

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, 2007. 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 2007

- On the government-wide statements the assets of the County exceeded the liabilities at the close of the most recent fiscal year by \$89 million (net assets). In accordance with North Carolina law, liabilities of the County include approximately \$126.9 million in long-term debt associated with assets belonging to the Buncombe County Board of Education, the City of Asheville Board of Education, the Asheville-Buncombe Community College, and the Asheville Regional Airport. As these assets are not reflected in the County's financial statements and the full amount of the long-term debt is reported, the County reports a net deficit in unrestricted net assets.
- The County's total net assets increased by \$16.4 million. Net assets in the governmental activities increased by \$14.4 million, as a result of higher ad valorem collections, increased investment earnings on unspent proceeds, and controlled spending in all functions with the best results in the Human Service function. Net assets in the business-type activities increased by \$1.8 million as a result of a positive operating income in the Solid Waste Disposal fund and a large transfer from the General Fund to the Parking Deck Capital Fund for future construction.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$121.5 million, a decrease of \$14.7 million in comparison with the prior year, due in large part to the completion of and continued expenditures for public school bond projects. Approximately 75.9 percent of this total amount, or \$92.3 million, of ending fund balance is unreserved fund balance, and is available for spending at the government's discretion.

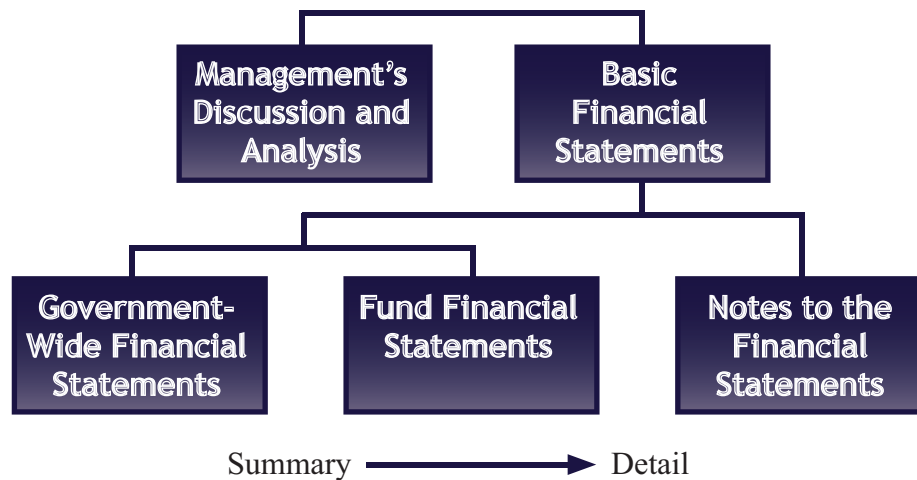
- At the end of the current fiscal year, the County's unreserved fund balance for the General Fund was \$47.8 million or 19.8 percent of the total general fund expenditures and transfers for the fiscal year. This compares with \$44 million or 21 percent at the end of fiscal year 2006. The dollar value of unreserved fund balance increased; however, the percentage decreased by 1.2 percent as a result of higher expenditures and transfers in the calculation basis.
- The County maintained bonds ratings of Aa2 and AA with Moody's and Standard & Poor's, respectively.
- As of June 30, 2007 the maturities of investments in the County's portfolio averaged 190 days. The average yield on investments was 5.09 percent.
- Fiscal year 2006 represents the 28th consecutive year the 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).

## 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.



Figure 1: Required Components of Annual Financial Report



## Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are the **Fund Financial Statements**. These statements focus on the activity of the County and provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The final section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in the statements.

Following the notes is the required **supplemental information**. This section contains funding information about the County's and component unit's law enforcement officers' pension plans. Also, details about the County's non-major governmental funds, non-major proprietary funds, and internal service fund are shown. These are added together in two columns in the basic financial statements: other governmental and other enterprise funds, respectively. The internal service fund is allocated in the government-type activities in the government-wide financial statements. Budgetary information required by General Statutes can also be found in this part of the statements.



**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 assets and how they have changed. The Statement of Net Assets and the Statement of Activities help to determine if the County is in a better financial position as a result of the current year’s activities.

*The Statement of Net Assets* reflects the County’s net assets at the end of the fiscal year. The net assets of the County are the difference between total assets (what is owned) and total liabilities (what is owed). Measuring net assets is one way to evaluate the County’s financial condition. However, other non-financial information such as changes in the County’s property tax base and the condition of capital assets should be considered as well.

*The Statement of Activities* reflects the changes in the County’s net assets that occurred during the fiscal year. These changes in net assets are reported immediately when an underlying event causes a change, regardless of timing or related cash flows. Accordingly, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (i.e. uncollected property taxes and earned but unused vacation leave).

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.

**Business-type activities** – The County charges fees to recover the costs associated with providing certain services. These activities include the parking deck, after school care, inmate commissary/welfare, human services facilities, and solid waste disposal.

**Component units** – The government-wide financial statements include not only the County of Buncombe (known as the primary government), but also a legally separate airport, a legally separate tourism development authority, a legally separate sanitary district, 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 pages 20-23 of this report.

## Fund Financial Statements.

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and agency 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 government activities (reported on the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board 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 complies with the budget ordinance and whether or not the County succeeds 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 Statement of Revenues, Expenditures and Changes in Fund Balance. 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, parking deck, after school, human services facilities, and inmate commissary/welfare operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets 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 one activity – its employee health insurance program. Because this operation benefits predominately governmental rather than business-type activities, the internal service fund has been included with the governmental-type activities in the government-wide financial statements.

*Agency Funds* – Agency funds are used to account for assets held on behalf of others. The County has seven agency funds.

*Notes to the Financial Statements* – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 34-77 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 pension benefits to its law enforcement officers. Required supplementary information can be found beginning on page 75 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets over time may serve as a useful indicator of a government’s financial position. As shown in Figure 2, assets exceeded liabilities by \$89.4 million at June 30, 2007. Net assets for the County are reported in three categories: Invested in capital assets, net of related debt of \$92.4 million; restricted net assets of \$7.7 million; and unrestricted net assets of (\$10.7 million).

The invested in capital assets, net of related debt category is defined as the County’s investment in County owned capital assets (e.g. land, buildings, automotive equipment and office and other equipment), less any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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 resources, since the capital assets cannot be used to liquidate these liabilities. See Figure 2.

Figure 2: Net Assets (in millions)

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$152.3	\$165.1	\$23.1	\$21.8	\$175.4	\$186.9
Capital assets	98.8	89.6	41.9	42.7	140.7	132.3
<b>Total assets</b>	<b>251.1</b>	<b>254.7</b>	<b>65.0</b>	<b>64.5</b>	<b>316.1</b>	<b>319.2</b>
Long-term liabilities outstanding	187.3	203.8	20.3	21.9	207.6	225.7
Other liabilities	18.2	19.9	0.9	0.6	19.1	20.5
<b>Total Liabilities</b>	<b>205.5</b>	<b>223.7</b>	<b>21.2</b>	<b>22.5</b>	<b>226.7</b>	<b>246.2</b>
Net assets:						
Invested in capital assets, net of related debt	63.8	49.9	28.6	27.5	92.4	77.4
Restricted	1.3	.9	6.4	6.3	7.7	7.2
Unrestricted	(19.5)	(19.8)	8.8	8.2	(10.7)	(11.6)
<b>Total net assets</b>	<b>\$45.6</b>	<b>\$31.0</b>	<b>\$43.8</b>	<b>\$42.0</b>	<b>\$89.4</b>	<b>\$73.0</b>

The restricted portion of the County’s net assets, \$7.7 million, represents resources that are subject to external restrictions on how the funds may be used.

Another category of net assets is unrestricted net assets. At June 30, 2007, the total net deficit of (\$10.7 million) is attributable to the governmental activities unrestricted net deficit balance of (\$19.5 million). As with many counties in the State of North Carolina, the County’s deficit in unrestricted net assets is due primarily to the portion of the County’s outstanding debt incurred for the Buncombe County Board of Education and the City of Asheville Board of Education (the “school systems”), community college, and airport authority. Under North Carolina law, the County is responsible for providing capital funding for the school systems, community college, and airport authority. The County has chosen to meet its legal obligation to provide the school system, community college, and airport authority capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County, however, are owned and utilized by the school systems, community college, and airport authority. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

At the end of the fiscal year, approximately \$126.9 million of the outstanding debt on the County's financial statements was related to assets included in the school systems', community college's, and airport authority's financial statements. \$78.2 million of this debt is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. Accordingly, 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 the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due. The remaining \$48.7 million of this debt is installment purchase debt, which is collateralized by the purchased or constructed asset.

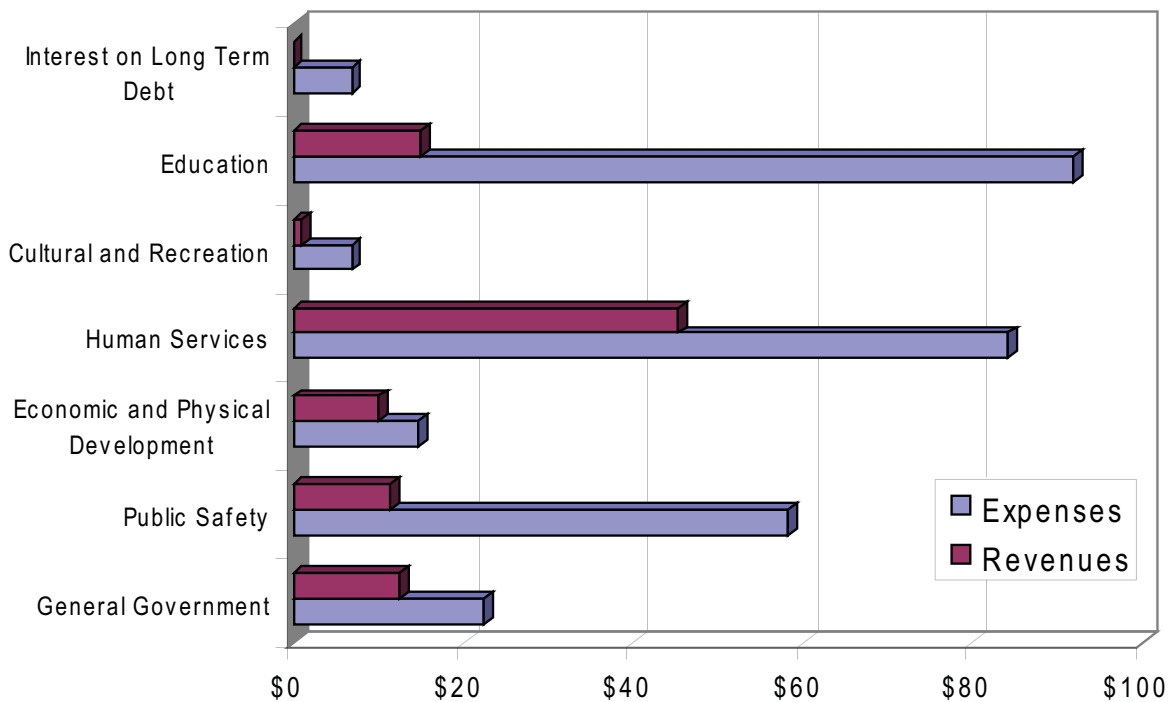
The impact of the inclusion of the school systems, community college, and airport authority debt without the corresponding assets was offset by the following positive operational initiatives and results:

- An increase in total assets.
- A property tax collection rate of 99.15 percent, compared to the statewide average of 96.63 percent.
- Actual expenditures, transfers, and other financing uses in the general fund were less than the budgeted amount by \$11.1 million.
- Revenues and other financing sources in the general fund exceeded expenditures, transfers, and other financing uses by \$5.2 million.

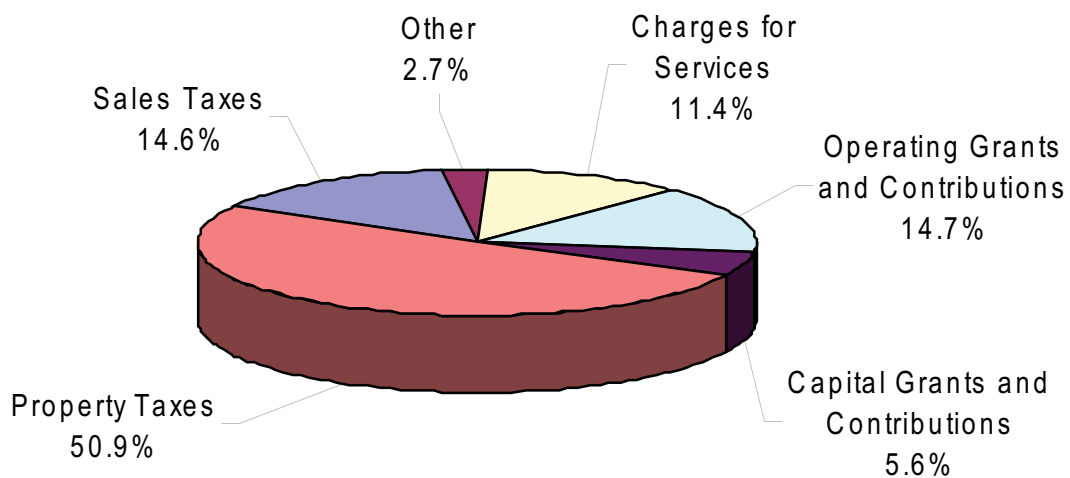


**Governmental activities:** Governmental activities increased the County’s net assets by \$14.6 million (see Figure 7 on page 13.) This increase reflects positive operating results from increased general revenues. Net program expenses increased by \$19.6 million. As can be seen in Figures 3, the net expense is mostly attributable to education, human services, and public safety services provided by the County. Figure 4 illustrates the major sources of revenue for the County, including both program and general revenues. Over 65% of the County’s revenues are from taxes collected.

*Figure 3: Buncombe County Expenses and Program Revenues - Governmental Activities (in millions)*



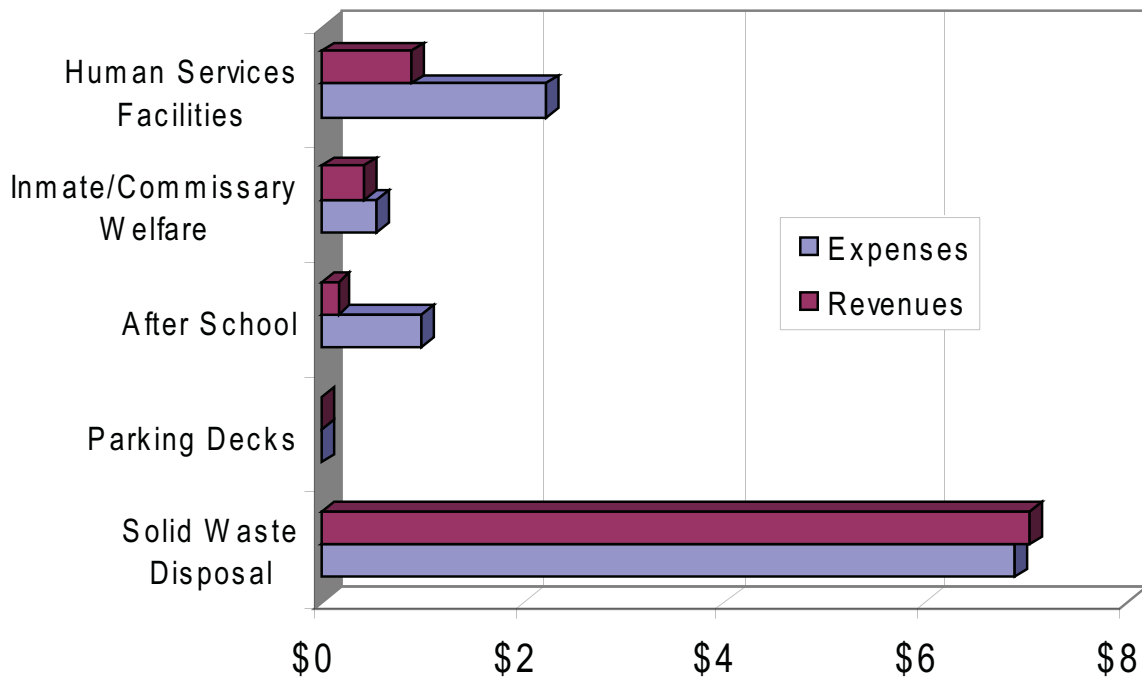
*Figure 4: Revenues By Source - Governmental Activities*



**Business-type activities:** Net assets in the business-type activities increased by \$1.8 million. The business-type activities produced positive operating results of \$1.4 million and \$.4 million from non operating revenues.

See Figures 5 and 6 below, and Figure 7 on the following page.

*Figure 5: Buncombe County Expenses and Program Revenues - Business Type Activities (in millions)*



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

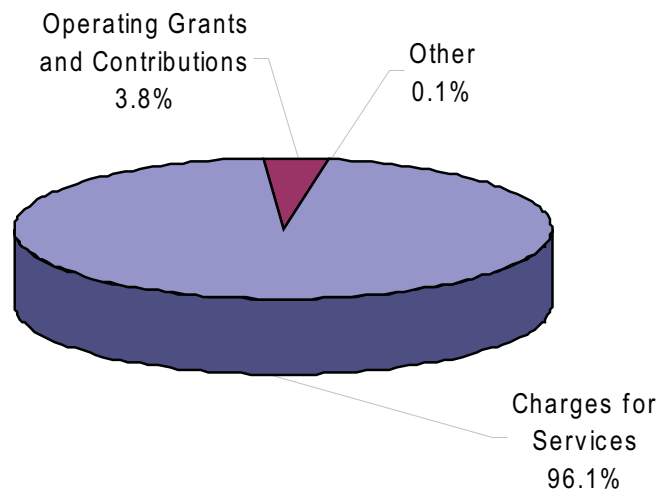


Figure 7: Changes in Net Assets (in millions)

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
<b>Program revenues</b>						
Charges for services	\$34.2	\$35.1	\$8.2	\$9.9	\$42.4	\$45.0
Operating grants and contributions	44.2	49.5	0.3	0.3	44.5	49.8
Capital grants and contributions	16.9	16.4	-	-	16.9	16.4
<b>General revenues</b>						
Property taxes	152.8	123.7	-	-	152.8	123.7
Other taxes	43.9	40.1	-	-	43.9	40.1
Other	7.5	5.4	1.4	0.7	8.9	6.1
<b>Total Revenue</b>	<b>299.5</b>	<b>270.2</b>	<b>9.9</b>	<b>10.9</b>	<b>309.4</b>	<b>281.1</b>
<b>Expenses:</b>						
General Government	22.5	19.3	-	-	22.5	19.3
Public Safety	58.2	54.1	-	-	58.2	54.1
Economic and Physical Development	14.7	19.3	-	-	14.7	19.3
Human Services	81.5	78.0	-	-	81.5	78.0
Cultural and Recreation	6.9	6.7	-	-	6.9	6.7
Education	91.9	79.3	-	-	91.9	79.3
Interest on Long-Term Debt	6.7	6.1	-	-	6.7	6.1
Solid Waste Disposal	-	-	6.9	5.1	6.9	5.1
Other	-	-	3.2	3.7	3.2	3.7
<b>Total Expenses</b>	<b>282.4</b>	<b>262.8</b>	<b>10.1</b>	<b>8.8</b>	<b>292.5</b>	<b>271.6</b>
Increase( decrease) in net assets before transfers, contributions, and special item	17.1	7.4	(0.2)	2.1	16.9	9.5
Transfers, contributions, and special item	(2.0)	(3.1)	2.0	(2.9)	-	(6.0)
Increase (decrease) in net assets	15.1	4.3	1.8	(0.8)	16.9	3.5
Net assets, beginning of year	31.0	26.7	42.0	44.7	73.0	71.4
Prior period adjustment	(0.5)	-	-	(1.9)	(0.5)	(1.9)
<b>Net assets, end of year</b>	<b>\$45.6</b>	<b>\$31.0</b>	<b>\$43.8</b>	<b>\$42.0</b>	<b>\$89.4</b>	<b>\$73.0</b>



## Financial Analysis of the County's Funds

As noted earlier, the 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, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The County's governmental fund types include the General Fund, Special Revenue Funds, and Capital Project Funds. Major funds include the General Fund, the County Capital Projects Fund, and the School Bond Fund. The remaining governmental funds are considered non-major.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$47.8 million compared to \$44 million at the end of the prior fiscal year. Total fund balance at June 30, 2007 was \$67.2 million in comparison to \$62 million at June 30, 2006. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represents 19.8 percent of total General Fund expenditures and transfers as opposed to 21 percent for the preceding fiscal year. Total fund balance represents 27.8 percent of that same amount compared to 29.6 percent at the end of the prior year. The \$5.2 million growth in fund balance is attributable to the following key factors:

- An aggressive collection effort by the Tax Collector to collect \$0.8 million more than budgeted for ad valorem tax revenue.
- Other taxes and licenses were \$.6 million more than budgeted as a result of increased deed stamp excise tax collections from the increased land transfer recordings for developments and gated communities along with higher cable franchise tax collections from increasing customer base.
- Investment earnings were \$0.3 million more than budgeted due to rising interest rates.
- Public safety expenditures were \$1.8 million less than anticipated mainly due to savings in operational costs such as fuel and heating oil that was budgeted in anticipation of a higher price per gallon that did not materialize.
- Human Service expenditures were \$6.1 million less than budgeted due to operating efficiencies and less expenditures for public assistance.

The County Capital Project Fund accounts for capital asset construction or acquisition. Upon completion these assets will be owned by the County. Total fund balance increased \$0.5 million in fiscal year 2007 as a result of sales of capital assets and transfers from other funds.

The School Bond Fund accounts for public school projects constructed with a portion of the \$52 million proceeds of the Certificates of Participation issued in 2006. The total fund balance decreased \$20.7 million as funds were expended on projects.

At June 30, 2007, the governmental funds of the County reported a combined fund balance of \$121.5 million, a 10.8 percent decrease from last year. The decrease is attributable to the completion of and continued work on School Bond Fund public school projects.

### 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 assets of the Solid Waste Disposal Fund at the end of the fiscal year amounted to \$1.5 million. For the other proprietary funds unrestricted net assets totaled \$7.2 million. The Internal Service Fund unrestricted net assets equaled \$11 million.

### General Fund Budgetary Highlights.

The County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues and expenditures by \$24.6 million or 10 percent.

These positive operating results were discussed in the "Governmental Funds" section on page 14. Although the County collected less intergovernmental revenue than budgeted for human services, the largest consumer of intergovernmental revenues, human service expenditures were less than budgeted as well.

The actual operating revenues and transfers for the General Fund were less than the budgeted amount by \$0.5 million. Actual operating expenditures and transfers were less than the budgeted amount by \$11.1 million, thus eliminating the need to draw upon existing fund balance.

## Capital Asset and Debt Administration

### Capital Assets.

The County's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities as of June 30, 2007 totals \$140.8 million, as shown in Figure 8. These assets include land, buildings and improvements, equipment, automotive equipment, and construction in progress. The total increase in the County's capital assets for the fiscal year 2007 was 6.4 percent (a 10.4 percent increase for governmental activities and a 1.9 percent decrease for business-type activities).

*Figure 8: Capital Assets- Net of Depreciation (in millions)*

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$6.6	\$6.6	\$6.3	\$6.3	\$12.9	\$12.9
Buildings and Improvement	42.1	44.1	21.5	23.8	63.6	67.9
Equipment	13.5	15.2	0.3	0.3	13.8	15.5
Automotive Equipment	2.4	2.6	0.2	0.4	2.6	3.0
Construction in Progress	34.3	21.1	13.6	11.9	47.9	33.0
<b>Total Capital Assets</b>	<b>\$98.9</b>	<b>\$89.6</b>	<b>\$41.9</b>	<b>\$42.7</b>	<b>\$140.8</b>	<b>\$132.3</b>

Additional information on the County's capital assets can be found in Note 3(5) on page 51 of the Basic Financial Statements.

### Long-term Debt.

As of June 30, 2007, the County has total debt outstanding of \$193.5 million, of which \$85.6 million is debt backed by the full faith and credit of the County. The remainder is special obligation revenue bonds of \$13.2 million for which revenues are pledged to the payment of and as security for the bonds and installment notes of \$94.7 million for which the asset purchased or constructed is collateral for the note. A summary of long-term debt is shown in Figure 9.

Figure 9: Outstanding Debt (in millions)

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$85.6	\$94.6	-	-	\$85.6	\$94.6
Special Obligation Revenue Bonds	-	-	13.2	15.0	13.2	15.0
Installment Notes Payable	94.6	103.5	0.1	0.2	94.7	103.7
<b>Total Long Term Debt</b>	<b>\$180.2</b>	<b>\$198.1</b>	<b>\$13.3</b>	<b>\$15.2</b>	<b>\$193.5</b>	<b>\$213.3</b>

The County's total long-term debt decreased by \$19.8 million or 9.3 percent during the past fiscal year.

The bond ratings are a clear indication of the sound financial condition of the County, which helps to keep interest costs low on the County's outstanding debt. The County maintained bond ratings of Aa2 and AA with Moody's and Standard & Poor's, respectively. This excellent rating insures low interest rates on the County's debt.

The State of North Carolina limits the amount of general obligation debt that the unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the County is \$1.9 billion. The County has \$915,000 in bonds authorized but not issued at June 30, 2007.

Additional information regarding the County's long-term debt can be found in Note 3(8) on pages 62-68 of this report.

### Economic Factors Effecting Next Year's Budget and Rates

The County has approved a \$245.3 million general fund budget for fiscal year 2008, which represents a 18 percent increase over the 2007 final budget. The tax rate decreased from 53 cents to 52.5 cents per \$100 of assessed valuation.



The following factors were considered when developing the 2008 budget:

- Total employment increased 1.2 percent over the year. Employment totals are at a new all-time high at 173,900. Over 2,100 new jobs were added and the unemployment rate at 3.7 percent remains below the state and nation rate.
- Smiths Aerospace, a manufacturer of turbine engine components, is planning to spend a total of \$16 million for an expansion of their operations. This expansion will create 200 new jobs.
- General fund revenue from retail sales increased 8.6 percent from fiscal year 2006.
- Residential building permits increased 2.9 percent from calendar year 2006 to 2007.
- Tourism hotel/motel sales are up 9.6 percent for the year. Employment in the leisure and hospitality industry remains stable at 21,000 workers.
- A growth rate of 31.7 percent in the tax base from fiscal year 2006 to 2007 resulting from increased housing developments and gated communities.
- Major increases in the cost of utilities and fuel, the continued rise in health care costs, increased economic development incentives, bringing the workforce from 37.5 hour to 40.0 hour week, and requests for additional funding for public schools.



The seal of Buncombe County, North Carolina, is a large, light blue watermark in the background. It features a circular border with the text "BUNCOMBE COUNTY NORTH CAROLINA". Inside the circle, there is a landscape with a mountain, a tree, and a banner that reads "PEOPLE TO MATCH OUR MOUNTAINS".

## ***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, P O Box 7526, Asheville, NC 28802.

Questions concerning the Asheville Regional Airport Authority may be addressed to the Director of Administration and Finance at P O Box 817, Fletcher, NC 28732.