

Popular Annual Financial REPORT For the fiscal year ending June 30, 2008



Wanda Greene, PhD, CPA

County Manager

Introduction from County Manager

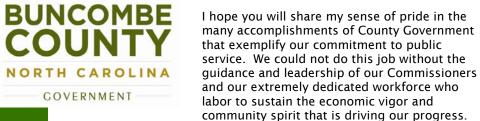
Dear Buncombe County Residents,

It is a pleasure to present Buncombe County's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2008. Providing effective and efficient government our citizens can trust is part of Buncombe County's mission. Preparing this report supports that mission by assuring fiscal accountability.

Operational accountability is a long-standing practice within the County. As we continue to look for ways to improve the overall management and performance of County Government, managing for results is a critical part of our evaluation. We strive to be customer focused, results oriented, innovative in how we deliver services and strategic in how we view programs and services.

As you read through the information contained in this report, you will notice the wide array of services and programs available to citizens through the hard work and dedication of Buncombe County employees. We realize the importance of a strong relationship between County Government and the community, and we are moving forward in pursuit of our goal to improve the quality of life

> for all residents of Buncombe County while running a streamlined organization.



COVERNMENT

This Popular Annual Financial Report is presented as a means of increasing public confidence in County government and its elected officials through easier, more user-friendly financial reporting. We welcome your reading and learning more about Buncombe County Government - together we succeed when we deliver meaningful, accountable results in a timely manner.



Fiscal Year 2008 Financial Highlights

- Buncombe County posted its highest tax collection rate to date, 99.13%, which places Buncombe County among the highest ranking North Carolina counties with a population greater than 100,000. This outstanding collection rate helps ensure the county treats citizens equitably and helps keep the tax rate as low as possible.
- Certificates of Participation and an interim loan were used to fund \$28.9 million of capital projects. These projects include (among others):

Detention Facility Expansion - The current detention facility will expand to add a total of 248 new beds and approximately 90,000 square feet of space.

Animal Shelter - Buncombe County worked with the Asheville Humane Society to co-locate facilities for a new Animal Services Center and Adoption Center. Private land was donated for the construction of these facilities. Construction will include creation of a 14,000 square foot animal shelter located adjacent to a proposed Humane Society's Adoption Center.

Parking Deck - The College Street parking deck in downtown Asheville will consist of a 261,000 square feet, seven-tier parking deck accommodating 600-630 parking spaces.

- Buncombe County maintained elite bond ratings of Aa2 and AA with Moody's and Standard & Poor's, respectively.
- Fiscal year 2007 represents the 29th consecutive year Buncombe County's Comprehensive Annual Financial Report received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA).

The information for this Popular Annual Financial Report (PAFR) has been taken from the County's Comprehensive Annual Financial Report (CAFR). The CAFR contains more detailed financial information and is available for public review on the County's website at buncombecounty.org, and in the County Finance Department at 35 Woodfin Street, 2nd Floor, Room C2500, Asheville, NC 28801.

This PAFR is designed to be user friendly. It also differs from the CAFR in that it is not audited and is not required to adhere to Generally Accepted Accounting Principles (GAAP) standards.

Buncombe County Board of Commissioners Fiscal Year 2008

Buncombe County is governed by a five-member board of commissioners, elected at-large in partisan countywide elections. Commissioners serve four-year terms.

The primary duties of the Board include: adopting an annual budget, establishing the annual property tax rate, appointing various officials, planning for county needs and enacting local ordinances. The Board also has the authority to call bond referenda, enter into contracts and establish new programs and departments.

The Board of Commissioners meets regularly at 4:30 pm on the first and third Tuesdays of the month. They meet in room 204 on the second floor to of the County Courthouse at 60 Court Plaza in downtown Asheville.



Nathan Ramsey, Chairman

Nathan Ramsey is in his second term as Chairman of the Board. He is a thirty year resident of the Fairview Community in Buncombe County. He has a BS degree in accounting from the University of North Carolina at Asheville and a law degree from the University of Tennessee. He and his family own a dairy farm in Fairview. Nathan and his wife, Robin, live in Fairview. Chairman Ramsey currently serves on the Buncombe County Health Board, Buncombe County Audit Committee, Asheville Area Chamber of Commerce, Buncombe County Farm Bureau Board, French Broad MPO and the North Carolina Health Insurance Innovations Commission.



David Gantt, Vice Chairman

David Gantt, an attorney, is serving his third term on the Board. He is currently an active member of the Boards of Metropolitan Sewerage District, Asheville Regional Airport Authority, Eblen Charities, United Way, Asheville Buncombe Community Relations Council, Land of Sky Regional Council, and Martin Luther King, Jr. Committee. Commissioner Gantt is an advocate for education and the working people of Buncombe County.



Bill Stanley, Commissioner

A retired high school coach and principal, Bill Stanley is serving his fifth term. In addition to his local involvement in civic affairs, he is a former President of the North Carolina Association of County Commissioners and is currently serving as a member of the MPO, RPO, Land of Sky Regional Council and the Civic Center Task Force. Commissioner Stanley was recently appointed to the NC Advisory Commission on Military Affairs by Senate President Pro Tem Marc Basnight.



Carol Peterson, Commissioner

A fifth generation native of Buncombe County and a retired Director of Vocation for the Asheville City Schools, Carol Peterson is serving her first term of office. She also serves as the Vice Chair for Asheville Buncombe Technical Community College Board of Trustees, Children First, College for Seniors, UNC-A, Juvenile Crime Prevention Committee, Pack Place Board and Smart Start.

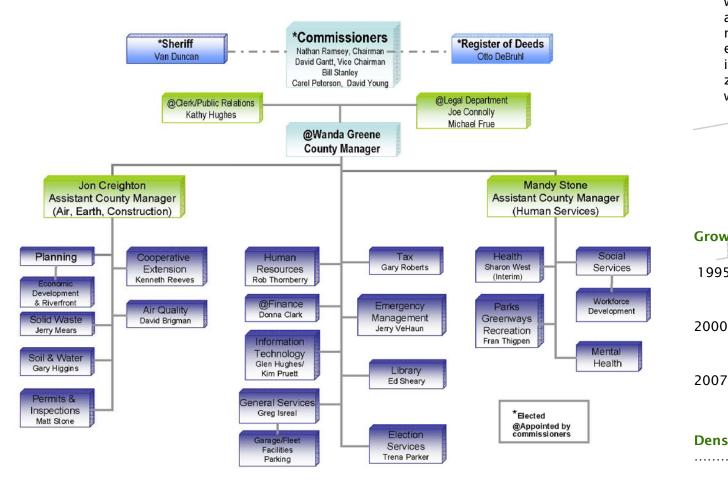


David Young, Commissioner

In his fourth term as Commissioner, David Young is very involved in local and regional economic development serving as the past Chairman and current member of the Economic Development Coalition, Blue Ridge Film Advisory Board, Tourism and Development Authority, and was the past chairman of the Asheville Regional Airport Authority. He is currently serving on the UNC Board of Governors and is currently serving as President of the North Carolina Association of County Commissioners. He is also part owner of Fugazy Travel.



Organizational Chart



Demographics and Statistics

Land

The real property in the County currently has a value of \$28.2 billion.

Size

656.66 square miles. Founded December 5, 1791.

(2006)

Parcels

118,311 parcels including all exempt parcels (schools, churches, etc).

Schools

Public school students28,766

Registered Voters

.....154.085

Job Data

Average wage per job	\$33,210
Jobs available	167,700
Unemployment Rate	4.4%
Median household income	\$41,169

Home Data

221.776

Average household size	2.76
Median house value	\$278,690
Median monthly rent	\$81
Median monthly costs for	
house with a mortgage	\$1,756

.....

Median Age

 Gender

 Males
 48.3%

 Females
 51.7%

Growth 1995 192,830 2000 206,330

BUNCOMBE COUNTY, NORTH CAROLINA

was established 217 years ago in 1791 and has

make a better life for themselves. Our County is

ever changing and growing and the government

is still determined to meet the needs of its citi-

zens in the most efficient, reliable and effective

a rich history of working folks determined to

Density per sq mile333.6

way possible.

Key Businesses

County Government can be divided into three main business functions:

Education

The County's education function is made up of Buncombe County Schools, Asheville City Schools, and Asheville-Buncombe Technical Community College. Funding for public education is a major responsibility of County government. The County's appropriations comprise only a small portion of the required funds with the State of North Carolina providing most of the funding.

Education accounts for 26.1% of the total governmental activities expenses or \$75.9 million

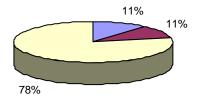
Current/Capital Appropriations for Education Fiscal Years 2002 to 2009 (in millions)

As evidenced by the education appropriations chart to the right, Buncombe County significantly increases the amount of money set aside for education each year. Your local government remains committed to a quality education for all students.

Fiscal Year	City Schools	County Schools	A-B Tech	Educ Total	Incr (Decr)
2009	8.14	54.62	8.03	70.79	7.9%
2008	7.62	50.36	7.63	65.62	2.2%
2007	7.71	47.14	9.38	64.23	13.9%
2006	6.70	43.20	6.49	56.39	5.9%
2005	6.60	40.80	5.88	53.27	5.7%
2004	6.34	38.67	5.38	50.39	5.9%
2003	6.02	36.66	4.92	47.60	1.2%
2002	5.98	36.40	4.65	47.03	1.5%

Education Approved Budget FY09

□ City Schools ■ AB Tech □ County Schools









Human Services

County Health Center - adult and children primary care; immunizations, dental clinic, environmental health.

Department of Social Services - adult and children protective and economic services; work first employment and family services.

Transportation (Mountain Mobility) - serves a wide variety of organizations as well as provide general public transportation services outside the City of Asheville. Mountain Mobility operates 39 vans and two small buses and provided about 500 passenger trips every week in 2008.

Child Care Services - child care placement and administration of three Child Care Centers (AB Tech Child Care Center, Community Child Development Center and Valley Child Development Center).

Human Services accounts for 31% of the total governmental activities expenses or \$90.1 million

Public Safety

Sheriff's Office includes Crime Stoppers, Buncombe County Anti-Crime Task Force (BCAT),

Patrol and Investigation, Court Security, Detention Center and Satellite jail facility. The Detention Center can house 356 inmates. The Satellite jail can house up to 80 inmates and the new Detention Center annex can house 248 inmates.

Emergency Medical Services includes 911 communication and emergency ambulance transportation and medical care services.

Identification Bureau, Central Data Entry and Criminal Justice Information System provide a centralized database system of complete criminal history information on all persons arrested or cited in the County.

Public Safety accounts for 23.4% of the governmental activities expenses or \$68 million



Capital Improvement Plan Fiscal Years 2009-2013

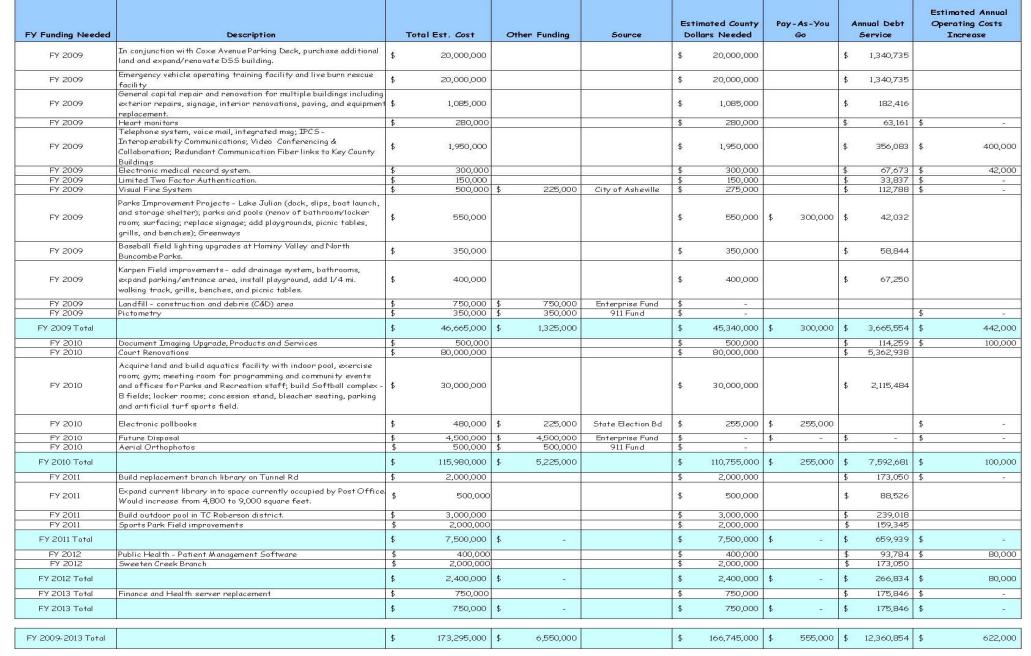






















11

Overview of Buncombe County Finances

Table 1, the Statement of Net Assets, shows what the government has in relation to assets and liabilities.

Table 2, the Statement of Activities (next page), shows what the government does in terms of Governmental Activities (legislative, executive and judicial activities) and Business-Type Activities, which are typically provided on a fee-for-service basis.

TABLE 1: Statement of Net Assets (in millions)

	Governmental Activities		Busines Activ		Total			
	2008	2007	2008	2007	2008	2007		
Current and other assets	\$ 154.0	\$ 152.3	\$ 32.8	\$ 23.1	\$ 186.8	\$ 175.4		
Capital assets	112.6	98.8	49.9	41.9	162.5	140.7		
Total assets	266.6	251.1	82.7	65.0	349.3	316.1		
		_						
Long-term liabilities outstanding	184.2	187.3	33.8	20.3	218.0	207.6		
Other liabilities	19.4	18.2	2.3	0.9	21.7	19.1		
Total liabilities	203.6	205.5	36.1	21.2	239.7	226.7		
Net assets: Invested in capital assets,	66.9	63.8	30.5	28.6	97.4	92.4		
net of related debt								
Restricted	1.4		9.0	6.4	10.4	7.7		
Unrestricted	(5.3)	(19.5)	7.1	8.8	1.8	(10.7)		
Total net assets	\$ 63.0	\$ 45.6	\$ 46.6	\$ 43.8	\$ 109.6	\$ 89.4		

12

TABLE 2: Statement of Activities (in millions)

	Governmental Activities			Business Type Activities			Total						
	2	2008	2	007	-	20	008 2		007	296	2008	2007	
Revenues:				3/2	-					3			
Program Revenues:													
Charges for services	\$	35.1	\$	34.2		\$	8.4	\$	8.2	\$	43.5	\$	42.4
Operating grants and							11.2						
contributions		47.8		44.2			0.3		0.3		48.1		44.5
Capital grants and contributions		17.6		16.9			0.1		-		17.7		16.9
General Revenues:													
Property taxes		157.6	1	152.8			=		**		157.6	1	152.8
Other taxes		45.6		43.9			47		-		45.6		43.9
Other		6.5		7.5			2.1		1.4		8.6		8.9
Total Revenues		310.2	_ ;	299.5	_		10.9		9.9	_	321.1		309.4
Expenses:													
General government		23.4		22.5			-		-		23.4		22.5
Public safety		68.0		58.2			2		-		68.0		58.2
Economic and physical		0.0000000000000000000000000000000000000		200200000			=						
development		18.6		14.7			1		-		18.6		14.7
Human services		90.1		81.5			-		Sec.		90.1		81.5
Culture and recreation		8.1		6.9			-		-8		8.1		6.9
Education		75.9		91.9			-		(- 1)		75.9		91.9
Interest on long-term debt		6.3		6.7			3		-		6.3		6.7
Solid waste disposal		(1 4)		9 <u>0</u>			7.7		6.9		7.7		6.9
Other		:(=)		-			3.4		3.2		3.4		3.2
Total Expenses		290.4		282.4			11.1		10.1	-	301.5		292.5
Increase (decrease) in net assets before transfers, contributions, and special item		19.8		17.1			(0.2)		(0.2)		19.6		16.9
Transfers, contributions, and special item		(3.0)		(2.0)	_		3.0		2.0		-		(-)
Increase (decrease) in net assets		16.8		15.1			2.8		1.8		19.6		16.9
Net assets, beginning of year		45.6		31.0			43.8		42.0		89.4		73.0
Prior period adjustment		0.6		(0.5)			24		12 6		0.6		(0.5)
Net assets, end of year	\$	63.0	\$	45.6		\$	46.6	\$	43.8	\$	109.6	\$	89.4

Overview of Buncombe County Finances Cont.

Where does the money come from? FY08 General Fund Revenue Sources

The general fund serves as the chief operating fund for Buncombe County government.



Where does the money go? FY08 General Fund Expenditures



Trends

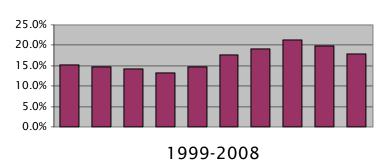
General Fund Revenues \$300 \$250 \$200 in millions \$150 \$100 \$50 1999-2008

The general fund is the chief operating fund of the County.

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been earmarked for specific activities or objectives.

Buncombe County, like all other governmental entities in North Carolina. uses fund accounting to ensure and demonstrate compliance with financerelated legal requirements.

Perentage of Unreserved Fund Balance



Fund balance is the difference between fund assets and fund liabilities in a governmental fund.

Buncombe County policy is to maintain unreserved fund balance (available for appropriation) at or above 15%. This is the level management considers adequate to meet the needs of the County during unforeseen events and to prevent cash flow shortfalls during periods of low tax collections.

Unreserved fund balance represents 17.8% of total General Fund expenditures and transfer for 2008.

1999

Percentage of

Total Taxable

Assessed Value

1.51%

0.87%

0.57%

0.52%

0.49%

0.87%

0.68%

0.60%

0.30%

0.48%

6.90%

Taxable

Assessed

Value

189,372,733

109,309,820

71,157,630

65,361,900

61,339,950

109,372,733

85.546.200

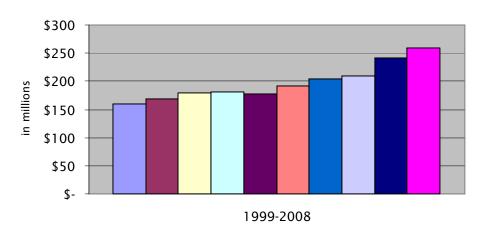
75.666.292

38,108,300

60,652,080

865,887,638

General Fund Expenditures



Principal Property Taxpayers

	2008							
Taxpayer		Taxable Assessed Value	Percentage of Total Taxable Assessed Value					
Progress Energy / CP & L	\$	401,042,785	1.47%					
Ingles Markets, Inc.		149,177,221	0.55%					
Sonopress, Inc.		112,953,270	0.41%					
Jack Tar Hotels (AKA Grove Park)		102,511,800	0.38%					
The Cliffs at Walnut Cove LLC		99,818,300	0.37%					
Biltmore Company		90,989,510	0.33%					
Bellsouth Telephone Co.		90,154,327	0.33%					
Asheville LLC		75,782,130	0.28%					
Southeastern Container		71,602,090	0.26%					
Borgwarner Turbo Systems BASF Corporation ITT Automotive		69,049,950	0.25%					
RBR & ST								
	Total \$	1 262 081 383	4 63%					

Total Overall Valuation \$ 27,251,353,518

1,263,081,383 4.63%

\$ 12,541,240,596

The County adopts an

General Fund as required

by the General Statutes.

The budget is a legally

adopted document that incorporates input from

the management of the

the citizens of the County,

County, and the decisions

of the Board of Commis-

services to provide and

sioners about which

how to pay for them.

annual budget for its

Outstanding Debt

Last Ten Fiscal Years (amounts expressed in thousands, except per capita amount)

Fiscal Year	Total Debt	Personal Income	Percentage of Personal Income	Population	Per Capita	Assessed Valuation	Percentage of Assessed Valuation
1999	139,769	5,235,973	2.67%	195,000	717	12,528,705	1.12%
2000	134,511	5,524,659	2.43%	196,000	686	13,000,269	1.03%
2001	158,092	5,629,127	2.81%	206,000	767	13,419,502	1.18%
2002	150,089	5,671,946	2.65%	212,000	708	13,777,912	1.09%
2003	157,649	5,681,883	2.77%	215,000	733	17,095,153	0.92%
2004	160,738	6,047,658	2.66%	216,000	744	17,496,502	0.92%
2005	176,097	6,585,970	2.67%	218,000	808	18,034,880	0.98%
2006	210,278	6,988,421	3.01%	220,159	955	19,105,553	1.10%
2007	190,690	N/A	N/A	224,267	850	26,181,099	0.73%
2008	193,378	N/A	N/A	N/A	N/A	27,258,520	0.71%

- 72 percent of the outstanding debt is for Buncombe County and Asheville City Schools and AB Tech.
- Debt as a percentage of personal income is low compared to other NC Counties and Cities.
- Debt per capital below \$1000 is considered low.
- Debt per assessed valuation below 6% is considered low.

Bond Ratings

Rating agencies are an independent source of information and analysis for capital markets. A bond rating assigned by the rating agencies is an independent assessment of relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The higher the bond rating the lower the credit risk to the investor and the lower the cost of borrowing. Buncombe County holds an Aa2 rating from Moody's and an AA rating for Standard & Poor's. The following chart illustrates where the County's rating (underlined below) fall within the rating scale of the particular agency:

Moody's

(ranges from a high of Aaa to a low of C)

Aaa Best Quality
Aa1, Aa2, Aa3 High quality

High quality by all standards

Standard & Poor's

(ranges from a high of AAA to a low of D)

AAA AA (+ or -) Highest quality; extremely strong capacity to pay.
High quality; very strong capacity to pay.

Buncombe County Service Directory

Air Quality Agency250-6777
Burning Control250-6777
BCTV (County Government Channel)
Child Care Services250-6700
City/County ID Bureau250-4665
Background Checks 250-4661
Clerk to the Board
(of Commissioners)250-4105
Cooperative Extension
County Commissioners 250-4001
COUNTY JOBLINE 250-4183
County Manager250-4100
Election Services
Emergency Services 255-5631
Emergencies911
Erosion Control
Finance
Fire Marshal
GIS Property Information System 250-6860
Health Center
Dental Care
Disease Control/Immunization 250–5109
Environmental Health
Health Promotion
Pharmacy
Primary Care
Restaurant/Septic Inspection 250-6900
Water Testing
WIC/Nutrition
JobLink
Libraries: Pack Memorial (Main)
TDD for hearing impaired250-4718
Renewal Line
Mountain Mobility258–0186
Mountain Area JobLink 250-4761
Parks & Recreation
Permits/Inspections250-5360
Personnel
Planning
Pre-trial Services
Purchasing
Register of Deeds
Recordings:
Deeds, Deeds of Trust & Other Papers
250-4300
Plats & Uniform Commercial Code Rec's
Vital Records:
Birth & Death Certificates 250-4301
Marriage License & Certificates 250-4301
Notary Publics250-4300

Sheriff	. 255-5555
Civil Process	250-4410
Crime Stoppers	255-5050
Crime Prevention	250-4547
Detention Center (Jail)	250-4550
Inmate Booking	250-4571
Senior Reassurance	
Warrants	
Social Services	. 250-5500
Administration	
Adult Services	
Child Support Enforcement	232-1416
Children/Family Services	
Food Assistance	
Health Choice	
Medicaid	
Protective Services Intake:	200 0000
Adults	250 5800
Children	
Veterans Services	
Work First Employment	
Workforce Development	
Work Permit	
Soil and Water Conservation	
Solid Waste	
Environmental Control	
Household Hazardous Waste	250-5462
Junk Cars/Mobile Home Removal	0E0 E470
Landfill	
Transfer Station	
Trash Disposal (GDS)	
Street Addressing (Planning)	. 250-4845
Tax Department:	
Business Personal Property	
Collections	
Land Records	
Personal Property	
Real Estate	
Transportation (Mtn Mobility)	258-0186
OTHER USEFUL NUMBERS	
Animal Control (City)	. 259-5872
(County)	
Dead Animals (City)	. 251-1122
(County) (only in roadways)	
Better Business Bureau	. 253-2392
Business License (City)	
(NC)1-800	0-228-8443
Chamber of Commerce	. 258-6101
Charter Cable	. 209-2257
Child Support Enforcement	232-1416

	lle 251-1122
	259-5870
Fire/Rescue	259-5636
Garbage Pic	kup 259-5857
Mayor	259-5600
Parks & Fes	tivals259-5800
	251-1122
	259-5975
	ng
Court Related	0
	rt232-2600
	ng Center250–4281
	rney232-2500
	Probate 232-2696
	232-2706
Magistrate	250-4690
Public Defer	nder 232-2595
Department o	Labor299-8232
	ortation (DOT) 298-2741
	se (Tunnel Road) 298-4544
Dilivor o Electr	(Patton Avenue) 251-6065
Ehlen Foundat	ion
	ecurity Com 251-6200
	nouse771-7200
	estern Office251-6160
	rity258-1222
	1-800-829-1040
License Tag C	ffice (Tunnel Road) 252-8526
(Smoky Park Hwy)667-2104
Metropolitan 9	Sewerage District 255-0061
Road Mainten	ance/Repair
In the County	, ,
	Transportation298-0390
	ville
	averville645-0606
	ntreat669-8002
	Mountain
	odfin 253-4887
	more Forest274-0824
	ville City)350-7000
	ombe County)255-5921
Closin	g Hotline776-8044
Social Security	/251-9941
State Highway	Patrol 298-4256
	667-0597
	oads (DOT)298-2741
	sing (County) 250-4845
Olioot Addies	(City)259-5850
United May's	
	2-1-1
	vice257-4198
	259-5831
(County)	250-4830



Buncombe County Department of Finance 828.250.4130 Visit our website buncombecounty.org