



2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
FOR THE FISCAL YEAR ENDING JUNE 30, 2015



BUNCOMBE COUNTY
NORTH CAROLINA

BUNCOMBE COUNTY, NORTH CAROLINA

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDING
JUNE 30, 2015

BOARD OF COMMISSIONERS

David Gantt, Chair
Joe Belcher, Vice Chair
Ellen Frost
Holly Jones
Mike Fryar
Miranda DeBruhl
Brownie Newman

COUNTY MANAGER

Wanda S. Greene, PhD, CPA

DIRECTOR OF FINANCE

Tim W. Flora, CPA

Prepared by the Finance Department



**BUNCOMBE
COUNTY**
GOVERNMENT
— NORTH CAROLINA —

Comprehensive Annual Financial Report
 For the Fiscal Year Ending June 30, 2015
 Buncombe County

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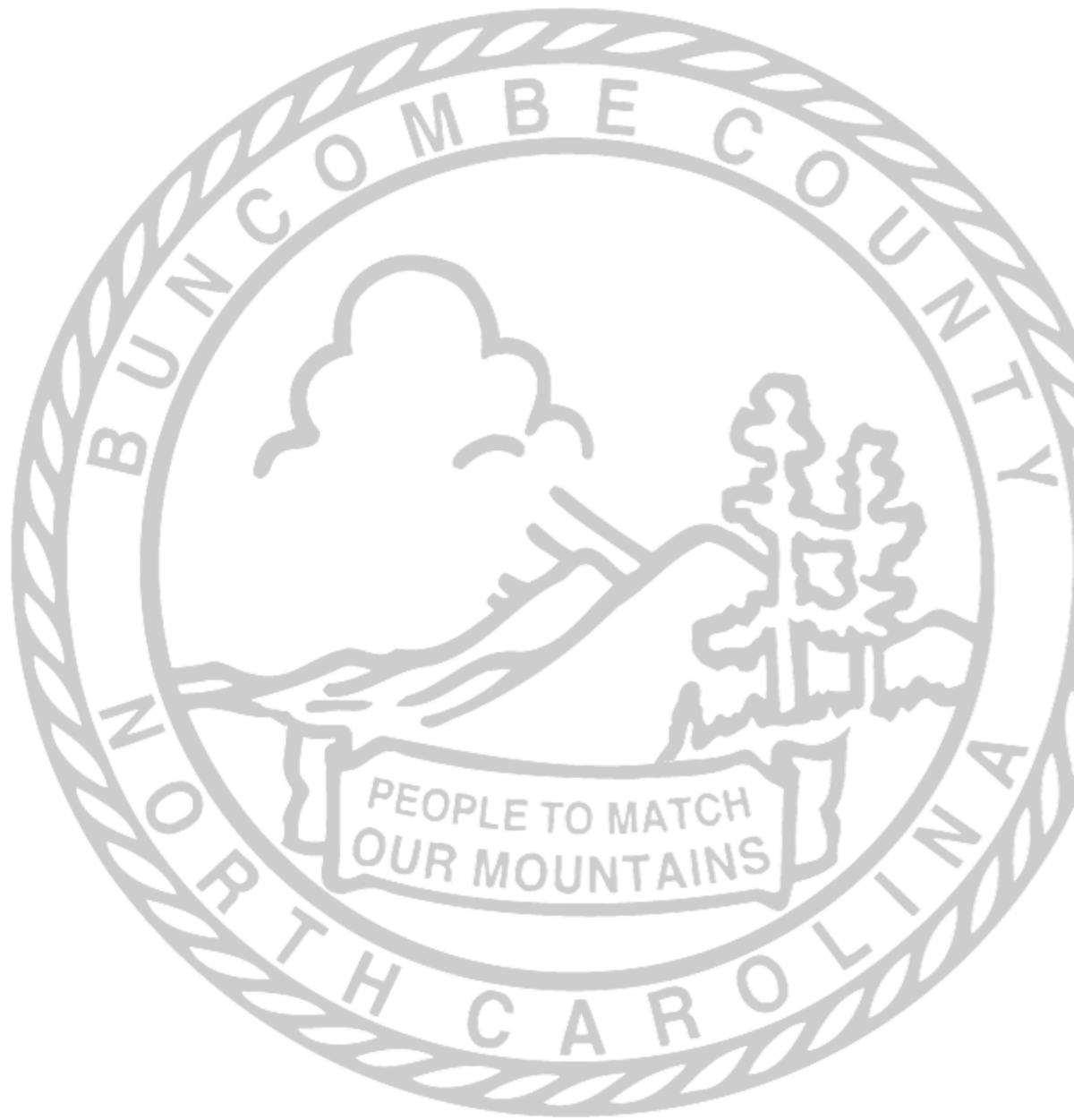
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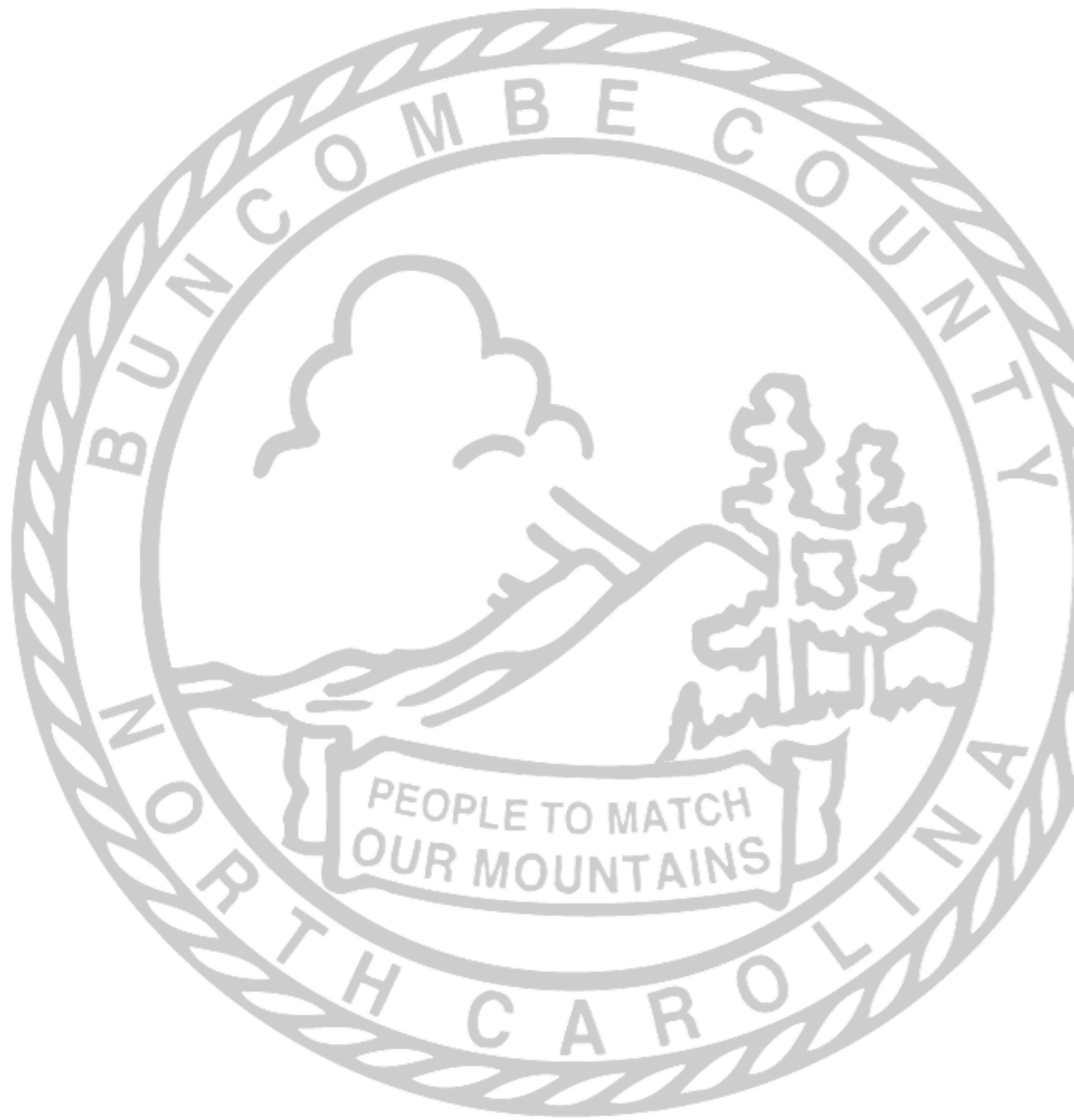
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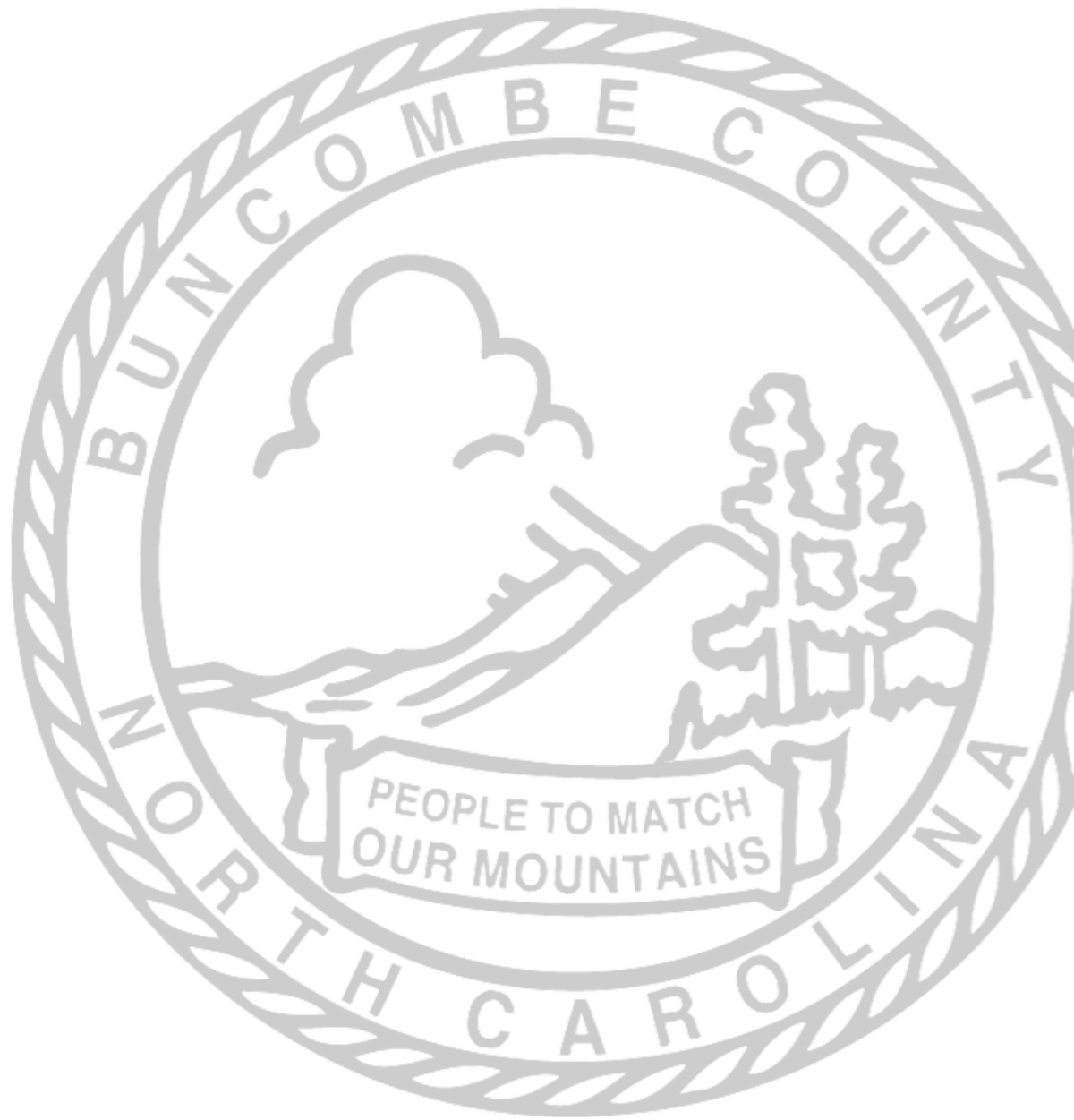




Introductory Section



**BUNCOMBE
COUNTY**
GOVERNMENT
— NORTH CAROLINA —





Government Finance Officers Association

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

Presented to

**Buncombe County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



October 28, 2015

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. 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, 2015.

Gould Killian CPA Group, P.A., Certified Public Accountants, 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, 2015. 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 Auditor's Report and provides an introduction, overview, and analysis of the basic financial statements. The discussion and analysis complements 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 657 square miles of land and water and is shaped by one of the oldest mountain ranges in the world. Buncombe is the most populous county in Western North Carolina with approximately 251,000 residents which accounts for over half of the population in the four-county Asheville Metropolitan Area.

There are six incorporated municipalities within the County, the largest being the City of Asheville (population of approximately 86,000 or approximately 34% of the county), which lies at the geographic center of the County and serves as the County seat. The County is 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.

The County provides a full range of services to its citizens 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 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 Smoky Mountain Center.

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.

Economic Condition of Buncombe County, North Carolina

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the county operates.

The Local Economy

Buncombe County serves as a regional economic center for western North Carolina. The County's economy is supported by a robust healthcare system, a growing tourism industry, strong educational systems, and a thriving art and culture industry.

Tourism

Activities and businesses supporting tourism constitute one of the largest sectors of the County's economy. The County attracts more than nine million visitors annually, including 3.1 million overnight guests. Tourists are primarily taking advantage of the mountain scenery, a vibrant downtown, and the world-famous Biltmore Estate. Hotel performance reached record-levels in 2014, posting a fifth consecutive year of revenue growth. With annual occupancy of 69.3%, the County has attracted significant hotel development. Smith Travel Research reports an active construction pipeline of eight new properties in development, with 435 new rooms opening in 2015. The Buncombe County Tourism Development Authority anticipates hotel construction to total 1,500 new rooms before 2020.

Healthcare

The healthcare and social assistance industry is a significant portion of the County's economy, supporting 22,859 local jobs and generating \$208 million in federal tax revenue and \$99 million in state and local tax revenue annually. Named by The Institute of Emerging Issues as a hub for integrative health, the County is home to a cutting edge medical manufacturing sector and an array of medical support services.

Mission Health, based in Asheville, is the State's sixth largest health system and the primary referral center for western North Carolina and the adjoining region. The main hospital in the system, Mission Hospital, is the largest employer west of Charlotte. Mission is the busiest surgical hospital in North Carolina and includes the following Centers of Excellence: Cancer, Heart, Neurosciences, Orthopedics, Trauma, Women's Health, and Mission Children's Hospital. Mission Health also has five member hospitals in the western North Carolina area.

Charles George Veterans Administration Medical Center, located in the City of Asheville, serves the health care needs of more than 36,000 veterans living in a 20-county area of

western North Carolina. The VA provides primary care, extended care and rehabilitation, hospice and palliative care, mental health, pharmacy and specialty care services on an in-patient and outpatient basis at the facility in the City of Asheville and two rural clinics.

The Mountain Area Health Education Center (MAHEC) was formed as part of a statewide network of health education programs to provide health care training and continuing education for practicing health care personnel in western North Carolina. Activities of the MAHEC program include a family practice residency, continuing medical education for practicing physicians and other health care professionals, a family nurse practitioner program, pharmacy education, and public health education. In addition, there are programs for continuing education in all health fields. MAHEC is funded by state and federal revenues, local support and generated fees. The County does not contribute directly to the financial support of MAHEC.

Education

The County has two public school systems: the Asheville City School System which serves approximately 4,300 of the students in the County and the Buncombe County School system which serves the remaining 24,900 students in the County.

Asheville Buncombe Technical Community College (AB Tech) has served as the community's premier technical educator for over 50 years. AB Tech's main campus is in Asheville. It also has sites in Enka and Madison County. In addition to offering 60 career and college transfer programs, AB Tech provides hundreds of workforce development/continuing education courses as well as small business incubation. With nearly 25,000 students, AB Tech has the largest enrollment of any institution of higher education in western North Carolina.

The University of North Carolina at Asheville (UNCA) is a primarily undergraduate, state supported, liberal arts university which has approximately 3,700 students. UNCA offers a wide range of degrees in both the liberal arts and sciences and is known both for its emphasis on original undergraduate research and its innovative humanities core curriculum. Through its Asheville Graduate Center, graduate education programs are developed to meet the needs of area residents through cooperative programs with other UNC system institutions such as Appalachian State University, North Carolina State University, and The University of North Carolina at Chapel Hill.

Additionally, the County is the home of Warren Wilson College and Montreat College. Warren Wilson College is a four-year, private college accredited by the Southern Association of Colleges and Schools. Its enrollment for the 2014-2015 school year is approximately 880 students, including 60 graduate students in a MFA Program for Writers. Montreat College is a four-year, private, liberal arts college with approximately 849 students.

Arts and Culture

Arts and culture are two of the County's most deeply rooted assets. The western region of North Carolina has the highest rate of creative self-employed persons in the state, with the River Arts District being the hub for the entire region. The River Arts District is the home of many of the area's painters, sculptors, iron workers, glass blowers, ceramic specialists, and other varieties of artists.

Along with visual artists, an innovative mix of Asheville-based enterprises are building the city's reputation in the music industry bringing emerging and established national artists to record their music at world-class facilities like Echo Mountain Studios. Musicians can also visit makers of their instruments at places like Moog Music, Flute Company, and Stauffer Percussion.

The Orange Peel, which Rolling Stone Magazine has named one of the best music venues in the country, showcases music ranging from bluegrass and old-time to electronic.

Labor Force and Unemployment

The area's average unemployment rate for fiscal year 2015 was 4.8%, among the lowest in North Carolina. The metro area added over 5,400 jobs, an increase of 3.1%, to end at a total of nearly 180,800 jobs. The Health Services and Private Education sectors made up the largest percentage of total employment in the Asheville metro region.

Economic Development

New and Expanding Businesses

In efforts with the Economic Development Coalition, Buncombe County strives to grow and strengthen the local economy. The County and the EDC partnered with the City of Asheville, the Asheville Area Chamber of Commerce, the Town of Weaverville, and over 70 local organizations to launch the Asheville 5x5 campaign. The campaign is a five year initiative launched in 2010 designed to create 5,000 new jobs and \$500 million in capital investment over five years. With over 6,300 jobs created and \$1 billion in capital investment to date the initiative vastly exceeded its goals.

Some notable company announcements include Linamar, AVL Technologies, Thermo Fisher Scientific, GE Aviation and several craft breweries such as Highland Brewing, Wicked Weed, High Wire Brewing, and New Belgium Brewing.

Long-term Financial Planning

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 any purchase(s) over \$250,000. 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 each year. After the review, the projects are prioritized and recommendations are made to the County Manager. Each capital project includes detailed descriptions, estimated total cost, impact on operating budget and funding source. The CIP budget through fiscal year 2019 includes projects such as an expansion of Human Services facilities, voting system replacement, greenway expansions, sheriff vehicle replacements and ERP system replacement.

Fund Balance Reserves

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 minimum unallocated general fund balance of 15% of the total actual expenditures and transfers. The minimum requirement will be reviewed by the Finance Director as changes in economic conditions occur, new legislation is enacted, or revenue sources change. Fund balance appropriated will not exceed an amount management can reasonably expect to save during the year. 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 appropriated fund balance every year for the past 20 years and has had to use it only once (fiscal year 2002) during that time.

Sustainability Partnership and Planning

Buncombe County's Sustainability Plan, implemented in fiscal year 2012, continues to build a more sustainable community. The strategic plan addresses growth issues and how the County can adapt to these changes in a sustainable manner. Sustainability is most often thought of as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The Sustainability Plan considers economic, environmental and social concerns when evaluating a proposed concern or action. The plan primarily consists of strategies for implementation over a period of five years with an understanding that efforts must be constant and address both short and long term goals.

Strategies developed considered educational resources, health of our citizens and environments, safety, partnerships for the protection of our natural resources, access to transportation and services, local food systems, workforce development and pollution and waste prevention. Some noteworthy accomplishments during the first three years include an increase of 10.1% in the high school graduation rate, obesity among adults decreased by .4%, 652 families helped through affordable housing programs and County curbside recycling increased 3%.

Additionally, the County has reduced energy consumption in government-owned buildings from 71,010 Btu per square foot to 64,741 Btu per square foot in efforts to reduce the County's carbon footprint by 10% over the next five years.

Information on the Sustainability Plan can be found on the County's website at www.buncombecounty.org.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Buncombe County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This marks the thirty-sixth 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 comprehensive annual 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 2014 annual budget document. This is the seventeenth 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 2015 budget document continues to conform to program requirements and has submitted it to the GFOA to determine eligibility for another award.

Acknowledgements

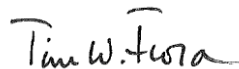
Many professional staff members in the Finance Department contributed to the preparation of this report. Their hard work, dedication, and continuing efforts to produce and improve the quality of this report are a direct benefit to all that read and use it. We would also like to commend each County department 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 Gould Killian CPA Group, P.A., 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,



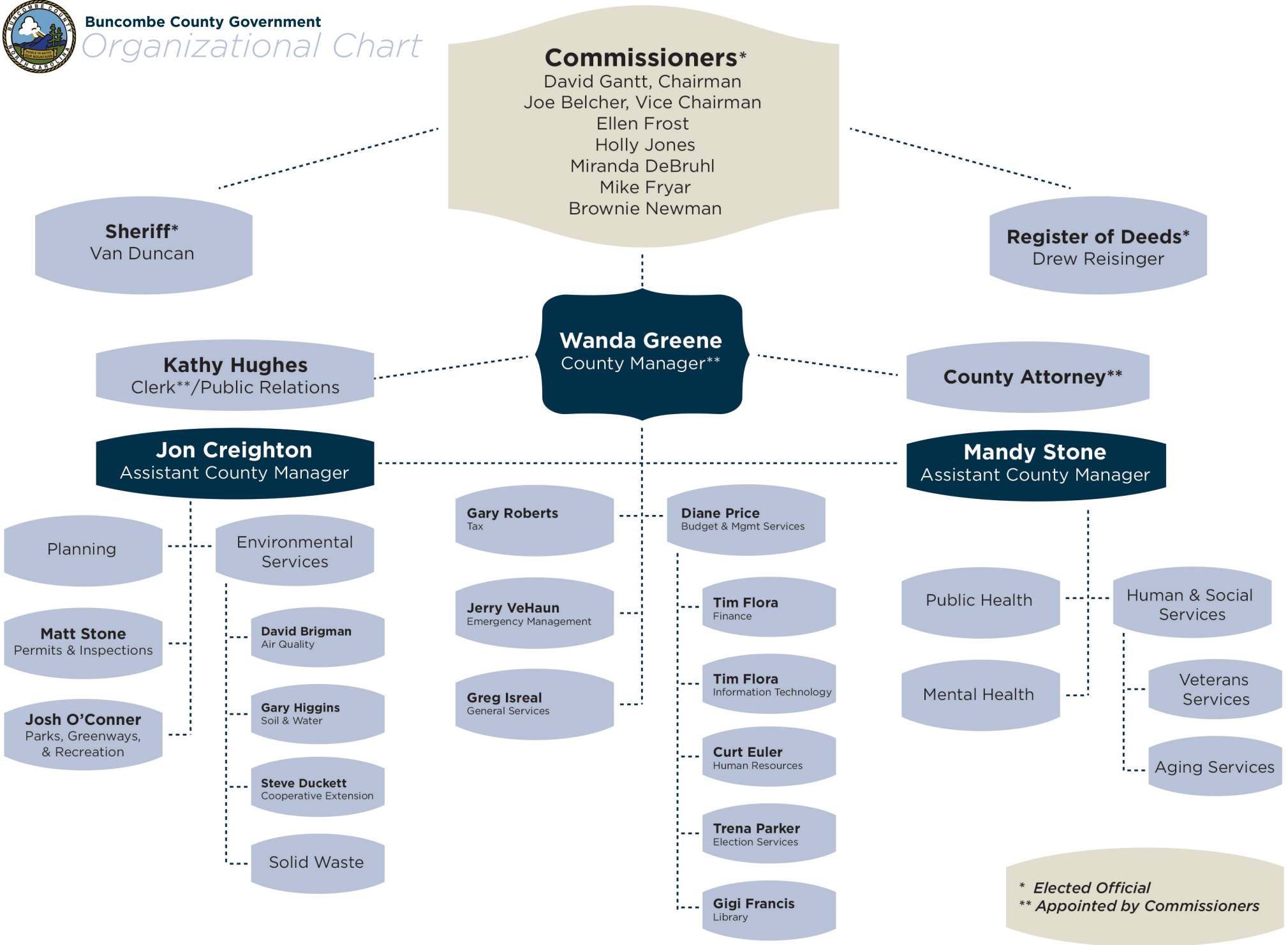
Wanda S. Greene, PhD, CPA
County Manager



Tim W. Flora, CPA
Finance Director



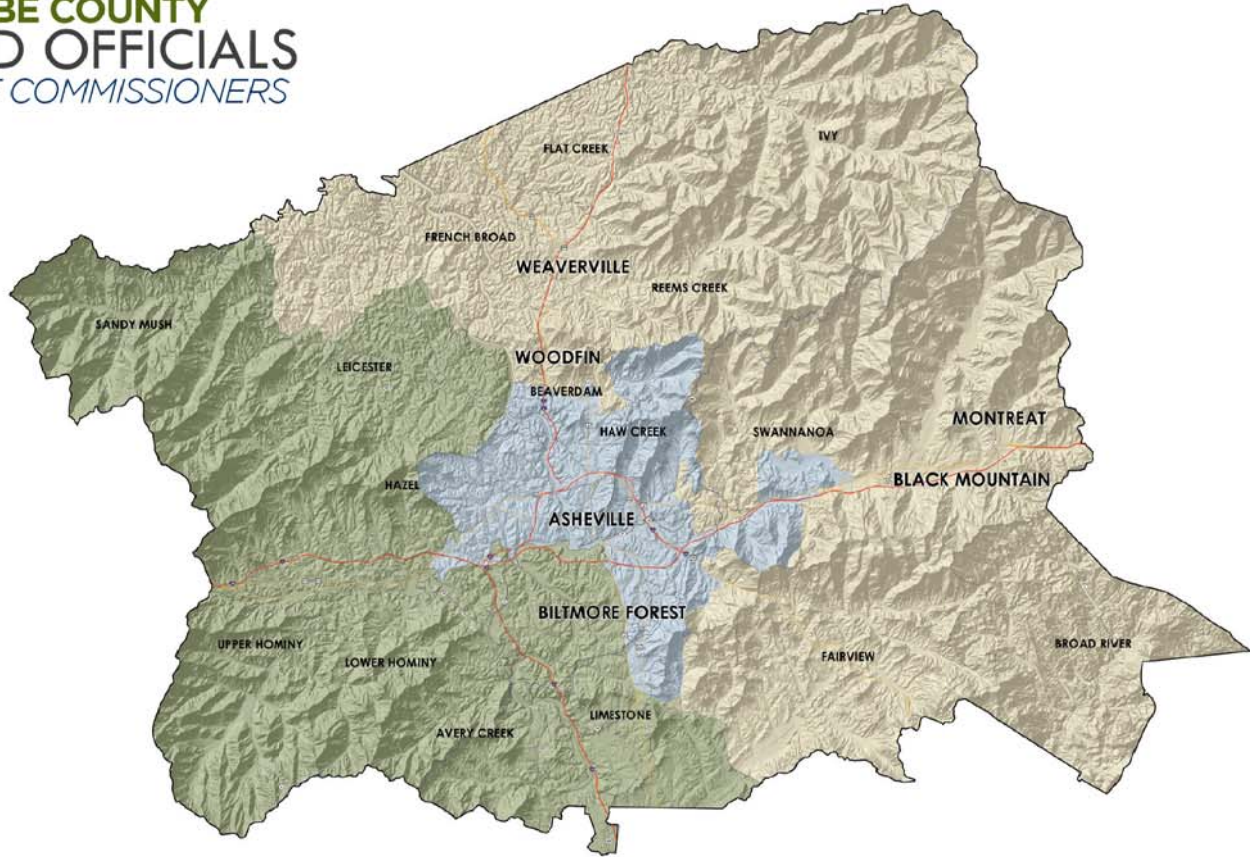
Buncombe County Government
Organizational Chart



* *Elected Official*
** *Appointed by Commissioners*



BUNCOMBE COUNTY
ELECTED OFFICIALS
 BOARD OF COMMISSIONERS



-  DISTRICT 1
-  DISTRICT 2
-  DISTRICT 3

DISTRICT 1



HOLLY JONES
 COMMISSIONER - District 1
 200 College Street Suite 316
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DISTRICT 2



MIKE FRYAR
 COMMISSIONER - District 2
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DISTRICT 3



JOE BELCHER
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CHAIRMAN



DAVID GANTT
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County Officials

Wanda S. Greene, PhD, CPA

Jon Creighton, MBA

Amanda Stone, MSW

Kathy Hughes

Tim Flora, CPA

Drew Reisinger

Van Duncan

Diane Price, MBA

Pat Freeman

Trena Parker, MPA

Gigi Francis

Josh O'Conner

Jerry Vehaun

Matt Stone

Curt Euler

Gary Roberts

Gary Higgins

Steve Duckett

Greg Isreal

County Manager

Asst. County Manager/Planning Director

Asst. County Manager/Human Services Director

Clerk to the Board

Finance Director/Information Technology Director

Register of Deeds

Sheriff

Budget and Management Services Director

City/County Bureau of Identification Director

Elections Supervisor

Library Manager

Recreation Manager

Emergency Services Director

Permits & Inspections Director

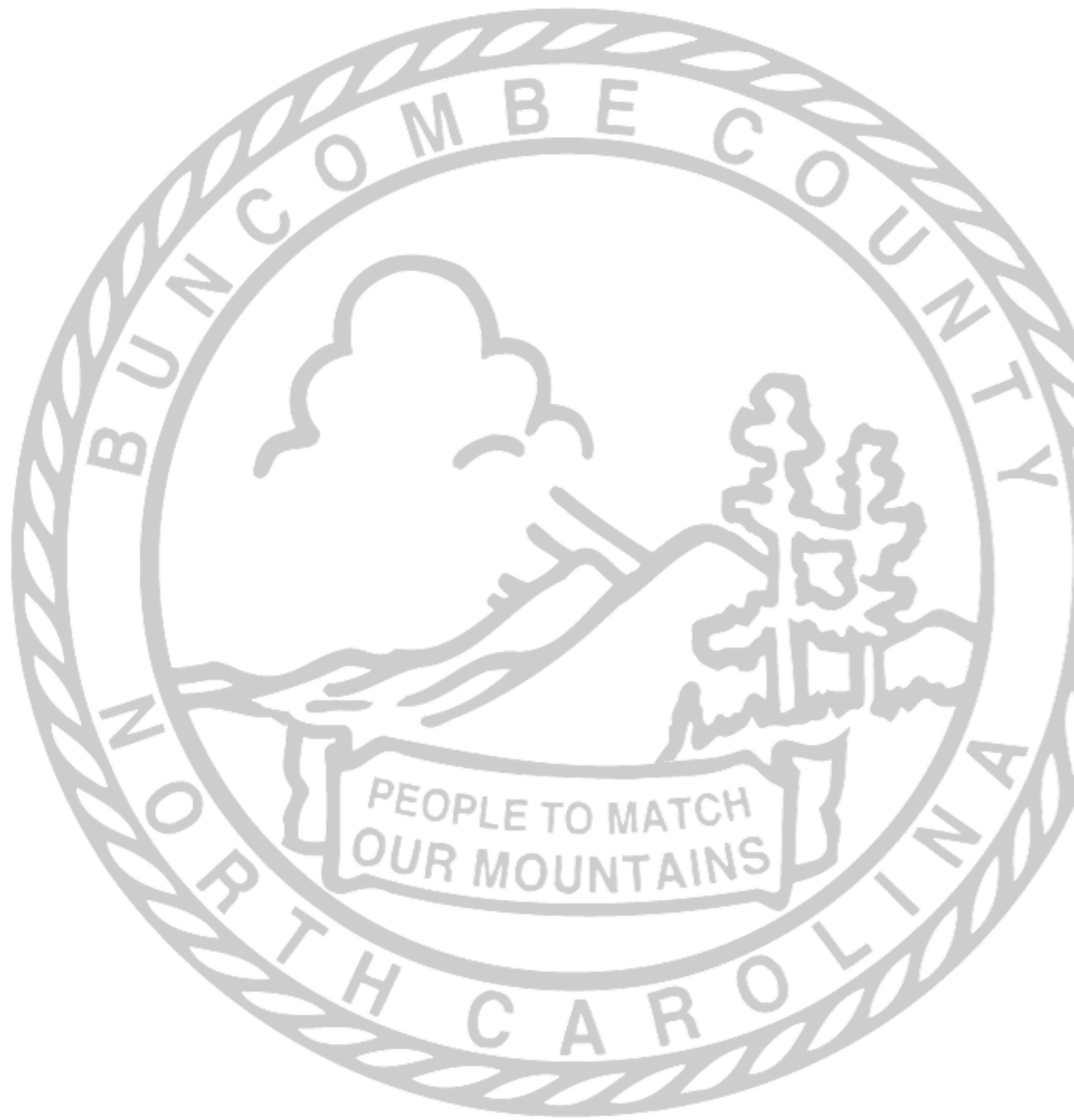
Human Resources Director

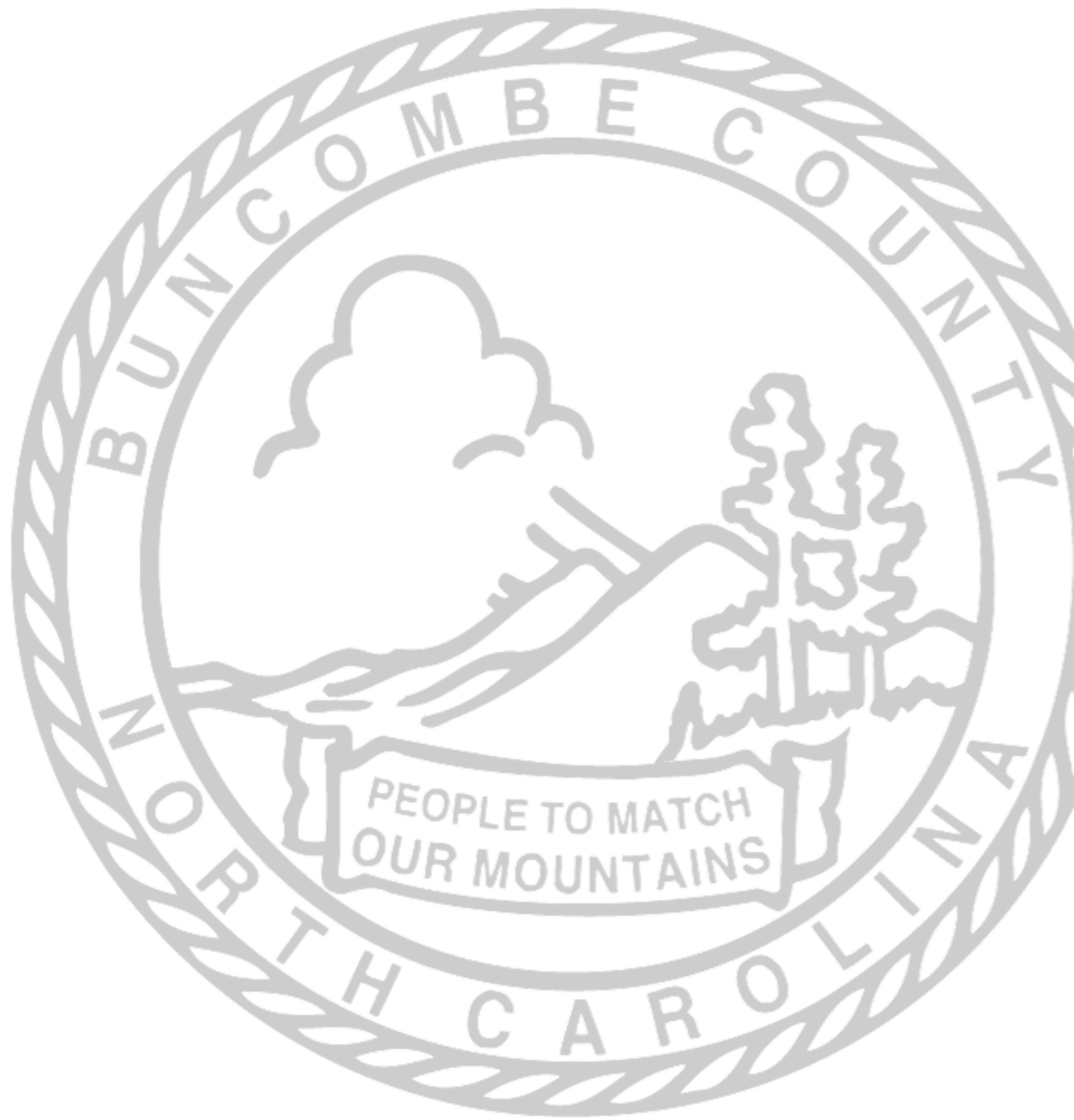
Tax Director

Soil & Water Conservation Director

Cooperative Extension Director

General Services Director





Financial Section



**BUNCOMBE
COUNTY**
GOVERNMENT
— NORTH CAROLINA —



Independent Auditors' Report

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

Report on the Financial Statements

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, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buncombe County, North Carolina, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 22-34, the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions on pages 96-97, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions on page 98, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions on page 99, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

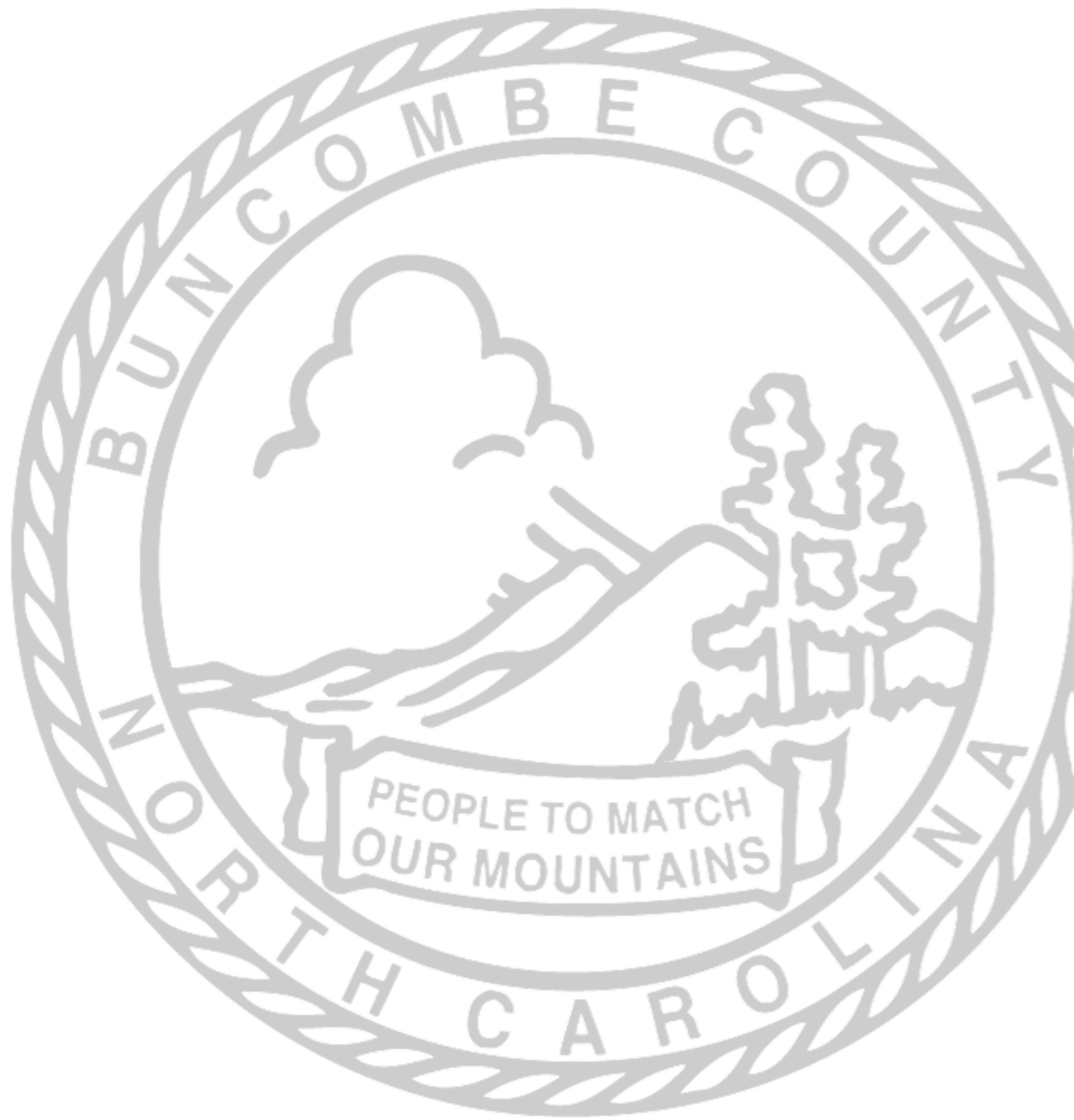
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2015, on our consideration of Buncombe 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Buncombe County's internal control over financial reporting and compliance.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 28, 2015



Management's Discussion and Analysis

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, 2015. 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.

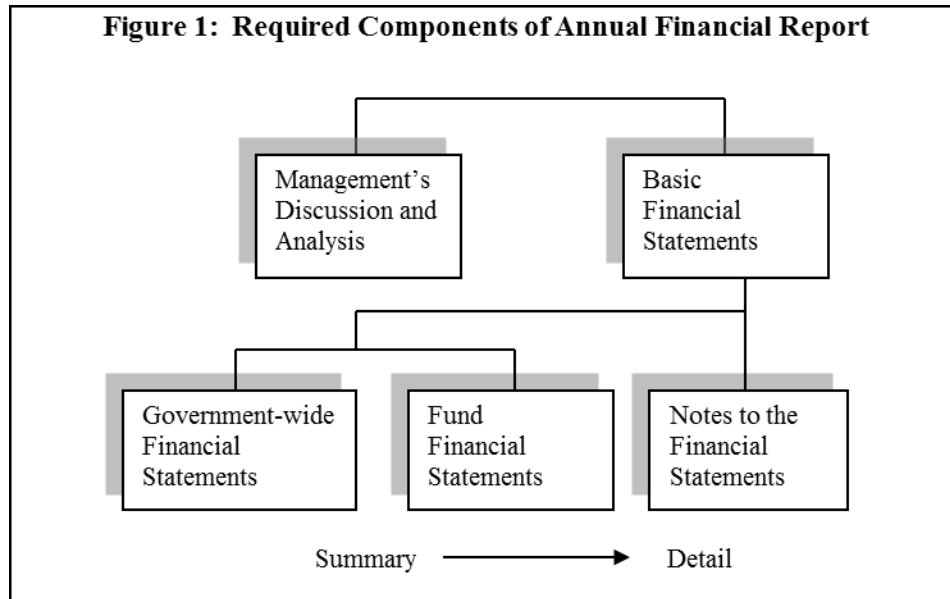
Financial Highlights for Fiscal Year 2015

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$56 million (net position).
- The County's total net position decreased by \$49.3 million during the fiscal year. This is primarily due to an increase in public safety, human services and education expenses, and a large debt issuance during the year.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$286.1 million, an increase of \$11.1 million from the prior year. Approximately 74% of this total amount, or \$213 million, is restricted or nonspendable.
- At June 30, 2015, available fund balance for the General Fund was \$52.2 million, or 18% of total general fund expenditures and transfers for the fiscal year.
- At June 30, 2015, the total amount of outstanding long-term debt was \$509.2 million, an increase of \$70.5 million from the previous fiscal year. The increase is due to a debt issuance used primarily to fund education-related capital and county-related capital projects.
- 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 \$241 million or 47.7% 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 maintained its AAA bond rating from Standard and Poor's Rating Service and upgraded to Aa1 rating with a positive outlook with Moody's Investor Service.

Overview of the Financial Statements

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. See Figure 1. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this

report contains other supplemental information that will enhance the readers' understanding of the fiscal condition of the County.



Basic Financial Statements

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 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary 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, a legally separate service foundation, 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 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 agency funds. Information about these funds can be found on pages 48-49 and 136-138.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 50-93 of this report.

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 beginning on page 95 of this report.

Government-wide Financial Analysis

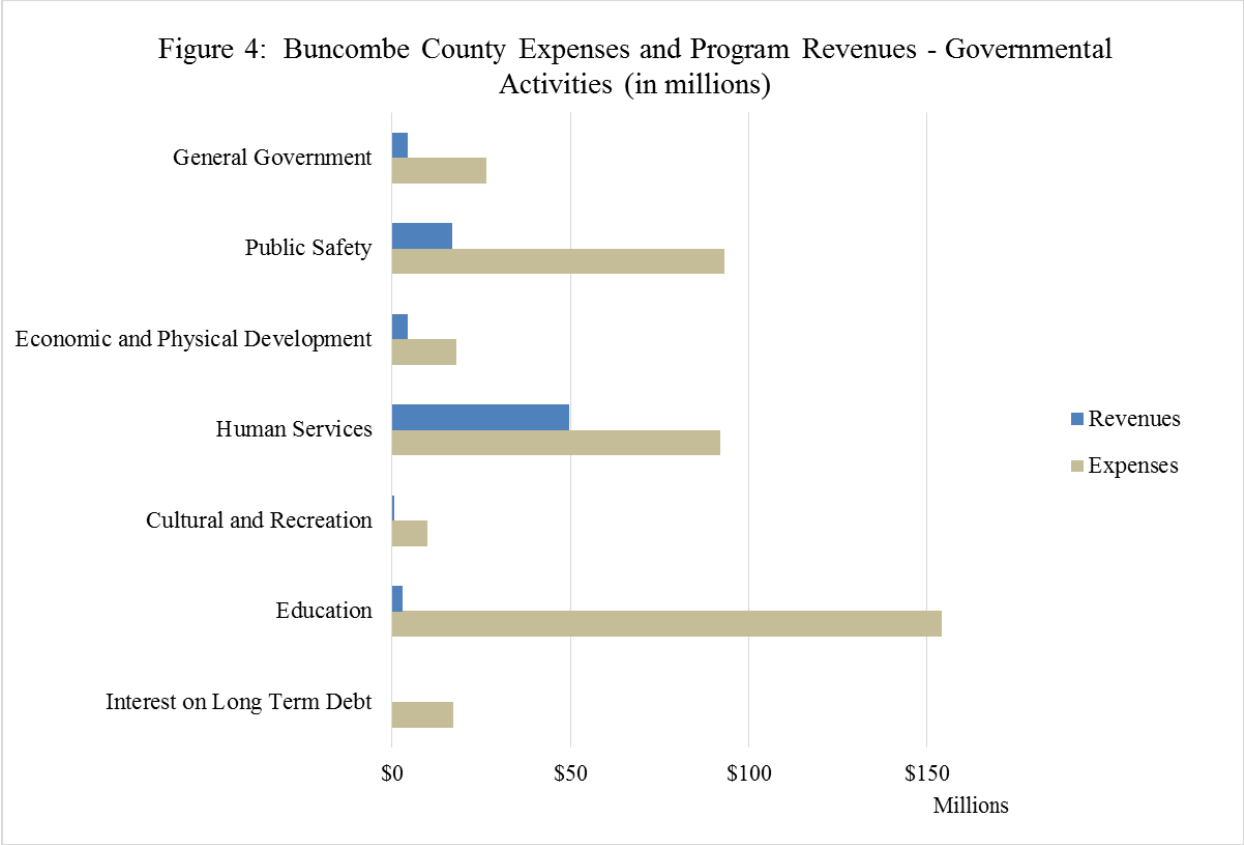
As noted earlier, net position may serve as a useful indicator of a government's financial condition. As shown in Figure 2, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$56 million at June 30, 2015. The County's net position decreased by \$49.3 million for the fiscal year ended June 30, 2015. The largest portion of Buncombe County's net position is reflected in the County's Net 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.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
		(Restated)		(Restated)		(Restated)
Current and Other Assets	\$ 334.8	\$ 311.5	\$ 20.1	\$ 19.3	\$ 354.9	\$ 330.8
Capital Assets	254.9	245.6	27.7	29.6	282.6	275.2
Total Assets	<u>589.7</u>	<u>557.1</u>	<u>47.8</u>	<u>48.9</u>	<u>637.5</u>	<u>606.0</u>
Total Deferred Outflows of Resources	11.1	10.0	0.1	0.1	11.2	10.1
Long-term Liabilities Outstanding	526.0	463.4	19.5	20.2	545.5	483.6
Other Liabilities	26.8	25.3	0.5	0.4	27.3	25.7
Total Liabilities	<u>552.8</u>	<u>488.7</u>	<u>20.0</u>	<u>20.6</u>	<u>572.8</u>	<u>509.3</u>
Total Deferred Inflows of Resources	19.4	1.2	0.2	-	19.6	1.2
Net Position:						
Net Investment in Capital Assets	84.2	93.6	24.9	26.2	109.1	119.8
Restricted	52.2	194.7	-	-	52.2	194.7
Unrestricted	(107.8)	(211.1)	2.8	2.2	(105.0)	(208.9)
Total Net Position	<u>\$ 28.6</u>	<u>\$ 77.2</u>	<u>\$ 27.7</u>	<u>\$ 28.4</u>	<u>\$ 56.3</u>	<u>\$ 105.6</u>

Buncombe County has a negative balance of \$105 million in unrestricted net position. 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 general obligation debt. 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 liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$241.4 million (or 47.7%) 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.

Figure 3: Buncombe County's Change in Net Position (in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 16.5	\$ 17.2	\$ 7.1	\$ 8.6	\$ 23.6	\$ 25.8
Operating Grants and Contributions	56.3	49.0	0.4	0.4	56.7	49.4
Capital Grants and Contributions	6.3	9.4	-	-	6.3	9.4
General Revenues:						
Property Taxes	191.2	192.7	-	-	191.2	192.7
Other Taxes	88.0	77.0	-	-	88.0	77.0
Other	3.8	0.8	-	0.1	3.8	0.9
Total Revenues	362.1	346.1	7.5	9.1	369.6	355.2
Expenses:						
General Government	26.5	26.2	-	-	26.5	26.2
Public Safety	93.2	86.3	-	-	93.2	86.3
Economic and Physical Development	17.9	15.3	-	-	17.9	15.3
Human Services	92.1	86.3	-	-	92.1	86.3
Culture and Recreation	9.8	10.6	-	-	9.8	10.6
Education	154.2	107.5	-	-	154.2	107.5
Interest on Long-term Debt	17.0	13.6	-	-	17.0	13.6
Solid Waste Disposal	-	-	7.8	6.8	7.8	6.8
Other	-	-	0.4	1.7	0.4	1.7
Total Expenses	410.7	345.8	8.2	8.5	418.9	354.3
Increase (Decrease) in Net Position						
Before Transfers	(48.6)	0.3	(0.7)	0.6	(49.3)	0.9
Transfers	-	0.6	-	(0.6)	-	-
Increase (Decrease) in Net Position	(48.6)	0.9	(0.7)	-	(49.3)	0.9
Net Position, Beginning of Year, Restated	77.2	76.3	28.4	28.4	105.6	104.7
Net Position, Ending	\$ 28.6	\$ 77.2	\$ 27.7	\$ 28.4	\$ 56.3	\$ 105.6



Governmental Activities. Governmental activities decreased the County’s net position \$48.6 million, thereby accounting for 98.6% of the decrease in the net position of Buncombe County. The key element of this decrease is an increase in spending for capital projects related to AB Tech.

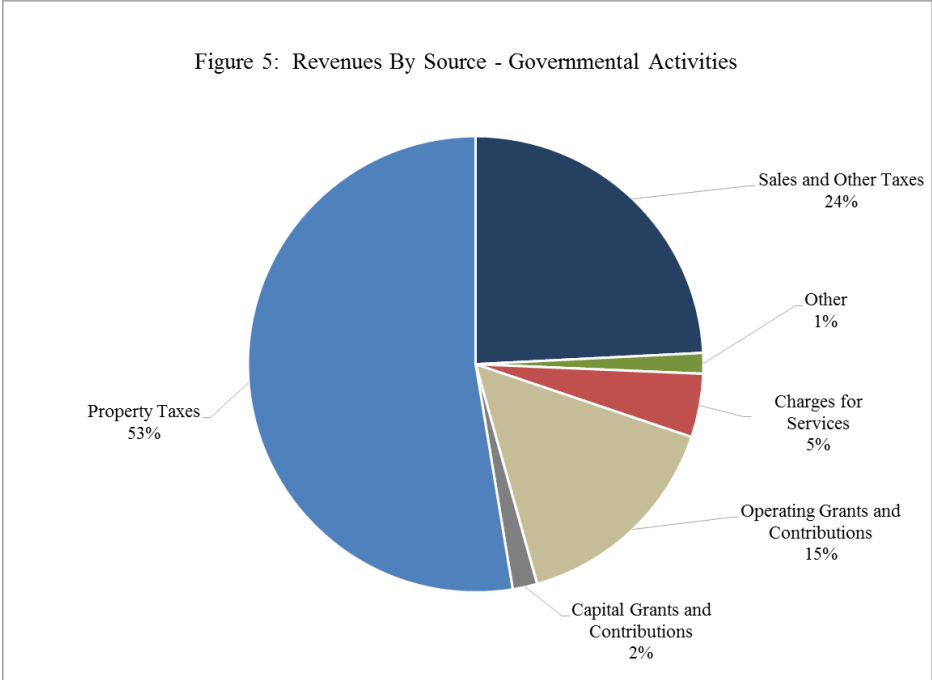
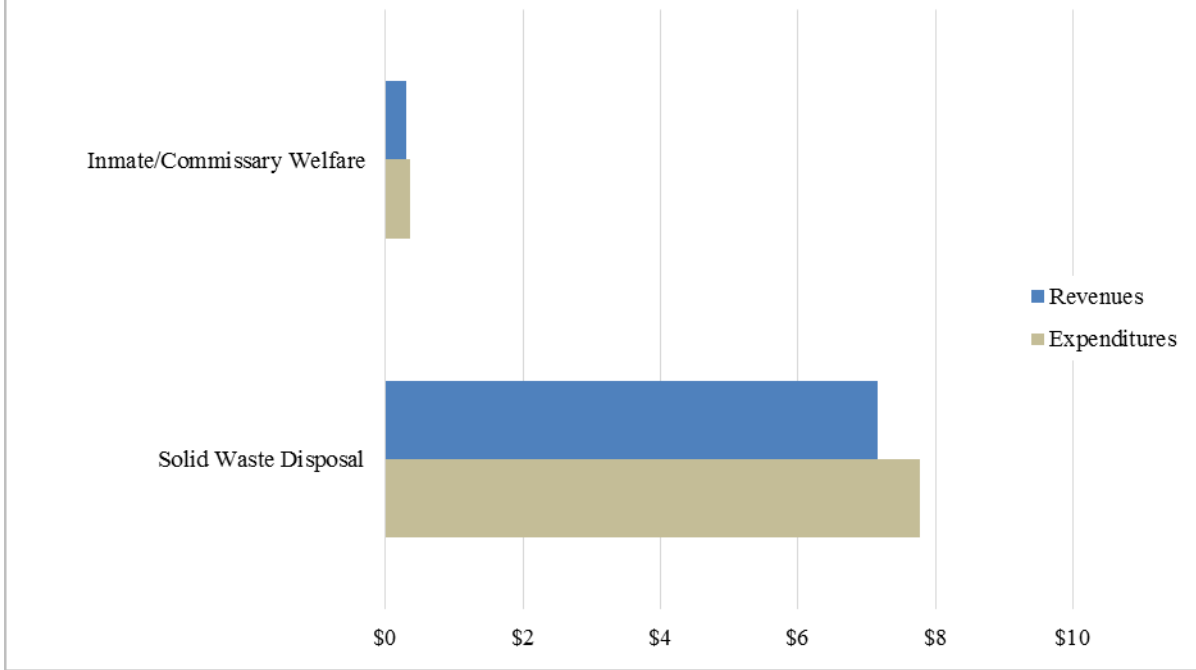
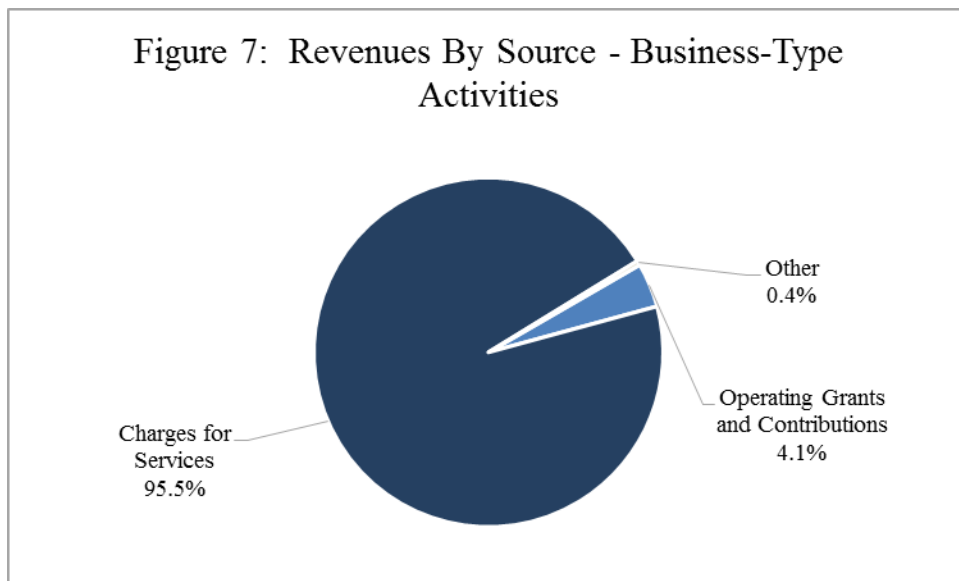


Figure 6: Buncombe County Expenses and Program Revenues - Business-Type Activities (in millions)



Business-type Activities. Business-type activities decreased Buncombe County’s overall net position by \$0.7 million in fiscal year ending June 30, 2015.

Figure 7: Revenues By Source - Business-Type Activities



Financial Analysis of the County's Funds

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 County Capital Projects Fund, the School Capital Commission Fund, and the AB Tech Capital Projects Fund. The remaining governmental funds are considered non-major.

At June 30, 2015, the governmental funds of Buncombe County reported a combined fund balance of \$286.1 million, an \$11.1 million increase over last year. Of the total governmental fund balance, \$213 million, or 74%, 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 \$52.2 million, while total fund balance reached \$75.6 million. The Board of Commissioners has determined that the County should maintain an 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 18% 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 \$5.9 million. The actual revenue collected exceeded the final budget amount by \$8.1 million. This can be attributed to increased revenue from sales taxes and state and federal grants. Aiding in this increase is an overall property tax collection rate at 99.73%.

The fund balance of the County's General Fund saw an increase of just over \$4.4 million from the previous year; savings in all functional areas contributed to this increase. This is the thirteenth consecutive year that the County has seen an increase in its General Fund fund balance.

The County Capital Projects Fund accounts for capital asset construction or acquisition. Upon completion, these assets will be owned by the County. As of June 30, 2015, the fund balance for this fund was \$97.5 million, an increase of \$46.7 million from the prior year amount. The fund balance for this fund can fluctuate greatly from one year to the next due to timing of debt issuances or other funding and project completions. The most significant reason for this year's increase is related to the \$48.5 million Human Services building project in 2015.

The School Capital Commission Fund accounts for revenues restricted for public school capital outlay projects. The total fund balance decreased \$1.3 million from \$70.6 million in fiscal year 2014 to \$69.3 million in 2015. Rapid construction expenditures on new schools is the reason for the decrease. Similar to the County Capital Projects Fund, total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions.

The AB Tech Capital Project Fund accounts for revenues restricted for use on capital projects benefiting AB Tech Community College. The total fund balance decreased \$38.6 million from \$73 million in fiscal year 2014 to \$34.4 million in 2015. Again, rapid construction expenditures for capital projects is the reason for the decrease. 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.

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 \$2.4 million. Other factors concerning the finances of these funds have already been addressed in the discussion of Buncombe County’s business-type activities.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2015, the County’s investment in capital assets, net of accumulated depreciation for its governmental and business-type activities totaled \$282.7 million. These assets include land, buildings and improvements, equipment, automotive equipment, and construction in progress. This is an increase of \$7.4 million, or 2.7%, from fiscal year 2014. This increase is due to assets in governmental activities. See Figure 8.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 19.8	\$ 13.0	\$ 6.8	\$ 6.8	\$ 26.6	\$ 19.8
Buildings and Improvements	198.9	189.7	19.6	21.5	218.5	211.2
Equipment	10.7	12.5	0.4	0.7	11.1	13.2
Automotive Equipment	2.9	4.0	0.3	0.1	3.2	4.1
Intangibles	0.1	0.1	-	-	0.1	0.1
Construction in Progress	22.5	26.3	0.6	0.5	23.1	26.8
Total Capital Assets	<u>\$ 254.9</u>	<u>\$ 245.6</u>	<u>\$ 27.7</u>	<u>\$ 29.6</u>	<u>\$ 282.6</u>	<u>\$ 275.2</u>

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

- Completion of a \$9.2 million upgrade and expansion of the public safety radio and communication tower network that meets federal regulations requiring a narrower bandwidth.
- In the Tax Department, implementation of an upgraded billings and collections system and start to a new property assessment software system to be ready in fiscal year 2016

Additional information on the County’s capital assets can be found in the notes of the financial statements starting on page 66.

Outstanding Debt. The County’s outstanding long-term debt increased by \$70.5 million, or 16.1%, during the past fiscal year. This increase is due to financing necessary for education-related capital projects in addition to funding other County capital projects. As of June 30, 2015, the County’s total debt outstanding was \$509.2 million, of which \$30.1 million is debt backed by the full faith and credit of the County. Installment notes account for the remaining \$479.1 million. Collateral for these notes are the assets purchased or constructed.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 30.1	\$ 38.3	\$ -	\$ -	\$ 30.1	\$ 38.3
Special Obligation Revenue Bonds	-	-	-	1.5	-	1.5
Installment Notes Payable	476.2	395.8	2.9	3.1	479.1	398.9
Total Outstanding Debt	<u>\$ 506.3</u>	<u>\$ 434.1</u>	<u>\$ 2.9</u>	<u>\$ 4.6</u>	<u>\$ 509.2</u>	<u>\$ 438.7</u>

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 \$241 million, of which \$152 million is for the school systems and \$89 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 \$43.2 million, or 8.5% of the total outstanding debt of the County.

In April 2015, Buncombe County issued installment note obligations in the amount of \$126.8 million. Of this amount \$44.1 million was used to refund existing debt while the remaining amount will be used to finance an intermediate school, a human services campus, a firing range at the public safety training center, a covered swimming pool, and various county capital maintenance projects.

As mentioned in the financial highlights section of this document, Buncombe County maintained its AAA bond rating from Standard and Poor’s Corporation and upgraded its Aa1 rating with

Moody's Investor Service to Aa1 with a positive outlook. 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.

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 \$1.9 billion.

Additional information regarding the County's long-term debt can be found starting on page 83 in the notes of the financial statements.

Fiscal Year 2016 Budget Highlights

The total operating budget for Buncombe County is \$388.5 million. The General Fund budget for fiscal year 2016 is \$308.4 million. This is a decrease of 4.7% from the fiscal year 2015 amended General Fund budget. This decrease is largely due to a \$22 million non-recurring debt re-financing in fiscal year 2015. The fiscal year 2016 budget includes an increase of \$8.7 million in ongoing operations.

The tax rate for fiscal year 2016 remains at 60.4 cents per \$100 of property value.

Funding for our core services—Education, Public Safety, and Human Services—is maintained in the fiscal year 2016 budget, with some necessary increases. Many state and federal changes have impacted the budget. Appropriations include:

- Asheville City Schools and Buncombe County Schools funding increased by \$6.8 million. This increase includes: A \$1.9 million increase for Buncombe County Schools to fund increased pay for teachers with 0-4 years of experience (\$197,160), loss of federally funded positions/services due to loss of grants (\$395,000), an increased retirement contribution rate (\$227,390), an increased health insurance premium (\$72,506), textbook replacement (\$100,000), support of global initiatives (\$108,000), salary increase in school based administrators (\$75,000), ongoing Twilight/Mini-Mester/Summer Bridge Program (\$115,000), purchase of the "Home Base" communication and instructional product and support (\$99,900), advanced placement teachers (\$425,784), expansion of Strings Program (\$60,000), and cost of Canvas LMS (\$24,975); a proportional increase of \$332,793 for Asheville City Schools based on increase given to Buncombe County Schools; and \$4.5 million for Asheville Middle School and Isaac Dickson Elementary School debt service.
- Funding for Public Safety increased by \$1.2 million. This increase includes: \$300,000 for vehicle replacements; \$225,708 for District Attorney/Administrative Office of the courts contracts (this funding will provide three domestic violence positions including a DV Felony Prosecutor, DV Investigator, and DV Legal Assistant); \$1.4 million for the new Family Justice Center; \$227,000 for Behavioral Health Deputies to provide coverage at the Behavioral Health Urgent Care Center at 356 Biltmore; \$466,000 for seven School Resource Officers that were previously grant funded.

Other fiscal year 2016 budget increases include a \$689,000 increase in Elections due to the municipal election cycle and the new requirement of a Presidential Preference Primary, a \$2.9 million increase in Economic Development incentive payments, a \$300,000 increase in funding for greenways, a \$100,000 increase for housing, and an increased health insurance premium for Buncombe County employees.

The fiscal year 2016 budget includes a fund balance appropriation of \$9.6 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.

Requests for Information

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 Director of Finance, PO Box 7526, Asheville, NC 28802. You can also call the Finance Department at 828-250-4130, visit our website at www.buncombecounty.org or send an email to FinanceInfo@buncombecounty.org.

Basic Financial Statements

Buncombe County, North Carolina



BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 1

Statement of Net Position

JUNE 30, 2015

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Tourism Development Authority	Buncombe County Service Foundation	WNC Regional Air Quality Agency
ASSETS						
Cash and cash equivalents	\$ 123,385,063	\$ 19,308,064	\$ 142,693,127	\$ 4,068,144	\$ 1,204,081	\$ 686,889
Investments	9,006,414	-	9,006,414	9,092,940	-	-
Receivables (net)	4,020,843	691,527	4,712,370	-	-	1,770
Due from other governments	29,514,474	-	29,514,474	-	-	-
Due from primary government	-	-	-	1,087,759	-	-
Inventories	-	13,166	13,166	-	-	-
Prepays	436,597	-	436,597	-	-	-
Assets held for resale	-	-	-	-	-	-
Restricted cash and cash equivalents	158,912,734	-	158,912,734	-	-	-
Net pension asset	8,076,291	84,283	8,160,574	-	-	44,113
Long-term receivables	1,452,037	-	1,452,037	-	-	-
Capital assets:						
Land and construction in progress	42,288,587	7,406,538	49,695,125	-	-	-
Other capital assets, net of depreciation	212,645,265	20,313,078	232,958,343	-	-	57,483
Total capital assets	254,933,852	27,719,616	282,653,468	-	-	57,483
Total assets	589,738,305	47,816,656	637,554,961	14,248,843	1,204,081	790,255
DEFERRED OUTFLOWS OF RESOURCES	11,113,746	71,363	11,185,109	-	-	41,913
LIABILITIES						
Accounts payable and accrued expenses	16,614,839	548,222	17,163,061	1,884,530	277,321	161,268
Accrued interest payable	2,468,627	5,764	2,474,391	-	-	-
Payable from restricted cash	5,371,480	-	5,371,480	-	-	-
Other liabilities	1,254,594	-	1,254,594	-	-	-
Due to component unit	1,087,759	-	1,087,759	-	-	-
Due to other funds	-	-	-	-	-	-
Long-term liabilities:						
Due within one year	33,249,677	308,644	33,558,321	-	-	124,316
Due in more than one year	492,811,017	19,119,380	511,930,397	-	-	27,602
Total long-term liabilities	526,060,694	19,428,024	545,488,718	1,884,530	277,321	313,186
Total liabilities	552,857,993	19,982,010	572,840,003	-	-	107,514
DEFERRED INFLOWS OF RESOURCES	19,443,494	205,418	19,648,912	-	-	-
NET POSITION						
Net investment in capital assets	84,189,214	24,859,349	109,048,563	-	-	57,483
Restricted for:						
Stabilization by state statute	31,494,894	-	31,494,894	1,087,759	-	-
Product development	-	-	-	8,608,073	-	-
Capital projects	17,699,124	-	17,699,124	-	-	-
Public safety	2,708,853	-	2,708,853	-	-	-
Other	297,450	-	297,450	-	850,785	-
Unrestricted	(107,838,971)	2,841,242	(104,997,729)	2,668,481	75,975	353,985
Total net position	\$ 28,550,564	\$ 27,700,591	\$ 56,251,155	\$ 12,364,313	\$ 926,760	\$ 411,468

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Activities

Exhibit 2

FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Buncombe County Service Foundation	WNC Regional Air Quality Agency
PRIMARY GOVERNMENT:										
GOVERNMENTAL ACTIVITIES:										
General government	\$ 26,547,924	\$ 1,792,710	\$ 2,663,739	\$ -	\$ (22,091,475)	\$ -	\$ (22,091,475)			
Public safety	93,283,467	11,512,251	5,562,047	-	(76,209,169)	-	(76,209,169)			
Economic and physical development	17,890,984	489,513	447,702	3,479,084	(13,474,685)	-	(13,474,685)			
Human services	92,117,911	2,268,101	47,340,444	-	(42,509,366)	-	(42,509,366)			
Cultural and recreational	9,798,772	450,484	281,377	-	(9,066,911)	-	(9,066,911)			
Education	154,203,942	-	-	2,864,963	(151,338,979)	-	(151,338,979)			
Interest on long-term debt	17,044,059	-	-	-	(17,044,059)	-	(17,044,059)			
Total governmental activities	410,887,059	16,513,059	56,295,309	6,344,047	(331,734,644)	-	(331,734,644)			
BUSINESS-TYPE ACTIVITIES:										
Solid Waste Disposal	7,830,522	6,773,435	393,715	-	-	(663,372)	(663,372)			
Inmate Commissary/Welfare	357,906	311,076	-	-	-	(46,830)	(46,830)			
Total business-type activities	8,188,428	7,084,511	393,715	-	-	(710,202)	(710,202)			
Total primary government	\$ 419,075,487	\$ 23,597,570	\$ 56,689,024	\$ 6,344,047	(331,734,644)	(710,202)	(332,444,846)			
COMPONENT UNITS:										
Tourism Development Authority	\$ 9,230,121	\$ -	\$ 10,437,013	\$ -			\$ 1,206,892	\$ -	\$ -	
Buncombe County Service Foundation	2,026,714	-	2,620,112	-			-	593,398	-	
WNC Regional Air Quality Agency	1,110,754	452,826	395,593	-			-	-	(262,335)	
Total component units	\$ 12,367,589	\$ 452,826	\$ 13,452,718	\$ -			1,206,892	593,398	(262,335)	
General revenues:										
Taxes:										
Property taxes, levied for general purpose					191,247,474	-	191,247,474	-	-	-
Local option sales tax					70,792,084	-	70,792,084	-	-	-
Other taxes and licenses					17,209,248	-	17,209,248	-	-	-
Investment earnings, unrestricted					344,674	55,526	400,200	1,750	-	2,576
Payments in lieu of taxes					136,281	-	136,281	-	-	-
Miscellaneous, unrestricted					1,471,037	-	1,471,037	-	-	-
Gain on sale of assets					1,828,088	1,310	1,829,398	-	-	-
Total general revenues					283,028,886	56,836	283,085,722	1,750	-	2,576
Change in net position					(48,705,758)	(653,366)	(49,359,124)	1,208,642	593,398	(259,759)
Net position, beginning of year, as originally reported					84,510,812	28,462,308	112,973,120	11,155,671	333,362	724,883
Prior period adjustments (Note 9)					(7,254,490)	(108,351)	(7,362,841)	-	-	(53,656)
Net position, beginning of year, as restated					77,256,322	28,353,957	105,610,279	11,155,671	333,362	671,227
Net position, ending	\$ 28,550,564	\$ 27,700,591	\$ 56,251,155		\$ 12,364,313	\$ 926,760	\$ 411,468			

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 3

Balance Sheet

Governmental Funds

JUNE 30, 2015

	General	County Capital Projects	School Capital Commission	AB Tech Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 57,853,615	\$ 17,681,384	\$ 8,443,262	\$ 14,856,815	\$ 10,657,409	\$109,492,485
Investments	9,006,414	-	-	-	-	9,006,414
Restricted cash and cash equivalents	689,204	80,535,352	56,244,479	21,443,699	-	158,912,734
Receivables, net	2,238,006	59,506	-	-	1,691,242	3,988,754
Due from other governments	19,927,539	160,428	4,645,854	2,967,762	1,812,891	29,514,474
Due from other funds	1,723,293	-	-	-	-	1,723,293
Prepaid items	52,597	-	-	-	-	52,597
Long-term receivable	-	-	-	-	1,452,037	1,452,037
Total assets	<u>\$ 91,490,668</u>	<u>\$ 98,436,670</u>	<u>\$ 69,333,595</u>	<u>\$ 39,268,276</u>	<u>\$ 15,613,579</u>	<u>\$314,142,788</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 12,995,105	\$ 515,856	\$ 1,650	\$ -	\$ 2,551,765	\$ 16,064,376
Payable from restricted cash	-	461,381	-	4,910,099	-	5,371,480
Miscellaneous liabilities	422,867	-	-	-	831,727	1,254,594
Due to component unit	-	-	-	-	1,087,759	1,087,759
Due to other funds	-	-	-	-	1,723,293	1,723,293
Total liabilities	<u>13,417,972</u>	<u>977,237</u>	<u>1,650</u>	<u>4,910,099</u>	<u>6,194,544</u>	<u>25,501,502</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,495,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,502</u>	<u>2,539,088</u>
FUND BALANCES						
Nonspendable	52,597	-	-	-	1,452,037	1,504,634
Restricted for:						
Stabilization by State statute	23,297,383	219,934	4,645,854	2,967,762	363,961	31,494,894
Capital projects	-	80,535,352	64,686,091	31,390,415	-	176,611,858
Public safety	-	-	-	-	2,708,853	2,708,853
Other	-	-	-	-	297,450	297,450
Committed	5,462,421	-	-	-	-	5,462,421
Assigned	9,643,213	16,704,147	-	-	4,553,232	30,900,592
Unassigned	37,121,496	-	-	-	-	37,121,496
Total fund balances	<u>75,577,110</u>	<u>97,459,433</u>	<u>69,331,945</u>	<u>34,358,177</u>	<u>9,375,533</u>	<u>286,102,198</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91,490,668</u>	<u>\$ 98,436,670</u>	<u>\$ 69,333,595</u>	<u>\$ 39,268,276</u>	<u>\$ 15,613,579</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)	<u>(257,551,634)</u>
Net Position of governmental activities	<u>\$ 28,550,564</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

Exhibit 4

FOR THE YEAR ENDED JUNE 30, 2015

	County General	County Capital Projects	School Capital Commission	AB Tech Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$174,979,563	\$ -	\$ -	\$ -	\$ 16,586,098	\$191,565,661
Local option sales taxes	38,890,440	-	16,387,330	10,406,350	5,107,964	70,792,084
Other taxes and licenses	5,876,588	-	-	-	10,590,065	16,466,653
Unrestricted intergovernmental	742,595	-	-	-	-	742,595
Restricted intergovernmental	49,670,842	3,407,477	2,822,744	42,219	5,072,738	61,016,020
Permits and fees	3,451,565	-	-	-	-	3,451,565
Sales and services	14,690,044	-	-	-	17,964	14,708,008
Investment earnings	251,348	50,302	10,045	60,238	10,952	382,885
Payments in lieu of taxes	-	-	-	-	136,281	136,281
Miscellaneous	789,587	597,705	-	-	83,745	1,471,037
Total revenues	289,342,572	4,055,484	19,220,119	10,508,807	37,605,807	360,732,789
EXPENDITURES						
Current:						
General government	25,665,101	-	-	-	55,269	25,720,370
Public safety	59,969,844	-	-	-	23,580,257	83,550,101
Economic and physical development	5,944,028	-	-	-	10,432,701	16,376,729
Human services	87,226,327	-	-	-	4,144,533	91,370,860
Cultural and recreational	8,384,501	-	-	-	3,119	8,387,620
Intergovernmental:						
Education	79,225,390	-	-	-	-	79,225,390
Capital outlay	-	24,247,285	32,335,822	42,642,729	725,586	99,951,422
Debt service:						
Principal retirement	12,503,361	-	9,890,567	1,978,223	35,000	24,407,151
Interest and fees	7,386,892	653,952	6,068,496	4,154,550	528,292	18,792,182
Total expenditures	286,305,444	24,901,237	48,294,885	48,775,502	39,504,757	447,781,825
Revenues over (under) expenditures	3,037,128	(20,845,753)	(29,074,766)	(38,266,695)	(1,898,950)	(87,049,036)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	5,977,296	3,061,035	-	-	2,144,935	11,183,266
Transfers to other funds	(5,178,697)	(7,803,702)	-	(378,543)	(322,324)	(13,683,266)
Installment obligations issued - projects	-	59,429,450	23,275,000	-	-	82,704,450
Installment obligations issued - refunding	19,517,962	-	24,622,038	-	-	44,140,000
Premium on installment obligations	3,562,114	10,641,408	8,533,455	-	-	22,736,977
Payment to refunded bond escrow agent	(22,896,409)	-	(28,619,170)	-	-	(51,515,579)
Sales of capital assets	406,230	2,186,508	-	-	-	2,592,738
Total other financing sources (uses)	1,388,496	67,514,699	27,811,323	(378,543)	1,822,611	98,158,586
Net changes in fund balances	4,425,624	46,668,946	(1,263,443)	(38,645,238)	(76,339)	11,109,550
Fund balances, beginning of year	71,151,486	50,790,487	70,595,388	73,003,415	7,920,294	273,461,070
Prior period adjustment	-	-	-	-	1,531,578	1,531,578
Fund balances, beginning as restated	71,151,486	50,790,487	70,595,388	73,003,415	9,451,872	274,992,648
Fund balances, end of year	\$ 75,577,110	\$ 97,459,433	\$ 69,331,945	\$ 34,358,177	\$ 9,375,533	\$286,102,198

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

Net changes in fund balances - total governmental funds	\$ 11,109,550
Reconciliation to full accrual basis of accounting (see Note 1)	<u>(59,815,308)</u>
Total change in net position of governmental activities	<u>\$ (48,705,758)</u>

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, 2015

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 173,578,438	\$ 173,578,438	\$ 174,979,563	\$ 1,401,125
Local option sales taxes	33,960,310	34,435,310	38,890,440	4,455,130
Other taxes and licenses	5,087,184	5,412,184	5,876,588	464,404
Unrestricted intergovernmental	661,421	661,421	742,595	81,174
Restricted intergovernmental	43,727,324	48,089,024	49,670,842	1,581,818
Permits and fees	2,727,185	2,802,185	3,451,565	649,380
Sales and services	14,531,529	15,214,493	14,690,044	(524,449)
Investment earnings	183,750	183,750	251,348	67,598
Miscellaneous	796,155	796,155	789,587	(6,568)
Total revenues	<u>275,253,296</u>	<u>281,172,960</u>	<u>289,342,572</u>	<u>8,169,612</u>
EXPENDITURES				
Current:				
General government	25,957,493	26,301,124	25,665,101	636,023
Public safety	59,549,630	60,683,000	59,969,844	713,156
Economic and physical development	8,079,123	7,984,789	5,944,028	2,040,761
Human services	87,845,775	91,024,312	87,226,327	3,797,985
Cultural and recreational	9,320,790	9,003,179	8,384,501	618,678
Intergovernmental:				
Education	77,674,242	79,249,242	79,225,390	23,852
Total current expenditures	<u>268,427,053</u>	<u>274,245,646</u>	<u>266,415,191</u>	<u>7,830,455</u>
Debt service:				
Principal retirement			12,503,361	
Interest and other charges			7,386,892	
Total debt service	<u>21,154,452</u>	<u>20,484,726</u>	<u>19,890,253</u>	<u>594,473</u>
Total expenditures	<u>289,581,505</u>	<u>294,730,372</u>	<u>286,305,444</u>	<u>8,424,928</u>
Revenues over (under) expenditures	<u>(14,328,209)</u>	<u>(13,557,412)</u>	<u>3,037,128</u>	<u>16,594,540</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	8,996,731	8,996,731	5,977,296	(3,019,435)
Transfers to other funds	(2,413,159)	(5,322,994)	(5,178,697)	144,297
Installment obligations issued	-	19,617,962	19,517,962	(100,000)
Premium (discount) on installment obligations	-	3,562,115	3,562,114	(1)
Payment to refunded bond escrow agent	-	(23,424,803)	(22,896,409)	528,394
Sales of capital assets	160,000	160,000	406,230	246,230
Appropriated fund balance	7,584,637	9,968,401	-	(9,968,401)
Total other financing sources (uses)	<u>14,328,209</u>	<u>13,557,412</u>	<u>1,388,496</u>	<u>(12,168,916)</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,425,624</u>	<u>\$ 4,425,624</u>
Fund balance, beginning of year			<u>71,151,486</u>	
Fund balance, end of year			<u>\$ 75,577,110</u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 6

Statement of Net Position
Proprietary Funds

JUNE 30, 2015

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,794,745	\$ 513,319	\$ 19,308,064	\$ 13,892,580
Receivables, net	691,468	59	691,527	-
Prepays	-	-	-	384,000
Inventories	13,166	-	13,166	-
Total current assets	19,499,379	513,378	20,012,757	14,276,580
Noncurrent assets:				
Net pension asset	81,411	2,872	84,283	-
Capital assets:				
Land, improvements, and construction in progress	7,406,538	-	7,406,538	-
Other capital assets, net of depreciation	20,251,130	61,948	20,313,078	-
Total capital assets	27,657,668	61,948	27,719,616	-
Total noncurrent assets	27,739,079	64,820	27,803,899	-
Total assets	47,238,458	578,198	47,816,656	14,276,580
DEFERRED OUTFLOWS OF RESOURCES	68,907	2,456	71,363	-
LIABILITIES				
Current liabilities:				
Accounts payable	255,811	51,316	307,127	520,487
Accrued interest payable	5,764	-	5,764	-
Salaries and payroll taxes payable	238,774	2,321	241,095	29,979
Compensated absences	46,889	1,755	48,644	-
Installment obligations payable, current portion	260,000	-	260,000	-
Total current liabilities	807,238	55,392	862,630	550,466
Noncurrent liabilities:				
Accrued landfill closure and postclosure care costs	16,430,658	-	16,430,658	-
Other postemployment benefits	83,525	4,930	88,455	-
Installment obligations payable	2,600,267	-	2,600,267	-
Total noncurrent liabilities	19,114,450	4,930	19,119,380	-
Total liabilities	19,921,688	60,322	19,982,010	550,466
DEFERRED INFLOWS OF RESOURCES	198,418	7,000	205,418	-
NET POSITION				
Net investment in capital assets	24,797,401	61,948	24,859,349	-
Unrestricted	2,389,858	451,384	2,841,242	13,726,114
Total net position	\$ 27,187,259	\$ 513,332	\$ 27,700,591	\$ 13,726,114

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 7

Statement of Revenues, Expenses, and Change in Net Position

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
OPERATING REVENUES				
Charges for services	\$ 6,773,435	\$ 311,076	\$ 7,084,511	\$ 28,423,372
Miscellaneous	393,715	-	393,715	-
Total operating revenues	7,167,150	311,076	7,478,226	28,423,372
OPERATING EXPENSES				
Salaries, wages, and fringe benefits	1,673,521	52,160	1,725,681	667,763
Contracted services	397,692	90,005	487,697	-
Cost of products sold	-	181,385	181,385	-
Maintenance and repairs	664,732	-	664,732	-
Other operating expenses	1,327,749	21,150	1,348,899	48,055
Landfill closure and postclosure care costs	1,451,747	-	1,451,747	-
Depreciation	2,223,643	13,206	2,236,849	-
Insurance premiums	-	-	-	2,353,187
Claims	-	-	-	23,326,308
Total operating expenses	7,739,084	357,906	8,096,990	26,395,313
Operating income (loss)	(571,934)	(46,830)	(618,764)	2,028,059
NONOPERATING REVENUES (EXPENSES)				
Interest and investment revenue	53,780	1,746	55,526	37,287
Interest and other charges	(91,438)	-	(91,438)	-
Gain on disposal of assets	1,310	-	1,310	-
Total nonoperating revenues (expenses)	(36,348)	1,746	(34,602)	37,287
Income (loss) before transfers	(608,282)	(45,084)	(653,366)	2,065,346
Transfers from other funds	-	-	-	2,500,000
Change in net position	(608,282)	(45,084)	(653,366)	4,565,346
Net position, beginning of year	27,900,201	562,107	28,462,308	9,160,768
Prior period adjustment	(104,660)	(3,691)	(108,351)	-
Net position, beginning, as restated	27,795,541	558,416	28,353,957	9,160,768
Net position, end of year	\$ 27,187,259	\$ 513,332	\$ 27,700,591	\$ 13,726,114

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

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BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Cash Flows

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2015

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 6,770,643	\$ 311,154	\$ 7,081,797	\$ 28,423,372
Cash paid for goods and services	(2,713,388)	(273,156)	(2,986,544)	(25,734,028)
Cash paid to employees for services	(1,586,660)	(53,774)	(1,640,434)	(657,040)
Other operating revenue	393,715	-	393,715	-
Net cash provided (used) by operating activities	2,864,310	(15,776)	2,848,534	2,032,304
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	-	2,500,000
Net cash provided by noncapital financing activities	-	-	-	2,500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(339,641)	(17,025)	(356,666)	-
Sale of capital assets	1,310	-	1,310	-
Principal paid on installment obligation	(250,000)	-	(250,000)	-
Principal paid on bond maturities	(1,460,000)	-	(1,460,000)	-
Interest paid on long-term debt	(139,353)	-	(139,353)	-
Net cash provided by capital and related financing activities	(2,187,684)	(17,025)	(2,204,709)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	53,780	1,746	55,526	37,287
Net cash provided by investing activities	53,780	1,746	55,526	37,287
Net increase (decrease) in cash and cash equivalents	730,406	(31,055)	699,351	4,569,591
Cash and cash equivalents, beginning of year	18,064,339	544,374	18,608,713	9,322,989
Cash and cash equivalents, end of year	\$ 18,794,745	\$ 513,319	\$ 19,308,064	\$ 13,892,580

Continued on next page

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 (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (571,934)	\$ (46,830)	\$ (618,764)	\$ 2,028,059
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	2,223,643	13,206	2,236,849	-
Pension expense	6,555	231	6,786	-
Landfill closure and postclosure care costs	1,140,728	-	1,140,728	-
Changes in assets, liabilities and deferred outflow and inflows of resources:				
Accounts receivable	(2,792)	78	(2,714)	-
Inventories	15,167	-	15,167	-
Deferred outflows of resources	(68,907)	(2,456)	(71,363)	-
Accounts payable	(27,362)	19,385	(7,977)	(6,478)
Salaries and payroll taxes payable	171,774	423	172,197	10,723
Other postemployment benefits	(7,602)	(268)	(7,870)	-
Accrued compensated absences	(14,960)	455	(14,505)	-
Total adjustments	3,436,244	31,054	3,467,298	4,245
Net cash provided (used) by operating activities	\$ 2,864,310	\$ (15,776)	\$ 2,848,534	\$ 2,032,304

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 9

Statement of Fiduciary Net Position

JUNE 30, 2015

	OPEB Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 15,830,950	\$ 2,513,399
Accounts receivable	-	721,154
	<u>\$ 15,830,950</u>	<u>\$ 3,234,553</u>
LIABILITIES		
Accounts payable	\$ -	\$ 52,859
Due to other taxing units	-	1,955,291
Intergovernmental payable - State of North Carolina	-	18,074
Due to beneficiaries	-	1,208,329
Total liabilities	<u>-</u>	<u>3,234,553</u>
NET POSITION		
Assets held in trust for health benefits	<u>\$ 15,830,950</u>	<u>\$ -</u>

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 10

Statement of Changes in Fiduciary Net Position

FOR THE YEAR ENDED JUNE 30, 2015

	<u>OPEB Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 4,000,000
Investment income:	
Net appreciation in fair value of investments	308,197
Investment earnings, net	<u>313,365</u>
Total additions	<u>4,621,562</u>
NET POSITION, BEGINNING	<u>11,209,388</u>
NET POSITION, ENDING	<u><u>\$ 15,830,950</u></u>

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, 2015

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. Buncombe County Tourism Development Authority (the Tourism Development Authority), Buncombe County Service Foundation, Inc. (the Foundation), and Western North Carolina Regional 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 presented below are reported in a separate column in the County's financial statements in order to emphasize that they are legally separate from 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).
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 decision of the County Commissioners.	Tourism Development Authority Post Office Box 1010 Asheville, North Carolina 28812

Buncombe County Service Foundation, Inc.	Discrete	The Foundation is a 501(c)(3) organization dedicated to the enhancement of services for the citizens of Buncombe County. The Foundation is managed through a seven member Board of Directors. Membership of the Board consists of the two Assistant County Managers, the Assistant County Attorney, the Finance Officer, and one member from each of the following Buncombe County boards as elected by their Board membership: Parks, Greenways, and Recreation; Social Services; Library and a member cross appointed to the Health and DSS Board. The Foundation's budget is included in the County's annual budget process.	Buncombe County Service Foundation 200 College Street Suite 400 Asheville, North Carolina 28801
Western North Carolina Regional Air Quality Agency	Discrete	The Agency was established by an interlocal agreement between the City of Asheville and the County pursuant to State statute. The governing authority is 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 included in the County's annual budget process.	None issued.

(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; however, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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.

County Capital Projects Fund: This fund is used to account for capital asset construction from general government resources and financing. Assets constructed from this fund will be owned by the County.

School Capital Commission Fund: This fund accounts for the construction of local public schools. Sales tax, general obligation bonds, and installment obligations are used to finance these projects. 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.

The County reports the following major enterprise fund:

Solid Waste Disposal Fund: This fund accounts for landfill operations.

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.

OPEB Trust Fund: A fiduciary fund is used to account for the trust fund that is used for the accumulation of funds and the payment of other post-employment benefit costs related to health benefits.

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds:

The Inmate Trust Fund, which accounts for the revenues and expenditures of activity funds belonging to inmates during the period of incarceration; the General Agency Accounts, which account for ad valorem and local option sales taxes collected for other taxing units; the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Sondley Estate Trust, which accounts for certain monies held by the County which was appointed as fiscal agent by the Courts; the Deed of Trust Fee Fund, which accounts for the \$6.20 of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis; and the Buncombe County Anticrime Task Force, which accounts for forfeiture and controlled substance tax earmarked for the Buncombe County Anticrime Task Force.

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no 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. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. 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 acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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. The billed taxes are applicable to the fiscal year in which they are received.

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 Volunteer Fire Departments, Emergency Telephone System, Occupancy Tax, Register of Deeds Automation, Drug Forfeitures, and Transportation Special Revenue Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Capital Projects Fund, the School Capital Commission Fund, the AB Tech Capital Project Fund, the Grant Projects Fund, the Special Projects Funds, the PDF Woodfin Downtown Fund, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$75,000. 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. Budgetary transfers by the Manager must be reported to the County Commissioners at the next board meeting and recorded in the minutes. 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, Western North Carolina Regional Air Quality Agency (Agency), and Buncombe County Service Foundation (Foundation) are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, Tourism Development Authority, Agency and Foundation 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, Agency and Foundation 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, Agency and Foundation to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

General Statute 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 her 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 Long Term Investment Fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8).

The County, Tourism Development Authority, Agency and Foundation'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. The securities of the NCCMT Cash Portfolio, a SEC-registered

(2a-7) money market mutual fund, are valued at fair value, which is the NCCMT’s share price. The NCCMT Term Portfolio’s securities are valued at fair value. The STIF securities are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The LTIF is also valued at \$1 per share. The Global Ex-US Alpha Tilts Fund B is priced at \$22.00 per share and the Russell 3000 Alpha Tilts Fund B is priced at \$53.04 per share at June 30, 2015.

(2) Cash and Cash Equivalents

The County pools monies from several funds, except the OPEB Trust Fund, 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

The unexpended bond proceeds of the County Capital Projects Fund, AB Tech Capital Projects Fund, and the School Capital Commission Fund are classified as restricted assets within the governmental funds because their use is completely restricted to the purpose for which the bonds were originally issued.

Buncombe County Restricted Cash

Governmental Activities	
County Capital Projects Fund	\$ 80,535,352
School Capital Projects Fund	56,244,479
AB Tech Capital Projects Fund	21,443,699
General Fund	<u>689,204</u>
Total Governmental Activities	<u>\$158,912,734</u>

(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, 2014.

(5) 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.

(6) Inventories and Prepaid Items

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

(7) Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The minimum capitalization cost is \$10,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

The County holds title to certain 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 system full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the board 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 Western North Carolina Regional 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	1-5

(8) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report 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 three items that meets this criterion – charges on refunding of debt, pension related deferrals, and contributions made to the pension plan in the current fiscal year.

In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *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 three items that meet the criterion for this category – advance receipt of ad valorem taxes, other pre-payments and pension related deferrals.

(9) 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

(10) Compensated Absences

County personnel policies permit an employee to accumulate vacation earned during the latest two years of service before such entitlement expires. 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 at the time of retirement 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.

(11) Net Position/Fund Balances**Net Position**

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

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 portion of prepaid items, which are not spendable resources.

Long-term revolving 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 of State Statute: Portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Capital Projects: Portion of fund balance that is restricted by revenue source for capital project expenditures, including fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for Debt Service: Portion of fund balance that is restricted by revenue source for future debt service requirements.

Restricted for Register of Deeds: Portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Public Safety: Portion of fund balance that is 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 Retirement Incentive: Portion of fund balance to be used for payments made under the 2014 Buncombe County Employee Retirement Incentive Plan.

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 budgeted or designated by the Board of Commissioners for 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: 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 Director may deviate from this policy if it is in the best interest of the County.

Buncombe County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 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.

(12) Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Government Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered, defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans 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.

(E) Reconciliation of Government-wide and Fund Financial Statements**(1) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund 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)	\$ 352,522,388
Less accumulated depreciation	<u>(97,588,536)</u>
Net capital assets	254,933,852
Net pension asset	8,076,291
Contributions to the pension plan in the current fiscal year	5,515,191
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	32,089
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide statements	1,057,059
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	13,726,114
Deferred charges related to advance refunding bond issued – included on government-wide statement of net position but are not current financial resource	5,068,280
Pension related deferrals	(17,431,190)
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	(506,276,534)
Compensated absences	(7,100,923)
Accrued pension obligation	(2,372,363)
Other postemployment benefits	(4,848,453)
Accrued salaries related to retirement incentive	(5,462,420)
Accrued interest payable	<u>(2,468,627)</u>
Total	<u>\$ (257,551,634)</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 net position	\$ 24,872,968
Cost of disposed assets not recorded in fund statements	(764,654)
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the statement of activities but not in the fund statements	(14,742,711)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the statement of net activities – only the government-wide statement of net position is affected.</p>	
Installment obligations issued	(149,581,427)
Principal payments on long-term debt	24,407,151
Payment to refunded bond escrow agent	51,515,579
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	5,515,191
<p>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:</p>	
Accrued interest payable on long-term debt	(1,410,806)
Amortization of premium on long-term debt	3,500,211
Amortization of refunding costs not recorded on fund statements	(341,281)
Pension obligations	(215,026)
Compensated absences	(101,109)
Other postemployment benefits	687,508
County's portion of collective pension expense	(568,829)
Payments related to the 2014 Retirement Incentive	(5,462,421)
<p>Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:</p>	
Difference in interest revenue between fund statements (modified accrual) and government-wide statements (full accrual)	(38,211)
Decrease of deferred inflows of resources – taxes receivable – at June 30, 2015	(318,187)
Decrease of deferred inflows of resources – EMS receivable – June 30, 2015	(23,178)
Decrease of long-term notes receivable	(1,311,422)
Net expense, including transfers, of internal service funds determined to be governmental type	<u>4,565,346</u>
Total	<u>\$ (59,815,308)</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.

Note 2 - Detail Notes on All Funds**(A) Assets****(1) Deposits**

All deposits of the County, Tourism Development Authority, Buncombe County Service Foundation, Inc. and Western North Carolina Regional 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, Buncombe County Service Foundation, Inc. and Western North Carolina Regional 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, Buncombe County Service Foundation, Inc., and Western North Carolina Regional 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, Buncombe County Service Foundation, Inc., and Western North Carolina Regional 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, Buncombe County Service Foundation, Inc. and Western North Carolina Regional 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, 2015, the County's (including Western North Carolina Regional Air Quality) deposits had a carrying amount of \$44,497,981 and a bank balance of \$46,227,557. Of the bank balance, \$250,000 was covered by federal depository insurance and \$45,977,557 was covered by collateral held under the Pooling Method. These amounts include \$2,513,399 held by the County in its fiduciary capacity for its agency funds.

At June 30, 2015, Buncombe County had \$9,150 cash on hand.

At June 30, 2015, the Tourism Development Authority's deposits had a carrying amount of \$4,068,144 and a bank balance of \$3,394,773. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,144,773 was covered by collateral held under the Pooling Method.

At June 30, 2015, the Buncombe County Service Foundation's deposits had a carrying amount of \$1,204,081 and a bank balance of \$1,294,544. Of the bank balance, \$250,000 was covered by federal depository insurance. Cash exceeded federal depository insurance by \$1,044,544.

(2) Investments

As of June 30, 2015, the County had the following investments and maturities:

Investment Type	Fair Value	Less Than 30 Days	1-6 Months	6-12 Months	1-2 Years
US Government Agencies	\$ 9,006,414	\$ -	\$ -	\$ 3,001,527	\$ 6,004,887
Commercial Paper	23,934,077	-	23,934,077	-	-
- NC Capital Management Trust- Cash Portfolio	193,658,790	193,658,790	-	-	-
NC Capital Management Trust- Term Portfolio*	42,706,151	-	42,706,151	-	-
Total	\$269,305,432	\$193,658,790	\$ 66,640,228	\$ 3,001,527	\$ 6,004,887

*Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of 1-6 months.

At June 30, 2015, the Tourism Development Authority's investments consisted of \$9,092,940 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's.

During 2015, the County realized no gain or loss from the sale of investments. The County typically holds investments until maturity. The calculation of realized gains is independent of the calculation of the net increases in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of the investment reported in the prior year. There were no realized gains or losses on the County's or Tourism Development Authority's investments during 2015.

Investments with maturity dates of greater than one year at the time of purchase are reported at fair value using quoted market prices or the best available estimate thereof. All unrealized gains and losses arising from changes in fair value are included in investment earnings in the accompanying statements.

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

	Primary Government	Tourism Development Authority	WNC Regional Air Quality	Buncombe County Service Foundtaion
Deposits	\$ 44,497,981	\$ 4,068,144	\$ -	\$ 1,204,081
Cash on hand	9,150	-	-	-
Investments	269,305,432	9,092,940	-	-
	313,812,563	13,161,084	-	1,204,081
Reported in Component Units	(686,889)	-	686,889	-
	<u>\$ 313,125,674</u>	<u>\$ 13,161,084</u>	<u>\$ 686,889</u>	<u>\$ 1,204,081</u>
Reported on government-wide statement of net position:				
Cash and cash equivalents	\$ 142,693,127	\$ 4,068,144	\$ 686,889	\$ 1,204,081
Investments	9,006,414	9,092,940	-	-
Restricted cash	158,912,734	-	-	-
	<u>\$ 310,612,275</u>	<u>\$ 13,161,084</u>	<u>\$ 686,889</u>	<u>\$ 1,204,081</u>
Reported in agency funds:				
Cash and cash equivalents	<u>\$ 2,513,399</u>			
	<u>\$ 313,125,674</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). As of June 30, 2015, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. As of June 30, 2015, the County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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.

State Treasurer's OPEB Fund

At June 30, 2015, the Buncombe County Healthcare Benefits (HCB) Plan Fund had \$15,830,950 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:

	<u>Fair Value</u>	<u>Percent of Total</u>
State Treasurer's Long-Term Investment Fund (LTIF)	\$ 1,542,010	9.74%
State Treasurer's Short-Term Investment Fund (STIF)	3,948,981	24.95%
BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B (equities split 75% domestic/25% international)	<u>10,339,959</u>	<u>65.31%</u>
Total	<u>\$ 15,830,950</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. The State Treasurer’s Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer’s Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

Credit Risk

The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer’s STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer’s LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

(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.

Year Levied	Tax	Interest	Total
2012	\$ 4,501,598	\$ 1,069,130	\$ 5,570,728
2013	3,416,096	503,874	3,919,970
2014	3,723,557	214,105	3,937,662
2015	3,947,453	-	3,947,453
Total	<u>\$ 15,588,704</u>	<u>\$ 1,787,109</u>	<u>\$ 17,375,813</u>

(4) Receivables

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

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 2,007,171	\$ 1,588,416	\$ 19,927,539	\$ 23,523,126
County Capital Projects	59,506	-	160,428	219,934
School Capital Commission	-	-	4,645,854	4,645,854
AB Tech Capital Projects	-	-	2,967,762	2,967,762
Other Governmental	543,415	1,166,469	1,812,892	3,522,776
	<u>2,610,092</u>	<u>2,754,885</u>	<u>29,514,475</u>	<u>34,879,452</u>
Allowance for doubtful accounts	(679,360)	(664,775)	-	(1,344,135)
Total - governmental activities	<u>\$ 1,930,732</u>	<u>\$ 2,090,110</u>	<u>\$ 29,514,475</u>	<u>\$ 33,535,317</u>
Business-type Activities				
Solid Waste Disposal	\$ 745,401	\$ -	\$ -	\$ 745,401
Other Business-type	59	-	-	59
	<u>745,460</u>	<u>-</u>	<u>-</u>	<u>745,460</u>
Allowance for doubtful accounts	(53,933)	-	-	(53,933)
Total - business-type activities	<u>\$ 691,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 691,527</u>

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

Local option sales tax	\$ 20,562,391
Other	<u>8,840,302</u>
Total	<u>\$ 29,402,693</u>

No allowance for uncollectible accounts has been recorded by the Tourism Development Authority, Buncombe County Service Foundation, Inc., or Western North Carolina Regional Air Quality Agency.

(5) Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,959,973	\$ 6,920,872	\$ 46,300	\$ 19,834,545
Construction in progress	26,319,476	24,469,706	28,335,140	22,454,042
Total capital assets not being depreciated	<u>39,279,449</u>	<u>31,390,578</u>	<u>28,381,440</u>	<u>42,288,587</u>
Capital assets being depreciated:				
Buildings	182,088,019	19,311,809	872,553	200,527,275
Other improvements	67,308,388	311,057	143,161	67,476,284
Equipment	32,630,152	1,511,850	4,630,183	29,511,819
Intangibles	180,341	-	-	180,341
Vehicles	12,819,750	682,813	964,482	12,538,082
Total capital assets being depreciated	<u>295,026,650</u>	<u>21,817,530</u>	<u>6,610,379</u>	<u>310,233,801</u>
Less accumulated depreciation for:				
Buildings	52,536,363	5,866,142	288,863	58,113,642
Other improvements	7,193,909	3,933,107	104,804	11,022,212
Equipment	20,177,902	3,119,957	4,533,876	18,763,983
Intangibles	41,173	36,068	-	77,241
Vehicles	8,788,503	1,787,437	964,482	9,611,458
Total accumulated depreciation	<u>88,737,850</u>	<u>\$ 14,742,711</u>	<u>\$ 5,892,025</u>	<u>97,588,536</u>
Total capital assets being depreciated, net	<u>206,288,800</u>			<u>212,645,265</u>
Governmental activities capital assets, net	<u>\$ 245,568,249</u>			<u>\$ 254,933,852</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Solid Waste Disposal				
Capital assets not being depreciated:				
Land	\$ 6,842,138	\$ -	\$ -	\$ 6,842,138
Construction in progress	465,500	191,320	92,420	564,400
Total capital assets not being depreciated	<u>7,307,638</u>	<u>191,320</u>	<u>92,420</u>	<u>7,406,538</u>
Capital assets being depreciated:				
Buildings and improvements	43,627,022	92,420	-	43,719,442
Equipment	2,135,958	-	-	2,135,958
Vehicles	2,794,516	148,321	281,154	2,661,683
Total capital assets being depreciated	<u>48,557,496</u>	<u>240,741</u>	<u>281,154</u>	<u>48,517,083</u>
Less accumulated depreciation for:				
Buildings and improvements	22,135,170	1,973,856	-	24,109,026
Equipment	1,483,561	175,817	-	1,659,378
Vehicles	2,704,733	73,970	281,154	2,497,549
Total accumulated depreciation	<u>26,323,464</u>	<u>2,223,643</u>	<u>281,154</u>	<u>28,265,953</u>
Total capital assets being depreciated, net	<u>22,234,032</u>			<u>20,251,130</u>
Solid Waste Disposal capital assets, net	<u>29,541,670</u>			<u>27,657,668</u>

Other Business-type Activities				
Capital assets not being depreciated:				
Construction in progress	12,105	-	12,105	-
Total capital assets not being depreciated	<u>12,105</u>	<u>-</u>	<u>12,105</u>	<u>-</u>
Capital assets being depreciated:				
Equipment	57,938	-	-	57,938
Vehicles	-	29,129	-	29,129
Total capital assets being depreciated	<u>57,938</u>	<u>29,129</u>	<u>-</u>	<u>87,067</u>
Less accumulated depreciation for:				
Equipment	11,913	11,588	-	23,501
Vehicles	-	1,618	-	1,618
Total accumulated depreciation	<u>11,913</u>	<u>\$ 13,206</u>	<u>\$ -</u>	<u>25,119</u>
Total capital assets being depreciated, net	<u>46,025</u>			<u>61,948</u>
Other Business-type capital assets, net	<u>58,130</u>			<u>61,948</u>
Business-type capital assets, net	<u>\$ 29,599,800</u>			<u>\$ 27,719,616</u>

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

Governmental Activities:		
General Government		\$ 772,123
Public Safety		11,068,910
Economic and Physical Development		289,010
Human Services		1,230,879
Cultural and Recreational		1,381,789
Total depreciation expense		<u>\$ 14,742,711</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	<u>\$ 254,933,852</u>	<u>\$ 27,719,616</u>	<u>\$ 282,653,468</u>
Debt:			
General obligation bonds	(30,124,549)	-	(30,124,549)
Installment notes	(476,157,385)	(2,860,267)	(479,017,652)
Gross debt	<u>(506,281,934)</u>	<u>(2,860,267)</u>	<u>(509,142,201)</u>
Add portion of debt that has not given rise to capital assets:			
Unspent bond and note proceeds	80,130,249	-	80,130,249
Debt relating to schools	241,418,092	-	241,418,092
Debt relating to economic development	13,988,955	-	13,988,955
Net debt	<u>(170,744,638)</u>	<u>(2,860,267)</u>	<u>(173,64,905)</u>
Capital assets, net of related debt	<u>\$ 84,189,214</u>	<u>\$ 24,859,349</u>	<u>\$ 109,048,563</u>

Construction commitments

The County has the following commitments with contractors for active construction projects at June 30, 2015:

Project	Spent-to-date	Remaining Commitment
AB Tech Classroom	\$ 6,193,492	\$ 30,371
AB Tech Parking Deck	9,176,733	3,575,184
AB Tech Multipurpose Building	4,346,688	2,477,821
AB Tech Allied Health Building	20,532,400	7,026,447
Tax System	1,124,343	490,497
Sheriff Projects	54,138	94,798
Radio Project	14,106	794,471
Firing Range	1,333,107	315,683
Economic Development Project	157,110	1,667,890
Mental Health Projects	123,711	94,248
Family Justice Center	80,869	66,491
Health & Human Services Building	1,348,570	40,707,797
Voting Machines	-	858,275
Technology Replacement	30,285	60,115
Interchange Building Roof Replacement	344,313	22,239
Buildings Major Maintenance	1,317,952	223,240
Parks Improvements	1,623,966	436,801
Courthouse	3,323,580	1,219,844
Landfill Expansion Cell 7	309,400	40,600
Total construction commitments	<u>\$ 51,434,763</u>	<u>\$ 60,202,812</u>

Discretely presented component units

Activity for WNC Regional Air Quality for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Equipment	\$ 225,498	\$ -	\$ 53,845	\$ 171,653
Vehicles	33,439	42,029	-	75,468
Total capital assets being depreciated	258,937	42,029	53,845	247,121
Less accumulated depreciation for:				
Equipment	148,881	19,134	53,845	114,170
Vehicles	33,439	42,029	-	75,468
Total accumulated depreciation	182,320	<u>\$ 61,163</u>	<u>\$ 53,845</u>	189,638
WNC Regional Air Quality capital assets, net	<u>\$ 76,617</u>			<u>\$ 57,483</u>

(B) Liabilities**(1) Payables**

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

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental Activities:				
General	\$ 7,820,484	\$ 5,725,084	\$ 2,468,627	\$ 16,014,195
County Capital Projects	977,237	-	-	977,237
School Capital Commission	1,650	-	-	1,650
AB Tech Capital Projects	4,910,099	-	-	4,910,099
Other governmental	2,551,765	-	-	2,551,765
Total - governmental activities	<u>\$ 16,261,235</u>	<u>\$ 5,725,084</u>	<u>\$ 2,468,627</u>	<u>\$ 24,454,946</u>
Business-type Activities:				
Solid Waste Disposal	\$ 255,811	\$ 238,774	\$ 5,764	\$ 500,349
Other business-type	51,316	2,321	-	53,637
Total - business-type activities	<u>\$ 307,127</u>	<u>\$ 241,095</u>	<u>\$ 5,764</u>	<u>\$ 553,986</u>

(2) Pension Plan and Other Postemployment Obligations**(a) Local Governmental Employees' Retirement System**

1. Plan Description.

Buncombe County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS 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 consist 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454 or at www.osc.nc.gov.

2. Benefits Provided.

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO 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 contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015 was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$5,552,865 for the year ended June 30, 2015.

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, 2015, the County reported an asset of \$7,446,965 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 1.263%, which was an increase of .042% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$599,646. At June 30, 2015, 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	-	813,710
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	17,336,359
Changes in proportion and differences between employer contributions and proportionate share of contributions	529,722	-
Employer contributions subsequent to the measurement date	5,552,865	-
Total	\$ 6,082,587	\$ 18,150,069

\$5,552,865 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (4,405,265)
2017	(4,405,265)
2018	(4,405,265)
2019	(4,404,552)
	<u>\$ (17,620,347)</u>

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

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 25,278,209	\$ (7,446,965)	\$ (35,000,498)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	21
Active plan members	<u>267</u>
Total	<u><u>288</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. No funds are set aside to pay these benefits.

Method Used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

3. 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 annual required contributions for the current year were determined as part of the December 31, 2013 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

4. Annual Pension Cost and Net Pension Obligation.

The net pension obligation is a measure of how much progress the County has made in meeting its annual funding requirement. The County’s annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 580,124
Interest on net pension obligation	107,867
Adjustments to annual required contribution	<u>(182,242)</u>
Annual pension cost	505,749
Contributions made	<u>(290,723)</u>
Increase (decrease) in net pension obligation	215,026
Net pension obligation, beginning of year	<u>2,157,337</u>
Net pension obligation, end of year	<u>\$ 2,372,363</u>

Three-Year Trend Information
for Buncombe County

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 389,274	60.06%	\$ 2,001,682
2014	391,534	60.24%	2,157,337
2015	505,749	57.48%	2,372,363

5. Funded Status and Funding Progress.

As of December 31, 2014, the most recent actuarial valuation date, the County’s plan was not funded. The actuarial accrued liability is a more long-term view of the County’s obligation to pay pension benefits in the future. It represents the actuarially determined value of all future benefits that have been earned but not yet paid. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$4,202,424. The covered payroll (annual payroll of active employees covered by the plan) was \$12,747,719, and the ratio of the UAAL to the covered payroll was 32.97%.

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

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

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. Contributions for the year ended June 30, 2015 were \$1,267,196, which consisted of \$978,270 from the County and \$288,926 from the law enforcement officers.

(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. Contributions for the year ended June 30, 2015 were \$5,706,590, which consisted of \$4,567,078 from the County and \$1,139,512 from the employees.

(e) Register of Deeds' Supplemental Pension Fund

1. Plan Description.

Buncombe County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. The Fund 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or online at 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 \$27,694 for the year ended June 30, 2015.

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

At June 30, 2015, the County reported an asset of \$713,609 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on the County’s share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County’s proportion was 3.148%, which was an increase of 0.088% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(24,031). At June 30, 2015, 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	\$ 6,548	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,841
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,973
Employer contributions subsequent to the measurement date	27,694	-
Total	\$ 34,242	\$ 16,814

\$27,694 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (3,881)
2017	(3,881)
2018	(1,544)
2019	(960)
	<u>\$ (10,266)</u>

5. Actuarial assumptions.

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

Inflation	3.0 %
Salary increases	4.25 to 7.75%, including inflation and productivity factor

Investment rate of return 5.75%, net of pension plan investment expense, including inflation

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

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

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

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

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

6. Discount Rate.

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

7. Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate.

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

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
County’s proportionate share of the net pension liability (asset)	\$ (640,774)	\$ (713,609)	\$ (776,183)

8. Pension plan fiduciary net pension.

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

(f) 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 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. Under a County resolution in fiscal year 2015, all employees hired after June 30, 2015 will not be eligible to receive health insurance coverage upon retirement. The County pays the full cost of coverage for these benefits. Also, retirees can 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. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the County's HCB Plan consisted of the following at December 31, 2014:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	388	68
Active plan members	1,234	266
Total	<u>1,622</u>	<u>334</u>

2. Funding Policy.

The County pays the full cost of coverage for the healthcare benefits paid for qualified retirees under a County resolution that can be amended by the County Commissioners. Qualified County members pay an established amount for dependent coverage. It is the intent of the Board of Commissioners to fully or partially fund the County's annual required contribution (ARC) when possible. Determinations are made on an annual basis.

The current ARC rate is 9.63% of annual covered payroll. For the current year, the County contributed \$8,412,593 or 11.1% of annual covered payroll. The County obtains healthcare coverage through a self-insured health insurance plan. There were no contributions made by employees, except for dependent coverage in the amount of \$284,285. The County's obligation to contribute to the HCB Plan is established and may be amended by the Board of Commissioners.

3. Summary of Significant Accounting Policies.

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Under a County resolution, the contributions are recognized when due and the County will provide the contributions to the HCB Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the HCB Plan are financed through investment earnings.

4. Annual OPEB Cost and Net OPEB Obligation.

The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The net OPEB obligation is a measure of how much progress the County has made in meeting its annual funding requirement. The following table shows the components of the County’s annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 7,733,884
Interest on OPEB obligation	424,840
Adjustment to annual required contribution	<u>(446,160)</u>
Annual OPEB cost (expense)	7,712,564
Contributions made	<u>(8,412,593)</u>
Decrease in net OPEB obligation	(700,029)
Net OPEB obligation, beginning of year	<u>5,664,536</u>
Net OPEB obligation, end of year	<u>\$ 4,964,507</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the HCB Plan, and the net OPEB obligation for 2015 and the preceding years are as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 6,368,517	86%	\$ 5,939,676
2014	6,572,021	104%	5,664,536
2015	7,712,564	109%	4,964,507

5. Funded Status and Funding Progress.

As of December 31, 2014, the most recent actuarial valuation date, the County’s plan was 15.8% funded. The actuarial accrued liability is a more long-term view of the County’s obligation to pay pension benefits in the future. It represents the actuarially determined value of all future benefits that have been earned but not yet paid. The actuarial accrued liability for benefits was \$85,404,799, and the actuarial value of assets was \$13,510,143, resulting in an unfunded actuarial accrued liability (UAAL) of \$71,894,656. The covered payroll (annual payroll of active employees covered by the plan) was \$75,674,619, and the ratio of UAAL to the covered payroll was 95%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

6. Actuarial Methods and Assumptions.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and

plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014 actuarial valuation, the entry age normal, level percentage of pay method was used. The actuarial assumptions included a 7.50% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The medical cost trend rate varied between 7.5% and 5% for the pre-Medicare trend rate and 5.5% and 5% for the post-Medicare trend rate. Both rates included a 3% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

(g) Other Employment Benefits

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

Due to a surplus, the decision was made to temporarily stop employer contributions to the Death Benefit Plan beginning July 1, 2012. Employers have been granted a temporary relief period based on the number of years the employer has contributed to the Death Benefit Plan. The County's relief period is three years based on more than 20 years on contributing to the Death Benefit Plan. Contributions will resume in the fiscal year beginning July 1, 2015.

(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 site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs 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. The \$1,781,741 reported as landfill postclosure care liability at June 30, 2015, represents the projected actual cost of the closed landfill over the next 14 years based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Landfill in Operation:

Landfill Permit Number 11-07: The \$10,569,369 reported as landfill closure and postclosure care liability at June 30, 2015, represents a cumulative amount reported to date based on the use of 31.5% of the total estimated capacity of this landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$22,942,242 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2015. The County expects to operate this landfill until at least the year 2031. 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 – in operation: The County currently operates a C&D landfill with closure and postclosure costs of \$4,079,548 reported as of June 30, 2015 representing a cumulative amount reported to-date based on 88.1% of the total estimated capacity of this unit. The County will recognize the remaining \$551,850 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2015. The County expects to operate this phase (Phase 5) until the year 2017. 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	Deferred Inflows of Resources
Charge on refunding of debt	\$ 5,068,280	\$ -
Pension – difference between expected and actual experience (LGERS)	-	813,710
Pension – difference between expected and actual experience (ROD)	6,548	-
Pension – difference between projected and actual investment earnings (LGERS)	-	17,336,359
Pension – difference between projected and actual investment earnings (ROD)	-	3,841
Pension – change in proportion and difference between employer contributions and proportionate share of contributions (LGERS)	529,722	-
Pension – change in proportion and difference between employer contributions and proportionate share of contributions (ROD)	-	12,973
Contributions to pension plan in 2014-2015 fiscal year (ROD and LGERS)	5,580,559	-
Prepaid taxes not yet earned	-	1,259,528
Bid deposit not yet earned	-	222,500
Taxes receivable, net (General)	-	726,204
Taxes receivable, net (Special Revenue)	-	43,502
EMS accounts receivable, net (General)	-	287,354
Total	<u>\$ 11,185,109</u>	<u>\$ 20,705,971</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.

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 \$5,000,000 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 Health Center. 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 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 \$500,000 SIR per occurrence. The limit of Employer's Liability insurance is \$1,000,000. The premium is based on County employees' payroll and classification.

The County adheres to the North Carolina Workers Compensation Act per NCGS Chapter 97 as administered by the North Carolina Industrial Commission, a division of the North Carolina Department of Commerce.

Several department-specific risk policies are purchased as well.

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, 2015 includes a loss reserve liability for estimated outstanding medical claims of \$520,487. Changes in the health claims liability are presented as follows:

Year Ended June 30	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2014	\$ 432,595	\$ 22,789,789	\$ 22,695,420	\$ 526,964
2015	526,964	23,319,831	23,326,308	520,487

In accordance with G.S. 159-29, County employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Director, Tax Collector, Register of Deeds, and Sheriff are each individually bonded for \$200,000, \$100,000, \$50,000, and \$20,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

(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) Operating Leases

The County leases certain data processing equipment and other office equipment and facilities. Lease expenditures for the year ended June 30, 2015 amounted to \$1,282,434.

Future minimum lease payments under these operating lease agreements at June 30, 2015 are as follows:

Year Ended June 30	Amount
2016	\$ 1,050,870
2017	883,820
2018	640,248
2019	430,074
2020	310,948
2021-2025	528,214
2026-2031	122,967
Total	<u>\$ 3,967,141</u>

(8) Long-Term Obligations

(a) 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 by installment notes, private placement, certificates of participation (COP's), or limited obligation bonds (LOB's).

Installment Note Obligations	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Serviced by the Governmental Funds:				
COPS 2005, detention center \$14,500,000 issue, interest at 2.75% to 5.0% payable semiannually to 2025. A remaining premium of \$393,944 is reported as an increase to long-term debt and will be amortized over the life of the debt.	\$ 3,240,000	\$ -	\$ 3,240,000	\$ -
COPS 2006, schools and community college \$51,985,000 issue, interest at 3.5% to 5% payable semiannually to 2026. A premium of \$2,223,983 is reported as an increase to long-term debt and will be amortized over the life of the debt.	11,455,000	-	8,230,000	3,225,000
COPS 2007, general government buildings and equipment, \$21,230,000 issue, interest at 4.0% to 4.75% payable semiannually to 2027.	14,300,000	-	12,960,000	1,340,000
COPS 2009A, general government buildings and equipment, \$12,065,000 issue, interest at 4.0% to 5.0% payable semiannually to 2029.	7,225,000	-	485,000	6,740,000
LOBs 2009C, schools and general government building, \$36,465,000 issue, interest at 1.60% to 6.50% payable semiannually to 2030.	30,285,005	-	30,285,005	-

LOBs 2009D, general government building, \$3,340,000 issue, interest at 1.60% to 6.50% payable semiannually to 2017.	1,425,000	–	475,000	950,000
LOBS 2010A, public safety and human services buildings and equipment, \$31,500,000 issue, interest at 3.0% to 5.25% payable semiannually to 2022.	21,500,000	–	3,595,000	17,905,000
LOBS 2010B, public safety and human services buildings and equipment, \$20,420,000 issue, interest at 6.5% to 6.8% payable semiannually to 2030.	20,420,000	–	–	20,420,000
LOBS 2010C, school building, \$3,800,000 issue, interest at 6.375% payable semiannually to 2025.	2,800,000	–	265,000	2,535,000
LOBS 2012A, public safety buildings and radio network, human services automation and AB Tech building and equipment, \$61,535,000 issue, interest 2% to 5% payable semiannually to 2032.	58,970,000	–	4,640,105	54,329,895
LOBS 2012A, COPS 2003 and 2005 Refunding, \$11,845,000 issue, interest at 2% to 5% payable semiannually to 2024.	11,845,000	–	19,895	11,825,105
LOBS 2014A, AB Tech parking deck and new buildings, Asheville City Schools, Sheriff's Offices, Public Safety Training Center Classroom, \$125,925,000, interest at 3% to 5% payable semiannually to 2032.	125,925,000	–	420,000	125,505,000
LOBS 2014A, COPS 2006 Refunding, \$14,380,000 issue, interest at 3% to 5% payable semiannually to 2022.	14,380,000	–	–	14,380,000
LOBS 2014A, PDF Woodfin Refunding, \$11,285,000 issue, interest at 3% to 5% payable semiannually to 2022.	11,285,000	–	35,000	11,250,000
LOBS 2014 B, Taxable bonds, \$28,725,000 issue, interest at 0.5% to 5.1%, payable semiannually to 2032.	28,725,000	–	1,105,000	27,620,000
CTS Drinking Water State Revolving Loan, \$214,850 issue, 0% interest, payable annually to 2020.	–	209,450	–	209,450
LOBS 2015, Human Services Campus, Enka Intermediate School, Covered Swimming Pool, Firing Range, and Capital Projects. \$82,495,000, issue, interest at 3% to 5% payable semiannually to 2035.	–	82,495,000	–	82,495,000

LOBS 2015 refunding of GO 2005A, COPS 2005, LOBS 2009C, and partial refunding of COPS 2006 and COPS 2007. \$44,140,000 issues payable semiannually to 2032.	—	44,140,000	—	44,140,000
Total installment note obligations	<u>\$ 363,780,005</u>	<u>\$ 126,844,450</u>	<u>\$ 65,755,005</u>	<u>\$ 424,869,450</u>

For Buncombe County, the future minimum payments for installment notes as of June 30, 2015, are:

Year Ended June 30	Governmental Activities	
	Principal	Interest
2016	\$ 23,102,970	\$ 21,629,465
2017	23,211,890	19,878,229
2018	26,086,890	18,876,023
2019	26,251,890	17,674,982
2020	26,246,890	16,444,856
2021-2025	119,245,000	64,225,803
2026-2030	109,070,000	34,452,418
2031-2035	68,970,000	9,389,680
2036-2037	2,685,000	163,200
Total	<u>424,869,450</u>	<u>\$ 202,734,655</u>
Add unamortized premium	<u>51,282,535</u>	
	<u>\$ 476,151,985</u>	

(b) General Obligation Bond Indebtedness

All general obligation bonds serviced by the County’s general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

Bonds payable at June 30, 2015, are comprised of the following individual issues:

General Obligation Bonds	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015
Serviced by the Governmental Funds:				
Refunding Bonds, 2005, \$12,430,000 issue, interest at 3.0% to 4.0% payable semiannually, due serially to 2015.	\$ 1,025,000	\$ —	\$ 1,025,000	\$ —
Public Improvement, 2005, \$5,835,000 issue, interest at 3% to 4% payable semiannually, due serially to 2020.	2,330,000	—	2,330,000	—
Qualified School Construction Bond, 2009 \$5,685,000 issue, interest at 0.5%, payable semiannually, due serially to 2020.	4,193,000	—	474,000	3,719,000
Refunding Bonds, 2009, \$8,995,000 issue, interest at 2% to 3% payable semiannually, due serially to 2014.	2,270,000	—	2,270,000	—

Refunding Bonds, 2012B, \$32,500,000 issue, interest at 1.7%, due serially to 2025.	28,500,000	—	2,100,000	26,400,000
Total general obligation bonds	<u>\$ 38,318,000</u>	<u>\$ —</u>	<u>\$ 8,199,000</u>	<u>\$ 30,119,000</u>

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

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,874,000	\$ 446,160
2017	2,874,000	402,990
2018	2,874,000	359,820
2019	2,874,000	316,650
2020	2,873,000	273,483
2021-2025	13,350,000	724,655
2026	2,400,000	20,400
Total	<u>\$ 30,119,000</u>	<u>\$ 2,544,158</u>
Add unamortized premium	5,549	
	<u>\$ 30,124,549</u>	

At June 30, 2015, Buncombe County had a legal debt margin of approximately \$1,855,000,000

(c) Business-Type Activities Installment Obligations

On July 3, 2012, the County issued \$1,985,000 in Limited Obligation Bonds for landfill cell expansion bearing interest payable semi-annually at fixed rates from 2% to 5%. The LOBS will be serviced by the Solid Waste Disposal Enterprise Fund.

The future minimum payments as of June 30, 2015 are:

Year Ending June 30	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 185,000	\$ 71,550
2017	195,000	62,300
2018	205,000	52,700
2019	210,000	43,050
2020	220,000	33,050
2021	230,000	23,350
2022	245,000	11,850
Total	1,490,000	<u>\$ 297,850</u>
Add unamortized premium	170,267	
	<u>\$ 1,660,267</u>	

The Solid Waste Disposal Fund also services Federal American Recovery and Reinvestment Act (ARRA) Revolving Loan payments on the Landfill Gas to Energy Project. On August 4, 2009 the North Carolina Local Government Commission approved the 0%, 20-year term loan. The total loan amount was \$4,061,396. Principal of \$2,561,396 was forgiven, leaving a total repayment amount of \$1,500,000 payable in annual installments of \$75,000 until May 2031.

The future loan payments as of June 30, 2015 are:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	\$ 75,000	\$ -
2017	75,000	-
2018	75,000	-
2019	75,000	-
2020-2024	375,000	-
2025-2029	375,000	-
2030-2031	150,000	-
Total	\$ 1,200,000	\$ -

(d) Advance Refundings

On April 30, 2015, the County issued Limited Obligation Bonds (LOBs), Series 2015, in the amount of \$126,635,000. Of this amount, \$18,467,284 was transferred to an escrow account to cover future debt service payments of the Series 2006 and 2007 Certificates of Participation (COPs), \$2,515,000 was transferred to a prepayment fund to prepay the Series 2005 COPs, \$28,593,295 transferred to a prepayment fund to prepay Series 2009C LOBs and \$1,940,000 was used to redeem the Series 2005A General Obligation Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,968,725. This amount is being netted against the new debt and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 17 years by \$5,589,692 and resulted in an economic gain of \$4,632,118.

In prior years, the County has refunded various bond issues by creating separate irrevocable trust funds. At June 30, 2015, the County had refunded debt outstanding in the amount of \$33,745,000. New debt has been issued and the proceeds have been used to purchase qualified government securities that were placed in the trust funds. As of June 30, 2015, all defeased debt had been paid by trust funds.

(e) 2014 Buncombe County Employee Retirement Incentive Plan

On July 8, 2014, the Buncombe County Board of Commissioners passed the Fiscal Year 2014-2015 Budget Ordinance which included the 2014 Buncombe County Employee Retirement Incentive Plan. One feature of the plan was a payment to each retiree of an amount equal to one year of salary paid biweekly over the next three years. The County expects to benefit from the Retirement Incentive Plan through cost savings related to possible position elimination, reclassification downgrades, and position freezes. A liability has been recorded on the government-wide statements to reflect payments owed under this plan.

(f) Long Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2015:

	(As Restated)				
	Balances			Balances	Current
	June 30, 2014	Increases	Decreases	June 30, 2015	Portion
					of Balance
Governmental activities:					
General obligation bonds	\$ 38,318,000	\$ –	\$ 8,199,000	\$ 30,119,000	\$ 2,874,000
Installment notes	363,780,005	126,844,450	65,755,005	424,869,450	23,102,970
Premium on long-term debt	32,051,317	19,256,734	19,967	51,288,084	–
Pension liability -- LEO	2,157,337	505,749	290,723	2,372,363	–
Net pension liability -- LGERS	14,547,592	–	14,547,592	–	–
Other postemployment benefits	5,535,961	7,556,833	8,244,341	4,848,453	–
Retirement incentive payments	–	5,462,421	–	5,462,421	2,330,353
Compensated absences	6,999,814	7,491,175	7,390,066	7,100,923	4,942,354
Total governmental activities	<u>\$ 463,390,026</u>	<u>\$ 167,117,362</u>	<u>\$ 104,446,694</u>	<u>\$ 526,060,694</u>	<u>\$ 33,249,677</u>
Business-type activities:					
Special obligation revenue bonds, net	\$ 1,462,157	\$ –	\$ 1,462,157	\$ –	\$ –
Installment notes	2,940,000	–	250,000	2,690,000	260,000
Premium on long-term debt	216,171	–	45,904	170,267	–
Net pension liability -- LGERS	166,531	–	166,531	–	–
Other postemployment benefits	96,325	86,351	94,221	88,455	–
Compensated absences	63,149	114,946	129,451	48,644	48,644
Accrued landfill closure and postclosure care costs	15,289,928	1,269,876	129,146	16,430,658	–
Total business-type activities	<u>\$ 20,234,261</u>	<u>\$ 1,471,173</u>	<u>\$ 2,277,410</u>	<u>\$ 19,428,024</u>	<u>\$ 308,644</u>

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 liquidated in the General Fund and business-type activities in the Solid Waste Disposal Fund. The County has estimated the current portion of compensated absences based on historical trends and expectations for the coming year.

	(As Restated)				
	Balances			Balances	Current
	June 30, 2014	Increases	Decreases	June 30, 2015	Portion
					of Balance
Discretely presented component unit:					
Air Quality:					
Other postemployment benefits	\$ 32,253	\$ 69,380	\$ 74,031	\$ 27,602	\$ –
Net pension liability -- LGERS	92,815	–	92,815	–	–
Compensated absences	121,542	53,494	50,720	124,316	124,316
Total	<u>\$ 246,610</u>	<u>\$ 122,874</u>	<u>\$ 217,566</u>	<u>\$ 151,918</u>	<u>\$ 124,316</u>

(g) 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 affecting 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, 2015, the balance of the bonds outstanding was \$532,000.

(h) 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, 2015, there were five series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$31,200,641.

(C) Interfund Balances and Activity

There is a loan outstanding from the General Fund to the Grant Projects Fund of \$1,645,812 to cover the cost of expenditures from reimbursement-based grants until those grants are received from the granting agencies as well as allowances to PDF Woodfin for short-term cash flow needs.

Transfers to/from other funds during the year ended June 30, 2015 consist of the following:

General Fund:

From the General Fund to the Special Projects Fund for special revenue projects	\$ 715,358
From the General Fund to the Grant Projects Fund to fund grant matches	77,718
From the General Fund to the Capital Projects Fund to fund future capital projects	3,053,112
From the General Fund to the Transportation Fund for transportation services	1,286,043
From the General Fund to the 911 Fund for 911 projects	<u>46,466</u>
	<u>\$ 5,178,697</u>

County Capital Projects Fund:

From the County Capital Projects Fund to the General Fund	\$ 5,303,702
From the County Capital Projects Fund to the Insurance Fund for health insurance claims	<u>2,500,000</u>
	<u>\$ 7,803,702</u>

AB Tech Capital Projects Fund:

From the AB Tech Capital Projects Fund to the General Fund for reimbursement of expenditures	<u>\$ 378,543</u>
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Nonmajor Governmental Funds:

From the Occupancy Tax Fund to the General Fund for payment of a 1.5% collection fee	\$ 158,851
From the Transportation Fund to the Grant Projects Fund to transfer grant project funds	19,350

From the Register of Deeds Automation Fund to the General Fund for reimbursement of automation related expenditures	129,050
From Grant Projects to Capital Projects for grant related reimbursement	7,923
From Grant Projects to General Fund for project closure	<u>7,150</u>
	<u>\$ 322,324</u>

(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 fund balance that is available for appropriation:

	General Fund	County Capital Projects	School Capital Commission	AB Tech Capital Projects	Governmental Funds
Total fund balances	\$ 75,577,110	\$ 97,459,433	\$ 69,331,945	\$ 34,358,177	\$ 9,375,533
Less:					
Nonspendable					
Prepays	52,597	-	-	-	-
Long-term receivable	-	-	-	-	1,452,037
Restricted					
Stabilization by State statute	23,297,383	219,934	4,645,854	2,967,762	363,961
Capital projects	-	80,535,352	64,686,091	31,390,415	-
Public safety	-	-	-	-	2,708,853
Register of deeds	-	-	-	-	297,450
Committed					
2014 retirement incentive payments	5,462,421	-	-	-	-
Assigned					
Appropriated fund balance- FY2016	9,643,213	-	-	-	-
Capital projects	-	16,704,147	-	-	-
Special Projects	-	-	-	-	4,553,232
Unassigned					
Working capital	37,121,496	-	-	-	-
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 available fund balance is at least equal to or greater than 15% of budgeted expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The General Fund and other governmental fund encumbrance amounts are included in the Stabilization of State Statute amount reported in the above table. Total encumbrances at June 30, 2015 are: General Fund, \$422,103; and Other Governmental Funds, \$650,456.

Net position restricted for capital projects on the government-wide statements does not equal the amount of fund balance restricted for capital projects on the governmental statements due to unspent bond proceeds in the amount of \$158,912,734.

Note 3 - Joint Ventures

The County, in conjunction with twenty-two other counties, participated in the Smokey Mountain Center LME/MCO Authority, which provided mental health, developmental disability, and substance abuse services to residents of the twenty-three-county area. Buncombe County appoints one of the 21-member board and one of the 24-member advisory council, with the other counties appointing the remainder. The County has an ongoing financial responsibility for the Authority 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 Authority, so no equity interest has been reflected in the financial statements at June 30, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$600,000 to the Authority to fund operations. The County also leased property to the Authority for approximately \$545,000 for the year ended June 30, 2015. Complete financial statements for the Authority may be obtained from the Authority's offices at 356 Biltmore Avenue, Asheville, NC 28801.

The County, in conjunction with the State of North Carolina and the Buncombe County Board of Education and Madison County, participates in a joint venture to operate the Asheville-Buncombe Community College. The County, the Governor (on behalf of the State of North Carolina) and the Buncombe County Board of Education each appoint four members and Madison County appoints two members of the fifteen-member board of trustees of the community college. 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 general obligation bonds and certificates of participation to provide financing for new and restructured facilities. Of the certificates of participation issued for this purpose \$89,636,486 in principal is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$6,063,999 to the community college for operating purposes during the fiscal year ended June 30, 2015. In addition, the County made principal and interest payments of \$171,142 during the fiscal year on general obligation bonds and \$8,970,676 on certificates of participation 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, 2015. 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. The Schedule of Revenues and Expenditures for this fund can be found on page 111. 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 reflected on their financial statements once completed.

Note 4 - Jointly Governed Organizations

The County, in conjunction with three other counties and 15 municipalities, established the Land-of-Sky Regional Council (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$150,019 to the Council during the fiscal year ended June 30, 2015.

The County appoints three members to the 12-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 5 - 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 6 - Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients 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	\$ 3,482,344	\$ -
Child Welfare Service	-	1,097,345
IV-E Adoption Assistance	1,686,836	438,938
Medical Assistance	195,786,943	107,304,080
Low-Income Home Energy Assistance	994,300	-
State/County Special Assistance for Adults	-	1,658,084
IV-E Foster Care	1,187,964	350,134
State Children’s Insurance Program	4,189,357	1,320,604
Temporary Assistance to Needy Families	778,021	-
Totals	\$ 208,105,765	\$ 112,169,185

Note 7 – 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 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 general obligation debt. The assets funded by the County are owned and utilized 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 balance of the debt was \$151,781,606 and \$89,636,486 for the school systems and community college, respectively. Of the cumulative amount, \$4,405,558 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, as may be necessary to pay debt service on its general obligation bonds. The balance of the debt is installment debt and is collateralized by the assets purchased or constructed. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

Note 8 – Pledged Revenues

The County and the Town of Woodfin have pledged a portion of their future ad valorem tax revenues to repay the \$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. 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 \$19,420,950 payable through June 2037. Total principal and interest payments on the Series 2014A limited obligation bonds through June 30, 2015 were \$696,768. Accumulated tax revenue for the same period of time was \$333,146.

Note 9 - Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$8,786,068 and \$108,351 respectively.

The County began accounting for long-term receivables and revolving loans on the fund statements in fiscal year 2014-2015 due to guidance received from the North Carolina Department of State Treasurer. These items had previously been accounted for on the Statement of Net Position. The change led to a prior period adjustment of \$1,531,578 in the County's governmental activities.

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Required Supplemental Financial Data

Buncombe County, North Carolina

Other Post Employment Benefits – Healthcare

Schedules of Fund Progress and Employer Contributions

Law Enforcement Officers’ Special Separation Allowance

Schedules of Funding Progress and Employer Contributions

Local Government Employees’ Retirement System

Schedules of County’s Proportionate Share and County Contributions

Register of Deeds’ Supplemental Pension Fund

Schedules of County’s Proportionate Share and County Contributions

This section contains information required by generally accepted accounting principals



BUNCOMBE COUNTY, NORTH CAROLINA
Other Postemployment Benefits - Healthcare
Schedule of Funding Progress and Employer Contributions

Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2006	\$ -	\$ 20,098,900	\$ 20,098,900	0.00%	\$ 55,042,913	36.5%
7/1/2007	-	39,652,247	39,652,247	0.00%	58,914,230	67.3%
12/31/2008	2,095,376	63,465,014	61,369,638	3.30%	63,089,492	97.3%
12/31/2010	3,655,167	70,835,106	67,179,939	5.20%	65,976,040	101.8%
12/31/2012	7,853,861	60,127,792	52,273,931	13.10%	68,114,542	76.7%
12/31/2014*	13,510,143	85,404,799	71,894,656	15.80%	75,674,619	95.0%

Employer Contributions:

Year ending June 30	Annual Required Contribution	Percentage Contributed
2008	\$ 4,292,429	115%
2009	5,761,340	63%
2010	5,761,340	71%
2011	5,977,390	95%
2012	6,201,543	71%
2013	6,282,096	87%
2014	6,470,559	106%
2015	7,733,884	109%

*The OPEB Plan was amended to provide the 2014 Buncombe County Employee Retirement Incentive Plan and the Retirement Incentive Options to eligible retirees, as well as allowing retirees whose position was eliminated due to a Reduction-In-Force to retire under the 2014 Buncombe County Employee Retirement Incentive Plan.

BUNCOMBE COUNTY, NORTH CAROLINA
Law Enforcement Officers' Special Separation Allowance
Schedule of Funding Progress and Employer Contributions

Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2005	\$ -	\$ 1,716,110	\$ 1,716,110	0.00%	\$ 6,566,698	26.13%
12/31/2006	-	1,992,331	1,992,331	0.00%	7,353,011	27.10%
12/31/2007	-	2,150,171	2,150,171	0.00%	8,161,535	26.35%
12/31/2008	-	2,490,199	2,490,199	0.00%	9,779,673	25.46%
12/31/2009	-	3,430,974	3,430,974	0.00%	10,327,729	33.22%
12/31/2010	-	3,211,792	3,211,792	0.00%	10,036,335	32.00%
12/31/2011	-	3,452,000	3,452,000	0.00%	10,057,206	34.32%
12/31/2012	-	3,704,642	3,704,642	0.00%	10,752,113	34.46%
12/31/2013	-	4,064,392	4,064,392	0.00%	11,986,686	33.91%
12/31/2014	-	4,202,424	4,202,424	0.00%	12,747,719	32.97%

Employer Contributions:

Year Ending June 30	Annual Required Contribution	Percentage Contributed
2006	\$ 211,635	55.63%
2007	198,511	76.00%
2008	227,824	71.62%
2009	248,746	71.28%
2010	299,746	59.16%
2011	399,796	50.21%
2012	385,549	55.96%
2013	411,856	56.77%
2014	454,532	51.89%
2015	580,124	50.11%

BUNCOMBE COUNTY, NORTH CAROLINA

Local Governmental Employees' Retirement System

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

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

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	1.263%	1.221%
County's proportionate share of the net pension liability (asset) \$	\$ (7,446,959)	\$ 14,714,123
County's covered-employee payroll	\$ 78,653,953	\$ 72,997,430
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(9.47%)	20.16%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

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

County Contributions:

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,552,865	\$ 5,140,387
Contributions in relation to the contractually required contribution	<u>5,552,865</u>	<u>5,140,387</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 78,653,953	\$ 72,997,430
Contributions as a percentage of covered-employee payroll	7.06%	7.04%

BUNCOMBE COUNTY, NORTH CAROLINA

Register of Deeds' Supplemental Pension Fund

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

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

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	3.148%	3.060%
County's proportionate share of the net pension liability (asset) \$	\$ (713,609)	\$ (653,607)
County's covered-employee payroll	\$ 88,376	\$ 82,865
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(807.45)%	(788.76)%
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

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

County Contributions:

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 27,694	\$ 25,705
Contributions in relation to the contractually required contribution	<u>27,694</u>	<u>25,705</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 88,376	\$ 82,865
Contributions as a percentage of covered-employee payroll	31.34%	31.02%

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Combining and Individual Fund Statements and Schedules

Buncombe County, North Carolina



BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad Valorem Taxes:			
Taxes		\$ 174,406,941	
Penalties and interest		572,622	
Total	\$ 173,578,438	174,979,563	\$ 1,401,125
Local Option Sales Taxes:			
Article 39, one percent *		12,385,491	
Article 40, one-half of one percent		11,348,089	
Article 42, one-half of one percent		15,153,440	
Article 44, one-half of one percent		3,420	
Total	34,435,310	38,890,440	4,455,130
Other Taxes and Licenses:			
Deed stamp excise tax		3,693,292	
Video programming tax		1,552,181	
Privilege licenses		23,425	
Rental car tax		607,690	
Total	5,412,184	5,876,588	464,404
Unrestricted Intergovernmental:			
Payments in lieu of taxes		75,296	
Beer and wine tax		667,299	
Total	661,421	742,595	81,174
Restricted Intergovernmental:			
Federal, State, and other grants		48,820,721	
Mixed drink surcharge		375,316	
Court facilities fees		377,342	
ABC bottle taxes		97,463	
Total	48,089,024	49,670,842	1,581,818
Permits and Fees:			
Building permits and inspections		1,941,501	
Register of deeds		1,510,064	
Total	2,802,185	3,451,565	649,380
Sales and Services:			
Rents, concessions, and fees		2,622,495	
Jail fees		2,112,040	
Ambulance and rescue squad fees		6,306,505	
Recreation fees		215,904	
Other charges for services		3,433,100	
Total	15,214,493	14,690,044	(524,449)
Investment Earnings	183,750	251,348	67,598
Miscellaneous	796,155	789,587	(6,568)
Total revenues	281,172,960	289,342,572	8,169,612

* Shown net of 50% remitted directly to School Capital Commission

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
EXPENDITURES			
General Government:			
Governing Body:			
Salaries and employee benefits		846,951	
Other operating expenditures		160,509	
Total		<u>1,007,460</u>	
County Manager:			
Salaries and employee benefits		1,729,730	
Other operating expenditures		246,260	
Total		<u>1,975,990</u>	
Human Resources:			
Salaries and employee benefits		498,645	
Other operating expenditures		69,768	
Total		<u>568,413</u>	
Finance:			
Salaries and employee benefits		1,712,235	
Other operating expenditures		368,537	
Total		<u>2,080,772</u>	
Tax Department:			
Salaries and employee benefits		3,883,123	
Other operating expenditures		843,723	
Total		<u>4,726,846</u>	
Elections:			
Salaries and employee benefits		845,453	
Other operating expenditures		467,727	
Total		<u>1,313,180</u>	
Register of Deeds:			
Salaries and employee benefits		1,310,195	
Other operating expenditures		2,119,409	
Total		<u>3,429,604</u>	
Information Technology:			
Salaries and employee benefits		5,980,935	
Other operating expenditures		4,535,826	
Capital outlay		46,075	
Total		<u>10,562,836</u>	
Total General Government	26,301,124	25,665,101	636,023

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
Public Safety:			
Court Support:			
Salaries and employee benefits		238,105	
Other operating expenditures		<u>37,209</u>	
Total		<u>275,314</u>	
Day Reporting & Drug Treatment:			
Salaries and employee benefits		95,937	
Other operating expenditures		<u>51,218</u>	
Total		<u>147,155</u>	
Pretrial Release & Family Treatment Court:			
Salaries and employee benefits		750,395	
Other operating expenditures		<u>48,389</u>	
Total		<u>798,784</u>	
District Attorney:			
Salaries and employee benefits		70,207	
Other operating expenditures		<u>10,416</u>	
Total		<u>80,623</u>	
Juvenile Detention		<u>80,276</u>	
Behavioral Health		<u>16,737</u>	
ID Bureau and C.D.E.:			
Salaries and employee benefits		1,345,616	
Other operating expenditures		<u>69,683</u>	
Total		<u>1,415,299</u>	
Criminal Justice Information System:			
Salaries and employee benefits		838,841	
Other operating expenditures		474,824	
Capital outlay		<u>16,769</u>	
Total		<u>1,330,434</u>	
Sheriff:			
Salaries and employee benefits		17,199,143	
Other operating expenditures		1,960,849	
Program support		<u>5,700</u>	
Total		<u>19,165,692</u>	
Detention Center:			
Salaries and employee benefits		11,392,202	
Other operating expenditures		<u>3,154,204</u>	
Total		<u>14,546,406</u>	
Emergency Services:			
Salaries and employee benefits		9,563,886	
Other operating expenditures		2,019,440	
Program support		<u>33,306</u>	
Total		<u>11,616,632</u>	

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
<i>Public Safety - continued:</i>			
Permits and Inspections:			
Salaries and employee benefits		1,774,182	
Other operating expenditures		145,548	
Total		<u>1,919,730</u>	
Medical Examiner		<u>108,542</u>	
General Services:			
Salaries and employee benefits		3,013,908	
Other operating expenditures		3,919,537	
Capital outlay		15,575	
Total		<u>6,949,020</u>	
Animal Services		<u>901,253</u>	
Public Safety Training Center:			
Salaries and employee benefits		180,351	
Other operating expenditures		176,688	
Total		<u>357,039</u>	
Parking Services:			
Salaries and employee benefits		208,996	
Other operating expenditures		51,912	
Total		<u>260,908</u>	
Total Public Safety	60,683,000	59,969,844	713,156
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		1,800,642	
Other operating expenditures		630,378	
Total		<u>2,431,020</u>	
Economic Development:			
Program support		2,082,507	
Total		<u>2,082,507</u>	
Community Funding		<u>210,000</u>	
Cooperative Extension:			
Salaries and employee benefits		53,852	
Other operating expenditures		360,681	
Total		<u>414,533</u>	
Soil Conservation:			
Salaries and employee benefits		380,607	
Other operating expenditures		49,551	
Total		<u>430,158</u>	
Recycling:			
Salaries and employee benefits		94,707	
Other operating expenditures		281,103	
Total		<u>375,810</u>	
Total Economic and Physical Development	7,984,789	5,944,028	2,040,761

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BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
Human Services:			
Public Health:			
Salaries and employee benefits		11,928,941	
Other operating expenditures		3,063,517	
Capital outlay		38,270	
Contributions to outside agencies		136,000	
Total		<u>15,166,728</u>	
Social Services:			
Salaries and employee benefits		37,949,018	
Other operating expenditures		10,410,059	
Capital outlay		4,269	
Program support		20,668,819	
Total		<u>69,032,165</u>	
Other Youth Services:			
Other operating expenditures		15,491	
Program support		492,687	
Total		<u>508,178</u>	
Childcare Centers:		<u>208,240</u>	
Community Funding		<u>1,140,250</u>	
Other Human Services		<u>1,170,766</u>	
Total Human Services	91,024,312	87,226,327	3,797,985
Cultural and Recreational:			
Library:			
Salaries and employee benefits		4,153,761	
Other operating expenditures		1,344,896	
Total		<u>5,498,657</u>	
Recreation:			
Salaries and employee benefits		1,138,549	
Other operating expenditures		443,337	
Program support		1,303,958	
Total		<u>2,885,844</u>	
Total Cultural and Recreational	9,003,179	8,384,501	618,678

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
Education:			
Public schools:			
Current expenditures		60,664,900	
Capital outlay		12,496,490	
Community college - current expenditures		<u>6,064,000</u>	
Total Education	<u>79,249,242</u>	<u>79,225,390</u>	<u>23,852</u>
Debt Service:			
Principal retirement		12,503,361	
Interest and fees		<u>7,386,892</u>	
Total Debt Service	<u>20,484,726</u>	<u>19,890,253</u>	<u>594,473</u>
Total expenditures	<u>294,730,372</u>	<u>286,305,444</u>	<u>8,424,928</u>
Revenues over (under) expenditures	<u>(13,557,412)</u>	<u>3,037,128</u>	<u>16,594,540</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	8,996,731	5,977,296	(3,019,435)
Operating transfers to other funds	(5,322,994)	(5,178,697)	144,297
Installment obligations issued - refunding	19,617,962	19,517,962	(100,000)
Premium on installment obligations	3,562,115	3,562,114	(1)
Payment to refunded bond escrow agent	(23,424,803)	(22,896,409)	528,394
Sales of capital assets	160,000	406,230	246,230
Appropriated fund balance	9,968,401	-	(9,968,401)
Total other financing sources (uses)	<u>13,557,412</u>	<u>1,388,496</u>	<u>(12,168,916)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,425,624</u>	<u>\$ 4,425,624</u>
Fund balance, beginning of year		<u>71,151,486</u>	
Fund balance, end of year		<u>\$ 75,577,110</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Current Year	Total	
REVENUES					
Restricted intergovernmental	\$ 3,407,500	\$ 425,000	\$ 3,407,477	\$ 3,832,477	\$ 424,977
Contributions and grants	130,386	130,386	-	130,386	-
Miscellaneous	653,924	18,924	597,705	616,629	(37,295)
Investment earnings	322,360	496,775	50,302	547,077	224,717
Total revenues	4,514,170	1,071,085	4,055,484	5,126,569	612,399
EXPENDITURES					
Capital outlay:					
Tax software system	3,481,986	1,958,692	907,925	2,866,617	615,369
Detention center	504,500	-	172,975	172,975	331,525
Firing range	7,400,000	-	1,441,660	1,441,660	5,958,340
Radio upgrades	3,376,862	423,631	716,228	1,139,859	2,237,003
Human services building	48,525,500	-	1,547,171	1,547,171	46,978,329
Parks and greenways projects	8,220,701	70,189	59,315	129,504	8,091,197
Technology projects	3,091,685	881,095	726,087	1,607,182	1,484,503
Roof replacement	408,000	16,805	351,978	368,783	39,217
Economic development	37,172,802	21,096,573	12,851,531	33,948,104	3,224,698
CTS waterline extension	2,316,988	604,106	1,517,701	2,121,807	195,181
Owen Park stream bank repair	150,000	58,673	329	59,002	90,998
Technology upgrade	4,995,453	-	-	-	4,995,453
Special - vehicles	2,575,283	-	-	-	2,575,283
County building major maintenance	11,119,812	574,883	3,067,366	3,642,249	7,477,563
Capital vehicles - fleet	1,349,027	-	660,869	660,869	688,158
Family justice center	1,000,000	-	80,869	80,869	919,131
Evidence room move	30,000	-	27,825	27,825	2,175
Mental health	1,086,507	-	117,456	117,456	969,051
Total capital outlay	136,805,106	25,684,647	24,247,285	49,931,932	86,873,174
Interest and fees	12,200,854	6,807,284	653,952	7,461,236	4,739,618
Total expenditures	149,005,960	32,491,931	24,901,237	57,393,168	91,612,792
Revenues over (under) expenditures	(144,491,790)	(31,420,846)	(20,845,753)	(52,266,599)	92,225,191

Continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Current Year	Total	
OTHER FINANCING SOURCES (USES)					
Proceeds from installment obligations - projects	150,419,450	89,290,000	59,429,450	148,719,450	(1,700,000)
Premium on installment obligations	20,179,646	9,538,238	10,641,408	20,179,646	-
Sale of capital assets	6,536,507	-	2,186,508	2,186,508	(4,349,999)
Prior year revenues	(16,027,896)	(16,616,905)	-	(16,616,905)	(589,009)
Transfer from:					
General Fund	2,648,574	-	3,053,112	3,053,112	404,538
Grant Projects	-	-	7,923	7,923	7,923
Transfer to:					
General Fund	(16,764,491)	-	(5,303,702)	(5,303,702)	11,460,789
911	-	-	-	-	-
PDF Woodfin downtown	-	-	-	-	-
Internal Service Fund	(2,500,000)	-	(2,500,000)	(2,500,000)	-
Total other financing sources (uses)	144,491,790	82,211,333	67,514,699	149,726,032	5,234,242
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 50,790,487</u>	46,668,946	<u>\$ 97,459,433</u>	<u>\$ 97,459,433</u>
Fund balance, beginning of year			<u>50,790,487</u>		
Fund balance, end of year			<u>\$ 97,459,433</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
School Capital Commission Fund*

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

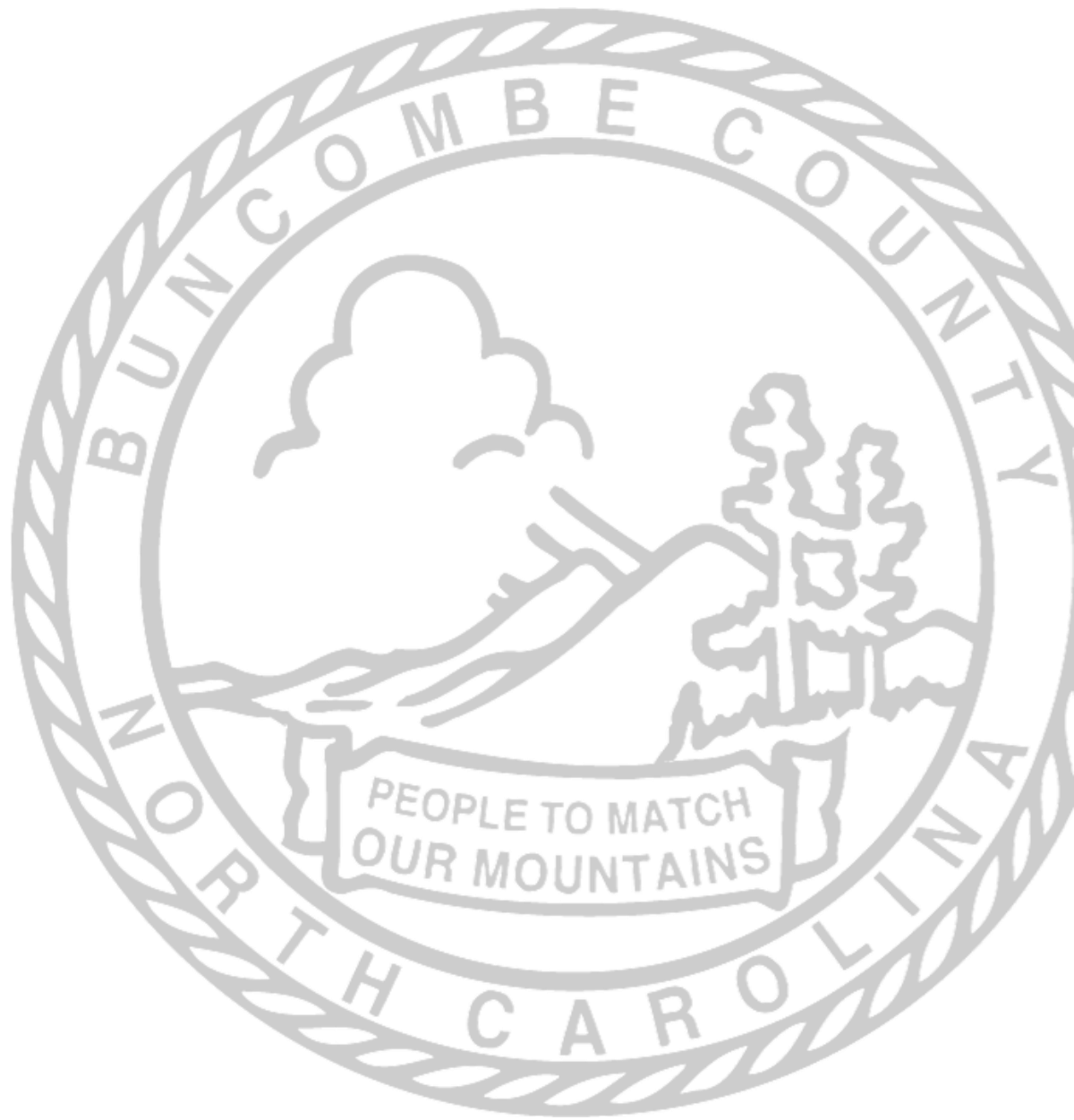
	Actual to June 30, 2015			Total	Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Current Year		
REVENUES					
Local option sales tax	\$ 185,748,066	\$ 184,977,830	\$ 16,387,330	\$ 201,365,160	\$ 15,617,094
Federal, State and other grants	37,637,045	33,551,127	2,822,744	36,373,871	(1,263,174)
Investment earnings	1,867,897	4,087,778	10,045	4,097,823	2,229,926
Total revenues	225,253,008	222,616,735	19,220,119	241,836,854	16,583,846
EXPENDITURES					
Capital outlay:					
Education:					
Buncombe County schools					
Sales tax projects	17,588,967	7,450,682	2,080,129	9,530,811	8,058,156
ADM projects	10,000,000	7,797,828	2,142,936	9,940,764	59,236
Bond projects	25,000,000	-	7,567,451	7,567,451	17,432,549
Asheville City schools					
Sales tax projects	602,418	51,484	28	51,512	550,906
Lottery projects	700,000	-	-	-	700,000
Bond projects	60,887,601	8,216,721	20,545,278	28,761,999	32,125,602
Total capital outlay	114,778,986	23,516,715	32,335,822	55,852,537	58,926,449
Debt service:					
Principal	54,159,662	42,252,834	9,890,567	52,143,401	2,016,261
Interest and fees	37,664,681	26,154,312	6,068,496	32,222,808	5,441,873
Total debt service	91,824,343	68,407,146	15,959,063	84,366,209	7,458,134
Total expenditures	206,603,329	91,923,861	48,294,885	140,218,746	66,384,583
Revenues over (under) expenditures	18,649,679	130,692,874	(29,074,766)	101,618,108	82,968,429
OTHER FINANCING SOURCES (USES)					
Installment obligations issued - projects	92,352,395	69,077,395	23,275,000	92,352,395	-
Installment obligations issued - refunding	24,622,038	-	24,622,038	24,622,038	-
General obligation bonds issued	31,432,928	31,432,928	-	31,432,928	-
Payment to refunded bond escrow agent	(73,884,241)	(45,265,069)	(28,619,170)	(73,884,239)	2
Premium on installment obligations	18,856,254	10,322,799	8,533,455	18,856,254	-
Prior year revenues and transfers	(112,029,053)	(125,665,539)	-	(125,665,539)	(13,636,486)
Total other financing sources (uses)	(18,649,679)	(60,097,486)	27,811,323	(32,286,163)	(13,636,484)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 70,595,388	(1,263,443)	\$ 69,331,945	\$ 69,331,945
Fund balance, beginning of year			70,595,388		
Fund balance, end of year			\$ 69,331,945		

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, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Current Year	Total	
REVENUES					
Local option sales taxes	\$ 13,422,181	\$ 19,939,261	\$ 10,406,350	\$ 30,345,611	\$ 16,923,430
Restricted Intergovernmental	-	42,265	42,219	84,484	84,484
Investment Earnings	-	43,134	60,238	103,372	103,372
Total revenues	13,422,181	20,024,660	10,508,807	30,533,467	17,111,286
EXPENDITURES					
Community College	76,074,645	18,407,294	42,642,729	61,050,023	15,024,622
Debt service:					
Principal Retirement	3,625,445	1,118,789	1,978,223	3,097,012	528,433
Interest and fees	7,580,075	2,237,508	4,154,550	6,392,058	1,188,017
Total expenditures	87,280,165	21,763,591	48,775,502	70,539,093	16,741,072
Revenues over (under) expenditures	(73,857,984)	(1,738,931)	(38,266,695)	(40,005,626)	33,852,358
OTHER FINANCING SOURCES (USES)					
Premium on installment obligations	9,312,326	9,312,326	-	9,312,326	-
Proceeds from installment obligations	65,700,000	65,700,000	-	65,700,000	-
Transfer to general fund	(1,133,203)	(248,842)	(378,543)	(627,385)	505,818
Prior year revenues	(21,139)	(21,138)	-	(21,138)	1
Total other financing sources (uses)	73,857,984	74,742,346	(378,543)	74,363,803	505,819
Revenues and other sources over expenditures	\$ -	\$ 73,003,415	(38,645,238)	\$ 34,358,177	\$ 34,358,177
Fund balance, beginning of year				73,003,415	
Fund balance, end of year				\$ 34,358,177	



Combining Statements and Schedules for Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS:

Special Districts Volunteer Fire Departments Fund

The County's Board of Commissioners serves as the tax levying body for 21 special fire protection districts. These districts are areas of the County, not legally separate districts. Taxes levied and collected on behalf of these districts are distributed under contracts to volunteer fire departments serving the respective districts. These transactions are accounted for in this fund.

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.

Occupancy Tax Fund

This fund was established to account for the revenues from the room occupancy tax to fund the development and implementation of strategies designed to promote tourism in Buncombe County. Occupancy tax net of collection fees are remitted to the component unit (Tourism Development Authority) to achieve this purpose.

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.

Grant Projects Fund

This fund was established to account for revenues received from multi-year grants and related expenditures.

Transportation Fund

This fund was established to account for all revenues and related expenditures of a public transportation program.

Drug Forfeitures Fund

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

PDF Woodfin Downtown Fund

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

CAPITAL PROJECTS FUNDS:

Special Projects Capital Projects

This fund is used to account for special projects that may not necessarily result in a capital asset for the County.

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2015

	Special Revenue Funds				Special Revenue Funds Con't				Capital Project Fund	Total Nonmajor Governmental Funds
	Special Districts		Emergency Telephone System	Occupancy Tax	Register of Deeds Automation	Grant Projects	Transportation	Drug Forfeitures	PDF Woodfin Downtown	Special Projects
	Volunteer Fire Departments									
ASSETS										
Cash and cash equivalents	\$ 629,256	\$ 2,596,874	\$ -	\$ 298,321	\$ 1,447,811	\$ 2,542	\$ 233,027	\$ -	\$ 5,449,578	\$ 10,657,409
Receivables (net):										
Taxes receivable	43,502	-	1,104,324	-	-	-	-	-	-	1,147,826
Accounts receivable	-	71,152	-	-	-	470,948	-	-	1,316	543,416
Due from other governments	1,427,625	-	-	-	273,485	-	-	111,781	-	1,812,891
Long-term receivables	-	-	-	-	-	-	-	-	1,452,037	1,452,037
Total assets	\$ 2,100,383	\$ 2,668,026	\$ 1,104,324	\$ 298,321	\$ 1,721,296	\$ 473,490	\$ 233,027	\$ 111,781	\$ 6,902,931	\$ 15,613,579
LIABILITIES										
Accounts payable	\$ 2,052,008	\$ 109,094	\$ 16,565	\$ 871	\$ 68,552	\$ 228,102	\$ 11,954	\$ -	\$ 64,619	\$ 2,551,765
Refundable deposits	-	-	-	-	-	-	-	-	831,727	831,727
Due to general fund	-	-	-	-	1,645,812	-	-	77,481	-	1,723,293
Due to component unit	-	-	1,087,759	-	-	-	-	-	-	1,087,759
Total liabilities	2,052,008	109,094	1,104,324	871	1,714,364	228,102	11,954	77,481	896,346	6,194,544
DEFERRED INFLOWS OF RESOURCES	43,502	-	-	-	-	-	-	-	-	43,502
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	-	1,452,037	1,452,037
Restricted for:										
Stabilization by state statute	4,873	71,152	-	-	6,932	245,388	-	34,300	1,316	363,961
Register of deeds	-	-	-	297,450	-	-	-	-	-	297,450
Public safety	-	2,487,780	-	-	-	-	221,073	-	-	2,708,853
Assigned	-	-	-	-	-	-	-	-	4,553,232	4,553,232
Total fund balances	4,873	2,558,932	-	297,450	6,932	245,388	221,073	34,300	6,006,585	9,375,533
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,100,383	\$ 2,668,026	\$ 1,104,324	\$ 298,321	\$ 1,721,296	\$ 473,490	\$ 233,027	\$ 111,781	\$ 6,902,931	\$ 15,613,579

BUNCOMBE COUNTY, NORTH CAROLINA

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

Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				Special Revenue Funds Con't				Capital	Total	
	Special Districts								Project Fund		Nonmajor
	Volunteer Fire Departments	Emergency Telephone System	Occupancy Tax	Register of Deeds Automation	Grant Projects	Trans- portation	Drug Forfeitures	PDF Woodfin Downtown	Special Projects		
REVENUES											
Ad valorem taxes	\$ 16,252,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333,146	\$ -	\$ 16,586,098	
Local option sales taxes	5,107,964	-	-	-	-	-	-	-	-	5,107,964	
Other taxes and licenses	-	-	10,590,065	-	-	-	-	-	-	10,590,065	
Restricted intergovernmental	-	853,821	-	144,980	1,404,683	2,332,567	265,080	-	71,607	5,072,738	
Sales and services	-	-	-	-	8,664	-	-	-	9,300	17,964	
Investment earnings	-	9,476	-	1,043	-	-	433	-	-	10,952	
Payments in lieu of taxes	-	-	-	-	-	-	-	136,281	-	136,281	
Miscellaneous	-	-	-	-	-	34,067	-	-	49,678	83,745	
Total revenues	21,360,916	863,297	10,590,065	146,023	1,413,347	2,366,634	265,513	469,427	130,585	37,605,807	
EXPENDITURES											
Current:											
General government	-	-	-	55,269	-	-	-	-	-	55,269	
Public safety	21,356,081	1,032,227	-	-	1,060,243	-	131,706	-	-	23,580,257	
Economic and physical development	-	-	10,431,214	-	1,487	-	-	-	-	10,432,701	
Human services	-	-	-	-	553,808	3,590,725	-	-	-	4,144,533	
Cultural and recreational	-	-	-	-	3,119	-	-	-	-	3,119	
Capital outlay	-	-	-	-	-	-	-	-	725,586	725,586	
Debt service:											
Principal retirement	-	-	-	-	-	-	-	35,000	-	35,000	
Interest and fees	-	-	-	-	-	-	-	528,292	-	528,292	
Total expenditures	21,356,081	1,032,227	10,431,214	55,269	1,618,657	3,590,725	131,706	563,292	725,586	39,504,757	
Revenues over (under) expenditures	4,835	(168,930)	158,851	90,754	(205,310)	(1,224,091)	133,807	(93,865)	(595,001)	(1,898,950)	
OTHER FINANCING SOURCES (USES)											
Transfers from other funds	-	46,466	-	-	97,068	1,286,043	-	-	715,358	2,144,935	
Transfers to other funds	-	-	(158,851)	(129,050)	(15,073)	(19,350)	-	-	-	(322,324)	
Total other financing sources (uses)	-	46,466	(158,851)	(129,050)	81,995	1,266,693	-	-	715,358	1,822,611	
Net change in fund balances	4,835	(122,464)	-	(38,296)	(123,315)	42,602	133,807	(93,865)	120,357	(76,339)	
Fund balances, beginning of year, as originally reported	38	2,681,396	-	335,746	130,247	202,786	87,266	128,165	4,354,650	7,920,294	
Prior period adjustment	-	-	-	-	-	-	-	-	1,531,578	1,531,578	
Fund balances, beginning as restated	38	2,681,396	-	335,746	130,247	202,786	87,266	128,165	5,886,228	9,451,872	
Fund balances, end of year	\$ 4,873	\$ 2,558,932	\$ -	\$ 297,450	\$ 6,932	\$ 245,388	\$ 221,073	\$ 34,300	\$ 6,006,585	\$ 9,375,533	

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Districts Volunteer Fire Departments Fund

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes		\$ 16,252,952	
Local option sales taxes		5,107,964	
Total revenues	\$ 23,389,536	21,360,916	\$ (2,028,620)
EXPENDITURES			
Current:			
Public safety:			
Contract payments to Volunteer fire departments		21,356,081	
Total expenditures	23,389,536	21,356,081	2,033,455
Revenues over expenditures	-	4,835	4,835
Net change in fund balance	\$ -	4,835	\$ 4,835
Fund balance, beginning of year		38	
Fund balance, end of year		\$ 4,873	

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, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 853,821	
Investment earnings		9,476	
Total revenues	<u>\$ 863,821</u>	<u>863,297</u>	<u>\$ (524)</u>
EXPENDITURES			
Current:			
Public safety:			
Phone and furniture		131,731	
Software maintenance		301,194	
Hardware maintenance		243,935	
Training		2,490	
Implemental functions		352,877	
Total expenditures	<u>2,742,400</u>	<u>1,032,227</u>	<u>1,710,173</u>
Revenues under expenditures	<u>(1,878,579)</u>	<u>(168,930)</u>	<u>1,709,649</u>
OTHER FINANCING SOURCES			
Operating transfers from other funds	-	46,466	46,466
Appropriated fund balance	1,878,579	-	(1,878,579)
Total other financing sources	<u>1,878,579</u>	<u>46,466</u>	<u>(1,832,113)</u>
Net change in fund balance	<u>\$ -</u>	<u>(122,464)</u>	<u>\$ (122,464)</u>
Fund balance, beginning of year		<u>2,681,396</u>	
Fund balance, end of year		<u>\$ 2,558,932</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 10,908,699	\$ 10,590,065	\$ (318,634)
EXPENDITURES			
Current:			
Economic and physical development:			
Tourism development	10,752,569	10,431,214	321,355
Revenues over expenditures	156,130	158,851	2,721
OTHER FINANCING USES			
Transfer to general fund	(156,130)	(158,851)	(2,721)
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

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, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 144,980	
Investment earnings		1,043	
Total revenues	\$ 155,000	146,023	\$ (8,977)
EXPENDITURES			
Current:			
General government:			
Salaries and employee benefits		12,071	
Other operating expenditures		886	
Capital outlay		42,312	
Total expenditures	141,798	55,269	86,529
Revenues over expenditures	13,202	90,754	77,552
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	115,848	-	(115,848)
Transfer to general fund	(129,050)	(129,050)	-
Total other financing sources (uses)	(13,202)	(129,050)	(115,848)
Net change in fund balance	\$ -	(38,296)	\$ (38,296)
Fund balance, beginning of year		335,746	
Fund balance, end of year		\$ 297,450	

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, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Budget	Reported In Prior Years	Current Year	Total	
REVENUES					
Restricted intergovernmental	\$ 7,945,276	\$ 4,166,640	\$ 1,404,683	\$ 5,571,323	\$ (2,373,953)
Sales and services	74,270	9,614	8,664	18,278	(55,992)
Total revenues	<u>8,019,546</u>	<u>4,176,254</u>	<u>1,413,347</u>	<u>5,589,601</u>	<u>(2,429,945)</u>
EXPENDITURES					
Public safety	2,316,154	977,816	1,060,243	2,038,059	278,095
Economic and physical development	2,891,462	1,665,353	1,487	1,666,840	1,224,622
Human services	3,005,204	1,935,956	553,808	2,489,764	515,440
Cultural and recreational	82,115	78,836	3,119	81,955	160
Total expenditures	<u>8,294,935</u>	<u>4,657,961</u>	<u>1,618,657</u>	<u>6,276,618</u>	<u>2,018,317</u>
Revenues under expenditures	<u>(275,389)</u>	<u>(481,707)</u>	<u>(205,310)</u>	<u>(687,017)</u>	<u>(411,628)</u>
OTHER FINANCING SOURCES (USES)					
Prior year revenues	170,917	186,954	-	186,954	16,037
Transfer from:					
General fund	27,718	425,000	77,718	502,718	475,000
Transportation	91,827	-	19,350	19,350	(72,477)
Transfer to:					
General fund	(7,150)	-	(7,150)	(7,150)	-
Capital projects	(7,923)	-	(7,923)	(7,923)	-
Total other financing sources (uses)	<u>275,389</u>	<u>611,954</u>	<u>81,995</u>	<u>693,949</u>	<u>418,560</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 130,247</u>	<u>(123,315)</u>	<u>\$ 6,932</u>	<u>\$ 6,932</u>
Fund balance, beginning of year			<u>130,247</u>		
Fund balance, end of year			<u>\$ 6,932</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 2,332,567	
Miscellaneous		34,067	
Total revenues	<u>\$ 2,566,887</u>	<u>2,366,634</u>	<u>\$ (200,253)</u>
EXPENDITURES			
Current:			
Human services:			
Other operating expenditures		3,590,725	
Total expenditures	<u>4,168,485</u>	<u>3,590,725</u>	<u>577,760</u>
Revenues under expenditures	<u>(1,601,598)</u>	<u>(1,224,091)</u>	<u>377,507</u>
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	3,000	-	(3,000)
Transfer from general fund	1,626,448	1,286,043	(340,405)
Transfer to grant projects	(27,850)	(19,350)	8,500
Total other financing sources (uses)	<u>1,601,598</u>	<u>1,266,693</u>	<u>(334,905)</u>
Net change in fund balance	<u>\$ -</u>	42,602	<u>\$ 42,602</u>
Fund balance, beginning of year		<u>202,786</u>	
Fund balance, end of year		<u>\$ 245,388</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 265,080	
Restricted investment earnings		433	
Total revenues	<u>\$ 97,040</u>	<u>265,513</u>	<u>\$ 168,473</u>
EXPENDITURES			
Current:			
Public safety:			
Operating expenditures		131,706	
Total expenditures	<u>183,681</u>	<u>131,706</u>	<u>51,975</u>
Revenues under expenditures	<u>(86,641)</u>	<u>133,807</u>	<u>220,448</u>
OTHER FINANCING SOURCES			
Appropriated fund balance	<u>86,641</u>	-	<u>(86,641)</u>
Net change in fund balance	<u>\$ -</u>	<u>133,807</u>	<u>\$ 133,807</u>
Fund balance, beginning of year		<u>87,266</u>	
Fund balance, end of year		<u>\$ 221,073</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Budget	Reported In Prior Years	Current Year	Total	
REVENUES					
Ad valorem taxes	\$ 21,319,130	\$ 1,067,140	\$ 333,146	\$ 1,400,286	\$ (19,918,844)
Investment earnings	100,699	91,329	-	91,329	(9,370)
Payments in lieu of taxes	-	-	136,281	136,281	136,281
Total revenues	<u>21,419,829</u>	<u>1,158,469</u>	<u>469,427</u>	<u>1,627,896</u>	<u>(19,791,933)</u>
EXPENDITURES					
Capital outlay	7,882,200	7,773,846	-	7,773,846	108,354
Debt service:					
Principal retirement	11,285,000	-	35,000	35,000	11,250,000
Interest and fees	14,635,541	5,639,370	528,292	6,167,662	8,467,879
Total expenditures	<u>33,802,741</u>	<u>13,413,216</u>	<u>563,292</u>	<u>13,976,508</u>	<u>19,826,233</u>
Revenues under expenditures	<u>(12,382,912)</u>	<u>(12,254,747)</u>	<u>(93,865)</u>	<u>(12,348,612)</u>	<u>34,300</u>
OTHER FINANCING SOURCES (USES)					
Project development bonds issued	12,960,000	12,960,000	-	12,960,000	-
Installment obligation proceeds	11,285,000	11,285,000	-	11,285,000	-
Premium on installment obligation	866,656	866,656	-	866,656	-
Discount on 2008 PDF bonds	(160,449)	(160,449)	-	(160,449)	-
Payment to refunded bond escrow agent	(13,605,341)	(13,605,341)	-	(13,605,341)	-
Transfer from:					
General fund	137,046	137,046	-	137,046	-
Capital projects	900,000	900,000	-	900,000	-
Total other financing sources (uses)	<u>12,382,912</u>	<u>12,382,912</u>	<u>-</u>	<u>12,382,912</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 128,165</u>	<u>(93,865)</u>	<u>\$ 34,300</u>	<u>\$ 34,300</u>
Fund balance, beginning of year			<u>128,165</u>		
Fund balance, end of year			<u>\$ 34,300</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Budget	Reported in Prior Years	Current Year	Total	
REVENUES					
Restricted intergovernmental:					
Home FY09	\$ 314,705	\$ 295,268	\$ -	\$ 295,268	\$ (19,437)
Home FY08	220,320	132,192	-	132,192	(88,128)
Program income CDBG	124,695	59,929	64,764	124,693	(2)
Home program income	130,860	124,015	6,843	130,858	(2)
NCDA grant Hutchins easement	110,000	-	-	-	(110,000)
Sales and services	-	425,405	9,300	434,705	434,705
Miscellaneous	1,123,416	1,122,705	129,219	1,251,924	128,508
Total revenues	2,023,996	2,159,514	210,126	2,369,640	345,644
EXPENDITURES					
Capital outlay:					
Housing:					
LOS fair housing	25,000	15,350	9,650	25,000	-
Home FY14	75,000	-	-	-	75,000
Home FY13	75,000	13,800	37,000	50,800	24,200
Home FY12	75,000	58,500	-	58,500	16,500
Home FY11	75,000	-	-	-	75,000
Home FY10	75,000	64,767	-	64,767	10,233
Home FY09	389,705	369,172	1,095	370,267	19,438
Home FY08	295,320	169,692	-	169,692	125,628
Home program income	130,860	119,445	6,843	126,288	4,572
Program income CDBG	124,695	59,929	64,766	124,695	-
MHO Eagle Street	2,000,000	-	-	-	2,000,000
CDBG scattered sites 2013	10,400	-	-	-	10,400
Oak Hill Commons hard-to-house	325,000	-	-	-	325,000
Housing trust:					
Housing trust program income	1,122,416	645,016	2,980	647,996	474,420
Housing trust FY15	249,250	-	97,112	97,112	152,138
Housing trust FY14	299,250	43,122	212,028	255,150	44,100
Housing trust FY13	299,250	294,650	4,600	299,250	-
Housing trust FY12	250,000	225,000	-	225,000	25,000
Housing trust FY09	300,000	280,000	-	280,000	20,000
Housing trust FY04	300,000	299,117	-	299,117	883
Mobile home disposal FY15	50,000	-	2,500	2,500	47,500
Mobile home disposal FY12	49,250	28,244	18,754	46,998	2,252
Energy savings reinvestment fund	107,447	-	51,228	51,228	56,219

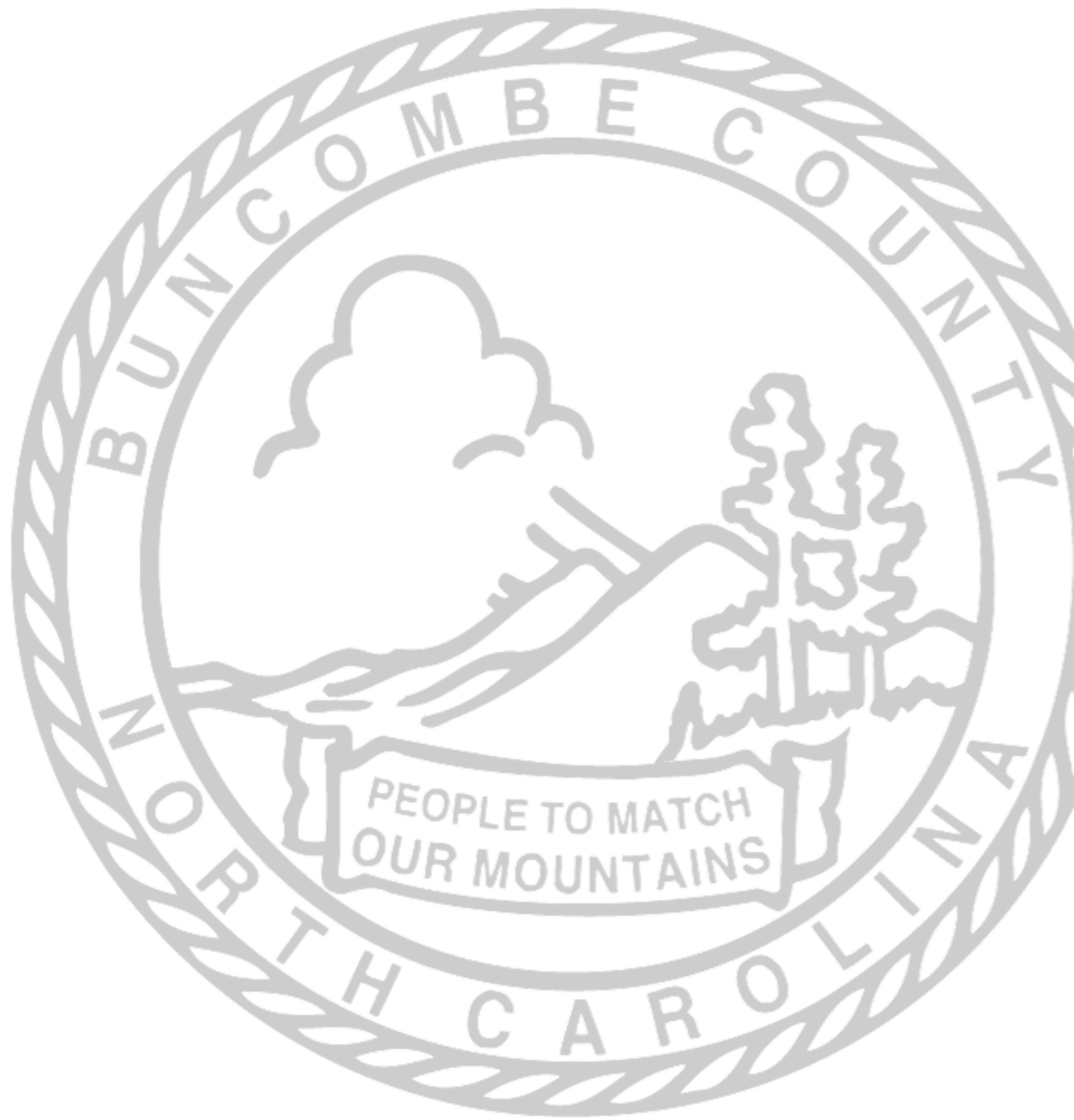
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BUNCOMBE COUNTY, NORTH CAROLINA

*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Special Projects Capital Projects Fund*

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual to June 30, 2015			Variance Positive (Negative)	
	Project Budget	Reported in Prior Years	Current Year		Total
<i>Expenditures continued</i>					
Soil conservation	1,293,698	387,040	217,030	604,070	689,628
Total expenditures	<u>7,996,541</u>	<u>3,072,844</u>	<u>725,586</u>	<u>3,798,430</u>	<u>4,198,111</u>
Revenues under expenditures	<u>(5,972,545)</u>	<u>(913,330)</u>	<u>(515,460)</u>	<u>(1,428,790)</u>	<u>4,543,755</u>
OTHER FINANCING SOURCES					
Transfer from general fund	699,250	-	715,358	715,358	16,108
Prior year revenues	<u>5,273,295</u>	<u>5,267,978</u>	-	<u>5,267,978</u>	<u>(5,317)</u>
Total other financing sources	<u>5,972,545</u>	<u>5,267,978</u>	<u>715,358</u>	<u>5,983,336</u>	<u>10,791</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 4,354,648</u>	199,898	<u>\$ 4,554,546</u>	<u>\$ 4,554,546</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items:					
Collections on long-term loans			<u>(79,541)</u>		
Total reconciling items			<u>(79,541)</u>		
Change in fund balance			<u>\$ 120,357</u>		



*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 old landfill.

Landfill Capital Projects Fund - This fund was created to account for the capital projects associated with the solid waste program.

Inmate Commissary/Welfare Fund - This fund is used to offset the daily personal and incidental needs of inmates. Revenue is generated by telephone concessions and family 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, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Tipping fees		\$ 5,928,509	
Service charges and other revenues		844,926	
Intergovernmental revenues		393,715	
Total operating revenues	\$ 7,209,287	7,167,150	\$ (42,137)
Nonoperating revenues:			
Investment earnings	40,000	53,780	13,780
Total revenues	7,249,287	7,220,930	(28,357)
EXPENDITURES			
Landfill:			
Salaries, wages, and fringe benefits		1,005,122	
Maintenance and repairs		253,287	
Contracted services		397,692	
Other operating expenses		1,174,973	
Landfill closure and postclosure care costs		311,017	
Total landfill		3,142,091	
Transfer station:			
Salaries, wages, and fringe benefits		501,962	
Maintenance and repairs		87,206	
Other operating expenses		48,058	
Total transfer station		637,226	
Landfill gas to energy project:			
Salaries, wages, and fringe benefits		78,870	
Maintenance and repairs		324,239	
Other operating expenses		104,718	
Total landfill gas to energy project		507,827	
Capital outlay		148,321	
Debt service:			
Principal retirement		1,710,000	
Interest and fees		139,353	
Total debt service		1,849,353	
Total expenditures	7,249,287	6,284,818	964,469
Revenues over expenditures	\$ -	936,112	\$ 936,112

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, 2015

	Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES			
Sale of capital assets	\$ -	\$ 1,310	\$ 1,310
Revenues and other sources over expenditures	<u>\$ -</u>	<u>937,422</u>	<u>\$ 937,422</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

Reconciling items:

Debt principal	1,710,000
Decrease in accrued interest	19,747
Amortization of bond premium and deferred charges	28,168
Contributions to the pension plan in the current fiscal year	68,907
Decrease in accrued compensated absences	14,960
Decrease in other postemployment benefits liability	7,602
Increase in accrued retirement incentive payments	(172,481)
Pension expense	(6,555)
Increase in accrued landfill closure and postclosure care costs	(1,140,730)
Remaining cost of disposed assets	-
Capital outlay	148,321
Depreciation	(2,223,643)
Total reconciling items	<u>(1,545,704)</u>
Change in net position	<u>\$ (608,282)</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, 2015

	Actual to June 30, 2015				Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Current Year	Total to Date	
REVENUES					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Engineering cell 7	800,000	465,500	98,900	564,400	235,600
Phase 6 C&D landfill	350,000	-	-	-	350,000
Subtitle D vertical expansion	300,000	-	-	-	300,000
LFG trench	92,420	-	92,420	92,420	-
Phase 5A C&D	150,000	-	-	-	150,000
Contingency	1,602,042	-	-	-	1,602,042
Total expenditures	3,294,462	465,500	191,320	656,820	2,637,642
Revenues under expenditures	(3,294,462)	(465,500)	(191,320)	(656,820)	2,637,642
OTHER FINANCING SOURCES					
Prior year revenues	3,294,462	3,277,257	-	3,277,257	(17,205)
Total other financing sources	3,294,462	3,277,257	-	3,277,257	(17,205)
Revenues and other sources over (under) expenditures	\$ -	\$ 2,811,757	\$ (191,320)	\$ 2,620,437	\$ 2,620,437

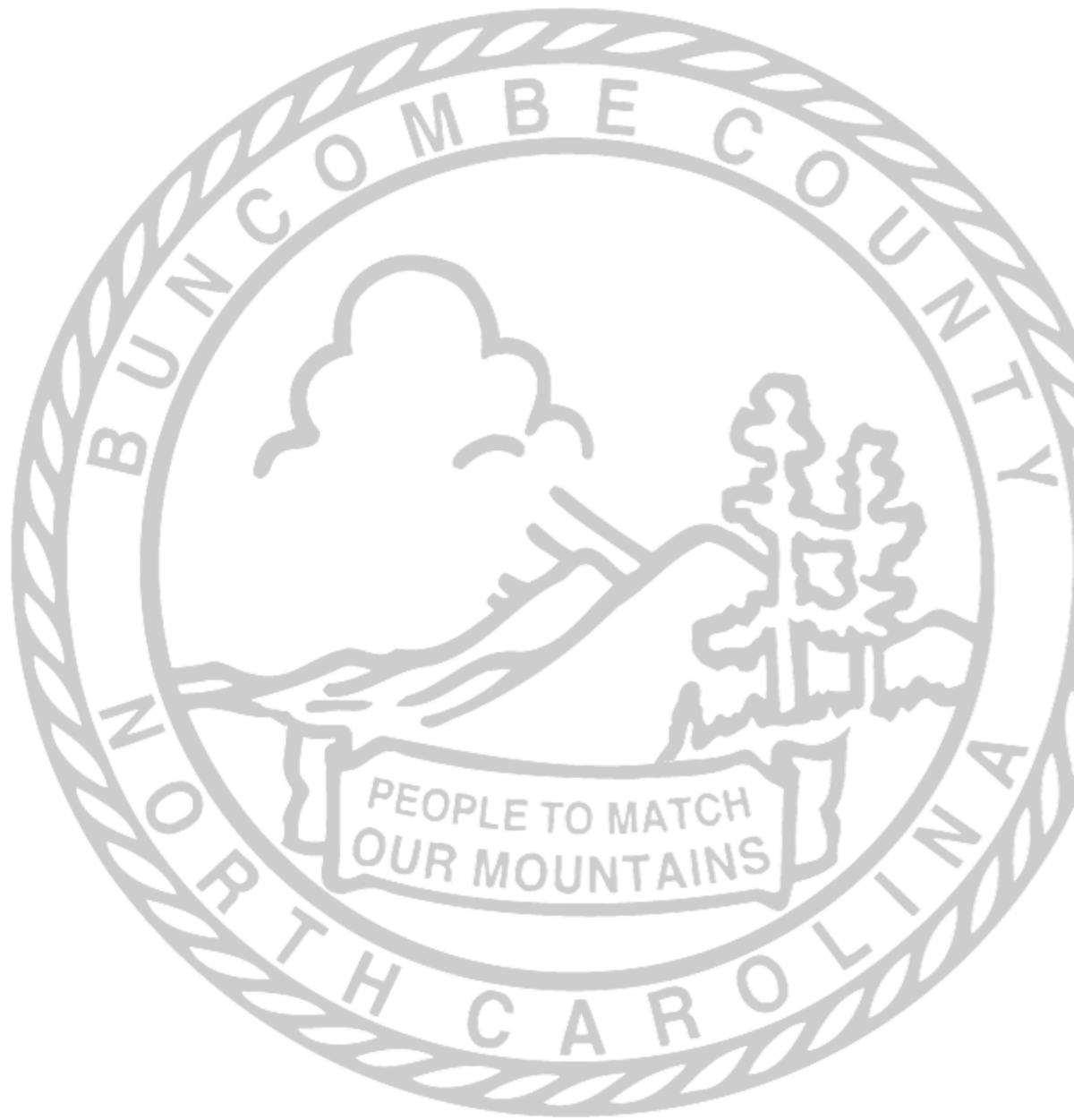
BUNCOMBE COUNTY, NORTH CAROLINA

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

Inmate Commissary/Welfare Fund

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Commissary concessions		\$ 146,322	
Telephone concessions		164,754	
Total operating revenues		<u>311,076</u>	
Nonoperating revenues:			
Investment earnings		<u>1,746</u>	
Total revenues	\$ 341,000	312,822	\$ (28,178)
EXPENDITURES			
Salaries, wages, and fringe benefits		54,198	
Contracted services		90,005	
Cost of products sold		181,385	
Other operating expenditures		21,150	
Capital Outlay		<u>17,025</u>	
Total expenditures	560,769	363,763	197,006
Revenues over (under) expenditures	(219,769)	(50,941)	168,828
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	219,769	-	(219,769)
Total other financing sources (uses)	219,769	-	(219,769)
Revenues and other sources over expenditures	\$ -	(50,941)	\$ (50,941)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Depreciation		(13,206)	
Capital Outlay		17,025	
Contributions to the pension plan in the current fiscal year		2,456	
Increase in accrued compensated absences		(455)	
Decrease in other postemployment benefits		268	
Pension expense		<u>(231)</u>	
Total reconciling items		<u>5,857</u>	
Change in net position		\$ (45,084)	



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

INTERNAL SERVICE FUND:

Insurance Fund - Accounts for the revenues and expenditures related to insurance and well-being programs associated with County employees and retirees. This includes health-related costs, workman's compensation costs, and expenses related to other postemployment benefits.

AGENCY FUNDS:

Inmate Trust Fund - Accounts for the revenues and expenditures of activity funds belonging to inmates during their period of incarceration.

General Agency Accounts - Accounts for ad valorem and local option sales taxes collected for other taxing units.

Social Services Fund - Accounts for monies deposited with the Department of Social Services for the benefit of certain individuals.

Sondley Estate Trust - Accounts for certain monies held by the County which was appointed as fiscal agent by the Courts.

Deed of Trust Fund - Accounts for the \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Buncombe County Anticrime Task Force - Accounts for forfeitures and controlled substance taxes earmarked for the Buncombe County Anticrime Task Force.

COMPONENT UNIT:

Western North Carolina Regional Air Quality Agency - 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, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Charges for services		\$ 28,423,372	
Nonoperating revenues:			
Investment earnings		<u>37,287</u>	
Total revenues	<u>\$ 28,438,707</u>	<u>28,460,659</u>	<u>\$ 21,952</u>
EXPENDITURES			
Salaries, wages, and fringe benefits		667,763	
Insurance premiums		2,353,187	
Claims		23,326,308	
Other operating expenditures		<u>48,055</u>	
Total expenditures	<u>28,438,707</u>	<u>26,395,313</u>	<u>2,043,394</u>
Revenues over expenditures	<u>-</u>	<u>2,065,346</u>	<u>2,065,346</u>
OTHER FINANCING SOURCES			
Transfer from capital projects fund	-	2,500,000	2,500,000
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 4,565,346</u>	<u>\$ 4,565,346</u>

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

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Inmate Trust Fund:				
Assets				
Cash and cash equivalents	\$ 95,012	\$ 837,073	\$ 839,133	\$ 92,952
Liabilities				
Accounts payable	\$ 1,840	\$ 96	\$ 1,472	\$ 464
Due to beneficiaries	93,172	841,575	842,259	92,488
	<u>\$ 95,012</u>	<u>\$ 841,671</u>	<u>\$ 843,731</u>	<u>\$ 92,952</u>
General Agency Accounts:				
Assets				
Cash and cash equivalents	\$ 1,002,112	\$ 71,204,217	\$ 70,919,797	\$ 1,286,532
Accounts receivable	1,009,168	721,154	1,009,168	721,154
	<u>\$ 2,011,280</u>	<u>\$ 71,925,371</u>	<u>\$ 71,928,965</u>	<u>\$ 2,007,686</u>
Liabilities				
Accounts payable	\$ 122,405	\$ 67,468	\$ 137,478	\$ 52,395
Due to other taxing units	1,888,875	71,468,137	71,401,721	1,955,291
	<u>\$ 2,011,280</u>	<u>\$ 71,535,605</u>	<u>\$ 71,539,199</u>	<u>\$ 2,007,686</u>
Social Services Fund:				
Assets				
Cash and cash equivalents	\$ 39,156	\$ 249,399	\$ 277,207	\$ 11,348
Liabilities				
Accounts payable	\$ -	\$ 277,634	\$ 277,634	\$ -
Due to beneficiaries	39,156	252,119	279,927	11,348
	<u>\$ 39,156</u>	<u>\$ 529,753</u>	<u>\$ 557,561</u>	<u>\$ 11,348</u>
Sondley Estate Trust:				
Assets				
Cash and cash equivalents	\$ 827,354	\$ 2,895	\$ -	\$ 830,249
Liabilities				
Due to beneficiaries	\$ 827,354	\$ 2,895	\$ -	\$ 830,249

Continued on next page

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

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Deed of Trust Fee Fund:				
Assets				
Cash and cash equivalents	\$ 15,193	\$ 195,521	\$ 192,640	\$ 18,074
Liabilities				
Intergovernmental payable - State of North Carolina	\$ 15,193	\$ 195,521	\$ 192,640	\$ 18,074
Buncombe County Anticrime Task Force:				
Assets				
Cash and cash equivalents	\$ 322,546	\$ 245,534	\$ 293,836	\$ 274,244
Liabilities				
Due to beneficiaries	\$ 322,546	\$ -	\$ 48,302	\$ 274,244
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,301,373	\$ 72,734,639	\$ 72,522,613	\$ 2,513,399
Accounts receivable	1,009,168	721,154	1,009,168	721,154
	<u>\$ 3,310,541</u>	<u>\$ 73,455,793</u>	<u>\$ 73,531,781</u>	<u>\$ 3,234,553</u>
Liabilities				
Accounts payable	\$ 124,245	\$ 345,198	\$ 416,584	\$ 52,859
Due to other taxing units	1,888,875	71,468,137	71,401,721	1,955,291
Intergovernmental payable - State of North Carolina	15,193	195,521	192,640	18,074
Due to beneficiaries	1,282,228	1,096,589	1,170,488	1,208,329
	<u>\$ 3,310,541</u>	<u>\$ 73,105,445</u>	<u>\$ 73,181,433</u>	<u>\$ 3,234,553</u>

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Change in Net Position - Budget and Actual (Non-GAAP)

Western North Carolina Regional Air Quality Agency

Component Unit

FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal, State, and other grants		\$ 395,593	
Licenses and permits		452,826	
Investment earnings		2,576	
Total revenues	<u>\$ 932,200</u>	<u>850,995</u>	<u>\$ (81,205)</u>
EXPENDITURES			
Environmental protection:			
Salaries and employee benefits		834,983	
Other operating expenses		169,817	
Total expenditures	<u>1,031,103</u>	<u>1,004,800</u>	<u>26,303</u>
Revenues over (under) expenditures	<u>(98,903)</u>	<u>(153,805)</u>	<u>(54,902)</u>
OTHER FINANCING SOURCES			
Sale of capital assets		2,944	
Total other financing sources	<u>98,903</u>	<u>2,944</u>	<u>(95,959)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>(150,861)</u>	<u>\$ (150,861)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual			
Reconciling items:			
Depreciation		(19,133)	
Contributions to the pension plan in the current fiscal year		41,913	
Increase in accrued compensated absences		(2,774)	
Pension expense		(4,165)	
Retirement incentive expense		(129,390)	
Decrease in other postemployment benefits		4,651	
Total reconciling items		<u>(108,898)</u>	
Change in Net Position		<u>\$ (259,759)</u>	

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Other Schedules

Buncombe County, North Carolina



BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable

General Fund

JUNE 30, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Additions	Collections and Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 174,422,050	\$ 173,958,438	\$ 463,612
2013-2014	971,031	-	639,873	331,158
2012-2013	356,240	-	99,655	256,585
2011-2012	275,666	-	61,951	213,715
2010-2011	106,778	-	26,022	80,756
2009-2010	71,197	-	9,924	61,273
2008-2009	60,128	-	5,945	54,183
2007-2008	29,833	-	3,221	26,612
2006-2007	27,864	-	2,456	25,408
2005 & Prior	76,916	-	1,800	75,116
Total	\$ 1,975,651	\$ 174,422,050	\$ 174,809,285	1,588,416
Less allowance for uncollectible ad valorem taxes receivable				<u>(646,131)</u>
Ad valorem taxes receivable, net				<u><u>\$ 942,285</u></u>
Reconciliation with revenues:				
Taxes - ad valorem - general fund				\$ 174,979,563
Taxes - ad valorem - PDF Woodfin				333,146
Total ad valorem				<u>\$ 175,312,709</u>
Reconciling items:				
Penalties sent to school districts ⁽¹⁾				6,716
Advertising fees				(30,873)
Interest collected				(572,622)
Prepaid				69,567
Pending DMV refunds				54,896
Adjustment for amounts collected 60 days after year-end				80,673
Other				(111,781)
Total reconciling items				<u>(503,424)</u>
Total collections and credits				<u><u>\$ 174,809,285</u></u>

⁽¹⁾ Beginning in FY15, penalties collected are distributed directly to the local school systems and therefore no longer included in the net levy.

BUNCOMBE COUNTY, NORTH CAROLINA

Analysis of Current Year County-Wide Tax Levy

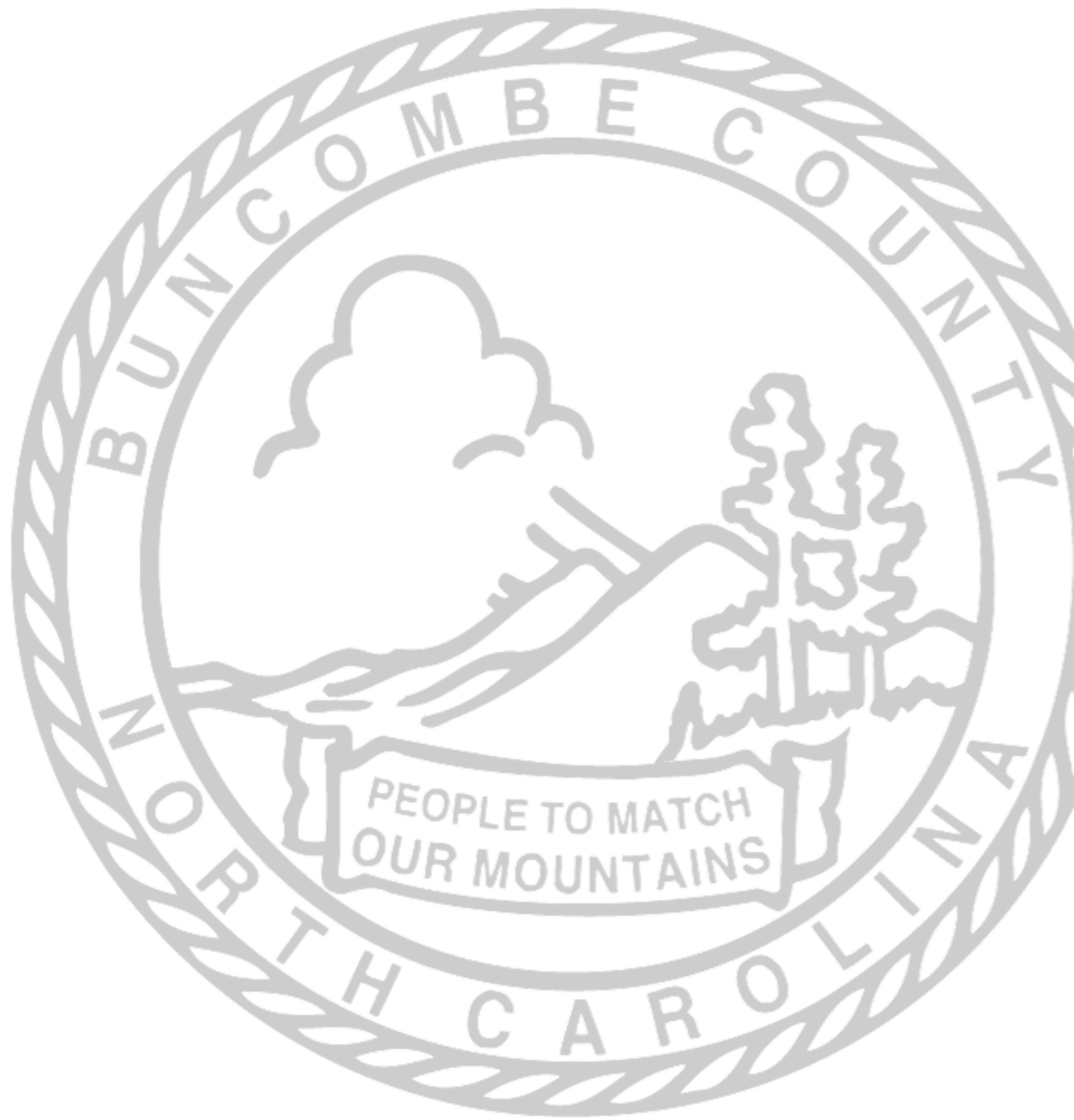
FOR THE YEAR ENDED JUNE 30, 2015

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy					
County-wide ad valorem	\$ 28,789,177,210	\$0.604	\$ 173,886,630	\$ 162,039,342	\$ 11,847,288
Discoveries					
Taxes levied	175,350,331	Various	1,059,115	1,059,115	-
Releases	<u>(86,704,470)</u>		<u>(523,695)</u>	<u>(468,452)</u>	<u>(55,243)</u>
Net levy ⁽¹⁾	<u>\$ 28,877,823,071</u>		174,422,050	162,630,005	11,792,045
Uncollected taxes at June 30, 2015			<u>463,612</u>	<u>457,229</u>	<u>6,383</u>
Current year's taxes collected			<u>\$ 173,958,438</u>	<u>\$ 162,172,776</u>	<u>\$ 11,785,662</u>
Current levy collection %			<u>99.73%</u>	<u>99.72%</u>	<u>99.95%</u>
Secondary market disclosures:					
Assessed valuation					
Assessment ratio ⁽²⁾				100.00%	
Real property				\$ 24,740,752,260	
Personal property				1,652,327,273	
Public service companies ⁽³⁾				532,418,149	
Registered motor vehicles				<u>1,952,325,389</u>	
Total assessed valuation				<u>\$ 28,877,823,071</u>	
Tax rate per \$100				<u>\$ 0.604</u>	
Levy (includes discoveries, releases, and abatements)				<u>\$ 174,422,050</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				\$ 7,653,171	
Fire protection districts				<u>14,862,004</u>	
Total				<u>\$ 22,515,175</u>	

⁽¹⁾ Beginning in FY15 penalties collected are distributed directly to the local school systems, therefore no longer included in the net levy.

⁽²⁾ Percentage of appraised value has been established by statute.

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



Statistical Section



**BUNCOMBE
COUNTY**
GOVERNMENT
— NORTH CAROLINA —

BUNCOMBE COUNTY, NORTH CAROLINA

Statistical Section

This part of the Buncombe County Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<i>Contents</i>	<i>Page</i>
Financial Trends	147
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	152
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	156
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.	
Demographic and Economic Information	160
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	163
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.	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Table 1

Net Position by Component

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Investment in Capital										
Assets	\$ 48,744,203	\$ 62,717,518	\$ 65,887,137	\$ 63,004,798	\$ 67,968,901	\$ 70,313,265	\$ 94,284,411	\$ 92,417,846	\$ 93,609,590	\$ 84,189,214
Restricted	952,667	1,257,585	1,420,800	-	-	91,710,042	55,085,740	78,301,557	44,010,550	52,200,321
Unrestricted	(19,796,405)	(19,443,597)	(5,345,347)	4,261,288	5,778,818	(94,707,863)	(74,276,889)	(87,076,203)	(53,109,328)	(107,838,971)
Total governmental activities net position	\$ 29,900,465	\$ 44,531,506	\$ 61,962,590	\$ 67,266,086	\$ 73,747,719	\$ 67,315,444	\$ 75,093,262	\$ 83,643,200	\$ 84,510,812	\$ 28,550,564
Business-type activities										
Net Investment in Capital										
Assets	\$ 27,482,628	\$ 28,635,180	\$ 30,527,905	\$ 34,010,820	\$ 32,649,006	\$ 34,193,312	\$ 27,379,503	\$ 26,526,350	\$ 26,200,976	\$ 24,859,349
Restricted	6,285,783	6,432,817	8,956,116	2,589,823	967,892	1,516,288	-	-	-	-
Unrestricted	8,218,157	8,758,604	7,124,472	11,105,747	11,184,675	8,653,235	2,660,405	4,842,048	2,261,332	2,841,242
Total business-type activities net position	\$ 41,986,568	\$ 43,826,601	\$ 46,608,493	\$ 47,706,390	\$ 44,801,573	\$ 44,362,835	\$ 30,039,908	\$ 31,368,398	\$ 28,462,308	\$ 27,700,591
Primary government										
Net Investment in Capital										
Assets	\$ 76,226,831	\$ 91,352,698	\$ 96,415,042	\$ 97,015,618	\$ 100,617,907	\$ 104,506,577	\$ 121,663,914	\$ 118,944,196	\$ 119,810,566	\$ 109,048,563
Restricted	7,238,450	7,690,402	10,376,916	2,589,823	967,892	93,226,330	55,085,740	78,301,557	44,010,550	52,200,321
Unrestricted	(11,578,248)	(10,684,993)	1,779,125	15,367,035	16,963,493	(86,054,628)	(71,616,484)	(82,234,155)	(50,847,996)	(104,997,729)
Total primary government net position	\$ 71,887,033	\$ 88,358,107	\$ 108,571,083	\$ 114,972,476	\$ 118,549,292	\$ 111,678,279	\$ 105,133,170	\$ 115,011,598	\$ 112,973,120	\$ 56,251,155

NOTE: New reporting standards were implemented in fiscal year 2011 which required net position of capital projects to be reflected as restricted net position.

In the fiscal years prior to 2011 the net position of capital project funds were reflected as unreserved net position.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 2

Changes in Net Position

LAST TEN FISCAL YEARS (accrual basis of accounting)

EXPENSES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General government	\$ 19,270,179	\$ 22,446,505	\$ 23,377,056	\$ 21,705,398	\$ 22,130,128	\$ 22,459,758	\$ 23,356,495	\$ 22,719,044	\$ 26,179,307	\$ 26,547,924
Public safety	54,066,643	58,198,788	68,034,705	69,377,438	71,520,365	74,918,302	74,658,163	81,600,718	86,261,299	93,283,467
Economic and physical development	19,334,791	14,735,580	18,585,531	26,226,700	13,804,636	15,057,537	18,902,856	18,787,809	15,255,668	17,890,984
Human services	77,967,312	81,513,029	90,053,452	83,310,485	85,121,982	82,215,499	81,943,587	80,404,926	86,307,869	92,117,911
Cultural and recreational	6,754,166	6,888,549	8,141,862	11,090,242	9,943,947	9,167,471	8,814,503	8,579,412	10,611,885	9,798,772
Education	79,316,200	91,854,360	75,896,726	73,179,775	78,379,830	95,611,470	88,310,103	84,770,250	107,527,022	154,203,942
Interest on long-term debt	7,231,178	7,811,367	7,335,758	7,245,388	7,694,610	9,896,183	10,256,518	11,873,924	13,657,936	17,044,059
Total governmental activities expenses	<u>263,940,469</u>	<u>283,448,178</u>	<u>291,425,090</u>	<u>292,135,426</u>	<u>288,595,498</u>	<u>309,326,220</u>	<u>306,242,225</u>	<u>308,736,083</u>	<u>345,800,986</u>	<u>410,887,059</u>
Business-type activities:										
Solid Waste Disposal	5,095,603	6,892,580	7,713,779	7,325,697	6,175,352	6,103,665	6,759,933	6,457,464	6,811,079	7,830,522
Human Services Facilities	1,452,366	2,225,921	1,119,716	802,044	846,717	871,532	570,709	-	-	-
Mental Health	-	-	875,850	606,857	602,809	689,128	492,722	-	-	-
Inmate Commissary/Welfare	458,792	539,509	524,398	559,422	602,509	524,703	311,120	216,770	222,997	357,906
Criminal Justice Information System	-	-	-	1,632,594	1,638,266	1,597,872	1,297,159	1,246,614	1,416,776	-
County Golf Course	-	-	-	-	-	-	-	-	-	-
After School	1,832,833	377,990	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>8,839,594</u>	<u>10,036,000</u>	<u>10,233,743</u>	<u>10,926,614</u>	<u>9,865,653</u>	<u>9,786,900</u>	<u>9,431,643</u>	<u>7,920,848</u>	<u>8,450,852</u>	<u>8,188,428</u>
Total primary governmental expenses	<u>\$ 272,780,063</u>	<u>\$ 293,484,178</u>	<u>\$ 301,658,833</u>	<u>\$ 303,062,040</u>	<u>\$ 298,461,151</u>	<u>\$ 319,113,120</u>	<u>\$ 315,673,868</u>	<u>\$ 316,656,931</u>	<u>\$ 354,251,838</u>	<u>\$ 419,075,487</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 11,035,741	\$ 10,894,196	\$ 9,935,830	\$ 3,273,340	\$ 3,418,209	\$ 3,617,461	\$ 3,495,120	\$ 4,774,384	\$ 3,542,856	\$ 1,792,710
Public safety	7,942,899	7,463,106	7,954,598	8,384,722	7,178,633	8,197,334	9,773,429	11,220,535	10,483,019	11,512,251
Economic and physical development	6,327,138	7,287,329	7,593,812	6,695,973	6,485,727	7,976,554	7,914,085	8,424,439	448,312	489,513
Human services	9,021,899	7,889,380	9,010,072	7,582,007	6,166,294	5,031,516	4,469,804	2,232,396	2,237,859	2,268,101
Cultural and recreational	766,838	708,053	670,295	1,226,864	979,013	873,489	663,930	590,408	517,104	450,484
Operating grants and contributions	49,467,438	44,184,934	47,768,083	49,093,100	52,733,279	52,196,582	45,319,734	45,447,077	48,960,176	56,295,309
Capital grants and contributions	16,433,237	16,873,111	17,577,647	17,489,205	14,962,018	17,111,186	1,783,430	7,848,558	9,367,855	6,344,047
Total governmental activities program revenues	<u>100,995,190</u>	<u>95,300,109</u>	<u>100,510,337</u>	<u>93,745,211</u>	<u>91,923,173</u>	<u>95,004,122</u>	<u>73,419,532</u>	<u>80,537,797</u>	<u>75,557,181</u>	<u>79,152,415</u>
Business-type activities:										
Charges for services:										
Solid Waste Disposal	6,660,231	6,707,965	7,185,473	6,598,240	6,514,503	6,910,220	6,904,275	6,855,245	6,928,813	6,773,435
Parking Deck	-	-	-	88,148	606,561	663,860	320,826	-	-	-
Human Services Facilities	927,145	891,501	841,291	617,530	483,191	474,937	681,105	-	-	-
Inmate/Commissary Welfare	431,502	421,928	388,505	468,406	476,295	412,890	506,366	351,049	323,536	311,076
Criminal Justice Information System	-	-	-	1,194,794	1,274,921	1,270,613	1,326,110	1,326,631	1,383,407	-
After School	1,861,018	162,956	-	-	-	-	-	-	-	-
Operating grants and contributions	304,822	322,802	333,931	321,567	325,584	341,098	368,570	373,333	371,192	393,715
Capital grants and contributions	-	9,050	42,751	-	-	1,142,529	1,678,147	226,720	-	-
Total business-type activities program revenues	<u>10,184,718</u>	<u>8,516,202</u>	<u>8,791,951</u>	<u>9,288,685</u>	<u>9,681,055</u>	<u>11,216,147</u>	<u>11,785,399</u>	<u>9,132,978</u>	<u>9,006,948</u>	<u>7,478,226</u>
Total primary governmental program revenues	<u>\$ 111,179,908</u>	<u>\$ 103,816,311</u>	<u>\$ 109,302,288</u>	<u>\$ 103,033,896</u>	<u>\$ 101,604,228</u>	<u>\$ 106,220,269</u>	<u>\$ 85,204,931</u>	<u>\$ 89,670,775</u>	<u>\$ 84,564,129</u>	<u>\$ 86,630,641</u>

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense) revenue										
Governmental activities	\$ (162,945,279)	\$ (188,148,069)	\$ (190,914,753)	\$ (198,390,215)	\$ (196,672,325)	\$ (214,322,098)	\$ (232,822,693)	\$ (228,198,286)	\$ (270,243,805)	\$ (331,734,644)
Business-type activities	1,345,124	(1,519,798)	(1,441,792)	(1,637,929)	(184,598)	1,429,247	2,353,756	1,212,130	556,096	(710,202)
Total primary governmental net expense	\$ (161,600,155)	\$ (189,667,867)	\$ (192,356,545)	\$ (200,028,144)	\$ (196,856,923)	\$ (212,892,851)	\$ (230,468,937)	\$ (226,986,156)	\$ (269,687,709)	\$ (332,444,846)

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

Governmental activities:

Taxes: Property taxes	\$ 123,668,417	\$ 152,744,354	\$ 157,568,418	\$ 162,584,050	\$ 165,793,158	\$ 167,506,260	\$ 170,097,044	\$ 171,095,813	\$ 192,667,851	191,247,474
Taxes: Local Option Sales Tax	40,126,703	43,942,038	45,575,335	37,777,956	32,087,738	33,152,165	49,693,442	58,665,856	61,962,603	70,792,084
Other Taxes and Licenses	-	-	-	5,310,017	4,696,043	4,966,792	5,208,845	5,524,997	15,039,610	17,209,248
Investment earnings, unrestricted	4,123,375	6,252,713	5,417,960	2,513,403	664,878	598,662	567,965	144,603	300,785	344,674
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	(2,000,621)	-	(417,150)	1,828,088
Miscellaneous, unrestricted	1,369,340	1,245,957	1,142,629	1,445,354	1,242,530	1,665,941	1,020,902	1,237,045	956,147	1,607,318
Special Item: Transfer Assets for Water Agreement	(4,787,776)	-	-	-	-	-	-	-	-	-
Transfers	1,675,850	(2,000,000)	(3,040,115)	(2,881,638)	(1,621,145)	-	16,012,934	-	601,570	-
Total governmental activities	166,175,909	202,185,062	206,664,227	206,749,142	202,863,202	207,889,820	240,600,511	236,668,314	271,111,416	283,028,886

Business-type activities:

Investment earnings, unrestricted	703,774	1,360,115	2,079,570	781,655	171,999	161,039	106,873	57,016	38,182	55,526
Miscellaneous, unrestricted	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	170	-	-	1,310
Special Item: Transfer Assets for Water Agreement	(1,191,934)	-	-	-	-	-	-	-	-	-
Transfers	(1,675,850)	2,000,000	3,040,115	2,881,638	1,621,145	-	(16,012,934)	-	(601,570)	-
Total business-type activities	(2,164,010)	3,360,115	5,119,685	3,663,293	1,793,144	161,039	(15,905,891)	57,016	(563,388)	56,836
Total primary government	\$ 164,011,899	\$ 205,545,177	\$ 211,783,912	\$ 210,412,435	\$ 204,656,346	\$ 208,050,859	\$ 224,694,620	\$ 236,725,330	\$ 270,548,028	283,085,722

CHANGE IN NET POSITION

Governmental activities	\$ 3,230,630	\$ 14,036,993	\$ 15,749,474	\$ 8,358,927	\$ 6,190,877	\$ (6,432,278)	\$ 7,777,818	\$ 8,470,028	\$ 867,611	(48,705,758)
Business-type activities	(818,886)	1,840,317	3,677,893	2,025,364	1,608,546	1,590,286	(13,552,135)	1,269,146	(7,292)	(653,366)
Total primary government	\$ 2,411,744	\$ 15,877,310	\$ 19,427,367	\$ 10,384,291	\$ 7,799,423	\$ (4,841,992)	\$ (5,774,317)	\$ 9,739,174	\$ 860,319	(49,359,124)

NOTE: In fiscal year 2005, mental health reform caused certain assets used by mental health agencies to revert to the County.

NOTE: The lack of data for the County Golf Course in 2006 is explained by the dissolution of the Water Agreement. In 1981 the Water Agreement created a Regional Water Authority between the City of Asheville, Buncombe County, and, in the mid-1990s, Henderson County. One part of the agreement called for the County to take over McCormick Field, the Golf Course, and some other recreational facilities that had been run by the City. The City dissolved the agreement at the end of fiscal year 2005 and the recreation assets reverted back to City ownership.

NOTE: The Parking Deck, Human Services Facilities, and Mental Health funds were closed in fiscal year 2013.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 3

Fund Balances of Governmental Funds

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 16,626,892	\$ 19,381,124	\$ 21,418,705	\$ 17,727,539	\$ 19,549,574	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	45,402,398	47,834,281	46,578,265	52,275,357	50,940,052	-	-	-	-	-
Total General Fund	\$ 62,029,290	\$ 67,215,405	\$ 67,996,970	\$ 70,002,896	\$ 70,489,626	\$ -	\$ -	\$ -	\$ -	\$ -
All other governmental funds										
Reserved	\$ 7,965,982	\$ 9,843,864	\$ 7,765,517	\$ 6,626,512	\$ 6,528,068	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	(8,150)	689,209	(243,876)	6,425,227	6,750,134	-	-	-	-	-
Total all other governmental funds	\$ 7,957,832	\$ 10,533,073	\$ 7,521,641	\$ 13,051,739	\$ 13,278,202	\$ -	\$ -	\$ -	\$ -	\$ -
Total Combined Governmental Fund Balances	\$ 69,987,122	\$ 77,748,478	\$ 75,518,611	\$ 83,054,635	\$ 83,767,828	\$ -	\$ -	\$ -	\$ -	\$ -
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,471	\$ 207,455	\$ 243,865	\$ 300,407	\$ 52,597
Restricted	-	-	-	-	-	18,371,636	20,525,004	19,221,755	20,197,103	23,297,383
Committed	-	-	-	-	-	1,050,000	1,200,000	1,200,000	1,200,000	5,462,421
Assigned	-	-	-	-	-	7,692,536	8,147,972	7,001,237	7,584,637	9,643,213
Unassigned	-	-	-	-	-	43,437,530	40,897,807	43,466,405	41,869,339	37,121,496
Total General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,822,173	\$ 70,978,238	\$ 71,133,262	\$ 71,151,486	\$ 75,577,110
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,717,209	\$ 6,718,509	\$ 764	\$ 1,396	\$ 1,452,037
Restricted	-	-	-	-	-	73,338,406	34,560,736	59,079,802	174,502,262	187,815,672
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	22,838,171	7,974,677	13,108,288	27,805,926	21,257,379
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,893,786	\$ 49,253,922	\$ 72,188,854	\$ 202,309,584	\$ 210,525,088
Total Combined Governmental Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,715,959	\$ 120,232,160	\$ 143,322,116	\$ 273,461,070	\$ 286,102,198

NOTE: GASB Statement # 54 (Fund Balance Reporting) established new fund balance classifications in FY11. The first section shows the fund balance information prior to the implementation of GASB Statement # 54 and the second section shows the fund balance information after the implementation of GASB Statement # 54.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 4

Changes in Fund Balances of Governmental Funds

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Ad Valorem Taxes	\$ 123,668,417	\$ 152,078,684	\$ 157,250,530	\$ 161,629,983	\$ 166,260,818	\$ 167,950,517	\$ 169,368,975	\$ 171,520,939	\$ 192,949,306	\$ 191,565,661
Local Option Sales Taxes	40,156,650	43,942,038	45,575,335	37,777,956	32,087,738	33,152,165	49,693,442	58,665,856	61,962,603	70,792,084
Other Taxes and Licenses	13,714,547	14,836,023	13,514,180	10,881,071	10,692,333	11,199,515	11,998,130	13,090,813	14,331,532	16,466,653
Unrestricted Intergovernmental	600,307	616,097	634,260	689,376	263,502	649,642	668,378	638,811	708,078	742,595
Restricted Intergovernmental	66,406,034	61,630,950	63,460,263	67,106,567	68,165,026	69,745,379	47,537,053	48,245,459	58,328,031	61,016,020
Permits and Fees	2,284,153	1,808,826	1,685,014	2,729,721	2,318,479	2,637,544	2,419,599	2,630,342	3,075,411	3,451,565
Sales and Services	17,974,886	16,471,205	18,794,523	17,648,493	15,179,874	15,238,834	16,025,217	14,108,121	14,129,326	14,708,008
Investment Earnings	3,923,644	5,904,810	5,524,232	2,769,835	727,479	828,614	607,247	148,134	274,061	382,885
Miscellaneous	1,376,089	1,245,957	1,142,629	1,445,354	1,242,530	1,188,941	1,020,902	1,247,045	956,147	1,607,318
Total revenues	270,104,727	298,534,590	307,580,966	302,678,356	296,937,779	302,591,151	299,338,943	310,295,520	346,714,495	360,732,789
Current:										
General government	17,941,931	19,067,585	21,306,889	20,039,754	20,191,172	21,770,014	20,996,399	21,731,568	23,200,093	25,720,370
Public safety	50,254,619	55,977,572	64,778,242	64,511,855	65,391,557	70,523,628	71,809,649	72,494,711	76,923,039	83,550,101
Economic and Physical Development	19,278,134	14,638,280	16,737,657	13,764,192	11,503,725	13,130,547	17,524,599	17,957,236	14,823,254	16,376,729
Human Services	76,977,176	80,825,821	87,205,196	80,454,900	80,291,532	80,948,026	79,160,646	79,202,525	83,521,333	91,370,860
Cultural and Recreational	5,521,542	5,921,511	7,304,597	9,752,430	8,446,969	7,876,119	7,897,539	7,242,489	8,987,448	8,387,620
Intergovernmental:										
Education	56,393,255	61,556,450	66,171,518	70,618,376	69,587,924	70,634,616	74,324,014	74,828,472	74,556,185	79,225,390
Capital Outlay	38,148,616	46,124,292	27,640,050	20,918,808	36,321,329	50,538,800	57,908,742	50,774,671	69,217,388	99,951,422
Debt service										
Principal	24,247,761	17,539,683	17,278,409	16,842,942	17,652,009	18,350,000	20,944,000	22,299,000	20,243,994	24,407,151
Interest and Fees	6,991,875	8,285,284	7,603,639	7,620,072	8,541,195	10,175,923	10,776,086	13,426,237	15,743,470	18,792,182
Total expenditures	295,754,909	309,936,478	316,026,197	304,523,329	317,927,412	343,947,673	361,341,674	359,956,909	387,216,204	447,781,825
Excess of revenues over (under) expenditures	(25,650,182)	(11,401,888)	(8,445,231)	(1,844,973)	(20,989,633)	(41,356,522)	(62,002,731)	(49,661,389)	(40,501,709)	(87,049,036)
OTHER FINANCING SOURCES (USES)										
Transfers From Other Funds	\$ 10,430,533	\$ 21,116,870	\$ 21,336,193	\$ 10,512,565	\$ 13,639,629	\$ 9,035,300	\$ 19,541,153	\$ 5,829,800	\$ 18,199,223	\$ 11,183,266
Transfers To Other Funds	(9,915,533)	(24,917,191)	(26,695,515)	(12,925,599)	(16,260,774)	(11,297,733)	(11,181,584)	(5,829,800)	(18,582,849)	(13,683,266)
Transfer of Assets-Dissolution of Water Agreement	(60,542)	-	-	-	-	-	-	-	-	-
Project Development Bonds Issued	-	-	-	12,960,000	-	-	-	-	-	-
Advance Refunding Obligations Issued	-	-	-	-	17,115,000	-	-	-	-	-
Installment Obligations Issued	-	-	13,455,000	-	26,705,000	55,720,000	-	73,380,000	180,315,001	126,844,450
General Obligation Debt Issued	51,985,000	-	-	-	30,850,000	-	-	32,500,000	-	-
Premium/Discount on Debt Issued	2,223,983.00	-	(9,565.00)	(160,449)	1,461,406	1,619,652	-	11,883,464	21,379,812	22,736,977
Payment to Refunded Bond Escrow Agent	-	-	-	-	(24,544,763)	-	-	(46,559,350)	(30,752,734)	(51,515,579)
Sale of Capital Assets	655,871	447,341	20,107	131,219	105,720	1,460,672	159,363	1,467,321	82,210	2,592,738
Total other financing sources (uses)	55,319,312	(3,352,980)	8,106,220	10,517,736	49,071,218	56,537,891	8,518,932	72,671,435	170,640,663	98,158,586
Net change in fund balances	\$ 29,669,130	\$ (14,754,868)	\$ (339,011)	\$ 8,672,763	\$ 28,081,585	\$ 15,181,369	\$ (53,483,799)	\$ 23,010,046	\$ 130,138,954	\$ 11,109,550
Debt services as a percentage of noncapital expenditures	11.16%	8.85%	8.45%	8.23%	8.91%	8.98%	10.06%	11.37%	10.32%	10.21%

BUNCOMBE COUNTY, NORTH CAROLINA

Table 5

Assessed Value of Taxable Property

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property				Personal Property		Less: Tax Exempt Real Property	Public Service Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Use Value Farm	Historical Property	Motor Vehicles	Other				
2006	\$ 11,615,744	\$ 3,543,490	\$ 626,159	\$ 55,296	\$ 1,830,013	\$ 1,409,297	\$ 512,096	\$ 537,650	\$ 19,105,553	\$0.590
2007	16,832,000	5,274,306	1,155,382	104,262	1,776,699	1,502,617	1,082,515	618,348	26,181,099	0.530
2008	17,869,706	5,242,939	1,049,024	93,601	1,857,391	1,562,113	1,036,856	620,602	27,258,520	0.525
2009	18,814,352	5,319,589	1,054,015	94,003	1,687,764	1,635,196	1,043,461	524,793	28,086,251	0.525
2011	19,693,086	5,598,080	1,209,847	97,799	1,576,012	1,546,946	1,148,428	513,573	29,086,915	0.525
2012	19,823,205	5,672,300	1,206,920	96,645	1,693,881	1,477,741	1,181,347	525,644	29,314,988	0.525
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

SOURCE: Buncombe County Tax Department

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

NOTE: Property in the county can be reassessed every four years. 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 reassessed in 2007 and 2014.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 6

Property Tax Rates-Direct And All Overlapping Governments

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

	2006	2007 ²	2008	2009	2010	2011	2012	2013	2014 ²	2015
County Direct Rates:										
County-wide Rate ¹	\$ 0.590	\$ 0.530	\$ 0.525	\$ 0.525	\$ 0.525	\$ 0.525	\$ 0.525	\$ 0.525	\$ 0.604	\$ 0.604
Fire Districts	0.113	0.100	0.100	0.113	0.113	0.113	0.113	0.113	0.118	0.118
Total average direct rate	0.703	0.630	0.625	0.638	0.638	0.638	0.638	0.638	0.722	0.722
Municipality Rates:										
City of Asheville	0.530	0.424	0.420	0.420	0.420	0.420	0.420	0.420	0.460	0.475
Town of Biltmore Forest	0.360	0.295	0.295	0.300	0.300	0.320	0.320	0.330	0.385	0.385
Town of Weaverville	0.430	0.430	0.380	0.365	0.355	0.355	0.375	0.375	0.420	0.420
Town of Black Mountain	0.385	0.320	0.320	0.320	0.320	0.365	0.365	0.365	0.375	0.375
Town of Woodfin	0.285	0.265	0.265	0.265	0.265	0.265	0.265	0.265	0.305	0.305
Asheville School District	0.200	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150

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 2006 and 2013 (fiscal year 2007 and 2014).

BUNCOMBE COUNTY, NORTH CAROLINA

Table 7

Principal Property Taxpayers

DECEMBER 31, 2014

Taxpayer	December 31, 2014			December 31, 2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress Inc	\$ 326,906,027	1	1.21%	\$ 277,953,903	1	1.54%
Ingles Markets Inc	263,644,548	2	0.98%	117,805,720	2	0.65%
GPI Resort Holdings LLC	104,309,500	3	0.39%	92,625,800	5	0.51%
Town Square West LLC	100,398,681	4	0.37%			
Biltmore Company	94,161,160	5	0.35%	110,574,870	3	0.61%
Asheville Mall CMBS LLC	75,135,300	6	0.28%	56,871,370	9	0.32%
Southeastern Container Inc	63,432,594	7	0.24%	73,339,860	7	0.41%
Public Service Company of NC, Inc	62,133,484	8	0.23%	33,995,840	10	0.19%
Bellsouth Tel Co - AT&T North Carolina	61,531,735	9	0.23%	98,471,735	4	0.55%
Borgwarner Turbo Systems	60,309,768	10	0.22%			
Arvato Digital Services (Sonopress)				69,366,130	8	0.38%
The Cliffs at Walnut Cove				75,507,300	6	0.42%
Totals	\$ 1,211,962,797		4.50%	\$ 1,006,512,528		5.58%
Total Overall Valuation	\$ 26,925,497,682			\$ 18,034,880,169		

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
2006	112,954	111,707	98.9%	6	111,713	98.90%
2007	139,015	137,837	99.2%	7	137,844	99.16%
2008	143,256	142,008	99.1%	8	142,016	99.13%
2009	147,652	145,745	98.7%	45	145,790	98.74%
2010	151,681	149,601	98.6%	61	149,662	98.67%
2011	153,044	151,007	98.7%	67	151,074	98.71%
2012	154,046	152,262	98.8%	332	152,594	99.06%
2013	156,148	154,652	99.0%	1,206	155,858	99.81%
2014	167,069	166,098	99.4%	639	166,737	99.80%
2015	174,422	173,958	99.7%	-	173,958	99.73%

SOURCE: Buncombe County Tax Department

NOTE: Property was revalued and effective in fiscal year 2007 and 2014

BUNCOMBE COUNTY, NORTH CAROLINA

Table 9

Ratio of Outstanding Debt by Type

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 ¹	Per Capita ¹
	General Obligation Bonds	Installment Notes	Project Development Financing Bonds	Total Governmental Activities	Special Obligation Bonds	Installment Notes	Total Business-Type Activities			
2006	94,641	103,461	-	198,102	14,987	196	15,183	213,285	2.84%	948
2007	85,565	94,639	-	180,204	13,212	99	13,311	193,515	2.43%	843
2008	76,541	99,506	-	176,047	11,375	14,982	26,357	202,404	2.49%	869
2009	67,919	90,980	12,803	171,702	9,494	14,411	23,905	195,607	2.46%	829
2010	65,470	127,153	12,803	205,426	7,536	13,825	21,361	226,787	2.80%	949
2012	51,256	170,913	12,960	235,129	4,218	-	4,218	239,347	2.69%	975
2013	44,717	225,725	12,960	283,402	2,867	3,450	6,317	289,719	3.12%	1,164
2014	38,344	395,806	-	434,150	1,462	3,156	4,618	438,768	N/A	1,741
2015	30,124	476,157	-	506,281	-	2,860	2,860	509,141	N/A	2,026

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

(1) Personal income and population data can be found on Table 13 (Demographic and Economic Statistics) on page 160

BUNCOMBE COUNTY, NORTH CAROLINA

Table 10

Ratios of General Bonded Debt Outstanding

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2006	94,641	0.50%	421
2007	85,565	0.33%	373
2008	76,541	0.28%	329
2009	67,919	0.24%	288
2010	65,470	0.23%	274.07
2011	58,823	0.20%	241.40
2013	44,717	0.15%	179.64
2014	38,344	0.14%	152.16
2015	30,124	0.11%	110.92

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

¹Property value data can be found on Table 5 (Assessed Value of Taxable Property) on page 152

²Population data can be found on Table 13 (Demographic and Economic Statistics) on page 160

BUNCOMBE COUNTY, NORTH CAROLINA

Table 11

Direct and Overlapping Governmental Activities Debt

AS OF JUNE 30, 2015

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	\$ 570,000	100%	\$ 570,000
Installment Debt			
City of Asheville	25,100,000	100%	25,100,000
Town of Biltmore Forest	270,000	100%	270,000
Town of Black Mountain	1,970,371	100%	1,970,371
Town of Montreat	-	100%	-
Town of Weaverville	2,390,792	100%	2,390,792
Town of Woodfin	285,291	100%	285,291
Subtotal, overlapping debt			<u>30,586,454</u>
County direct debt		100%	<u>506,276,534</u>
Total direct and overlapping debt			<u><u>\$ 536,862,988</u></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

Table 12

Legal Debt Margin

LAST TEN FISCAL YEARS (amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 1,528,444	\$ 2,094,488	\$ 2,180,682	2,246,900	\$ 2,307,293	\$ 2,326,953	\$ 2,345,199	\$ 2,374,398	\$ 2,210,098	\$ 2,154,040
Total net debt applicable to limit	210,082	177,555	191,030	173,379	190,738	240,305	219,141	257,377	402,098	454,994
Legal debt margin	\$ 1,318,362	\$ 1,916,933	\$ 1,989,652	\$ 2,073,521	\$ 2,116,555	\$ 2,086,648	\$ 2,126,058	\$ 2,117,021	\$ 1,808,000	\$ 1,699,046
Total net debt applicable to the limit as a percentage of debt limit	13.74%	8.48%	8.76%	7.72%	8.27%	10.33%	9.34%	10.84%	18.19%	21.12%

Assessed value of taxable property	<u>\$ 28,877,823</u>
Debt Limit - Eight Percent (8%) of assessed value	\$ 2,310,226
Gross Debt:	
Total Bonded Debt	30,119
Installment Purchase Agreements	<u>424,869</u>
Gross Debt	454,988
Total amount of debt applicable to debt limit (net debt)	<u>\$ 454,988</u>
Legal debt margin	<u>\$ 1,855,238</u>

NOTE: Under state finance law, Buncombe County's outstanding general obligation debt should not exceed 8 percent of total assessed property value.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 13

Demographic and Economic Statistics

LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	225,065	7,522,066	33,422	39.6	29,211	4.0%
2007	229,526	7,971,685	34,731	39.8	28,900	4.0%
2008	232,814	8,136,349	34,948	41.0	28,894	4.9%
2009	235,879	7,955,053	33,725	40.6	29,346	9.0%
2010	238,884	8,100,049	33,908	40.7	28,979	8.3%
2011	243,673	8,459,317	34,716	40.7	29,113	8.2%
2013	248,929	9,282,566	37,290	40.7	29,451	7.1%
2014	251,995	N/A	N/A	40.8	30,535	6.3%
2015	251,271	N/A	N/A	N/A	29,198	4.8%

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.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 14

Principal Employers

CURRENT YEAR AND NINE YEARS AGO

MANUFACTURING

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation - Electrical Division	750	1	0.58%	400-499	5	0.33%-0.41%
Arvato Digital Services	650	2	0.50%			
Borgwarner Turbo & Emissions Systems	600	3	0.46%	500-749	3	0.14%-0.62%
Thermo Fisher Scientific, Inc.	550	4	0.42%	500-749	2	0.14%-0.62%
Kearfott Guidance & Navigation Corp.	420	5	0.32%	300-399	9	0.25%-0.33%
Flint Group (Day International)	325	6				
GE Aviation	315	7	0.24%			
Nypro Asheville	310	8	0.24%			
Milkco, Inc.	300	9	0.23%			
Biltmore Estate Winery	235	10	0.19%			
Sonopress, LLC				500-749	1	0.14%-0.62%
Charles D Owen Mfg. Co., Inc.				500-749	4	0.14%-0.62%
Anvil Knitwear				400-499	6	0.33%-0.41%
Protocol Marketing Group				400-499	7	0.33%-0.41%
Smiths Aerospace Components				300-399	8	0.25%-0.33%
APAC - Atlantic, Inc				300-399	10	0.25%-0.33%
Total	4,455		3.42%			

Continued on Next Page

NON-MANUFACTURING

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	6,994	1	5.37%	3000+	1	2.48%
Buncombe County Public Schools	4,000	2	3.07%	3000+	2	2.48%
The Biltmore Company	1,770	3	1.36%	1,000-2,999	7	0.8%-2.48%
VA Medical Center - Asheville	1,593	4	1.22%	1,000-2,999	6	0.8%-2.48%
Buncombe County Government	1,369	5	1.05%	1,000-2,999	4	0.8%-2.48%
Ingles Markets, Inc.	1,137	6	0.87%	1,000-2,999	3	0.8%-2.48%
Omni Grove Park Inn	1,100	7	0.85%	750-999	9	0.6%-0.8%
Asheville-Buncombe Technical Community College	1,019	8	0.78%	750-999	10	0.6%-0.8%
City of Asheville	1,000	9	0.77%	1,000-2,999	5	0.8%-2.48%
Asheville City Schools	680	10	0.52%			
Care Partners				1,000-2,999	8	0.8%-2.48%
Total	20,662		15.88%			

* Labor Force Estimate for 2015 per NCESC: 130,150
 Labor Force Estimate for 2006 per NCESC: 121,000

SOURCE: Asheville Chamber of Commerce

NOTE: Many of the top employers for manufacturing have changed in the past 10 years. Therefore, many companies that were top employers in 2006 are not in business in 2015 and many companies that are top employers in 2015 were not here in 2006.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 15

Summary of Permanent Positions by Service Area

NINE FISCAL YEARS

General Fund Function	Number of Permanent Positions by Function									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	185	182	179	172	173	174	156	161	165	172
Public Safety	504	514	555	565	557	555	543	550	580	592
Human Services	702	699	688	687	625	569	552	555	565	586
Economic & Physical Development	23	23	28	29	28	28	25	23	23	22
Culture and Recreation	103	81	80	84	132	108	84	81	81	70
Total	1,517	1,499	1,530	1,537	1,515	1,434	1,360	1,370	1,414	1,442

General Fund	Number of Permanent Positions by Fund									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund	1,517	1,499	1,530	1,537	1,515	1,434	1,360	1,370	1,414	1,442
Special Revenue Funds	26	34	32	31	27	26	-	-	-	9
Enterprise Funds	79	59	36	46	48	41	32	31	31	25
Internal Service Fund	3	3	3	3	1	1	2	5	5	5
Total	1,625	1,595	1,601	1,617	1,591	1,502	1,394	1,406	1,450	1,481

SOURCE: Buncombe County Budget Office.

BUNCOMBE COUNTY, NORTH CAROLINA

Table 16

Operating Indicators by Function

LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Number of Employment Applications Processed	5,755*	6,031*	6,521*	5,496	6,646	5,826	7,046	6,259	6,980	7,611
Percentage of Registered Voters Participating in General Election	49.2%	22.1%	71.0%	19.6%	45.7%	19.0%	69.0%	19.0%	49.0%	N/A
PUBLIC SAFETY										
Number of Inmates Processed	13,758*	16,797*	16,658	15,975	14,713	14,821	15,074	14,492	13,870	12,973
Number of Building Permits Issued	2,819*	2,499*	1,791*	1,443*	1,361*	1,286*	1,482*	1,757	2,057	2,354
Number of Emergency Calls Dispatched	62,289*	55,434*	50,110*	64,395	64,867	60,931	62,884	65,127	66,223	68,537
HUMAN SERVICES										
Percentage of Children Reunified with Family after Foster Care	33%	18%	31%	36%	26%	21%	21%	28%	20%	338%
ECONOMIC AND PHYSICAL DEVELOPMENT										
Number of Subdivision Plan Reviews	657	712	896	593	454	598	483	494	518	624
CULTURE AND RECREATION										
Library Book Circulation	1,471,860	1,496,169	1,566,680	1,666,464	1,689,996	1,691,227	1,654,975	1,592,279	1,608,748	1,602,994
Number of Visitors to Swimming Pools	N/A	78,000	84,066	73,751	66,470	81,210	73,877	59,194	56,063	47,381
EDUCATION										
Dollars Spent Per Pupil**	\$ 1,708	\$ 1,898	\$ 2,007	\$ 2,139	\$ 2,150	\$ 2,148	\$ 2,266	\$ 2,267	\$ 2,243	\$ 2,506
ENTERPRISE FUND - LANDFILL										
Tons of Waste Received	122,034	184,742	206,744	164,424	130,683	116,831	131,666	128,408	133,795	131,222
Tons of Waste Recycled	32,544	38,566	41,608	44,750	37,583	19,776	18,687	13,716	14,317	12,826

SOURCE: Various Buncombe County Government Departments.

* Calendar year data

**General fund dollars spent per pupil

BUNCOMBE COUNTY, NORTH CAROLINA

Table 17

Capital Asset Statistics by Function

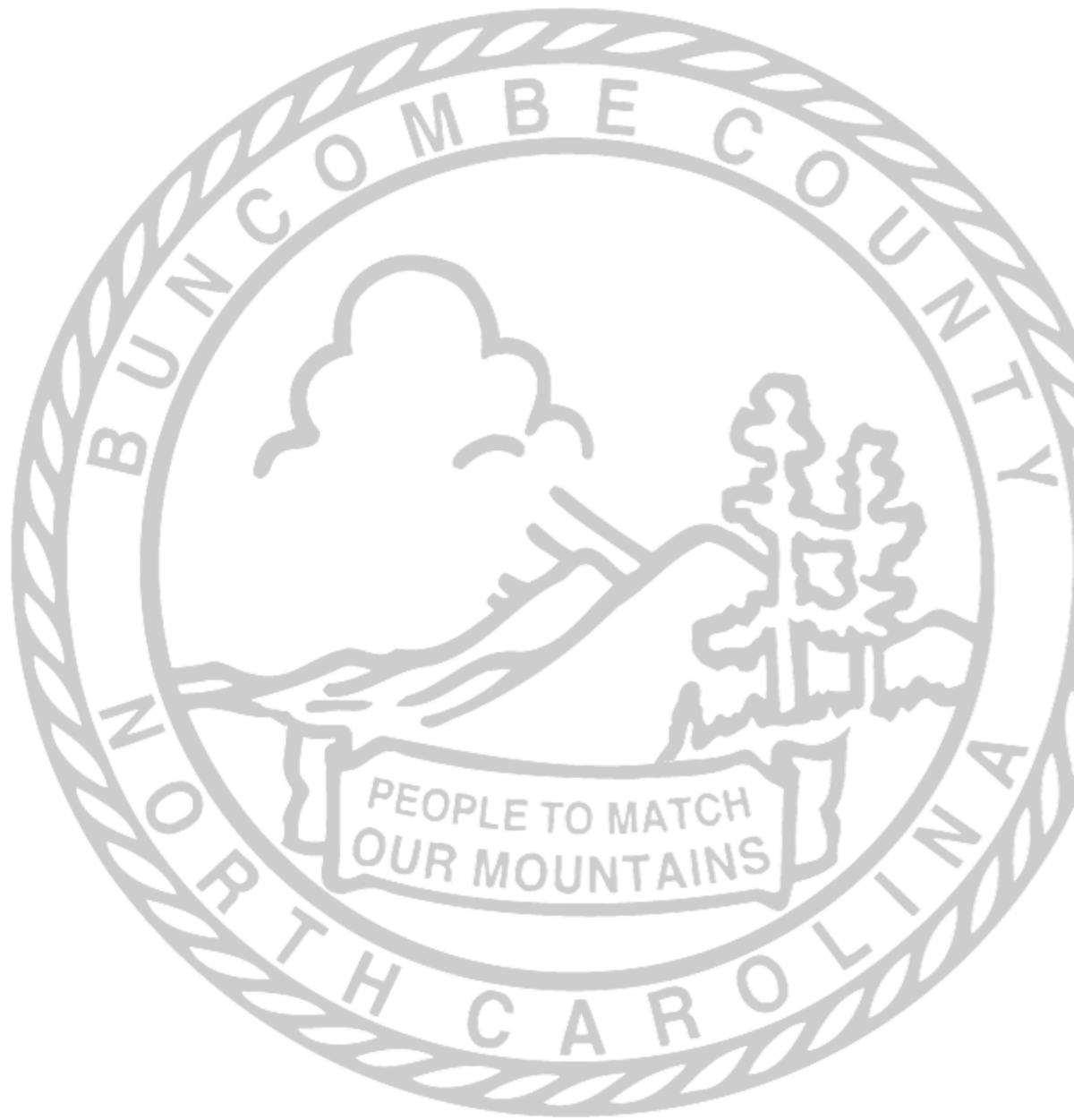
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY										
Sheriff's Office										
Stations	2	2	2	2	2	2	2	2	2	3
Patrol Vehicles	66	71	83	77	70	71	77	77	80	81
CULTURE AND RECREATION										
Parks acreage	235	235	239	556	654	654	674	677	646	646
Parks	23	10	16	16	16	16	18	14	14	15
Swimming pools	6	6	6	6	6	6	6	6	6	5
Ball fields and courts	3	16	23	24	34	34	37	30	30	31
Libraries	12	12	12	12	12	12	12	12	13	13

SOURCE: Various County Departments

NOTE: The figures for Parks and for Ball Fields/Courts changed from 2006 and 2007. The soccer fields were originally classified as parks but was reclassified as Ball Fields/Courts in 2007. Additional acreage in 2010 was due to including playgrounds and trails in the calculation.

NOTE: A new sheriff station annex was added in FY15.



Compliance Section



**BUNCOMBE
COUNTY**
GOVERNMENT
— NORTH CAROLINA —



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

**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***

Independent Auditors' Report

To the Board of County Commissioners
Buncombe County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises Buncombe County's basic financial statements, and have issued our report thereon dated October 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Buncombe County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Buncombe 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 the 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Buncombe 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Commissioners
Page Two

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.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 28, 2015



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

**Report On Compliance For Each Major Federal Program; Report on
Internal Control Over Compliance; In accordance with OMB Circular A-133;
and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Commissioners
Buncombe County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 28, 2015



GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**Report On Compliance For Each Major State Program; Report on
Internal Control Over Compliance; In accordance with OMB Circular A-133;
and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Commissioners
Buncombe County, North Carolina

Report on Compliance for Each Major State Program

We have audited Buncombe County, North Carolina, 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 Buncombe County's major state programs for the year ended June 30, 2015. Buncombe County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of Buncombe County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Buncombe County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses 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.

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

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 28, 2015

BUNCOMBE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2015

I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X_no
- Significant deficiency(s) identified that are not considered to be material weakness? ___yes X_none reported

Noncompliance material to financial statements noted ___yes X_no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes X_no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ___yes X_none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified.

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

Major federal programs for Buncombe County for the fiscal year ended June 30, 2015 are:

<u>Program Name or Cluster</u>	<u>CFDA #</u>
Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551, 10.561
State Children's Insurance Program – N.C. Health Choice	93.767
Medicaid Cluster	93.775, 93.777, 93.778
Special Supplemental Food Program for Women, Infants, and Children	10.557
Temporary Assistance for Needy Families (TANF) Cluster	93.558, 93.714
Title IV-E Foster Care	93.658
Child Care and Development Fund (CCDF) Cluster	93.575, 93.596

The threshold for determining Federal Type A programs for Buncombe County is \$3,000,000.

Buncombe County qualifies as a low risk auditee under Section .530 of Circular No. A-133.

BUNCOMBE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2015

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

BUNCOMBE COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2015

There were no audit findings reported in the prior year.

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U. S. Dept. of Agriculture</u>					
<u>Food and Nutrition Service</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Social Services:					
<u>Food Stamp Cluster:</u>					
Supplemental Nutrition Assistance Program - Admin	10.561		\$ 3,699,147	\$ -	\$ 3,699,147
Supplemental Nutrition Assistance Program - Fraud Admin	10.561		153,946	-	153,945
Food Stamp Cluster Total			3,853,093	-	3,853,092
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health					
Administration:					
Special Supplemental Food Program for Women, Infants, and Children	10.557		920,994	-	690,407
Breastfeeding Contract	10.557		156,914	-	54,047
Direct Benefit Payments:					
Special Supplemental Food Program for Women, Infants, and Children	10.557		3,482,344	-	-
<u>Child Nutrition Cluster:</u>					
Summer Food Service Program for Children	10.559		4,997	-	-
Passed-through the Office of State Budget and Management:					
<u>Forest Service Schools and Roads Cluster:</u>					
Schools and Roads - Grants to States and Counties	10.665		30,276	-	-
Total U.S. Department of Agriculture			8,448,618	-	4,597,546
<u>U.S. Department of Housing & Urban Development</u>					
Passed-through N. C. Department of Commerce:					
Community Development Block Grant	14.228		64,766	-	-
Passed-through the City of Asheville:					
HOME Investment Partnership Programs	14.239		44,938	-	-
Total U.S. Department of Housing & Urban Development			109,704	-	-
<u>U.S. Department of Justice</u>					
Passed-through N.C. Department of Public Safety:					
Juvenile Accountability Incentive Block Grant	16.523		133,709	-	-
Byrne Justice Assistance Grants - Changing Together Grant	16.738		76,468	-	-
Total U.S. Department of Justice			210,177	-	-
<u>U.S. Dept. of Transportation</u>					
<u>Federal Transit Administration</u>					
Passed-through N.C. Department of Transportation:					
Public Transportation for Nonurbanized Areas:					
Administration	20.509	36233.13.8.1	120,851	163,522	38,473
Capital	20.509	36233.13.9.3	(1,796)	(1,589)	(377)
Total for Public Transportation for Nonurbanized Areas			119,055	161,933	38,096
<u>Highway Safety Cluster:</u>					
State and Community Highway Safety	20.600		13,207	-	-
Alcohol Impaired Driving Countermeasures	20.601		82,488	-	-
Total for Highway Safety Cluster:			95,695	-	-
<u>Transit Services Programs Cluster:</u>					
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513		6,653	(104)	7,482
Total U.S. Department of Transportation			221,403	161,829	45,578
<u>U.S. Department of Education</u>					
Passed-through N. C. Department of Cultural Resources:					
Public Library Services - LSTA Basic Equipment Grant	45.310		62,530	-	-
LSTA Building the Bench Grant	45.310		1,500	-	-
LSTA Project Access & Digitization Grant	45.310		24,288	-	-
Total US Department of Education			88,318	-	-

Continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Environmental Protection Agency					
Air Pollution Control Program Support	66.001		205,876	-	-
Ambient Air Monitoring Network	66.034		60,000	-	-
Passed-through N.C. Department of Environment and Natural Resources: Division of Water Quality					
<u>Drinking Water State Revolving Fund Cluster:</u>					
Drinking Water State Revolving Fund	66.468		162,383	47,067	-
Total Environmental Protection Agency			428,259	47,067	-
U.S. Department of Homeland Security					
Passed-through N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042		79,211	-	-
Homeland Security Grant Program - Training	97.067		801	-	-
Homeland Security Grant Program - USAR Training 2011	97.067		7,000	-	-
Homeland Security Grant Program - DPR9 MCI Trailer 2012	97.067		48,900	-	-
Homeland Security Grant Program - Community Emergency Response Team (CERT 2013)	97.067		2,000	-	-
Homeland Security Grant Program - Disaster Prevention & Relief (DPR9 Generator)	97.067		210,817	-	-
Homeland Security Grant Program - Disaster Prevention & Relief (DPR9 Tent)	97.067		47,300	-	-
Homeland Security Grant Program - School Evacuation Exercise	97.067		5,733	-	-
Total U.S. Department of Homeland Security			401,762	-	-
U. S. Department of Health and Human Services					
Administration for Children and Families					
Passed-through N.C. Department of Health and Human Services:					
Division of Aging and Adult Services:					
SSBG - In-Home Services	93.667		37,800	-	5,400
SSBG - Adult Day Care	93.667		58,534	51,126	15,666
Total Division of Aging			96,334	51,126	21,066
Division of Social Services:					
Family Preservation Services Program	93.556		100,046	-	-
<u>TANF Cluster:</u>					
Work First/Temporary Assistance for Needy Families (TANF)	93.558		2,631,635	-	2,874,111
Work First/TANF- Direct Benefit Payments	93.558		778,021	(280)	2,337
Temporary Assistance for Needy Families	93.558		1,677,311	-	-
Women's Preventive Health - TANF	93.558		16,775	-	5,138
Total TANF Cluster			5,103,742	(280)	2,881,586
<u>Foster Care and Adoption Cluster³:</u>					
Title IV-E Foster Care- Administration	93.658		1,491,623	-	1,462,656
Foster Care- Direct Benefits Payments	93.658		1,187,964	350,134	388,063
Foster Care - Adoption	93.658		229,667	-	6,713
Foster Care IV-E-CPS	93.658		687,010	314,697	479,254
Adoption Assistance	93.659		65,157	-	65,157
Adoption Assistance-Direct Benefit Payments	93.659		1,686,836	438,938	438,938
Total Foster Care and Adoption Cluster ³			5,348,257	1,103,769	2,840,781
Direct Benefit Payments - AFDC	93.560		(1,412)	2,715	(387)
N.C. Child Support Enforcement Section	93.563		1,242,864	-	640,263
Refugee Assistance - Administration	93.566		3,407	-	-
Refugee and Entrant Assistance - Cash & Medical Payments	93.566		19,774	-	-
Crisis Intervention Program	93.568		878,866	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		994,300	-	-
Low Income Home Energy Assistance Block Grant - Administration	93.568		170,140	-	-
Child Welfare Services - State Grants					
- Permanency Planning Grant - Families for Kids	93.645		33,706	15,073	16,260
Child Welfare Services - State Grants					
- Adoption Subsidy - Direct Benefit Payments	XXXX		-	1,097,345	248,979
SSBG - Other Services	93.667		919,229	67,310	246,123
Independent Living Grant - LINKS	93.674		143,744	12,765	-
Total Division of Social Services			14,956,663	2,298,697	6,873,605
Division of Child Development:					
<u>Subsidized Child Care³</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Childcare Development Fund - Administration	93.596	XXXX	310,239	-	-
Division of Child Development:					
Child Care and Development Fund - Discretionary	93.575		3,462,867	-	-
Child Care and Development Fund - Mandatory	93.596		1,077,903	-	-
Child Care and Development Fund - Match	93.596		1,806,091	768,315	-
Total CCDF Cluster			6,346,861	768,315	-
Foster Care Title IV-E	93.658		72,581	37,590	-
State Appropriations		XXXX	-	235,928	-
TANF - MOE		XXXX	-	165,329	-
Total Subsidized Child Care ³			6,729,681	1,207,162	-
Total Administration for Children and Families			21,782,678	3,556,985	6,894,671

Continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<u>Centers for Medicare and Medicaid Services</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Medical Assistance:					
Direct Benefit Payments:					
Medical Assistance Program	93.778		195,786,943	107,304,080	1,079,000
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778		11,796,033	64,486	4,297,075
State/County Special Assistance	93.778		-	-	2,401,357
Division of Public Health:					
Medical Assistance Program - Community Care of NC	93.778		-	-	-
Total Medical Assistance Program			207,582,976	107,368,566	7,777,432
Direct Benefit Payments:					
State Children's Insurance Program - N.C. Health Choice	93.767		4,189,357	1,320,604	-
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767		358,430	9,461	102,984
Total State Children's Insurance Program -N.C. Health Choice			4,547,787	1,330,065	102,984
Total Centers for Medicare and Medicaid Services			212,130,763	108,698,631	7,880,416
<u>Centers for Disease Control</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
HIV State Funds - Sexually Trans. Diseases Comm. Exp. Budget	93.940		40,212	-	108,697
Immunization Program/Aid to County Funding	93.268		26,232	213,346	1,433,899
Tuberculosis Control Program	93.116		28	31,159	267,156
Public Health Emergency Preparedness	93.074		75,000	-	13,267
Division of Community Health:					
Tobacco Prevention	93.283		67,850	-	-
Preventive Health, Health Services Block Grant & Healthy Communities	93.991		2,263	6,285	361
Healthy Communities	93.758		18,283	-	389
CDC Wisewoman Project	93.094		261,674	-	-
CDC Community Transformation Grants	93.531		139,260	-	-
Breast and Cervical Cancer Early Detection Programs	93.919		189,528	184,557	-
Total Centers for Disease Control			820,330	435,347	1,823,769
<u>Health Resources and Services Administration</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
Nurse Family Partnership	93.505		159,210	-	-
Child Care Coordination	93.994		-	76,096	-
Child Health	93.994		-	149,793	2,191,019
Maternal and Child Health Services Block Grant	93.994		346,329	21,407	42,728
School Nursing Funding Initiative	93.994		-	150,000	134,304
Nurse Family Partnership Initiative	93.994		296,621	154,945	480,743
Total Health Resources and Services Administration			802,160	552,241	2,848,794
<u>Office of the Population Affairs</u>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services Title X	93.217		102,637	-	31,436
Total Office of the Population Affairs			102,637	-	31,436
<u>Administration on Aging</u>					
Division of Aging and Adult Services					
Passed-through Land of the Sky Regional Council:					
Social Services Block Grant-Respite	93.667	NC-01	74,848	2,139	-
<u>Aging Cluster:</u>					
Special Program for the Aging Title IIIB - Support Services					
Grants for Supportive Services and Senior Centers	93.044	NC-01	356,593	797,508	-
Grants for Supportive Services and Senior Centers - Legal	93.044	NC-01	28,050	1,650	-
Special Program for the Aging Title IIIC -Nutrition Services					
Title III C1 - Congregate Nutrition	93.045	NC-01	82,281	4,840	-
Title III C2 - Home-Delivered Meals	93.045	NC-01	64,949	58,180	-
Nutrition Services Incentive Program	93.053	NC-02	38,801	-	-
Total Aging Cluster			570,674	862,178	-
Total Administration on Aging			645,522	864,317	-
Total U. S. Department of Health and Human Services			236,284,090	114,107,521	19,479,086
Total Federal Awards			246,192,331	114,316,417	24,122,210

Continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
State Awards:					
<u>N.C. Department of Agriculture</u>					
Technical Assistance-Soil/Water			-	32,505	-
Total N. C. Department of Agriculture			-	32,505	-
<u>N.C. Department of Commerce</u>					
One NC Fund - Industrial Recruitment			-	165,750	-
Total N. C. Department of Commerce			-	165,750	-
<u>N.C. Department of Cultural Resources</u>					
Division of State Library:					
State Aid to Public Libraries			-	218,847	-
Total N. C. Department of Cultural Resources			-	218,847	-
<u>N.C. Department of Environment & Natural Resources</u>					
Technical Assistance-Soil/Water			-	3,600	-
Parks & Recreation Trust Fund			-	40,057	-
NC Electronics Management Fund			-	19,175	-
NC Gas Tax Allocation			-	129,717	-
Scrap Tire Disposal Grant			-	4,047	-
Total N. C. Department of Environment and Natural Resources			-	196,596	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Public Health:					
Communicable Disease Control		9945100011	-	7,807	1,118,415
Food and Lodging Fees			-	4,000	1,425,439
Minority Health - Closing the Gap			-	204,222	-
Innovative Approaches: Community Systems Building	93.994		134,987	-	-
Women's Health Service Fund			-	9,712	2,975
NC Certified Well Contractor Training			-	2,456	-
State Agency Model SFY 2013			-	9,218	-
Project Lazarus			-	2,500	-
Tuberculosis Medical Services			-	1,776	15,227
Sexually Transmitted Diseases			-	2,161	-
Total Division of Public Health			134,987	243,852	2,562,056
Division of Social Services:					
Non-Allocating County Costs			-	-	881,207
State/County Special Assistance for Adults - Direct Benefit Payments			-	1,658,084	1,658,084
State Foster Care Benefits Program			-	420,339	418,086
Energy Assistance - Private Grants			-	57,019	-
State Child Welfare CPS			-	241,063	-
Other County Funded Programs			-	-	7,568,942
Total Division of Social Services			-	2,376,505	10,526,319
Total N.C. Department of Health and Human Services			134,987	2,620,357	13,088,375
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds:			-	2,142,936	-
Total N.C. Department of Public Instruction			-	2,142,936	-
<u>N.C. Department of Public Safety</u>					
Pathways Program			-	172,093	-
Juvenile Crime Prevention Council Programs			-	508,064	-
Total N.C. Department of Crime Control and Public Safety			-	680,157	-
<u>N.C. Department of Transportation</u>					
NCDOT Intern Grant Program					
NC Demonstration Grant					
Rural Operating Assistance Program (ROAP)					
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	131,883	-
ROAP Rural General Public Transportation		DOT-16CL	-	123,771	13,752
ROAP Work First Transitional-Employment Transportation Assistance Program		DOT-16CL	-	43,903	-
Total Rural Operating Assistance Program (ROAP)			-	299,557	13,752
Total N.C. Department of Transportation			-	299,557	13,752
Total State Awards			134,987	6,356,705	13,102,127
Total Federal and State Awards			\$ 246,327,318	\$ 120,673,122	\$ 37,224,337

Continued on next page

BUNCOMBE COUNTY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Notes to the Schedule of Expenditures of Federal and State Awards:

1. Basis of Presentation

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

2. Subrecipients

Of the federal and state expenditures presented in the schedule, Buncombe County provided federal and state awards to subrecipients as follows:

Subrecipient	Program Name	Federal	State Grant	Federal	State
		CFDA Number	Number/Name		
ABCCM	CIP/LIEAP	93.568		314,625	-
Eblen	CIP/LIEAP	93.568		1,760,337	-
Southwestern Childcare	Child Care Subsidy	93.596		7,505,765	2,174,781
Professional Parenting	Home Based Services for Juvenile Sex Offenders		Juv. Crime Prev	-	70,467
Caring for Children	Trinity Place		Juv. Crime Prev	-	80,000
Buncombe Alternatives, Inc.	Earn and Learn Program		Juv. Crime Prev	-	205,000
Buncombe Alternatives, Inc.	Teen Court		Juv. Crime Prev	-	17,221
Eliada Homes	Temporary Therapeutic Foster Care		Juv. Crime Prev	-	24,545
Partners Unlimited	Academic Enhancement		Juv. Crime Prev	-	40,586
Aspire	Kids At Work		Juv. Crime Prev	-	19,954
First	Blue Ridge Treks		Juv. Crime Prev	-	34,791
				\$ 9,580,728	\$ 2,667,345

3. The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
 Subsidized Child Care and Foster Care and Adoption.



BUNCOMBE COUNTY
DEPARTMENT OF FINANCE

828.250.4130

BUNCOMBECOUNTY.ORG