From the Special Projects Capital Projects Fund to the General Fund for employee loan program	22,157
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*Nonmajor Governmental Funds:*

From the Register of Deeds Automation Fund to the General Fund for reimbursement of automation related expenditures	25,345
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**D) Fund Balance**

Buncombe County has a revenue spending guideline for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-county funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer may deviate from this policy if it is in the best interest of the County.

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

Total fund balance - General Fund	\$ 124,314,054
Less:	
Restricted or nonspendable	
Prepays	228,446
Long term receivables	11,207
Leases	214,264
Stabilization by State Statute	29,496,399
Capital projects	110,789
Permits and inspections	2,105,752
Soil and water conservation district	47,881
Tax reappraisal	239,239
Committed	
Future transfer to County Capital Projects Fund per policy	1,803,066
Assigned	
Appropriated in FY23 budget	15,947,652
Fund balance policy minimum	<u>39,634,367</u>
Remainder available for appropriation	<u>\$ 34,474,992</u>

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that fund balance after nonspendable and restricted amounts is at least equal to or greater than 15% of expenditures. The policy also specifies that fund unassigned fund balance at year end in excess of 20% of expenditures is to be transferred to the County Capital Projects Fund.

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The General Fund encumbrance amounts are included in the stabilization of State statute amount reported in the above table.

Outstanding encumbrances at June 30, 2022:

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 1,791,726
Grant Projects	15,448,723
Public School Capital Needs	4,799,535
AB Tech Capital Projects	3,846,695
County Capital Projects	7,473,882
Special Projects Capital Projects	1,570,561
Non-Major	<u>195,859</u>
	<u>\$35,126,981</u>

**Note 4 - Joint Ventures****Vaya Health**

The County participates in a joint venture to operate Vaya Health, a public managed care organization (“MCO”), which manages federal, state and local funding for services related to mental health, developmental disability, and substance abuse in its 22-county area. Buncombe County appoints one member of the 22-member board, with the other counties appointing the remainder. The County has an ongoing financial responsibility for the MCO because it is legally required to provide public health services either directly or jointly with other counties. None of the participating governments have any equity interest in the MCO, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$600,000 to the MCO to fund operations. Complete financial statements for Vaya Health may be obtained from their offices at 200 Ridgefield Court, Asheville, NC 28806.

**Asheville-Buncombe Technical Community College**

The County, in conjunction with the State of North Carolina, the Buncombe County Board of Education and Madison County, participates in a joint venture to operate the Asheville-Buncombe Technical Community College. The board of trustees consists of 15 members, four appointed by the County, four appointed by the Governor (on behalf of the State of North Carolina), four appointed jointly by the Buncombe County and Asheville City Boards of Education, two appointed by Madison County, and one appointed by the Madison County Board of Education. The president of the community college’s student government serves as an ex-officio nonvoting member of the community college’s 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. In addition to providing annual appropriations for facilities, the County periodically issues debt to provide financing for new and restructured facilities. Limited obligation bonds of \$56,742,851 in principal are outstanding. Of the general obligations bonds issued for this purpose \$315,197 in principal is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibility to provide funding for the community college’s facilities. The County contributed \$7,275,600 to the community college for operating purposes during the fiscal year ended June 30, 2022. In addition, the County made principal and interest payments of \$84,794 during the fiscal year on general obligation bonds and \$7,809,894 on limited obligation bonds issued for community college capital facilities. 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, 2022. Complete financial statements for the community college may be obtained from the community college’s administrative offices at 340 Victoria Road, Asheville, NC 28801.

Furthermore, by authority of Article 46 of Chapter 105 of the North Carolina General Statutes and following a majority vote of an advisory referendum in the November 2011 elections, the Buncombe County Board of Commissioners adopted a resolution in December 2011 to levy a local sales and use tax at a rate of one-quarter percent (.25%) to be used exclusively for the stated capital improvement needs of the community college. For this purpose, the County has created a fund to manage the collections and related capital projects and debt service expenditures. In June 2017 the Buncombe County Board of Commissioners adopted a resolution to expand the use of the sales and use tax to include major maintenance and operational needs of the community college. As required by the Board of Commissioners, the tax will sunset in 2029. All capital assets from this funding source will become the property of the community college and be reflected on their financial statements once completed.

**Note 5 - Jointly Governed Organizations****Land of Sky Regional Council**

The County is a founding member of the Land of Sky Regional Council (Council) which serves four counties and fifteen municipalities. The Council coordinates various funding received from federal and state agencies and administers programs related to aging, workforce development, volunteer services and economic and community development. The participating governments appoint the Council’s governing board. The County paid membership fees of \$122,804 to the Council during the fiscal year ended June 30, 2022.

**Metropolitan Sewerage District of Buncombe County, North Carolina**

The County appoints three members to the 14-member board of the Metropolitan Sewerage District of Buncombe County, North Carolina. The District owns, operates, and maintains a wastewater treatment plant and collector lines.

**Note 6 - Summary Disclosure of Significant Commitments and Contingencies**

**Federal and State Assisted Programs**

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.

**Note 7 - 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 that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Special Supplemental Nutrition Program for Women, Infants and Children	\$ 3,018,841	\$ -
Work First/Temporary Assistance for Needy Families (TANF)	493,264	-
Refugee Assistance	55,258	-
Adoption Assistance	2,317,347	414,879
Medical Assistance	359,178,776	135,442,127
State Children's Insurance Program	4,063,906	909,261
State/County Special Assistance for Adults	-	1,164,556
Child Welfare Services Adoption Subsidy	-	807,746
Totals	\$ 369,127,392	\$ 138,738,569

**Note 8 - Unrestricted Net Position**

Under North Carolina law, the County is responsible for providing capital funding for the Buncombe County Board of Education, the Asheville City Board of Education (the school systems) and the Asheville-Buncombe Technical Community College (the community college). The County has chosen to meet its legal obligation to provide school systems and community college capital funding by using a mixture of County funds and debt. The assets funded by the County are owned and used by the school systems and the community college. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

At the end of the fiscal year, the outstanding debt balance was \$180,445,859 and \$57,058,048 for the school systems and community college, respectively. Of the combined total, \$10,004,000 is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, necessary to pay debt service on its general obligation bonds. The remainder of the debt is installment debt and is collateralized by County assets. Principal and interest requirements are appropriated in the year they become due.

**Note 9 - Pledged Revenues**

The County and the Town of Woodfin have pledged a portion of their future ad valorem tax revenues to repay \$11,285,000 in Series 2014A limited obligation bonds issued in February 2014. This issuance refunded \$11,885,000 of Series 2008 Project Development Financing (PDF) Revenue Bonds that were used to finance the Woodfin Downtown project. A portion of this was again refunded by the Series 2022B taxable limited obligation bonds. The bond principal is payable from the incremental ad valorem tax revenues generated by increased property values in

the refurbished district to the extent that these revenues are available. In the event that the incremental tax revenues are not sufficient to meet the debt service requirements, the Buncombe County General Fund will advance the funds necessary to keep the debt service current. The Buncombe County General Fund will then be reimbursed as additional incremental revenues become available in the future.

The total principal and interest amount remaining on the bonds is \$10,750,000 payable through June 2037. Total principal and interest payments on the Series 2014A limited obligation bonds from July 1, 2021 through June 30, 2022 were \$773,450. Accumulated tax revenue for the same period of time was \$714,119.

## *Required Supplemental Financial Data*

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### Buncombe County, North Carolina

#### **Law Enforcement Officers' Special Separation Allowance**

Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll

#### **Local Governmental Employees' Retirement System**

Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

#### **Register of Deeds' Supplemental Pension Fund**

Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

#### **Healthcare Benefits Plan**

Schedule of Changes in the Net OPEB Liability and Related Ratios  
Schedule of County Contributions  
Schedule of Investment Returns - OPEB

This section contains information required by generally accepted accounting principles

BUNCOMBE COUNTY, NORTH CAROLINA  
*Law Enforcement Officers' Special Separation Allowance*  
*Schedules of Changes in Total Pension Liability and Total Pension Liability*  
*as a Percentage of Covered Payroll*

*Schedule of Changes in Total Pension Liability*

	2022*	2021*	2020*	2019*	2018*	2017*
Beginning balance	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557	\$ 6,435,449
Changes for the year:						
Service cost at end of year	562,306	341,533	309,418	346,181	292,258	324,170
Interest	215,319	245,944	251,636	217,434	244,382	223,868
Difference between expected and actual experience	(246,852)	630,721	357,591	173,058	(49,185)	-
Changes of assumptions and other inputs	(287,614)	2,950,710	223,551	(270,198)	431,353	(149,649)
Benefit payments	(568,535)	(544,985)	(477,003)	(391,418)	(346,831)	(329,281)
Net changes	(325,376)	3,623,923	665,193	75,057	571,977	69,108
Ending balance of the total pension liability	\$ 11,115,331	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557

*Schedule of Total Pension Liability as a Percentage of Covered Payroll*

Total Pension Liability	\$ 11,115,331	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557
Covered Payroll	13,800,012	13,132,599	12,874,345	13,782,414	13,226,166	13,727,850
Total pension liability as a percentage of covered payroll	80.55%	87.12%	60.72%	51.89%	53.50%	47.38%

**Notes to the schedule:**

Buncombe County has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 73 nor does the Plan provide pay related benefits.

*Changes in actuarial assumptions or other inputs:*

December 31, 2021 Measurement Date: The Municipal Bond Index Rate increased from 1.93% to 2.25%.

December 31, 2020 Measurement Date: The Municipal Bond Index Rate decreased from 3.26% to 1.93%. Based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019, the following were updated: mortality rates, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth, and leave conversion service.

December 31, 2019 Measurement Date: The Municipal Bond Index Rate decreased from 3.64% to 3.26%.

December 31, 2018 Measurement Date: The Municipal Bond Index Rate increased from 3.16% to 3.64%.

December 31, 2017 Measurement Date: The Municipal Bond Index Rate decreased from 3.86% to 3.16%. The assumed inflation rate has been reduced from 3.00% to 2.50% and assumed wage inflation was increased from 0.5% to 1.0%.

December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

BUNCOMBE COUNTY, NORTH CAROLINA

Local Governmental Employees' Retirement System

Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contribution

LAST NINE FISCAL YEARS

County's Proportionate Share of Net Pension Liability (Asset)\*:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	1.380%	1.293%	1.329%	1.361%	1.356%	1.367%	1.370%	1.263%	1.221%
County's proportionate share of the net pension liability (asset)	\$ 21,171,139	\$ 46,214,761	\$ 32,286,853	\$ 32,284,728	\$ 20,713,021	\$ 29,009,136	\$ 6,153,152	\$ (7,446,959)	\$ 14,714,123
County's covered payroll	\$ 91,497,070	\$ 87,523,909	\$ 85,711,058	\$ 85,410,896	\$ 80,696,295	\$ 78,543,481	\$ 78,653,953	\$ 72,997,430	\$ 69,413,042
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.14%	52.80%	37.67%	37.80%	25.67%	36.93%	7.82%	( 10.20%)	21.20%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

County Contribution:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 10,925,396	\$ 9,379,209	\$ 7,930,774	\$ 6,736,044	\$ 6,437,477	\$ 5,974,471	\$ 5,289,811	\$ 5,552,865	\$ 5,140,387
Contribution made	10,925,396	9,379,209	7,930,774	6,736,044	6,437,477	5,974,471	5,289,811	5,552,865	5,140,387
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 95,371,351	\$ 91,497,070	\$ 87,523,909	\$ 85,711,058	\$ 85,410,896	\$ 80,696,295	\$ 78,543,481	\$ 78,653,953	\$ 72,997,430
Contribution as a percentage of covered payroll	11.46%	10.25%	9.06%	7.86%	7.54%	7.40%	6.73%	7.06%	7.04%

BUNCOMBE COUNTY, NORTH CAROLINA

Register of Deeds' Supplemental Pension Fund

Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

LAST NINE FISCAL YEARS

County's Proportionate Share of Net Pension Liability (Asset)\*:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension asset	3.031%	3.092%	2.893%	3.179%	3.515%	3.466%	3.461%	3.148%	3.060%
County's proportionate share of the net pension liability (asset)	\$ (582,434)	\$ (708,595)	\$ (571,128)	\$ (526,518)	\$ (599,938)	\$ (648,037)	\$ (802,058)	\$ (713,609)	\$ (653,607)
County's covered payroll	\$ 99,131	\$ 98,498	\$ 94,900	\$ 93,926	\$ 90,779	\$ 88,376	\$ 82,865	\$ 79,564	\$ 79,564
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-587.54%	-719.40%	-601.82%	-560.57%	-660.88%	-733.27%	-967.91%	-896.90%	-821.49%
Plan fiduciary net position as a percentage of the total pension liability (asset)	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

County Contributions:

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 34,132	\$ 36,382	\$ 29,605	\$ 27,497	\$ 27,204	\$ 30,538	\$ 28,316	\$ 27,694	\$ 25,705
Contribution	34,132	36,382	29,605	27,497	27,204	30,538	28,316	27,694	25,705
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 100,944	\$ 99,131	\$ 98,498	\$ 94,900	\$ 93,926	\$ 90,779	\$ 88,376	\$ 82,865	\$ 79,564
Contributions as a percentage of covered payroll	33.81%	36.70%	30.06%	28.97%	28.96%	33.64%	32.04%	33.42%	32.31%

BUNCOMBE COUNTY, NORTH CAROLINA  
*Healthcare Benefits Plan*  
*Schedule of Changes in the Net OPEB Liability and Related Ratios*

*Schedule for the Plan*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:						
Service cost at end of year	\$ 2,689,795	\$ 7,097,937	\$ 4,940,481	\$ 4,788,951	\$ 5,127,940	\$ 5,732,800
Interest on the total OPEB liability and cash flows	6,609,535	4,384,490	5,539,553	5,728,956	5,286,294	4,776,409
Difference between expected and actual experience	382,827	(1,836,022)	540,302	(3,699,090)	2,081,393	-
Changes of assumptions and other inputs	-	(64,107,498)	33,190,959	12,695,151	(8,668,680)	(13,287,300)
Benefit payments	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Reconciling adjustments	-	4,118,186	(4,118,186)	-	-	-
Net change in total OPEB liability	2,075,013	(57,492,936)	32,994,374	12,831,563	(3,853,330)	(9,560,002)
Total OPEB liability, beginning of year	135,947,883	193,440,819	160,446,445	147,614,882	151,468,212	161,028,214
Total OPEB liability, end of year	<u>\$ 138,022,896</u>	<u>\$ 135,947,883</u>	<u>\$ 193,440,819</u>	<u>\$ 160,446,445</u>	<u>\$ 147,614,882</u>	<u>\$ 151,468,212</u>
Plan fiduciary net position:						
Contributions - employer	\$ 9,607,144	\$ 10,150,029	\$ 7,098,735	\$ 8,682,405	\$ 8,680,277	\$ 8,781,911
Net investment income	(4,572,977)	7,160,322	721,236	1,170,556	1,502,685	1,971,359
Benefit payments	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Administrative expense	-	-	-	-	-	(20,701)
Net change in plan fiduciary net position	(2,572,977)	10,160,322	721,236	3,170,556	2,502,685	3,950,658
Plan fiduciary net position, beginning of year	36,144,530	25,984,208	25,262,972	22,092,416	19,589,731	15,639,073
Plan fiduciary net position, end of year	<u>\$ 33,571,553</u>	<u>\$ 36,144,530</u>	<u>\$ 25,984,208</u>	<u>\$ 25,262,972</u>	<u>\$ 22,092,416</u>	<u>\$ 19,589,731</u>
Net OPEB liability, end of year	<u>\$ 104,451,343</u>	<u>\$ 99,803,353</u>	<u>\$ 167,456,611</u>	<u>\$ 135,183,473</u>	<u>\$ 125,522,466</u>	<u>\$ 131,878,481</u>
Plan fiduciary net position as a percentage of the total OPEB liability	24.32%	26.59%	13.43%	15.75%	14.97%	12.93%
Covered-employee payroll	\$ 50,787,596	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	205.66%	208.60%	329.72%	220.69%	189.19%	182.51%

*Schedule for the Employer\**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's net OPEB liability	\$ 99,803,353	\$ 167,456,611	\$ 135,183,473	\$ 125,522,466	\$ 123,198,204
Covered-employee payroll	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	208.60%	329.72%	220.69%	189.19%	170.50%

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

Notes to schedule:

*Changes to assumptions or other inputs.* The Single Equivalent Interest Rate (SEIR) increased from 2.26% to 5.00% to reflect the changes to the Municipal Bond Index Rate from 2.16% on the prior measurement date to 3.54% on the measurement date.

BUNCOMBE COUNTY, NORTH CAROLINA

Healthcare Benefits Plan

Schedule of County Contributions

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 9,623,846	\$ 10,011,572	\$ 10,011,572	\$ 7,322,456	\$ 7,322,456	\$ 7,301,754
Contributions in relation to the actuarially determined contribution	9,607,144	10,150,029	7,098,735	8,682,405	8,680,277	8,781,911
Annual contribution deficiency (excess)	16,702	(138,457)	2,912,837	(1,359,949)	(1,357,821)	(1,480,157)
Covered-employee payroll	\$ 50,787,596	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 61,814,919
Contributions as a percentage of covered-employee payroll	18.92%	21.21%	13.98%	14.17%	13.08%	14.21%

**Notes to schedule:**

*Valuation date.* Actuarially determined contribution rates were calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

*Methods and assumptions used to determine contribution rates.*

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	26 year
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.00%
Municipal Bond Index Rate	
Prior measurement date	2.21%
Measurement date	2.16%
Year FNP is projected to be depleted	
Prior measurement date	2024
Measurement date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	2.26%
Measurement date	5.00%
Healthcare cost trends	
Pre-medicare Medical and Prescription Drug	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare Medical and Prescription Drug	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

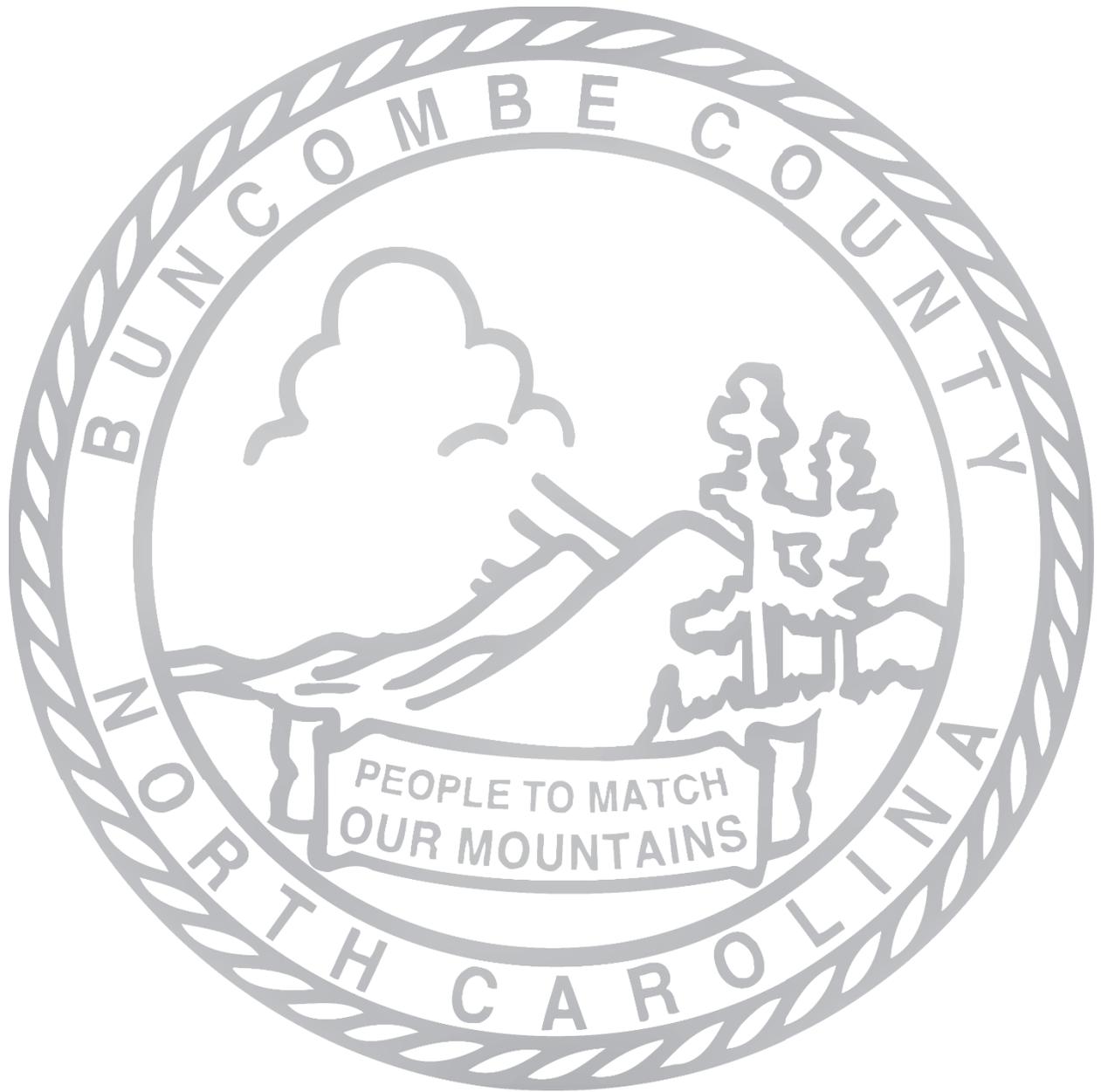
BUNCOMBE COUNTY, NORTH CAROLINA

*Healthcare Benefits Plan*

*Schedule of Investment Returns - OPEB*

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	-12.53%	27.08%	2.85%	5.30%	7.64%



*Combining and Individual Fund Statements and Schedules*  
Buncombe County, North Carolina

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# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Taxes:			
Taxes		\$ 235,214,580	
Penalties and interest		681,151	
Total	\$ 233,596,662	235,895,731	\$ 2,299,069
Local Option Sales Taxes:			
Article 39, one percent *		19,077,066	
Article 40, one-half of one percent		13,342,384	
Article 42, one-half of one percent		9,902,956	
Article 44, one-half of one percent		(506)	
Total	36,853,740	42,321,900	5,468,160
Other Taxes and Licenses:			
Deed stamp excise tax		9,408,010	
Video programming tax		1,349,058	
Privilege licenses		30,110	
Rental car tax		1,373,545	
Total	11,786,000	12,160,723	374,723
Unrestricted Intergovernmental:			
Payments in lieu of taxes		93,992	
Beer and wine tax		602,076	
Other		2,041,742	
Total	1,202,500	2,737,810	1,535,310
Restricted Intergovernmental:			
Federal, State, and other grants		44,634,019	
Mixed drink surcharge		1,259,308	
Court facilities fees		325,221	
ABC bottle taxes		137,792	
Total	47,148,688	46,356,340	(792,348)
Permits and Fees:			
Building permits and inspections		3,670,535	
Register of deeds		1,827,529	
Total	4,933,000	5,498,064	565,064
Sales and Services:			
Rents, concessions, and fees		3,453,250	
Jail fees		1,769,131	
Ambulance and rescue squad fees		9,222,079	
Recreation fees		234,997	
Other charges for services		9,780,700	
Total	20,520,760	24,460,157	3,939,397

\* Shown net of 50% remitted directly to Public School Capital Needs Fund

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues - continued:</i>			
Investment earnings (loss)	50,000	(133,968)	(183,968)
Other	1,454,644	1,869,103	414,459
Total revenues	357,545,994	371,165,860	13,619,866
<b>EXPENDITURES</b>			
General Government:			
Governing Body:			
Salaries and employee benefits		648,111	
Other operating expenditures		262,353	
Program support		-	
Total		<u>910,464</u>	
County Manager:			
Salaries and employee benefits		1,250,366	
Other operating expenditures		75,286	
Program support		30,000	
Total		<u>1,355,652</u>	
Sustainability:			
Salaries and employee benefits		134,111	
Other operating expenditures		268,675	
Capital outlay		-	
Total		<u>402,786</u>	
Community Engagement:			
Salaries and employee benefits		297,727	
Other operating expenditures		280,223	
Total		<u>577,950</u>	
PR and Communications:			
Salaries and employee benefits		750,319	
Other operating expenditures		82,606	
Total		<u>832,925</u>	
Budget and Management Services:			
Salaries and employee benefits		797,282	
Other operating expenditures		21,624	
Total		<u>818,906</u>	
Human Resources:			
Salaries and employee benefits		1,638,174	
Other operating expenditures		294,083	
Program support		219	
Total		<u>1,932,476</u>	

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
Legal and Risk:			
Salaries and employee benefits		1,181,019	
Other operating expenditures		88,829	
Total		<u>1,269,848</u>	
Finance:			
Salaries and employee benefits		2,050,332	
Other operating expenditures		383,413	
Total		<u>2,433,745</u>	
Internal Audit:			
Salaries and employee benefits		169,550	
Other operating expenditures		39,467	
Total		<u>209,017</u>	
Strategy and Innovation:			
Salaries and employee benefits		1,296,131	
Other operating expenditures		68,057	
Program support		3,792	
Total		<u>1,367,980</u>	
Tax Assessment:			
Salaries and employee benefits		2,706,158	
Other operating expenditures		593,055	
Total		<u>3,299,213</u>	
Tax Collections:			
Salaries and employee benefits		1,234,449	
Other operating expenditures		803,119	
Total		<u>2,037,568</u>	
Elections:			
Salaries and employee benefits		882,358	
Other operating expenditures		1,531,256	
Total		<u>2,413,614</u>	
Register of Deeds:			
Salaries and employee benefits		1,544,681	
Other operating expenditures		4,745,872	
Total		<u>6,290,553</u>	
Information Technology:			
Salaries and employee benefits		6,943,597	
Other operating expenditures		7,677,598	
Total		<u>14,621,195</u>	

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
General Services:			
Salaries and employee benefits		3,320,304	
Other operating expenditures		6,862,403	
Capital outlay		-	
Total		<u>10,182,707</u>	
Fleet:			
Salaries and employee benefits		725,494	
Other operating expenditures		347,383	
Capital outlay		1,320,697	
Total		<u>2,393,574</u>	
Parking Services			
Other operating expenditures		523,521	
Capital outlay		27,165	
Total		<u>550,686</u>	
Strategic Partnership Grants:			
Salaries and employee benefits		262,089	
Other operating expenditures		9,663	
Program support		1,417,893	
Total		<u>1,689,645</u>	
Other General Government		<u>357,646</u>	
 Total General Government	 57,581,016	 55,948,150	 1,632,866
 Public Safety:			
Justice Resource Support:			
Salaries and employee benefits		945,143	
Other operating expenditures		954,417	
Program support		25,770	
Total		<u>1,925,330</u>	
Pretrial Release:			
Salaries and employee benefits		971,680	
Other operating expenditures		79,969	
Total		<u>1,051,649</u>	

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<i>Public Safety - continued:</i>			
ID Bureau and C.D.E.:			
Salaries and employee benefits		1,700,678	
Other operating expenditures		238,323	
Capital outlay		-	
Total		<u>1,939,001</u>	
Public Safety Interoperability Partnership:			
Salaries and employee benefits		782,444	
Other operating expenditures		484,228	
Capital outlay		-	
Total		<u>1,266,672</u>	
Sheriff:			
Salaries and employee benefits		20,367,354	
Other operating expenditures		2,362,540	
Capital outlay		-	
Program support		-	
Total		<u>22,729,894</u>	
Detention Center:			
Salaries and employee benefits		14,004,445	
Other operating expenditures		4,377,040	
Capital outlay		35,806	
Total		<u>18,417,291</u>	
Emergency Services:			
Salaries and employee benefits		11,582,775	
Other operating expenditures		2,855,698	
Program support		286,164	
Capital outlay		189,907	
Total		<u>14,914,544</u>	
911 Operations:			
Salaries and employee benefits		4,115,107	
Other operating expenditures		116,674	
Capital outlay		-	
Program support		-	
Total		<u>4,231,781</u>	
Public Safety Training Center:			
Salaries and employee benefits		410,593	
Other operating expenditures		218,746	
Total		<u>629,339</u>	

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
<i>Public Safety - continued:</i>			
Juvenile Crime Prevention Council:			
Salaries and employee benefits		-	
Other operating expenditures		1,499	
Program support		624,224	
Total		<u>625,723</u>	
Family Justice Center			
Salaries and employee benefits		144,205	
Other operating expenditures		316,541	
Program Support		687	
Total		<u>461,433</u>	
Other Public Safety		<u>699,440</u>	
Total Public Safety	<u>74,664,878</u>	<u>68,892,097</u>	<u>5,772,781</u>
<i>Economic and Physical Development:</i>			
Planning:			
Salaries and employee benefits		1,923,439	
Other operating expenditures		141,109	
Program support		4,174	
Total		<u>2,068,722</u>	
Economic Development		<u>1,776,783</u>	
Permits and Inspections:			
Salaries and employee benefits		2,251,627	
Other operating expenditures		243,752	
Program support		24,000	
Total		<u>2,519,379</u>	
Cooperative Extension:			
Salaries and employee benefits		-	
Other operating expenditures		431,765	
Total		<u>431,765</u>	
Agriculture and Land Resources:			
Salaries and employee benefits		571,393	
Other operating expenditures		92,931	
Program support		1,000	
Total		<u>665,324</u>	
Other Economic and Physical Development		<u>61,658</u>	
Total Economic and Physical Development	<u>11,820,551</u>	<u>7,523,631</u>	<u>4,296,920</u>

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Human Services:			
Public Health:			
Salaries and employee benefits		13,883,532	
Other operating expenditures		6,555,740	
Capital outlay		30,323	
Program Support		2,827,397	
Total		<u>23,296,992</u>	
Social Services:			
Salaries and employee benefits		40,430,660	
Other operating expenditures		4,887,123	
Capital outlay		-	
Program support		16,298,141	
Total		<u>61,615,924</u>	
Veterans Services:			
Salaries and employee benefits		396,597	
Other operating expenditures		7,217	
Program support		-	
Total		<u>403,814</u>	
Behavioral Health:			
Salaries and employee benefits		-	
Other operating expenditures		600,000	
Program support		239,579	
Total		<u>839,579</u>	
Animal Services		<u>1,483,207</u>	
Other Human Services		<u>749,846</u>	
Total Human Services	94,340,813	88,389,362	5,951,451
Culture and Recreation:			
Library:			
Salaries and employee benefits		4,728,091	
Other operating expenditures		1,399,286	
Total		<u>6,127,377</u>	
Recreation Services:			
Salaries and employee benefits		1,015,559	
Other operating expenditures		484,370	
Program support		108,456	
Total		<u>1,608,385</u>	
Other Culture and Recreation		<u>72,446</u>	
Total Culture and Recreation	8,739,293	7,808,208	931,085

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP) General Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Final Budget	Actual	Variance Positive (Negative)
Education:			
Public schools:			
Current expenditures		87,315,083	
Pre-K		3,615,200	
Community college - current expenditures		7,275,600	
Total		<u>98,205,883</u>	
Education support		<u>487,933</u>	
Total Education	98,836,668	98,693,816	142,852
Debt Service:			
Principal retirement		13,818,946	
Interest and fees		<u>6,078,649</u>	
Total Debt Service	20,891,805	19,897,595	994,210
Total expenditures	<u>366,875,024</u>	<u>347,152,859</u>	19,722,165
Revenues over (under) expenditures	<u>(9,329,030)</u>	<u>24,013,001</u>	33,342,031
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	5,025,346	5,025,345	(1)
Operating transfers to other funds	(23,278,555)	(23,278,555)	-
Installment obligations issued	1,155,000	1,153,000	(2,000)
Lease liabilities issued	-	1,901,015	1,901,015
Payment to refunded bond escrow agent	(1,152,000)	(1,150,217)	1,783
Sales of capital assets	70,000	99,186	29,186
Appropriated fund balance	27,509,239	-	(27,509,239)
Total other financing sources (uses)	<u>9,329,030</u>	<u>(16,250,226)</u>	(25,579,256)
Net change in fund balance	<u>\$ -</u>	7,762,775	<u>\$ 7,762,775</u>
Reconciliation from budgetary basis (modified accrual) to GAAP:			
Reconciling items:			
Net collections on long-term loans		(6,510)	
Transfer from Special Projects Capital Projects Fund for long-term loans		22,157	
Net change in fund balance in Reappraisal Reserve Fund (Consolidated with General Fund for GAAP Reporting)		<u>(115,379)</u>	
Change in fund balance		7,663,043	
Fund balance, beginning		<u>116,651,011</u>	
Fund balance, ending		<u>\$ 124,314,054</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Reappraisal Reserve Fund (Consolidated with General Fund for GAAP reporting)*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Total revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current:			
General government:			
Salaries and employee benefits		4,297	
Other operating expenditures		348,082	
Total expenditures	400,870	352,379	48,491
Revenues under expenditures	(400,870)	(352,379)	48,491
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	198,013	237,000	38,987
Appropriated fund balance	202,857	-	(202,857)
Total other financing sources	400,870	237,000	(163,870)
Net change in fund balance	\$ -	(115,379)	\$ (115,379)
Fund balance, beginning		354,618	
Fund balance, ending		\$ 239,239	

BUNCOMBE COUNTY, NORTH CAROLINA

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

Grant Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Budget	Reported In Prior Years*	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Restricted intergovernmental	\$ 91,733,028	\$ 17,547,519	\$ (871,119)	\$ 27,036,322	\$ 43,712,722	\$ (48,020,306)
Private grants and contributions	19,044,002	2,980,147	(79,749)	1,427,048	4,327,446	(14,716,556)
Sales and services	-	195,130	(195,130)	-	-	-
Other	100,000	8,619	(2,519)	(6,100)	-	(100,000)
Total revenues	<u>110,877,030</u>	<u>20,731,415</u>	<u>(1,148,517)</u>	<u>28,457,270</u>	<u>48,040,168</u>	<u>(62,836,862)</u>
<b>EXPENDITURES</b>						
General government	47,872,664	3,614,668	(18,871)	10,531,854	14,127,651	33,745,013
Public safety	12,299,894	4,443,405	(538,831)	3,515,111	7,419,685	4,880,209
Economic and physical development	4,659,222	12,201	-	82,265	94,466	4,564,756
Human services	35,952,623	13,709,187	(960,943)	15,786,181	28,534,425	7,418,198
Cultural and recreational	13,071,509	1,571,626	(6,500)	1,371,252	2,936,378	10,135,131
Education	199,000	199,000	-	-	199,000	-
Total expenditures	<u>114,054,912</u>	<u>23,550,087</u>	<u>(1,525,145)</u>	<u>31,286,663</u>	<u>53,311,605</u>	<u>60,743,307</u>
Revenues over (under) expenditures	<u>(3,177,882)</u>	<u>(2,818,672)</u>	<u>376,628</u>	<u>(2,829,393)</u>	<u>(5,271,437)</u>	<u>(2,093,555)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from other funds	3,260,646	2,725,512	(376,628)	1,062,896	3,411,780	151,134
Transfer to other funds	(82,764)	(3,080)	-	(79,682)	(82,762)	2
Total other financing sources (uses)	<u>3,177,882</u>	<u>2,722,432</u>	<u>(376,628)</u>	<u>983,214</u>	<u>3,329,018</u>	<u>151,136</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (96,240)</u>	<u>\$ -</u>	<u>(1,846,179)</u>	<u>\$ (1,942,419)</u>	<u>\$ (1,942,419)</u>
Fund balance (deficit), beginning of year				<u>(96,240)</u>		
Fund balance (deficit), ending				<u>\$ (1,942,419)</u>		

\* Miscellaneous reclassifications of amounts within revenue and expenditure categories were done in the current fiscal year.

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Public School Capital Needs Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Local option sales tax	\$ 119,982,621	\$ 108,194,633	\$ -	\$ 26,764,165	\$ 134,958,798	\$ 14,976,177
Restricted intergovernmental	1,465,580	2,001,536	-	189,394	2,190,930	725,350
Investment earnings	2,266,439	5,713,959	-	26,308	5,740,267	3,473,828
Total revenues	<u>123,714,640</u>	<u>115,910,128</u>	<u>-</u>	<u>26,979,867</u>	<u>142,889,995</u>	<u>19,175,355</u>
<b>EXPENDITURES</b>						
Capital outlay:						
Education:						
Buncombe County schools	49,552,052	40,260,248	(25,553,318)	12,790,046	27,496,976	22,055,076
Asheville City schools	17,452,934	1,095,037	(373,540)	2,735,061	3,456,558	13,996,376
Security Assessment	400,000	397,465	-	1,235	398,700	1,300
Radio Upgrade	2,226,825	2,099,444	-	-	2,099,444	127,381
Contingency	233,441	-	-	-	-	233,441
Total capital outlay	<u>69,865,252</u>	<u>43,852,194</u>	<u>(25,926,858)</u>	<u>15,526,342</u>	<u>33,451,678</u>	<u>36,413,574</u>
Debt service:						
Principal	94,771,639	80,071,967	-	14,381,566	94,453,533	318,106
Interest and fees	57,980,422	50,835,031	-	7,105,554	57,940,585	39,837
Total debt service	<u>152,752,061</u>	<u>130,906,998</u>	<u>-</u>	<u>21,487,120</u>	<u>152,394,118</u>	<u>357,943</u>
Total expenditures	<u>222,617,313</u>	<u>174,759,192</u>	<u>(25,926,858)</u>	<u>37,013,462</u>	<u>185,845,796</u>	<u>36,771,517</u>
Revenues over (under) expenditures	<u>(98,902,673)</u>	<u>(58,849,064)</u>	<u>25,926,858</u>	<u>(10,033,595)</u>	<u>(42,955,801)</u>	<u>55,946,872</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of installment obligations	101,562,034	36,938,947	(23,482,281)	67,127,000	80,583,666	(20,978,368)
Payment to bond escrow agent	(31,900,000)	-	-	(31,897,614)	(31,897,614)	2,386
Prior year revenues and transfers	29,240,639	38,089,050	(2,444,577)	-	35,644,473	6,403,834
Total other financing sources (uses)	<u>98,902,673</u>	<u>75,027,997</u>	<u>(25,926,858)</u>	<u>35,229,386</u>	<u>84,330,525</u>	<u>(14,572,148)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,178,933</u>	<u>\$ -</u>	<u>25,195,791</u>	<u>\$ 41,374,724</u>	<u>\$ 41,374,724</u>
Fund balance, beginning				<u>16,178,933</u>		
Fund balance, ending				<u>\$ 41,374,724</u>		

\* Miscellaneous reclassifications of prior year amounts within revenue and expenditure categories were done in the current fiscal year.

BUNCOMBE COUNTY, NORTH CAROLINA

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

AB Tech Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Local option sales taxes	\$111,381,115	\$ 102,074,803	\$ (1,477,829)	\$ 18,660,923	\$ 119,257,897	\$ 7,876,782
Restricted intergovernmental	300,042	291,201	-	-	291,201	(8,841)
Investment earnings	1,398,863	1,475,601	-	(18,408)	1,457,193	58,330
Total revenues	<u>113,080,020</u>	<u>103,841,605</u>	<u>(1,477,829)</u>	<u>18,642,515</u>	<u>121,006,291</u>	<u>7,926,271</u>
<b>EXPENDITURES</b>						
Community College	26,392,054	10,946,471	(1,477,829)	1,368,034	10,836,676	15,555,378
Debt service:						
Principal retirement	36,609,398	31,412,717	-	5,073,204	36,485,921	123,477
Interest and fees	27,108,995	23,943,196	-	2,893,500	26,836,696	272,299
Total expenditures	<u>90,110,447</u>	<u>66,302,384</u>	<u>(1,477,829)</u>	<u>9,334,738</u>	<u>74,159,293</u>	<u>15,951,154</u>
Revenues over expenditures	<u>22,969,573</u>	<u>37,539,221</u>	<u>-</u>	<u>9,307,777</u>	<u>46,846,998</u>	<u>23,877,425</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Payment to bond escrow agent	(46,160,538)	(8,517,114)	-	(37,633,015)	(46,150,129)	10,409
Proceeds from installment obligations	51,300,619	8,586,619	-	37,707,000	46,293,619	(5,007,000)
Transfers to other funds	(29,629,654)	(24,629,654)	-	(5,000,000)	(29,629,654)	-
Transfers from other funds	1,520,000	1,520,000	-	-	1,520,000	-
Total other financing sources (uses)	<u>(22,969,573)</u>	<u>(23,040,149)</u>	<u>-</u>	<u>(4,926,015)</u>	<u>(27,966,164)</u>	<u>(4,996,591)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,499,072</u>	<u>\$ -</u>	<u>4,381,762</u>	<u>\$ 18,880,834</u>	<u>\$ 18,880,834</u>
Fund balance, beginning				<u>14,499,072</u>		
Fund balance, ending				<u>\$ 18,880,834</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Public Schools ADM Sales Tax and Lottery Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022				Total	Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year Activity		
<b>REVENUES</b>						
Local option sales taxes	\$ 99,739,142	\$ 77,526,443	\$ -	\$ 20,572,598	\$ 98,099,041	\$ (1,640,101)
Restricted intergovernmental	6,415,599	3,368,735	(484,007)	201,506	3,086,234	(3,329,365)
Total revenues	<u>106,154,741</u>	<u>80,895,178</u>	<u>(484,007)</u>	<u>20,774,104</u>	<u>101,185,275</u>	<u>(4,969,466)</u>
<b>EXPENDITURES</b>						
Capital outlay:						
Education:						
Buncombe County schools						
Sales tax projects	84,033,732	65,470,900	-	17,206,921	82,677,821	1,355,911
Lottery projects	5,890,000	3,271,421	(484,007)	129,344	2,916,758	2,973,242
Asheville City schools						
Sales tax projects	15,705,410	12,055,543	-	3,365,677	15,421,220	284,190
Lottery projects	525,599	97,314	-	72,162	169,476	356,123
Total capital outlay	<u>106,154,741</u>	<u>80,895,178</u>	<u>(484,007)</u>	<u>20,774,104</u>	<u>101,185,275</u>	<u>4,969,466</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning				<u>-</u>		
Fund balance, ending				<u>\$ -</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)

County Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years*	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Restricted intergovernmental	\$ 1,868,000	\$ 96,991	\$ -	\$ 144,158	\$ 241,149	\$ (1,626,851)
Other	287,612	111,072	-	138,149	249,221	(38,391)
Investment earnings	240,523	728,970	(111,403)	15,606	633,173	392,650
<b>Total revenues</b>	<b>2,396,135</b>	<b>937,033</b>	<b>(111,403)</b>	<b>297,913</b>	<b>1,123,543</b>	<b>(1,272,592)</b>
<b>EXPENDITURES</b>						
Capital outlay:						
200 College Exterior	616,017	566,658	-	310	566,968	49,049
40 Coxe Interior Renovation	1,213,615	-	-	21,012	21,012	1,192,603
Administration Building Envelope Repair	2,458,869	-	-	-	-	2,458,869
Automark Ballot Marking Replacement	-	372,100	(372,100)	-	-	-
BAS System for Detection Center	174,052	-	-	-	-	174,052
Black Mountain Greenway	-	400,000	(400,000)	-	-	-
Broadband Projects	200,442	-	-	73,899	73,899	126,543
Bunc Cty Detention Facility Assessment	-	217,860	(217,860)	-	-	-
Buncombe County Health Clinic	1,474,184	1,391,520	-	-	1,391,520	82,664
Buncombe County Sports Park	80,500	-	-	32,030	32,030	48,470
COA/RADTIP	-	20,000	(20,000)	-	-	-
Comprehensive Facilities Assessment	835,780	799,908	-	35,872	835,780	-
Contract Management Software	-	76,722	(76,722)	-	-	-
County Buildings Major Maintenance	-	24,755	(24,755)	-	-	-
County Garage Lifts Improvements	-	71,105	(71,105)	-	-	-
Courthouse Exterior Renovations	4,575,835	3,884,331	-	357,753	4,242,084	333,751
Courthouse Repairs	596,239	-	-	8,625	8,625	587,614
Detention Center Cooling Tower	376,940	16,500	-	-	16,500	360,440
Detention Center Exterior Repair/Cleaning	1,383,931	1,123,222	-	(20,011)	1,103,211	280,720
East Asheville Library	6,977,466	6,931,292	-	(30,201)	6,901,091	76,375
Fleet and General Services Complex	8,380,000	48,700	-	178,140	226,840	8,153,160
Garren Creek Tower Retrofit	1,000,000	125,207	-	394,513	519,720	480,280
Grading/Paving Playground at Lake Julian	180,000	-	-	-	-	180,000
Greenways Contingency	148,849	-	-	-	-	148,849
Grounds Equipment	-	61,747	(61,747)	-	-	-
Hominy Creek Greenway	80,000	-	-	-	-	80,000
Interchange Building	468,641	-	-	-	-	468,641
IT Redundant Network Configuration	1,000,000	880,113	-	80,000	960,113	39,887
Jail Mezzanine Metal Screen Partitions	318,000	-	-	-	-	318,000
Jail Repairs	786,358	-	-	-	-	786,358
Lake Julian Bathroom Additions	674,160	-	-	-	-	674,160
Lake Julian Boat Launch	40,000	-	-	-	-	40,000
Lake Julian Paddle Boat Replacement	88,000	-	-	78,995	78,995	9,005
Lake Julian Shelter Replacements	100,000	8,717	-	-	8,717	91,283
Leicester Patrol Office Renovation	-	16,131	(16,131)	-	-	-
Library Infrastructure	140,085	127,269	-	12,816	140,085	-
New Restroom Facility for Sports Park	159,000	-	-	-	-	159,000
Oakley/South Asheville Library HVAC	-	36,941	(36,941)	3,600	3,600	(3,600)
Orchard Street Park	150,000	-	-	-	-	150,000
Owen Park Playground Update	125,249	-	-	116,709	116,709	8,540
Pack Library Exterior Wash	192,500	-	-	15,700	15,700	176,800
Pack Library Fire Suppression System	233,439	5,740	-	226,840	232,580	859
Parking Lot Improvements Countywide	946,523	2,500	-	-	2,500	944,023
Parks and Recreation Projects	787,665	99,484	-	-	99,484	688,181
Planning for Forward Facing Building	200,000	-	-	88,340	88,340	111,660
Playground Maintenance Revolving Fund	-	30,000	(30,000)	-	-	-

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)

County Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years*	Closures of Prior Activity	Current Year	Total	
Reems Creek Greenway	600,000	-	-	-	-	600,000
Register of Deeds Building Envelope	560,475	-	-	33,619	33,619	526,856
Repairs for Libraries	366,978	158,275	-	40,756	199,031	167,947
Roof Replacements	466,900	20,450	-	380,760	401,210	65,690
Shelter at Lake Julian Walking Trail	180,000	-	-	-	-	180,000
Sheriff Vehicles	-	70,639	(70,639)	-	-	-
Sidewalks - General	207,000	-	-	-	-	207,000
Soccer Complex Improvements	155,608	-	-	-	-	155,608
Solar on Public Facilities	9,970,780	2,157,358	-	4,798,551	6,955,909	3,014,871
Solar Panel Installation Phase 2	400,000	-	-	100,153	100,153	299,847
Warren Wilson Pool	300,000	-	-	-	-	300,000
Woodfin Greenway	2,460,000	121,239	-	354,660	475,899	1,984,101
Woodfin Greenway - TDA Grant	2,250,000	-	-	-	-	2,250,000
Zeugner Center Demolition	-	90,761	(90,761)	-	-	-
<b>Total capital outlay</b>	<b>55,080,080</b>	<b>19,957,244</b>	<b>(1,488,761)</b>	<b>7,383,441</b>	<b>25,851,924</b>	<b>29,228,156</b>
Debt service:						
Interest and fees	4,663,994	4,649,994	-	12,980	4,649,994	14,000
<b>Total expenditures</b>	<b>59,744,074</b>	<b>24,607,238</b>	<b>(1,488,761)</b>	<b>7,396,421</b>	<b>30,501,918</b>	<b>29,242,156</b>
Revenues over (under) expenditures	(57,347,939)	(23,670,205)	1,377,358	(7,098,508)	(29,378,375)	27,969,564
<b>OTHER FINANCING SOURCES (USES)</b>						
Prior year revenues	\$ 20,473,011	\$ 14,757,987	\$ (488,539)	-	\$ 14,757,987	\$ (5,715,024)
Proceeds from installment obligations	40,295,783	25,427,384	(41,461)	8,794,000	25,427,384	(14,868,399)
Transfers from other funds	6,140,836	5,426,503	(843,598)	16,564,403	5,426,503	(714,333)
Transfer to other funds	(9,693,864)	(10,031,587)	337,723	-	-	9,693,864
Contingency	(23,435)	-	-	-	-	23,435
Sale of capital assets	155,608	497,091	(341,483)	-	497,091	341,483
<b>Total other financing sources (uses)</b>	<b>57,347,939</b>	<b>36,077,378</b>	<b>(1,377,358)</b>	<b>25,358,403</b>	<b>46,108,965</b>	<b>(11,238,974)</b>
Net change in fund balance	\$ -	\$ 12,407,173	\$ -	18,259,895	\$ 16,730,590	\$ 16,730,590
Fund balance, beginning				12,407,173		
Fund balance, ending				\$ 30,667,068		

\* Miscellaneous reclassifications of amounts within revenue and expenditure categories were done in the current fiscal year.

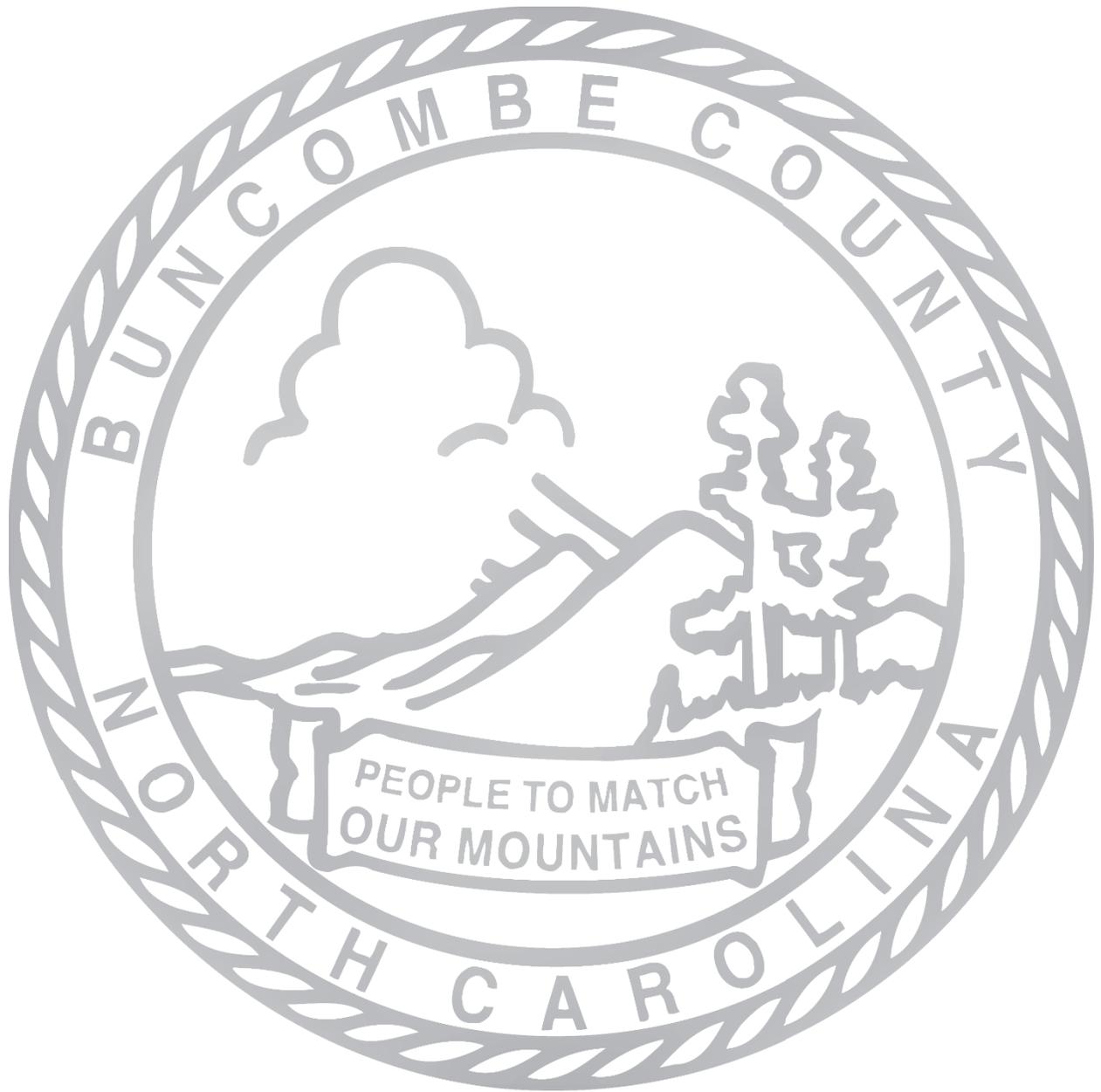
BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)

Special Projects Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Budget	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Restricted intergovernmental	\$ 263,305	\$ 539,717	\$ (539,717)	\$ 263,305	\$ 263,305	\$ -
Sales and services	-	37,451	-	(28,151)	9,300	9,300
Other	1,796,744	2,147,502	(152,033)	242,045	2,237,514	440,770
Total revenues	<u>2,060,049</u>	<u>2,724,670</u>	<u>(691,750)</u>	<u>477,199</u>	<u>2,510,119</u>	<u>450,070</u>
<b>EXPENDITURES</b>						
Current:						
Economic and physical development	3,446,129	500,000	-	215,106	715,106	2,731,023
Capital outlay:						
Housing:						
Home FY16	75,000	75,000	-	-	75,000	-
Home FY18	26,733	-	-	-	-	26,733
Home Program Income	147,769	126,288	-	-	126,288	21,481
Lee Walker Heights Redevelopment	4,200,000	3,700,000	-	500,000	4,200,000	-
East Haven Apartments	2,200,000	1,350,000	-	850,000	2,200,000	-
Old Haywood Road Neighborhood	680,800	680,800	-	-	680,800	-
Housing Trust FY18	227,015	227,015	-	-	227,015	-
Housing Trust FY19	513,145	513,145	-	-	513,145	-
Affordable Housing Services FY20	261,367	261,367	-	-	261,367	-
Affordable Housing Services FY21	1,937,975	1,422,774	-	364,353	1,787,127	150,848
Affordable Housing Services FY22	2,508,568	-	-	709,768	709,768	1,798,800
Housing Trust Program Income	465,001	436,801	-	-	436,801	28,200
Manufactured Homes Disposal	193,334	178,257	-	15,000	193,257	77
Energy Initiatives	148,142	79,107	-	-	79,107	69,035
Small Business Development	200,000	200,000	-	-	200,000	-
Conservation	1,641,512	839,859	(753,543)	573,753	660,069	981,443
Total expenditures	<u>18,872,490</u>	<u>10,590,413</u>	<u>(753,543)</u>	<u>3,227,980</u>	<u>13,064,850</u>	<u>5,807,640</u>
Revenues over (under) expenditures	<u>(16,812,441)</u>	<u>(7,865,743)</u>	<u>61,793</u>	<u>(2,750,781)</u>	<u>(10,554,731)</u>	<u>6,257,710</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from other funds	17,137,441	13,728,491	(61,793)	3,507,974	17,174,672	37,231
Transfer to other funds	(325,000)	(365,000)	-	-	(365,000)	(40,000)
Total other financing sources (uses)	<u>16,812,441</u>	<u>13,363,491</u>	<u>(61,793)</u>	<u>3,507,974</u>	<u>16,809,672</u>	<u>(2,769)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,497,748</u>	<u>\$ -</u>	<u>757,193</u>	<u>\$ 6,254,941</u>	<u>\$ 6,254,941</u>
Reconciliation from budgetary basis (modified accrual) to GAAP:						
Reconciling items:						
Net collections on long-term loans				1,133,692		
Transfer to General Fund for long-term loans				<u>(22,157)</u>		
Change in fund balance				1,868,728		
Fund balance, beginning				<u>12,325,391</u>		
Fund balance, ending				<u>\$ 14,194,119</u>		



*Combining Statements and Schedules for Nonmajor Governmental Funds*

SPECIAL REVENUE FUNDS

Emergency Telephone System Fund

This fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems such as 911.

Register of Deeds Automation Fund

This fund was established in accordance with North Carolina law to account for the accumulation of Register of Deeds fees to be used for future automation projects.

Register of Deeds Fund

This fund accounts for revenues collected and submitted by the Register of Deeds on behalf of the State.

Representative Payee Fund

This fund accounts for money held in trust by the Division of Social Services for various individuals.

Sondley Estate Trust Fund

This fund accounts for amounts placed into trust by a benefactor to be used for libraries.

Transportation Fund

This fund accounts for revenues and expenditures of a public transportation program.

Drug Forfeitures Fund

This fund accounts for forfeiture and controlled substance tax earmarked for the Sheriff's department.

School Fines and Forfeitures

This fund accounts for fines and forfeitures collected and remitted to the schools per State statute.

PDF Woodfin Downtown Fund

This fund accounts for the Woodfin Downtown project debt service and the portion of County and Town of Woodfin ad valorem tax revenues and subsidies pledged to meet it.

Opioid Settlement Fund

This fund accounts for lawsuit settlements to be used for opioid abatement and remediation activities.

Buncombe County Service Foundation

This fund accounts for the activity of a non-profit organization that is a component unit of the County. The Foundation's purpose is to support and improve access to wellness, recreation, health and community services by building partnerships throughout Buncombe County.

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2022

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate Trust
<b>ASSETS</b>					
Cash and investments	\$ 2,380,149	\$ 408,491	\$ 28,483	\$ 52,558	\$ 865,962
Restricted cash and investments	-	-	-	-	-
Restricted assets	-	-	-	-	-
Receivables (net):					
Taxes receivable	-	-	-	-	-
Accounts receivable	269	49	-	-	116
Due from other governments	67,003	-	-	-	-
Total assets	<u>\$ 2,447,421</u>	<u>\$ 408,540</u>	<u>\$ 28,483</u>	<u>\$ 52,558</u>	<u>\$ 866,078</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 5,934	\$ -	\$ 18,228	\$ -	\$ -
Payable from restricted cash	-	-	-	-	-
Other liabilities	-	-	10,255	23,316	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>5,934</u>	<u>-</u>	<u>28,483</u>	<u>23,316</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Stabilization by State statute	67,272	49	-	-	116
Register of deeds	-	408,491	-	-	-
Public safety	2,374,215	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	29,242	-
Library	-	-	-	-	865,962
Assigned	-	-	-	-	-
Total fund balances	<u>2,441,487</u>	<u>408,540</u>	<u>-</u>	<u>29,242</u>	<u>866,078</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,447,421</u>	<u>\$ 408,540</u>	<u>\$ 28,483</u>	<u>\$ 52,558</u>	<u>\$ 866,078</u>

Special Revenue Funds Continued

Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	Opioid Settlement Fund	BC Service Foundation	Total Nonmajor Governmental Funds
\$ 1,042,453	\$ 474,171	\$ 73,501	\$ 41,942	\$ -	\$ 218,261	\$ 5,585,971
-	-	-	-	621,438	-	621,438
-	-	-	1,178	-	-	1,178
-	-	-	-	-	-	-
-	56	-	-	41	15,934	16,465
1,269,173	-	-	-	-	-	1,336,176
<b>\$ 2,311,626</b>	<b>\$ 474,227</b>	<b>\$ 73,501</b>	<b>\$ 43,120</b>	<b>\$ 621,479</b>	<b>\$ 234,195</b>	<b>\$ 7,561,228</b>
\$ 298,150	\$ 38,745	\$ -	\$ 39,000	\$ -	\$ -	\$ 400,057
-	-	-	-	-	-	-
-	-	73,501	-	-	-	107,072
-	-	-	-	621,438	-	621,438
298,150	38,745	73,501	39,000	621,438	-	1,128,567
342,541	-	-	-	-	-	342,541
-	-	-	-	-	-	-
1,122,491	56	-	1,178	41	15,934	1,207,137
-	-	-	-	-	-	408,491
-	435,426	-	-	-	-	2,809,641
-	-	-	2,942	-	-	2,942
-	-	-	-	-	218,261	247,503
-	-	-	-	-	-	865,962
548,444	-	-	-	-	-	548,444
1,670,935	435,482	-	4,120	41	234,195	6,090,120
<b>\$ 2,311,626</b>	<b>\$ 474,227</b>	<b>\$ 73,501</b>	<b>\$ 43,120</b>	<b>\$ 621,479</b>	<b>\$ 234,195</b>	<b>\$ 7,561,228</b>

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate Trust
<b>REVENUES</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental tax revenue	-	-	-	-	-
Local option sales taxes	-	-	-	-	-
Permits and fees	-	173,521	338,769	-	-
Restricted intergovernmental	867,150	-	-	392,545	-
Sales and services	-	-	-	-	-
Investment earnings (loss)	(3,206)	(589)	-	126	(1,375)
Other	-	-	-	-	-
<b>Total revenues</b>	<b>863,944</b>	<b>172,932</b>	<b>338,769</b>	<b>392,671</b>	<b>(1,375)</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	66,624	338,769	-	-
Public safety	311,645	-	-	-	-
Human services	-	-	-	414,596	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fees	-	-	-	-	-
<b>Total expenditures</b>	<b>311,645</b>	<b>66,624</b>	<b>338,769</b>	<b>414,596</b>	<b>-</b>
Revenues over (under) expenditures	552,299	106,308	-	(21,925)	(1,375)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	231,957	-	-	-	-
Transfers to other funds	-	(25,345)	-	-	-
Installment obligation proceeds	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>231,957</b>	<b>(25,345)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	784,256	80,963	-	(21,925)	(1,375)
Fund balances, beginning	1,657,231	327,577	-	51,167	867,453
Fund balances, ending	\$ 2,441,487	\$ 408,540	\$ -	\$ 29,242	\$ 866,078

Special Revenue Funds Continued

Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	Opioid Settlement Fund	BC Service Foundation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	426,027	-	-	426,027
-	-	-	-	-	-	-
-	-	-	-	-	-	512,290
2,669,285	251,365	-	313,278	-	-	4,493,623
-	-	1,116,720	-	-	-	1,116,720
-	(670)	-	223	41	(252)	(5,702)
33,998	-	-	-	-	261,823	295,821
2,703,283	250,695	1,116,720	739,528	41	261,571	6,838,779
-	-	-	-	-	-	405,393
-	131,720	-	-	-	-	443,365
3,654,302	-	-	-	-	115,820	4,184,718
-	-	1,116,720	-	-	-	1,116,720
527,464	-	-	-	-	-	527,464
31,106	-	-	280,000	-	-	311,106
394	-	-	512,704	-	-	513,098
4,213,266	131,720	1,116,720	792,704	-	115,820	7,501,864
(1,509,983)	118,975	-	(53,176)	41	145,751	(663,085)
1,716,263	-	-	37,744	-	-	1,985,964
-	-	-	-	-	-	(25,345)
-	-	-	10,050,000	-	-	10,050,000
196,897	-	-	-	-	-	196,897
-	-	-	(10,030,849)	-	-	(10,030,849)
1,913,160	-	-	56,895	-	-	2,176,667
403,177	118,975	-	3,719	41	145,751	1,513,582
1,267,758	316,507	-	401	-	88,444	4,576,538
\$ 1,670,935	\$ 435,482	\$ -	\$ 4,120	\$ 41	\$ 234,195	\$ 6,090,120

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 867,150	
Investment earnings		(3,206)	
Total revenues	\$ 569,343	863,944	\$ 294,601
EXPENDITURES			
Current:			
Public safety:			
Other operating expenditures		311,645	
Total expenditures	1,269,343	311,645	957,698
Revenues over (under) expenditures	(700,000)	552,299	1,252,299
OTHER FINANCING SOURCES			
Transfers from other funds	-	231,957	231,957
Appropriated fund balance	700,000	-	(700,000)
Total other financing sources	700,000	231,957	(468,043)
Net change in fund balance	\$ -	784,256	\$ 784,256
Fund balance, beginning		1,657,231	
Fund balance, ending		\$ 2,441,487	

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Register of Deeds Automation Fund*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 173,521	
Investment earnings		(589)	
Total revenues	\$ 159,101	172,932	\$ 13,831
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		66,624	
Total expenditures	133,755	66,624	67,131
Revenues over expenditures	25,346	106,308	80,962
OTHER FINANCING USES			
Transfer to general fund	(25,346)	(25,345)	1
Net change in fund balance	\$ -	80,963	\$ 80,963
Fund balance, beginning		327,577	
Fund balance, ending		\$ 408,540	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 338,769	
Total revenues	\$ 400,000	338,769	\$ (61,231)
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		338,769	
Total expenditures	400,000	338,769	61,231
Revenues over expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 392,545	
Investment earnings		126	
Total revenues	\$ 500,000	392,671	\$ (107,329)
EXPENDITURES			
Current:			
Human services:			
Other operating expenditures		776	
Program support		413,820	
Total expenditures	500,000	414,596	85,404
Revenues under expenditures	-	(21,925)	(21,925)
Net change in fund balance	\$ -	(21,925)	\$ (21,925)
Fund balance, beginning		51,167	
Fund balance, ending		\$ 29,242	

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Sondley Estate Trust*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings		\$ (1,375)	
Total revenues	\$ -	(1,375)	\$ (1,375)
EXPENDITURES			
Current:			
Culture and recreation:			
Other operating expenditures		-	-
Total expenditures	-	-	-
Revenues under expenditures	-	(1,375)	(1,375)
Net change in fund balance	\$ -	(1,375)	\$ (1,375)
Fund balance, beginning		867,453	
Fund balance, ending		\$ 866,078	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 2,669,285	
Other		33,998	
Total revenues	\$ 4,578,954	2,703,283	\$ (1,875,671)
EXPENDITURES			
Current:			
Human services:			
Salaries and benefits		130,683	
Other operating expenditures		3,523,619	
Capital outlay		527,464	
Debt service:			
Principal retirement		31,106	
Interest and fees		394	
Total expenditures	6,330,276	4,213,266	2,117,010
Revenues under expenditures	(1,751,322)	(1,509,983)	241,339
OTHER FINANCING SOURCES			
Appropriated fund balance	114,741	-	(114,741)
Lease liabilities issued	-	196,897	196,897
Transfer from general fund	1,636,581	1,716,263	79,682
Total other financing sources	1,751,322	1,913,160	161,838
Net change in fund balance	\$ -	403,177	\$ 403,177
Fund balance, beginning		1,267,758	
Fund balance, ending		\$ 1,670,935	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 251,365	
Restricted investment earnings		(670)	
Total revenues	\$ 271,681	250,695	\$ (20,986)
EXPENDITURES			
Current:			
Public safety:			
Operating expenditures		131,720	
Total expenditures	271,681	131,720	139,961
Revenues over expenditures	-	118,975	118,975
Net change in fund balance	\$ -	118,975	\$ 118,975
Fund balance, beginning		316,507	
Fund balance, ending		\$ 435,482	

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
School Fines and Forfeitures*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales and services		\$ 1,116,720	
Total revenues	\$ 2,000,000	1,116,720	\$ (883,280)
EXPENDITURES			
Current:			
Education:			
Operating expenditures		1,116,720	
Total expenditures	2,000,000	1,116,720	883,280
Revenues over expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Incremental tax revenue		\$ 426,027	
Restricted intergovernmental		313,278	
Investment earnings		223	
Total revenues	\$ 778,450	739,528	\$ (38,922)
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement		280,000	
Interest and fees		512,704	
Total expenditures	798,450	792,704	5,746
Revenues under expenditures	(20,000)	(53,176)	(33,176)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of installment obligations	10,060,000	10,050,000	(10,000)
Payment to bond escrow agent	(10,040,000)	(10,030,849)	9,151
Transfer from general fund	-	37,744	37,744
Total other financing sources (uses)	20,000	56,895	36,895
Net change in fund balance	\$ -	3,719	\$ 3,719
Fund balance, beginning		401	
Fund balance, ending		\$ 4,120	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Other		\$ -	
Investment earnings		41	
Total revenues	\$ 621,438	41	\$ (621,397)
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		-	
Total expenditures	621,438	-	621,438
Revenues over expenditures	-	41	41
Net change in fund balance	\$ -	41	\$ 41
Fund balance, beginning		-	
Fund balance, ending		\$ 41	

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Buncombe County Service Foundation  
Blended Component Unit*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings		\$ (252)	
Other		261,823	
Total revenues	\$ 241,750	261,571	\$ 19,821
EXPENDITURES			
Current			
Human Services:			
Operating expenditures		115,820	
Total expenditures	281,169	115,820	165,349
Revenues over (under) expenditures	(39,419)	145,751	185,170
OTHER FINANCING SOURCES			
Appropriated fund balance	39,419	-	(39,419)
Total other financing sources	39,419	-	(39,419)
Net change in fund balance	\$ -	145,751	\$ 145,751
Fund balance, beginning		88,444	
Fund balance, ending		\$ 234,195	

*Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
for Enterprise Funds*

Solid Waste Disposal Fund

This fund accounts for the revenues and expenditures associated with the construction & demolition landfill, municipal solid waste landfill, transfer station, and the County's closed landfill.

Landfill Capital Projects Fund

This fund accounts for the capital projects associated with the solid waste program.

Inmate Commissary/Welfare Fund

This fund accounts for resources used to offset the daily personal and incidental needs of inmates in the County's detention center. Revenue is generated by telephone concessions and contributions.

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Solid Waste Disposal Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Operating revenues:			
Tipping fees		\$ 10,246,732	
Service charges and other revenues		682,913	
Intergovernmental revenues		747,118	
Total operating revenues	\$ 10,154,532	11,676,763	\$ 1,522,231
Nonoperating revenues:			
Investment earnings	291,168	(36,596)	(327,764)
Total revenues	10,445,700	11,640,167	1,194,467
<b>EXPENDITURES</b>			
Landfill:			
Salaries, wages, and fringe benefits		1,867,240	
Landfill closure and postclosure care costs		135,548	
Other operating expenses		5,286,152	
Total landfill		7,288,940	
Transfer station:			
Salaries, wages, and fringe benefits		1,417,980	
Other operating expenses		1,442,832	
Total transfer station		2,860,812	
Landfill gas to energy project:			
Salaries, wages, and fringe benefits		103,338	
Other operating expenses		336,198	
Total landfill gas to energy project		439,536	
Capital outlay		472,039	
Debt service:			
Principal retirement		975,091	
Interest and fees		17,512	
Total debt service		992,603	
Total expenditures	10,798,198	12,053,930	(1,255,732)
Revenues under expenditures	(352,498)	(413,763)	(61,265)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to solid waste capital projects	(55,000)	(1,395,000)	(1,340,000)
Lease liabilities issued	-	1,945,361	1,945,361
Sale of capital assets	-	901	901
Appropriated fund balance	407,498	-	(407,498)
Total other financing sources (uses)	352,498	551,262	198,764
Revenues and other sources over expenditures and other uses	\$ -	137,499	\$ 137,499

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Solid Waste Disposal Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues and other sources over expenditures and other uses		\$ 137,499	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Accrued interest on investments		1,717	
Increase in fuel inventory		7,276	
Capital outlay		472,039	
Depreciation		(1,992,891)	
Amortization of lease right-to-use asset		(648,177)	
Increase in deferred outflows of resources - pensions		108,933	
Decrease in deferred outflows of resources - OPEB		(222,304)	
Increase in accrued interest on debt		(7,756)	
Increase in accrued compensated absences		(6,119)	
Increase in accrued landfill closure and postclosure care costs		(985,105)	
Decrease in net OPEB liability		1,570,601	
Decrease in net pension liability		572,876	
Debt principal		975,091	
Amortization of installment note premium		6,774	
Increase in deferred inflows of resources - pensions		(616,067)	
Decrease in deferred inflows of resources - OPEB		(1,067,519)	
Operating expenditures from Landfill Capital Projects Fund		(94,679)	
Transfer to landfill capital projects		1,395,000	
Total reconciling items		<u>(530,310)</u>	
Change in net position		<u>\$ (392,811)</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Landfill Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Actual to June 30, 2022					Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year Activity	Total to Date	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Cell 7	13,555,691	618,709	(565,309)	4,474,878	4,528,278	9,027,413
Phase 7 C&D landfill	1,800,000	-	-	1,028,784	1,028,784	771,216
Subtitle D vertical expansion	827,805	717,527	-	71,805	789,332	38,473
Solid waste transfer facility	10,488,616	10,466,194	-	9,253	10,475,447	13,169
Compost feasibility study	100,000	-	-	63,180	63,180	36,820
Floor trailer for transfer station	100,000	-	-	-	-	100,000
MS landfill cell 6 gas collection & control system	350,000	-	-	-	-	350,000
Solid waste trucks	845,000	-	-	-	-	845,000
Contingency	87,648	-	-	-	-	87,648
Total expenditures	28,154,760	11,802,430	(565,309)	5,647,900	16,885,021	11,269,739
Debt service:						
Interest and fees	24,000	-	-	22,251	22,251	1,749
Revenues under expenditures	(28,178,760)	(11,802,430)	565,309	(5,670,151)	(16,907,272)	(11,271,488)
OTHER FINANCING SOURCES						
Proceeds from installment obligations	15,324,000	-	-	15,324,000	15,324,000	-
Sale of assets	-	5,000	-	-	5,000	5,000
Transfer from solid waste	11,938,616	10,543,616	-	1,395,000	11,938,616	-
Prior year revenues	916,144	1,431,488	(565,309)	-	866,179	(49,965)
Total other financing sources	28,178,760	11,980,104	(565,309)	16,719,000	28,133,795	(44,965)
Revenues and other sources over expenditures	\$ -	\$ 177,674	\$ -	\$ 11,048,849	\$ 11,226,523	\$ (11,316,453)

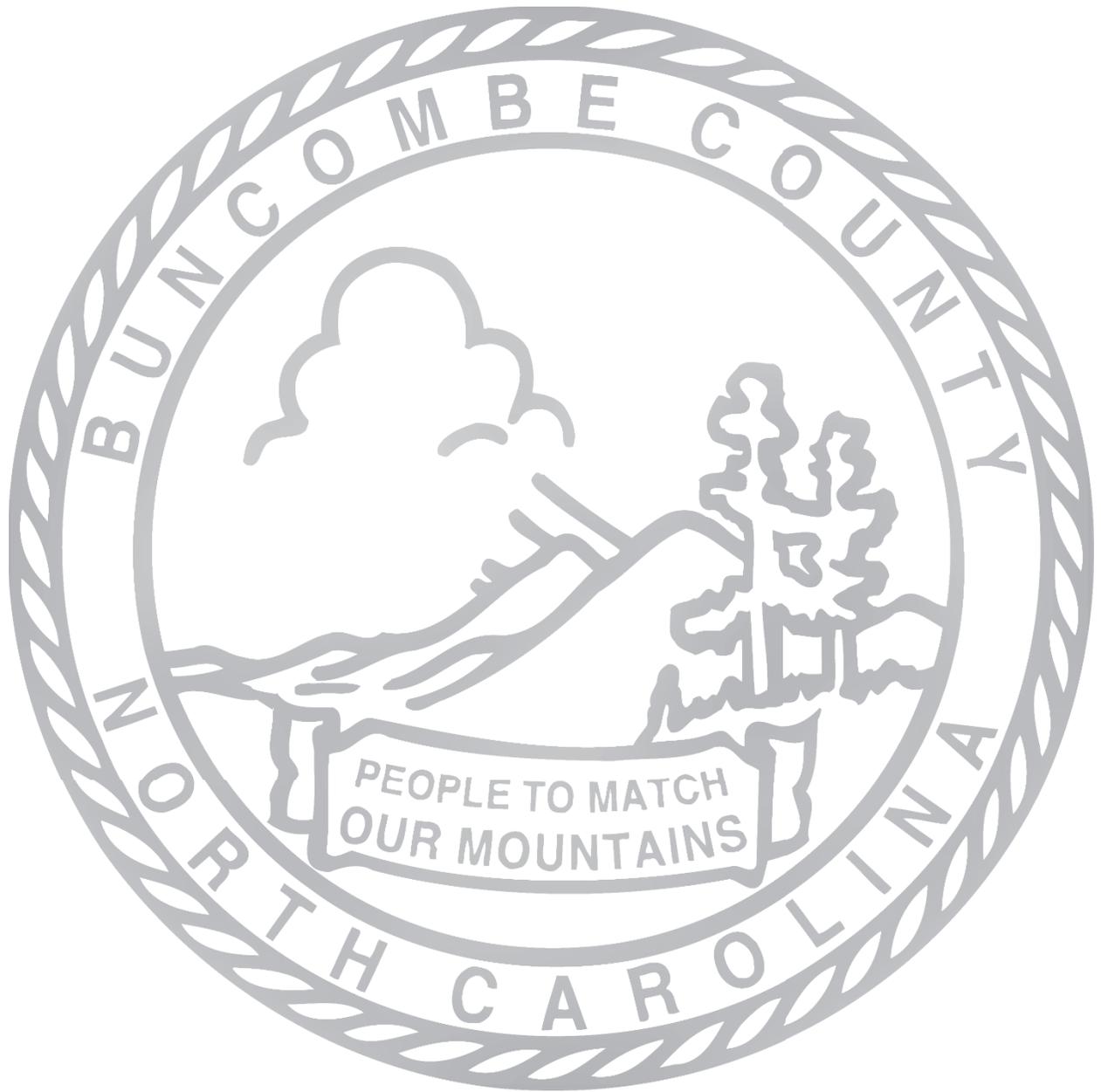
BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Inmate Commissary/Welfare Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Operating revenues:			
Commissary concessions		\$ 416,956	
Telephone concessions		49,913	
Total operating revenues		<u>466,869</u>	
Nonoperating revenues:			
Investment earnings		<u>(1,683)</u>	
Total revenues	\$ 483,983	465,186	\$ (18,797)
<b>EXPENDITURES</b>			
Salaries, wages, and fringe benefits		169,267	
Other operating expenditures		<u>182,577</u>	
Total expenditures	483,983	351,844	132,139
Revenues over expenditures	<u>\$ -</u>	113,342	<u>\$ 113,342</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Increase in deferred outflows of resources - pensions		11,431	
Increase in deferred outflows of resources - OPEB		298	
Decrease in net pension liability		16,556	
Increase in deferred inflows of resources - pensions		(30,229)	
Increase in deferred inflows of resources - OPEB		(53,773)	
Decrease in net OPEB liability		35,844	
Accrued interest on investments		85	
Depreciation		(29,439)	
Decrease in accrued compensated absences		<u>2,436</u>	
Total reconciling items		<u>(46,791)</u>	
Change in net position		<u>\$ 66,551</u>	



*Schedules and Combining Statements for  
Internal Service Fund, Custodial Funds, and Component Unit*

INTERNAL SERVICE FUND

Insurance Fund

This fund accounts for the revenues and expenditures related to property, liability, business, and health insurance for both

CUSTODIAL FUNDS

Inmate Trust Fund

This fund accounts for the activity related to funds belonging to inmates during their period of incarceration.

Municipal Tax Collections Fund

This fund accounts for activity related to ad valorem and local option sales taxes collected on behalf of other taxing units.

COMPONENT UNIT

Asheville-Buncombe Air Quality Agency

This fund accounts for the revenues and expenditures associated with the local air quality regulatory agency formed by an interlocal agreement between Buncombe County and the City of Asheville.

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

Insurance Internal Service Fund

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Charges for services		\$ 37,574,394	
Other		<u>3,245,395</u>	
Total revenues	\$ 40,835,802	40,819,789	\$ (16,013)
EXPENDITURES			
Salaries, wages, and fringe benefits		295,308	
Insurance premiums		1,595,942	
Claims		34,023,312	
Other operating expenditures		<u>3,990,464</u>	
Total expenditures	41,700,465	39,905,026	1,795,439
Revenues over (under) expenditures	<u>(864,663)</u>	914,763	1,779,426
OTHER FINANCING SOURCES			
Appropriated fund balance	864,663	-	(864,663)
Total other financing sources	<u>864,663</u>	-	<u>(864,663)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	914,763	<u>\$ 914,763</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling item:			
Decrease in incurred but not reported claims		<u>729,962</u>	
Change in net position		<u>\$ 1,644,725</u>	

BUNCOMBE COUNTY, NORTH CAROLINA  
*Combining Statement of Changes in Assets and Liabilities*  
*Custodial Funds*

FOR THE YEAR ENDED JUNE 30, 2022

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ 71,128	\$ 1,115,703	\$ 1,186,831
Receivables, net	-	846,202	846,202
Total assets	<u>71,128</u>	<u>1,961,905</u>	<u>2,033,033</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,070	-	1,070
Due to other governments	-	1,598,731	1,598,731
Total liabilities	<u>1,070</u>	<u>1,598,731</u>	<u>1,599,801</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals and other governments	70,058	363,174	433,232
Total net position	<u>\$ 70,058</u>	<u>\$ 363,174</u>	<u>\$ 433,232</u>

BUNCOMBE COUNTY, NORTH CAROLINA  
*Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds*

FOR THE YEAR ENDED JUNE 30, 2022

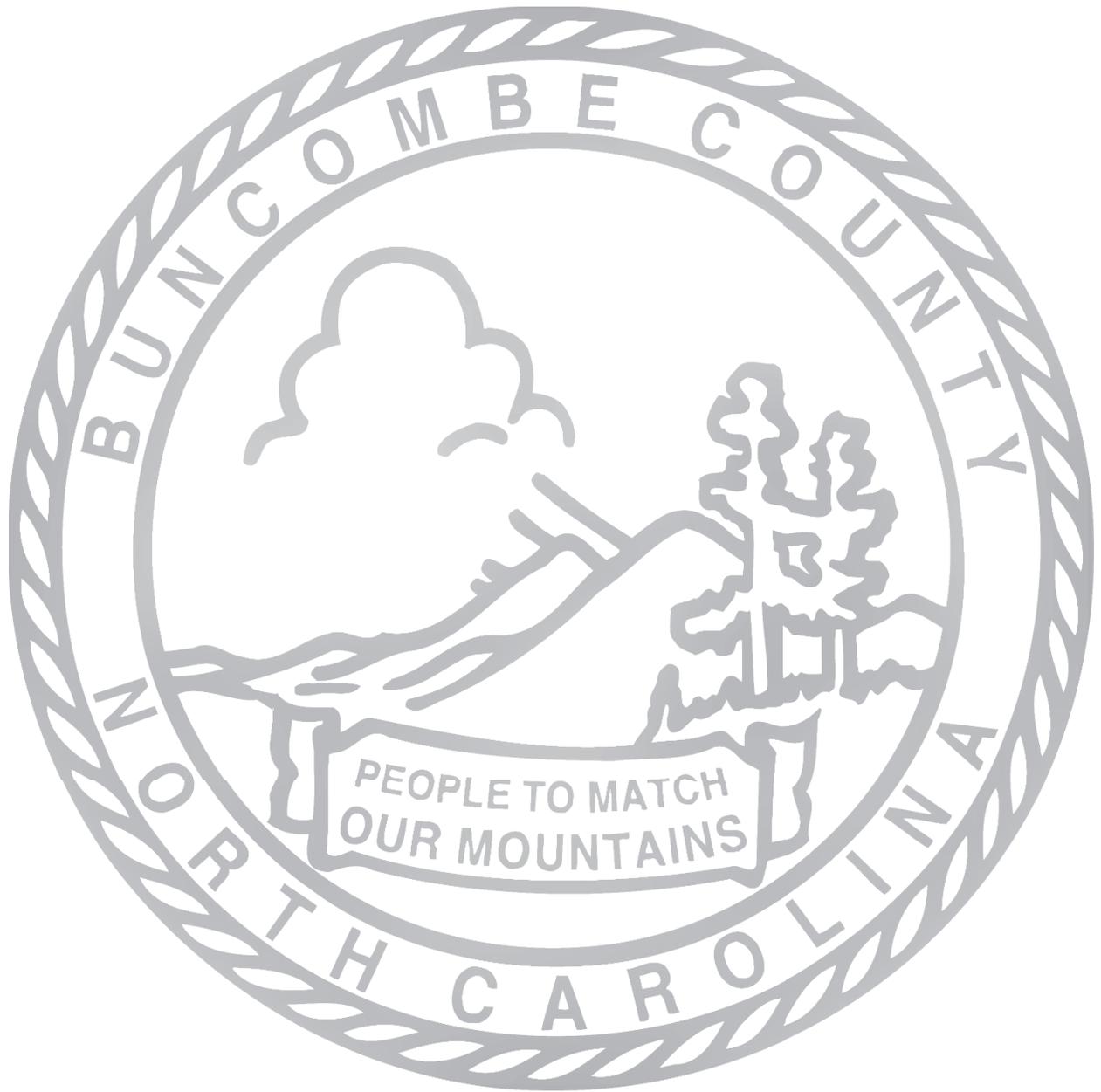
	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
<b>ADDITIONS</b>			
Taxes for other governments	\$ -	\$ 97,554,329	\$ 97,554,329
Collections on behalf of inmates	1,222,858	-	1,222,858
Total additions	<u>1,222,858</u>	<u>97,554,329</u>	<u>98,777,187</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	-	97,591,623	97,591,623
Payments on behalf of inmates	1,240,440	-	1,240,440
Total deductions	<u>1,240,440</u>	<u>97,591,623</u>	<u>98,832,063</u>
Net decrease in fiduciary net position	(17,582)	(37,294)	(54,876)
<b>NET POSITION</b>			
Net position, beginning	<u>87,640</u>	<u>400,468</u>	<u>488,108</u>
Net position, ending	<u>\$ 70,058</u>	<u>\$ 363,174</u>	<u>\$ 433,232</u>

**BUNCOMBE COUNTY, NORTH CAROLINA**

*Schedule of Revenues, Expenditures, and Change in Net Position - Budget and Actual (Non-GAAP)*  
*Asheville-Buncombe Air Quality Agency*  
*Component Unit*

FOR THE YEAR ENDED JUNE 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Federal, State, and other grants		\$ 270,642	
Licenses and permits		502,005	
Other licenses and taxes		153,344	
Investment earnings		(1,415)	
Other		17	
Total revenues	\$ 799,275	924,593	\$ 125,318
<b>EXPENDITURES</b>			
Environmental protection:			
Salaries and employee benefits		753,465	
Other operating expenses		171,820	
Total expenditures	951,344	925,285	26,059
Revenues under expenditures	(152,069)	(692)	(152,761)
<b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance	152,069	-	(152,069)
Total other financing sources	152,069	-	-
Revenues and other sources over expenditures	\$ -	(692)	\$ (152,761)
Reconciliation from budgetary basis (modified accrual) to full accrual			
Reconciling items:			
Accrued interest on investments		67	
Depreciation		(3,180)	
Increase in deferred outflows of resources - pensions		36,421	
Decrease in deferred outflows of resources - OPEB		(28,520)	
Decrease in net pension liability		74,186	
Increase in deferred inflows of resources - pensions		(89,531)	
Increase in deferred inflows of resources - OPEB		(243,415)	
Decrease in net OPEB liability		274,679	
Increase in accrued compensated absences		(4,786)	
Total reconciling items		15,921	
Change in net position		\$ 15,229	



*Other Schedules*

Buncombe County, North Carolina

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BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable

General Fund

JUNE 30, 2022

Fiscal Year	Uncollected Balance July 1	Additions	Collections and Credits	Uncollected Balance June 30
2021-2022	\$ -	\$ 236,551,310	\$ 235,968,274	\$ 583,036
2020-2021	776,749	-	527,664	249,085
2019-2020	271,519	-	163,363	108,156
2018-2019	51,067	-	10,477	40,590
2017-2018	32,935	-	3,064	29,871
2016-2017	22,195	-	1,508	20,687
2015-2016	17,731	-	10,410	7,321
2014-2015	10,911	-	1,337	9,574
2013-2014	23,328	-	3,056	20,272
2013 & Prior	58,491	-	25,818	32,673
<b>Total</b>	<b>\$ 1,264,926</b>	<b>\$ 236,551,310</b>	<b>\$ 236,714,971</b>	<b>1,101,265</b>
Less allowance for uncollectible ad valorem taxes receivable				<u>(373,332)</u>
Ad valorem taxes receivable, net				<u>\$ 727,933</u>
Reconcilement with revenues:				
Taxes - Ad valorem - General Fund				235,895,731
Reconciling items:				
Credits and write-offs				155,584
Interest collected				(681,151)
Accruals				145,753
Ad val tax revenue reported in PDF Woodfin Fund				426,027
Other				773,027
Total reconciling items				<u>819,240</u>
Total collections and credits				<u>\$ 236,714,971</u>

# BUNCOMBE COUNTY, NORTH CAROLINA

## Analysis of Current Year County-Wide Tax Levy

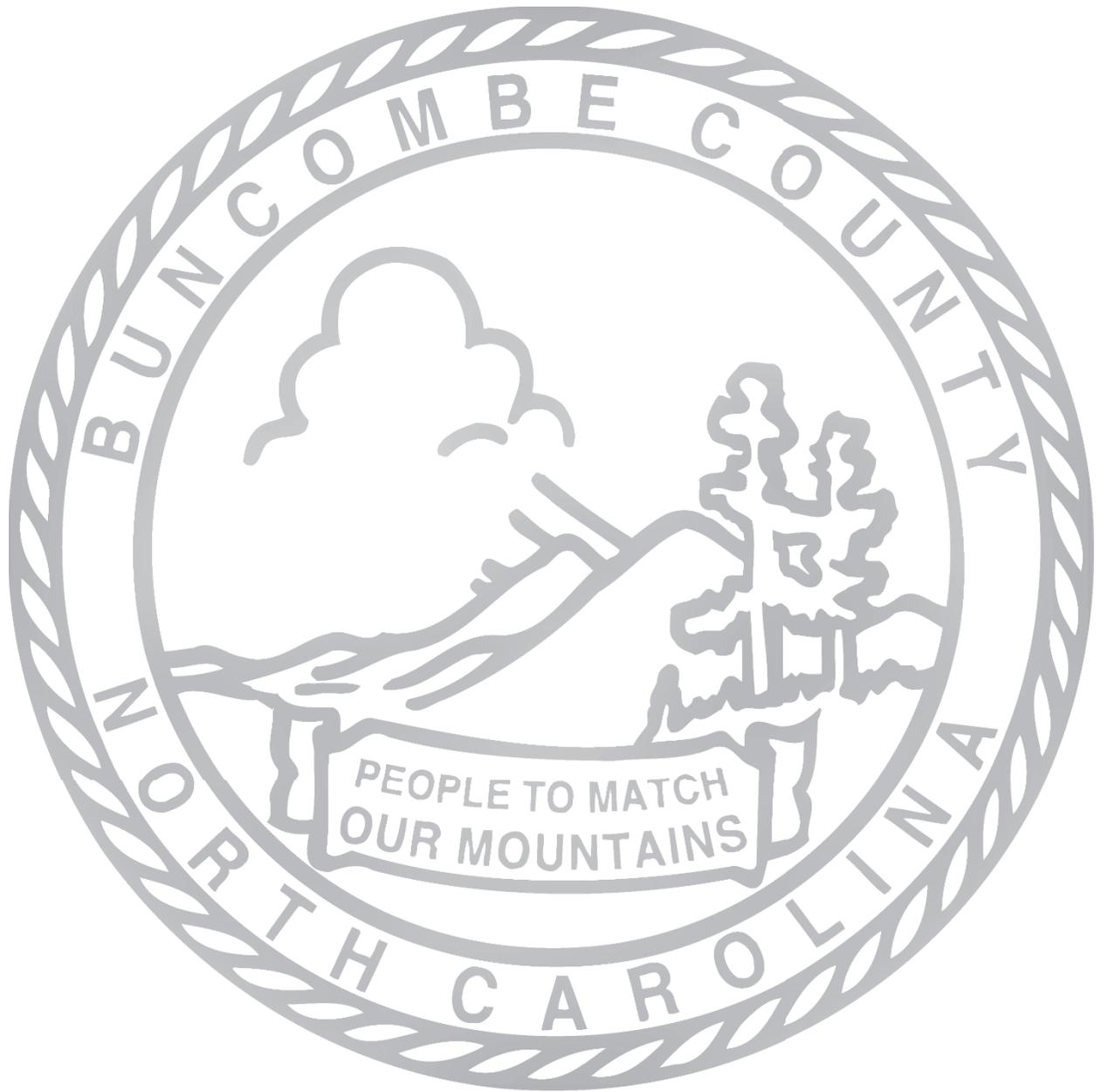
FOR THE YEAR ENDED JUNE 30, 2022

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 48,214,179,098	\$ 0.488	\$ 235,285,194	\$ 221,191,022	\$ 14,094,172
Discoveries & Adjustments					
Prior year taxes	<u>206,465,590</u>	Various	<u>1,266,116</u>	<u>1,266,116</u>	<u>-</u>
Net levy <sup>(1)</sup>	<u>\$ 48,420,644,688</u>		236,551,310	222,457,138	14,094,172
Uncollected taxes at June 30, 2022			<u>583,037</u>	<u>535,879</u>	<u>47,158</u>
Current year's taxes collected			<u>\$ 235,968,273</u>	<u>\$ 221,921,259</u>	<u>\$ 14,047,014</u>
Current levy collection %			<u>99.75%</u>	<u>99.76%</u>	<u>99.67%</u>
Secondary market disclosures:					
Assessed valuation					
Assessment ratio <sup>(2)</sup>				100.00%	
Real property				\$ 41,774,423,445	
Personal property				2,783,080,683	
Public service companies <sup>(3)</sup>				957,424,365	
Registered motor vehicles				<u>2,905,716,195</u>	
Total assessed valuation				<u>\$ 48,420,644,688</u>	
Tax rate per \$100				<u>\$ 0.488</u>	
Levy (includes discoveries, releases, and abatements)				<u>\$ 236,551,310</u>	
In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year ended June 30:					
School districts				\$ 10,913,099	
Fire protection districts				<u>28,166,738</u>	
Total				<u>\$ 39,079,837</u>	

<sup>(1)</sup> Penalties collected are distributed directly to the local school systems, and are therefore not included in the net levy.

<sup>(2)</sup> Percentage of appraised value has been established by statute.

<sup>(3)</sup> Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.



# Statistical Section



BUNCOMBE COUNTY, NORTH CAROLINA  
Statistical Section

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*This part of the Buncombe County Annual Comprehensive 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 government's overall financial health.*

<i>Contents</i>	<i>Page</i>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	151
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	156
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	160
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	164
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	167

*Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.*

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Net Position by Component*

Table 1

**LAST TEN FISCAL YEARS (accrual basis of accounting)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 92,417,846	\$ 93,609,590	\$ 84,189,214	\$ 85,535,781	\$ 69,342,217	\$ 63,771,597	\$ 51,588,548	\$ 66,862,258	\$ 72,886,111	\$ 86,010,615
Unrestricted	78,301,557	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	105,625,683
	(87,076,203)	(60,363,818)	(108,702,036)	(179,191,875)	(156,460,610)	(286,835,738)	(267,021,070)	(287,431,790)	(275,570,270)	(267,344,791)
<b>Total governmental activities net position</b>	<b>\$ 83,643,200</b>	<b>\$ 77,256,322</b>	<b>\$ 27,687,499</b>	<b>\$ (20,215,945)</b>	<b>\$ (25,146,613)</b>	<b>\$ (162,272,491)</b>	<b>\$ (159,821,708)</b>	<b>\$ (157,892,578)</b>	<b>\$ (135,266,624)</b>	<b>\$ (75,708,493)</b>
<b>Business-type activities</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 26,526,350	\$ 26,200,976	\$ 24,859,349	\$ 23,677,050	\$ 22,947,463	\$ 28,170,350	\$ 31,723,337	\$ 30,182,901	\$ 29,521,853	\$ 28,301,409
Unrestricted	1,943,250	2,152,981	2,841,242	4,574,997	5,674,200	(3,834,289)	(1,684,521)	(53,017)	90,490	984,674
<b>Total business-type activities net position</b>	<b>\$ 28,469,600</b>	<b>\$ 28,353,957</b>	<b>\$ 27,700,591</b>	<b>\$ 28,252,047</b>	<b>\$ 28,621,663</b>	<b>\$ 24,336,061</b>	<b>\$ 30,038,816</b>	<b>\$ 30,129,884</b>	<b>\$ 29,612,343</b>	<b>\$ 29,286,083</b>
<b>Primary government</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 118,944,196	\$ 119,810,566	\$ 109,048,563	\$ 109,212,831	\$ 92,289,680	\$ 91,941,947	\$ 83,311,885	\$ 97,045,159	\$ 102,407,964	\$ 114,312,024
Unrestricted	78,301,557	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	105,625,683
	(85,132,953)	(58,210,837)	(105,860,794)	(174,616,878)	(150,786,410)	(290,670,027)	(268,705,591)	(287,484,807)	(275,479,780)	(266,360,117)
<b>Total primary government net position</b>	<b>\$ 112,112,800</b>	<b>\$ 105,610,279</b>	<b>\$ 55,388,090</b>	<b>\$ 8,036,102</b>	<b>\$ 3,475,050</b>	<b>\$ (137,936,430)</b>	<b>\$ (129,782,892)</b>	<b>\$ (127,762,694)</b>	<b>\$ (105,654,281)</b>	<b>\$ (46,422,410)</b>

NOTE: Balances for years prior to FY2019 reflect restatements made in subsequent years.

BUNCOMBE COUNTY, NORTH CAROLINA  
Changes in Net Position

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 22,719,044	\$ 26,179,307	\$ 26,547,924	\$ 28,628,887	\$ 35,976,699	\$ 31,735,854	\$51,470,532	\$57,033,928	\$62,905,681	\$69,303,669
Public safety	81,600,718	86,261,299	93,283,467	100,414,238	97,495,863	103,351,595	93,302,005	101,420,210	110,196,922	113,768,142
Economic and physical development	18,787,809	15,255,668	17,890,984	31,852,491	36,634,454	32,751,395	37,520,161	32,356,232	37,854,625	46,154,773
Human services	80,404,926	86,307,869	92,117,911	96,963,368	99,775,677	90,982,306	88,717,827	95,907,482	103,818,039	106,825,233
Cultural and recreational	8,579,412	10,611,885	9,798,772	8,981,702	9,052,515	8,758,786	9,974,167	10,109,657	9,761,217	7,193,826
Education	84,770,250	107,527,022	154,203,942	142,310,790	108,434,971	138,902,609	137,601,291	124,192,016	138,712,888	153,123,698
Interest on long-term debt	11,873,924	13,657,936	17,044,059	15,432,030	15,744,885	16,124,173	15,617,573	15,176,709	13,705,700	12,316,370
Total governmental activities expenses	308,736,083	345,800,986	410,887,059	424,583,506	403,115,064	422,606,718	434,203,556	436,196,234	476,955,072	508,685,711
Business-type activities:										
Solid Waste Disposal	6,457,464	6,811,079	7,830,522	7,270,565	8,493,953	11,911,302	4,715,553	10,869,728	12,659,318	12,035,590
Inmate commissary/welfare	216,770	222,997	357,906	335,562	433,890	525,854	477,143	378,732	256,761	398,720
Criminal justice information system	1,246,614	1,416,776	-	-	-	-	-	-	-	-
Total business-type activities expenses	7,920,848	8,450,852	8,188,428	7,606,127	8,927,843	12,437,156	5,192,496	11,248,460	12,916,079	12,434,310
Total primary governmental expenses	\$ 316,656,931	\$ 354,251,838	\$ 419,075,487	\$ 432,189,633	\$ 412,042,907	\$ 435,043,874	\$ 439,396,052	\$ 447,444,694	\$ 489,871,151	\$ 521,120,021
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,774,384	\$ 3,542,856	\$ 1,792,710	\$ 2,407,864	\$ 5,207,544	\$ 5,206,280	\$ 5,352,685	\$ 5,141,450	\$ 7,502,909	\$ 7,379,953
Public safety	11,220,535	10,483,019	11,512,251	10,816,741	13,719,683	14,253,115	14,624,759	15,808,262	12,078,741	13,947,930
Economic and physical development	8,424,439	448,312	489,513	437,203	529,488	1,840,544	757,008	1,010,471	3,525,855	4,367,490
Human services	2,232,396	2,237,859	2,268,101	3,031,866	3,175,287	1,790,538	1,717,706	1,910,601	4,474,914	4,800,514
Cultural and recreational	590,408	517,104	450,484	365,132	361,971	413,519	505,568	310,224	158,544	283,372
Education	-	-	-	-	-	-	-	-	636,621	1,116,720
Operating grants and contributions	45,447,077	48,960,176	56,295,309	58,289,268	60,726,292	48,691,985	51,538,618	52,120,976	63,004,949	79,355,050
Capital grants and contributions	7,848,558	9,367,855	6,344,047	2,568,300	2,185,978	3,420,608	3,454,933	2,684,062	1,178,692	798,363
Total governmental activities program revenues	80,537,797	75,557,181	79,152,415	77,916,374	85,906,243	75,616,589	77,951,277	78,986,046	92,561,225	112,049,392
Business-type activities:										
Charges for services:										
Solid Waste Disposal	6,855,245	6,928,813	6,773,435	7,342,311	8,232,842	8,326,404	9,258,677	10,684,973	11,220,363	10,929,639
Inmate commissary/welfare	351,049	323,536	311,076	343,402	477,200	512,433	568,978	504,460	410,785	466,869
Criminal justice information system	1,326,631	1,383,407	-	-	-	-	-	-	-	-
Operating grants and contributions	373,333	371,192	393,715	418,726	441,397	631,261	578,909	612,084	659,426	-
Capital grants and contributions	226,720	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	9,132,978	9,006,948	7,478,226	8,104,439	9,151,439	9,470,098	10,406,564	11,801,517	12,290,574	11,396,508
Total primary governmental program revenues	\$ 89,670,775	\$ 84,564,129	\$ 86,630,641	\$ 86,020,813	\$ 95,057,682	\$ 85,086,687	\$ 88,357,841	\$ 90,787,563	\$ 104,851,799	\$ 123,445,900

Continued On Next Page

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense) revenue										
Governmental activities	\$ (228,198,286)	\$ (270,243,805)	\$ (331,734,644)	\$ (346,667,132)	\$ (317,208,821)	\$ (346,990,129)	\$ (356,252,279)	\$ (357,210,188)	\$ (384,393,847)	\$ (396,636,319)
Business-type activities	1,212,130	556,096	(710,202)	498,312	223,596	(2,967,058)	5,214,068	553,057	(625,505)	(1,037,802)
Total primary governmental net expense	\$ (226,986,156)	\$ (269,687,709)	\$ (332,444,846)	\$ (346,168,820)	\$ (316,985,225)	\$ (349,957,187)	\$ (351,038,211)	\$ (356,657,131)	\$ (385,019,352)	\$ (397,674,121)

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Taxes: Property taxes	\$ 171,095,813	\$ 192,667,851	\$ 191,247,474	\$ 196,709,722	\$ 201,518,909	\$ 216,163,406	\$ 221,478,724	\$ 232,199,493	\$ 256,895,134	\$ 277,517,395
Taxes: Local option sales tax	58,665,856	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415
Other taxes and licenses	5,524,997	15,039,610	17,209,248	23,374,603	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,178,771
Investment earnings (loss), unrestricted	144,603	300,785	344,674	770,823	1,244,338	2,261,540	4,088,580	3,077,122	75,070	(52,847)
Gain (loss) on sale of capital assets	-	(417,150)	1,828,088	3,139,269	91,350	192,891	157,785	145,412	126,077	9,025
Miscellaneous, unrestricted	1,237,045	956,147	1,607,318	1,312,887	2,103,635	2,935,957	6,935,722	4,953,915	5,580,557	6,187,691
Transfers	-	601,570	-	-	-	-	-	-	(60,445)	-
Total governmental activities	236,668,314	271,111,416	283,028,886	301,308,908	312,278,153	337,085,882	354,415,368	359,139,318	406,113,161	456,194,450
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	747,118
Investment earnings, unrestricted	57,016	38,182	55,526	46,854	141,511	234,592	302,015	162,120	2,069	(36,477)
Gain (Loss) on sale of capital assets	-	-	1,310	6,290	4,509	6,039	5,000	(624,109)	45,450	901
Transfers	-	(601,570)	-	-	-	-	-	-	60,445	-
Total business-type activities	57,016	(563,388)	56,836	53,144	146,020	240,631	307,015	(461,989)	107,964	711,542
Total primary government	\$ 236,725,330	\$ 270,548,028	\$ 283,085,722	\$ 301,362,052	\$ 312,424,173	\$ 337,326,513	\$ 354,722,383	\$ 358,677,329	\$ 406,221,125	\$ 456,905,992

CHANGE IN NET POSITION

Governmental activities	\$ 8,470,028	\$ 867,611	\$ (48,705,758)	\$ (45,358,224)	\$ (4,930,668)	\$ (9,904,247)	\$ (1,836,911)	\$ 1,929,130	\$ 21,719,314	\$ 59,558,131
Business-type activities	1,269,146	(7,292)	(653,366)	551,456	369,616	(2,726,427)	5,521,083	91,068	(517,541)	(326,260)
Total primary government	\$ 9,739,174	\$ 860,319	\$ (49,359,124)	\$ (44,806,768)	\$ (4,561,052)	\$ (12,630,674)	\$ 3,684,172	\$ 2,020,198	\$ 21,201,773	\$ 59,231,871

NOTE: Balances for prior years do not reflect restatements made in subsequent years.

BUNCOMBE COUNTY, NORTH CAROLINA  
Fund Balances of Governmental Funds

Table 3

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$ 243,865	\$ 300,407	\$ 52,597	\$ 52,202	\$ 57,975	\$ 40,734	\$ 38,481	\$ 56,655	\$ 86,950	\$ 453,917
Restricted	19,221,755	20,197,103	23,297,383	22,973,645	22,449,441	16,994,461	21,348,759	25,450,599	25,584,257	32,000,060
Committed	1,200,000	1,200,000	5,462,421	3,765,433	2,019,304	2,340,038	4,569,725	2,639,713	14,931,204	1,803,066
Assigned	7,001,237	7,584,637	9,643,213	6,039,085	15,363,817	9,042,094	13,640,077	12,673,752	9,344,348	15,947,652
Unassigned	43,466,405	41,869,339	37,121,496	43,741,792	37,694,163	53,872,735	55,692,912	56,964,358	66,704,252	74,109,359
<b>Total General Fund</b>	<b>\$ 71,133,262</b>	<b>\$ 71,151,486</b>	<b>\$ 75,577,110</b>	<b>\$ 76,572,157</b>	<b>\$ 77,584,700</b>	<b>\$ 82,290,062</b>	<b>\$ 95,289,954</b>	<b>\$ 97,785,077</b>	<b>\$ 116,651,011</b>	<b>\$ 124,314,054</b>
<b>All other governmental funds</b>										
Nonspendable	\$ 764	\$ 1,532,974	\$ 1,452,037	\$ 1,391,278	\$ 1,429,774	\$ 2,286,174	\$ 4,092,455	\$ -	\$ -	\$ -
Restricted	59,079,802	174,502,262	187,815,672	115,566,695	70,341,446	82,685,453	46,305,740	54,285,298	54,039,097	89,100,484
Assigned	13,108,288	27,805,926	21,257,379	8,492,988	15,933,577	14,285,768	7,163,959	15,244,724	5,851,770	22,106,381
Unassigned	-	-	-	-	-	(168)	-	-	-	(1,942,419)
<b>Total all other governmental funds</b>	<b>\$ 72,188,854</b>	<b>\$ 203,841,162</b>	<b>\$ 210,525,088</b>	<b>\$ 125,450,961</b>	<b>\$ 87,704,797</b>	<b>\$ 99,257,227</b>	<b>\$ 57,562,154</b>	<b>\$ 69,530,022</b>	<b>\$ 59,890,867</b>	<b>\$ 109,264,446</b>
<b>Total Combined Governmental Fund Balances</b>	<b>\$ 143,322,116</b>	<b>\$ 274,992,648</b>	<b>\$ 286,102,198</b>	<b>\$ 202,023,118</b>	<b>\$ 165,289,497</b>	<b>\$ 181,547,289</b>	<b>\$ 152,852,108</b>	<b>\$ 167,315,099</b>	<b>\$ 176,541,878</b>	<b>\$ 233,578,500</b>

NOTE: Balances for prior years reflect restatements made in subsequent years.

BUNCOMBE COUNTY, NORTH CAROLINA  
Changes in Fund Balances of Governmental Funds

Table 4

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Ad valorem taxes	\$ 171,520,939	\$ 192,949,306	\$ 191,565,661	\$ 196,458,687	\$ 201,907,004	\$ 216,086,991	\$ 221,770,248	\$ 231,903,837	\$ 257,192,381	\$ 278,179,164
Local option sales taxes	58,665,856	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415
Other taxes and licenses	13,090,813	14,331,532	16,466,653	22,665,004	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,084,779
Unrestricted intergovernmental	638,811	708,078	742,595	709,599	840,987	715,572	718,206	719,843	2,084,204	2,737,810
Restricted intergovernmental	48,245,459	58,328,031	61,016,020	59,150,308	62,840,342	52,681,247	54,949,366	54,336,167	62,512,752	78,684,648
Permits and fees	2,630,342	3,075,411	3,451,565	3,604,379	4,715,220	4,664,396	4,870,670	4,858,118	5,852,844	6,010,354
Sales and services	14,108,121	14,129,326	14,708,008	15,336,262	18,044,931	18,060,057	16,260,790	18,197,757	22,425,388	25,548,726
Investment earnings	148,134	274,061	382,885	721,103	1,141,090	2,235,734	4,299,443	1,839,869	35,831	(116,164)
Miscellaneous	1,247,045	956,147	1,607,318	1,312,887	1,262,648	2,220,385	5,915,315	5,051,020	4,616,998	3,785,248
<b>Total revenues</b>	<b>310,295,520</b>	<b>346,714,495</b>	<b>360,732,789</b>	<b>375,959,833</b>	<b>398,072,143</b>	<b>412,196,470</b>	<b>430,538,595</b>	<b>435,669,987</b>	<b>498,217,166</b>	<b>567,268,980</b>
<b>Current:</b>										
General government	21,731,568	23,200,093	25,720,370	26,764,764	29,316,045	29,248,466	41,849,374	46,976,274	52,176,119	67,237,776
Public safety	72,494,711	76,923,039	83,550,101	84,974,813	89,079,165	94,780,349	89,404,625	96,265,118	104,716,515	113,967,071
Economic and physical development	17,957,236	14,823,254	16,376,729	23,576,691	29,564,805	31,733,817	32,184,527	28,757,530	34,694,287	44,529,952
Human services	79,202,525	83,521,333	91,370,860	92,548,588	99,399,461	90,401,483	87,079,628	89,568,043	97,693,118	108,360,261
Cultural and recreation	7,242,489	8,987,448	8,387,620	7,422,146	7,769,730	7,580,495	8,309,149	8,305,780	8,074,325	9,179,460
Intergovernmental:										
Education	74,828,472	74,556,185	79,225,390	82,359,578	75,323,300	80,815,035	85,165,897	90,709,757	107,614,216	115,586,273
Capital outlay	50,774,671	69,217,388	99,951,422	91,403,795	59,688,720	74,464,435	64,475,539	45,287,687	46,765,633	47,499,365
Debt service										
Principal	22,299,000	20,243,994	24,407,151	25,932,708	26,145,568	29,020,567	31,920,567	31,914,567	33,428,570	33,584,822
Interest and fees	13,426,237	15,743,470	18,792,182	21,954,450	20,330,667	19,926,347	20,923,220	19,805,655	17,900,330	16,603,781
<b>Total expenditures</b>	<b>359,956,909</b>	<b>387,216,204</b>	<b>447,781,825</b>	<b>456,937,533</b>	<b>436,617,461</b>	<b>457,970,994</b>	<b>461,312,526</b>	<b>457,590,411</b>	<b>503,063,113</b>	<b>556,548,761</b>
Excess of revenues over (under) expenditures	(49,661,389)	(40,501,709)	(87,049,036)	(80,977,700)	(38,545,318)	(45,774,524)	(30,773,931)	(21,920,424)	(4,845,947)	10,720,219
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	5,829,800	18,199,223	11,183,266	23,991,948	7,208,044	19,385,843	17,493,731	12,733,881	13,600,087	28,168,739
Transfers to other funds	(5,829,800)	(18,582,849)	(13,683,266)	(33,156,948)	(7,208,044)	(19,385,843)	(15,629,823)	(12,733,881)	(10,685,103)	(28,168,739)
Installment obligations issued	73,380,000	180,315,001	126,844,450	-	1,720,347	54,730,000	-	98,465,674	10,096,000	124,831,000
General obligation debt issued	32,500,000	-	-	-	-	-	-	-	-	-
General obligation debt issued	11,883,464	21,379,812	22,736,977	-	-	6,371,796	-	-	-	2,097,912
Premium/discount on debt issued	(46,559,350)	(30,752,734)	(51,515,579)	-	-	-	-	(62,275,039)	-	(80,711,695)
Payment to refunded bond escrow agent	1,467,321	82,210	2,592,738	5,081,479	91,350	670,495	214,844	192,780	155,102	99,186
Sale of capital assets	72,671,435	170,640,663	98,158,586	(4,083,521)	1,811,697	61,772,291	2,078,752	36,383,415	13,166,086	46,316,403
<b>Total other financing sources (uses)</b>										
<b>Net change in fund balances</b>	<b>\$ 23,010,046</b>	<b>\$ 130,138,954</b>	<b>\$ 11,109,550</b>	<b>\$ (85,061,221)</b>	<b>\$ (36,733,621)</b>	<b>\$ 15,997,767</b>	<b>\$ (28,695,179)</b>	<b>\$ 14,462,991</b>	<b>\$ 8,320,139</b>	<b>\$ 57,036,622</b>
Debt services as a percentage of noncapital expenditures	11.37%	10.32%	9.65%	10.48%	10.64%	10.69%	11.46%	11.30%	10.20%	9.02%

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Assessed Value of Taxable Property*

**Table 5**

**LAST TEN FISCAL YEARS (amounts expressed in thousands)**

Fiscal Year Ended June 30	Real Property		Use Value Farm	Historical Property	Personal Property		Less: Tax Exempt Real Property	Public Service Assessed Value		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property			Motor Vehicles	Other		Assessed Value	Assessed Value		
2013	19,980,840	5,765,143	1,202,337	100,086	1,765,488	1,528,991	1,192,171	529,268	29,679,981	0.525	
2014	18,671,008	5,784,047	1,007,838	96,053	1,342,270	1,595,537	968,969	529,435	28,057,219	0.604	
2015	18,895,973	5,995,685	1,015,256	96,185	1,952,226	1,653,573	1,263,593	532,418	28,877,723	0.604	
2016	19,122,947	6,143,178	1,034,999	97,419	2,100,032	1,726,624	1,268,909	588,226	29,544,516	0.604	
2017	19,416,142	6,445,705	1,014,952	97,091	2,215,126	1,902,707	1,260,614	585,936	30,417,045	0.539	
2018	23,644,415	7,987,749	1,281,038	118,491	2,320,683	1,893,655	1,595,053	613,635	36,264,613	0.529	
2019	24,468,024	8,110,475	1,272,935	150,588	2,429,053	1,975,798	1,588,701	709,941	37,528,113	0.529	
2020	26,328,421	7,831,821	1,174,739	116,260	2,424,076	2,150,140	1,562,025	874,955	39,338,387	0.529	
2021	26,717,813	8,299,036	1,206,360	96,830	2,766,719	2,755,991	1,566,723	1,038,671	41,314,697	0.529	
2022	32,740,434	9,340,190	1,372,910	107,568	2,905,716	2,785,403	1,789,001	957,424	48,420,644	0.488	

SOURCE: Buncombe County Tax Department

NOTE: Tax exempt real property includes: elderly exclusion, use value deferred, and classified historic exempt property.

NOTE: The county assesses property at approximately 100 percent of actual value.  
 Tax rates are per \$100 of assessed value.

NOTE: Property in Buncombe County was reappraised in 2014 and 2017.

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Property Tax Rates-Direct And All Overlapping Governments*

**Table 6**

**LAST TEN FISCAL YEARS (per \$100 of assessed value)**

	Fiscal Year									
	2013	2014 <sup>2</sup>	2015	2016	2017 <sup>2</sup>	2018	2019	2020	2021	2022 <sup>2</sup>
County Direct Rates:										
County-wide Rate <sup>1</sup>	\$ 0.525	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.539	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.488
Fire Districts <sup>3</sup>	0.113	0.118	0.118	0.118	0.118	0.123	0.143	0.143	0.133	0.130
Total average direct rate	0.638	0.722	0.722	0.722	0.657	0.652	0.672	0.672	0.662	0.618
Municipality Rates:										
City of Asheville	0.420	0.460	0.475	0.475	0.475	0.429	0.429	0.429	0.429	0.403
Town of Biltmore Forest	0.330	0.385	0.385	0.395	0.395	0.330	0.345	0.345	0.345	0.345
Town of Weaverville	0.375	0.420	0.420	0.440	0.440	0.380	0.380	0.380	0.380	0.350
Town of Black Mountain	0.365	0.375	0.375	0.375	0.375	0.333	0.333	0.333	0.333	0.306
Town of Montreat	0.410	0.410	0.410	0.410	0.410	0.410	0.410	0.430	0.430	0.430
Town of Woodfin	0.265	0.305	0.305	0.305	0.305	0.280	0.280	0.330	0.330	0.330
Asheville School District	0.150	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120	0.106

**NOTES:**

- (1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas are also subject to fire district taxes.
- (2) A revaluation of real property is required by N.C. General Statute at least every eight years.  
 Revaluation was completed for tax year 2013, 2016 and 2021 (fiscal year 2014, 2017 and 2022).
- (3) Average rate of the various Fire Districts.

BUNCOMBE COUNTY, NORTH CAROLINA

Principal Property Taxpayers

DECEMBER 31, 2022

Table 7

Taxpayer	December 31, 2022			December 31, 2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	962,320,976	1	2.11%			
Duke Energy Progress Inc	703,749,091	2	1.54%	312,436,499	1	1.07%
Ingles Markets Inc	348,737,415	3	0.76%	186,335,380	2	0.64%
Biltmore Company	150,047,627	4	0.33%	98,565,897	6	0.34%
GPI Resort Holdings LLC	146,281,000	5	0.32%	132,883,000	5	0.45%
New Belgium Brewing Company Inc	120,083,021	6	0.26%			
Linamar North Carolina Inc	110,532,141	7	0.24%			
Town Square West LLC	93,293,035	8	0.20%	118,975,440	4	0.41%
Southeastern Container Inc	87,517,931	9	0.19%	68,032,030	10	0.23%
MHG Asheville	80,201,951	10	0.18%			
The Cliffs at Walnut Cove LLC				121,285,400	3	0.41%
Arvato Digital Services (Sonopress)				72,690,410	7	0.25%
Asheville Mall CMBS LLC				78,903,180	8	0.27%
Bellsouth Tel Co - AT&T North Carolina				73,165,166	9	0.25%
<b>Totals</b>	<b>\$ 2,802,764,188</b>		<b>6.14%</b>	<b>\$ 1,263,272,402</b>		<b>4.31%</b>
<b>Total Overall Valuation</b>	<b>45,637,290,244</b>			<b>29,314,987,619</b>		

SOURCE: Buncombe County Tax Department

BUNCOMBE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections

Table 8

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2013	156,148	154,652	99.04%	6	154,658	99.05%
2014	167,069	166,098	99.42%	106	166,204	99.48%
2015	174,422	173,958	99.73%	8	173,966	99.74%
2016	178,618	178,338	99.84%	29	178,367	99.86%
2017	183,816	183,615	99.89%	146	183,761	99.97%
2018	195,601	195,331	99.86%	-	195,331	99.86%
2019	198,724	198,505	99.89%	-	198,505	99.89%
2020	208,210	206,937	99.39%	-	206,937	99.39%
2021	218,891	218,114	99.65%	-	218,114	99.65%
2022	236,637	236,054	99.75%	-	236,054	99.75%

SOURCE: Buncombe County Tax Department

NOTE: Property was revalued and effective in fiscal year 2014, 2017 and 2022

BUNCOMBE COUNTY, NORTH CAROLINA  
*Ratios of Outstanding Debt by Type*

Table 9

LAST TEN FISCAL YEARS (amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Installment Notes	Project Development Financing Bonds	Total Governmental Activities	Special Obligation Bonds	Installment Notes	Business-Type Activities	Total Business-Type Activities					
2013	44,717	238,710	12,960	296,387	2,867	3,714	6,581	302,968	3.22%	1,215			
2014	38,344	427,831	-	466,175	1,462	3,372	4,834	471,009	4.63%	1,866			
2015	30,124	527,434	-	557,558	-	3,030	3,030	509,141	4.70%	1,988			
2016	27,248	493,279	-	520,527	-	2,688	2,688	523,215	4.62%	2,012			
2017	24,373	461,451	-	485,824	-	2,348	2,348	488,172	4.09%	1,861			
2018	21,498	493,053	-	514,551	-	2,007	2,007	516,558	4.07%	1,950			
2019	18,623	456,783	-	475,406	-	1,741	1,741	477,147	3.58%	1,785			
2020	15,750	418,502	-	434,252	-	1,320	1,320	435,572	3.10%	1,612			
2021	12,877	393,144	-	406,021	-	1,001	1,001	407,022	N/A	1,492			
2022	10,004	398,154	-	408,158	-	15,999	15,999	424,157	N/A	1,538			

NOTE: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>Personal income and population data can be found on Table 13 (Demographic and Economic Statistics)

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Ratios of General Bonded Debt Outstanding*

**Table 10**

LAST TEN FISCAL YEARS (amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2013	44,717	0.15%	185
2014	38,344	0.14%	154
2015	30,124	0.10%	118
2016	27,248	0.09%	105
2017	24,373	0.08%	93
2018	21,498	0.06%	81
2019	18,623	0.05%	70
2020	15,750	0.04%	58
2021	12,877	0.03%	47
2022	10,004	0.02%	36

NOTE: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>Property value data can be found on Table 5 (Assessed Value of Taxable Property)

<sup>2</sup>Population data can be found on Table 13 (Demographic and Economic Statistics)

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Direct and Overlapping Governmental Activities Debt*

**Table 11**

AS OF JUNE 30, 2022

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
Net general obligation bonded debt			
City of Asheville	\$ 33,674,912	100%	\$ 33,674,912
Town of Weaverville	1,486,000	100%	1,486,000
Installment Debt			
City of Asheville	75,075,258	100%	75,075,258
Town of Biltmore Forest	142,537	100%	142,537
Town of Black Mountain	1,690,473	100%	1,690,473
Town of Weaverville	153,329	100%	153,329
Town of Woodfin	196,815	100%	196,815
Subtotal, overlapping debt			<u>112,419,324</u>
County direct debt		100%	<u>409,809,100</u>
Total direct and overlapping debt			<u>\$ 522,228,424</u>

(1) The percentage of overlap is based on assessed property values.

(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County of Buncombe.



**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Demographic and Economic Statistics*

**Table 13**

**LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2013	249,325	9,419,058	38,141	41.2	30,535	6.4%
2014	252,384	10,169,914	40,797	41.3	31,003	4.8%
2015	256,096	10,841,968	42,996	41.3	30,232	4.7%
2016	260,096	11,332,554	44,403	42.6	32,008	4.0%
2017	262,360	11,923,891	46,323	42.8	31,966	3.4%
2018	264,849	12,679,516	48,819	42.5	31,828	3.2%
2019	267,372	13,313,254	50,804	42.0	30,747	3.3%
2020	270,224	14,045,669	53,309	42.7	30,441	11.3%
2021	272,880	N/A	N/A	43.0	28,753	4.5%
2022	275,777	N/A	N/A	43.4	28,747	2.9%

NOTE: Population estimates come from the North Carolina Office of State Budget and Management. Personal income information is a total for the year. Unemployment rate information is as of the month ending June. School enrollment is based on the census at the start of the school year. Beginning in 2016 charter schools are included in total enrollment.

BUNCOMBE COUNTY, NORTH CAROLINA  
Principal Employers

Table 14

CURRENT YEAR AND TEN YEARS AGO

Employer	2022			2012		
	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation	1,000-2,999	1	0.71%-2.14%	750	1	0.58%
Thermo Fisher Scientific, Inc.	1,000-2,999	2	0.71%-2.14%	550	4	0.42%
Borgwarner Turbo & Emissions Systems	500-999	3	0.36%-0.71%	600	3	0.47%
Linamar	500-999	4	0.36%-0.71%			
Kearfott Corporation	400-499	5	0.29%-0.36%	420	5	0.33%
Plasticard-Locktech International	300-399	6	0.21%-0.28%			
Flint Group	300-399	7	0.21%-0.28%	325	6	0.25%
GE Aviation	300-399	8	0.21%-0.28%			
Jabil	300-399	9	0.21%-0.28%	310	8	0.24%
Owens & Minor	300-399	10	0.21%-0.28%			
Arvato Digital Services				650	2	0.50%
Unison Engine Components				325	7	0.25%
Milkco, Inc.				300	9	0.23%
Biltmore Estate Winery				235	10	0.18%
Total	4,900-10,490		3.28%-6.46%	4,465		3.45%

Continued on Next Page

NON-MANUFACTURING

Employer	2022			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	3,000+	1	2.14%	6,994	1	5.49%
Buncombe County Public Schools	3,000+	2	2.14%	4,000	2	3.14%
Ingles Markets, Inc.	1,000-2,999	3	0.71%-2.14%	1,137	6	0.89%
VA Medical Center - Asheville	1,000-2,999	4	0.71%-2.14%	1,593	4	1.25%
The Biltmore Company	1,000-2,999	5	0.71%-2.14%	1,380	5	1.08%
Buncombe County Government	1,000-2,999	6	0.71%-2.14%	1,000	9	0.78%
City of Asheville Government	1,000-2,999	7	0.71%-2.14%	1,770	3	1.39%
Walmart	1,000-2,999	8	0.71%-2.14%			
Mountain Area Health Center	500-999	9	0.36%-0.71%			
Asheville-Buncombe Technical Community College	500-999	10	0.36%-0.71%			
Omni Grove Park Inn				1,019	8	0.80%
CarePartners				1,100	7	0.86%
				950	10	0.75%
Total	13,000-26,000		9.26%-18.54%	20,943		16.43%

\* Labor Force Estimate for 2022 per NCESC: 141,501  
 Labor Force Estimate for 2012 per NCESC: 127,501

SOURCE: Asheville Chamber of Commerce and Federal Reserve Bank Economic Research (FRED)

**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Summary of Permanent Positions by Service Area*

**Table 15**

**TEN FISCAL YEARS**

General Fund Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	161	165	172	170	169	168	238	247	251	258
Public Safety	550	580	592	597	603	620	562	584	618	640
Human Services	555	565	586	609	584	589	569	570	572	567
Economic & Physical Development	23	23	22	23	23	24	42	43	44	49
Cultural and Recreational	81	81	70	61	63	64	65	65	80	98
<b>Total</b>	<b>1,370</b>	<b>1,414</b>	<b>1,442</b>	<b>1,460</b>	<b>1,442</b>	<b>1,465</b>	<b>1,476</b>	<b>1,509</b>	<b>1,565</b>	<b>1,612</b>
General Fund	1,370	1,414	1,442	1,460	1,442	1,465	1,476	1,509	1,565	1,612
Special Revenue Funds	-	-	9	2	1	1	1	1	17	29
Enterprise Funds	31	31	25	23	26	26	31	31	36	39
Internal Service Fund	5	5	5	2	7	6	7	6	5	4
<b>Total</b>	<b>1,406</b>	<b>1,450</b>	<b>1,481</b>	<b>1,487</b>	<b>1,476</b>	<b>1,498</b>	<b>1,515</b>	<b>1,547</b>	<b>1,623</b>	<b>1,684</b>

Note: In 2019 General Services (44) moved from Public Safety to General Government and Inspections and Permits (21) moved from Public Safety to Economic & Physical Development  
 SOURCE: Buncombe County Budget Office.

# BUNCOMBE COUNTY, NORTH CAROLINA

Table 16

## Operating Indicators by Function

### LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>GENERAL GOVERNMENT</b>										
Number of Employment Applications Processed	6,259	6,980	7,611	3,660	7,296	7,863	6,789	8,431	7,954	8,042
Percentage of Registered Voters Participating in General Election	19.0%	49.0%	17.0%	71.0%	N/A	23.3%	61.0%	N/A	78.3%	20.0%
<b>PUBLIC SAFETY</b>										
Number of Inmates Processed	14,492	13,870	12,973	13,349	12,962	12,550	12,009	10,821	7,746	8,165
Number of Building Permits Issued	1,757	2,057	2,354	2,332	2,419	2,451	3,027	3,021	3,458	3,574
Number of Emergency Calls Dispatched*	65,127	66,223	68,537	70,150	71,837	165,481	187,317	174,904	176,319	232,757
<b>HUMAN SERVICES</b>										
Percentage of Children Reunited with Family after Foster Care	28%	20%	34%	33%	24%	22%	29%	21%	28%	33%
<b>ECONOMIC AND PHYSICAL DEVELOPMENT</b>										
Number of Subdivision Plan Reviews	494	518	624	681	785	954	775	927	984	802
<b>CULTURE AND RECREATION</b>										
Library Book Circulation	1,592,279	1,608,748	1,602,994	1,757,157	1,667,802	1,716,038	1,659,826	1,460,254	1,372,279	1,669,379
Number of Visitors to Swimming Pools	59,194	56,063	47,381	35,421	36,505	38,524	29,743	10,737	21,590	36,454
<b>EDUCATION</b>										
Dollars Spent Per Pupil**	\$ 2,267	\$ 2,243	\$ 2,420	\$ 2,384	\$ 2,169	\$ 2,332	\$ 2,517	\$ 2,624	\$ 2,708	\$ 3,037
<b>ENTERPRISE FUND - SOLID WASTE</b>										
Tons of Waste Received	128,408	133,795	131,222	139,443	152,302	183,455	184,037	216,811	224,457	224,233
Tons of Waste Recycled	13,716	14,317	12,826	12,591	14,092	14,300	16,589	17,964	18,503	16,840

SOURCE: Various Buncombe County Government Departments.

\*Prior to 2018 the County was only dispatching EMS calls and in 2018 the County began dispatching EMS and Sheriff calls

\*\*General fund dollars spent per pupil

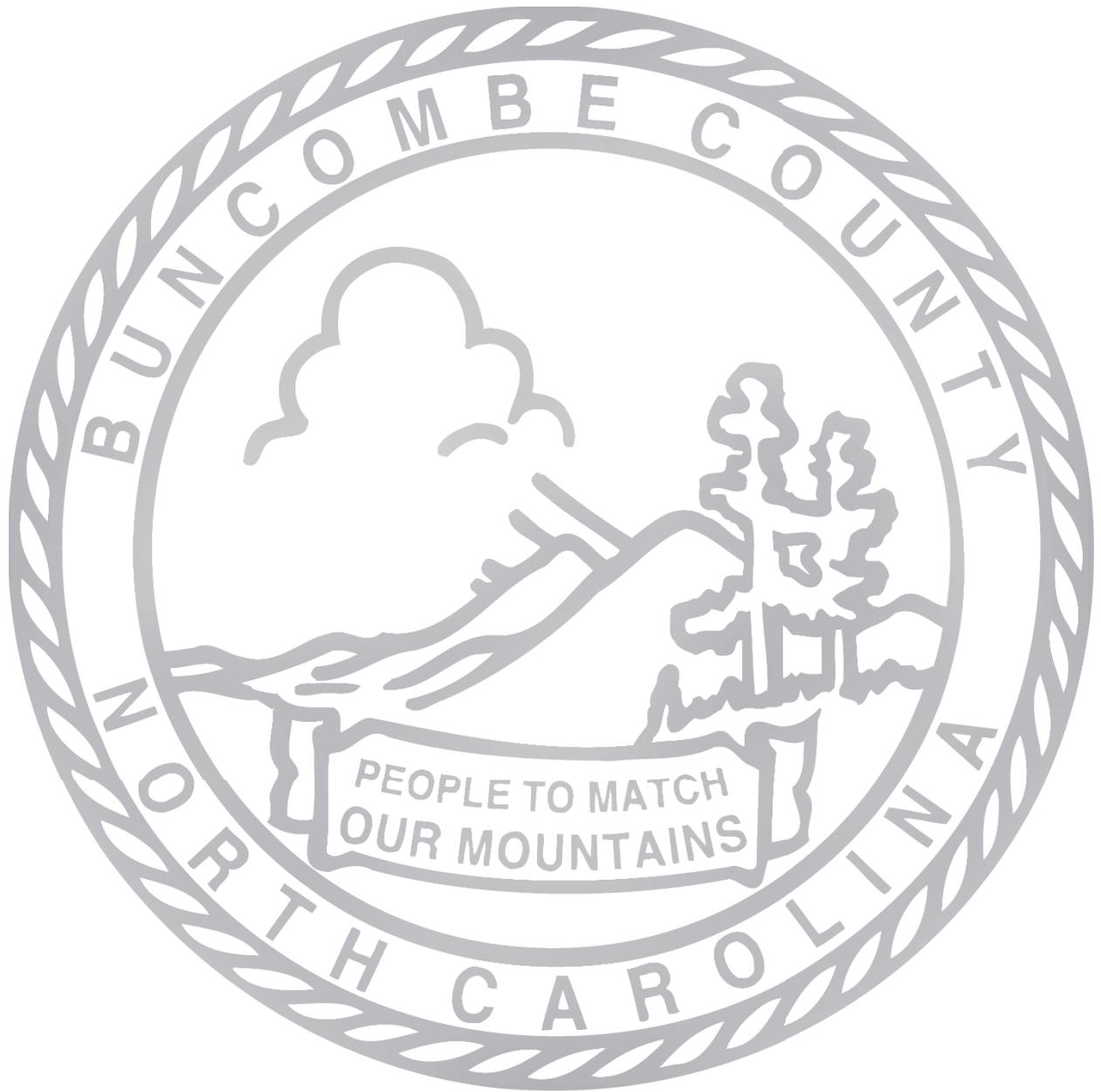
**BUNCOMBE COUNTY, NORTH CAROLINA**  
*Capital Asset Statistics by Function*

**Table 17**

**LAST TEN FISCAL YEARS**

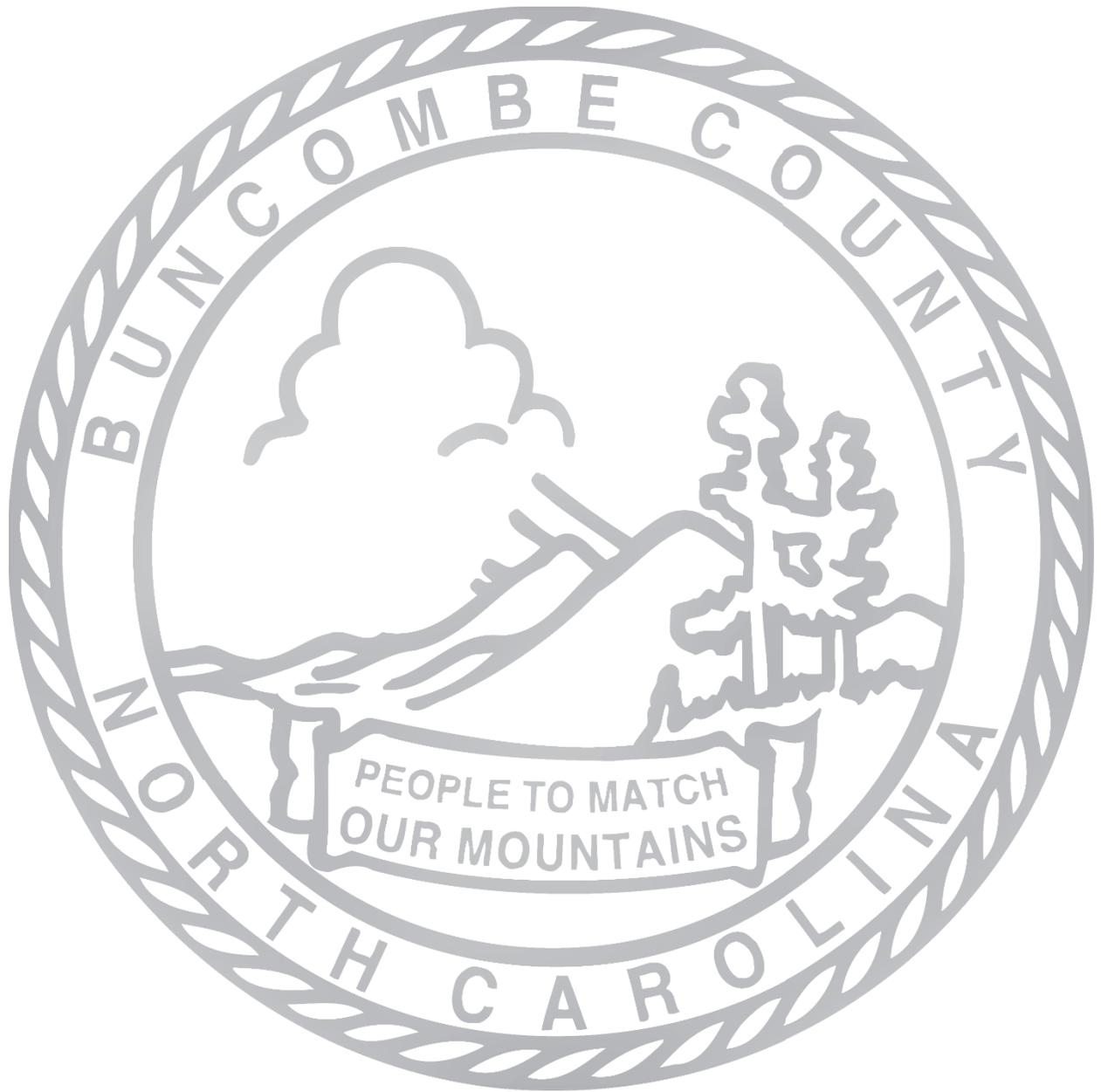
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>PUBLIC SAFETY</b>										
Sheriff's Office										
Stations	2	2	3	4	4	4	4	4	4	4
Patrol Vehicles	77	80	81	81	81	86	87	87	87	87
<b>CULTURAL AND RECREATIONAL</b>										
Parks acreage	677	646	646	646	646	646	646	646	646	646
Parks	14	14	15	15	15	15	15	15	16	16
Swimming pools	6	6	5	5	5	5	5	5	5	5
Ballfields and courts	30	30	31	31	31	31	31	31	32	32
Libraries	12	13	13	13	13	13	13	13	13	13

SOURCE: Various County Departments



# Compliance Section







**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buncombe County, North Carolina (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 29, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
November 29, 2022



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Board of Commissioners  
Buncombe County, North Carolina

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Buncombe County, North Carolina's (the County's) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedules of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
November 29, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM  
AND INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE  
STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Commissioners  
Buncombe County, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Buncombe County, North Carolina's (the County's) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2022. The County's major state programs are identified in the summary of auditors' results section of the accompanying schedules of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act.. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
November 29, 2022

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes          x     none noted
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes          x     no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes          x     no
  - Significant deficiency(ies) identified?     x     yes      \_\_\_\_\_ no
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes          x     no

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.023	Emergency Rental Assistance
93.658	Foster Care – Title IV-E
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$     2,006,716    

Auditee qualified as low-risk auditee?     x     yes      \_\_\_\_\_ no

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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**Section I – Summary of Auditors’ Results (Continued)**

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**State Awards**

1. Internal control over state programs:

- Material weakness(es) identified?      \_\_\_\_\_ yes            x       no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?      \_\_\_\_\_ yes            x       none noted

2. Type of auditors’ report issued on compliance for state programs:      Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements?      \_\_\_\_\_ yes            x       no

**Identification of Major State Programs**

<b>Program Number(s)</b>	<b>Program Name</b>
GOV-1	Public School Building Capital Fund
GOV-5	Juvenile Crime Prevention Council Programs (including Methodist Home for Children – JCPC)
93.778	Medicaid Cluster
93.658	Foster Care Title IV-E

In addition, state match on federal programs included in the list of major federal programs above for the Medicaid Cluster and Foster Care Title IV-E.

Dollar threshold used to distinguish between Type A and Type B state programs:      \$       500,000      

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**Reference Number:** 2022-001

**Federal Agency:** US Department of the Treasury  
**Federal Program Name:** Coronavirus State and Local Fiscal Recovery Funds (SLFRF)  
**Assistance Listing Number:** 21.027

**Federal Award Identification**  
**Number and Year:** 1505-0271 2021  
**Award Period:** July 1, 2021 through June 30, 2022  
**Type of Finding:** Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** Prior to entering into subawards and contracts with award funds, recipients must verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300.

**Condition:** The County did not properly document federal and state suspension and debarment status for one vendor prior to entering into a contract with the vendor.

**Questioned costs:** None

**Context:** The County did not document the review of suspension and debarment status for one of six subrecipients and vendors tested. The vendor was not suspended or debarred at the time of contract execution.

**Cause:** The County did not follow their policies and procedures for documenting the suspension and debarment status for vendors upon contract execution.

**Effect:** The County is not in compliance with Federal suspension and debarment requirements.

**Repeat Finding:** No

**Recommendation:** We recommend the County implement a process to formally document the suspension and debarment process for vendors.

**View of responsible officials:** There is no disagreement with this finding.

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***Section IV – Findings and Questioned Costs – Major State Programs***

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There were no state program findings for the fiscal year ended June 30, 2022.

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Federal Awards:</b>					
<b>U.S. Department of Agriculture</b>					
<b>Food and Nutrition Services</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Food and Nutrition Services Cluster:					
FNS ARPA Funds	10.561	12-3505-01-1-605	\$ 201,043	\$ -	-
FNS Consolidated Appropriations Act (CAA) Funds	10.561	12-3505-01-1-605	73,839	-	-
Supplemental Nutrition Assistance Program - Admin	10.561	225NC40682514	4,152,762	-	-
Supplemental Nutrition Assistance Program - Fraud Admin	10.561	225NC40682514	140,290	-	-
Supplemental Nutrition Assistance Program - Education & Training & Dependent Care	10.561	225NC40682514	54,607	-	44,835
Total Food and Nutrition Services Cluster			4,622,540	-	44,835
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health					
Special Supplemental Food Program for Women, Infants, and Children Administration	10.557	13A2-5403-GB/13A2-5404-GB/13A2-5405-CC/13A2-5409-GB/13A2-5409-GC	871,804	-	-
Breakfasting Peer Counseling Program	10.557	13A2-570D-JQ/13A2-570E-Q/13A2-570F-JQ	63,400	-	-
Total: Special Supplemental Food Program for Women, Infants, and Children			935,204	-	-
<b>Forest Service</b>					
Passed through the Office of the State Controller:					
Schools and Roads - Grants to States and Counties	10.665	N/A	23,465	-	-
Total Forest Service Schools and Roads - Grants to States and Counties			23,465	-	-
<b>Natural Resources Conservation Service</b>					
Emergency Watershed Protection Program	10.923	NR204532XXXXC032	77,650	-	-
Total Emergency Watershed Protection Program			77,650	-	-
<b>Total U.S. Department of Agriculture</b>					
<b>U.S. Department of Housing &amp; Urban Development</b>					
Passed-through N.C. Department of Commerce:					
Community Development Block Grant (CDBG)	14.228	B-20-DW-37-0001	378,516	-	-
Total U.S. Department of Housing & Urban Development			378,516	-	-
<b>U.S. Department of Justice</b>					
Family Justice Center Arrest Grant					
Family Justice Center DOJ Office of Violence Against Women (OVW)	16.590	2015AWE-AX-0015	47,273	-	-
Adult Drug Court	16.585	15IOVW2JGG0207CJR	176,181	-	-
Comprehensive Opioid Abuse Site-Based Program (COAP) - Safer Together	16.838	2018AMLU-BX-0025	162,645	-	-
Equitable Sharing Program	16.922	2019-AR-BX-8071	171,773	-	106,905
Public Safety Partnership and Community Policing Grants (COPS)	16.710	NC0110000	91,582	-	-
Passed-Through N.C. Department of Public Safety:		2020ULWX0035	111,683	-	-
Family Justice Center GCC	16.575	PROJ013509/PROJ015069	497,812	-	-
Crime Victim Assistance - Sobriety Treatment and Recovery Teams (START) Expansion	16.575	PROJ013535 - 2019VZGX0067	367,091	-	294,487
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-DJ-BX-0052 - PROJ014419	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	15-0404-0-1-754	1,198	-	-
Total U.S. Department of Justice			1,627,237	-	401,392
<b>U.S. Dept. of Transportation</b>					
<b>Federal Transit Administration</b>					
Passed-through N.C. Department of Transportation:					
Public Transportation for Nonurbanized Areas:					
Administration	20.509	36233.13.15.1	316,420	19,776	-
COVID-19: Administration (Operating)	20.509	49233.11.1.2	289,807	-	-
Capital	20.509	51081.1.2.3/36233.13.16.5	396,450	49,555	-
Total Public Transportation for Nonurbanized Areas			1,002,677	69,331	-
Passed-through N.C. Department of Transportation:					
Transit Services Programs Cluster:					
Passed-through City of Asheville:					
5310 SEDTAP	20.513	NC-2020-057-00/NC-1057-2021-2	47,588	-	-
5310 RIDE	20.513	NC-2019-017400	21,911	-	-
COVID-19: 5307 ARPA	20.507	NC-1057-2021-4	104,936	-	-
Total Transit Services Programs Cluster			174,435	-	-
<b>Total Federal Transit Administration</b>					
			1,177,112	69,331	-

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed./Direct & Pass-through Expenditures	State Expenditures	Passed-through to Subrecipients
<b>National Highway Traffic Safety Administration</b>					
Highway Safety Cluster:					
State and Community Highway Safety - DWI Court 2021	20.616	M5CS-2021-15402	\$ 10,779	\$ -	-
State and Community Highway Safety - DWI Court 2022	20.616	M5CS-2022-15402	49,763	-	-
State and Community Highway Safety - DWI Taskforce 2021	20.616	AL-2021-02-11	54,428	-	-
State and Community Highway Safety - DWI Taskforce 2022	20.616	AL-2022-02-10	129,830	-	-
Total Highway Safety Cluster			244,800	-	-
<b>Federal Highway Administration</b>					
Highway Planning & Construction Cluster:					
Passed-through N.C. Department of Transportation:					
Highway Planning & Construction - Enka Recreation Destination/Hominy Creek Greenway Woodfin Greenway project	20.205	EB-5824	180,016	-	-
Total Highway Planning & Construction Cluster	20.205	EB-5774	324,174	-	-
<b>Total U.S. Department of Transportation</b>			<b>1,746,086</b>	<b>69,331</b>	<b>-</b>
<b>U.S. Department of Treasury</b>					
COVID-19: Emergency Rental Assistance Program	21.023	202101-1505-002 / 202205-1505-001	10,442,416	-	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	TD022SLFRP8388C	11,032,839	-	9,235,450
Passed-through the Office of State Budget and Management/NC Pandemic Recovery Office					
COVID-19: Communicable Disease Pandemic Recovery	21.027	2SF1-249N-TT	52,436	-	-
COVID-19: Coronavirus Relief Fund	21.019	20-1892-0-1-806	49,314	-	47,030
COVID-19: NC PRO Emergency Rental Assistance	21.023	20-0150-0-1-604	2,395,092	-	-
<b>Total U.S. Department of Treasury</b>			<b>23,972,098</b>	<b>-</b>	<b>9,282,480</b>
<b>U.S. Environmental Protection Agency</b>					
Air Pollution Control Program Support	66.001	A00406820	210,642	-	-
Ambient Air Monitoring Network	66.034	PM01D04620	60,000	-	-
<b>Total U.S. Environmental Protection Agency</b>			<b>270,642</b>	<b>-</b>	<b>-</b>
<b>Federal Emergency Management Agency</b>					
Passed-through N.C. Department of Public Safety	97.036	N/A	3,041	-	-
COVID-19: NCEM State Centric Non-Congregate Sheltering			3,041	-	-
<b>Total Federal Emergency Management Agency</b>			<b>3,041</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Homeland Security</b>					
Title IV-E Foster Care - Administration	97.036	4617 Tropical Storm Fred	413,907	83,361	122,355
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.042	EMA-2021-EP-00015/EMA-2021-EP-00014/EMPG-S-2020-2025011	119,852	-	-
Emergency Management Performance Grants			533,759	83,361	122,355
<b>Total U.S. Department of Homeland Security</b>			<b>1,067,518</b>	<b>166,722</b>	<b>244,710</b>
<b>U.S. Department of Health and Human Services</b>					
Administration for Children and Families					
Division of Public Health:					
Family Planning - TANF	93.558	13A1-5151-T2	27,155	-	-
Division of Social Services:					
Work First/Temporary Assistance for Needy Families (TANF)	93.558	2201NCTANF	464,475	-	31,000
Women's Preventive Health - TANF	93.558	2201NCTANF	2,109,523	-	393,488
Total for Temporary Assistance for Needy Families (TANF)			<b>2,601,153</b>	<b>-</b>	<b>424,488</b>
Foster Care and Adoption Cluster:					
Title IV-E Foster Care - Administration	93.658	2201NCFOST	2,729,698	-	-
Foster Care - Direct Benefits Payments	93.658	2201NCFOST	1,533,703	393,006	-
Foster Care IV-E-CPS	93.658	2201NCFOST	892,262	210,568	-
Adoption Assistance	93.659	2201NCADPT	261,777	2,031	-
Total for Foster Care and Adoption Cluster:			<b>5,417,439</b>	<b>605,605</b>	<b>-</b>
N.C. Child Support Enforcement Section	93.563	2201NCCES	1,213,434	-	1,213,434

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Refugee Assistance - Administration	93.566	2201NCRMA	\$ 29,888	\$ -	\$ -
Refugee Health Assessments	93.566	1370-8100-68	36,275	-	-
Total for Refugee and Entrant Assistance			66,163	-	-
Crisis Intervention Program	93.568	2201NCLIEA	822,701	-	822,701
Energy Assistance Payments - Direct Benefit Payments	93.568	2201NCLIEA	929,516	-	929,516
Low Income Home Energy Assistance Block Grant - Administration	93.568	2201NCLIEA	72,357	-	72,357
COVID-19- Low-Income Energy Assistance Program - ARPA	93.568	2101NCE5C6	1,661,826	-	1,661,826
COVID-19- Low-Income Household Water Assistance Program - ARPA	93.499	2101NCLWC5	254,284	-	254,284
Total for Low-Income Home Energy Assistance			3,740,683	-	3,740,683
Division of Child Development:					
Subsidized Child Care					
Child Care Development Cluster:					
Division of Social Services:					
Childcare Development Fund- Administration	93.596	2201NCCDF	322,825	-	322,825
Stephanie Tubbs Jones Child Welfare Services Program: Permanency Planning - Families for Kids	93.645	2201NCWSS	150,466	-	-
SSBG - Other Services	93.667	2201NCSR	978,752	-	106,575
CPS TANF Transferred to SSBG	93.667	2201NCSR	254,219	-	-
SSBG - In-Home Services	93.667	2201NCSR	31,693	-	31,693
SSBG - Adult Day Care	93.667	2201NCSR	24,548	15,040	39,588
Independent Living Grant - LINKS	93.674	2201NCCILP	53,013	13,253	66,266
Independent Living Grant - LINKS- Direct Benefit Payments	93.674	2201NCCILP	115,359	-	-
COVID-19- Pandemic Funds - LINKS	93.674	75-1545-0-1-609	330,000	-	-
Family Reunification	93.556	2201NCFPS	127,902	-	24,874
Total Administration for Children and Families			15,427,648	633,898	5,970,425
<b>Substance Abuse and Mental Health Services Administration</b>					
Passed through VAYA Health:					
Medicaid Assisted Treatment (MAT) Grant	93.788	N/A	97,409	-	-
COVID-19- VAYA ARPA Child and Family	93.958	N/A	69,317	-	-
Total Substance Abuse and Mental Health Services Administration			166,726	-	-
<b>Centers for Medicare and Medicaid Services</b>					
Passed through N.C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medicaid Cluster:					
Medical Assistance Program - Administration	93.778	XIX-MAP22	13,498,305	67,951	-
Adult Home Specialist Fund	93.778	XIX-MAP22	443,000	-	443,000
Total Medicaid Cluster			13,941,305	67,951	443,000
State Children's Insurance Program - N.C. Health Choice					
Total N.C. Health Choice	93.767	CHP22	292,081	4,015	-
Total N.C. Health Choice			292,081	4,015	-
Total Centers for Medicare and Medicaid Services			14,233,386	71,966	443,000
<b>Centers for Disease Control and Prevention</b>					
Passed through N.C. Department of Health and Human Services:					
Division of Public Health:					
HIV Funds - CAPUS Safe Spaces	93.940	1311-4300-HV	28,000	-	-
Tuberculosis Control Program	93.116	1460-2720-NF	50	-	-
Public Health Emergency Preparedness	93.074	1264-2680-EIR	75,000	-	-
Preventative Health and Health Services Block Grant	93.991	1261-5503-PH	31,741	-	24,055
COVID-19- ELC Enhancing Detection Activities	93.323	1175-883A-P5	741,923	-	-
School Health Centers	93.323	1332-892A-L5	115,000	-	115,000
Division of Community Health:					
Wisewoman Project	93.436	1313-3720-AL/1313-372C-AL	163,705	-	-
Advancing Equity	93.391	1161-7955-LZ	28,186	-	-
COVID-19- CDC Vaccination Program	93.268	1331-6220-P7/1331-639B-P7	356,208	-	-
Immunization Action Plan	93.268	1331-631C-EJ	47,612	-	-
Breast and Cervical Cancer Control Programs	93.898	1320-3100-D7	198,300	-	-
Gonorrhea Partner Services	93.977	1311-4631NB	100	-	-
Total Centers for Disease Control and Prevention			1,785,826	-	139,055

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal A.L. Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Health Resources and Services Administration</b>					
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Nurse Family Partnership - Healthy Families America Nurse Family Partnership Maternal and Child Health Services Block Grant <b>Total Health Resources and Services Administration</b>	93.505 93.994 93.994	1271-123D-DC/1271-123D-VH 1271-5020-AP/13A1-5830-AR 13A1-5735-AP/1271-5318-AR/1271-5745-AR/1271-5351-AR	\$ 153,752 451,566 258,450 863,768	\$ - - - -	- - 132,188 132,188
<b>Injury Prevention and Control Research and State and Community Based Programs</b>					
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Community Linkages to Care for Overdose Prevention <b>Total Injury Prevention and Control Research and State and Community Based Programs</b>	93.136	1175-852B-DH/1175-8380-DH	106,531 106,531	- -	72,376 72,376
<b>Office of Assistant Secretary for Health</b>					
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Family Planning Services Title X <b>Total Office of Assistant Secretary for Health</b>	93.217	13A1-5900-FP	94,679 94,679	- -	- -
<b>Administration for Community Living (ACL)</b>					
COVID-19 Adult Protective Services (APS) Essential Services Fund <b>Total Administration for Community Living (ACL)</b>	93.747	75-0142-0-1-506	14,855 14,855	- -	- -
<b>Total U.S. Department of Health and Human Services</b>					
<b>Institute of Museum and Library Services</b>			32,693,419	705,864	6,757,044
Flowsate Community Arts Initiative Passed-through State Library of North Carolina: COVID-19 Grants to States - SLNC CARES Grant <b>Total Institute of Museum and Library Services</b>	45.312 45.310	59-0300-0-1-503 LS-00-19-0034-19/LS-246551-OLS-20	5,984 888 6,872	- - -	- - -
<b>Total Federal Awards</b>					
<b>State Awards:</b>			66,890,529	858,557	16,608,106
<b>N.C. Department of Administration</b>			-	2,109	-
DMVA Community County Grants <b>Total N.C. Department of Administration</b>		N/A	-	2,109	-
<b>N.C. Department of Agriculture and Consumer Services</b>			-	27,519	-
Technical Assistance-Soil Water Matching Funds Farm App-Soil/Water Conservation Easements Spay/Neuter Grant <b>Total N.C. Department of Agriculture and Consumer Services</b>			-	3,600 11,250 263,305 4,044	- - - -
<b>N.C. Department of Natural and Cultural Resources</b>			-	232,792	-
Division of State Library: Aid to Public Libraries <b>Total N.C. Department of Natural and Cultural Resources</b>			-	232,792	-
<b>N.C. Department of Environmental Quality</b>			-	9,571	-
NC Electronics Management Fund VW Settlement <b>Total N.C. Department of Environmental Quality</b>			-	20,000 29,571	- -

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>N.C. Dept. of Health and Human Services</b>					
Division of Public Health:					
Communicable Disease Control		1175-4510-00	\$ -	\$ 7,807	\$ -
General Aid to Counties		1161-4110-00	-	21,3419	-
Breast and Cervical Cancer Program		1320-3355-04/1320-3599-00	-	13,1950	-
Tuberculosis		1460-4551-00/1460-4554-00	-	32,935	-
Integrated Targeted Testing Services (ITTS)		1311-4601-RR/1311-4601-RO	-	6,055	-
Minority Diabetes Prevention Program		1262-4179-00	-	284,802	-
Women's Health Service Fund		13A1-6021-FR	-	13,086	-
Healthy Communities		1261-5503-00	-	3,886	2,945
Women and Child Health- Family Planning		13A1-5735-00	-	71,602	-
Child Health		1271-57745-00	-	23,670	23,670
School Nurse Funding Initiative		1332-5358-00	-	150,000	150,000
Total Division of Public Health			-	939,212	176,615
Division of Social Services:					
State Foster Care Benefits Program		N/A	-	627,946	-
Energy Assistance - Private Grants		N/A	-	11,188	11,188
State Child Welfare CPS		N/A	-	240,375	-
IV-B EBT CHAF Independent Living		N/A	-	261,636	-
Total Division of Social Services			-	1,141,145	11,188
Division of Mental Health/DD/SAS:					
Justice Involved SUD Grant		N/A	-	114,216	-
Total Division of Mental Health/DD/SAS			-	114,216	-
<b>Total N.C. Department of Health and Human Services</b>					
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund - Lottery Proceeds		N/A	-	201,506	201,506
Total N.C. Department of Public Instruction			-	201,506	201,506
<b>N.C. Department of Public Safety</b>					
Division of Juvenile Justice: Delinquency Prevention:					
Juvenile Crime Prevention Council Programs		N/A	-	634,830	619,331
Methodist Home For Children - JCPC		N/A	-	900,000	900,000
Total N.C. Department of Public Safety			-	1,534,830	1,519,331
<b>N.C. Department of Transportation</b>					
Rural Operating Assistance Program (ROAP) Cluster		DOT-16CL	-	157,535	8,690
ROAP Rural General Public Transportation		DOT-16CL	-	150,208	-
ROAP Work First Transitional-Employment Transportation Assistance Program			-	307,743	8,690
Total Rural Operating Assistance Program (ROAP) Cluster			-	307,743	8,690
<b>Total State Awards</b>					
<b>Total Federal and State Awards</b>					
			\$ 66,890,529	\$ 5,671,399	\$ 18,525,436

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1: Basis of Presentation**  
The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Buncombe County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Buncombe County, it is not intended to and does not present the financial position, changes in net position or cash flows of Buncombe County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance; wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption

**Note 4: Indirect Cost Rate**

The County has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Total Federal Awards by Cluster and Assistance Listing</b>			\$		
Total SNAP Cluster	10,561		4,622,540		
Total Forest Service Schools and Roads Cluster	10,665		23,465		
Total Highway Safety Cluster	20,616		244,800		
Total Federal Transit Cluster	20,507		104,936		
Total Transit Services Program Cluster	20,513		69,499		
Total Highway Planning and Construction Cluster	20,205		324,174		
Total Medicaid Cluster	93,778		13,941,305		
Total CCDF Cluster	93,596		322,825		
	93,558		2,601,153		
	93,505		153,752		
	93,898		198,300		
	93,940		28,000		
	93,977		100		
	93,994		710,016		
	97,036		416,947		
	10,557		935,204		
	10,923		77,650		
	14,228		378,516		
	16,575		864,903		
	16,585		162,645		
	16,590		223,454		
	16,710		111,683		
	16,738		1,198		
	16,838		171,773		
	16,922		91,582		
	20,509		1,002,677		
	21,019		49,314		
	21,023		12,837,509		
	21,027		11,085,275		
	45,310		888		
	45,312		5,984		
	66,001		210,642		
	66,034		60,000		
	93,074		75,000		
	93,116		50		
	93,136		106,531		
	93,217		94,679		
	93,268		403,820		
	93,323		856,923		
	93,391		28,186		
	93,436		163,705		
	93,499		254,284		
	93,556		127,902		
	93,563		1,213,434		
	93,566		66,163		
	93,568		3,486,400		
	93,645		150,466		
	93,658		5,155,662		
	93,659		261,777		
	93,667		1,289,212		
	93,674		498,371		
	93,747		14,855		
	93,767		292,081		
	93,788		97,409		
	93,958		69,317		
	93,991		31,741		
	97,042		119,852		
<b>Total Federal Awards</b>			<b>\$ 66,890,529</b>		



**Buncombe County  
Corrective Action Plan  
For the Fiscal Year Ended June 30, 2022**

Buncombe County respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 through June 30, 2022

The finding from the schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule

**Finding – Federal Awards Programs Audit**

**2022-001 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)**

The auditors recommend that the County implement a process to formally document the suspension and debarment process for vendors.

There is no disagreement with the audit finding.

County staff has created a system for capturing and saving suspension and debarment verification.

Person responsible for corrective action: Donald P. Warn, Finance Director

Completion date: The County will implement this process immediately.



