

# 2023

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



**BUNCOMBE COUNTY**  
NORTH CAROLINA

FOR THE FISCAL YEAR ENDING JUNE 30, 2023

BUNCOMBE COUNTY, NORTH CAROLINA

# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

## **BOARD OF COMMISSIONERS**

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

## **COUNTY MANAGER**

Avril Pinder, CPA, ICMA-CM

## **DIRECTOR OF FINANCE**

Melissa Moore

Prepared by the Finance Department



# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

## Buncombe County

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# Introductory Section





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Buncombe County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



# Finance Department

Melissa Moore  
*Finance Director*

*January 9, 2024*

To the Board of County Commissioners and the Residents of Buncombe County, North Carolina:

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 regarding the financial position and results of operations for the fiscal year ended June 30, 2023.

As required by state and federal law the annual audit must be prepared by an independent certified public accountant or an accountant certified to audit local government accounting. Buncombe County went through a competitive proposal process to select an audit firm capable of meeting the legal requirements and providing value to the process.

Mauldin & Jenkins was engaged this year to conduct the annual audit. They were established in 1918 and have experienced growth now covering 14 offices in six states. Mauldin & Jenkins' success is deeply rooted in their core values, with extensive experience serving public sector clients. This foundation provides the County with an audit firm that has stood the test of time.

The Mauldin & Jenkins team 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, 2023. The Independent Auditor's Report is located at the front of the financial section of this report.

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





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

## Profile of Buncombe County, North Carolina

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

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

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

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



The annual budget serves as the base for the County's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County's financial operations including funding for various agencies outside the County's organizational structure. The County Manager submits the annual balanced budget to the Board of Commissioners before June each year. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North Carolina statutes, the governing board shall adopt a budget not earlier than 10 days after the budget is presented to the Board and no later than July 1.

## The Local Economy

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

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

During fiscal year 2023, the Buncombe County Board of Commissioners recognized the continued growth of a well-known existing employer. In June 2023, Poppy Handcrafted Popcorn announced plans to invest approximately \$4.3 million through the year 2027 in a new Buncombe County-based manufacturing facility. The expansion adds 66 jobs at an average wage of \$26.40/per hour to the existing 45 employee workforce.

Buncombe County's employment market has picked up steam and refilled more consistently throughout fiscal year 2023. Buncombe County's unemployment rate of 2.8% is below the



State-wide metric at 3.3% at the close of the fiscal year. These are steady improvements from the County unemployment rate of 3.3% and State rate of 3.6% posted at the end of the prior fiscal year. The shifting unemployment rate has created new concerns related to workforce availability and employers have been challenged to find employees across industries. Wage growth continued to grow with the year-over-year average weekly wage increasing about 11% from Q1 2022 to Q1 2023 according to the Bureau of Labor Statistics.

The Buncombe County housing market remains dynamic and by all measures is a seller's market. The median days for a house on the market is 47 days which represents a median listing price of \$650,000, a 16% increase from the prior year. Concerns are prevalent that the supply of housing could be a long-term workforce challenge, however the number of active listings is up 12.0% from the prior year. Buncombe County continues to support initiatives to increase housing affordability through the Affordable Housing Services Program and the approval of Voter Bond Referendum for housing for low to moderate income individuals.

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

## Long-term Financial Planning and Major Initiatives

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



In November 2022, Buncombe County voters approved two general obligation bonds, \$30 million for open space, and \$40 million for affordable housing. The goal for the open space bond is to protect farmland and natural resources while also contributing to the county's goal of conserving 20% of the County's land by 2030, increase access to recreational activities and protect natural resources, and support greenway infrastructure. The goal for the affordable housing bond is to increase construction of housing for people of low to moderate incomes.

In a continued focus on the Board of Commissioners strategic objectives Buncombe County expanded the Community Paramedic program. This expansion provided support to community members in many ways such as individuals suffering from an overdose, substance use disorders, or mental health crises. The Community Paramedic Program also helps connect those in need to medication assistance treatment and utilizes harm reduction best practices.

Another major initiative for the County has been the focus on funding for education. Pre-K to community college continues to experience funding shortfalls. The County supports this by funding more than \$109 million toward its strategic focus area of an educated and capable community.

## Relevant Financial Policies

Fund balance is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term *reserves* is often used by public finance practitioners, but is not a governmental accounting term. It refers to the portion of fund balance held in reserve to buffer against financial distress or risk. The North Carolina State Treasurer recommends a minimum unallocated general fund balance of 8%. However, the County policy is more restrictive, requiring a range of 15% to 20%. The policy also requires any unreserved, undesignated fund balance more than 20% to be transferred to the County's Capital Projects Fund. This policy allows for better management of undesignated fund balance in the General Fund while maintaining reasonable fund balance levels and creates a mechanism to cash fund capital expenditures, helping to reduce the dependency on debt financing.

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

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



Triple-A ratings and this strongly affirms the County's financial strength and position to support the needs of the community as well as encouraging business development.

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

## Awards and Acknowledgements

The County was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting to Buncombe County for its annual comprehensive financial report for the fiscal year ending June 30, 2022. This would mark the forty-fourth consecutive year that Buncombe County has received this prestigious award. 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. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Award for Distinguished Budget Presentation for its 2022 annual budget document. This is the twenty-eighth 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 2023 budget document continues to conform to program requirements and has submitted it to the GFOA to determine eligibility for another award.

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



County Government. We also thank Mauldin & Jenkins for their hard work and efforts throughout the audit process.

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

Respectfully submitted,



Avril Pinder, CPA  
County Manager



Melissa Moore  
Finance Director

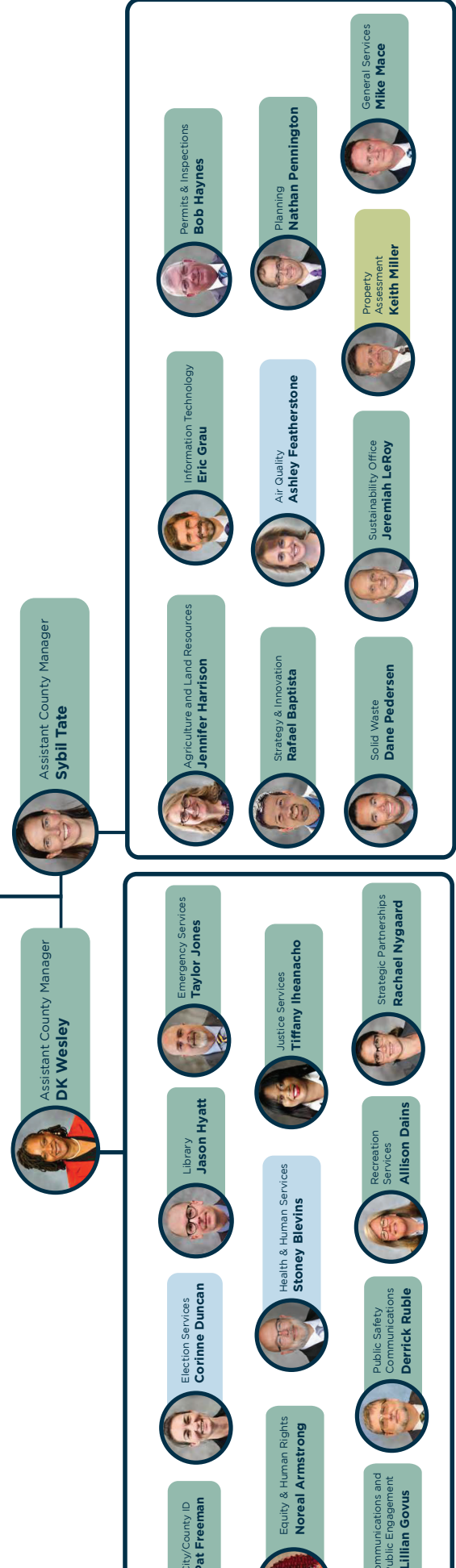




# Organizational Chart

ELECTED APPOINTED SEPARATE BOARD DEPARTMENT HEAD

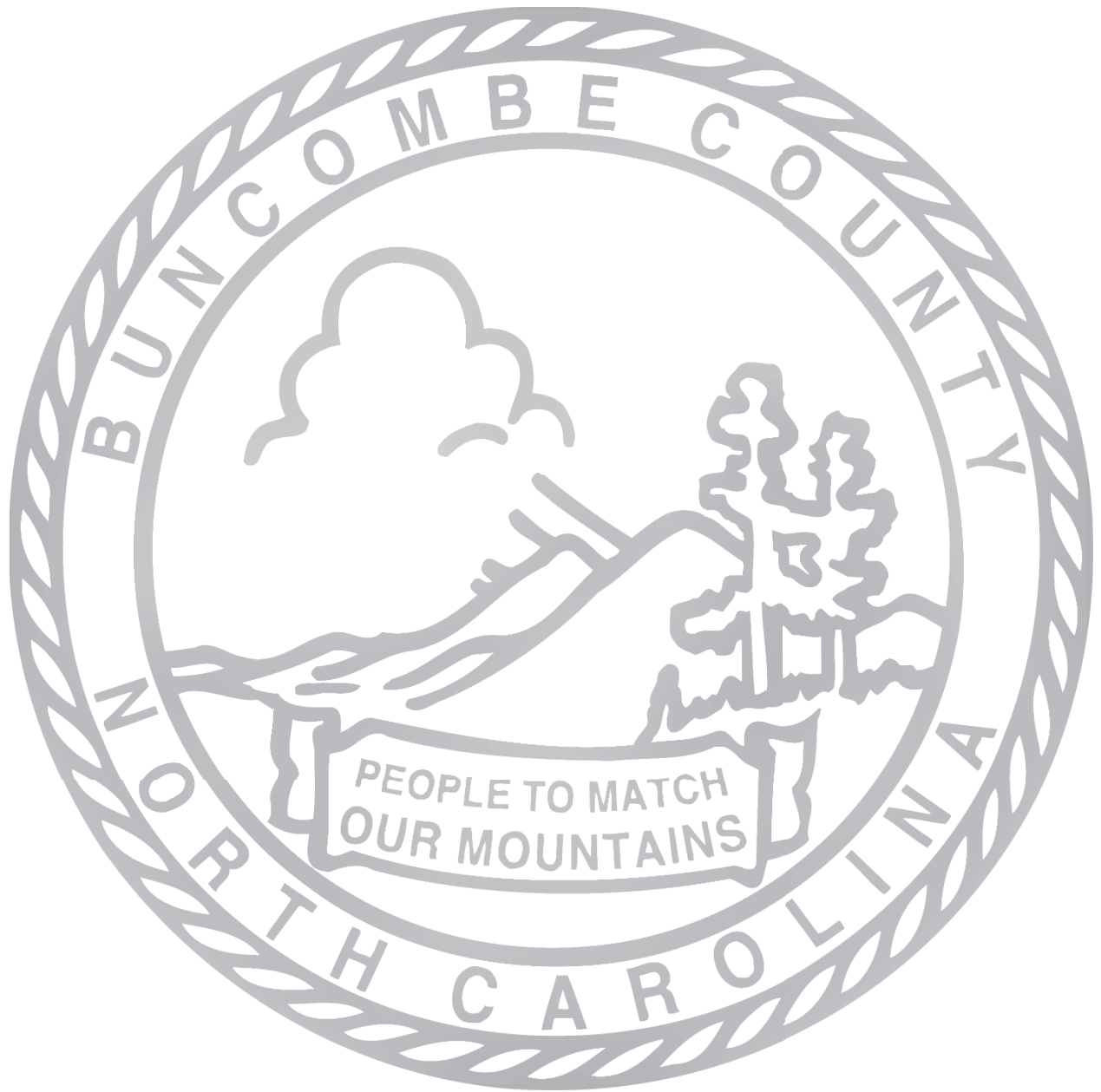
## Residents



# Financial Section









## INDEPENDENT AUDITOR'S REPORT

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**To Members of the Board of County Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina**

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Buncombe County, North Carolina** (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison statements for the General Fund, the Occupancy Tax Fund, and the Special Taxing Districts Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to the County's pension plans and other post-employment benefits plan, as listed in the table of contents under the header "Required Supplemental Financial Data," be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

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

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**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Raleigh, North Carolina  
January 9, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## INTRODUCTION

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As management of Buncombe County (the County), we offer readers of the financial statements this overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information here in conjunction with additional information we have furnished in the County's financial statements, which follow this discussion and analysis.

## FINANCIAL HIGHLIGHTS FOR FISCAL YEAR

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- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$11.0 million (net position).
- The County's total net position increased by \$38.3 million during the fiscal year. The increase was primarily caused by the governmental activities, specifically due to increased revenues combined with most categories of expenditure coming in under budget.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$228.3 million, a decrease of \$5.2 million from the prior year. Approximately 55% of this total amount, or \$126.9 million, is restricted or nonspendable.
- The County's General Fund increased fund balance by approximately \$2.6 million during the fiscal year for many of the same reasons as County's total net position increased.
- At June 30, 2023, available fund balance for the General Fund was \$86.1 million, or 21.6% of total general fund expenditures and transfers for the fiscal year which is 6.6% higher than the County's minimum fund balance policy.
- At June 30, 2023, the total amount of outstanding long-term debt was \$380.6 million, a decrease of \$43.5 million, or 10.3% from the previous fiscal year.
- Under State law, the County is responsible for providing capital funding for the school systems and community college. At the end of the fiscal year, approximately \$215 million or 56.5% of the outstanding debt on the County's financial statements is related to assets to be included in the respective entity's statements.
- The County maintains a Aaa bond rating from Moody's Investor Service and a AAA bond rating from Standard and Poor's Rating Service.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the readers' understanding of the fiscal condition of the County.

## BASIC FINANCIAL STATEMENTS

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

The next statements (Exhibits 3 through 12) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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statements; 2) the budgetary comparison statements; 3) the proprietary funds statements; and 4) the fiduciary funds statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by general statutes can also be found in this part of the statements. Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

## **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. These statements are prepared under the full-accrual basis of accounting where all the current year's revenues and expenses are included regardless of when cash is received or paid. The government-wide statements provide short and long-term information about the County's financial status as a whole.

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

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

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

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

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

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

## **Fund Financial Statements**

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

*Governmental Funds* are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual accounting method which provides a current financial resources focus. As a result, the governmental fund financial

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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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 three fiduciary funds. One is a trust fund for the future health insurance benefits for retirees and the others are custodial funds. Information about these funds can be found on Exhibits 11 and 12 as well as the budgetary statements following the notes.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes follow the financial statements.

## Other Information

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

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## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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As noted earlier, net position may serve as a useful indicator of a government's financial condition. As shown in Figure 1, the County's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$11.0 million at June 30, 2023. The County's net position increased by \$35.4 million for the fiscal year ended June 30, 2023. 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;



# MANAGEMENT'S DISCUSSION AND ANALYSIS

consequently, these assets are not available for future spending. Although Buncombe County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 354.2	\$ 381.4	\$ 24.1	\$ 35.8	\$ 378.3	\$ 417.2
Capital assets	232.2	233.4	43.1	35.8	275.3	269.2
<b>Total assets</b>	<b>586.4</b>	<b>614.8</b>	<b>67.2</b>	<b>71.6</b>	<b>653.6</b>	<b>686.4</b>
Total deferred outflows of resources	86.6	73.0	1.8	1.5	88.4	74.5
Long-term liabilities outstanding	541.8	550.5	39.1	39.3	580.9	589.8
Other liabilities	77.1	95.8	1.6	2.6	78.7	98.4
<b>Total liabilities</b>	<b>618.9</b>	<b>646.3</b>	<b>40.7</b>	<b>41.9</b>	<b>659.6</b>	<b>688.2</b>
Total deferred inflows of resources	91.9	117.2	1.5	1.9	93.4	119.1
<b>Net position:</b>						
Net investment in capital assets	95.1	86.0	29.4	28.3	124.5	114.3
Restricted	104.1	105.6	-	-	104.1	105.6
Unrestricted	(237.1)	(267.3)	(2.5)	1.0	(239.6)	(266.3)
<b>Total net position (deficit)</b>	<b>\$ (37.9)</b>	<b>\$ (75.7)</b>	<b>\$ 26.9</b>	<b>\$ 29.3</b>	<b>\$ (11.0)</b>	<b>\$ (46.4)</b>

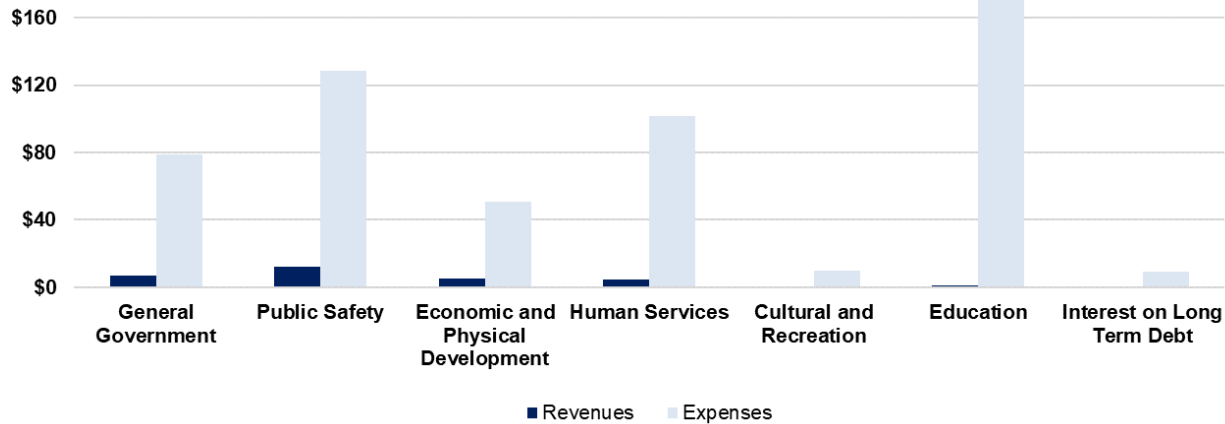
Buncombe County's governmental activities have a negative balance of \$237.1 million in unrestricted net position (deficit). As with many counties in the State of North Carolina, the County's deficit in unrestricted net position is due to the portion of the County's outstanding debt incurred for the benefit of local educational entities: the Buncombe County Board of Education, the City of Asheville Board of Education, and AB-Tech Community College. Under North Carolina law, the County is responsible for providing capital funding for these institutions. The County has chosen to meet its legal obligation by using a mixture of County funds and debt financing. The assets funded by the County, however, are owned and utilized by these institutions. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$215 million or 56.5% of the outstanding debt on the County's financial statements was related to assets included in the financial statements of the school systems and community college. The unrestricted net position of governmental activities increased by \$30.2 million from fiscal year 2022.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 29.6	\$ 31.9	\$ 10.6	\$ 10.9	\$ 40.2	\$ 42.8
Operating grants and contributions	71.7	79.4	0.4	0.5	72.1	79.9
Capital grants and contributions	2.8	0.8	-	-	2.8	0.8
General revenues:						
Property taxes	288.3	277.5	-	-	288.3	277.5
Other taxes	177.7	172.5	0.8	0.7	178.5	173.2
Other	19.9	6.1	0.6	-	20.5	6.1
Total revenues	<u>590.0</u>	<u>568.2</u>	<u>12.4</u>	<u>12.1</u>	<u>602.4</u>	<u>580.3</u>
Expenses:						
General government	78.6	69.3	-	-	78.6	69.3
Public safety	128.4	113.8	-	-	128.4	113.8
Economic and physical development	50.9	46.1	-	-	50.9	46.1
Human services	101.5	106.8	-	-	101.5	106.8
Culture and recreation	10.1	7.2	-	-	10.1	7.2
Education	170.3	153.1	-	-	170.3	153.1
Interest on long-term debt	9.5	12.3	-	-	9.5	12.3
Solid waste disposal	-	-	14.4	12.0	14.4	12.0
Other	-	-	0.4	0.4	0.4	0.4
Total expenses	<u>549.3</u>	<u>508.6</u>	<u>14.8</u>	<u>12.4</u>	<u>564.1</u>	<u>521.0</u>
Increase (decrease) in net position						
Before transfers	40.7	59.6	(2.4)	(0.3)	38.3	59.3
Transfers						
	-	-	-	-	-	-
Increase (decrease) in net position						
	40.7	59.6	(2.4)	(0.3)	38.3	59.3
Net position, beginning						
as originally reported	(75.7)	(135.3)	29.3	29.6	(46.4)	(105.7)
Prior period restatement -						
change in accounting principle	(2.9)	-	-	-	(2.9)	-
Net position (deficit), beginning						
	<u>(78.6)</u>	<u>(135.3)</u>	<u>29.3</u>	<u>29.6</u>	<u>(49.3)</u>	<u>(105.7)</u>
Net position (deficit), ending						
	<u>\$ (37.9)</u>	<u>\$ (75.7)</u>	<u>\$ 26.9</u>	<u>\$ 29.3</u>	<u>\$ (11.0)</u>	<u>\$ (46.4)</u>

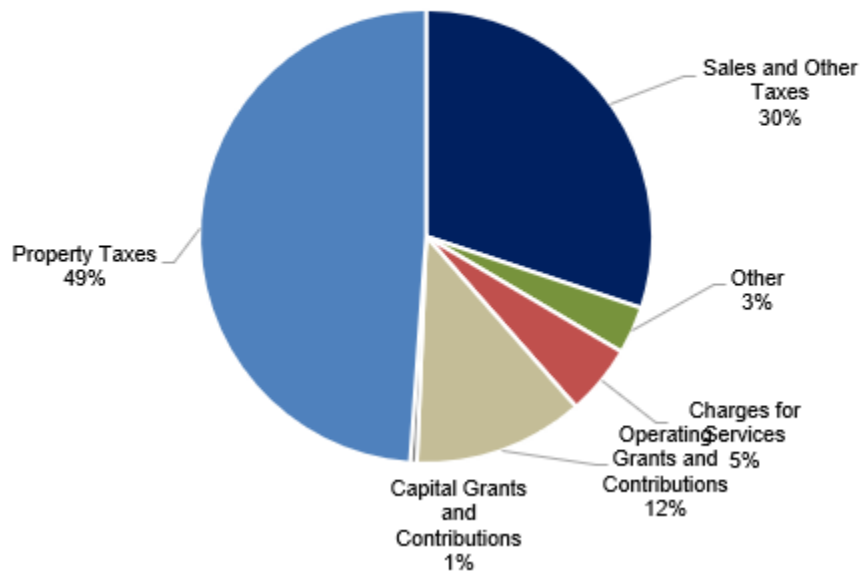
# MANAGEMENT’S DISCUSSION AND ANALYSIS

**Figure 3**  
**2023 Expenses and Program Revenues - Governmental Activities**  
**[Charges for Services only]**  
**(in millions)**



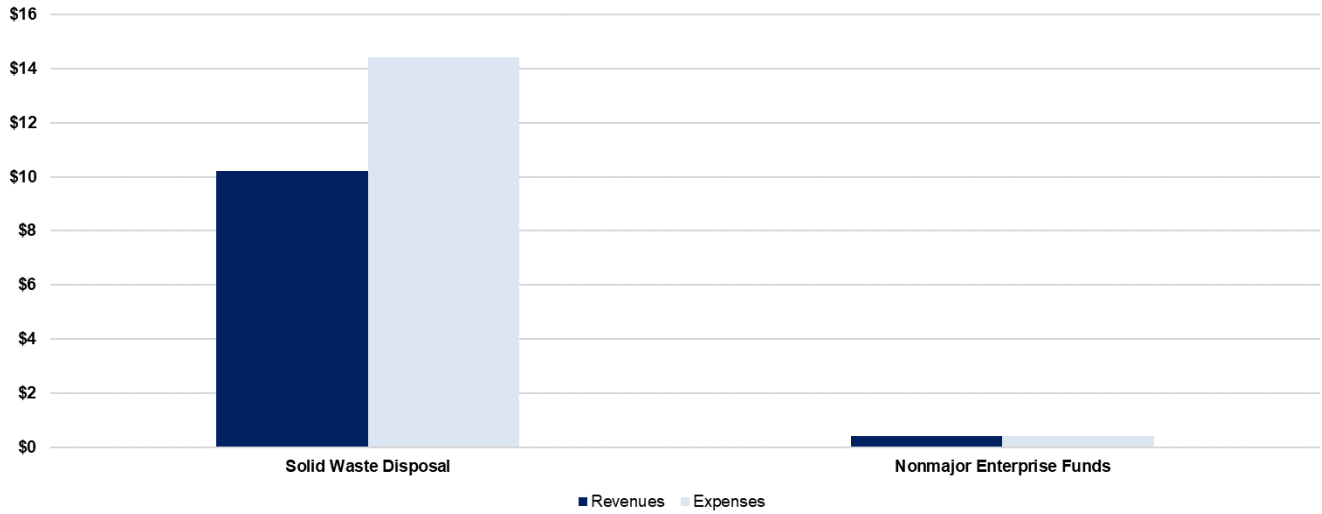
**Governmental Activities.** Governmental activities increased the County’s net position \$40.7 million. Increased revenues combined with most categories of expenditure coming in under budget were the primary drivers for the change in net position. Specifically, the County realized investment revenues significantly higher than projected along with continued moderate growth in ad valorem (property) and sales tax revenues.

**Figure 4**  
**2023 Revenues By Source**  
**Governmental Activities**



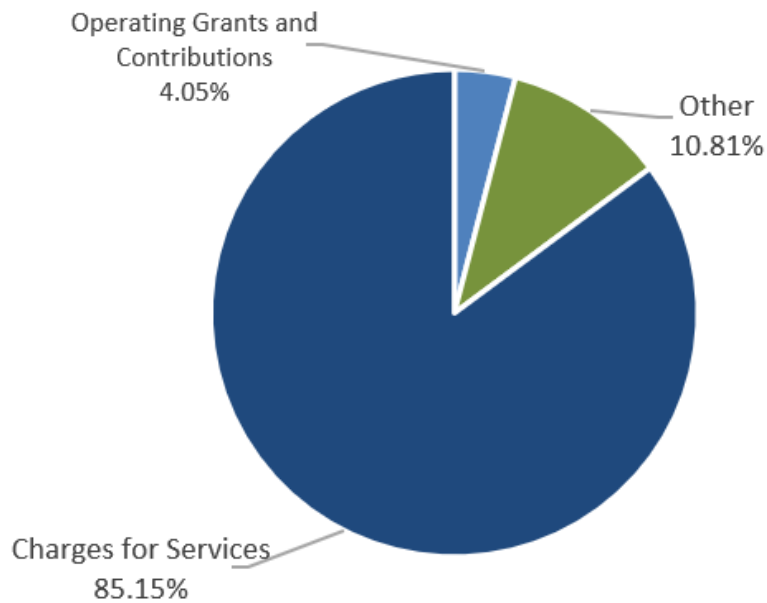
# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Figure 5**  
**2023 Expenses and Program Revenues - Business-Type Activities**  
 (in millions)



**Business-type Activities.** Business-type activities decreased net position by \$2.4 million in fiscal year ending June 30, 2023.

**Figure 6 2023 Revenues By Source Business-Type Activities**



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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As noted earlier, Buncombe County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County, along with all other local governments and public authorities in North Carolina, conducts financial management and accounting in compliance with guidance from multiple authorities. These authorities include the North Carolina General Assembly, specifically through General Statutes Chapter 159; the Local Government Commission within the North Carolina State Treasurer's Office; and, generally accepted accounting principles (GAAP) as established by the federally-established Governmental Accounting Standards Board (GASB), national and State chapter of the Government Finance Officers Association (GFOA), and other sources for best practices in accounting, fiscal management, and financial reporting.

**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, Public School Capital Needs Fund, AB Tech Capital Projects Fund, Public School ADM Project Fund, County Capital Projects Fund, Special Projects Capital Projects Fund, Grant Projects Fund, Occupancy Tax Fund and the Special Taxing District Fund. The remaining governmental funds are considered non-major.

At June 30, 2023, the governmental funds of Buncombe County reported a combined fund balance of \$228.3 million, a \$5.2 million decrease from last year. Of the total governmental fund balance, \$126.9 million, or 55%, 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 \$86.1 million, while total fund balance reached \$126.9 million. The Board of Commissioners has determined that the County should maintain a minimum available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 21.6% 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 \$3.9 million. The actual revenue collected was more than the final budget amount by \$12.3 million. This can be attributed to revenues exceeding budget in multiple areas. Ad Valorem Tax are budgeted based on estimated assessed values and collection rate and actual assessed values were higher than estimated. The County saw higher than anticipated building permits fees, recording fees, sales and services associated with ambulance fees and Medicaid cost settlements. As a result of the increased interest rates the County realized additional revenue through interest income.

The fund balance of the County's General Fund saw an increase of approximately \$2.6 million from the previous year; savings in all functional areas and increased general revenues contributed to this increase. This is the 11th 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 from general government resources and financing. The total fund balance decreased \$5.0 million from \$30.7 million in fiscal year 2022 to \$25.7 million in 2023. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The primary cause for the decrease is normal progress and completion of project activities throughout the year.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The Public School Capital Needs Fund accounts for revenues restricted for public school capital outlay projects. The total fund balance decreased \$7.7 million from \$41.4 million in fiscal year 2022 to \$33.7 million in 2023. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The primary cause for the decrease is normal progress and completion of project activities throughout the year.

The AB Tech Capital Project Fund accounts for revenues restricted for use on capital projects benefiting AB Tech Community College. The total fund balance increased \$2.2 million from \$18.8 million in fiscal year 2022 to \$21.0 million in 2023. Similar to other capital project funds, total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The most significant cause of the increase is increased sales tax revenues received in 2023.

The Special Projects Capital Projects Fund accounts for special projects that may not necessarily result in a capital asset for the County. The total fund balance increased \$4.6 million from \$14.2 million in fiscal year 2022 to \$18.8 million in 2023. Total fund balance can fluctuate from year to year due to the timing of collections on long-term receivables associated with affordable housing loans and project completions. The most significant causes of the increase were interfund transfers of certain multi-year economic development, conservation, and reparations funding that was previously accounted for in the General Fund.

The Grant Projects Fund accounts for revenues received from multi-year grants and related expenditures. The total fund balance decreased \$5.2 million from (\$1.9) million in fiscal year 2022 to (\$7.1) million in 2023. Total fund balance can fluctuate from year to year due to the timing of grant reimbursements and when the actual project expenditures occurred.

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

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

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Disposal Fund at the end of the fiscal year amounted to (\$3.7) million. The Solid Waste Fund net position decreased \$3.88 million from fiscal year 2022. In 2023, the County completed a solid fee rate study to determine the amount to increase fees as well as managing operating expenditures so that they don't exceed revenues. The County committed to increasing the fee beginning in fiscal year 2023 and reevaluation of the fee no less than every three years.

## **Capital Asset and Debt Administration**

**Capital Assets.** As of June 30, 2023, the County's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities totaled \$275.3 million. These assets include land, buildings and improvements, equipment, automotive equipment, construction in progress, and right to use assets. This is an increase of \$9.0 million, or 3%, from fiscal year 2022. This increase is primarily due to construction in progress associated with the solid waste in business-type activities, the net effect of the increase in accumulated depreciation

# MANAGEMENT'S DISCUSSION AND ANALYSIS

in the governmental activities, and the initial recognition of right to use assets based on new accounting standards. See Figure 7.

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

- County facilities solar project
- Electric vehicle infrastructure
- Vehicles and major equipment for public safety and solid waste
- Continued major maintenance of older buildings to maintain safety and extend their useful lives
- Continued courthouse exterior renovations and jail repairs

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

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 21.6	\$ 21.6	\$ 6.8	\$ 6.8	\$ 28.4	\$ 28.4
Buildings and improvements	182.1	187.9	32.3	19.8	214.4	207.7
Equipment	8.0	3.9	2.2	2.2	10.2	6.1
Automotive equipment	4.3	4.0	0.8	0.2	5.1	4.2
Intangibles	1.3	1.7	-	-	1.3	1.7
Construction in progress	8.2	9.1	0.2	5.6	8.4	14.7
Right-to-use	6.7	1.6	0.7	1.3	7.4	2.9
Total capital assets	\$ 232.2	\$ 229.8	\$ 43.1	\$ 35.9	\$ 275.3	\$ 265.8

**Outstanding Debt.** As of June 30, 2023, the County's total debt outstanding was \$380.6 million, of which \$7.2 million is debt backed by the full faith and credit of the County. Installment notes account for the remaining \$373.41 million. Collateral for these notes are the assets purchased or constructed.

As mentioned earlier, the County is required by State law to provide capital funding for the two local public school systems and the community college. At the end of the fiscal year, the outstanding balance of the debt for these activities is approximately \$215.0 million, of which \$162.8 million is for the school systems and \$52.2 million is for the community college.

State law also requires the County to provide court facilities for the State of North Carolina. At the end of the fiscal year, the outstanding balance of the debt related to courthouse facilities was \$24.0 million, or 6.3% of the total outstanding debt of the County.

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

# MANAGEMENT’S DISCUSSION AND ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 7.2	\$ 10.0	\$ -	\$ -	\$ 7.2	\$ 10.0
Installment Notes Payable	359.9	398.1	13.5	16.0	373.4	414.1
<b>Total Outstanding Debt</b>	<b>\$ 367.1</b>	<b>\$ 408.1</b>	<b>\$ 13.5</b>	<b>\$ 16.0</b>	<b>\$ 380.6</b>	<b>\$ 424.1</b>

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Buncombe County is \$3.9 billion. The County’s policy is to limit amount of debt issued to 3% of the total assessed value of taxable property located within that government’s boundaries. The County’s imposed debt margin is \$1.5 billion.

Additional information regarding the County’s long-term debt can be found in Note 3 (B)(7)(j) Long-Term Obligations, in the notes of the financial statements.

## FISCAL YEAR 2024 BUDGET HIGHLIGHTS

The total operating budget for Buncombe County is \$609.5 million. The General Fund budget for fiscal year 2024 is \$430.4 million. This is an increase of 2.2% from the fiscal year 2023 amended General Fund budget.

The tax rate for fiscal year 2024 is set at 49.8 cents per \$100 of property value. The tax rate represents a 1 cent increase from 2023.

The FY2024 budget includes increased investments in support of teacher and staff salaries in the Asheville City and Buncombe County school systems. In total, the funding the commitment for K-12 partners is \$113.2 million. Asheville-Buncombe County Technical Community College (A-B Tech) will also receive \$8.1 million in 2024.

In addition to increased investments in education, Buncombe County Commissioners continue their commitment to priorities identified in the 2020 Strategic Plan by allocating the following in the FY2024 budget:

- \$4.9 million for environmental and energy stewardship, including \$4 million for solar on schools and public buildings
- \$9.9 million for resident well-being, including \$6.6 million for public safety such as Sheriff’s Office upgrades, training equipment, and expansion of emergency medical services
- \$2.8 million for vibrant economy, including a \$250,000 increase in economic development commitments to support renovation of McCormick Field
- \$510,000 for equity as continued funding for reparations

Other community priorities funded in the FY2024 budget include:

- \$698,000 for homelessness and continuum of care
- \$3.9 million for early childhood education workforce development
- \$637,000 for infrastructure in unincorporated and growth areas



# MANAGEMENT'S DISCUSSION AND ANALYSIS

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The fiscal year 2024 budget includes a fund balance appropriation of \$18.8 million. Fund balance appropriation is one of the available means to lower the burden on property tax owners. The County appropriates fund balance each year with the challenge to save the appropriated amount.

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## REQUESTS FOR INFORMATION

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

*Basic Financial Statements*

Buncombe County, North Carolina

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BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Net Position

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 214,798,436	\$ 21,682,502	\$ 236,480,938
Receivables (net)	12,649,692	1,103,174	13,752,866
Due from other governments	46,791,179	11,474	46,802,653
Due from primary government	-	-	-
Inventories	-	37,282	37,282
Prepays	1,244,591	-	1,244,591
Restricted cash and investments	55,238,009	1,289,816	56,527,825
Net pension asset	394,200	-	394,200
Long-term receivables	7,882,882	-	7,882,882
Lease receivable	15,252,634	-	15,252,634
Capital assets:			
Land and construction in progress	29,804,560	7,039,284	36,843,844
Other capital assets, net of depreciation	195,655,611	35,392,953	231,048,564
Right to use assets, net of amortization	6,732,725	730,817	7,463,542
Total capital assets	232,192,896	43,163,054	275,355,950
Total assets	586,444,519	67,287,302	653,731,821
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	86,565,895	1,795,462	88,361,357
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	29,466,302	1,496,634	30,962,936
Accrued interest payable	1,185,367	31,223	1,216,590
Payable from restricted cash	1,682,451	96,433	1,778,884
Unearned revenue	30,411,895	-	30,411,895
Other liabilities	8,194,333	-	8,194,333
Due to component unit	6,206,955	-	6,206,955
Noncurrent liabilities:			
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	45,106,733	3,155,891	48,262,624
Due in more than one year:			
Total pension liability - LEOSSA	8,908,518	-	8,908,518
Net pension liability - LGERS	74,553,640	1,629,895	76,183,535
Net OPEB liability	74,225,346	1,622,718	75,848,064
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	339,049,507	32,638,890	371,688,397
Total noncurrent liabilities	541,843,744	39,047,394	580,891,138
Total liabilities	618,991,047	40,671,684	659,662,731
<b>DEFERRED INFLOWS OF RESOURCES</b>	91,906,172	1,489,325	93,395,497
<b>NET POSITION</b>			
Net investment in capital assets	95,075,359	29,427,255	124,502,614
Restricted for:			
Stabilization by State statute	37,497,161	-	37,497,161
Capital projects	7,875,623	-	7,875,623
Education	47,177,450	-	47,177,450
Other	10,708,414	-	10,708,414
Unrestricted (deficit)	(236,220,812)	(2,505,500)	(238,726,312)
Total net position	\$ (37,886,805)	\$ 26,921,755	\$ (10,965,050)

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

	Component Units	
	Tourism	Asheville-Buncombe
	Development Authority	Air Quality Agency
<b>ASSETS</b>		
Cash and investments	\$ 63,340,867	\$ 736,845
Receivables (net)	6,227,286	13,038
Due from other governments	-	-
Due from primary government	-	-
Inventories	-	-
Prepays	92,549	-
Restricted cash and investments	-	-
Long-term receivables	-	-
Capital assets:	-	-
Land and construction in progress	-	-
Other capital assets, net of depreciation	-	92,794
Right to use assets, net of amortization	5,160,769	-
Total capital assets	5,160,769	92,794
Total assets	74,821,471	842,677
DEFERRED OUTFLOWS OF RESOURCES	-	380,172
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	4,431,993	25,993
Accrued interest payable	14,157	-
Unearned revenue	-	-
Other liabilities	673,846	-
Due to component unit	-	-
Noncurrent liabilities:	-	-
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	369,376	373,383
Due in more than one year:	-	-
Total pension liability - LEOSA	-	-
Net pension liability - LGERS	-	-
Net OPEB liability	-	343,218
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	5,032,123	-
Total noncurrent liabilities	5,401,499	716,601
Total liabilities	10,521,495	742,594
DEFERRED INFLOWS OF RESOURCES	-	311,188
<b>NET POSITION</b>		
Net investment in capital assets	(135,211)	92,794
Restricted for:		
Stabilization by State statute	4,178,990	-
Product development	31,150,599	-
Legacy investment in tourism	6,175,869	-
Other	-	-
Unrestricted (deficit)	22,929,729	76,273
Total net position	\$ 64,299,976	\$ 169,067

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Activities

FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
General government	\$ 78,636,285	\$ 6,811,804	\$ 15,125,197	\$ -
Public safety	128,392,070	12,005,556	7,796,246	-
Economic and physical development	50,856,588	5,064,761	364,796	170,200
Human services	101,454,761	4,361,719	48,049,129	-
Cultural and recreational	10,131,965	340,064	311,894	650,000
Education	170,341,081	1,040,434	-	2,014,670
Interest on long-term debt	9,494,862	-	-	-
Total governmental activities	549,307,612	29,624,338	71,647,262	2,834,870
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Solid Waste Disposal	14,429,606	10,228,702	505,130	-
Nonmajor enterprise funds	412,892	395,851	-	-
Total business-type activities	14,842,498	10,624,553	505,130	-
Total primary government	\$ 564,150,110	\$ 40,248,891	\$ 72,152,392	\$ 2,834,870
<b>COMPONENT UNITS:</b>				
Tourism Development Authority	\$ 27,349,142	\$ 213,436	\$ 35,900,567	\$ -
Asheville-Buncombe Air Quality Agency	921,479	524,898	350,217	-
Total component units	\$ 28,270,621	\$ 738,334	\$ 36,250,784	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Payments in lieu of taxes

Investment earnings (loss), unrestricted

Grants and contributions, unrestricted

Other, unrestricted

Gain on sale of assets

Total general revenues and transfers

Change in net position

Net position, beginning, as originally reported

Prior period adjustment (Note 10)

Net position, beginning

Net position, ending

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

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Asheville-Buncombe Air Quality Agency
\$ (56,699,284)	\$ -	\$ (56,699,284)		
(108,590,268)	-	(108,590,268)		
(45,256,831)	-	(45,256,831)		
(49,043,913)	-	(49,043,913)		
(8,830,007)	-	(8,830,007)		
(167,285,977)	-	(167,285,977)		
(9,494,862)	-	(9,494,862)		
(445,201,142)	-	(445,201,142)		
-	(3,695,774)	(3,695,774)		
-	(17,041)	(17,041)		
-	(3,712,815)	(3,712,815)		
(445,201,142)	(3,712,815)	(448,913,957)		
			\$ 8,764,861	\$ -
			-	(46,364)
			8,764,861	(46,364)
288,320,136	-	288,320,136	-	-
130,972,714	-	130,972,714	-	-
46,674,869	811,217	47,486,086	-	152,670
100,707	-	100,707	-	-
8,730,206	501,270	9,231,476	1,732,131	23,031
5,695,520	-	5,695,520	-	-
5,269,886	-	5,269,886	36,715	-
131,261	36,000	167,261	-	-
485,895,299	1,348,487	487,243,786	1,768,846	175,701
40,694,157	(2,364,328)	38,329,829	10,533,707	129,337
(75,708,493)	29,286,083	(46,422,410)	53,766,269	39,730
(2,872,469)	-	(2,872,469)	-	-
(78,580,962)	29,286,083	(49,294,879)	53,766,269	39,730
\$ (37,886,805)	\$ 26,921,755	\$ (10,965,050)	\$ 64,299,976	\$ 169,067

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

BUNCOMBE COUNTY, NORTH CAROLINA

Balance Sheet

Governmental Funds

JUNE 30, 2023

	General	Occupancy Tax	Special Taxing Districts	Grant Projects	Public School Capital Needs
<b>ASSETS</b>					
Cash and investments	\$ 113,116,079	\$ 2,899,484	\$ 1,226,121	\$ -	\$ 19,737,101
Restricted cash and investments	1,824,798	-	-	29,578,917	7,467,898
Receivables, net	6,857,424	3,357,854	140,554	467,690	-
Due from other governments	19,690,962	-	4,199,224	3,867,922	7,150,564
Due from other funds	7,868,630	-	-	-	-
Prepaid items	860,591	-	-	-	-
Long-term receivable	7,259	-	-	-	-
Lease receivable	15,252,634	-	-	-	-
Total assets	<u>\$ 165,478,377</u>	<u>\$ 6,257,338</u>	<u>\$ 5,565,899</u>	<u>\$ 33,914,529</u>	<u>\$ 34,355,563</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 13,955,809	\$ -	\$ 5,462,974	\$ 853,214	\$ 596,148
Payable from restricted cash	34,019	-	-	570,148	47,114
Unearned revenue	1,390,220	-	-	29,008,769	-
Other liabilities	3,336,719	-	-	-	-
Due to component unit	-	6,206,955	-	-	-
Due to other funds	-	50,383	-	7,014,988	-
Total liabilities	<u>18,716,767</u>	<u>6,257,338</u>	<u>5,462,974</u>	<u>37,447,119</u>	<u>643,262</u>
DEFERRED INFLOWS OF RESOURCES	<u>19,800,843</u>	<u>-</u>	<u>102,925</u>	<u>3,603,641</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	1,135,050	-	-	-	-
Restricted					
Stabilization by State statute	36,078,890	-	-	-	-
Education	-	-	-	-	33,712,301
Capital projects	114,723	-	-	-	-
Other	3,563,086	-	-	-	-
Assigned					
Subsequent year's expenditures	18,894,070	-	-	-	-
Capital projects	-	-	-	-	-
Human services	-	-	-	-	-
Unassigned	67,174,948	-	-	(7,136,231)	-
Total fund balances	<u>126,960,767</u>	<u>-</u>	<u>-</u>	<u>(7,136,231)</u>	<u>33,712,301</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 165,478,377</u>	<u>\$ 6,257,338</u>	<u>\$ 5,565,899</u>	<u>\$ 33,914,529</u>	<u>\$ 34,355,563</u>

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

AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 16,074,624	\$ -	\$ 12,282,483	\$ 15,636,998	\$ 6,796,685	\$ 187,769,575
102,602	-	14,357,539	-	1,906,255	55,238,009
6,539	-	49,950	131,735	1,265,360	12,277,106
4,958,090	6,309,687	-	76,719	538,011	46,791,179
-	-	-	-	-	7,868,630
-	-	-	-	-	860,591
-	-	-	7,875,623	-	7,882,882
-	-	-	-	-	15,252,634
<u>\$ 21,141,855</u>	<u>\$ 6,309,687</u>	<u>\$ 26,689,972</u>	<u>\$ 23,721,075</u>	<u>\$ 10,506,311</u>	<u>\$ 333,940,606</u>

\$ 10,792	\$ 5,548,986	\$ 140,027	\$ 286,552	\$ 413,474	\$ 27,267,976
95,414	-	823,961	-	111,795	1,682,451
-	-	-	-	12,906	30,411,895
-	-	-	4,677,785	179,829	8,194,333
-	-	-	-	-	6,206,955
-	760,701	-	-	42,558	7,868,630
<u>106,206</u>	<u>6,309,687</u>	<u>963,988</u>	<u>4,964,337</u>	<u>760,562</u>	<u>81,632,240</u>
-	-	-	-	434,400	23,941,809

-	-	-	-	-	1,135,050
-	-	-	-	1,418,271	37,497,161
21,035,649	-	-	-	-	54,747,950
-	-	14,357,539	7,875,623	-	22,347,885
-	-	-	-	6,751,128	10,314,214
-	-	-	-	-	18,894,070
-	-	11,368,445	10,881,115	-	22,249,560
-	-	-	-	1,190,917	1,190,917
-	-	-	-	(48,967)	59,989,750
<u>21,035,649</u>	<u>-</u>	<u>25,725,984</u>	<u>18,756,738</u>	<u>9,311,349</u>	<u>228,366,557</u>

\$ 21,141,855   \$ 6,309,687   \$ 26,689,972   \$ 23,721,075   \$ 10,506,311

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) (266,253,362)  
Net position (deficit) of governmental activities \$ (37,886,805)

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



# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	General	Occupancy Tax	Special Taxing Districts	Grant Projects	Public School Capital Needs
<b>REVENUES</b>					
Ad valorem taxes	\$ 244,033,754	\$ -	\$ 43,088,718	\$ -	\$ -
Incremental tax revenue	-	-	-	-	-
Local option sales taxes	44,650,927	-	16,534,510	-	28,311,666
Other taxes and licenses	10,226,631	36,448,238	-	-	-
Unrestricted intergovernmental	5,542,083	-	-	-	-
Restricted intergovernmental	45,232,296	-	-	20,023,412	189,354
Permits and fees	5,573,697	-	-	-	-
Sales and services	23,086,737	-	-	-	-
Investment earnings (loss)	6,852,840	-	-	-	897,675
Other	697,763	-	-	1,724,352	-
Total revenues	385,896,728	36,448,238	59,623,228	21,747,764	29,398,695
<b>EXPENDITURES</b>					
Current:					
General government	65,481,271	-	-	11,695,910	-
Public safety	79,947,631	-	43,765,990	4,098,912	-
Economic and physical development	7,326,317	36,448,238	-	82,467	-
Human services	89,497,217	-	-	7,140,033	-
Cultural and recreational	9,061,236	-	-	4,259,379	-
Education	109,038,706	-	15,857,238	-	-
Capital outlay	-	-	-	-	14,720,639
Debt service:					
Principal retirement	15,880,047	-	-	-	15,389,339
Interest and fees	5,783,036	-	-	-	6,951,140
Total expenditures	382,015,461	36,448,238	59,623,228	27,276,701	37,061,118
Revenues over (under) expenditures	3,881,267	-	-	(5,528,937)	(7,662,423)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	8,435,519	-	-	335,125	-
Transfers to other funds	(15,658,543)	-	-	-	-
Lease liabilities issued	5,951,567	-	-	-	-
Sale of capital assets	36,903	-	-	-	-
Total other financing sources (uses)	(1,234,554)	-	-	335,125	-
Net changes in fund balances	2,646,713	-	-	(5,193,812)	(7,662,423)
Fund balances, beginning as originally reported	124,314,054	-	-	(1,942,419)	41,374,724
Prior period restatement- error correction	-	-	-	-	-
Fund balances, beginning	124,314,054	-	-	(1,942,419)	41,374,724
Fund balances, ending	\$ 126,960,767	\$ -	\$ -	\$ (7,136,231)	\$ 33,712,301

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

AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,122,472
-	-	-	-	447,833	447,833
19,685,163	21,790,448	-	-	-	130,972,714
-	-	-	-	-	46,674,869
-	-	-	153,438	-	5,695,521
-	1,825,316	650,000	170,200	4,628,701	72,719,279
-	-	-	-	410,087	5,983,784
-	-	-	-	1,040,434	24,127,171
407,135	-	282,705	-	139,520	8,579,875
-	-	1,249,200	90,654	1,688,500	5,450,469
20,092,298	23,615,764	2,181,905	414,292	8,355,075	587,773,987
-	-	-	-	490,247	77,667,428
-	-	-	-	653,388	128,465,921
-	-	-	-	9,338	43,866,360
-	-	-	-	4,514,005	101,151,255
-	-	-	-	39,629	13,360,244
-	-	-	-	1,040,434	125,936,378
5,937,245	23,615,764	5,517,160	7,659,518	155,054	57,605,380
4,902,214	-	-	-	461,946	36,633,546
2,098,024	-	-	-	392,188	15,224,388
12,937,483	23,615,764	5,517,160	7,659,518	7,756,229	599,910,900
7,154,815	-	(3,335,255)	(7,245,226)	598,846	(12,136,913)
-	-	1,803,066	11,807,845	1,712,507	24,094,062
(5,000,000)	-	(3,408,895)	-	(26,624)	(24,094,062)
-	-	-	-	219,987	6,171,554
-	-	-	-	95,075	131,978
(5,000,000)	-	(1,605,829)	11,807,845	2,000,945	6,303,532
2,154,815	-	(4,941,084)	4,562,619	2,599,791	(5,833,381)
18,880,834	-	30,667,068	14,194,119	6,090,120	233,578,500
-	-	-	-	621,438	621,438
18,880,834	-	30,667,068	14,194,119	6,711,558	234,199,938
\$ 21,035,649	\$ -	\$ 25,725,984	\$ 18,756,738	\$ 9,311,349	\$ 228,366,557

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

Net changes in fund balances - total governmental funds	\$ (5,833,381)
Reconciliation to full accrual basis of accounting (see Note 1)	46,527,538
Total change in net position (deficit) of governmental activities	<u>\$ 40,694,157</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, 2023

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 240,309,247	\$ 240,309,247	\$ 244,033,754	\$ 3,724,507
Local option sales taxes	47,527,393	47,527,393	44,650,927	(2,876,466)
Other taxes and licenses	11,018,000	11,018,000	10,226,631	(791,369)
Unrestricted intergovernmental	625,000	1,524,415	5,542,083	4,017,668
Restricted intergovernmental	45,189,756	47,900,362	45,232,296	(2,668,066)
Permits and fees	5,210,000	5,210,000	5,573,697	363,697
Sales and services	17,858,468	18,108,468	23,086,737	4,978,269
Investment earnings (loss)	550,000	550,000	6,852,840	6,302,840
Other	1,462,724	1,515,618	701,711	(813,907)
Total revenues	<u>369,750,588</u>	<u>373,663,503</u>	<u>385,900,676</u>	<u>12,237,173</u>
<b>EXPENDITURES</b>				
Current:				
General government	68,346,039	75,342,138	65,481,271	9,860,867
Public safety	82,592,325	83,046,018	79,947,631	3,098,387
Economic and physical development	8,827,753	9,366,826	7,326,317	2,040,509
Human services	91,644,505	94,652,485	89,497,217	5,155,268
Culture and recreation	9,879,778	9,966,490	9,061,236	905,254
Intergovernmental:				
Education	109,226,848	109,226,848	109,038,706	188,142
Total current expenditures	<u>370,517,248</u>	<u>381,600,805</u>	<u>360,352,378</u>	<u>21,248,427</u>
Debt service:				
Principal retirement			15,880,046	
Interest and other charges			5,783,037	
Total debt service	<u>19,066,043</u>	<u>23,887,958</u>	<u>21,663,083</u>	<u>2,224,875</u>
Total expenditures	<u>389,583,291</u>	<u>405,488,763</u>	<u>382,015,461</u>	<u>23,473,302</u>
Revenues over (under) expenditures	<u>(19,832,703)</u>	<u>(31,825,260)</u>	<u>3,885,215</u>	<u>35,710,475</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	12,434,241	12,434,241	8,435,519	(3,998,722)
Transfers to other funds	(8,649,190)	(15,658,543)	(15,658,543)	-
Lease liabilities issued	-	12,000,000	5,951,567	(6,048,433)
Sales of capital assets	100,000	100,000	36,903	(63,097)
Appropriated fund balance	15,947,652	22,949,562	-	(22,949,562)
Total other financing sources (uses)	<u>19,832,703</u>	<u>31,825,260</u>	<u>(1,234,554)</u>	<u>(33,059,814)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,650,661</u>	<u>\$ 2,650,661</u>
Reconciliation from budgetary basis to GAAP:				
Reconciling items:				
Net collections on long-term loans			(3,948)	
Change in fund balance			2,646,713	
Fund balance, beginning			<u>124,314,054</u>	
Fund balance, ending			<u>\$ 126,960,767</u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 46,000,000	\$ 36,448,238	\$ (9,551,762)
EXPENDITURES			
Current:			
Economic and physical development:			
Tourism development	46,000,000	36,448,238	9,551,762
Revenues over expenditures	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 7

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes		\$ 43,088,718	
Local option sales taxes		16,534,510	
Total revenues	\$ 64,064,144	59,623,228	\$ (4,440,916)
EXPENDITURES			
Current:			
Public safety:			
Volunteer fire departments		43,765,990	
Education:			
Asheville City Schools		15,857,238	
Total expenditures	64,064,144	59,623,228	4,440,916
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 8

Statement of Net Position

Proprietary Funds

JUNE 30, 2023

	Enterprise Funds			Internal
	Solid Waste	Nonmajor	Total	Service Fund
	Disposal	Enterprise		Insurance
Fund	Funds		Fund	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 20,590,635	\$ 1,091,867	\$ 21,682,502	\$ 27,028,860
Restricted cash and cash equivalents	1,289,816	-	1,289,816	-
Receivables, net	1,098,641	4,533	1,103,174	6,577
Due from other governments	11,474	-	11,474	-
Prepays	-	-	-	384,000
Inventories	37,282	-	37,282	-
Total current assets	23,027,848	1,096,400	24,124,248	27,419,437
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	7,039,284	-	7,039,284	-
Other capital assets, net of depreciation	35,333,774	59,179	35,392,953	-
Right to use assets, net of amortization	730,817	-	730,817	-
Total capital assets	43,103,875	59,179	43,163,054	-
Total noncurrent assets	43,103,875	59,179	43,163,054	-
Total assets	66,131,723	1,155,579	67,287,302	27,419,437
DEFERRED OUTFLOWS OF RESOURCES	1,744,169	51,293	1,795,462	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,260,337	113,633	1,373,970	560,933
Accrued interest payable	31,223	-	31,223	-
Payable from restricted cash	96,433	-	96,433	-
Salaries and payroll taxes payable	120,073	2,591	122,664	15,785
Compensated absences	232,876	9,343	242,219	-
Other liabilities	-	-	-	1,621,608
Installment obligations payable, current portion	2,470,000	-	2,470,000	-
Lease obligations payable, current portion	443,672	-	443,672	-
Total current liabilities	4,654,614	125,567	4,780,181	2,198,326
Noncurrent liabilities:				
Accrued landfill closure and postclosure care costs	21,296,958	-	21,296,958	-
Net OPEB liability	1,576,360	46,358	1,622,718	-
Net pension liability - LGERS	1,583,332	46,563	1,629,895	-
Installment obligations payable	11,059,000	-	11,059,000	-
Lease obligations payable	282,932	-	282,932	-
Total noncurrent liabilities	35,798,582	92,921	35,891,503	-
Total liabilities	40,453,196	218,488	40,671,684	2,198,326
DEFERRED INFLOWS OF RESOURCES	1,446,777	42,548	1,489,325	-
<b>NET POSITION</b>				
Net investment in capital assets	29,368,076	59,179	29,427,255	-
Unrestricted (deficit)	(3,392,157)	886,657	(2,505,500)	25,221,111
Total net position	\$ 25,975,919	\$ 945,836	\$ 26,921,755	\$ 25,221,111

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 9

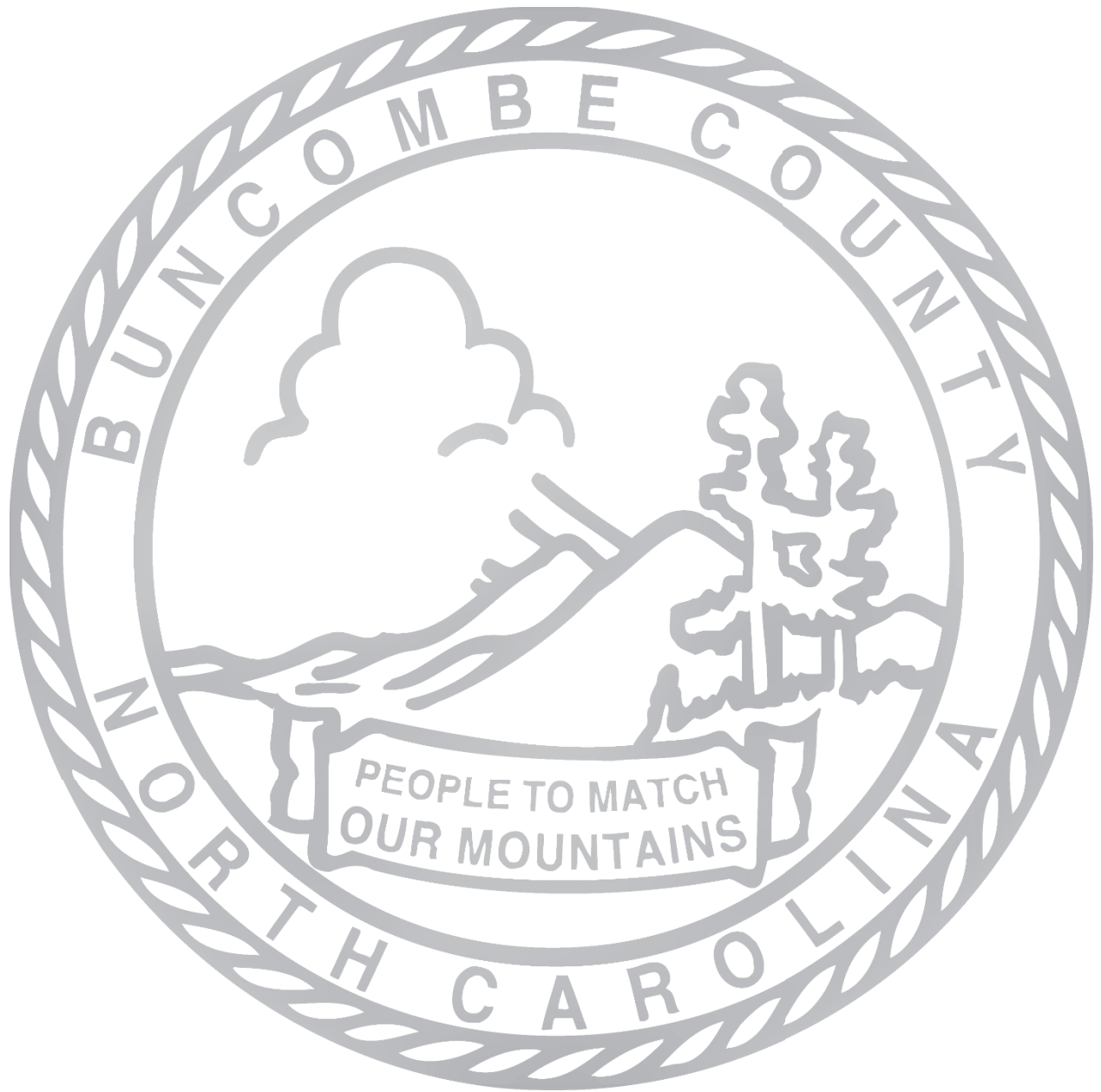
Statement of Revenues, Expenses, and Change in Net Position

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,228,702	\$ 395,851	\$ 10,624,553	\$ 36,874,722
Other	505,130	-	505,130	3,656,340
Total operating revenues	10,733,832	395,851	11,129,683	40,531,062
<b>OPERATING EXPENSES</b>				
Salaries, wages, and fringe benefits	3,699,583	55,333	3,754,916	542,343
Contracted services		101,142	101,142	
Cost of products sold		64,273	64,273	
Other operating expenses	5,204,138	162,705	5,366,843	3,485,263
Landfill closure and postclosure care costs	2,263,626	-	2,263,626	-
Depreciation	2,245,837	29,439	2,275,276	-
Amortization	566,366	-	566,366	-
Insurance premiums	-	-	-	1,683,912
Claims	-	-	-	33,721,271
Total operating expenses	13,979,550	412,892	14,392,442	39,432,789
Operating income (loss)	(3,245,718)	(17,041)	(3,262,759)	1,098,273
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and investment income	474,857	26,413	501,270	-
Disposal taxes	811,217	-	811,217	-
Interest and other charges	(450,056)	-	(450,056)	-
Gain on disposal of assets	36,000	-	36,000	-
Total nonoperating revenues (expenses)	872,018	26,413	898,431	-
Change in net position	(2,373,700)	9,372	(2,364,328)	1,098,273
Net position, beginning	28,349,619	936,464	29,286,083	24,122,838
Net position, ending	\$ 25,975,919	\$ 945,836	\$ 26,921,755	\$ 25,221,111

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





BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Cash Flows

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 9,967,198	\$ 395,124	\$ 10,362,322	\$ 37,111,171
Cash paid for goods and services	(6,271,724)	(285,710)	(6,557,434)	(38,256,036)
Cash paid to employees for services	(3,830,445)	(123,804)	(3,954,249)	(571,633)
Other operating revenue	686,450	-	686,450	3,656,340
Net cash provided (used) by operating activities	551,479	(14,390)	537,089	1,939,842
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental revenues	811,217	-	811,217	-
Net cash provided by noncapital financing activities	811,217	-	811,217	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(10,158,705)	-	(10,158,705)	-
Proceeds from disposal of capital assets	36,000	-	36,000	-
Principal paid on installment obligation	(2,470,000)	-	(2,470,000)	-
Principal paid on lease obligations	(563,665)	-	(563,665)	-
Interest and fees paid on long-term liabilities	(427,543)	-	(427,543)	-
Net cash used by capital and related financing activities	(13,583,913)	-	(13,583,913)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	474,857	26,413	501,270	-
Net cash provided by investing activities	474,857	26,413	501,270	-
Net increase (decrease) in cash and investments	(11,746,360)	12,023	(11,734,337)	1,939,842
Cash and investments, beginning of year	33,626,811	1,079,844	34,706,655	25,089,018
Cash and investments, end of year	\$ 21,880,451	\$ 1,091,867	\$ 22,972,318	\$ 27,028,860

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

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (3,245,718)	\$ (17,041)	\$ (3,262,759)	\$ 1,098,273
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	2,245,837	29,439	2,275,276	-
Amortization	566,366	-	566,366	-
Landfill closure and postclosure care costs	2,116,364	-	2,116,364	-
Changes in assets, liabilities and deferred outflows and inflows of resources:				
Accounts receivable	(80,181)	(727)	(80,908)	236,449
Inventories	11,205	-	11,205	-
Deferred outflows of resources - pensions	(390,007)	1,183	(388,824)	-
Net pension liability	1,144,180	25,227	1,169,407	-
Deferred inflows of resources - pensions	(606,848)	(30,172)	(637,020)	-
Accounts payable	(931,532)	42,410	(889,122)	634,410
Salaries and payroll taxes payable	(49,369)	(10,788)	(60,157)	(29,290)
Deferred outflows of resources - OPEB	79,393	17,171	96,564	-
Net OPEB liability	(484,256)	(53,755)	(538,011)	-
Deferred inflows of resources - OPEB	172,068	(18,694)	153,374	-
Accrued compensated absences	3,977	1,357	5,334	-
Total adjustments	3,797,197	2,651	3,799,848	841,569
Net cash provided (used) by operating activities	\$ 551,479	\$ (14,390)	\$ 537,089	\$ 1,939,842

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 11

Statement of Fiduciary Net Position

Fiduciary Funds

JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 1,451,970
Investments:		
State Treasurer Short Term Investment Fund	7,561,724	-
State Treasurer Bond Index Fund	2,827,977	-
Mutual funds	29,430,573	-
Receivables, net	-	405,453
Total assets	<u>39,820,274</u>	<u>1,857,423</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	25,472
Due to other governments	-	1,309,456
Total liabilities	<u>-</u>	<u>1,334,928</u>
<b>NET POSITION</b>		
Restricted for:		
Postemployment benefits other than pensions	39,820,274	-
Individuals and other governments	-	522,495
Total net position	<u>\$ 39,820,274</u>	<u>\$ 522,495</u>

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

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

Exhibit 12

FOR THE YEAR ENDED JUNE 30, 2023

	OPEB Trust Fund	Custodial Funds
<b>ADDITIONS</b>		
Employer contributions	\$ 8,857,662	\$ -
Investment income:		
Interest and dividends	165,361	-
Loss on sales of investments	53,912	-
Net appreciation in fair value of investments	4,035,117	-
Less: investment management fees	(5,669)	-
Investment income, net	4,248,721	-
Ad valorem taxes collected for other governments	-	98,747,024
Collections on behalf of inmates	-	1,045,894
Total additions	<u>13,106,383</u>	<u>99,792,918</u>
<b>DEDUCTIONS</b>		
Benefit payments	6,857,662	-
Tax distributions to other governments	-	98,704,745
Payments on behalf of inmates	-	998,910
Total deductions	<u>6,857,662</u>	<u>99,703,655</u>
Change in net position	6,248,721	89,263
<b>NET POSITION</b>		
Beginning, as previously reported	33,571,553	433,232
Ending	<u>\$ 39,820,274</u>	<u>\$ 522,495</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, 2023

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

The accounting policies of Buncombe County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

##### (A) Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. Buncombe County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The OPEB Trust Fund holds funds used to provide postretirement benefits to qualifying employees of the County and the Asheville-Buncombe Air Quality Agency. It is presented as a fiduciary fund in the financial statements. Buncombe County Tourism Development Authority (the Tourism Development Authority) and Asheville-Buncombe Air Quality Agency (the Agency), which have a June 30 year-end, are presented as if they are separate governmental funds of the County (discrete presentation). The discretely presented component units listed below are reported in separate columns in the County's financial statements in order to emphasize that they are legally separate from the County. Buncombe County Service Foundation, Inc. (the Foundation) meets the blending requirements of Governmental Accounting Standards Board (GASB) Statement No. 80, and is therefore presented as a special revenue fund of the County.

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

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

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

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

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

The County reports the following major enterprise fund:

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

The County reports the following fund types:

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

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

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

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

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

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing through leases are reported as other financing sources.

The County considers revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State Law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and



collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when the vehicles are registered.

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

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

### **(C) Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Taxing Districts Fund, Emergency Telephone System Fund, Occupancy Tax Fund, Register of Deeds Automation Fund, Register of Deeds Fund, Representative Payee Fund, Opioid Settlement Fund, Drug Forfeitures Fund, School Fines and Forfeitures Fund, PDF Woodfin Downtown Fund, Sondley Estate Trust Fund, Transportation Fund, the Reappraisal Reserve Fund, the Buncombe County Service Foundation, Inc., and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Capital Projects Fund, the Public School Capital Needs Fund, the AB Tech Capital Projects Fund, the Public School ADM Sales Tax/Lottery Projects Fund, the Grant Projects Fund, the Special Projects Capital Projects Funds, the Opioid Settlement Fund, the Housing and Open Space Bond Projects Fund, and the enterprise capital projects fund, which is consolidated with the enterprise operating funds for reporting purposes.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund and the governing board must approve all amendments. The County Manager is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$75,000 per expenditure; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$75,000 per expenditure must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

All deposits of the County, Buncombe County Tourism Development Authority, and Asheville-Buncombe Air Quality Agency (Agency), are made in board-designated official depositories and are secured as required by North Carolina General Statute (G.S.) 159-31. The County, Tourism Development Authority, and Agency may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, Tourism Development Authority, and Agency may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County, Tourism Development Authority, and Agency to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances, local government investment pools and the North Carolina Capital Management Trust (NCCMT).

The NCCMT Cash Portfolio and North Carolina Local Government Investment Pool (NCLGIP), are SEC-registered 2a7 external investment pools and are measured at amortized cost. The County pools moneys from several funds to facilitate disbursement and investment and maximize investment income. Income from pooled

moneys is allocated to participating funds based on the funds’ respective share of total pooled cash and investments. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

The County, Tourism Development Authority, and Agency’s investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

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

STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 0.9 years. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years at June 30, 2023.

BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund’s fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the fund was \$31.8158 per share. Fair value for this fund is determined using Level 1 inputs.

**(2) Cash and Cash Equivalents**

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

**(3) Restricted Assets**

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

Governmental Activities:		
General Fund	Unexpended bond proceeds	\$ 114,723
General Fund	Unexpended grant proceeds	1,390,219
General Fund	Reserve for tax reappraisal	285,837
General Fund	Payables from restricted cash	34,019
Opioid Settlement Fund	Unexpended settlement proceeds	1,780,375
Opioid Settlement Fund	Payables from restricted cash	111,795
Grant Projects Fund	Unexpended grant proceeds	29,008,769
Grant Projects Fund	Payables from restricted cash	570,148
County Capital Projects Fund	Unexpended bond proceeds	13,533,578
County Capital Projects Fund	Payables from restricted cash	823,961
Public School Capital Needs Fund	Unexpended bond proceeds	7,420,784
Public School Capital Needs Fund	Payables from restricted cash	47,114
AB Tech Capital Projects Fund	Unexpended bond proceeds	7,188
AB Tech Capital Projects Fund	Payables from restricted cash	95,414
Other Governmental Funds	Unexpended bond proceeds	1,179
Other Governmental Funds	Unexpended grant proceeds	12,906
Total Governmental Activities		\$ 55,238,009

Business-Type Activities		
Solid Waste Disposal	Unexpended bond proceeds	\$ 1,193,383
Solid Waste Disposal	Payables from restricted cash	<u>96,433</u>
Total Business-Type Activities		<u>\$ 1,289,816</u>
Total restricted cash		<u>\$ 56,527,825</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, 2023.

**(5) Lease Receivable**

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

**(6) Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years and the age of individual outstanding balances.

**(7) Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Prepaid items for the County’s governmental funds are treated using the consumption method.

**(8) Capital Assets**

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

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

The County’s capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) subscription in accordance with GASB 87 or GASB 96, respectively.

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

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term are reported as a prepayment (asset). Such prepayments are reduced by any incentives received from the same vendor before the start of the subscription term if a right offset exists. The net amount of the prepayments and incentives are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount is included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

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

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

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

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

In addition to liabilities, the statement of net position has a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – advance receipt of ad valorem taxes, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), leases, subscriptions, and pension and OPEB related deferrals.

**(10) Long-term Obligations**

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

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

**(11) Compensated Absences**

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

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

**(12) Opioid Settlement Funds**

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

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

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

The County received \$1,475,566 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. As of June 30<sup>th</sup>, 2023, the County has spent \$352,612. The MOA offered the County two options of expending the funds. The County chose Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

**(13) Reimbursements for Pandemic Related Expenditures**

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

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

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

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

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

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

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

Restricted for other purposes as detailed below:

*Restricted for Register of Deeds:* Fund balance of \$473,850 restricted by revenue source for Register of Deeds related automation expenditures.

*Restricted for tax reappraisal:* Fund balance of \$283,399 restricted for expenditures related to tax reappraisal per G.S. 153A-150.

*Restricted for economic and physical development:*

Fund balance of \$3,232,522 restricted by revenue source to the support of the Permits and Inspections department per G.S. 153A-354, \$47,165 restricted by revenue source for soil conservation activities, and \$12,596 restricted by revenue source to paying debt service of the PDF Woodfin Downtown Fund.

*Restricted for human services:*

Fund balance of \$400,525 restricted by revenue source for human service activities of the Buncombe County Service Foundation, \$57,425 that can only be used for beneficiaries under the Social Security's Representative Payee Program, and \$1,773,669 restricted by revenue source to addressing the opioid crisis.

*Restricted for library:* Fund balance of \$884,558 restricted for the libraries by the donor.

*Restricted for public safety:* Fund balance of \$3,148,505 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.

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

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

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

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

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

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

**(15) Defined Benefit Pension and OPEB Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Government Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered, defined benefit pension plans"), administers a single-employer Law Enforcement Officers' Special Separation Allowance (LEOSSA) defined benefit pension plan, and administers one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-

administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

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

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



Description	Amount
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)	\$ 225,460,171
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	6,732,725
Net pension asset	394,200
Pension and other post-employment benefit activity relating to deferred outflows and inflows is not used or reported in the funds	14,556,631
Accrued interest receivable on long-term loans and investments reported in the government-wide activities, but not in the fund statements	366,002
Deferred inflows of resources are reported in the fund statements but not the government-wide statements	6,973,936
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	25,221,111
Deferred inflows and outflows related to advance refunding bonds issued – included on government-wide statement of net position, but not in the fund statements	(2,929,027)
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	(367,083,101)
Lease liabilities	(1,998,975)
Subscription Liabilities	(4,042,207)
Compensated absences	(10,099,107)
Total pension liability - LEOSSA	(9,479,366)
Net OPEB liability	(74,225,346)
Net pension liability - LGERS	(74,553,640)
Pension spiking liability	(362,002)
Accrued interest payable	(1,185,367)
Total	<u>\$ (266,253,362)</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:

Description	Amount
Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the statement of activities.	15,048,065
Cost of disposed capital assets not recorded in fund statements	(717)
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(17,218,324)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	40,656,562
A portion of expense activity related to the Local Government Employee Retirement System, the Law Enforcement Special Separation Allowance, the Register of Deeds' Supplemental Pension Fund, and other post-employment benefits is not reported in the governmental funds and is included in the Statement of Activities:	
Local Government Employee Retirement System expense adjustment	(6,905,763)
Law Enforcement Special Separation Allowance expense adjustment	(508,335)
Register of Deeds' Supplemental Pension Fund expense adjustment	(53,390)
Other post-employment benefit expense adjustment	11,148,542
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Compensated absences	270,703
Payments related to the 2014 Retirement Incentive	294,125
Pension spiking liability	658,075
Accrued interest on tax refund	74,254
Difference in expenditures between fund statements (modified accrual) and government-wide statements (full accrual) related to accrued tax refund	(131,055)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Difference in interest revenue between fund statements (modified accrual) and government-wide statements (full accrual)	158,371
Increase of deferred inflows of resources – taxes receivable	28,665
Increase of deferred inflows of resources – EMS receivable	(535,458)
Increase in deferred inflows of resources - grant receivables	1,674,938
Increase in deferred inflows of resources - other receivables	48,841
Difference in accrued tax refund between fund statements (modified accrual) and government-wide statements (full accrual)	721,166
Net expense, including transfers, of internal service funds determined to be governmental type	1,098,273
Total	<u>\$ 46,527,538</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 - Stewardship, Compliance, and Accountability****(1) Deficit Fund Equity**

At June 30, 2023, the Grant Projects Fund, a major fund, has a deficit fund balance of \$7,136,231. The deficit is related to grants for which there were expenditures, but no recorded revenue since reimbursement was not received and available as a current resource within the year or period of accrual after year end. It also includes an excess of \$4,905,343 of expenditures over revenues related to the Enka Recreation Destination grant. This grant includes certain milestones which the County has not yet crossed to be eligible for reimbursement. This will resolve over time when grant projects are closer to completion and all funds are received.

**(2) Excess of Expenditures over Appropriations**

The County's Reappraisal Reserve fund reported expenditures for principal retirement in excess of the amount budgeted. This occurred because of the implementation of GASB Statement No. 96. The County did not budget for the principal payments.

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

All deposits of the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency are either insured or collateralized by using the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Tourism Development Authority, and Asheville-Buncombe Air Quality Agency under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2023, the County's (including Asheville-Buncombe Air Quality) deposits had a carrying amount of \$40,540,008 and a bank balance of \$40,939,950. Of the bank balance, \$500,000 was covered by federal depository insurance and \$40,439,950 was covered by collateral held under the Pooling Method. These amounts include \$736,845 held by the County in its fiduciary capacity for its custodial funds. At June 30, 2023, Buncombe County had \$10,900 cash on hand.

At June 30, 2023, the Tourism Development Authority's deposits had a carrying amount of \$12,077,477 and a bank balance of \$12,590,480. Of the bank balance, \$250,000 was covered by federal depository insurance and \$12,340,480 was covered by collateral held under the Pooling Method.

**(2) Investments**

As of June 30, 2023, the County had the following investments and maturities:

Investment Type	Valuation	Fair Value	Less Than 6		
	Measurement Method		Months	6-12 Months	1-3 Years
US Treasuries	Fair Value-Level 1	\$ 27,921,701	\$ 6,982,316	\$ 6,929,844	\$ 14,009,541
US Government agencies	Fair Value-Level 2	19,805,070	6,569,478	3,002,030	10,233,562
NCCMT - Government Portfolio	Fair Value-Level 1	138,462,575	138,462,575	-	-
NC Investment Pool	Fair Value-Level 1	68,457,324	68,457,324	-	-
Total		<u>\$ 254,646,670</u>	<u>\$ 220,471,693</u>	<u>\$ 9,931,874</u>	<u>\$ 24,243,103</u>

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

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

At June 30, 2023, the Tourism Development Authority's investments consisted of \$51,263,390 in the North Carolina Capital Management Trust's Government Portfolio, Fair Value-Level 1, with a maturity of less than 6 months.

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

	Primary Government	Tourism Development Authority	Asheville-Buncombe Air Quality
Deposits	\$ 40,540,008	\$ 12,077,477	\$ -
Cash on hand	10,900	-	-
Investments	254,646,670	51,263,390	-
	295,197,578	63,340,867	-
Reported in Component Units	(736,845)	-	736,845
	<u>\$ 294,460,733</u>	<u>\$ 63,340,867</u>	<u>\$ 736,845</u>
Reported on government-wide statement of net position:			
Cash and investments	\$ 236,480,938	\$ 63,340,867	\$ 736,845
Restricted cash and investments	56,527,825	-	-
	293,008,763	<u>\$ 63,340,867</u>	<u>\$ 736,845</u>
Reported in custodial funds:			
Cash and investments	1,451,970		
	<u>\$ 294,460,733</u>		

**Interest Rate Risk**

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

**Credit Risk**

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

**Custodial Credit Risk**

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

**Concentration of Credit Risk**

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

**State Treasurer’s OPEB Fund**

At June 30, 2023, the Buncombe County Healthcare Benefits (HCB) Plan Fund had \$39,820,274 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>
State Treasurer’s Long-Term Investment Fund (BIF)	\$ 2,827,977
State Treasurer’s Short-Term Investment Fund (STIF)	7,561,724
BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund	<u>29,430,573</u>
Total	<u>\$ 39,820,274</u>

**Interest Rate Risk**

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

**Credit Risk**

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

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

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

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

Fiscal Year	Levied	Tax	Interest	Total
2020		\$ 4,026,242	\$ 956,232	\$ 4,982,474
2021		3,719,545	548,633	4,268,178
2022		4,208,877	242,010	4,450,887
2023		4,232,958	-	4,232,958
Total		\$ 16,187,622	\$ 1,746,875	\$ 17,934,497

**(4) Receivables**

Receivables at the government-wide level at June 30, 2023 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Leases	Long-term Loans	Total
<b>Governmental Activities:</b>						
General	\$ 7,298,742	\$ 2,666,284	\$ 19,690,962	\$ 15,252,634	\$ 7,259	\$ 44,915,881
Occupancy Tax	-	3,357,854	-	-	-	3,357,854
Special Taxing Districts	-	200,791	4,199,224	-	-	4,400,015
Grant Projects	467,690	-	3,867,922	-	-	4,335,612
Public School Capital Needs	-	-	7,150,564	-	-	7,150,564
AB Tech Capital Projects	6,539	-	4,958,090	-	-	4,964,629
Public Schools ADM	-	-	6,309,687	-	-	6,309,687
County Capital Projects	49,950	-	-	-	-	49,950
Special Projects Capital Projects	131,735	-	76,719	-	7,875,623	8,084,077
Internal Service Fund	6,577	-	-	-	-	6,577
Other Governmental	1,265,361	-	538,011	-	-	1,803,372
	9,226,594	6,224,929	46,791,179	15,252,634	7,882,882	85,378,218
Allowance for doubtful accounts	(2,709,216)	(458,620)	-	-	-	(3,167,836)
Total	6,517,378	5,766,309	46,791,179	15,252,634	7,882,882	82,210,382
Governmental Activities	366,005	-	-	-	-	366,005
Total - governmental activities	\$ 6,883,383	\$ 5,766,309	\$ 46,791,179	\$ 15,252,634	\$ 7,882,882	\$ 82,576,387
<b>Business-type Activities</b>						
Solid Waste Disposal	\$ 1,106,976	\$ -	\$ 11,474	\$ -	\$ -	\$ 1,118,450
Other Business-type	4,533	-	-	-	-	4,533
	1,111,509	-	11,474	-	-	1,122,983
Allowance for doubtful accounts	(8,335)	-	-	-	-	(8,335)
Total - business-type activities	\$ 1,103,174	\$ -	\$ 11,474	\$ -	\$ -	\$ 1,114,648

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

Local option sales tax	\$ 33,221,486
Other	13,569,693
Total	\$ 46,791,179

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

On 07/01/2021, Buncombe County, NC entered into a 280 month lease as Lessor for the use of Barnardville Tower Site Sublease - US Cellular. An initial lease receivable was recorded in the amount of \$664,080. As of 06/30/2023, the value of the lease receivable is \$632,559. The lessee is required to make monthly fixed payments of \$2,070. The lease has an interest rate of 1.462%. The Other estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$607,247, and Buncombe County, NC recognized lease revenue of \$28,416 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

On 07/01/2021, Buncombe County, NC entered into a 220 month lease as Lessor for the use of Swannanoa Tower Site - Bell Atlantic. An initial lease receivable was recorded in the amount of \$566,108. As of 06/30/2023, the value of the lease receivable is \$524,807. The lessee is required to make monthly fixed payments of \$2,300. The lease has an interest rate of 1.312%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$504,351, and Buncombe County, NC recognized lease revenue of \$30,879 during the fiscal year. The lessee has 3 extension option(s), each for 60 months. The lessee had a termination period of 41 months as of the lease commencement.

On 07/01/2021, Buncombe County, NC entered into a 299 month lease as Lessor for the use of Barnardville Tower Site Sublease - Bell Atlantic Mobile dba Verizon. An initial lease receivable was recorded in the amount of \$765,783. As of 06/30/2023, the value of the lease receivable is \$734,874. The lessee is required to make monthly fixed payments of \$2,150. The lease has an interest rate of 1.502%. The Other estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$704,315, and Buncombe County, NC recognized lease revenue of \$30,734 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 59 months as of the lease commencement.

On 07/01/2021, Buncombe County, NC entered into a 145 month lease as Lessor for the use of 200 College St - TD Bank. An initial lease receivable was recorded in the amount of \$6,634,069. As of 06/30/2023, the value of the lease receivable is \$1,357,621. The lessee is required to make monthly fixed payments of \$43,997. The lease has an interest rate of 1.083%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,354,887, and Buncombe County, NC recognized lease revenue of \$400,055 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, Buncombe County, NC entered into a 162 month lease as Lessor for the use of Land of Sky - Leicester Crossing. An initial lease receivable was recorded in the amount of \$1,234,037. As of 06/30/2023, the value of the lease receivable is \$1,083,804. The lessee is required to make semi-annual fixed payments of \$61,429. The lease has an interest rate of 4.150%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,051,217, and Buncombe County, NC recognized lease revenue of \$91,410 during the fiscal year.

On 07/01/2021, Buncombe County, NC entered into a 150 month lease as Lessor for the use of Unison Engine Components - GE Aviation. An initial lease receivable was recorded in the amount of \$12,813,591. As of 06/30/2023, the value of the lease receivable is \$10,918,970. The lessee is required to make monthly fixed payments of \$89,838. The lease has an interest rate of 1.150%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$10,763,417, and Buncombe County, NC recognized lease revenue of \$1,025,087 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

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

Year Ending June 30	Governmental Activities	
	Principle	Interest
2024	1,271,359	205,031
2025	1,237,946	188,506
2026	1,269,514	171,499
2027	1,287,756	154,131
2028	1,306,348	136,438
2029 - 2033	6,988,309	401,109
2034 - 2038	1,224,793	74,586
2039 - 2043	460,390	31,742
2044 - 2046	206,218	4,010
Total	<u>\$ 15,252,634</u>	<u>\$ 1,367,052</u>

**(5) Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

<b>Governmental Activities</b>	Restated Beginning Balances	Increases	Decreases	Adjustments/ Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 21,587,883	\$ -	\$ -	\$ -	\$ 21,587,883
Construction in progress	9,140,112	10,746,660	11,670,095	-	8,216,677
Total assets not being depreciated	<u>30,727,995</u>	<u>10,746,660</u>	<u>11,670,095</u>	<u>-</u>	<u>29,804,560</u>
Capital assets being depreciated					
Buildings	223,942,030	271,514	-	-	224,213,544
Other improvements	109,505,195	5,925,913	-	-	115,431,108
Equipment	26,957,477	5,124,951	150,215	-	31,932,213
Intangibles	4,257,906	-	-	-	4,257,906
Vehicles	18,040,900	2,406,054	639,589	(65,232)	19,742,133
Total assets being depreciated	<u>382,703,508</u>	<u>13,728,432</u>	<u>789,804</u>	<u>(65,232)</u>	<u>395,576,904</u>
Less accumulated depreciation for:					
Buildings	102,176,301	6,991,340	-	-	109,167,641
Other improvements	43,317,660	5,075,057	-	-	48,392,717
Equipment	23,077,744	981,902	150,215	-	23,909,431
Intangibles	2,549,820	431,660	-	-	2,981,480
Vehicles	14,039,040	2,135,088	638,872	(65,232)	15,470,024
Total accumulated depreciation	<u>185,160,565</u>	<u>15,615,047</u>	<u>789,087</u>	<u>(65,232)</u>	<u>199,921,293</u>
Total capital assets being depreciated, net	<u>197,542,943</u>	<u>(1,886,615)</u>	<u>717</u>	<u>-</u>	<u>195,655,611</u>
Capital asset being amortized:					
Right to use assets:					
Leased land	646,145	-	-	-	646,145
Leased buildings	196,897	508,411	-	-	705,308
Leased infrastructure	900,846	-	-	-	900,846
IT subscriptions	4,465,045	1,734,657	-	-	6,199,702
Total assets being amortized	<u>6,208,933</u>	<u>2,243,068</u>	<u>-</u>	<u>-</u>	<u>8,452,001</u>
Less accumulated amortization:					
Right to use assets:					
Leased land	27,349	27,349	-	-	54,698
Leased buildings	32,053	111,438	-	-	143,491
Leased infrastructure	56,597	56,597	-	-	113,194
IT subscriptions	-	1,407,893	-	-	1,407,893
Total accumulated amortization	<u>115,999</u>	<u>1,603,277</u>	<u>-</u>	<u>-</u>	<u>1,719,276</u>
Total capital assets being amortized, net	<u>6,092,934</u>	<u>639,791</u>	<u>-</u>	<u>-</u>	<u>6,732,725</u>
Governmental activities capital assets, net	<u>\$ 234,363,872</u>				<u>\$ 232,192,896</u>

\* Beginning balances were restated for GASB 96 (see Note 10)

Depreciation and amortization expense was charged to functions/programs as follows:

<b>Governmental Activities</b>	
General government	\$ 9,060,494
Public safety	4,131,510
Economic and physical development	31,042
Human services	2,739,131
Cultural and recreational	1,256,147
Total depreciation and amortization expense	<u>\$ 17,218,324</u>



<b>Business-Type Activities</b>	Beginning Balances	Increases	Decreases	Adjustments/ Transfers	Ending Balances
Solid Waste Disposal					
Capital assets not being depreciated:					
Land	\$ 6,842,138	\$ -	\$ -	\$ -	\$ 6,842,138
Construction in progress	5,557,062	10,114,236	15,474,152	-	197,146
Total capital assets not being depreciated	12,399,200	10,114,236	15,474,152	-	7,039,284
Capital assets being depreciated:					
Buildings and improvements	56,063,760	14,336,917	-	-	70,400,677
Equipment	4,633,851	355,139	-	-	4,988,990
Vehicles	1,957,773	826,565	304,451	65,232	2,545,119
Total capital assets being depreciated	62,655,384	15,518,621	304,451	65,232	77,934,786
Less accumulated depreciation for:					
Buildings and improvements	36,285,055	1,771,793	-	-	38,056,848
Equipment	2,507,560	335,813	-	-	2,843,373
Vehicles	1,801,779	138,231	304,451	65,232	1,700,791
Total accumulated depreciation	40,594,394	2,245,837	304,451	65,232	42,601,012
Total capital assets being depreciated, net	22,060,990	13,272,784	-	-	35,333,774
Capital asset being amortized:					
Right to use assets:					
Leased equipment	1,945,360	-	185,935	-	1,759,425
Total assets being amortized	1,945,360	-	185,935	-	1,759,425
Less accumulated amortization:					
Right to use assets:					
Leased equipment	648,177	566,366	185,935	-	1,028,608
Total accumulated amortization	648,177	566,366	185,935	-	1,028,608
Total capital assets being amortized, net	1,297,183	(566,366)	-	-	730,817
Solid Waste Disposal capital assets, net	35,757,373				43,103,875
Other Business-Type Activities					
Capital assets being depreciated:					
Equipment	165,100	-	-	-	165,100
Vehicles	29,129	-	-	-	29,129
Total capital assets being depreciated	194,229	-	-	-	194,229
Less accumulated depreciation for:					
Equipment	76,482	29,439	-	-	105,921
Vehicles	29,129	-	-	-	29,129
Total accumulated depreciation	105,611	29,439	-	-	135,050
Total capital assets being depreciated, net	88,618	(29,439)	-	-	59,179
Other Business-type capital assets, net	88,618				59,179
Business-type capital assets, net	\$ 35,845,991				\$ 43,163,054

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

	Governmental Activities	Business-Type Activities	Total
Capital assets, net	\$ 232,192,896	\$ 43,163,054	\$ 275,355,950
Total	232,192,896	43,163,054	275,355,950
<b>Debt:</b>			
General obligation bonds	(7,200,000)	-	(7,200,000)
Installment notes (including deferrals)	(362,812,128)	(13,529,000)	(376,341,128)
Lease installment obligations	(1,998,975)	(726,604)	(2,725,579)
Subscription installment obligations	(4,042,207)	-	(4,042,207)
Capital accounts payable	(823,961)	(673,578)	(1,497,539)
Retainage payable	(473,410)	-	(473,410)
Gross debt	(377,350,681)	(14,929,182)	(392,279,863)
<b>Add portion of debt that has not given rise to capital assets:</b>			
Unspent bond proceeds	13,648,301	1,193,383	14,841,684
Debt relating to schools and community college	214,971,024	-	214,971,024
Debt relating to economic development	11,613,819	-	11,613,819
Net debt	(137,117,537)	(13,735,799)	(150,853,336)
Capital assets, net of related debt	\$ 95,075,359	\$ 29,427,255	\$ 124,502,614

**Construction commitments**

The County has the following commitments with contractors for active construction projects at June 30, 2023:

Project	Spent-to-date	Remaining Commitment
AHS Track - Asheville High New Track	\$ 945,436	\$ 168,401
FY23 Asheville High – Main Building Auditorium	19,038	38,653
FY23 Montford School – Replace Water Service Line, Sewer Line, Abatement	-	2,500
Herring Elementary School - 2022 SCFC Cycle Campus Wide Projects	341,868	127,271
Montford Retaining Wall Repairs	585,369	18,706
Multiple ACS Schools - Safety and Security Concerns	196,370	1,334
Enka Recreation Destination	6,836,999	413,785
FY20 Enka Site TCC Roofs	3,567,120	2,167,111
FY20 Fleet and General Services Complex	449,510	181,583
FY20 Parking Lot Improvements Countywide	186,562	729,122
FY21 Solar on Public Facilities	8,364,205	1,222,344
FY22 40 Coxe Interior Renovation	89,451	1,107,352
FY22 Solar Panel Installation Phase 2	276,903	53,339
FY23 Solar on Schools & Public Buildings	764,049	698,801
Woodfin Greenway	672,497	1,018,387
Total construction commitments	\$ 23,295,378	\$ 7,948,689

**Discretely presented component units**

Capital asset activity for Asheville-Buncombe Air Quality Agency for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Adjustments/Transfers	Ending Balances
Capital assets being depreciated:					
Equipment	\$ 31,802	\$ 86,342	\$ -	\$ -	\$ 118,144
Vehicles	46,430	-	-	-	46,430
Total capital assets being depreciated	78,232	86,342	-	-	164,574
Less accumulated depreciation for:					
Equipment	16,167	9,183	-	-	25,350
Vehicles	46,430	-	-	-	46,430
Total accumulated depreciation	62,597	\$ 9,183	\$ -	\$ -	71,780
Asheville-Buncombe Air Quality capital assets, net	\$ 15,635				\$ 92,794

**(B) Liabilities**

**(1) Payables**

Payables at the government-wide level at June 30, 2023, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities			
General	\$ 6,293,547	\$ 7,696,281	\$ 13,989,828
Special Taxing District	5,462,974	-	5,462,974
Grant Projects	1,339,927	83,435	1,423,362
Public School Capital Needs	643,262	-	643,262
AB Tech Capital Projects	106,206	-	106,206
Public Schools ADM Sales Tax/Lottery Projects	5,548,986	-	5,548,986
County Capital Projects	963,988	-	963,988
Special Projects Capital Projects	286,552	-	286,552
Internal Service Fund	560,933	15,785	576,718
Other Governmental	521,510	3,759	525,269
Total	21,727,885	7,799,260	29,527,145
Governmental Activities	1,621,608	-	1,621,608
Total - governmental activities	\$ 23,349,493	\$ 7,799,260	\$ 31,148,753
Business-type Activities			
Solid Waste Disposal	\$ 1,356,770	\$ 120,073	\$ 1,476,843
Other Business-type	113,633	2,591	116,224
Total - business-type activities	\$ 1,470,403	\$ 122,664	\$ 1,593,067

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

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

1. Plan Description.

Buncombe County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers

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

2. Benefits Provided.

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

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

3. Contributions.

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contribution rates are set periodically and affirmed annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023 was 13.04% of compensation for law enforcement officers and 12.13% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$13,885,253 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$76,183,535 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension

liability was then rolled forward to the measurement date of June 30, 2022 using update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County’s proportion was 1.350% (measured as of June 30, 2022), which was a decrease of 0.030% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$20,934,580. At June 30, 2023, 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	\$ 3,282,679	\$ 321,848
Changes of assumptions	7,601,408	-
Net difference between projected and actual earnings on pension plan investments	25,179,456	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	566,274	1,406,844
Employer contributions subsequent to the measurement date	13,885,253	-
Total	<u>\$ 50,515,070</u>	<u>\$ 1,728,692</u>

Deferred outflows of resources related to pensions of \$13,885,253 resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. 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:	
2024	\$ 10,850,667
2025	9,573,763
2026	2,480,732
2027	11,995,963
	<u>\$ 34,901,125</u>

At June 30, 2023, the Asheville-Buncombe Air Quality Agency reported a liability of \$276,994 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 using update procedures incorporating the actuarial assumptions. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the Agency’s proportion was 0.0049% (measured as of June 30, 2022), which was a increase of 0.0007% from its proportion measured as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the Agency recognized pension expense of \$88,329. At June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,935	\$ 1,170
Changes in assumptions	27,638	-
Net difference between projected and actual earnings on pension plan investments	91,549	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,714	2,837
Employer contributions subsequent to the measurement date	67,166	-
Total	<u>\$ 229,002</u>	<u>\$ 4,007</u>

Deferred outflows of resources related to pensions of \$67,166 resulting from Agency contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. 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:	
2024	\$ 51,328
2025	46,172
2026	16,713
2027	43,616
	<u>\$ 157,829</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019. 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, 2023 are summarized in the following table:

Asset Class	Target	Long-Term Expected
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability in the December 31, 2021 valuation was 6.50%, which is the same as the December 31, 2020 valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County’s proportionate share of the net pension liability	\$ 137,501,471	\$ 76,183,535	\$ 25,653,997
Asheville-Buncombe Air Quality Agency’s proportionate share of the net pension liability	\$ 499,939	\$ 276,994	\$ 93,275

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

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

1. Plan Description.

Buncombe County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service, and have completed at least five years of continuous service as a law enforcement officer immediately preceding a service retirement. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article

12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2021 valuation date, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	41
Active plan members	<u>237</u>
Total	<u>278</u>

2. Summary of Significant Accounting Policies.

*Basis of Accounting.* The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan. The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions.

The entry age normal actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 7.75%, including inflation and productivity factor
Discount rate	4.31%

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees’ Retirement System for the five year period ending December 31, 2019.

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

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

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

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

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

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

4. Contributions.

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



Separation Allowance are paid as they come due. The County paid \$599,024 as benefits came due for the measurement period.

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

At June 30, 2023, the County reported a total pension liability of \$9,479,366. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$1,132,710. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the Separation Allowance from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 419,998	\$ 264,931
Changes in assumptions	1,488,076	1,628,810
County benefit payments and administrative expenses paid subsequent to the measurement date	320,782	-
<b>Total</b>	<b>\$ 2,228,856</b>	<b>\$ 1,893,741</b>

The County paid \$319,134 in benefit payments and \$1,648 in admin expenditures subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024.

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

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Increase to Pension Expense
2024	\$ 739,516	\$ 432,464	\$ 307,052
2025	669,252	405,251	264,001
2026	499,306	405,251	94,055
2027	-	384,909	(384,909)
2028	-	265,866	(265,866)
	<b>\$ 1,908,074</b>	<b>\$ 1,893,741</b>	<b>\$ 14,333</b>

*Sensitivity of the County’s total pension liability to changes in the discount rate.* The following presents the County’s total pension liability calculated using the discount rate of 4.31 percent, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
County’s proportionate share of the total pension liability	<b>\$ 10,266,874</b>	<b>\$ 9,479,366</b>	<b>\$ 8,762,976</b>

<u>Schedule of Changes in Total Pension Liability</u>	
Total pension liability as of December 31, 2021	\$ 11,115,331
Changes for the year:	
Service cost at end of year	549,484
Interest	243,356
Difference between expected & actual experience	(124,834)
Changes of assumptions and other inputs	(1,704,947)
Benefit payments	(599,024)
Net changes	<u>(1,635,965)</u>
Total pension liability as of December 31, 2022	<u>\$ 9,479,366</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at December 31, 2021 to 4.31 percent at December 31, 2022.

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

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

1. Plan Description.

The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

2. Funding Policy.

Article 12E of G.S. Chapter 143 requires the County contribute each month an amount equal to 5% of each officer's salary. The County has opted to fund at an amount equal to 8%. All amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed \$1,163,871 for the reporting year. No amounts were forfeited.

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

1. Plan Description.

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

2. Funding Policy.

The Board of Commissioners has directed that the County contribute each month an amount equal to 8% of each qualified non-law enforcement employee's salary which is vested immediately. Also, the employees may elect to make voluntary contributions to the plan. The County contributed \$6,623,733 for the reporting year. No amounts were forfeited.

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

1. Plan Description.

Buncombe County also contributes to the Register of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or online at [www.osc.nc.gov](http://www.osc.nc.gov).

2. Benefits Provided.

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

3. Contributions.

Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$26,178 for the year ended June 30, 2023.

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

5. At June 30, 2023, the County reported an asset of \$394,200 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022, the County's proportion was 2.977%, which was an decrease of 0.054% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$79,568. At June 30, 2023, 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	\$ 3,037	\$ 7,146
Changes of assumptions	20,871	-
Net difference between projected and actual earnings on pension plan investments	163,843	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,532	-
Employer contributions subsequent to the measurement date	26,178	-
Total	\$ 225,461	\$ 7,146

Deferred outflows of resources related to pensions of \$26,178 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	56,389
2025		39,997
2026		54,545
2027		41,206
	<u>\$</u>	<u>192,137</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.1%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability in the December 31, 2021 valuation was 3.00% which was the same as the rate used in the December 31, 2020 valuation. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on these assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s Proportionate Share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate

of 3.00%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County’s proportionate share of the net pension asset	\$ 278,471	\$ 394,200	\$ 491,648

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

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

The net pension liability (asset) for LGERS and RODSPF was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021.

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

	LGERS	RODSPF	LEOSSA	Total
County’s proportionate share of the net pension liability (asset)	\$ 76,183,535	\$ (394,200)	\$ -	\$ 75,789,335
County’s proportion of the net pension liability (asset)	1.35043%	-2.97734%	N/A	-
Total pension liability	-	-	\$ 9,479,366	\$ 9,479,366
Pension expense	\$ 20,934,582	\$ 79,568	\$ 1,132,710	\$ 22,146,860

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>RODSPF</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 3,282,679	\$ 3,037	\$ 419,998	\$ 3,705,714
Changes in assumptions	7,601,408	20,871	1,488,076	9,110,355
Net difference between projected and actual earnings on pension plan investments	25,179,456	163,843	-	25,343,299
Changes in proportion and differences between employer contributions and proportionate share of contributions	566,274	11,532	-	577,806
County contributions (LGERS, RODSPF)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	13,885,254	26,178	320,782	<u>14,232,214</u>
Total				<u><u>\$52,969,388</u></u>

<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 321,848	\$ 7,146	\$ 264,931	\$ 593,925
Changes in assumptions	-	-	1,628,810	1,628,810
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,406,845	-	-	<u>1,406,845</u>
Total				<u><u>\$ 3,629,580</u></u>

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

**Healthcare Benefits**

1. Plan Description.

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

Membership of the County's HCB Plan consisted of the following at June 30, 2022, the valuation date:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	533
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	<u>689</u>
Total	<u><u>1222</u></u>

2. Benefits Provided.

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

3. Contributions.

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

4. Investments.

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

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

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

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

5. Net OPEB Liability of the Plan.

The components of the net OPEB liability of the Plan at June 30, 2023 were as follows:

Total OPEB liability	\$ 110,757,942
Plan fiduciary net position	39,820,274
Plan's net OPEB liability	\$ 70,937,668
Plan fiduciary net position as a percentage of the total OPEB liability	35.95%

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% to 8.41%
Law Enforcement	3.25% to 7.90%
Long-term investment rate of return	5.00% net of OPEB plan investment expense, including price inflation
Municipal bond index rate	
Prior measurement date	2.16%
Measurement date	3.54%
Year FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	5.00%
Measurement date	5.00%
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare Medical and Prescription Drug	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

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

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

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

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

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

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

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



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

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

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	\$ 84,501,509	\$ 70,937,668	\$ 59,719,889

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

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 57,732,878	\$ 70,937,668	\$ 87,244,614

**GASB Statement 75 Employer Reporting**

1. Contributions.

For the year ended June 30, 2023, contributions to the plan consisted of \$6,857,662 in retirees’ health insurance benefits and a \$2,000,000 investment in plan assets.

2. Component Unit Allocation.

Employees of the Asheville-Buncombe Air Quality component unit are eligible for participation in the HCB plan. Allocation of OPEB expense and liability to the component unit is based on the component unit’s percentage of salary expense of the total salary expense of the County and Agency. At June 30, 2023 the Asheville-Buncombe Air Quality’s Agency’s (the Agency) allocation percentage was 0.45%.

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

At June 30, 2023, the County reported a net OPEB liability of \$75,848,064 and the Agency a liability of \$343,218. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial report measured as of June 30, 2022.

At June 30, 2023 the components of the net OPEB liability of the County and Agency, measured as of June 30, 2022, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Primary Government</b>			
Balances measured at June 30, 2021	\$ 135,335,480	\$ 35,981,710	\$ 99,353,770
Changes for the year			
Service cost	2,677,679	-	2,677,679
Interest	6,579,761	-	6,579,761
Difference between expected and actual experience	(30,390,779)	-	(30,390,779)
Changes in assumptions	2,639,123	-	2,639,123
Contributions	-	9,563,867	(9,563,867)
Net investment income	-	(4,552,377)	4,552,377
Benefit payments	(7,572,876)	(7,572,876)	-
Net change	(26,067,092)	(2,561,387)	(23,505,706)
Primary government balances measured at June 30, 2022	<u>\$ 109,268,387</u>	<u>\$ 33,420,324</u>	<u>\$ 75,848,064</u>

Component Unit	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances measured at June 30, 2021	\$ 612,403	\$ 162,820	\$ 449,583
Changes for the year			
Service cost	12,117	-	12,117
Interest	29,774	-	29,774
Difference between expected and actual experience	(137,521)	-	(137,521)
Changes in assumptions	11,942	-	11,942
Contributions	-	43,277	(43,277)
Net investment income	-	(20,600)	20,600
Benefit payments	(34,268)	(34,268)	-
Net change	(117,956)	(11,590)	(106,365)
Component unit balances measured at June 30, 2022	<u>\$ 494,448</u>	<u>\$ 151,229</u>	<u>\$ 343,218</u>

For the year ended June 30, 2023, the County recognized OPEB expense of (\$70,232,213) and the Agency (\$67,972). At June 30, 2022, the County and Agency combined reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 708,189	\$ 26,222,919
Changes of assumptions or other inputs	21,890,088	41,661,380
Net difference between projected and actual earnings on plan investments	1,991,215	-
Contributions subsequent to the measurement date	8,817,760	-
Total	<u>\$ 33,407,252</u>	<u>\$ 67,884,300</u>

Component Unit	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,205	\$ 118,661
Changes of assumptions or other inputs	99,054	188,520
Net difference between projected and actual earnings on plan investments	9,010	-
Contributions subsequent to the measurement date	39,902	-
Total	<u>\$ 151,171</u>	<u>\$ 307,180</u>

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

Amortization Schedules					
Primary Government			Component Unit		
Year ended June 30:			Year ended June 30:		
2024	\$	(10,044,863)	2024	\$	(45,454)
2025		(10,156,364)	2025		(45,958)
2026		(10,286,724)	2026		(46,548)
2027		(11,688,268)	2027		(52,890)
2028		(1,118,588)	2028		(5,062)
	\$	(43,294,807)		\$	(195,912)

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

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
<b>Primary Government</b>			
Net OPEB Liability	\$ 89,294,031	\$ 75,848,064	\$ 64,727,932
<b>Component Unit</b>			
Net OPEB Liability	\$ 404,062	\$ 343,218	\$ 292,899

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

	1% Decrease	Current	1% Increase
<b>Primary Government</b>			
Net OPEB Liability	\$ 63,657,517	\$ 75,848,064	\$ 90,885,904
<b>Component Unit</b>			
Net OPEB Liability	\$ 288,055	\$ 343,218	\$ 411,265

4. Investments.

The following was the Board’s adopted asset allocation policy as of June 30, 2023:

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

**(h) Other Employment Benefits**

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

are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

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

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

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

Closed Landfill:

Landfill Permit Number 11-01: The previous landfill site of the County was closed on September 26, 1997. There is \$805,021 reported as landfill postclosure care liability for this site at June 30, 2023, which represents the projected cost for the remaining 6 years of required postclosure care based on 2023 costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Landfills in Operation:

Municipal Solid Waste Landfill Permit Number 11-07:

The \$15,317,716 reported as landfill closure and postclosure care liability at June 30, 2023 represents the cost to close and monitor the 41.90% of the total estimated capacity of this landfill that has been used as of June 30, 2023. The County will recognize the total estimated cost of closure and postclosure care of \$30,366,495 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2023. The County expects to operate this landfill until at least the year 2047. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

The County currently operates a C&D landfill with a closure and postclosure care liability of \$4,930,617 reported as of June 30, 2023 representing a cumulative amount reported to date based on the use of 56.73% of the total estimated capacity of this unit. The County will recognize the total estimated cost of closure and postclosure care of \$10,009,621 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2023. The remaining capacity of the C&D landfill is expected to last nearly 20 years. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

Transfer Station:

As required by the North Carolina Administrative Code (NCAC) Title 15A Chapter 13 Solid Waste Management Regulations, transfer station owners are required to provide closure cost estimates. The County operates a transfer station with a closure cost liability of \$243,603.

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

Deferred outflows of resources for governmental activities and business-type activities at June 30, 2023 were as follows:

	Governmental Activities	Business-type Activities
Deferred charges on refunding of debt (Note 3)	\$ 1,984,717	\$ -
Deferred outflow related to pensions (Note 3)	51,888,651	1,080,737
Deferred outflow related to OPEB (Note 3)	32,692,527	714,725
Total deferred outflows of resources	<u>\$ 86,565,895</u>	<u>\$ 1,795,462</u>

Deferred inflows of resources for governmental funds, governmental activities, and business-type activities at June 30, 2023 were as follows:

	Governmental Funds	Governmental Activities	Business-type Activities
Prepaid taxes not yet earned (General Fund)	\$ 1,982,439	\$ 1,982,439	\$ -
Unavailable taxes receivable, net (General Fund)	616,991	-	-
Unavailable EMS revenue receivable (General Fund)	2,167,138	-	-
Unavailable taxes receivable, net (Special Revenue)	102,925	-	-
Unavailable receivables, net (General Fund)	48,841	-	-
Unavailable grants receivable	4,038,041	-	-
Leases	14,985,434	14,985,434	-
Debt refunding related deferrals (Note 3)	-	4,913,744	-
OPEB related deferrals (Note 3)	-	66,431,960	1,452,340
Pension related deferrals (Note 3)	-	3,592,595	36,985
Total deferred inflows of resources	<u>\$ 23,941,809</u>	<u>\$ 91,906,172</u>	<u>\$ 1,489,325</u>

**(5) Risk Management**

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

The County-owned properties are insured at their scheduled limits and this policy carries a \$250,000 self-insured retention (SIR). The premium is based on the amount of scheduled items. The County carries liability insurance to include general, auto, law enforcement, public officials and employee benefits liability. Currently, this policy carries a limit of \$7,000,000 per occurrence/claim with a \$500,000 SIR. Public officials and employee benefits liability are per claims made. Premiums are based on underwriting requirements.

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

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

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

The limit of Employer's Liability insurance is \$1,000,000. The premium is based on County employees' payroll and classification. The County adheres to the North Carolina Workers Compensation Act per N.C.G.S. Chapter 97 as administered by the North Carolina Industrial Commission, a division of the North Carolina Department of Insurance. The County provides health insurance benefits through a self-insured health insurance plan. The County is protected against catastrophic individual and aggregate loss by stop-loss insurance coverage. The accompanying statement of net position and balance sheets as of June 30, 2023 include a loss reserve liability for estimated outstanding medical claims of \$1,621,608. Changes in the health claims liability are presented as follows:

	2023	2022
Estimated claims payable, beginning	\$ 902,422	\$ 1,642,659
Incurred claims and changes in estimates	31,804,930	30,798,597
Claims paid	(31,085,744)	(31,538,834)
Estimated claims payable, ending	<u>\$ 1,621,608</u>	<u>\$ 902,422</u>

In accordance with North Carolina General Statutes, the following are required to be individually bonded for faithful performance in the discharge of the duties of their office: Finance Officer at \$1,000,000; Tax Collector at \$100,000; Register of Deeds at \$10,000; and the Sheriff at \$20,000. In addition, any County officer, employee, or agent who handles or has custody of more than \$100 of County money at any one time is performance bonded under a commercial blanket bond at \$250,000 per occurrence.

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

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

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

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

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

On 07/01/2021, Buncombe County, NC entered into a 245 month lease as Lessee for the use of Upper Hominy Tower Site. An initial lease liability was recorded in the amount of \$195,294. As of 06/30/2023, the value of the lease liability is \$179,427. Buncombe County, NC is required to make annual fixed payments of \$9,960. The lease has an interest rate of 1.401%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$195,294 with accumulated amortization of \$19,066 is included with Land on the Lease Class activities table found below.

On 07/01/2021, Buncombe County, NC entered into a 191 month lease as Lessee for the use of Elk Mountain Radio Tower. An initial lease liability was recorded in the amount of \$900,846. As of 06/30/2023, the value of the lease liability is \$827,062. Buncombe County, NC is required to make monthly fixed payments of \$3,843. The lease has an interest rate of 1.244%. The infrastructure estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$900,846 with accumulated amortization of \$113,195 is included with Infrastructure on the Lease Class activities table found below. Buncombe County, NC has 3 extension option(s), each for 60 months.

On 07/01/2021, Buncombe County, NC entered into a 364 month lease as Lessee for the use of Barnardsville Tower Site - Banks. An initial lease liability was recorded in the amount of \$233,098. As of 06/30/2023, the value of the lease liability is \$220,365. Buncombe County, NC is required to make annual fixed payments of \$8,000. The lease has an interest rate of 1.040%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$233,098 with accumulated amortization of \$15,347 is included with Land on the Lease Class activities table found below. Buncombe County, NC has 4 extension option(s), each for 60 months.

On 07/01/2021, Buncombe County, NC entered into a 257 month lease as Lessee for the use of Spivey Mountain Tower. An initial lease liability was recorded in the amount of \$217,753. As of 06/30/2023, the value of the lease liability is \$198,363. Buncombe County, NC is required to make annual fixed payments of \$12,000. The lease has an interest rate of 1.433%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$217,753 with accumulated amortization of \$20,285 is included with Land on the Lease Class activities table found below. Buncombe County, NC has 4 extension option(s), each for 60 months. Buncombe County, NC had a termination period of 6 months as of the lease commencement.

On 07/01/2021, Buncombe County, NC entered into a 29 month lease as Lessee for the use of Caterpillar 950M Wheel Loader - Transfer Station. An initial lease liability was recorded in the amount of \$173,811. As of 06/30/2023, the value of the lease liability is \$30,023. Buncombe County, NC is required to make monthly fixed payments of \$6,008. The lease has an interest rate of 0.198%. The Equipment estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$173,811 with accumulated amortization of \$142,859 is included with Equipment on the Lease Class activities table found below. Buncombe County, NC has the option to purchase the Equipment for \$76,125.

On 07/01/2021, Buncombe County, NC entered into a 29 month lease as Lessee for the use of Caterpillar M316F Wheeled Excavator-Transfer Station. An initial lease liability was recorded in the amount of \$146,068. As of 06/30/2023, the value of the lease liability is \$25,231. Buncombe County, NC is required to make monthly fixed payments of \$5,049. The lease has an interest rate of 0.198%. The Equipment estimated useful life was 120 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$146,068 with accumulated amortization of \$120,056 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Buncombe County, NC entered into a 44 month lease as Lessee for the use of Caterpillar 836K Compactor Landfill. An initial lease liability was recorded in the amount of \$832,865. As of 06/30/2023, the value of the lease liability is \$380,070. Buncombe County, NC is required to make monthly fixed payments of \$19,073. The lease has an interest rate of 0.417%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$832,865 with accumulated amortization of \$450,536 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Buncombe County, NC entered into a 46 month lease as Lessee for the use of Caterpillar D8T Track Type Tractor. An initial lease liability was recorded in the amount of \$606,680. As of 06/30/2023, the value of the lease liability is \$291,280. Buncombe County, NC is required to make monthly fixed payments of \$13,293. The lease has an interest rate of 0.417%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$606,680 with accumulated amortization of \$315,159 is included with Equipment on the Lease Class activities table found below.

On 12/01/2021, Buncombe County, NC entered into a 43 month lease as Lessee for the use of Mountain Mobility Office. An initial lease liability was recorded in the amount of \$196,897. As of 06/30/2023, the value of the lease liability is \$112,406. Buncombe County, NC is required to make monthly fixed payments of \$4,500. The lease has an interest rate of 0.435%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$196,897 with accumulated amortization of \$87,001 is included with Buildings on the Lease Class activities table found below.

On 07/01/2022, Buncombe County, NC entered into a 108 month lease as Lessee for the use of Rathbun House/CPS Lease. An initial lease liability was recorded in the amount of \$508,411. As of 06/30/2023, the value of the lease liability is \$461,353. Buncombe County, NC is required to make monthly fixed payments of \$4,880. The lease has an interest rate of 2.590%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$508,411 with accumulated amortization of \$56,490 is included with Buildings on the Lease Class activities table found below. Buncombe County, NC has 2 extension option(s), each for 36 months.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	Principle	Interest	Principle	Interest	Principle	Interest
2024	\$ 165,888	\$ 29,467	\$ 441,583	\$ 2,089	\$ 607,471	\$ 31,556
2025	173,098	27,135	285,021	492	458,119	27,627
2026	121,422	24,811	-	-	121,422	24,811
2027	127,124	22,517	-	-	127,124	22,517
2028	133,047	20,114	-	-	133,047	20,114
2029 - 2033	627,972	63,851	-	-	627,972	63,851
2034 - 2038	451,591	25,645	-	-	451,591	25,645
2039 - 2043	125,311	7,858	-	-	125,311	7,858
2044 - 2048	45,236	2,892	-	-	45,236	2,892
2049 - 2052	28,286	590	-	-	28,286	590
Total	<u>\$ 1,998,975</u>	<u>\$ 224,879</u>	<u>\$ 726,604</u>	<u>\$ 2,581</u>	<u>\$ 2,725,579</u>	<u>\$ 227,460</u>

On 07/01/2021, TDA entered into a 252 month lease as Lessee for the use of 31 College Place LLC. An initial lease liability was recorded in the amount of \$4,431,313. As of 06/30/2023, the value of the lease liability is

\$4,170,017. TDA is required to make monthly fixed payments of \$17,700. The lease has an interest rate of 2.240%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$4,431,313 with accumulated amortization of \$422,030 is included with Buildings on the Lease Class activities table found below. TDA has 2 extension option(s), each for 60 months. TDA had a termination period of 60 months as of the lease commencement.

On 05/01/2023, TDA entered into a 230 month lease as Lessee for the use of 31 College Place LLC-additional space. An initial lease liability was recorded in the amount of \$941,984. As of 06/30/2023, the value of the lease liability is \$934,952. TDA is required to make monthly fixed payments of \$4,727. The lease has an interest rate of 3.100%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$941,984 with accumulated amortization of \$8,191 is included with Buildings on the Lease Class activities table found below. TDA has 2 extension option(s), each for 60 months. TDA had a termination period of 60 months as of the lease commencement.

TDA’s future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year Ending June 30	Governmental Activities	
	Principle	Interest
2024	\$ 169,818	\$ 120,546
2025	173,910	116,454
2026	178,101	112,263
2027	182,396	107,968
2028	216,158	103,246
2029 - 2033	1,194,024	434,901
2034 - 2038	1,518,408	273,233
2039 - 2042	1,472,153	73,464
Total	<u>\$ 5,104,968</u>	<u>\$ 1,342,075</u>

**(b) General Obligation Bond Indebtedness**

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

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

General obligation bonds outstanding at June 30, 2023:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities					
General Obligation Bonds					
2012B Refunding Bonds	\$ 32,500,000	October 1, 2012	1.70%	2025	\$ 7,200,000
	<u>\$ 38,185,000</u>				<u>\$ 7,200,000</u>



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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	2,400,000	102,000
2025	2,400,000	61,200
2026	2,400,000	20,400
Total	\$ 7,200,000	\$ 183,600

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt, (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes). The County may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2023, Buncombe County had a legal debt margin of approximately \$3,618,774,396.

**(c) Installment Note Obligations**

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

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

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

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

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

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

The NC Drinking Water State Revolving Loan, a direct borrowing, was issued by the State of North Carolina to provide funds for the on-going cleanup of the CTS of Asheville, Inc. Superfund Site. The note is payable solely

from revenues of the project or benefited systems, or other available funds. If a default occurs, the State may withhold any other monies due to the County and apply them to the payment of this obligation.

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

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

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

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

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

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

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

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

Installment financings outstanding at June 30, 2023:

	<u>Original Borrowing</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-end</u>
<b>Governmental Activities</b>					
2010C Taxable Limited Obligation Bonds	\$ 3,800,000	December 16, 2010	6.375%	2025	\$ 445,000
2014A Limited Obligation Bonds	151,590,000	February 27, 2014	3.0% - 5.0%	2024	6,920,000
2014B Taxable Limited Obligation Bonds	28,725,000	February 27, 2014	0.5% - 5.1%	2034	18,180,000
NC Drinking Water State Revolving Loan	1,964,204	February 6, 2015	0.0%	2035	1,218,822
2015 Limited Obligation Bonds	126,635,000	April 30, 2015	2.5% - 5.0%	2035	73,965,000
2018 Limited Obligation Bonds	54,730,000	March 28, 2018	2.5% - 5.0%	2038	41,055,000
2019 Sheriff Vehicle Installment Financing	1,675,000	September 4, 2019	1.9837%	2024	689,000
2020A Limited Obligation Bonds	56,495,000	April 9, 2020	2.0% - 5.0%	2040	43,505,000
2020B Taxable Limited Obligation Bonds	32,235,000	April 9, 2020	1.48% - 2.6%	2032	30,645,000
2020C Limited Obligation Bonds	10,096,000	October 14, 2020	1.99%	2035	8,652,000
2022A Limited Obligation Bonds	43,961,000	June 22, 2022	2.93%	2037	41,029,000
2022B Limited Obligation Bonds	80,870,000	June 22, 2022	3.71%	2037	80,461,000
Total governmental activities	<u>666,156,204</u>				<u>346,764,822</u>
<b>Business-type Activities</b>					
2009 ARRA Loan	4,061,396	August 4, 2009	0.0%	2031	600,000
2022A Limited Obligation Bonds	15,324,000	June 22, 2022	2.93%	2037	12,929,000
Total business-type activities	<u>21,370,396</u>				<u>13,529,000</u>
Total installment financings	<u>\$ 687,526,600</u>				<u>\$ 360,293,822</u>

For Buncombe County, the future minimum payments for installment financings as of June 30, 2023, are:

Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 32,183,572	\$ 13,785,368	\$ 2,514,000	\$ 378,820	\$ 34,697,572	\$ 14,164,188
2025	31,950,569	12,459,187	2,585,000	307,357	34,535,569	12,766,544
2026	30,678,568	11,110,710	2,659,000	233,814	33,337,568	11,344,524
2027	30,260,568	9,882,424	2,734,000	158,103	32,994,568	10,040,527
2028	30,014,568	8,715,827	2,812,000	80,194	32,826,568	8,796,021
2029-2033	131,981,841	26,019,165	225,000	-	132,206,841	26,019,165
2034-2038	56,725,136	4,982,484	-	-	56,725,136	4,982,484
2039-2043	2,970,000	133,650	-	-	2,970,000	133,650
Total	<u>\$ 346,764,822</u>	<u>\$ 87,088,815</u>	<u>\$ 13,529,000</u>	<u>\$ 1,158,288</u>	<u>\$ 360,293,822</u>	<u>\$ 88,247,103</u>

**(d) Subscriptions**

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, Buncombe County, NC entered into a 32 month subscription for the use of Workday Enterprise Budgeting. An initial subscription liability was recorded in the amount of \$148,385. As of 06/30/2023, the value of the subscription liability is \$92,034. Buncombe County, NC is required to make annual fixed payments of \$56,351. The subscription has an interest rate of 2.038%. The value of the right to use asset as of 06/30/2023 of

\$148,385 with accumulated amortization of \$55,644 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Buncombe County, NC entered into a 48 month subscription for the use of Cott Software. An initial subscription liability was recorded in the amount of \$219,987. As of 06/30/2023, the value of the subscription liability is \$166,426. Buncombe County, NC is required to make monthly fixed payments of \$4,775. The subscription has an interest rate of 2.112%. The value of the right to use asset as of 06/30/2023 of \$219,987 with accumulated amortization of \$54,997 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, Buncombe County, NC entered into a 57 month subscription for the use of Microsoft Office EA - SHI. An initial subscription liability was recorded in the amount of \$2,805,737. As of 06/30/2023, the value of the subscription liability is \$2,115,514. Buncombe County, NC is required to make annual fixed payments of \$736,224. The subscription has an interest rate of 2.186%. The value of the right to use asset as of 06/30/2023 of \$2,805,737 with accumulated amortization of \$590,682 is included with Software on the Subscription Class activities table found below. Buncombe County, NC has 1 extension option(s), each for 36 months.

On 07/01/2022, Buncombe County, NC entered into a 32 month subscription for the use of Workday MSA. An initial subscription liability was recorded in the amount of \$1,290,936. As of 06/30/2023, the value of the subscription liability is \$672,087. Buncombe County, NC is required to make annual fixed payments of \$636,754. The subscription has an interest rate of 2.038%. The value of the right to use asset as of 06/30/2023 of \$1,290,936 with accumulated amortization of \$481,593 is included with Software on the Subscription Class activities table found below.

On 09/30/2022, Buncombe County, NC entered into a 36 month subscription for the use of SAS. An initial subscription liability was recorded in the amount of \$352,858. As of 06/30/2023, the value of the subscription liability is \$232,858. Buncombe County, NC is required to make annual fixed payments of \$120,000. The subscription has an interest rate of 2.038%. The value of the right to use asset as of 06/30/2023 of \$352,858 with accumulated amortization of \$90,984 is included with Software on the Subscription Class activities table found below.

On 10/01/2022, Buncombe County, NC entered into a 60 month subscription for the use of Apricot 360 Bundle. An initial subscription liability was recorded in the amount of \$154,929. As of 06/30/2023, the value of the subscription liability is \$121,989. Buncombe County, NC is required to make annual fixed payments of \$32,940. The subscription has an interest rate of 3.155%. The value of the right to use asset as of 06/30/2023 of \$154,929 with accumulated amortization of \$23,239 is included with Software on the Subscription Class activities table found below.

On 03/01/2023, Buncombe County, NC entered into a 36 month subscription for the use of ePlanSoft License. An initial subscription liability was recorded in the amount of \$147,630. As of 06/30/2023, the value of the subscription liability is \$98,619. Buncombe County, NC is required to make annual fixed payments of \$49,010. The subscription has an interest rate of 2.583%. The value of the right to use asset as of 06/30/2023 of \$147,630 with accumulated amortization of \$16,403 is included with Software on the Subscription Class activities table found below.

On 03/06/2023, Buncombe County, NC entered into a 25 month subscription for the use of Workday LMS. An initial subscription liability was recorded in the amount of \$56,871. As of 06/30/2023, the value of the subscription liability is \$56,871. Buncombe County, NC is required to make annual fixed payments of \$35,994. The subscription has an interest rate of 2.038%. The value of the right to use asset as of 06/30/2023 of \$136,865 with accumulated amortization of \$21,860 is included with Software on the Subscription Class activities table found below.

On 05/01/2023, Buncombe County, NC entered into a 26 month subscription for the use of Accela Subscription. An initial subscription liability was recorded in the amount of \$485,810. As of 06/30/2023, the value of the subscription liability is \$485,810. Buncombe County, NC is required to make annual fixed payments of \$244,312. The subscription has an interest rate of 3.121%. The value of the right to use asset as of 06/30/2023 of \$942,376 with accumulated amortization of \$72,490 is included with Software on the Subscription Class activities table found below.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year Ending June 30	Governmental Activities	
	Principle	Interest
2024	\$ 1,940,447	\$ 78,938
2025	1,261,748	48,448
2026	808,079	18,384
2027	31,933	1,007
Total	<u>\$ 4,042,207</u>	<u>\$ 146,777</u>

**(e) Refundings**

On April 9, 2020, the County issued \$26,730,000 of series 2020A tax exempt bonds (interest rates ranging from 2.5% to 5.0%) to refund \$4,320,000 of outstanding 2009A certificates of participation which had interest rates ranging from 4.0% to 4.75%, \$5,110,000 of outstanding 2010A limited obligation bonds which had interest rates ranging from 5.0% to 5.25%, and \$20,420,000 of outstanding 2010B taxable limited obligation bonds which had interest rates ranging from 6.5% to 6.8%. Net proceeds of \$30,266,781 (including premium of \$3,869,464 and after payment of \$327,347 in issuance costs) were deposited in an irrevocable trust with an escrow agent, along with \$460,529 of County funds, to provide funds used to call the balance of these issuances on June 1, 2020. The reacquisition price exceeded the net carrying amount of the old debt, including related premiums of \$162,684, by \$254,098. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunded debt. The refunding reduced total debt service payments by \$3,807,349 (including interest subsidy on 2010B bonds) to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,386,066.

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

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

The County has defeased debt in prior years by placing the proceeds of new bonds and the County's own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds until the debt is called or matures. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the County's financial statements. At June 30, 2023, \$77,260,000 of defeased bonds remain outstanding.

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

Of the total Governmental Activities debt listed, only \$135,820,166 relates to assets for which the County holds title. Unspent restricted cash related to this debt amounts to \$13,648,301.

**(g) Pension Spiking Liability**

Pension spiking is a substantial increase in compensation that results in unusually high liabilities to the State's retirement system which, without intervention, would then be absorbed by other members and employers in the System. North Carolina adopted anti-pension spiking laws, effective January 1, 2015, which apply to retirements with an average final salary greater than \$100,000, adjusted annually for inflation. A contribution-based benefit cap (CBBC) is calculated, and if the benefit exceeds the cap, the employer must make an additional contribution to the retirement system. The County's potential spiking liability of \$362,002 for current active employees who will be retiring with an average final salary greater than \$126,956, the inflation adjusted amount for 2023, has been recorded on the government-wide statements at June 30, 2023.

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

On July 2, 1990, the County transferred the ownership, operation, and maintenance responsibility for the sanitary districts to the Metropolitan Sewerage District. The contracts 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, 2023, the balance of the bonds outstanding was \$20,000.

**(i) Conduit Debt Obligations**

The Buncombe County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private businesses served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were industrial revenue bonds outstanding with a principal amount payable of approximately \$10,000,000.

**(j) Long Term Obligation Activity**

The following is a summary of changes in the County’s long-term obligations for the year ended June 30, 2023:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation bonds	\$ 10,004,000	\$ -	\$ 2,804,000	\$ 7,200,000	\$ 2,400,000
Limited obligation bonds	242,265,000	-	27,550,000	214,715,000	27,690,000
Installment financings-direct borrowing	2,343,390	-	435,568	1,907,822	442,572
Installment financings-direct placement	134,205,000	-	4,063,000	130,142,000	4,051,000
Premium on long-term debt	19,341,108	-	6,222,829	13,118,279	-
Lease installment obligations	1,650,605	508,411	160,041	1,998,975	165,888
Subscription installment obligations	4,465,045	1,198,098	1,620,936	4,042,207	1,940,447
Net pension liability -- LEOSSA	11,115,331	792,840	2,428,805	9,479,366	570,848
Net pension liability -- LGERS	20,710,651	53,842,989	-	74,553,640	-
Net OPEB liability	97,179,866	-	22,954,520	74,225,346	-
Retirement incentive liability	294,125	-	294,125	-	-
Pension spiking liability	1,020,077	-	658,075	362,002	-
Compensated absences	10,369,810	7,907,057	8,177,760	10,099,107	7,404,395
<b>Total governmental activities</b>	<b>554,964,008</b>	<b>64,249,395</b>	<b>77,369,659</b>	<b>541,843,744</b>	<b>44,665,150</b>
<b>Business-type Activities:</b>					
Installment financings-direct borrowing	\$ 675,000	\$ -	\$ 75,000	\$ 600,000	\$ 75,000
placement	15,324,000	-	2,395,000	12,929,000	2,439,000
Premium on long-term debt	-	-	-	-	-
Lease installment obligations	1,290,269	-	563,665	726,604	441,583
Net pension liability -- LGERS	460,489	1,169,407	-	1,629,895	-
Net OPEB liability	2,160,730	-	538,013	1,622,717	-
Compensated absences	236,885	102,872	97,540	242,219	242,219
Accrued landfill closure and postclosure care costs	19,180,594	2,225,933	109,570	21,296,957	-
<b>Total business-type activities</b>	<b>22,260,417</b>	<b>3,498,212</b>	<b>3,778,788</b>	<b>39,047,392</b>	<b>3,197,802</b>
<b>Total primary government</b>	<b>\$ 644,158,260</b>	<b>\$ 67,747,607</b>	<b>\$ 81,148,447</b>	<b>\$ 580,891,136</b>	<b>\$ 47,862,952</b>
	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
<b>Discretely Presented Component Units:</b>					
<b>Air Quality:</b>					
Net pension liability -- LGERS	\$ 65,178	\$ 211,816	\$ -	\$ 276,994	\$ 276,994
Net OPEB liability	462,757	-	119,539	343,218	-
Compensated absences	93,630	41,009	38,250	96,389	96,389
	<b>\$ 1,067,135</b>	<b>\$ 252,825</b>	<b>\$ 157,789</b>	<b>\$ 716,601</b>	<b>\$ 373,383</b>
<b>Tourism Development Authority:</b>					
Lease installment obligations	\$ 4,308,562	\$ 941,984	\$ 145,578	\$ 5,104,968	\$ 169,818
Subscription installment obligations	-	290,257	99,245	191,012	94,039
Compensated absences	75,871	29,648	-	105,519	105,519
	<b>\$ 4,384,433</b>	<b>\$ 1,261,889</b>	<b>\$ 244,823</b>	<b>\$ 5,401,499</b>	<b>\$ 369,376</b>

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

**(C) Interfund Balances and Activity**

Interfund loans consisted of the following at June 30, 2023:

*Due to General Fund:*

From the Occupancy Tax Fund for June collection fees	\$ 50,383
From the Grant Projects Fund for short term cash flow needs	7,014,988
From the Public Schools ADM Sales Tax/Lottery Projects for short term cash flow needs	760,701
From the Housing/Open Space Bond Projects for short term cash flow needs	<u>42,558</u>
From the Occupancy Tax Fund for June collection fees	<u>\$ 7,868,630</u>

Transfers to/from other funds during the year ended June 30, 2023 consist of the following:

*Major Governmental Funds:*

*General Fund:*

From the General Fund to the Grant Projects Fund to fund grant matches	\$ 335,125
From the General Fund to the Special Projects Capital Projects Fund for housing and conservation projects and economic incentives	9,807,845
From the General Fund to the Special Projects Capital Projects Fund for reparations	2,000,000
From the General Fund to the County Capital Projects Fund to fund various capital projects and annual transfer per fund balance policy	1,803,066
From the General Fund to the Transportation Fund for transportation services	1,707,989
From the General Fund to the PDF Woodfin Downtown Fund to subsidize debt service costs	-
From the General Fund to the Emergency Telephone System Fund for 911 related expenses	4,518

*AB Tech Capital Projects Fund:*

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

From the County Capital Projects Fund to the General Fund for FY23 vehicle purchases	3,408,895
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*Nonmajor Governmental Funds:*

From the Register of Deeds Automation Fund to the General Fund for reimbursement of automation related expenditures	26,624
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**D) Fund Balance**

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

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



Total fund balance - General Fund	\$ 126,960,767
Less:	
Restricted or nonspendable	
Prepays	860,591
Long term receivables	7,259
Leases	267,200
Stabilization by State Statute	36,078,890
Capital projects	114,723
Permits and inspections	3,232,522
Soil and water conservation district	47,165
Tax reappraisal	283,399
Assigned	
Appropriated in FY24 budget	18,894,070
Fund balance policy minimum	<u>40,757,031</u>
Remainder available for appropriation	<u><u>\$ 26,417,917</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 fund balance after nonspendable and restricted amounts is at least equal to or greater than 15% of expenditures. The policy also specifies that fund unassigned fund balance at year end in excess of 20% of expenditures is to be transferred to the County Capital Projects Fund.

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

Outstanding encumbrances at June 30, 2023:

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 2,519,557
Grant Projects	10,418,569
Public School Capital Needs	1,298,617
AB Tech Capital Projects	3,074,364
County Capital Projects	7,327,081
Special Projects Capital Projects	1,267,906
Non-Major	105,538
	<u><u>\$ 26,011,632</u></u>

**Note 4 - Joint Ventures**

**Vaya Health**

The County participates in a joint venture to operate Vaya Health, a public managed care organization (“MCO”), which manages federal, state and local funding for services related to mental health, developmental disability, and substance abuse in its 22-county area. Buncombe County appoints one member of the 22-member board, with the other counties appointing the remainder. The County has an ongoing financial responsibility for the MCO because it is legally required to provide public health services either directly or jointly with other counties. None of the participating governments have any equity interest in the MCO, so no equity interest has been reflected in the financial statements at June 30, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$600,000 to the MCO to fund operations. Complete financial statements for Vaya Health may be obtained from their offices at 200 Ridgefield Court, Asheville, NC 28806.

**Asheville-Buncombe Technical Community College**

The County, in conjunction with the State of North Carolina, the Buncombe County Board of Education and Madison County, participates in a joint venture to operate the Asheville-Buncombe Technical Community College. The board of trustees consists of 15 members, four appointed by the County, four appointed by the Governor (on behalf of the State of North Carolina), four appointed jointly by the Buncombe County and Asheville City Boards of Education, two appointed by Madison County, and one appointed by the Madison County Board of Education. The president of the community college's student government serves as an ex-officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for facilities, the County periodically issues debt to provide financing for new and restructured facilities. Limited obligation bonds of \$52,155,859 in principal are outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibility to provide funding for the community college's facilities. The County contributed \$5,000,000 to the community college for operating purposes during the fiscal year ended June 30, 2023. In addition, the County made principal and interest payments of \$83,454 during the fiscal year on general obligation bonds and \$6,916,784 on limited obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the community college may be obtained from the community college's administrative offices at 340 Victoria Road, Asheville, NC 28801.

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

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

The County is a founding member of the Land of Sky Regional Council (Council) which serves four counties and fifteen municipalities. The Council coordinates various funding received from federal and state agencies and administers programs related to aging, workforce development, volunteer services and economic and community development. The participating governments appoint the Council's governing board. The County paid membership fees of \$164,483 to the Council during the fiscal year ended June 30, 2023.

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

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

**Note 6 - Summary Disclosure of Significant Commitments and Contingencies****Federal and State Assisted Programs**

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**Note 7 - Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Special Supplemental Nutrition Program for Women, Infants and Children	\$ 3,716,703	\$ -
Work First/Temporary Assistance for Needy Families (TANF)	668,577	-
Refugee Assistance	211,273	-
Adoption Assistance	2,422,483	433,828
Medical Assistance	367,251,701	143,073,257
State Children's Insurance Program	1,870,466	420,193
State/County Special Assistance for Adults	-	1,255,451
Child Welfare Services Adoption Subsidy	-	736,223
Totals	<u>\$ 376,141,203</u>	<u>\$ 145,918,952</u>

**Note 8 - Unrestricted Net Position**

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

At the end of the fiscal year, the outstanding debt balance was \$160,340,410 and \$52,155,859 for the school systems and community college, respectively. Of the combined total, \$7,200,000 is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, necessary to pay debt service on its general obligation bonds. The remainder of the debt is installment debt and is collateralized by County assets. Principal and interest requirements are appropriated in the year they become due.

**Note 9 - Pledged Revenues**

The County and the Town of Woodfin have pledged a portion of their future ad valorem tax revenues to repay \$11,285,000 in Series 2014A limited obligation bonds issued in February 2014. This issuance refunded \$11,885,000 of Series 2008 Project Development Financing (PDF) Revenue Bonds that were used to finance the Woodfin Downtown project. A portion of this was again refunded by the Series 2022B taxable limited obligation bonds. The bond principal is payable from the incremental ad valorem tax revenues generated by increased property values in the refurbished district to the extent that these revenues are available. In the event that the incremental tax revenues are not sufficient to meet the debt service requirements, the Buncombe County General Fund will advance the funds necessary to keep the debt service current. The Buncombe County General Fund will then be reimbursed as additional incremental revenues become available in the future.

The total principal and interest amount remaining on the bonds is \$10,395,000 payable through June 2037. Total principal and interest payments on the Series 2014A limited obligation bonds from July 1, 2022 through June 30, 2023 were \$741,105. Accumulated tax revenue for the same period of time was \$750,671.

**Note 10 – Restatements**

**Change in Accounting Principle (Column A)**

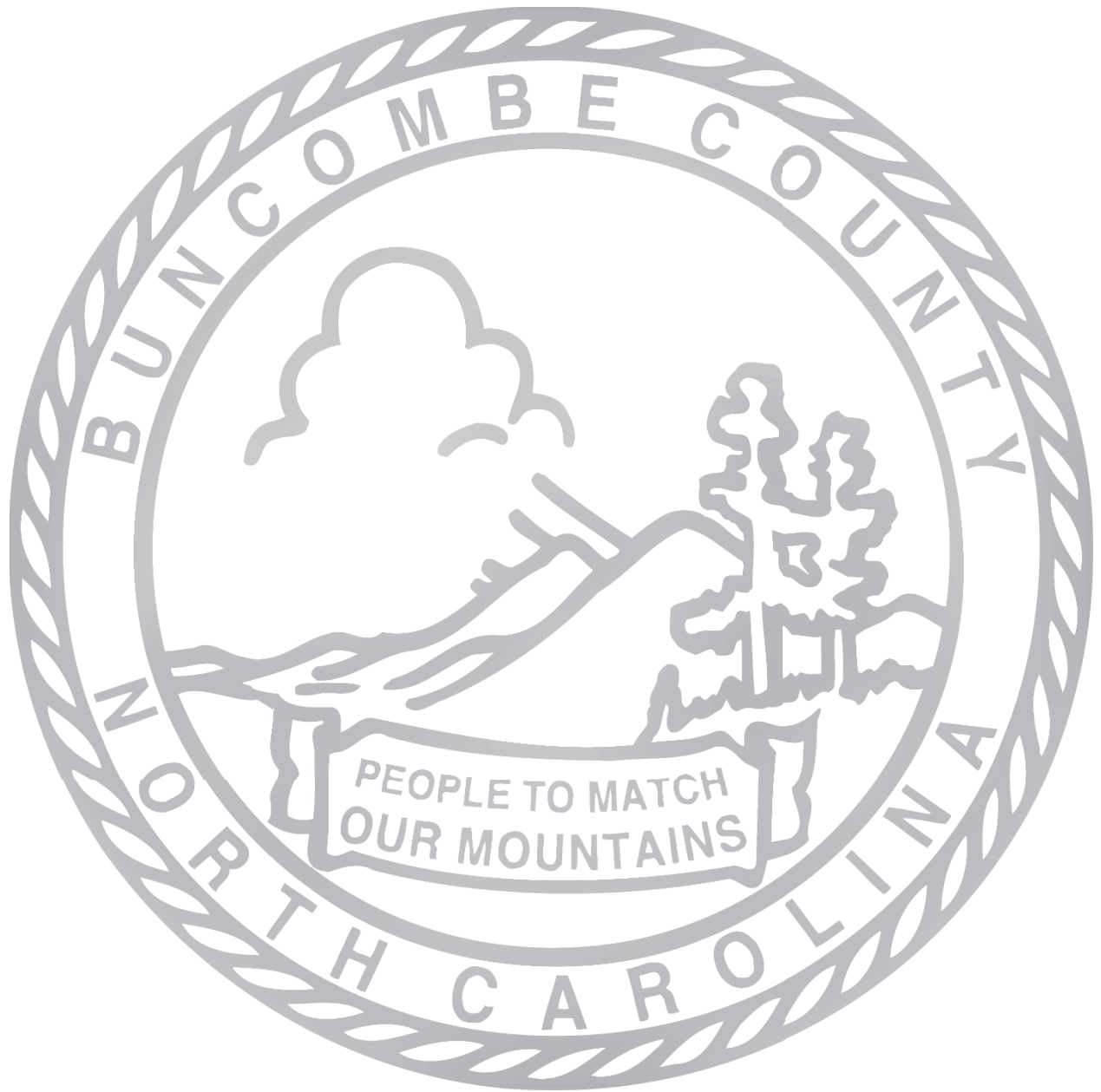
GASB Statement No. 96, Subscription-Based Information Technology Arrangements, was implemented for the current year. In one case, this meant reclassifying a previously recorded intangible capital asset to a right-to-use asset. Due to the change, the County disposed of the intangible asset and all accumulated amortization that was

previously recorded with the loss posting against net position. The effect of this change from the implementation of the new accounting standard is shown in column A of the table below.

**Correction of an Error in Previously Issued Financial Statements (Column B)**

During fiscal year 2022, the County began receiving settlement funds from multiple opioid lawsuits between the State and various drug manufacturers. It was determined based on the guidance at the time, that settlement proceeds were to be classified as unearned revenues until the corresponding expenditures were made. During the current fiscal year, it was determined that the previous guidance was incorrect and that settlement proceeds were to be recorded as revenue in the period they are received. Therefore, revenues in the Opioid Settlement Fund were understated by \$621,438 for the year ended June 30, 2022. The effect of this change on fund balance is shown in column B of the table below.

	June 30, 2022 As Previously Reported	Changes in Accounting Principle (A)	Error Correction (B)	June 30, 2022 As Restated
Government Wide				
Governmental Activities	\$ (75,708,493)	\$ (3,493,907)	\$ 621,438	\$ (78,580,962)
Business-Type Activities	29,286,083	-	-	29,286,083
Total Primary Government	<u>\$ (46,422,410)</u>	<u>\$ (3,493,907)</u>	<u>\$ 621,438</u>	<u>\$ (49,294,879)</u>
Governmental Funds				
General Fund	\$ 124,314,054	\$ -	\$ -	\$ 124,314,054
Occupancy Tax	-	-	-	-
Special Taxing District	-	-	-	-
Grant Projects	(1,942,419)	-	-	(1,942,419)
Public School Capital Needs	41,374,724	-	-	41,374,724
AB Tech Capital Projects	18,880,834	-	-	18,880,834
Public School ADM Sales Tax/Lottery Projects	-	-	-	-
County Capital Projects	30,667,068	-	-	30,667,068
Special Projects Capital Projects	14,194,119	-	-	14,194,119
Other Governmental Funds	6,090,120	-	621,438	6,711,558
Total Governmental Funds	<u>\$ 233,578,500</u>	<u>\$ -</u>	<u>\$ 621,438</u>	<u>\$ 234,199,938</u>



## *Required Supplemental Financial Data*

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### Buncombe County, North Carolina

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

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

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

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

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

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

#### **Healthcare Benefits Plan**

Schedule of Changes in the Net OPEB Liability and Related Ratios

Schedule of County Contributions

Schedule of Investment Returns - OPEB

This section contains information required by generally accepted accounting principles

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

*Schedule of Changes in Total Pension Liability*

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 11,115,331	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557	\$ 6,435,449
Changes for the year:							
Service cost at end of year	549,484	562,306	341,533	309,418	346,181	292,258	324,170
Interest	243,356	215,319	245,944	251,636	217,434	244,382	223,868
Difference between expected and actual experience	(124,834)	(246,852)	630,721	357,591	173,058	(49,185)	-
Changes of assumptions and other inputs	(1,704,947)	(287,614)	2,950,710	223,551	(270,198)	431,353	(149,649)
Benefit payments	(599,024)	(568,535)	(544,985)	(477,003)	(391,418)	(346,831)	(329,281)
Net changes	(1,635,965)	(325,376)	3,623,923	665,193	75,057	571,977	69,108
Ending balance of the total pension liability	\$ 9,479,366	\$ 11,115,331	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557

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

Total Pension Liability	\$ 9,479,366	\$ 11,115,331	\$ 11,440,707	\$ 7,816,784	\$ 7,151,591	\$ 7,076,534	\$ 6,504,557
Covered-Employee Payroll	14,384,145	13,800,012	13,132,599	12,874,345	13,782,414	13,226,166	13,727,850
Total pension liability as a percentage of covered-employee payroll	65.90%	80.55%	87.12%	60.72%	51.89%	53.50%	47.38%

**Notes to the schedule:**

This schedule is intended to show ten (10) years of information; additional years will be added as they become available

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

*Changes in actuarial assumptions or other inputs:*

December 31, 2021 Measurement Date: The Municipal Bond Index Rate increased from 2.25% to 4.31%.

December 31, 2020 Measurement Date: The Municipal Bond Index Rate increased from 1.93% to 2.25%.

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

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

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

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

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

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

BUNCOMBE COUNTY, NORTH CAROLINA  
 Local Governmental Employees' Retirement System  
 Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contribution

LAST NINE FISCAL YEARS

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	1.350%	1.380%	1.293%	1.329%	1.361%	1.356%	1.367%	1.370%	1.263%
County's proportionate share of the net pension liability (asset)	\$ 76,183,535	\$ 21,171,139	\$ 46,214,761	\$ 32,286,853	\$ 32,284,728	\$ 20,713,021	\$ 29,009,136	\$ 6,153,152	\$ (7,446,959)
County's covered payroll	\$ 95,371,351	\$ 91,497,070	\$ 87,523,909	\$ 85,711,058	\$ 85,410,896	\$ 80,696,295	\$ 78,543,481	\$ 78,653,953	\$ 72,997,430
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.88%	23.14%	52.80%	37.67%	37.80%	25.67%	36.93%	7.82%	-10.20%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%

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

County Contribution:

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 13,885,253	\$ 10,925,396	\$ 9,379,209	\$ 7,930,774	\$ 6,736,044	\$ 6,437,477	\$ 5,974,471	\$ 5,289,811	\$ 5,552,865
Contribution made	13,885,253	10,925,396	9,379,209	7,930,774	6,736,044	6,437,477	5,974,471	5,289,811	5,552,865
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 113,625,928	\$ 95,371,351	\$ 91,497,070	\$ 87,523,909	\$ 85,711,058	\$ 85,410,896	\$ 80,696,295	\$ 78,543,481	\$ 78,653,953
Contribution as a percentage of covered payroll	12.22%	11.46%	10.25%	9.06%	7.86%	7.54%	7.40%	6.73%	7.06%

Notes to the schedule:

This schedule is intended to show ten (10) years of information; additional years will be added as they become available



BUNCOMBE COUNTY, NORTH CAROLINA  
 Register of Deeds' Supplemental Pension Fund  
 Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

LAST NINE FISCAL YEARS

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension asset	2.977%	3.031%	3.092%	2.893%	3.179%	3.515%	3.466%	3.461%	3.148%
County's proportionate share of the net pension liability (asset)	\$ (394,200)	\$ (582,434)	\$ (708,595)	\$ (571,128)	\$ (526,518)	\$ (599,938)	\$ (648,037)	\$ (802,058)	\$ (713,609)
County's covered payroll	\$ 100,944	\$ 99,131	\$ 98,498	\$ 94,900	\$ 93,926	\$ 90,779	\$ 88,376	\$ 82,865	\$ 79,564
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-390.51%	-587.54%	-719.40%	-601.82%	-560.57%	-660.88%	-733.27%	-967.91%	-896.90%
Plan fiduciary net position as a percentage of the total pension liability (asset)	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%

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

County Contributions:

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 26,178	\$ 34,132	\$ 36,382	\$ 29,605	\$ 27,497	\$ 27,204	\$ 30,538	\$ 28,316	\$ 27,694
Contribution	26,178	34,132	36,382	29,605	27,497	27,204	30,538	28,316	27,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 109,749	\$ 100,944	\$ 99,131	\$ 98,498	\$ 94,900	\$ 93,926	\$ 90,779	\$ 88,376	\$ 82,865
Contributions as a percentage of covered payroll	23.85%	33.81%	36.70%	30.06%	28.97%	28.96%	33.64%	32.04%	33.42%

Notes to the schedule:

This schedule is intended to show ten (10) years of information; additional years will be added as they become available

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

Schedule for the Plan

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost at end of year	\$ 2,777,214	\$ 2,689,795	\$ 7,097,937	\$ 4,940,481	\$ 4,788,951	\$ 5,127,940	\$ 5,732,800
Interest on the total OPEB liability and cash flows	6,731,795	6,609,535	4,384,490	5,539,553	5,728,956	5,286,294	4,776,409
Difference between expected and actual experience	(4,142,843)	382,827	(1,836,022)	540,302	(3,699,090)	2,081,393	-
Changes of assumptions and other inputs	(25,773,498)	-	(64,107,498)	33,190,959	12,695,151	(8,668,680)	(13,287,300)
Benefit payments	(6,857,622)	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Reconciling adjustments	-	-	4,118,186	(4,118,186)	-	-	-
Net change in total OPEB liability	(27,264,954)	2,075,013	(57,492,936)	32,994,374	12,831,563	(3,853,330)	(9,560,002)
Total OPEB liability, beginning of year	138,022,896	135,947,883	193,440,819	160,446,445	147,614,882	151,468,212	161,028,214
Total OPEB liability, end of year	<u>\$ 110,757,942</u>	<u>\$ 138,022,896</u>	<u>\$ 135,947,883</u>	<u>\$ 193,440,819</u>	<u>\$ 160,446,445</u>	<u>\$ 147,614,882</u>	<u>\$ 151,468,212</u>
Plan fiduciary net position:							
Contributions - employer	\$ 8,857,622	\$ 9,607,144	\$ 10,150,029	\$ 7,098,735	\$ 8,682,405	\$ 8,680,277	\$ 8,781,911
Net investment income	4,248,721	(4,572,977)	7,160,322	721,236	1,170,556	1,502,685	1,971,359
Benefit payments	(6,857,622)	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Administrative expense	-	-	-	-	-	-	(20,701)
Net change in plan fiduciary net position	6,248,721	(2,572,977)	10,160,322	721,236	3,170,556	2,502,685	3,950,658
Plan fiduciary net position, beginning of year	33,571,553	36,144,530	25,984,208	25,262,972	22,092,416	19,589,731	15,639,073
Plan fiduciary net position, end of year	<u>\$ 39,820,274</u>	<u>\$ 33,571,553</u>	<u>\$ 36,144,530</u>	<u>\$ 25,984,208</u>	<u>\$ 25,262,972</u>	<u>\$ 22,092,416</u>	<u>\$ 19,589,731</u>
Net OPEB liability, end of year	<u>\$ 70,937,668</u>	<u>\$ 104,451,343</u>	<u>\$ 99,803,353</u>	<u>\$ 167,456,611</u>	<u>\$ 135,183,473</u>	<u>\$ 125,522,466</u>	<u>\$ 131,878,481</u>
Plan fiduciary net position as a percentage of the total OPEB liability	35.95%	24.32%	26.59%	13.43%	15.75%	14.97%	12.93%
Covered-employee payroll	\$ 44,271,905	\$ 50,787,596	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	160.23%	205.66%	208.60%	329.72%	220.69%	189.19%	182.51%

Schedule for the Employer\*

	2023	2022	2021	2020	2019	2018
County's net OPEB liability	\$ 76,191,282	\$ 99,803,353	\$ 167,456,611	\$ 135,183,473	\$ 125,522,466	\$ 123,198,204
Covered-employee payroll	\$ 50,787,596	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	150.02%	208.60%	329.72%	220.69%	189.19%	170.50%

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

Notes to schedule:

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

BUNCOMBE COUNTY, NORTH CAROLINA  
 Healthcare Benefits Plan  
 Schedule of County Contributions

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 9,623,846	\$ 9,623,846	\$ 10,011,572	\$ 10,011,572	\$ 7,322,456	\$ 7,322,456	\$ 7,301,754
Contributions in relation to the actuarially determined contribution	8,857,622	9,607,144	10,150,029	7,098,735	8,682,405	8,680,277	8,781,911
Annual contribution deficiency (excess)	766,224	16,702	(138,457)	2,912,837	(1,359,949)	(1,357,821)	(1,480,157)
Covered-employee payroll	\$ 44,271,905	\$ 50,787,596	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 61,814,919
Contributions as a percentage of covered-employee payroll	20.01%	18.92%	21.21%	13.98%	14.17%	13.08%	14.21%

**Notes to schedule:**

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

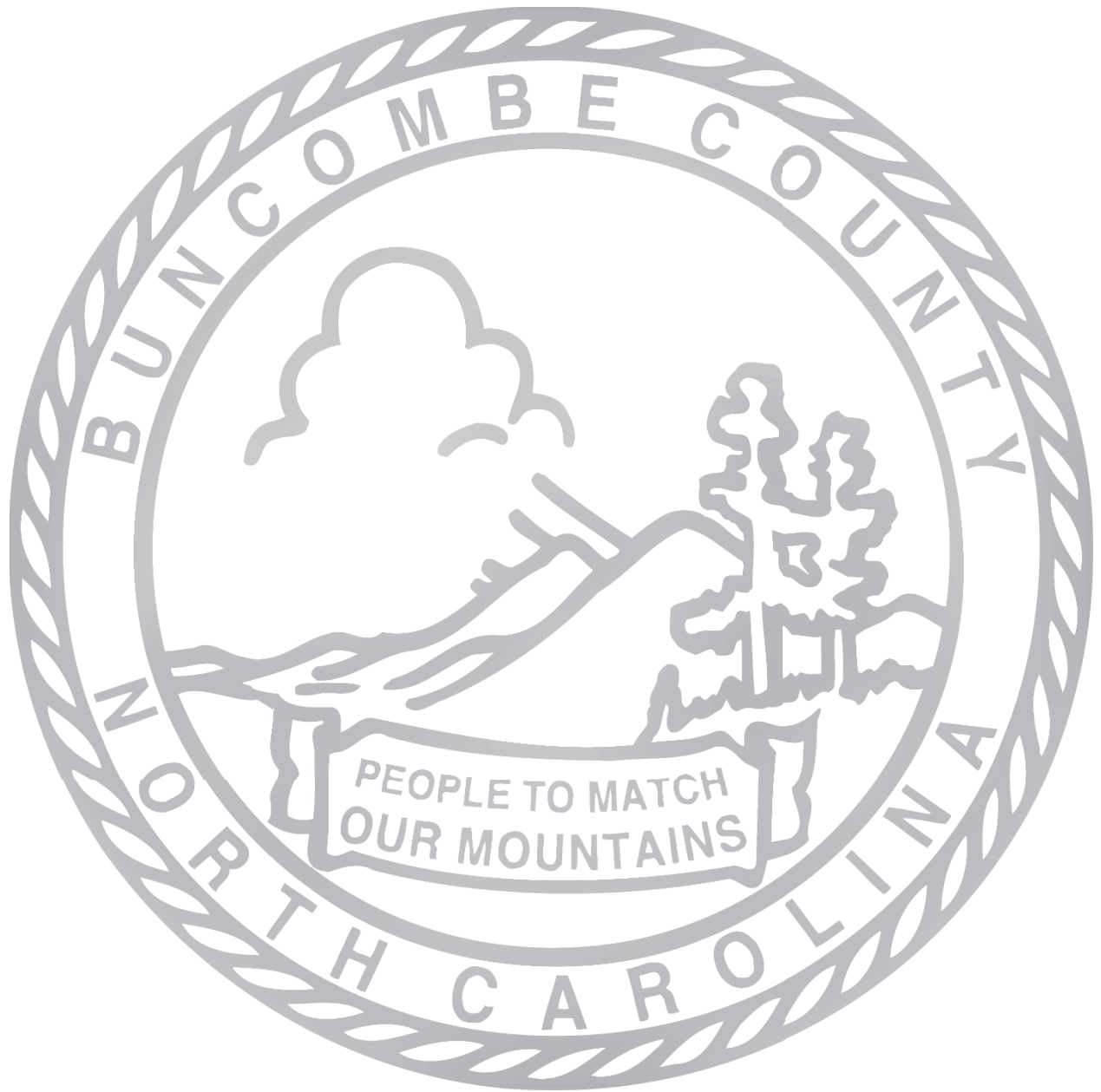
*Methods and assumptions used to determine contribution rates.*

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	26 year
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.00%
Municipal Bond Index Rate	
Prior measurement date	3.54%
Measurement date	3.65%
Year FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	5.00%
Measurement date	5.00%
Healthcare cost trends	
Pre-medicare Medical and Prescription Drug	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare Medical and Prescription Drug	5.125% for 2022 decreasing to an ultimate rate of 4.500% by 2025

BUNCOMBE COUNTY, NORTH CAROLINA  
*Healthcare Benefits Plan*  
*Schedule of Investment Returns - OPEB*

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	12.40%	-12.53%	27.08%	2.85%	5.30%	7.64%



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

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BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad Valorem Taxes:			
Taxes		\$ 243,430,779	
Penalties and interest		602,975	
Total	\$ 240,309,247	244,033,754	\$ 3,724,507
Local Option Sales Taxes:			
Article 39, one percent *		19,898,874	
Article 40, one-half of one percent		14,314,735	
Article 42, one-half of one percent		10,437,041	
Article 44, one-half of one percent		277	
Total	47,527,393	44,650,927	(2,876,466)
Other Taxes and Licenses:			
Deed stamp excise tax		7,401,258	
Video programming tax		1,245,570	
Privilege licenses		33,325	
Rental car tax		1,546,478	
Total	11,018,000	10,226,631	(791,369)
Unrestricted Intergovernmental:			
Payments in lieu of taxes		100,707	
Beer and wine tax		690,410	
Other		4,750,966	
Total	1,524,415	5,542,083	4,017,668
Restricted Intergovernmental:			
Federal, State, and other grants		43,504,275	
Mixed drink surcharge		1,215,204	
Court facilities fees		305,361	
ABC bottle taxes		207,456	
Total	47,900,362	45,232,296	(2,668,066)
Permits and Fees:			
Building permits and inspections		4,196,682	
Register of deeds		1,377,015	
Total	5,210,000	5,573,697	363,697
Sales and Services:			
Rents, concessions, and fees		3,490,716	
Jail fees		617,883	
Ambulance and rescue squad fees		10,561,737	
Recreation fees		231,829	
Other charges for services		8,184,572	
Total	18,108,468	23,086,737	4,978,269

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues - continued:</i>			
Investment earnings (loss)	550,000	6,852,840	6,302,840
Other	1,515,618	701,711	(813,907)
Total revenues	<u>373,663,503</u>	<u>385,900,676</u>	<u>12,237,173</u>
<b>EXPENDITURES</b>			
General Government:			
Governing Body:			
Salaries and employee benefits		658,856	
Other operating expenditures		353,965	
Program support		12,500	
Total		<u>1,025,321</u>	
County Manager:			
Salaries and employee benefits		1,158,564	
Other operating expenditures		69,501	
Total		<u>1,228,065</u>	
Sustainability:			
Salaries and employee benefits		249,822	
Other operating expenditures		436,937	
Total		<u>686,759</u>	
Community Engagement:			
Salaries and employee benefits		347,004	
Other operating expenditures		307,748	
Total		<u>654,752</u>	
PR and Communications:			
Salaries and employee benefits		1,049,483	
Other operating expenditures		132,044	
Total		<u>1,181,527</u>	
Budget and Management Services:			
Salaries and employee benefits		675,189	
Other operating expenditures		16,496	
Total		<u>691,685</u>	
Human Resources:			
Salaries and employee benefits		1,961,525	
Other operating expenditures		274,008	
Total		<u>2,235,533</u>	
Legal and Risk:			
Salaries and employee benefits		1,006,806	
Other operating expenditures		106,797	
Total		<u>1,113,603</u>	



BUNCOMBE COUNTY, NORTH CAROLINA

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

General Fund

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
Finance:			
Salaries and employee benefits		2,296,624	
Other operating expenditures		491,162	
Total		<u>2,787,786</u>	
Internal Audit:			
Salaries and employee benefits		354,698	
Other operating expenditures		41,710	
Total		<u>396,408</u>	
Strategy and Innovation:			
Salaries and employee benefits		1,326,326	
Other operating expenditures		51,982	
Total		<u>1,378,308</u>	
Tax Assessment:			
Salaries and employee benefits		3,133,517	
Other operating expenditures		614,818	
Total		<u>3,748,335</u>	
Tax Collections:			
Salaries and employee benefits		1,226,079	
Other operating expenditures		855,306	
Total		<u>2,081,385</u>	
Elections:			
Salaries and employee benefits		1,057,259	
Other operating expenditures		1,353,553	
Total		<u>2,410,812</u>	
Register of Deeds:			
Salaries and employee benefits		1,780,186	
Other operating expenditures		3,741,029	
Total		<u>5,521,215</u>	
Information Technology:			
Salaries and employee benefits		7,627,030	
Other operating expenditures		7,479,932	
Capital outlay		5,641,571	
Total		<u>20,748,533</u>	
General Services:			
Salaries and employee benefits		3,788,947	
Other operating expenditures		6,359,661	
Capital outlay		294,520	
Total		<u>10,443,128</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
Fleet:			
Salaries and employee benefits		718,559	
Other operating expenditures		421,211	
Capital outlay		1,987,712	
Total		<u>3,127,482</u>	
Parking Services			
Other operating expenditures		735,157	
Total		<u>735,157</u>	
Strategic Partnership Grants:			
Salaries and employee benefits		408,283	
Other operating expenditures		21,305	
Program support		1,595,900	
Total		<u>2,025,488</u>	
Diversity Equity & Inclusion			
Salaries and employee benefits		168,563	
Other operating expenditures		95,853	
Total		<u>264,416</u>	
Other General Government		<u>371,875</u>	
Total General Government	74,810,225	64,857,573	9,952,652
Public Safety:			
Justice Resource Support:			
Salaries and employee benefits		1,395,218	
Other operating expenditures		1,129,764	
Program support		51,125	
Total		<u>2,576,107</u>	
Pretrial Release:			
Salaries and employee benefits		1,306,082	
Other operating expenditures		81,900	
Total		<u>1,387,982</u>	
ID Bureau and C.D.E.:			
Salaries and employee benefits		1,760,628	
Other operating expenditures		265,431	
Total		<u>2,026,059</u>	
Public Safety Interoperability Partnership:			
Salaries and employee benefits		859,417	
Other operating expenditures		477,210	
Total		<u>1,336,627</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>Public Safety - continued:</i>			
Sheriff:			
Salaries and employee benefits		20,610,719	
Other operating expenditures		2,263,014	
Total		<u>22,873,733</u>	
Detention Center:			
Salaries and employee benefits		15,764,498	
Other operating expenditures		5,777,356	
Total		<u>21,541,854</u>	
Emergency Services:			
Salaries and employee benefits		15,977,920	
Other operating expenditures		2,988,719	
Program support		153,085	
Capital outlay		447,703	
Total		<u>19,567,427</u>	
911 Operations:			
Salaries and employee benefits		5,744,531	
Other operating expenditures		524,850	
Total		<u>6,269,381</u>	
Public Safety Training Center:			
Salaries and employee benefits		366,879	
Other operating expenditures		179,412	
Total		<u>546,291</u>	
Juvenile Crime Prevention Council:			
Other operating expenditures		23,272	
Program support		596,916	
Total		<u>620,188</u>	
Family Justice Center			
Salaries and employee benefits		142,758	
Other operating expenditures		336,545	
Program Support		3,475	
Total		<u>482,778</u>	
Other Public Safety		<u>719,204</u>	
Total Public Safety	83,046,018	79,947,631	3,098,387
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		2,406,017	
Other operating expenditures		192,250	
Program support		7,174	
Total		<u>2,605,441</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>Economic and Physical Development - continued:</i>			
Permits and Inspections:			
Salaries and employee benefits		2,302,128	
Other operating expenditures		300,894	
Program support		68,371	
Total		<u>2,671,393</u>	
Cooperative Extension:			
Other operating expenditures		451,276	
Total		<u>451,276</u>	
Agriculture and Land Resources:			
Salaries and employee benefits		670,752	
Other operating expenditures		118,275	
Program support		72	
Total		<u>789,099</u>	
Other Economic and Physical Development		<u>809,108</u>	
Total Economic and Physical Development	9,366,826	7,326,317	2,040,509
Human Services:			
Public Health:			
Salaries and employee benefits		14,348,775	
Other operating expenditures		6,860,212	
Program Support		2,938,754	
Total		<u>24,147,741</u>	
Social Services:			
Salaries and employee benefits		42,746,243	
Other operating expenditures		5,197,510	
Capital outlay		508,411	
Program support		13,651,091	
Total		<u>62,103,255</u>	
Veterans Services:			
Salaries and employee benefits		382,536	
Other operating expenditures		22,394	
Total		<u>404,930</u>	
Behavioral Health:			
Program support		600,000	
Total		<u>600,000</u>	
Animal Services		<u>1,520,251</u>	
Other Human Services		<u>721,040</u>	
Total Human Services	94,652,485	89,497,217	5,155,268
Culture and Recreation:			
Library:			
Salaries and employee benefits		5,453,516	
Other operating expenditures		1,438,074	
Total		<u>6,891,590</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance Positive (Negative)
<i>Culture and Recreation - continued:</i>			
Recreation Services:			
Salaries and employee benefits		1,199,651	
Other operating expenditures		578,747	
Capital outlay		92,571	
Program support		227,140	
Total		<u>2,098,109</u>	
Other Culture and Recreation		<u>71,537</u>	
Total Culture and Recreation	9,966,490	9,061,236	905,254
Education:			
Public schools:			
Current expenditures		97,164,357	
Pre-K		3,632,207	
Community college - current expenditures		7,728,142	
Total		<u>108,524,706</u>	
Education support		<u>514,000</u>	
Total Education	109,226,848	109,038,706	188,142
Debt Service:			
Principal retirement		15,760,046	
Interest and fees		<u>5,783,037</u>	
Total Debt Service	23,887,958	21,543,083	2,344,875
Total expenditures	404,956,850	381,271,763	23,685,087
Revenues over (under) expenditures	(31,293,347)	4,628,913	35,922,260
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	12,434,241	8,435,519	(3,998,722)
Operating transfers to other funds	(16,093,543)	(16,093,543)	-
Lease liabilities issued	12,000,000	5,598,709	(6,401,291)
Sales of capital assets	100,000	36,903	(63,097)
Appropriated fund balance	22,852,649	-	(22,852,649)
Total other financing sources (uses)	<u>31,293,347</u>	<u>(2,022,412)</u>	<u>(33,315,759)</u>
Net change in fund balance	<u>\$ -</u>	2,606,501	<u>\$ 2,606,501</u>
Reconciliation from budgetary basis (modified accrual) to GAAP:			
Reconciling items:			
Net collections on long-term loans		(3,948)	
Net change in fund balance in Reappraisal Reserve Fund (Consolidated with General Fund for GAAP Reporting)		<u>44,160</u>	
Change in fund balance		2,646,713	
Fund balance, beginning		<u>124,314,054</u>	
Fund balance, ending		<u>\$ 126,960,767</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Total revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		623,698	
Total expenditures	531,913	623,698	(91,785)
Debt service:			
Principal retirement		120,000	
Total debt service	-	120,000	(120,000)
Revenues under expenditures	(531,913)	(743,698)	(211,785)
OTHER FINANCING SOURCES			
Transfers from other funds		435,000	
Lease liabilities issued		352,858	
Appropriated fund balance		-	
Total other financing sources	531,913	787,858	(255,945)
Net change in fund balance	\$ -	44,160	\$ (467,730)
Fund balance, beginning		239,239	
Fund balance, ending		\$ 283,399	

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, 2023

	Actual to June 30, 2023					Variance Positive (Negative)
	Project Budget	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Restricted intergovernmental	\$ 107,961,600	\$ 43,712,722	\$ (7,803,090)	\$ 20,023,412	\$ 55,933,044	\$ (52,028,556)
Private grants and contributions	12,978,774	4,327,446	(578,045)	1,724,352	5,473,753	(7,505,021)
Other	100,000	-	-	-	-	(100,000)
Total revenues	<u>121,040,374</u>	<u>48,040,168</u>	<u>(8,381,135)</u>	<u>21,747,764</u>	<u>61,406,797</u>	<u>(59,633,577)</u>
<b>EXPENDITURES</b>						
General government	40,371,932	14,127,651	(3,469,764)	11,695,910	22,353,797	18,018,135
Public safety	16,816,120	7,419,685	(1,500,768)	4,098,912	10,017,829	6,798,291
Economic and physical development	12,353,615	94,466	(4,222)	82,467	172,711	12,180,904
Human services	41,398,829	28,534,425	(3,336,439)	7,140,033	32,338,019	9,060,810
Cultural and recreational	13,134,701	2,936,378	(84,192)	4,259,379	7,111,565	6,023,136
Education	-	199,000	(199,000)	-	-	-
Total expenditures	<u>124,075,197</u>	<u>53,311,605</u>	<u>(8,594,385)</u>	<u>27,276,701</u>	<u>71,993,921</u>	<u>52,081,276</u>
Revenues under expenditures	<u>(3,034,823)</u>	<u>(5,271,437)</u>	<u>213,250</u>	<u>(5,528,937)</u>	<u>(10,587,124)</u>	<u>(7,552,301)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from other funds	3,117,587	3,411,780	(213,250)	335,125	3,533,655	416,068
Transfer to other funds	(82,764)	(82,762)	-	-	(82,762)	2
Total other financing sources (uses)	<u>3,034,823</u>	<u>3,329,018</u>	<u>(213,250)</u>	<u>335,125</u>	<u>3,450,893</u>	<u>416,070</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,942,419)</u>	<u>\$ -</u>	<u>(5,193,812)</u>	<u>\$ (7,136,231)</u>	<u>\$ (7,136,231)</u>
Fund balance (deficit), beginning of year				<u>(1,942,419)</u>		
Fund balance (deficit), ending				<u>\$ (7,136,231)</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Local option sales tax	\$ 141,994,153	\$ 134,958,798	\$ -	\$ 28,311,666	\$ 163,270,464	\$ 21,276,311
Restricted intergovernmental	1,465,580	2,190,930	-	189,354	2,380,284	914,704
Investment earnings	2,266,439	5,740,267	-	897,675	6,637,942	4,371,503
Total revenues	<u>145,726,172</u>	<u>142,889,995</u>	<u>-</u>	<u>29,398,695</u>	<u>172,288,690</u>	<u>26,562,518</u>
<b>EXPENDITURES</b>						
Capital outlay:						
Education:						
Buncombe County schools	61,408,796	27,496,976	(8,883,177)	11,288,265	29,902,064	31,506,732
Asheville City schools	27,624,999	3,456,558	(414,125)	3,432,374	6,474,807	21,150,192
Security Assessment	-	398,700	(398,700)	-	-	-
Radio Upgrade	-	2,099,444	(2,099,444)	-	-	-
Contingency	-	-	-	-	-	-
Total capital outlay	<u>89,033,795</u>	<u>33,451,678</u>	<u>(11,795,446)</u>	<u>14,720,639</u>	<u>36,376,871</u>	<u>52,656,924</u>
Debt service:						
Principal	109,842,194	94,453,533	-	15,389,339	109,842,872	(678)
Interest and fees	63,930,206	57,940,585	(980,124)	6,951,140	63,911,601	18,605
Total debt service	<u>173,772,400</u>	<u>152,394,118</u>	<u>(980,124)</u>	<u>22,340,479</u>	<u>173,754,473</u>	<u>17,927</u>
Total expenditures	<u>262,806,195</u>	<u>185,845,796</u>	<u>(12,775,570)</u>	<u>37,061,118</u>	<u>210,131,344</u>	<u>52,674,851</u>
Revenues over (under) expenditures	<u>(117,080,023)</u>	<u>(42,955,801)</u>	<u>12,775,570</u>	<u>(7,662,423)</u>	<u>(37,842,654)</u>	<u>79,237,369</u>
<b>OTHER FINANCING SOURCES</b>						
Proceeds of installment obligations	120,773,274	82,306,154	(11,752,750)	-	70,553,404	(50,219,870)
Payment to bond escrow agent	(31,900,000)	(31,897,614)	-	-	(31,897,614)	2,386
Prior year revenues and transfers	28,206,749	33,921,985	(1,022,820)	-	32,899,165	4,692,416
Total other financing sources	<u>117,080,023</u>	<u>84,330,525</u>	<u>(12,775,570)</u>	<u>-</u>	<u>71,554,955</u>	<u>(45,525,068)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 41,374,724</u>	<u>\$ -</u>	<u>(7,662,423)</u>	<u>\$ 33,712,301</u>	<u>\$ 33,712,301</u>
Fund balance, beginning				<u>41,374,724</u>		
Fund balance, ending				<u>\$ 33,712,301</u>		

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



**BUNCOMBE COUNTY, NORTH CAROLINA**

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

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Actual to June 30, 2023					Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Local option sales taxes	\$ 136,294,372	\$ 119,257,897	\$ (326,237)	\$ 19,685,163	\$ 138,616,823	\$ 2,322,451
Restricted intergovernmental	300,042	291,201	-	-	291,201	(8,841)
Investment earnings	1,398,863	1,457,193	-	407,135	1,864,328	465,465
Total revenues	<u>137,993,277</u>	<u>121,006,291</u>	<u>(326,237)</u>	<u>20,092,298</u>	<u>140,772,352</u>	<u>2,779,075</u>
<b>EXPENDITURES</b>						
Community College	39,673,911	10,836,676	(326,237)	5,937,245	16,447,684	23,226,227
Debt service:						
Principal retirement	41,567,897	36,485,921	-	4,902,214	41,388,135	179,762
Interest and fees	28,781,896	26,836,696	-	2,098,024	28,934,720	(152,824)
Total expenditures	<u>110,023,704</u>	<u>74,159,293</u>	<u>(326,237)</u>	<u>12,937,483</u>	<u>86,770,539</u>	<u>23,253,165</u>
Revenues over expenditures	<u>27,969,573</u>	<u>46,846,998</u>	<u>-</u>	<u>7,154,815</u>	<u>54,001,813</u>	<u>26,032,240</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Payment to bond escrow agent	(46,160,538)	(46,150,129)	-	-	(46,150,129)	10,409
Proceeds from installment obligati	51,300,619	46,293,619	-	-	46,293,619	(5,007,000)
Transfers to other funds	(34,629,654)	(29,629,654)	-	(5,000,000)	(34,629,654)	-
Transfers from other funds	1,520,000	1,520,000	-	-	1,520,000	-
Total other financing sources (uses)	<u>(27,969,573)</u>	<u>(27,966,164)</u>	<u>-</u>	<u>(5,000,000)</u>	<u>(32,966,164)</u>	<u>(4,996,591)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 18,880,834</u>	<u>\$ -</u>	<u>2,154,815</u>	<u>\$ 21,035,649</u>	<u>\$ 21,035,649</u>
Fund balance, beginning				<u>18,880,834</u>		
Fund balance, ending				<u>\$ 21,035,649</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year Activity	Total	
<b>REVENUES</b>						
Local option sales taxes	\$ 53,967,714	\$ 98,099,041	\$(69,000,000)	\$ 21,790,448	\$ 50,889,489	\$ (3,078,225)
Restricted intergovernmental	6,250,599	3,086,234	(1,885,304)	1,825,316	3,026,246	(3,224,353)
Total revenues	<u>60,218,313</u>	<u>101,185,275</u>	<u>(70,885,304)</u>	<u>23,615,764</u>	<u>53,915,735</u>	<u>(6,302,578)</u>
<b>EXPENDITURES</b>						
Capital outlay:						
Education:						
Buncombe County schools						
Sales tax projects	43,594,512	82,677,821	(60,000,000)	18,349,736	41,027,557	2,566,955
Lottery projects	5,340,000	2,916,758	(1,885,304)	1,825,316	2,856,770	2,483,230
Asheville City schools						
Sales tax projects	10,373,202	15,421,220	(9,000,000)	3,440,712	9,861,932	511,270
Lottery projects	910,599	169,476	-	-	169,476	741,123
Total capital outlay	<u>60,218,313</u>	<u>101,185,275</u>	<u>(70,885,304)</u>	<u>23,615,764</u>	<u>53,915,735</u>	<u>6,302,578</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning				<u>-</u>		
Fund balance, ending				<u>\$ -</u>		

BUNCOMBE COUNTY, NORTH CAROLINA

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

County Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023					Variance Positive (Negative)
	Project	Reported In	Closures of	Current	Total	
	Authorization	Prior Years	Prior Activity	Year		
<b>REVENUES</b>						
Restricted intergovernmental	\$ 4,118,000	\$ 241,149	\$ -	\$ 650,000	\$ 891,149	\$ (3,226,851)
Other	752,740	249,221	-	1,249,200	1,498,421	745,681
Investment earnings	743,183	633,173	-	282,705	915,878	172,695
<b>Total revenues</b>	<b>5,613,923</b>	<b>1,123,543</b>	<b>-</b>	<b>2,181,905</b>	<b>3,305,448</b>	<b>(2,308,475)</b>
<b>EXPENDITURES</b>						
Capital outlay:						
200 College Exterior	-	566,968	(566,968)	-	-	-
40 Coxe Interior Renovation	1,213,615	21,012	-	181,463	202,475	1,011,140
Administration Building Envelope Repair	2,458,869	-	-	16,401	16,401	2,442,468
BAS System for Detention Center	174,052	-	-	-	-	174,052
Broadband Projects	200,442	73,899	-	44,703	118,602	81,840
Buncombe County Health Clinic	-	1,391,520	(1,391,520)	-	-	-
Buncombe County Sports Dog Park	80,500	32,030	-	33,999	66,029	14,471
Comprehensive Facilities Assessment	-	835,780	(835,780)	-	-	-
Courthouse Exterior Renovations	-	4,242,084	(4,242,084)	-	-	-
Courthouse Repairs	596,239	8,625	-	59,929	68,554	527,685
Detention Center Cooling Tower	376,940	16,500	-	-	16,500	360,440
Detention Center Exterior Repair/Cleaning	-	1,103,211	(1,103,211)	-	-	-
East Asheville Library	6,977,466	6,901,091	-	-	6,901,091	76,375
Electric Vehicle Charging Infrastructure	120,000	-	-	68,180	68,180	51,820
EMS Base Construction	7,250,000	-	-	-	-	7,250,000
Facility Assessment - Renovation	4,010,000	-	-	61,062	61,062	3,948,938
Fleet and General Services Complex	10,084,093	226,840	-	222,670	449,510	9,634,583
Garren Creek Tower Retrofit	1,000,000	519,720	-	111,256	630,976	369,024
Grading/Paving Playground at Lake Julian	180,000	-	-	-	-	180,000
Greenways Contingency	148,849	-	-	-	-	148,849
Hominy Creek Greenway	80,000	-	-	-	-	80,000
Interchange Building	468,641	-	-	-	-	468,641
IT Redundant Network Configuration	1,000,000	960,113	-	-	960,113	39,887
Jail Mezzanine Metal Screen Partitions	318,000	-	-	-	-	318,000
Jail Repairs	786,358	-	-	2,650	2,650	783,708
Lake Julian Bathroom Additions	674,160	-	-	27,251	27,251	646,909
Lake Julian Paddle Boat Replacement	-	78,995	(78,995)	-	-	-
Lake Julian Shelter Replacements	100,000	8,717	-	41,475	50,192	49,808
Library Infrastructure	-	140,085	(140,085)	-	-	-
Library Renovation	691,654	-	-	-	-	691,654
New Restroom Facility for Sports Park	159,000	-	-	126,583	126,583	32,417
Oakley/South Asheville Library HVAC	-	3,600	-	-	3,600	(3,600)
Orchard Street Park	150,000	-	-	-	-	150,000
Owen Park Playground Update	-	116,709	(116,709)	-	-	-
Pack Library Exterior Wash	192,500	15,700	-	-	15,700	176,800
Pack Library Fire Suppression System	233,439	232,580	-	-	232,580	859
Parking Lot Improvements Countywide	946,523	2,500	-	184,062	186,562	759,961
Parks and Recreation Projects	787,665	99,484	-	-	99,484	688,181
Planning for Forward Facing Building	200,000	88,340	-	49,685	138,025	61,975
Recreation Services Master Plan	200,000	-	-	1,377	1,377	198,623
Reems Creek Greenway	600,000	-	-	-	-	600,000
Register of Deeds Building Envelope	560,475	33,619	-	517,480	551,099	9,376
Repairs for Libraries	366,978	199,031	-	138,010	337,041	29,937
Roof Replacements	466,900	401,210	-	-	401,210	65,690
Sidewalks - General	207,000	-	-	-	-	207,000

**BUNCOMBE COUNTY, NORTH CAROLINA**

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

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023**

	Actual to June 30, 2023					Variance Positive (Negative)
	Project	Reported In	Closures of	Current	Total	
	Authorization	Prior Years	Prior Activity	Year		
Soccer Complex Improvements	155,608	-	-	155,608	155,608	-
Solar on Public Facilities	10,592,728	6,955,909	-	1,633,372	8,589,281	2,003,447
Solar on Schools & Public Buildings	4,000,000	-	-	764,049	764,049	3,235,951
Solar Panel Installation Phase 2	400,000	100,153	-	184,898	285,051	114,949
Warren Wilson Pool	300,000	-	-	-	-	300,000
Woodfin Greenway	2,460,000	475,899	-	240,997	716,896	1,743,104
Woodfin Greenway - TDA Grant	2,250,000	-	-	650,000	650,000	1,600,000
<b>Total capital outlay</b>	<b>64,218,694</b>	<b>25,851,924</b>	<b>(8,475,352)</b>	<b>5,517,160</b>	<b>22,893,732</b>	<b>41,324,962</b>
Debt service:						
Interest and fees	4,663,994	4,662,974	-	-	4,662,974	1,020
<b>Total expenditures</b>	<b>68,882,688</b>	<b>30,514,898</b>	<b>(8,475,352)</b>	<b>5,517,160</b>	<b>27,556,706</b>	<b>41,325,982</b>
Revenues over (under) expenditures	(63,268,765)	(29,391,355)	8,475,352	(3,335,255)	(24,251,258)	39,017,507
<b>OTHER FINANCING SOURCES (USES)</b>						
Prior year revenues	\$ 13,898,044	\$ 10,143,206	\$ (2,690,783)	-	\$ 7,452,423	\$ (6,445,621)
Proceeds from installment obligations	46,266,869	38,306,165	(4,613,000)	-	33,693,165	(12,573,704)
Transfers from other funds	18,574,438	21,147,308	(1,171,569)	1,803,066	21,778,805	3,204,367
Transfer to other funds	(15,602,759)	(9,693,864)	-	(3,408,895)	(13,102,759)	2,500,000
Contingency	(23,435)	-	-	-	-	23,435
Sale of capital assets	155,608	155,608	-	-	155,608	-
<b>Total other financing sources (uses)</b>	<b>63,268,765</b>	<b>60,058,423</b>	<b>(8,475,352)</b>	<b>(1,605,829)</b>	<b>49,977,242</b>	<b>(13,291,523)</b>
Revenues and other sources over expenditures and other uses	\$ -	\$ 30,667,068	\$ -	(4,941,084)	\$ 25,725,984	\$ 25,725,984
Fund balance, beginning				<u>30,667,068</u>		
Fund balance, ending					<u>\$ 25,725,984</u>	

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

Special Projects Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023					Variance Positive (Negative)
	Project Budget	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	
<b>REVENUES</b>						
Restricted intergovernmental	\$ 433,505	\$ 263,305	\$ -	\$ 170,200	\$ 433,505	\$ -
Unrestricted intergovernmental	153,438	-	-	153,438	153,438	-
Sales and services	-	9,300	-	-	9,300	9,300
Other	2,288,058	2,237,515	-	183,293	2,420,808	132,750
Total revenues	2,875,001	2,510,120	-	506,931	3,017,051	142,050
<b>EXPENDITURES</b>						
Current:						
Economic and physical development	38,296,129	715,106	-	6,053,006	6,768,112	31,528,017
Capital outlay:						
Housing:						
Home FY16	75,000	75,000	-	-	75,000	-
Home FY18	26,733	-	-	-	-	26,733
Home Program Income	147,769	126,288	-	-	126,288	21,481
Lee Walker Heights Redevelopment	4,200,000	4,200,000	-	-	4,200,000	-
East Haven Apartments	2,200,000	2,200,000	-	-	2,200,000	-
Old Haywood Road Neighborhood	680,800	680,800	-	-	680,800	-
Housing Trust FY18	227,015	227,015	-	-	227,015	-
Housing Trust FY19	513,145	513,145	-	-	513,145	-
Affordable Housing Services FY20	261,367	261,367	-	-	261,367	-
Affordable Housing Services FY21	1,933,975	1,787,127	-	-	1,787,127	146,848
Affordable Housing Services FY22	1,242,968	709,768	-	528,832	1,238,600	4,368
Affordable Housing Services FY23	4,049,200	-	-	471,009	471,009	3,578,191
Housing Trust Program Income	488,560	436,801	-	50,000	486,801	1,759
Manufactured Homes Disposal	193,334	193,257	-	-	193,257	77
Energy Initiatives	148,142	79,107	-	-	79,107	69,035
High-Top Road Repair	170,200	-	-	170,200	170,200	-
Public Art Project	153,438	-	-	71,790	71,790	81,648
Reparations	2,000,000	-	-	-	-	2,000,000
Small Business Development	200,000	200,000	-	-	200,000	-
Conservation	2,391,512	660,069	-	343,765	1,003,834	1,387,678
Total expenditures	59,599,287	13,064,850	-	7,688,602	20,753,452	38,845,835
Revenues over (under) expenditures	(56,724,286)	(10,554,730)	-	(7,181,671)	(17,736,401)	38,987,885
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer from other funds	57,049,286	17,174,672	-	11,807,845	28,982,517	(28,066,769)
Transfer to other funds	(325,000)	(365,000)	-	-	(365,000)	(40,000)
Total other financing sources (uses)	56,724,286	16,809,672	-	11,807,845	28,617,517	(28,106,769)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 6,254,942	\$ -	4,626,174	\$ 10,881,116	\$ 10,881,116
Fund balance, beginning (Non-GAAP)				6,254,942		
Fund balance, ending (Non-GAAP)				10,881,116		
<b>Reconciliation from budgetary basis (modified accrual) to GAAP:</b>						
Fund balance, beginning (GAAP)				14,194,119		
Loan disbursements				375,984		
Payments on loans				(439,539)		
Total reconciling items				14,130,564		
Fund balance, ending (GAAP)				\$ 18,756,738		

*Combining Statements and Schedules for Nonmajor Governmental Funds*

SPECIAL REVENUE FUNDS

Emergency Telephone System Fund

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

Register of Deeds Automation Fund

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

Register of Deeds Fund

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

Representative Payee Fund

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

Sondley Estate Trust Fund

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

Transportation Fund

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

Drug Forfeitures Fund

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

School Fines and Forfeitures

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

PDF Woodfin Downtown Fund

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

Opioid Settlement Fund

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

Buncombe County Service Foundation

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

CAPITAL PROJECT FUNDS

Housing/Open Space Bond Projects Fund

This fund accounts for activity related to general obligation debt that will be used specifically for affordable housing and open space projects.

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2023

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 6,796,685	\$ -	\$ 6,796,685
Restricted cash and investments	1,905,076	-	1,905,076
Restricted assets	1,179	-	1,179
Receivables (net):			
Accounts receivable	1,265,360	-	1,265,360
Due from other governments	538,011	-	538,011
Total assets	<u>\$ 10,506,311</u>	<u>\$ -</u>	<u>\$ 10,506,311</u>
<b>LIABILITIES</b>			
Accounts payable	413,474	-	413,474
Payable from restricted cash	111,795	-	111,795
Unearned revenue	12,906	-	12,906
Other liabilities	173,420	6,409	179,829
Due to other funds	-	42,558	42,558
Total liabilities	<u>711,595</u>	<u>48,967</u>	<u>760,562</u>
DEFERRED INFLOWS OF RESOURCES	<u>434,400</u>	<u>-</u>	<u>434,400</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted for:			
Stabilization by State statute	1,418,271	-	1,418,271
Register of deeds	473,850	-	473,850
Public safety	3,148,505	-	3,148,505
Economic and physical development	12,596	-	12,596
Human services	2,231,619	-	2,231,619
Library	884,558	-	884,558
Assigned	1,190,917	-	1,190,917
Unassigned	-	(48,967)	(48,967)
Total fund balances	<u>9,360,316</u>	<u>(48,967)</u>	<u>9,311,349</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,506,311</u>	<u>\$ -</u>	<u>\$ 10,506,311</u>

BUNCOMBE COUNTY, NORTH CAROLINA

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

Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ -	\$ -	\$ -
Incremental tax revenue	447,833	-	447,833
Permits and fees	410,087	-	410,087
Restricted intergovernmental	4,628,701	-	4,628,701
Sales and services	1,040,434	-	1,040,434
Investment earnings (loss)	139,520	-	139,520
Other	1,688,500	-	1,688,500
<b>Total revenues</b>	<b>8,355,075</b>	<b>-</b>	<b>8,355,075</b>
<b>EXPENDITURES</b>			
Current:			
General government	490,247	-	490,247
Public safety	653,388	-	653,388
Economic and physical development	-	9,338	9,338
Human services	4,514,005	-	4,514,005
Cultural and recreational	-	39,629	39,629
Education	1,040,434	-	1,040,434
Capital outlay	155,054	-	155,054
Debt service:	-	-	-
Principal retirement	461,946	-	461,946
Interest and fees	392,188	-	392,188
<b>Total expenditures</b>	<b>7,707,262</b>	<b>48,967</b>	<b>7,756,229</b>
Revenues over (under) expenditures	647,813	(48,967)	598,846
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	1,712,507	-	1,712,507
Transfers to other funds	(26,624)	-	(26,624)
Sale of assets	95,075	-	95,075
Lease liabilities issued	219,987	-	219,987
<b>Total other financing sources (uses)</b>	<b>2,000,945</b>	<b>-</b>	<b>2,000,945</b>
Net change in fund balances	2,648,758	(48,967)	2,599,791
Fund balances, beginning	6,090,120	-	6,090,120
Prior period restatement - correction of error	621,438	-	621,438
Fund balances, beginning, as restated	6,711,558	-	6,711,558
Fund balances, ending	\$ 9,360,316	\$ (48,967)	\$ 9,311,349



BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2023

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate
<b>ASSETS</b>					
Cash and investments	\$ 2,628,253	\$ 473,850	\$ 22,798	\$ 93,406	\$ 884,558
Restricted cash and investments	-	-	-	12,906	-
Restricted assets	-	-	-	-	-
Receivables (net):					
Accounts receivable	887	156	-	-	306
Due from other governments	55,067	-	-	-	-
<b>Total assets</b>	<b>\$ 2,684,207</b>	<b>\$ 474,006</b>	<b>\$ 22,798</b>	<b>\$ 106,312</b>	<b>\$ 884,864</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 39,246	\$ -	\$ 14,328	\$ -	\$ -
Payable from restricted cash	-	-	-	-	-
Unearned revenue	-	-	-	12,906	-
Other liabilities	-	-	8,470	35,981	-
<b>Total liabilities</b>	<b>39,246</b>	<b>-</b>	<b>22,798</b>	<b>48,887</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted for:					
Stabilization by State statute	55,954	156	-	-	306
Register of deeds	-	473,850	-	-	-
Public safety	2,589,007	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	57,425	-
Library	-	-	-	-	884,558
Assigned	-	-	-	-	-
<b>Total fund balances</b>	<b>2,644,961</b>	<b>474,006</b>	<b>-</b>	<b>57,425</b>	<b>884,864</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,684,207</b>	<b>\$ 474,006</b>	<b>\$ 22,798</b>	<b>\$ 106,312</b>	<b>\$ 884,864</b>

Special Revenue Funds (Continued)

Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	Opioid Settlement Fund	BC Service Foundation	Total Special Revenue Funds
\$ 1,649,649	\$ 559,498	\$ 72,731	\$ 11,417	\$ -	\$ 400,525	\$ 6,796,685
-	-	-	-	1,892,170	-	1,905,076
-	-	-	1,179	-	-	1,179
1,206,878	196	56,238	-	592	107	1,265,360
482,944	-	-	-	-	-	538,011
<b>\$ 3,339,471</b>	<b>\$ 559,694</b>	<b>\$ 128,969</b>	<b>\$ 12,596</b>	<b>\$ 1,892,762</b>	<b>\$ 400,632</b>	<b>\$ 10,506,311</b>
\$ 359,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,474
-	-	-	-	111,795	-	111,795
-	-	-	-	-	-	12,906
-	-	128,969	-	-	-	173,420
359,900	-	128,969	-	111,795	-	711,595
434,400	-	-	-	-	-	434,400
1,354,254	196	-	-	7,298	107	1,418,271
-	-	-	-	-	-	473,850
-	559,498	-	-	-	-	3,148,505
-	-	-	12,596	-	-	12,596
-	-	-	-	1,773,669	400,525	2,231,619
-	-	-	-	-	-	884,558
1,190,917	-	-	-	-	-	1,190,917
2,545,171	559,694	-	12,596	1,780,967	400,632	9,360,316
<b>\$ 3,339,471</b>	<b>\$ 559,694</b>	<b>\$ 128,969</b>	<b>\$ 12,596</b>	<b>\$ 1,892,762</b>	<b>\$ 400,632</b>	<b>\$ 10,506,311</b>

BUNCOMBE COUNTY, NORTH CAROLINA

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

Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate
<b>REVENUES</b>					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Incremental tax revenue	-	-	-	-	-
Permits and fees	-	140,434	269,653	-	-
Restricted intergovernmental	660,802	-	-	467,131	-
Sales and services	-	-	-	-	-
Investment earnings (loss)	54,606	9,563	-	663	18,786
Other	-	-	-	-	-
<b>Total revenues</b>	<b>715,408</b>	<b>149,997</b>	<b>269,653</b>	<b>467,794</b>	<b>18,786</b>
<b>EXPENDITURES</b>					
Current:					
General government	-	220,594	269,653	-	-
Public safety	516,452	-	-	-	-
Human services	-	-	-	439,611	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	53,561	-	-	-
Interest and fees	-	3,739	-	-	-
<b>Total expenditures</b>	<b>516,452</b>	<b>277,894</b>	<b>269,653</b>	<b>439,611</b>	<b>-</b>
Revenues over (under) expenditures	198,956	(127,897)	-	28,183	18,786
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	4,518	-	-	-	-
Transfers to other funds	-	(26,624)	-	-	-
Sale of assets	-	-	-	-	-
Lease liabilities issued	-	219,987	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,518</b>	<b>193,363</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	203,474	65,466	-	28,183	18,786
Fund balances, beginning	2,441,487	408,540	-	29,242	866,078
Prior period restatement - change in accounting principle	-	-	-	-	-
Fund balances, beginning, as restated	2,441,487	408,540	-	29,242	866,078
Fund balances, ending	\$ 2,644,961	\$ 474,006	\$ -	\$ 57,425	\$ 884,864

Special Revenue Funds (Continued)

Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	Opioid Settlement Fund	BC Service Foundation	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	447,833	-	-	447,833
-	-	-	-	-	-	410,087
2,953,883	244,047	-	302,838	-	-	4,628,701
-	-	1,040,434	-	-	-	1,040,434
-	12,081	-	639	36,534	6,648	139,520
37,058	-	-	-	1,475,566	175,876	1,688,500
2,990,941	256,128	1,040,434	751,310	1,512,100	182,524	8,355,075
-	-	-	-	-	-	490,247
-	136,936	-	-	-	-	653,388
3,705,695	-	-	-	352,612	16,087	4,514,005
-	-	1,040,434	-	-	-	1,040,434
155,054	-	-	-	-	-	155,054
53,385	-	-	355,000	-	-	461,946
615	-	-	387,834	-	-	392,188
3,914,749	136,936	1,040,434	742,834	352,612	16,087	7,707,262
(923,808)	119,192	-	8,476	1,159,488	166,437	647,813
1,707,989	-	-	-	-	-	1,712,507
-	-	-	-	-	-	(26,624)
90,055	5,020	-	-	-	-	95,075
-	-	-	-	-	-	219,987
1,798,044	5,020	-	-	-	-	2,000,945
874,236	124,212	-	8,476	1,159,488	166,437	2,648,758
1,670,935	435,482	-	4,120	41	234,195	6,090,120
-	-	-	-	621,438	-	621,438
1,670,935	435,482	-	4,120	621,479	234,195	6,711,558
\$ 2,545,171	\$ 559,694	\$ -	\$ 12,596	\$ 1,780,967	\$ 400,632	\$ 9,360,316

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2023

	<u>Capital Project Funds</u>	
	<u>Housing/Open Space Bond Projects</u>	<u>Total Capital Project Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>		
Other liabilities	6,409	6,409
Due to other funds	42,558	42,558
Total liabilities	<u>48,967</u>	<u>48,967</u>
<b>FUND BALANCES</b>		
Unassigned	(48,967)	(48,967)
Total fund balances	<u>(48,967)</u>	<u>(48,967)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>

BUNCOMBE COUNTY, NORTH CAROLINA

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

*Nonmajor Governmental Funds*

FOR THE YEAR ENDED JUNE 30, 2023

	Capital Project Funds	
	Housing/Open Space Bond Projects	Total Capital Project Funds
REVENUES		
Restricted intergovernmental	\$ -	\$ -
Total revenues	-	-
EXPENDITURES		
Current:		
Economic and physical development	9,338	9,338
Cultural and recreational	39,629	39,629
Total expenditures	48,967	48,967
Revenues over (under) expenditures	(48,967)	(48,967)
Net change in fund balances	(48,967)	(48,967)
Fund balances, beginning	-	-
Fund balances, ending	\$ (48,967)	\$ (48,967)

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, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental		\$ 660,802	
Investment earnings		54,606	
Total revenues	\$ 660,801	715,408	\$ 54,607
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Other operating expenditures		437,917	
Capital outlay		78,535	
Total expenditures	1,288,426	516,452	771,974
Revenues under expenditures	(627,625)	198,956	826,581
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds		4,518	
Appropriated fund balance		-	
Total other financing sources	627,625	4,518	(623,107)
Net change in fund balance	\$ -	203,474	\$ 203,474
Fund balance, beginning		2,441,487	
Fund balance, ending		\$ 2,644,961	

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, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 140,434	
Investment earnings		9,563	
Total revenues	\$ 148,646	149,997	\$ 1,351
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		607	
Capital outlay		219,987	
Total expenditures	353,300	220,594	132,706
Debt service:			
Principal retirement		53,561	
Interest and fees		3,739	
Total debt service	70,000	57,300	12,700
Revenues over expenditures	(274,654)	(127,897)	146,757
OTHER FINANCING USES			
Lease liabilities issued		219,987	
Transfer to general fund		(26,624)	
Total other financing uses	274,654	193,363	(81,291)
Net change in fund balance	\$ -	65,466	\$ 65,466
Fund balance, beginning		408,540	
Fund balance, ending		\$ 474,006	



BUNCOMBE COUNTY, NORTH CAROLINA

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

Register of Deeds Fund

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 269,653	
Total revenues	\$ 400,000	269,653	\$ (130,347)
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		269,653	
Capital outlay		-	
Total expenditures	400,000	269,653	130,347
Revenues over expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental		\$ 467,131	
Investment earnings		663	
Total revenues	\$ 600,000	467,794	\$ (132,206)
<b>EXPENDITURES</b>			
Current:			
Human services:			
Other operating expenditures		829	
Program support		438,782	
Total expenditures	600,000	439,611	160,389
Revenues over expenditures	-	28,183	28,183
Net change in fund balance	\$ -	28,183	\$ 28,183
Fund balance, beginning		29,242	
Fund balance, ending		\$ 57,425	

BUNCOMBE COUNTY, NORTH CAROLINA

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

Sondley Estate Trust

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Investment earnings		\$ 18,786	
Total revenues	\$ -	18,786	\$ 18,786
<b>EXPENDITURES</b>			
Current:			
Library			
Other operating expenditures		-	-
Total expenditures	-	-	-
Revenues over expenditures	-	18,786	18,786
Net change in fund balance	\$ -	18,786	\$ 18,786
Fund balance, beginning		866,078	
Fund balance, ending		\$ 884,864	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental		\$ 2,953,883	
Other		37,058	
Total revenues	\$ 3,731,867	2,990,941	\$ (740,926)
<b>EXPENDITURES</b>			
Current:			
Human services:			
Salaries and benefits		160,092	
Other operating expenditures		3,545,603	
Capital outlay		155,054	
Debt service:			
Principal retirement		53,385	
Interest and fees		615	
Total expenditures	5,543,352	3,914,749	1,628,603
Revenues under expenditures	(1,811,485)	(923,808)	887,677
<b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance		-	
Sales of capital assets		90,055	
Transfer from general fund		1,707,989	
Total other financing sources	1,811,485	1,798,044	(13,441)
Net change in fund balance	\$ -	874,236	\$ 874,236
Fund balance, beginning		1,670,935	
Fund balance, ending		\$ 2,545,171	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental		\$ 244,047	
Restricted investment earnings		12,081	
Total revenues	\$ 50,000	256,128	\$ 206,128
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Operating expenditures		136,936	
Total expenditures	230,000	136,936	93,064
Revenues under expenditures	(180,000)	119,192	299,192
<b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance		-	
Sale of capital assets		5,020	
Total other financing sources	180,000	5,020	(174,980)
Net change in fund balance	\$ -	124,212	\$ 124,212
Fund balance, beginning		435,482	
Fund balance, ending		\$ 559,694	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales and services		\$ 1,040,434	
Total revenues	\$ 2,000,000	1,040,434	\$ (959,566)
EXPENDITURES			
Current:			
Education:			
Operating expenditures		1,040,434	
Total expenditures	2,000,000	1,040,434	959,566
Revenues under expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

BUNCOMBE COUNTY, NORTH CAROLINA

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

PDF Woodfin Downtown Fund

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Incremental tax revenue		\$ 447,833	
Restricted intergovernmental		302,838	
Investment earnings		639	
Total revenues	\$ 745,106	<u>751,310</u>	\$ 6,204
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement		355,000	
Interest and fees		387,834	
Total expenditures	745,106	<u>742,834</u>	2,272
Revenues under expenditures	-	8,476	8,476
Net change in fund balance	<u>\$ -</u>	8,476	<u>\$ 8,476</u>
Fund balance, beginning		<u>4,120</u>	
Fund balance, ending		<u>\$ 12,596</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023				Total	Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year Activity		
<b>REVENUES</b>						
Other	\$ 1,988,101	\$ 621,438	\$ -	\$ 1,475,566	\$ 2,097,004	\$ 108,903
Investment earnings	-	41	-	36,534	36,575	36,575
Total revenues	1,988,101	621,479	-	1,512,100	2,133,579	145,478
<b>EXPENDITURES</b>						
Current:						
Collaborative Strategic Planning	50,000	-	-	21,148	21,148	28,852
Evidence-Based Addiction Treatment	90,000	-	-	25,000	25,000	65,000
Naloxone Distribution	50,000	-	-	49,372	49,372	628
Recovery Support Services	120,000	-	-	115,286	115,286	4,714
Re-entry Programs	148,500	-	-	141,806	141,806	6,694
Program Support	1,529,601	-	-	-	-	1,529,601
Total current expenditures	1,988,101	-	-	352,612	352,612	1,635,489
Revenues under expenditures	\$ -	\$ 621,479	\$ -	1,159,488	\$ 1,780,967	\$ 1,780,967
Fund balance, beginning, as restated				621,479		
Fund balance, ending				\$ 1,780,967		



BUNCOMBE COUNTY, NORTH CAROLINA

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

Buncombe County Service Foundation

Blended Component Unit

FOR THE YEAR ENDED JUNE 30, 2023

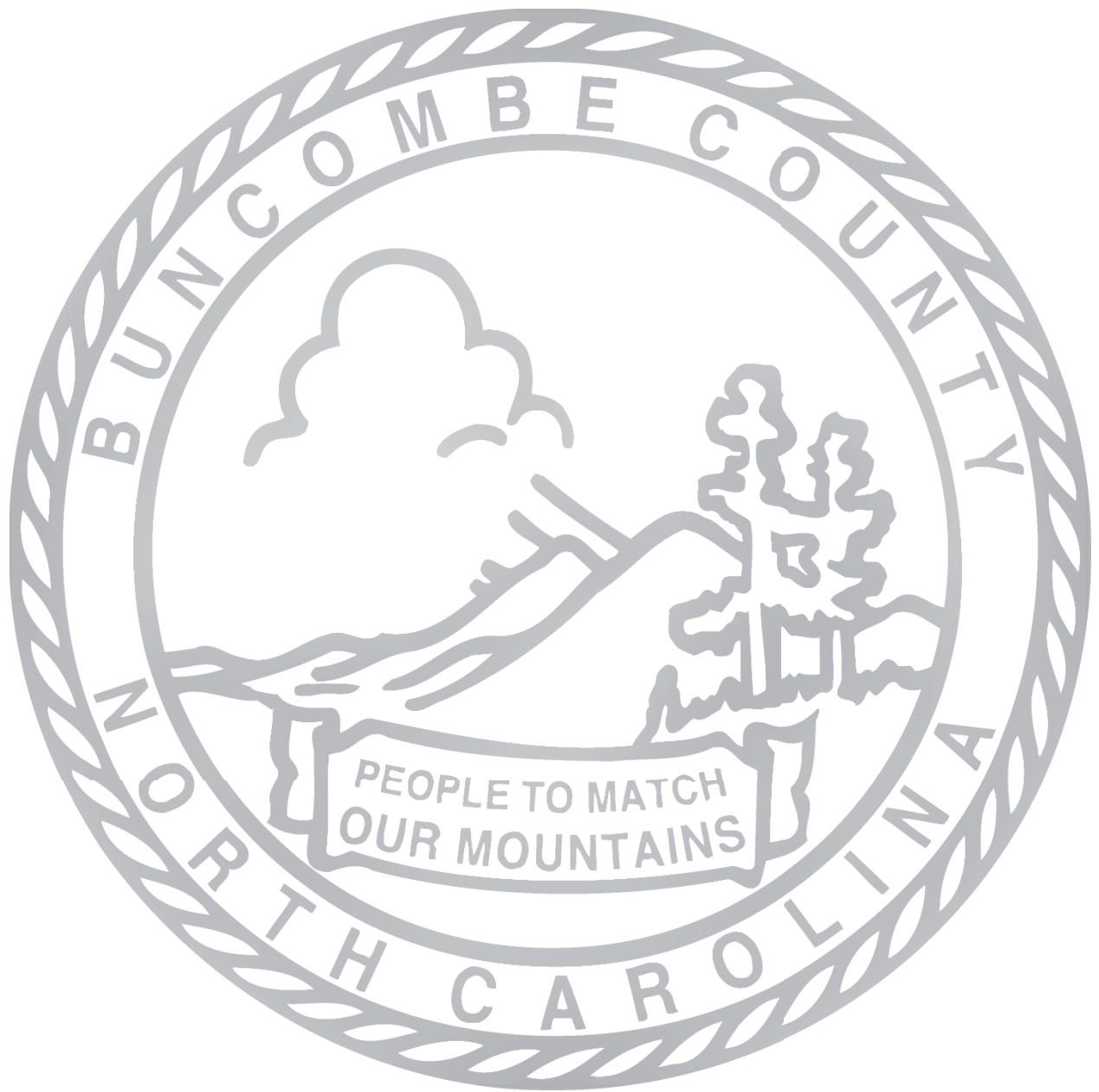
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Investment earnings		\$ 6,648	
Other		175,876	
Total revenues	\$ -	182,524	\$ 182,524
<b>EXPENDITURES</b>			
Current			
Human Services:			
Operating expenditures		16,087	
Total expenditures	-	16,087	(16,087)
Revenues under expenditures	-	166,437	166,437
Net change in fund balance	\$ -	166,437	\$ 166,437
Fund balance, beginning		234,195	
Fund balance, ending		\$ 400,632	

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Housing/Open Space Bond Projects

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2023

	Actual to June 30, 2023				Total	Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year		
<b>REVENUES</b>						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
<b>EXPENDITURES</b>						
Current:						
Affordable housing	937,213	-	-	9,338	9,338	(927,875)
Open space	937,213	-	-	39,629	39,629	(897,584)
Total current expenditures	1,874,426	-	-	48,967	48,967	(1,825,459)
Revenues over (under) expenditures	(1,874,426)	-	-	(48,967)	(48,967)	1,825,459
<b>OTHER FINANCING SOURCES</b>						
Proceeds of installment obligations	1,874,426	-	-	-	-	(1,874,426)
Total other financing sources	1,874,426	-	-	-	-	(1,874,426)
Revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	(48,967)	\$ (48,967)	\$ (48,967)
Fund balance, beginning				-		
Fund balance, ending				\$ (48,967)		



*Combining Statements and Schedules  
for Enterprise Funds*

MAJOR FUNDS

Solid Waste Disposal Fund

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

Landfill Capital Projects Fund

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

NONMAJOR FUNDS

Inmate Commissary/Welfare Fund

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

Real-Time Intelligence Fund

This fund accounts for the revenues and expenditures associated with real time surveillance systems that are used by the County Sheriff's Office other program participants.

BUNCOMBE COUNTY, NORTH CAROLINA  
*Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)*  
*Solid Waste Disposal Fund*

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Operating revenues:			
Tipping fees		\$ 10,228,702	
Service charges and other revenues		484,506	
Restricted intergovernmental		20,624	
Intergovernmental revenues		811,217	
Total operating revenues	\$ 11,654,607	11,545,049	\$ (109,558)
Nonoperating revenues:			
Investment earnings	-	473,341	473,341
Total revenues	11,654,607	12,018,390	363,783
<b>EXPENDITURES</b>			
Landfill:			
Salaries, wages, and fringe benefits		2,035,401	
Landfill closure and postclosure care costs		147,262	
Other operating expenses		3,729,219	
Total landfill		5,911,882	
Transfer station:			
Salaries, wages, and fringe benefits		1,637,364	
Other operating expenses		1,254,657	
Total transfer station		2,892,021	
Landfill gas to energy project:			
Salaries, wages, and fringe benefits		108,311	
Other operating expenses		123,007	
Total landfill gas to energy project		231,318	
Capital outlay		130,522	
Debt service:			
Principal retirement		3,033,664	
Interest and fees		427,543	
Total debt service		3,461,207	
Total expenditures	15,184,464	12,626,950	2,557,514
Expenditures over revenues	(3,529,857)	(608,560)	2,921,297
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to solid waste capital projects	(935,000)	(935,000)	-
Appropriated fund balance	4,464,857	-	(4,464,857)
Total other financing uses	3,529,857	(935,000)	(4,464,857)
Expenditures and other uses over revenues and other sources	\$ -	(1,543,560)	\$ (1,543,560)

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, 2023

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Revenues and other sources over expenditures and other uses	\$ (1,543,560)
Reconciliation from budgetary basis (modified accrual) to full accrual:	
Reconciling items:	
Accrued interest on investments	1,516
Increase in fuel inventory	(11,205)
Capital outlay	130,522
Depreciation	(2,245,837)
Amortization of lease right-to-use asset	(566,366)
Increase in deferred outflows of resources - pensions	390,007
Decrease in deferred outflows of resources - OPEB	(79,393)
Increase in accrued interest on debt	(22,513)
Increase in accrued compensated absences	(3,977)
Increase in accrued landfill closure and postclosure care costs	(2,116,364)
Decrease in net OPEB liability	484,256
Increase in net pension liability	(1,144,180)
Debt principal	3,033,664
Decrease in deferred inflows of resources - pensions	606,848
Increase in deferred inflows of resources - OPEB	(172,068)
Operating expenditures from Landfill Capital Projects Fund	(86,050)
Sale of capital assets	36,000
Transfer to landfill capital projects	935,000
Total reconciling items	<u>(830,140)</u>
Change in net position	<u>\$ (2,373,700)</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, 2023

	Actual to June 30, 2023				Total to Date	Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year Activity		
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Cell 7	13,555,691	4,528,278	-	7,785,417	12,313,695	1,241,996
Phase 7 C&D landfill	1,800,000	1,028,784	-	766,607	1,795,391	4,609
Subtitle D vertical expansion	827,805	789,332	-	-	789,332	38,473
Solid waste transfer facility	-	10,475,447	(10,475,447)	-	-	-
Compost feasibility study	100,000	63,180	-	28,971	92,151	7,849
Condensate pump	150,000	-	-	152,031	152,031	(2,031)
Floor trailer for transfer station	100,000	-	-	98,573	98,573	1,427
Improvements to landfill site	130,000	-	-	14,949	14,949	115,051
Loader	380,000	-	-	355,139	355,139	24,861
MS landfill cell 6 gas collection & control system	350,000	-	-	46,067	46,067	303,933
Paving station	100,000	-	-	75,800	75,800	24,200
Solid waste trucks	845,000	-	-	790,682	790,682	54,318
Stormwater ditch establishment	175,000	-	-	-	-	175,000
Contingency	87,648	-	-	-	-	87,648
Total expenditures	18,601,144	16,885,021	(10,475,447)	10,114,236	16,523,810	2,077,334
Debt service:						
Interest and fees	-	22,251	(22,251)	-	-	-
Revenues under expenditures	(18,601,144)	(16,907,272)	10,497,698	(10,114,236)	(16,523,810)	(2,077,334)
OTHER FINANCING SOURCES						
Proceeds from installment obligations	15,300,000	15,324,000	(22,251)	-	15,301,749	1,749
Sale of assets	-	5,000	(5,000)	36,000	36,000	36,000
Transfer from solid waste	2,385,000	11,938,616	(10,470,447)	935,000	2,403,169	18,169
Prior year revenues	916,144	866,179	-	-	866,179	(49,965)
Total other financing sources	18,601,144	28,133,795	(10,497,698)	971,000	18,607,097	5,953
Revenues and other sources over (under) expenditures	\$ -	\$ 11,226,523	\$ -	\$ (9,143,236)	\$ 2,083,287	\$ (2,071,381)

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Net Position

Nonmajor Enterprise Funds

JUNE 30, 2023

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,079,366	\$ 12,501	\$ 1,091,867
Receivables (net):	4,516	17	4,533
Total current assets	1,083,882	12,518	1,096,400
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	59,179	-	59,179
Total capital assets	59,179	-	59,179
Total noncurrent assets	59,179	-	59,179
Total assets	1,143,061	12,518	1,155,579
DEFERRED OUTFLOW OF RESOURCES	51,293	-	51,293
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	112,168	1,465	113,633
Salaries and payroll taxes payable	2,591	-	2,591
Compensated absences	9,343	-	9,343
Other liabilities	-	-	-
Total current liabilities	124,102	1,465	125,567
Noncurrent liabilities			
Net OPEB liability	46,358	-	46,358
Net pension liability - LGERS	46,563	-	46,563
Total noncurrent liabilities	92,921	-	92,921
Total liabilities	217,023	1,465	218,488
DEFERRED INFLOWS OF RESOURCES	42,548	-	42,548
<b>NET POSITION</b>			
Net investment in capital assets	59,179	-	59,179
Unrestricted (deficit)	875,604	11,053	886,657
Total net position	934,783	11,053	945,836



BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Revenues, Expenditures, and Changes in Net Position

Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	
<b>OPERATING REVENUES</b>			
Charges for services	\$ 272,976	\$ 122,875	\$ 395,851
Total operating revenues	<u>272,976</u>	<u>122,875</u>	<u>395,851</u>
<b>OPERATING EXPENDITURES</b>			
Salaries, wages, and fringe benefits	55,333	-	55,333
Contracted services	101,142	-	101,142
Costs of products sold	64,273	-	64,273
Other operating expenditures	50,107	112,598	162,705
Depreciation	29,439	-	29,439
Total operating expenditures	<u>300,294</u>	<u>112,598</u>	<u>412,892</u>
Operating income (loss)	<u>(27,318)</u>	<u>10,277</u>	<u>(17,041)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and investment income	25,637	776	26,413
Total nonoperating revenues (expenses)	<u>25,637</u>	<u>776</u>	<u>26,413</u>
Change in net position	(1,681)	11,053	9,372
Net position, beginning	<u>936,464</u>	<u>-</u>	<u>936,464</u>
Net position, ending	<u>\$ 934,783</u>	<u>\$ 11,053</u>	<u>\$ 945,836</u>

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds		Total Nonmajor Enterprise Funds
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 272,266	\$ 122,858	\$ 395,124
Cash paid for goods and services	(174,577)	(111,133)	(285,710)
Cash paid to employees for services	(123,804)	-	(123,804)
Net cash provided (used) by operating activities	(26,115)	11,725	(14,390)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	25,637	776	26,413
Net cash provided by investing activities	25,637	776	26,413
Net increase (decrease) in cash and investments	(478)	12,501	12,023
Cash and investments, beginning of year	1,079,844	-	1,079,844
Cash and investments, end of year	\$ 1,079,366	\$ 12,501	\$ 1,091,867

continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2023

	Enterprise Funds		
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (27,318)	\$ 10,277	\$ (17,041)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	29,439	-	29,439
Changes in assets, liabilities and deferred outflows and inflows of resources:			
Accounts receivable	(710)	(17)	(727)
Deferred outflows of resources - pensions	1,183	-	1,183
Net pension liability	25,227	-	25,227
Deferred inflows of resources - pensions	(30,172)	-	(30,172)
Accounts payable	40,945	1,465	42,410
Salaries and payroll taxes payable	(10,788)	-	(10,788)
Deferred outflows of resources - OPEB	17,171	-	17,171
Net OPEB liability	(53,755)	-	(53,755)
Deferred inflows of resources - OPEB	(18,694)	-	(18,694)
Accrued compensated absences	1,357	-	1,357
Total adjustments	1,203	1,448	2,651
Net cash provided (used) by operating activities	\$ (26,115)	\$ 11,725	\$ (14,390)

BUNCOMBE COUNTY, NORTH CAROLINA  
*Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)*  
*Inmate Commissary/Welfare Fund*

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Operating revenues:			
Commissary concessions		\$ 199,305	
Telephone concessions		<u>73,671</u>	
Total operating revenues		<u>272,976</u>	
Nonoperating revenues:			
Investment earnings		<u>25,541</u>	
Total revenues	<u>\$ 360,044</u>	<u>298,517</u>	<u>\$ (61,527)</u>
<b>EXPENDITURES</b>			
Salaries, wages, and fringe benefits		113,016	
Contracted services		101,142	
Cost of products sold		64,273	
Other operating expenditures		<u>50,107</u>	
Total expenditures	<u>445,965</u>	<u>328,538</u>	<u>117,427</u>
Revenues over (under) expenditures	<u>(85,921)</u>	<u>(30,021)</u>	<u>55,900</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	<u>85,921</u>	-	<u>(85,921)</u>
Total other financing sources (uses)	<u>85,921</u>	-	<u>(85,921)</u>
Revenues over expenditures	<u>\$ -</u>	<u>(30,021)</u>	<u>\$ (30,021)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Decrease in deferred outflows of resources - pensions		(1,183)	
Decrease in deferred outflows of resources - OPEB		(17,171)	
Increase in net pension liability		(25,227)	
Decrease in deferred inflows of resources - pensions		30,172	
Decrease in deferred inflows of resources - OPEB		18,694	
Decrease in net OPEB liability		53,755	
Accrued interest on investments		96	
Depreciation		(29,439)	
Decrease in accrued compensated absences		<u>(1,357)</u>	
Total reconciling items		<u>28,340</u>	
Change in net position		<u>\$ (1,681)</u>	

BUNCOMBE COUNTY, NORTH CAROLINA  
*Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)*  
*Real-Time Intelligence Center*

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Sales and Services		\$ 122,875	
Total operating revenues		<u>122,875</u>	
Nonoperating revenues:			
Investment earnings		<u>771</u>	
Total revenues	\$ 130,000	123,646	\$ (6,354)
EXPENDITURES			
Other operating expenditures		<u>112,598</u>	
Total expenditures	<u>130,000</u>	112,598	17,402
Revenues over (under) expenditures	<u>-</u>	11,048	11,048
Revenues over expenditures	<u>\$ -</u>	11,048	<u>\$ 11,048</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Accrued interest on investments		<u>5</u>	
Total reconciling items		<u>5</u>	
Change in net position		<u>\$ 11,053</u>	

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

INTERNAL SERVICE FUND

Insurance Fund

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

CUSTODIAL FUNDS

Inmate Trust Fund

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

Municipal Tax Collections Fund

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

COMPONENT UNIT

Asheville-Buncombe Air Quality Agency

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

BUNCOMBE COUNTY, NORTH CAROLINA  
*Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)*  
*Insurance Internal Service Fund*

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Charges for services		\$ 37,819,849	
Other		<u>3,656,340</u>	
Total revenues	<u>\$ 37,463,390</u>	<u>41,476,189</u>	<u>\$ 4,012,799</u>
EXPENDITURES			
Salaries, wages, and fringe benefits		542,343	
Insurance premiums		1,683,912	
Claims		33,043,683	
Other operating expenditures		<u>4,430,390</u>	
Total expenditures	<u>40,103,052</u>	<u>39,700,328</u>	<u>402,724</u>
Revenues over (under) expenditures	<u>(2,639,662)</u>	<u>1,775,861</u>	<u>4,415,523</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(972,641)	-	972,641
Appropriated fund balance	3,612,303	-	(3,612,303)
Total other financing sources (uses)	<u>2,639,662</u>	<u>-</u>	<u>(2,639,662)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>1,775,861</u>	<u>\$ 1,775,861</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling item:			
Increase in incurred but not reported claims		<u>(677,588)</u>	
Change in net position		<u>\$ 1,098,273</u>	

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Fiduciary Net Position

Custodial Funds

JUNE 30, 2023

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
<b>ASSETS</b>			
Cash and investments	\$ 142,514	\$ 1,309,456	\$ 1,451,970
Receivables, net	-	405,453	405,453
Total assets	<u>142,514</u>	<u>1,714,909</u>	<u>1,857,423</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	25,472	-	25,472
Due to other governments	-	1,309,456	1,309,456
Total liabilities	<u>25,472</u>	<u>1,309,456</u>	<u>1,334,928</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals and other governments	117,042	405,453	522,495
Total net position	<u>\$ 117,042</u>	<u>\$ 405,453</u>	<u>\$ 522,495</u>



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

FOR THE YEAR ENDED JUNE 30, 2023

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
<b>ADDITIONS</b>			
Taxes for other governments	\$ -	\$ 99,230,052	\$ 99,230,052
Collections on behalf of inmates	1,045,894	-	1,045,894
Total additions	<u>1,045,894</u>	<u>99,230,052</u>	<u>100,275,946</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	-	99,187,773	99,187,773
Payments on behalf of inmates	998,910	-	998,910
Total deductions	<u>998,910</u>	<u>99,187,773</u>	<u>100,186,683</u>
Net increase in fiduciary net position	46,984	42,279	89,263
<b>NET POSITION</b>			
Net position, beginning	<u>70,058</u>	<u>363,174</u>	<u>433,232</u>
Net position, ending	<u>\$ 117,042</u>	<u>\$ 405,453</u>	<u>\$ 522,495</u>

**BUNCOMBE COUNTY, NORTH CAROLINA**

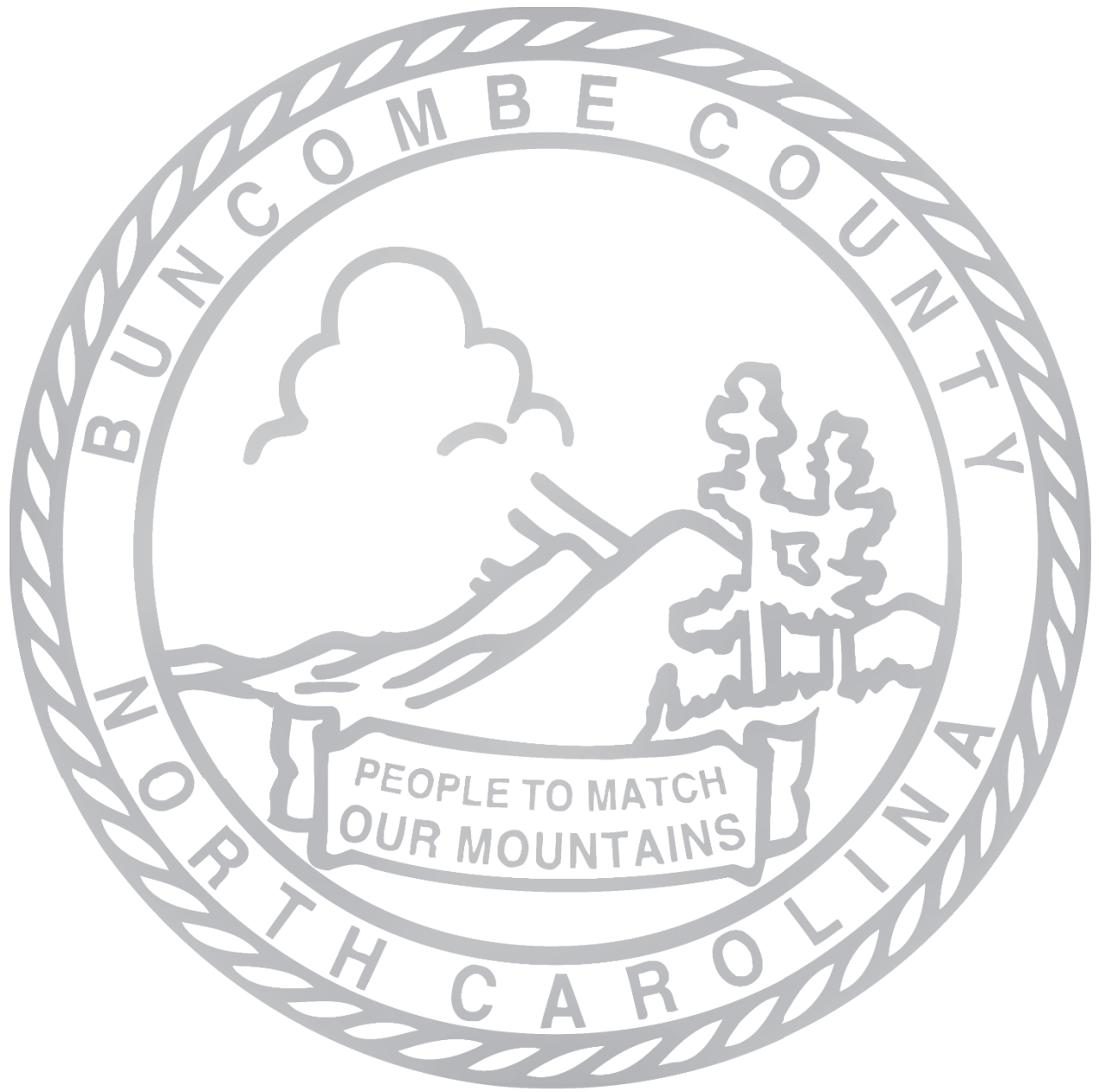
*Schedule of Revenues, Expenditures, and Change in Net Position - Budget and Actual (Non-GAAP)*

*Asheville-Buncombe Air Quality Agency*

*Component Unit*

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Federal, State, and other grants		\$ 350,217	
Licenses and permits		524,898	
Other licenses and taxes		152,670	
Investment earnings		22,940	
Total revenues	\$ 980,300	1,050,725	\$ 70,425
<b>EXPENDITURES</b>			
Environmental protection:			
Salaries and employee benefits		808,244	
Other operating expenses		234,444	
Total expenditures	1,087,272	1,042,688	44,584
Revenues over expenditures	(106,972)	8,037	115,009
<b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance	106,972	-	(106,972)
Total other financing sources	106,972	-	(106,972)
Revenues and other sources over expenditures	\$ -	8,037	\$ 8,037
Reconciliation from budgetary basis (modified accrual) to full accrual			
Reconciling items:			
Accrued interest on investments		91	
Depreciation		(9,184)	
Capital outlay		86,343	
Increase in deferred outflows of resources - pensions		95,116	
Decrease in deferred outflows of resources - OPEB		(22,581)	
Increase in net pension liability		(211,816)	
Decrease in deferred inflows of resources - pensions		95,537	
Increase in deferred inflows of resources - OPEB		(28,986)	
Decrease in net OPEB liability		119,539	
Increase in accrued compensated absences		(2,759)	
Total reconciling items		121,300	
Change in net position		\$ 129,337	



*Other Schedules*

Buncombe County, North Carolina

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BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable

General Fund

JUNE 30, 2023

Fiscal Year	Uncollected Balance July 1	Additions	Collections and Credits	Uncollected Balance June 30
2022-2023	\$ -	\$ 243,686,305	\$ 243,137,929	\$ 548,376
2021-2022	583,036	-	345,736	237,300
2020-2021	249,085	-	61,037	188,048
2019-2020	108,156	-	37,012	71,144
2018-2019	40,590	-	5,656	34,934
2017-2018	29,871	-	1,919	27,952
2016-2017	20,687	-	11,005	9,682
2015-2016	7,321	-	1,004	6,317
2014-2015	9,574	-	1,346	8,228
2014 & Prior	52,945	-	18,309	34,636
Total	\$ 1,101,265	\$ 243,686,305	\$ 243,620,953	1,166,617
Less allowance for uncollectible ad valorem taxes receivable				(398,383)
Ad valorem taxes receivable, net				\$ 768,234
Reconcilement with revenues:				
Taxes - Ad valorem - General Fund				244,033,754
Reconciling items:				
Credits and write-offs				680,646
Interest collected				(602,975)
Accruals				151,243
Ad val tax revenue reported in PDF Woodfin Fund				447,833
Other				(1,089,548)
Total reconciling items				(412,801)
Total collections and credits				\$ 243,620,953

# BUNCOMBE COUNTY, NORTH CAROLINA

## Analysis of Current Year County-Wide Tax Levy

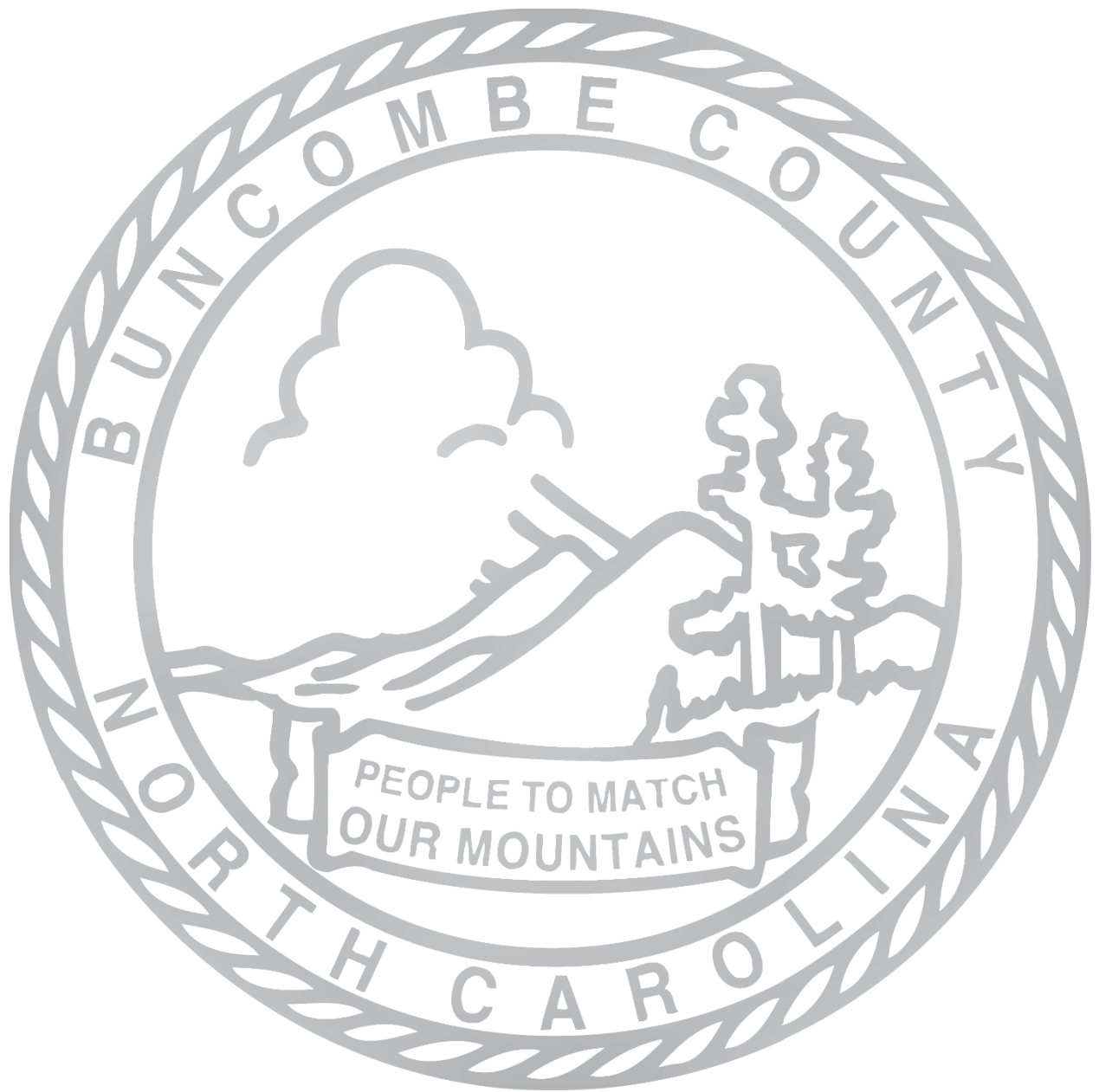
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 49,779,687,057	\$ 0.488	\$ 242,924,873	\$ 227,716,496	\$ 15,208,377
Discoveries & Adjustments					
Prior year taxes	<u>118,027,721</u>	Various	<u>761,432</u>	<u>761,432</u>	<u>-</u>
Net levy <sup>(1)</sup>	<u>\$ 49,897,714,778</u>		243,686,305	228,477,928	15,208,377
Uncollected taxes at June 30, 2023			<u>548,376</u>	<u>495,140</u>	<u>53,236</u>
Current year's taxes collected			<u>\$ 243,137,929</u>	<u>\$ 227,982,788</u>	<u>\$ 15,155,141</u>
Current levy collection %			<u>99.77%</u>	<u>99.78%</u>	<u>99.65%</u>
Secondary market disclosures:					
Assessed valuation					
Assessment ratio <sup>(2)</sup>				100.00%	
Real property				\$ 42,858,787,862	
Personal property				2,932,950,422	
Public service companies <sup>(3)</sup>				973,156,750	
Registered motor vehicles				<u>3,132,819,744</u>	
Total assessed valuation				<u>\$ 49,897,714,778</u>	
Tax rate per \$100				<u>\$ 0.488</u>	
Levy (includes discoveries, releases, and abatements)				<u>\$ 243,686,305</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				\$ 11,023,534	
Fire protection districts				<u>29,299,354</u>	
Total				<u>\$ 40,322,888</u>	

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

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

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



# Statistical Section





BUNCOMBE COUNTY, NORTH CAROLINA  
*Statistical Section*

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

<b><i>Contents</i></b>	<b><i>Page</i></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	163
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	168
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	172
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	176
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	179

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

BUNCOMBE COUNTY, NORTH CAROLINA  
*Net Position by Component*

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 93,609,590	\$ 84,189,214	\$ 85,535,781	\$ 69,342,217	\$ 63,771,597	\$ 51,588,548	\$ 66,862,258	\$ 72,886,111	\$ 82,516,708	\$ 95,075,359
Unrestricted	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	106,247,162	103,258,648
Total governmental activities net position	(60,363,818)	(108,702,036)	(179,191,875)	(156,460,610)	(286,835,738)	(267,021,070)	(287,431,790)	(275,570,270)	(267,344,791)	(236,220,812)
	\$ 77,256,322	\$ 27,687,499	\$ (20,215,945)	\$ (25,146,613)	\$ (162,272,491)	\$ (159,821,708)	\$ (157,892,578)	\$ (135,266,624)	\$ (78,580,921)	\$ (37,886,805)
<b>Business-type activities</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 26,200,976	\$ 24,859,349	\$ 23,677,050	\$ 22,947,463	\$ 28,170,350	\$ 31,723,337	\$ 30,182,901	\$ 29,521,853	\$ 28,301,409	\$ 29,427,255
Unrestricted	2,152,981	2,841,242	4,574,997	5,674,200	(3,834,289)	(1,684,521)	(53,017)	90,490	984,674	(2,505,500)
Total business-type activities net position	\$ 28,353,957	\$ 27,700,591	\$ 28,252,047	\$ 28,621,663	\$ 24,336,061	\$ 30,038,816	\$ 30,129,884	\$ 29,612,343	\$ 29,286,083	\$ 26,921,755
	\$ 119,810,566	\$ 109,048,563	\$ 109,212,831	\$ 92,289,680	\$ 91,941,947	\$ 83,311,885	\$ 97,045,159	\$ 102,407,964	\$ 110,818,117	\$ 124,502,614
<b>Primary government</b>										
Net Investment in Capital										
Assets										
Restricted	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	106,247,162	103,258,648
Unrestricted	(58,210,837)	(105,860,794)	(174,616,878)	(150,786,410)	(290,670,027)	(268,705,591)	(287,484,807)	(275,479,780)	(266,360,117)	(238,726,312)
Total primary government net position	\$ 105,610,279	\$ 55,388,090	\$ 8,036,102	\$ 3,475,050	\$ (137,936,430)	\$ (129,782,892)	\$ (127,762,694)	\$ (105,654,281)	\$ (49,294,838)	\$ (10,965,050)

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

BUNCOMBE COUNTY, NORTH CAROLINA  
Changes in Net Position

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 26,179,307	\$ 26,547,924	\$ 28,628,887	\$ 35,976,699	\$ 31,735,854	\$ 51,470,532	\$ 57,033,928	\$ 62,905,681	\$ 69,303,669	\$ 78,636,285
Public safety	86,261,299	93,283,467	100,414,238	97,495,863	103,351,595	93,302,005	101,420,210	110,196,922	113,768,142	128,392,070
Economic and physical development	15,255,668	17,890,984	31,852,491	36,634,454	32,751,395	37,520,161	32,356,232	37,854,625	46,154,773	50,856,588
Human services	86,307,869	92,117,911	96,963,368	99,775,677	90,982,306	88,717,827	95,907,482	103,818,039	106,825,233	101,454,761
Cultural and recreational	10,611,885	9,798,772	8,981,702	9,052,515	8,758,786	9,974,167	10,109,657	9,761,217	7,193,826	10,131,965
Education	107,527,022	154,203,942	142,310,790	108,434,971	138,902,609	137,601,291	124,192,016	138,712,888	153,123,698	170,341,081
Interest on long-term debt	13,657,936	17,044,059	15,432,030	15,744,885	16,124,173	15,617,573	15,176,709	13,705,700	12,316,370	9,494,862
Total governmental activities expenses	345,800,986	410,887,059	424,583,506	403,115,064	422,606,718	434,203,556	436,196,234	476,955,072	508,685,711	549,307,612
Business-type activities:										
Solid Waste Disposal	6,811,079	7,830,522	7,270,565	8,493,953	11,911,302	4,715,353	10,869,728	12,659,318	12,035,590	14,429,606
Inmate commissary/welfare	222,997	357,906	335,562	433,890	525,854	477,143	378,732	256,761	398,720	412,892
Criminal justice information system	1,416,776	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	8,450,852	8,188,428	7,606,127	8,927,843	12,437,156	5,192,496	11,248,460	12,916,079	12,434,310	14,842,498
Total primary governmental expenses	\$ 354,251,838	\$ 419,075,487	\$ 432,189,633	\$ 412,042,907	\$ 435,043,874	\$ 439,396,052	\$ 447,444,694	\$ 489,871,151	\$ 521,120,021	\$ 564,150,110
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 3,542,856	\$ 1,792,710	\$ 2,407,864	\$ 5,207,544	\$ 5,206,280	\$ 5,352,685	\$ 5,141,450	\$ 7,502,909	\$ 7,379,953	\$ 6,811,804
Public safety	10,483,019	11,512,251	10,816,741	13,719,683	14,253,115	14,624,759	15,808,262	12,078,741	13,947,930	12,005,556
Economic and physical development	448,312	489,513	437,203	529,488	1,840,544	757,008	1,010,471	3,525,855	4,367,490	5,064,761
Human services	2,237,859	2,268,101	3,031,866	3,175,287	1,790,538	1,717,706	1,910,601	4,474,914	4,800,514	4,361,719
Cultural and recreational	517,104	450,484	365,132	361,971	413,519	505,568	310,224	158,544	283,372	340,064
Education	-	-	-	-	-	-	-	636,621	1,116,720	1,040,434
Operating grants and contributions	48,960,176	56,295,309	58,289,268	60,726,292	48,691,985	51,538,618	52,120,976	63,004,949	79,355,050	71,647,262
Capital grants and contributions	9,367,855	6,344,047	2,568,300	2,185,978	3,420,608	3,454,933	2,684,062	1,178,692	798,363	2,834,870
Total governmental activities program revenues	75,557,181	79,152,415	77,916,374	85,906,243	75,616,589	77,951,277	78,986,046	92,561,225	112,049,392	104,106,470
Business-type activities:										
Charges for services:										
Solid Waste Disposal	6,928,813	6,773,435	7,342,311	8,232,842	8,326,404	9,258,677	10,684,973	11,220,363	10,929,639	10,733,832
Inmate commissary/welfare	323,536	311,076	343,402	477,200	512,433	568,978	504,460	410,785	466,869	395,851
Criminal justice information system	1,383,407	-	-	-	-	-	-	-	-	-
Operating grants and contributions	371,192	393,715	418,726	441,397	631,261	578,909	612,084	659,426	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	9,006,948	7,478,226	8,104,439	9,151,439	9,470,098	10,406,564	11,801,517	12,290,574	11,396,508	11,129,683
Total primary governmental program revenues	\$ 84,564,129	\$ 86,630,641	\$ 86,020,813	\$ 95,057,682	\$ 85,086,687	\$ 88,357,841	\$ 90,787,563	\$ 104,851,799	\$ 123,445,900	\$ 115,236,153

Continued On Next Page

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022
Net (expense) revenue										
Governmental activities	\$ (270,243,805)	\$ (331,734,644)	\$ (346,667,132)	\$ (317,208,821)	\$ (346,990,129)	\$ (356,252,279)	\$ (357,210,188)	\$ (384,393,847)	\$ (396,636,319)	\$ (456,349,689)
Business-type activities	556,096	(710,202)	498,312	223,596	(2,967,058)	5,214,068	553,057	(625,505)	(1,037,802)	(3,392,527)
Total primary governmental net expense	\$ (269,687,709)	\$ (332,444,846)	\$ (346,168,820)	\$ (316,985,225)	\$ (349,957,187)	\$ (351,038,211)	\$ (356,657,131)	\$ (385,019,352)	\$ (397,674,121)	\$ (459,742,216)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes: Property taxes	\$ 192,667,851	\$ 191,247,474	\$ 196,709,722	\$ 201,518,909	\$ 216,163,406	\$ 221,478,724	\$ 232,199,493	\$ 256,895,134	\$ 277,517,395	\$ 288,320,136
Taxes: Local option sales tax	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415	130,972,714
Other taxes and licenses	15,039,610	17,209,248	23,374,603	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,178,771	46,775,576
Investment earnings (loss), unrestricted	300,785	344,674	770,823	1,244,338	2,261,540	4,088,580	3,077,122	75,070	(52,847)	8,730,206
Gain (loss) on sale of capital assets	(417,150)	1,828,088	3,139,269	91,350	192,891	157,785	145,412	126,077	9,025	131,261
Miscellaneous, unrestricted	956,147	1,607,318	1,312,887	2,103,635	2,935,957	6,935,722	4,953,915	5,580,557	6,187,691	10,965,406
Transfers	601,570	-	-	-	-	-	-	(60,445)	-	-
Total governmental activities	271,111,416	283,028,886	301,308,908	312,278,153	337,085,882	354,415,368	359,139,318	406,113,161	456,194,450	485,895,299
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	747,118	811,217
Investment earnings, unrestricted	38,182	55,526	46,854	141,511	234,592	302,015	162,120	2,069	(36,477)	501,270
Gain (Loss) on sale of capital assets	-	1,310	6,290	4,509	6,039	5,000	(624,109)	45,450	901	36,000
Transfers	(601,570)	-	-	-	-	-	-	60,445	-	-
Total business-type activities	(563,388)	56,836	53,144	146,020	240,631	307,015	(461,989)	107,964	711,542	1,348,487
Total primary government	\$ 270,548,028	\$ 283,085,722	\$ 301,362,052	\$ 312,424,173	\$ 337,326,513	\$ 354,722,383	\$ 358,677,329	\$ 406,221,125	\$ 456,905,992	\$ 487,243,786
CHANGE IN NET POSITION										
Governmental activities	\$ 867,611	\$ (48,705,758)	\$ (45,358,224)	\$ (4,930,668)	\$ (9,904,247)	\$ (1,836,911)	\$ 1,929,130	\$ 21,719,314	\$ 59,558,131	\$ 40,694,157
Business-type activities	(7,292)	(653,366)	551,456	369,616	(2,726,427)	5,521,083	91,068	(517,541)	(326,260)	(2,364,328)
Total primary government	\$ 860,319	\$ (49,359,124)	\$ (44,806,768)	\$ (4,561,052)	\$ (12,630,674)	\$ 3,684,172	\$ 2,020,198	\$ 21,201,773	\$ 59,231,871	\$ 38,329,829

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

BUNCOMBE COUNTY, NORTH CAROLINA  
Fund Balances of Governmental Funds

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Nonspendable	\$ 300,407	\$ 52,597	\$ 52,202	\$ 57,975	\$ 40,734	\$ 38,481	\$ 56,655	\$ 86,950	\$ 453,917	\$ 1,135,050
Restricted	20,197,103	23,297,383	22,973,645	22,449,441	16,994,461	21,348,759	25,450,599	25,584,257	32,000,060	39,756,699
Committed	1,200,000	5,462,421	3,765,433	2,019,304	2,340,038	4,569,725	2,639,713	14,931,204	1,803,066	
Assigned	7,584,637	9,643,213	6,039,085	15,363,817	9,042,094	13,640,077	12,673,752	9,344,348	15,947,652	18,894,070
Unassigned	41,869,339	37,121,496	43,741,792	37,694,163	53,872,735	55,692,912	56,964,358	66,704,252	74,109,359	67,174,948
<b>Total General Fund</b>	<b>\$ 71,151,486</b>	<b>\$ 75,577,110</b>	<b>\$ 76,572,157</b>	<b>\$ 77,584,700</b>	<b>\$ 82,290,062</b>	<b>\$ 95,289,954</b>	<b>\$ 97,785,077</b>	<b>\$ 116,651,011</b>	<b>\$ 124,314,054</b>	<b>\$ 126,960,767</b>
<b>All other governmental funds</b>										
Nonspendable	\$ 1,532,974	\$ 1,452,037	\$ 1,391,278	\$ 1,429,774	\$ 2,286,174	\$ 4,092,455	\$ -	\$ -	\$ -	\$ -
Restricted	174,502,262	187,815,672	115,566,695	70,341,446	82,685,453	46,305,740	54,285,298	54,039,097	89,721,963	85,150,511
Assigned	27,805,926	21,257,379	8,492,988	15,933,577	14,285,768	7,163,959	15,244,724	5,851,770	22,106,342	23,440,477
Unassigned	-	-	-	-	(168)	-	-	-	(1,942,419)	(7,185,198)
<b>Total all other governmental funds</b>	<b>\$ 203,841,162</b>	<b>\$ 210,525,088</b>	<b>\$ 125,450,961</b>	<b>\$ 87,704,797</b>	<b>\$ 99,257,227</b>	<b>\$ 57,562,154</b>	<b>\$ 69,530,022</b>	<b>\$ 59,890,867</b>	<b>\$ 109,885,886</b>	<b>\$ 101,405,790</b>
<b>Total Combined Governmental Fund Balances</b>	<b>\$ 274,992,648</b>	<b>\$ 286,102,198</b>	<b>\$ 202,023,118</b>	<b>\$ 165,289,497</b>	<b>\$ 181,547,289</b>	<b>\$ 152,852,108</b>	<b>\$ 167,315,099</b>	<b>\$ 176,541,878</b>	<b>\$ 234,199,940</b>	<b>\$ 228,366,557</b>

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

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

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES</b>										
Ad valorem taxes	\$ 192,949,306	\$ 191,565,661	\$ 196,438,687	\$ 201,907,004	\$ 216,086,991	\$ 221,770,248	\$ 231,903,837	\$ 257,192,381	\$ 278,179,164	\$ 287,570,305
Local option sales taxes	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415	130,972,714
Other taxes and licenses	14,331,532	16,466,653	22,665,004	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,084,779	46,674,869
Unrestricted intergovernmental	708,078	742,595	709,599	840,987	715,572	718,206	719,843	2,084,204	2,737,810	5,695,521
Restricted intergovernmental	58,328,031	61,016,020	59,150,308	62,840,342	52,681,247	54,949,366	54,336,167	62,512,752	78,684,648	72,719,279
Permits and fees	3,075,411	3,451,565	3,604,379	4,715,220	4,664,396	4,870,670	4,858,118	5,852,844	6,010,354	5,983,784
Sales and services	14,129,326	14,708,008	15,336,262	18,044,931	18,060,057	16,260,790	18,197,757	22,425,388	25,548,726	24,127,171
Investment earnings	274,061	382,885	721,103	1,141,090	2,235,734	4,299,443	1,839,869	35,831	(116,164)	8,579,875
Miscellaneous	956,147	1,607,318	1,312,887	1,262,648	2,220,385	5,915,315	5,051,020	4,616,998	4,406,727	5,450,469
<b>Total revenues</b>	<b>346,714,495</b>	<b>360,732,789</b>	<b>375,959,833</b>	<b>398,072,143</b>	<b>412,196,470</b>	<b>430,538,595</b>	<b>435,669,987</b>	<b>498,217,166</b>	<b>567,890,459</b>	<b>587,773,987</b>
<b>Current:</b>										
General government	23,200,093	25,720,370	26,764,764	29,316,045	29,248,466	41,849,374	46,976,274	52,176,119	67,237,776	77,667,428
Public safety	76,923,039	83,550,101	84,974,813	89,079,165	94,780,349	89,404,625	96,265,118	104,716,515	113,967,071	128,465,921
Economic and physical development	14,823,254	16,376,729	23,576,691	29,564,805	31,733,817	32,184,527	28,757,530	34,694,287	44,529,952	43,866,360
Human services	83,521,333	91,370,860	92,548,588	99,399,461	90,401,483	87,079,628	89,568,043	97,693,118	108,360,261	101,151,255
Cultural and recreation	8,987,448	8,387,620	7,422,146	7,769,730	7,580,495	8,309,149	8,305,780	8,074,325	9,179,460	13,360,244
Intergovernmental:										
Education	74,556,185	79,225,390	82,359,578	75,323,300	80,815,035	85,165,897	90,709,757	107,614,216	115,586,273	125,936,378
Capital outlay	69,217,388	99,951,422	91,403,795	59,688,720	74,464,435	64,475,539	45,287,687	46,765,633	47,499,365	57,605,380
Debt service										
Principal	20,243,994	24,407,151	25,932,708	26,145,568	29,020,567	31,920,567	31,914,567	33,428,570	33,584,822	36,633,546
Interest and fees	15,743,470	18,792,182	21,954,450	20,330,667	19,926,347	20,923,220	19,805,655	17,900,330	16,603,781	15,224,388
<b>Total expenditures</b>	<b>387,216,204</b>	<b>447,781,825</b>	<b>456,937,533</b>	<b>436,617,461</b>	<b>457,970,994</b>	<b>461,312,526</b>	<b>457,590,411</b>	<b>503,063,113</b>	<b>556,548,761</b>	<b>599,910,900</b>
Excess of revenues over (under) expenditures	(40,501,709)	(87,049,036)	(80,977,700)	(38,545,318)	(45,774,524)	(30,773,931)	(21,920,424)	(4,845,947)	11,341,698	(12,136,913)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers from other funds	18,199,223	11,183,266	23,991,948	7,208,044	19,385,843	17,493,731	12,733,881	13,600,087	28,168,739	24,094,062
Transfers to other funds	(18,582,849)	(13,683,266)	(33,156,948)	(7,208,044)	(19,385,843)	(15,629,823)	(12,733,881)	(10,685,103)	(28,168,739)	(24,094,062)
Installment obligations issued	180,315,001	126,844,450	-	1,720,347	54,730,000	-	98,465,674	10,096,000	124,831,000	-
General obligation debt issued	-	-	-	-	-	-	-	-	-	-
Premium/discount on debt issued	21,379,812	22,736,977	-	-	6,371,796	-	-	-	2,097,912	6,171,554
Payment to refunded bond escrow agent	(30,752,734)	(51,515,579)	-	-	-	-	(62,275,039)	-	(80,711,695)	-
Sale of capital assets	82,210	2,592,738	5,081,479	91,350	670,495	214,844	192,780	155,102	99,186	131,978
<b>Total other financing sources (uses)</b>	<b>170,640,663</b>	<b>98,158,586</b>	<b>(4,083,521)</b>	<b>1,811,697</b>	<b>61,772,291</b>	<b>2,078,752</b>	<b>36,383,415</b>	<b>13,166,086</b>	<b>46,316,403</b>	<b>6,303,532</b>
<b>Net change in fund balances</b>	<b>\$ 130,138,954</b>	<b>\$ 11,109,550</b>	<b>\$ (85,061,221)</b>	<b>\$ (36,733,621)</b>	<b>\$ 15,997,767</b>	<b>\$ (28,695,179)</b>	<b>\$ 14,462,991</b>	<b>\$ 8,320,139</b>	<b>\$ 57,658,101</b>	<b>\$ (5,833,381)</b>
Debt services as a percentage of noncapital expenditures	10.32%	9.65%	10.48%	10.64%	10.69%	11.46%	11.30%	10.20%	9.02%	8.64%

BUNCOMBE COUNTY, NORTH CAROLINA  
Assessed Value of Taxable Property

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property		Commercial Property	Use Value Farm	Historical Property	Personal Property		Less: Tax Exempt Real Property	Public Service Assessed Value		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Other				Motor Vehicles	Other		Assessed Value	Assessed Value		
2014	18,671,008	5,784,047	1,007,838	96,053	1,342,270	1,595,537	968,969	529,435	28,057,219	0.604		
2015	18,895,973	5,995,685	1,015,256	96,185	1,952,226	1,653,573	1,263,593	532,418	28,877,723	0.604		
2016	19,122,947	6,143,178	1,034,999	97,419	2,100,032	1,726,624	1,268,909	588,226	29,544,516	0.604		
2017	19,416,142	6,445,705	1,014,952	97,091	2,215,126	1,902,707	1,260,614	585,936	30,417,045	0.539		
2018	23,644,415	7,987,749	1,281,038	118,491	2,320,683	1,893,655	1,595,053	613,635	36,264,613	0.529		
2019	24,468,024	8,110,475	1,272,935	150,588	2,429,053	1,975,798	1,588,701	709,941	37,528,113	0.529		
2020	26,328,421	7,831,821	1,174,739	116,260	2,424,076	2,150,140	1,562,025	874,955	39,338,387	0.529		
2021	26,717,813	8,299,036	1,206,360	96,830	2,766,719	2,755,991	1,566,723	1,038,671	41,314,697	0.529		
2022	32,740,434	9,340,190	1,372,910	107,568	2,905,716	2,785,403	1,789,001	957,424	48,420,644	0.488		
2023	34,076,451	10,025,136	1,327,077	108,059	3,093,631	2,918,987	2,632,266	980,640	49,897,715	0.488		

SOURCE: Buncombe County Tax Department

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

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

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

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

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

	Fiscal Year									
	2014 <sup>2</sup>	2015	2016	2017 <sup>2</sup>	2018	2019	2020	2021	2022 <sup>2</sup>	2023
County Direct Rates:										
County-wide Rate <sup>1</sup>	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.539	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.488	\$ 0.488
Fire Districts <sup>3</sup>	0.118	0.118	0.118	0.118	0.123	0.143	0.143	0.133	0.130	0.138
Total average direct rate	0.722	0.722	0.722	0.657	0.652	0.672	0.672	0.662	0.618	0.626
Municipality Rates:										
City of Asheville	0.460	0.475	0.475	0.475	0.429	0.429	0.429	0.429	0.403	0.403
Town of Biltmore Forest	0.385	0.385	0.395	0.395	0.330	0.345	0.345	0.345	0.345	0.345
Town of Weaverville	0.420	0.420	0.440	0.440	0.380	0.380	0.380	0.380	0.350	0.350
Town of Black Mountain	0.375	0.375	0.375	0.375	0.333	0.333	0.333	0.333	0.306	0.321
Town of Montreat	0.410	0.410	0.410	0.410	0.410	0.410	0.430	0.430	0.430	0.430
Town of Woodfin	0.305	0.305	0.305	0.305	0.280	0.280	0.330	0.330	0.330	0.330
Asheville School District	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120	0.106	0.106

NOTES:

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



BUNCOMBE COUNTY, NORTH CAROLINA  
Principal Property Taxpayers

DECEMBER 31, 2022

Taxpayer	December 31, 2022			December 31, 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	945,898,389	1	2.00%			
Ingles Markets Inc	371,289,455	2	0.79%	253,344,730	2	0.92%
Raytheon Technologies Corporation	257,647,700	3	0.55%			
Biltmore Company	150,392,261	4	0.32%	99,993,052	5	0.36%
GPI Resort Holdings LLC	146,281,000	5	0.31%	104,565,000	4	0.38%
New Belgium Brewing Company Inc	132,319,926	6	0.28%			
Eli Lilly & Company	131,680,384	7	0.28%			
Pratt & Whitney	106,126,479	8	0.22%	62,859,470	8	0.23%
Linamar North Carolina Inc	105,646,908	9	0.22%			
Southeastern Container Inc	100,702,243	10	0.21%			
MHG Asheville						
Progress/Duke Energy						
Town Square West LLC				323,318,363	1	1.17%
The Cliffs at Walnut Cove LLC				107,582,750	3	0.39%
Arvato Digital Services (Sonopress)						
Asheville Mall CMBS LLC				75,985,600	6	0.28%
Bellsouth Tel Co - AT&T North Carolina				62,351,865	9	0.23%
Borgwarner Turbo Systems				64,093,710	7	0.23%
Public Service Co of NC Inc				60,953,371	10	0.22%
<b>Totals</b>	<b>\$ 2,447,984,745</b>		<b>5.18%</b>	<b>\$ 1,215,047,911</b>		<b>4.40%</b>

Total Overall Valuation

47,290,446,812

27,626,220,753

SOURCE: Buncombe County Tax Department

BUNCOMBE COUNTY, NORTH CAROLINA  
*Property Tax Levies and Collections*

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
2014	167,069	166,098	99.42%	106	166,204	99.48%
2015	174,422	173,958	99.73%	8	173,966	99.74%
2016	178,618	178,338	99.84%	29	178,367	99.86%
2017	183,816	183,615	99.89%	146	183,761	99.97%
2018	195,601	195,331	99.86%	-	195,331	99.86%
2019	198,724	198,505	99.89%	-	198,505	99.89%
2020	208,210	206,937	99.39%	-	206,937	99.39%
2021	218,891	218,114	99.65%	-	218,114	99.65%
2022	236,637	236,054	99.75%	-	236,054	99.75%
2023	243,686	243,138	99.78%	-	243,138	99.78%

SOURCE: Buncombe County Tax Department

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

BUNCOMBE COUNTY, NORTH CAROLINA  
Ratios of Outstanding Debt by Type

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

Fiscal Year	Governmental Activities						Business-type Activities						Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Installment Notes	Lease Installment Obligations	Subscription Installment Obligations	Total Governmental Activities	Special Obligation Bonds	Installment Notes	Lease Installment Obligations	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>			
2014	38,344	427,831	-	-	466,175	1,462	3,372	-	4,834	471,009	5.00%	1,889			
2015	30,124	527,434	-	-	557,558	-	3,030	-	3,030	509,141	5.01%	2,017			
2016	27,248	493,279	-	-	520,527	-	2,688	-	2,688	523,215	4.83%	2,043			
2017	24,373	461,451	-	-	485,824	-	2,348	-	2,348	488,172	4.31%	1,877			
2018	21,498	493,053	-	-	514,551	-	2,007	-	2,007	516,558	4.33%	1,969			
2019	18,623	456,783	-	-	475,406	-	1,741	-	1,741	477,147	3.76%	1,802			
2020	15,750	418,502	-	-	434,252	-	1,320	-	1,320	435,572	3.27%	1,629			
2021	12,877	393,144	-	-	406,021	-	1,001	-	1,001	407,022	N/A	1,506			
2022	10,004	398,154	1,651	-	409,809	-	15,999	1,290	17,289	427,098	N/A	1,549			
2023	7,200	359,883	1,999	4,042	373,124	-	13,529	727	14,256	387,380	N/A	1,397			

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

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

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

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2014	38,344	0.14%	159
2015	30,124	0.10%	118
2016	27,248	0.09%	105
2017	24,373	0.08%	93
2018	21,498	0.06%	81
2019	18,623	0.05%	70
2020	15,750	0.04%	58
2021	12,877	0.03%	47
2022	10,004	0.02%	36
2023	7,200	0.01%	26

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

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

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

BUNCOMBE COUNTY, NORTH CAROLINA  
 Direct and Overlapping Governmental Activities Debt

AS OF JUNE 30, 2023

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	\$ 40,100,000	100%	\$ 40,100,000
Town of Weaverville	1,310,000	100%	1,310,000
Installment Debt			
City of Asheville	79,467,650	100%	79,467,650
Town of Biltmore Forest	871,847	100%	871,847
Town of Black Mountain	2,057,705	100%	2,057,705
Town of Weaverville	103,407	100%	103,407
Town of Woodfin	196,815	100%	196,815
Subtotal, overlapping debt			<u>124,107,424</u>
County direct debt		100%	<u>373,124,283</u>
Total direct and overlapping debt			<u>\$ 497,231,707</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  
*Legal Debt Margin*

LAST TEN FISCAL YEARS (amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 2,210,098	\$ 2,154,040	\$ 2,363,561	\$ 2,433,364	\$ 2,901,169	\$ 3,002,249	\$ 3,147,071	\$ 3,305,175	\$ 3,873,652	\$ 3,991,817
Total net debt applicable to limit	402,098	454,994	431,485	406,791	432,220	400,014	399,315	375,675	390,468	373,043
Legal debt margin	\$ 1,808,000	\$ 1,699,046	\$ 1,932,076	\$ 2,026,573	\$ 2,468,949	\$ 2,602,235	\$ 2,747,756	\$ 2,929,500	\$ 3,483,184	\$ 3,618,774
Total net debt applicable to the limit as a percentage of debt limit	18.19%	21.12%	18.26%	16.72%	14.90%	13.32%	12.69%	11.37%	10.08%	9.35%
				Assessed value of taxable property				State Limit		County Limit
								\$ 49,897,715		\$ 49,897,715
				Debt Limit - Eight Percent (8%) of assessed value				\$ 3,991,817		\$ 1,496,931
				Debt Limit - Three Percent (3%) of assessed value**						
				Gross Debt:						
				Total Bonded Debt				7,200		7,200
				Installment Purchase Agreements				345,546		345,546
				Business-Type Debt				13,529		
				Debt Incurred for Water Purposes						1,219
				Lease Liability				2,726		1,999
				SBITA Liability				4,042		4,042
				Total amount of debt applicable to debt limit (net debt)				\$ 373,043		\$ 360,006
				Legal debt margin				\$ 3,618,774		\$ 1,136,925

NOTE: Under state finance law, Buncombe County's outstanding general obligation debt should not exceed 8 percent of total assessed property value. The only exclusion to debt applicable to the debt limit is that which is used for water purposes.  
 \*\* Local policy has additional restrictions and guidance on the use of debt financing and debt structuring beyond the terms of the General Statutes. This includes a debt limit of only 3% and only excludes debt used for business-type activities.

BUNCOMBE COUNTY, NORTH CAROLINA  
*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
2014	252,384	10,169,914	40,797	41.3	31,003	4.8%
2015	256,096	10,841,968	42,996	41.3	30,232	4.7%
2016	260,096	11,332,554	44,403	42.6	32,008	4.0%
2017	262,360	11,923,891	46,323	42.8	31,966	3.4%
2018	264,849	12,679,516	48,819	42.5	31,828	3.2%
2019	267,372	13,313,254	50,804	42.0	30,747	3.3%
2020	270,224	14,045,669	53,309	42.7	30,441	11.3%
2021	272,880	N/A	N/A	43.0	28,753	4.5%
2022	275,777	N/A	N/A	43.4	28,747	2.9%
2023	277,266	N/A	N/A	43.8	28,625	2.8%

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. Beginning in 2016 charter schools are included in total enrollment.

BUNCOMBE COUNTY, NORTH CAROLINA  
Principal Employers

CURRENT YEAR AND TEN YEARS AGO

MANUFACTURING	2023			2014		
	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation	1,000-2,999	1	0.71%-2.14%	750	1	0.58%
Thermo Fisher Scientific, Inc.	1,000-2,999	2	0.71%-2.14%	550	4	0.43%
Borgwarner Turbo & Emissions Systems	500-999	3	0.36%-0.71%	600	3	0.47%
Linamar	500-999	4	0.36%-0.71%			
Kearfott Corporation	400-499	5	0.29%-0.36%	420	5	0.33%
Plasticard-Locktech International	300-399	6	0.21%-0.28%			
Flint Group	300-399	7	0.21%-0.28%	325	6	0.25%
GE Aviation	300-399	8	0.21%-0.28%			
Jabil	300-399	9	0.21%-0.28%	310	8	0.24%
Owens & Minor	300-399	10	0.21%-0.28%			
Arvato Digital Services				650	2	0.50%
Unison Engine Components				325	7	0.25%
Milkco, Inc.				300	9	0.23%
Biltmore Estate Winery				235	10	0.18%
Total	4,900-10,490		3.28%-6.46%	4,465		3.46%

Continued on Next Page



Table 14

NON-MANUFACTURING

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	3,000+	1	2.14%	6,994	1	5.42%
Buncombe County Public Schools	3,000+	2	2.14%	4,000	2	3.10%
Ingles Markets, Inc.	1,000-2,999	3	0.71%-2.14%	1,137	6	0.88%
VA Medical Center - Asheville	1,000-2,999	4	0.71%-2.14%	1,593	4	1.24%
The Biltmore Company	1,000-2,999	5	0.71%-2.14%	1,770	3	1.37%
Buncombe County Government	1,000-2,999	6	0.71%-2.14%	1,369	5	1.06%
City of Asheville Government	1,000-2,999	7	0.71%-2.14%	1,000	9	0.78%
Walmart	1,000-2,999	8	0.71%-2.14%			
Mountain Area Health Center	500-999	9	0.36%-0.71%			
Asheville-Buncombe Technical Community College	500-999	10	0.36%-0.71%	1,019	8	0.79%
Omni Grove Park Inn				1,100	7	0.85%
CarePartners				950	10	0.74%
<b>Total</b>	<b>13,000-26,000</b>		<b>9.26%-18.54%</b>	<b>20,932</b>		<b>16.23%</b>

\* Labor Force Estimate for 2023 per NCESC: 145,779  
 Labor Force Estimate for 2014 per NCESC: 128,950

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

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

**TEN FISCAL YEARS**

General Fund Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	165	172	170	169	168	238	247	251	258	287
Public Safety	580	592	597	603	620	562	584	618	640	703
Human Services	565	586	609	584	589	569	570	572	567	572
Economic & Physical Development	23	22	23	23	24	42	43	44	49	58
Cultural and Recreational	81	70	61	63	64	65	65	80	98	105
<b>Total</b>	<b>1,414</b>	<b>1,442</b>	<b>1,460</b>	<b>1,442</b>	<b>1,465</b>	<b>1,476</b>	<b>1,509</b>	<b>1,565</b>	<b>1,612</b>	<b>1,725</b>
General Fund	1,414	1,442	1,460	1,442	1,465	1,476	1,509	1,565	1,612	1,725
Special Revenue Funds	-	9	2	1	1	1	1	17	29	39
Enterprise Funds	31	25	23	26	26	31	31	36	39	42
Internal Service Fund	5	5	2	7	6	7	6	5	4	4
<b>Total</b>	<b>1,450</b>	<b>1,481</b>	<b>1,487</b>	<b>1,476</b>	<b>1,498</b>	<b>1,515</b>	<b>1,547</b>	<b>1,623</b>	<b>1,684</b>	<b>1,810</b>

Note: In 2019 General Services (44) moved from Public Safety to General Government and Inspections and Permits (21) moved from Public Safety to Economic & Physical Development

SOURCE: Buncombe County Budget Office.

BUNCOMBE COUNTY, NORTH CAROLINA  
*Operating Indicators by Function*

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>GENERAL GOVERNMENT</b>										
Number of Employment Applications Processed	6,980	7,611	3,660	7,296	7,863	6,789	8,431	7,954	8,042	7,100
Percentage of Registered Voters Participating in General Election	49.0%	17.0%	71.0%	N/A	23.3%	61.0%	N/A	78.3%	20.0%	57.6%
<b>PUBLIC SAFETY</b>										
Number of Inmates Processed	13,870	12,973	13,349	12,962	12,550	12,009	10,821	7,746	8,165	7,692
Number of Building Permits Issued	2,057	2,354	2,332	2,419	2,451	3,027	3,021	3,458	3,574	3,162
Number of Emergency Calls Dispatched*	66,223	68,537	70,150	71,837	165,481	187,317	174,904	176,319	232,757	212,112
<b>HUMAN SERVICES</b>										
Percentage of Children Reunited with Family after Foster Care	20%	34%	33%	24%	22%	29%	21%	28%	33%	46%
<b>ECONOMIC AND PHYSICAL DEVELOPMENT</b>										
Number of Subdivision Plan Reviews	518	624	681	785	954	775	927	984	802	743
<b>CULTURE AND RECREATION</b>										
Library Book Circulation	1,608,748	1,602,994	1,757,157	1,667,802	1,716,038	1,659,826	1,460,254	1,372,279	1,669,379	1,785,326
Number of Visitors to Swimming Pools	56,063	47,381	35,421	36,505	38,524	29,743	10,737	21,590	36,454	43,010
<b>EDUCATION</b>										
Dollars Spent Per Pupil**	\$ 2,243	\$ 2,420	\$ 2,384	\$ 2,169	\$ 2,332	\$ 2,517	\$ 2,650	\$ 2,867	\$ 3,037	\$ 3,389
<b>ENTERPRISE FUND - SOLID WASTE</b>										
Tons of Waste Received	133,795	131,222	139,443	152,302	183,455	184,037	216,811	224,457	224,233	228,887
Tons of Waste Recycled	14,317	12,826	12,591	14,092	14,300	16,589	17,964	18,503	16,840	21,097

SOURCE: Various Buncombe County Government Departments.

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

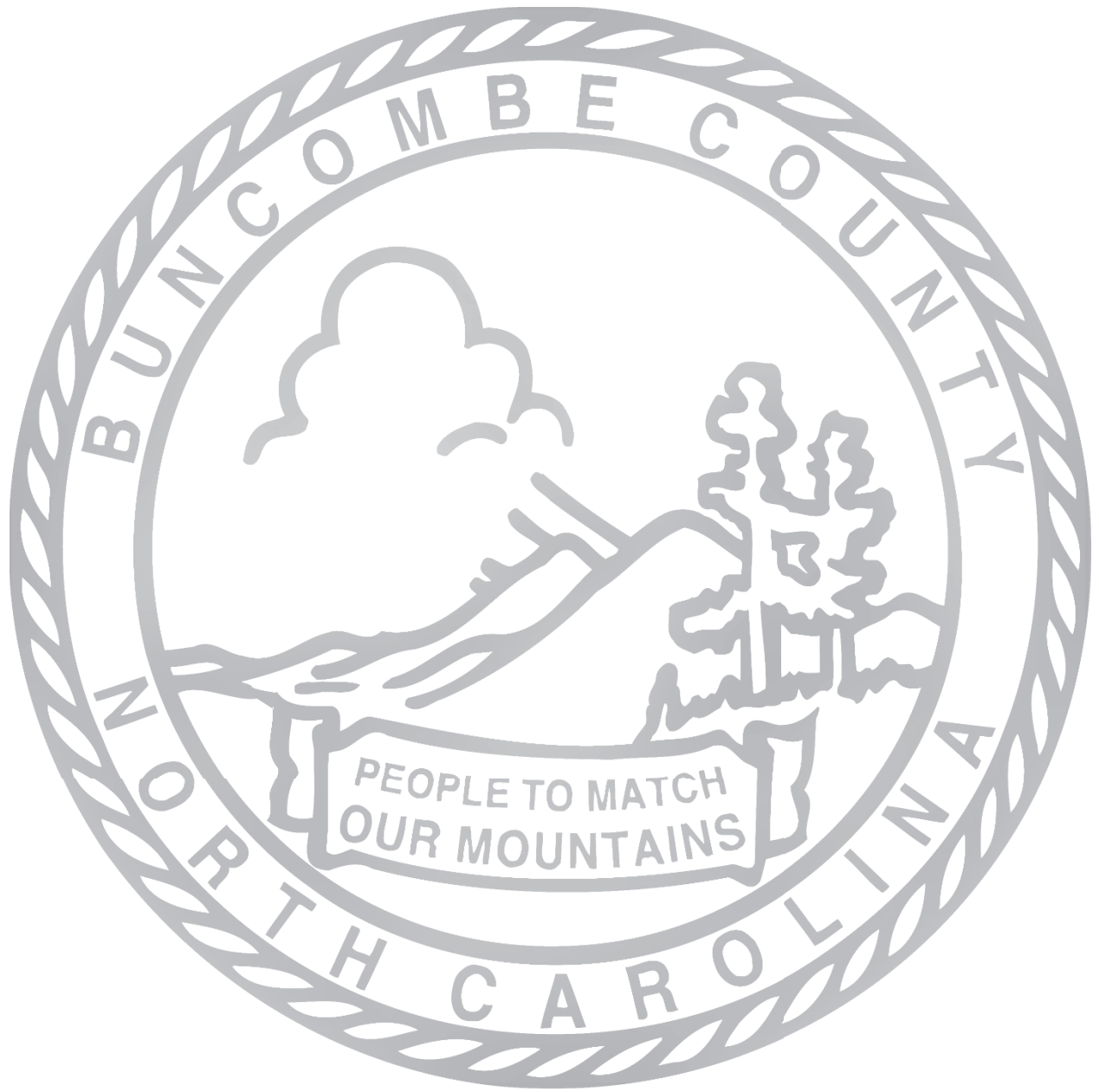
\*\*General fund dollars spent per pupil

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

LAST TEN FISCAL YEARS

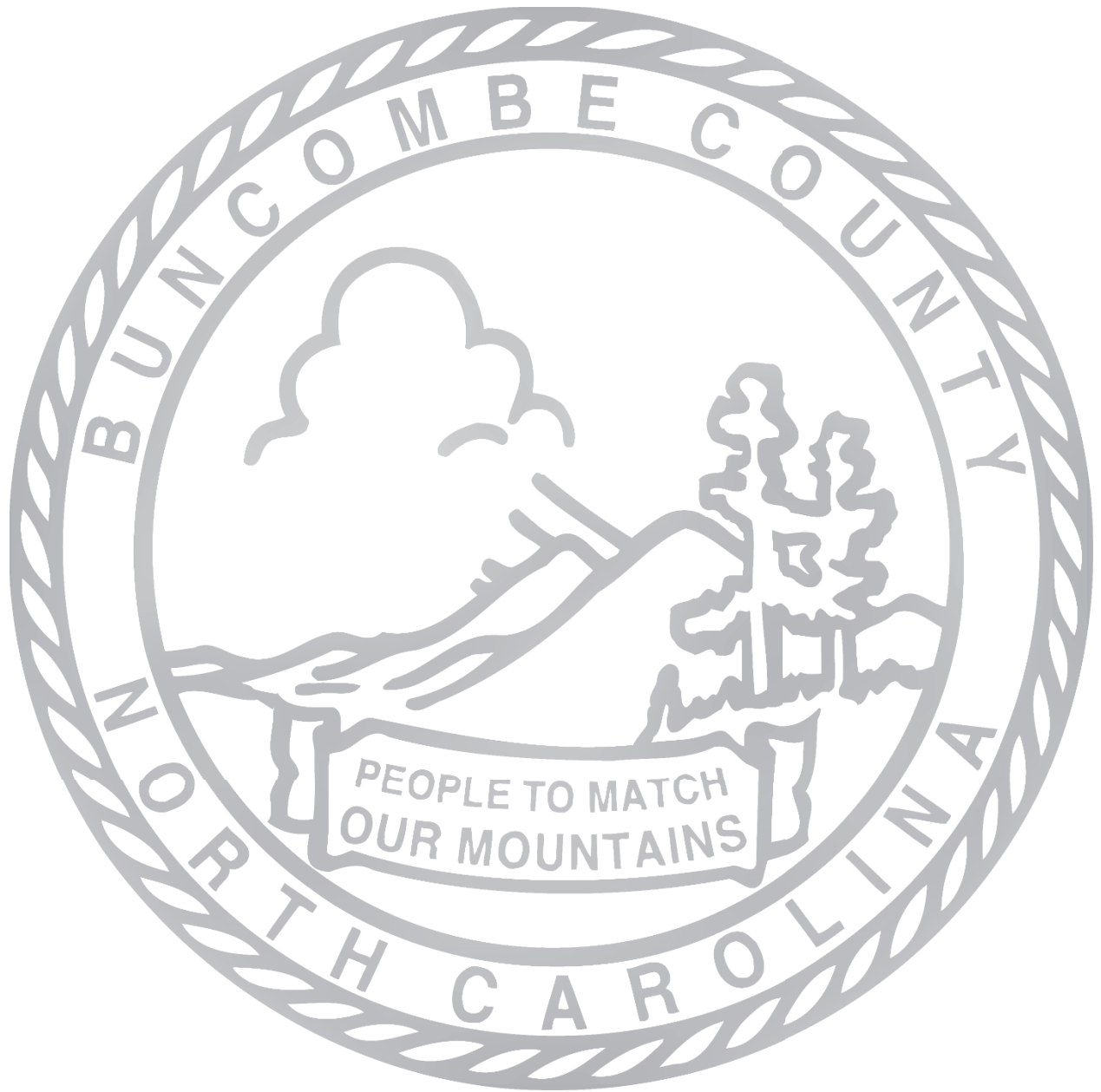
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PUBLIC SAFETY</b>										
Sheriff's Office										
Stations	2	3	4	4	4	4	4	4	4	4
Patrol Vehicles	80	81	81	81	86	87	87	87	87	87
<b>CULTURAL AND RECREATIONAL</b>										
Parks acreage	646	646	646	646	646	646	646	646	646	646
Parks	14	15	15	15	15	15	15	16	16	16
Swimming pools	6	5	5	5	5	5	5	5	5	5
Ballfields and courts	30	31	31	31	31	31	31	32	32	32
Libraries	13	13	13	13	13	13	13	13	13	13

SOURCE: Various County Departments



# Compliance Section







## INDEPENDENT AUDITOR'S 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

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**To Members of the Board of County Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina**

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Buncombe County, North Carolina** (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 9, 2024.

### **Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.



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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.

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

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Buncombe County, North Carolina's Response to the Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### **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.



Raleigh, North Carolina  
January 9, 2024



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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To Members of the Board of County Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina

### Report on Compliance for Each Major Federal Program

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

We have audited **Buncombe County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 major federal program for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiency.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Raleigh, North Carolina  
January 9, 2024



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF THE OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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To Members of the Board of County Commissioners  
Buncombe County, North Carolina  
Asheville, North Carolina

### Report on Compliance for Each Major State Program

#### *Opinion on Each Major State Program*

We have audited **Buncombe County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2023. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended June 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major state program.

Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

### ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiency.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Raleigh, North Carolina  
January 9, 2024

# BUNCOMBE COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### **Federal Awards**

Internal control over major state programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  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 2 CFR 200.516(a)?

Yes  No

Identification of major programs:

#### **Assistance Listing Number**

93.778

21.027

21.023

#### **Name of Federal Program or Cluster**

Medical Assistance Program (Medicaid Cluster)

Coronavirus State and Local Fiscal Recovery Funds

Emergency Rental Assistance

Dollar threshold used to distinguish between type A and type B programs:

\$1,664,442

Auditee qualified as low-risk auditee?

Yes



**BUNCOMBE COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION I**

**SUMMARY OF AUDIT RESULTS (CONTINUED)**

**State Awards**

Internal control over major state programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for  
major state programs?

Unmodified

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

Yes  No

Identification of major State programs:

**Program Name**

Public School Building Capital Fund - Lottery Proceeds

Justice Involved SUD Grant

State Foster Care Benefits Program

Other major state programs include the Medical Assistance Program (Medicaid) which have a state match on the federal program. Therefore, this program has been included in the major programs above.

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2023-001     Restatement of Prior Year Balances**

**Criteria:** Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

**Condition:** Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended June 30, 2022.

**Context/Cause:** During our audit for the year ended June 30, 2023, material misstatements in the opening balances of the County were identified and, thus, audit adjustments were required as follows:

- An error in recording the receipt of the Opioid Settlement funds as unearned revenue in the of \$621,438.

**Effects:** As a result of the issue identified above, a material audit adjustment was required to correct previously reported balances of the County. Restatements to beginning balances of the County in the amount of \$621,438.

**Recommendation:** We recommend the County carefully review the financial statements and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

**Auditee's Response:** We concur with the finding and have taken steps to more carefully align applicable reporting requirements with presentation in the financial statements in accordance with GAAP.

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION III**  
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no federal program findings for fiscal year ended June 30, 2023.

**SECTION IV**  
**STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no state program findings for fiscal year ended June 30, 2023.

# BUNCOMBE COUNTY, NORTH CAROLINA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2023

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**2022-001 Significant Deficiency over Federal suspension and debarment requirements**

**Criteria:** Prior to entering into subawards and contracts with award funds, recipients must verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300.

**Conditions:** The County did not properly document federal and state suspension and debarment status for one vendor prior to entering into a contract with the vendor.

**Current Status:** Corrected.

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Federal Awards:</b>					
<b>U.S. Dept. of Agriculture</b>					
<b>Food and Nutrition Service</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
FNS ARPA Funds	10.561	12-3505-0-1-605	\$ 380,533	\$ -	-
FNS Consolidated Appropriations Act (CAA) Funds	10.561	12-3505-0-1-605	-	-	-
Supplemental Nutrition Assistance Program - Admin	10.561	225NC406S2514	4,144,964	-	4,144,964
Supplemental Nutrition Assistance Program - Fraud Admin	10.561	225NC406S2514	218,483	-	218,483
Supplemental Nutrition Assistance Program - Education & Training & Dependent Care	10.561	225NC406S2514	57,517	-	57,517
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			4,801,497	-	4,420,964
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health					
Special Supplemental Food Program for Women, Infants, and Children Administration	10.557	13A2-5403-GC/13A2-5404-GC/13A2-5405-GC/13A2-5405-GD/13A2-5409-GD	924,155	-	-
Breastfeeding Peer Counseling Program	10.557	13A2-570E-JQ/13A2-570F-JQ/13A2-570G-JQ	79,588	-	-
Total: Special Supplemental Food Program for Women, Infants, and Children			1,003,743	-	-
<b>Forest Service</b>					
Passed through the Office of the State Controller:					
Schools and Roads - Grants to States and Counties	10.665	N/A	21,881	-	-
Total Forest Service Schools and Roads - Grants to States and Counties			21,881	-	-
<b>Natural Resources Conservation Service</b>					
Emergency Watershed Protection Program	10.923	NR204532XXXXC032	23,640	-	-
Guthrie Project - Streambank Restoration	10.923	NR204532XXXXC032	-	-	-
Total Emergency Watershed Protection Program			23,640	-	-
<b>Total U.S. Department of Agriculture</b>			5,850,762	-	4,420,964
<b>U.S. Department of Housing &amp; Urban Development</b>					
Passed-through N.C. Department of Commerce:					
Community Development Block Grant (CDBG)	14.228	B-20-DW-37-0001	115,788	-	-
<b>Total U.S. Department of Housing &amp; Urban Development</b>			115,788	-	-
<b>U.S. Department of Justice</b>					
Community Violence Initiative (CIV)					
Adult Drug Court	16.045	15PBIA-22-GG-04717-CV/P/FAW-173039	122,695	-	-
Adult Drug Court FY2023-FY2027	16.585	2018-MU-BX-0025	107,718	-	-
Family Justice Center DOJ Office of Violence Against Women (OVW)	16.590	15PBIA-22-GG-03944-DGCT	8,423	-	-
Comprehensive Opioid Abuse Site-Based Program (COAP) - Safer Together	16.838	15JOVW21GG02027CJR	64,591	-	-
Public Safety Partnership and Community Policing Grants (COPS)	16.710	2019-AR-BX-K071	212,361	-	-
Equitable Sharing Program	16.922	2020JLWX0035	125,000	-	-
Passed-Through N.C. Department of Public Safety:		NC0110000	105,362	31,574	-
Family Justice Center GCC	16.575	PROJ013509/PROJ015069	423,496	-	-
Crime Victim Assistance - Sobriety Treatment and Recovery Teams (START) Expansion	16.575	PROJ013535 - 2019VZGX0067	81,194	-	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	2020-DJ-BX-0052 - PROJ014419 / PROJ015603	24,433	-	-
Passed-through City of Asheville:					
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	15-0404-0-1-754	14,710	-	-
<b>Total U.S. Department of Justice</b>			1,289,982	31,574	-

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>U.S. Dept. of Transportation</b>					
<b>Federal Transit Administration</b>					
Passed-through N.C. Department of Transportation: Public Transportation for Nonurbanized Areas: Administration Capital	20.509 20.509	36233.13.15.1 51081.1.2.3/36233.13.16.5	\$ 311,845 4,159	\$ 19,489 519	- -
Total Rural Areas and Tribal Transit Program			316,004	20,008	-
Passed-through N.C. Department of Transportation: Transit Services Programs Cluster: Passed-through City of Asheville: 5310 SEDTAP 5310 RIDER	20.513 20.513	NC-2020-057-00/NC-1057-2021-2 NC-2019-017-00	128,544 35,455	- -	- -
Total Transit Services Programs Cluster			163,999	-	-
Federal Transit Cluster: 5307 ARPA	20.507		426,915	-	-
Total Federal Transit Cluster			426,915	-	-
<b>Total Federal Transit Administration</b>			906,918	20,008	-
<b>National Highway Traffic Safety Administration</b>					
Highway Safety Cluster: State and Community Highway Safety - DWI Court 2022 State and Community Highway Safety - DWI Taskforce 2022 State and Community Highway Safety - DWI Taskforce 2023	20.616 20.616 20.616	M5CS-2022-15-02 AL-2022-02-10	11,952 65,886 100,223	- - -	- - -
Total Highway Safety Cluster			178,062	-	-
<b>Federal Highway Administration</b>					
Highway Planning & Construction Cluster: Passed-through N.C. Department of Transportation: Highway Planning & Construction - Enka Recreation Destination/Hominy Creek Greenway Woodfin Greenway project	20.205 20.205	EB-5824 EB-5774	63,110 192,797	- -	- -
Total Highway Planning & Construction Cluster			255,908	-	-
<b>Total U.S. Department of Transportation</b>			1,340,887	20,008	-
<b>U.S. Department of Treasury</b>					
COVID-19: Emergency Rental Assistance Program II COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.023 21.027	202205-1505-001 TDO22SLFRP8588C	646,890 12,518,680	- -	- 9,317,864
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office	21.027	25FI-249N-TT	591,870	-	-
COVID-19: Communicable Disease Pandemic Recovery	21.023	20-0150-0-1-604	1,306,031	-	-
COVID-19: NC PRO Emergency Rental Assistance	21.023		3,248,894	-	-
COVID-19: NC PRO Emergency Rental II Assistance				-	-
<b>Total U.S. Department of Treasury</b>			18,312,366	-	9,317,864
<b>Institute of Museum and Library Services</b>					
Flowstate Community Arts Initiative	45.312	59-0300-0-1-503	4,008	-	-
<b>Total Institute of Museum and Library Services</b>			4,008	-	-
<b>U.S. Department of Environmental Protection Agency</b>					
Air Pollution Control Program Support	66.001	A00406820	214,517	-	-
Ambient Air Monitoring Network	66.034	PM01D04620	135,700	-	-
<b>Total U.S. Environmental Protection Agency</b>			350,217	-	-

**BUNCOMBE COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>U.S. Department of Health and Human Services - Administration for Children and Families</b>					
Division of Social Services:					
Work First/Temporary Assistance for Needy Families (TANF)					
Division of Public Health:					
Family Planning - TANF					
Total for Temporary Assistance for Needy Families (TANF) Cluster					
<b>Foster Care and Adoption Cluster:</b>					
Title IV-E Foster Care - Administration					
Foster Care- Direct Benefits Payments					
Foster Care IV-E-CPS					
Adoption Assistance					
Total for Foster Care and Adoption Cluster:					
N.C. Child Support Enforcement Section					
Refugee Assistance - Administration					
Refugee Health Assessments					
Total for Refugee and Entrant Assistance					
Crisis Intervention Program					
Energy Assistance Payments - Direct Benefit Payments					
Low Income Home Energy Assistance Block Grant - Administration					
Total for Low-Income Home Energy Assistance					
Division of Child Development:					
Subsidized Child Care					
Child Care Development Cluster:					
COVID-19; Low-Income Household Water Assistance Program - ARPA					
Childcare Development Fund - Administration					
Stephanie Tubbs Jones Child Welfare Services Program: Permanency Planning - Families for Kids					
APS Essential Services					
CPS TANF Transferred to SSBG					
Independent Living Grant - LINKS					
Independent Living Grant - LINKS- Direct Benefit Payments					
COVID-19; Pandemic Funds - LINKS					
Family Reunification					
SSBG - Other Services					
SSBG - In-Home Services					
SSBG - Adult Day Care					
Total for Social Services Block Grant					
<b>Total Administration for Children and Families</b>					
<b>Substance Abuse and Mental Health Services Administration</b>					
Passed through VAYA Health:					
COVID-19; VAYA ARPA Child and Family - FY23					
<b>Total Substance Abuse and Mental Health Services Administration</b>					

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Centers for Medicare and Medicaid Services</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medicaid Cluster:					
Medicaid Assisted Treatment (MAT) Grant	93.788	N/A	\$ 33,917	\$ -	-
Medicaid Assisted Treatment (MAT) Grant FY23	93.788	N/A	99,330	-	-
Medical Assistance Program - Administration	93.778	XDX-MAP22	12,780,607	1,999,712	4,386,796
Adult Home Specialist Fund	93.778	XDX-MAP22	347,898	31,186	316,712
Total Medicaid Cluster			13,261,752	2,030,898	4,703,508
State Children's Insurance Program - N.C. Health Choice	93.767	CHIP22	372,840	22,220	64,017
Total N.C. Health Choice			372,840	22,220	64,017
<b>Total Centers for Medicare and Medicaid Services</b>					
<b>Centers for Disease Control and Prevention</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
HIV Funds - CAPUS Safe Spaces	93.940	1311-4300-HV	28,000	-	-
Tuberculosis Control Program	93.116	1460-2720-NF/1460-UK77-NF	41,185	-	-
Public Health Emergency Preparedness	93.074	1264-2680-EU	75,000	-	-
Preventative Health and Health Services Block Grant	93.991	1261-5503-PH	30,327	-	27,000
COVID-19-ELC Enhancing Detection Activities	93.323	1175-883A-PS	592,201	-	-
School Health Centers	93.323	1332-892A-L5	115,000	-	115,000
ARPA Covid-19 SH Team Workforce	93.354	1332-535A-YM	202,174	-	202,174
Division of Community Health:					
Wisewoman Project	93.436	1313-3720-AL	146,190	-	-
Advancing Equity	93.391	1161-7955-LZ	59,317	-	-
COVID-19: CDC Vaccination Program	93.268	1331-6315-LD/1331-639B-P7	350,493	-	-
Immunization Action Plan	93.268	1331-631D-EJ	47,612	-	-
Breast and Cervical Cancer Control Programs	93.898	1320-3100-D7	125,020	-	-
Gonorrhea Partner Services	93.977	1311-4631-NB	100	-	-
Total Centers for Disease Control			1,812,619	-	344,174
<b>Health Resources and Services Administration</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
Nurse Family Partnership - Healthy Families America	93.505	1271-123D-D2/1271-123D-VH	168,770	-	-
Nurse Family Partnership	93.994	1271-5020-AP/1271-5020-AR/1271-5020-00	451,566	322	-
Maternal and Child Health Services Block Grant	93.994	13A1-5735-AP/1271-5318-AR/1271-5745-AR/1271-5351-AR	256,780	-	124,724
Total Health Resources and Services Administration			877,116	322	124,724
<b>Injury Prevention and Control Research and State and Community Based Programs</b>					
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
Community Linkages to Care for Overdose Prevention	93.136	1175-8380-DH	97,358	-	-
Total Injury Prevention and Control Research and State and Community Based Programs			97,358	-	-



**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Office of Assistant Secretary for Health</b>					
Passed-through N.C. Department of Health and Human Services: Division of Public Health: Family Planning Services Title X	93.217	13A1-5900-FP	\$ 112,088	\$ -	\$ -
<b>Total Office of Assistant Secretary for Health</b>			112,088	-	-
<b>Administration for Community Living (ACL)</b>					
COVID-19 Adult Protective Services (APS) Essential Services Fund	93.747	75-0142-0-1-506	61,619	-	-
<b>Total Administration for Community Living (ACL)</b>			61,619	-	-
<b>Total U.S. Department of Health and Human Services</b>			28,009,853	2,715,015	15,957,349
<b>U.S. Department of Homeland Security</b>					
Passed-through N.C. Department of Public Safety: Disaster Grants - Public Assistance (Presidentially Declared Disasters) Emergency Management Performance Grants Homeland Security Grant Program - USAR Support Funding	97.036 97.042 97.067	4617 Tropical Storm Fred EMA-2021-EP-00015/EMA-2021-EP-00014/EMPG-S-2020-2025011 EMW-2021-SS-0039	103,004 80,907 23,640	67,196 - -	- - 23,640
<b>Total U.S. Department of Homeland Security</b>			207,551	67,196	23,640
<b>Total Federal Awards</b>			55,481,414	2,833,792	29,719,817
<b>State Awards:</b>					
<b>N.C. Department of Administration</b>					
DMVA Community County Grants		N/A	-	2,083	-
<b>Total N.C. Department of Administration</b>			-	2,083	-
<b>N.C. Department of Agriculture and Consumer Services</b>					
Technical Assistance-Soil/Water Matching Funds Spray/Neuter Grant Rental Equipment for Small Farms		N/A N/A N/A 2021-011-03	- - - -	26,716 3,600 9,109 24,499	- - - -
<b>Total N.C. Department of Agriculture and Consumer Services</b>			-	63,924	-
<b>N.C. Department of Cultural and Natural Resources</b>					
Division of State Library: Aid to Public Libraries		N/A	-	246,406	-
<b>Total N.C. Department of Cultural and Natural Resources</b>			-	246,406	-
<b>N.C. Department of Environmental Quality</b>					
Division of Water Resources Hominy Creek Project - Center for Creative Living VW Settlement		CW18528/EP5032042	- - -	25,617 14,947 40,564	- - -
<b>Total N.C. Department of Environmental Quality</b>			-	40,564	-

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>N.C. Dept. of Health and Human Services</b>					
Division of Public Health:					
Communicable Disease Control		1175-4510-00	\$ -	\$ 7,807	\$ -
General Aid to Counties		1161-4110-00	-	213,419	-
Breast and Cervical Cancer Program		1320-3355-04/1320-5599-00	-	121,705	-
Tuberculosis		1460-4551-00/1460-4554-00	-	32,935	-
Integrated Targeted Testing Services (ITTS)		1311-4601-RR/1311-4601-BN	-	3,459	-
Minority Diabetes Prevention Program		1262-4179-00	-	294,820	-
Women's Health Service Fund		13A1-6021-FR	-	13,086	-
Healthy Communities		1261-5503-00	-	3,713	-
Women and Child Health- Family Planning		13A1-5735-00	-	71,602	-
Child Health		1271-5351-00	-	23,614	-
School Nurse Funding Initiative		1332-5358-00	-	150,000	-
COVID Support in BCDF			-	56,777	-
Total Division of Public Health			-	992,937	-
Division of Social Services:					
State Foster Care Benefits Program		N/A	-	946,293	511,463
Energy Assistance - Private Grants		N/A	-	3,000	-
County Funded Programs		N/A	-	-	10,236,542
Non-Allocating County Cost		N/A	-	-	1,573,086
Work First Non Reimbursable		N/A	-	-	595,171
LINKS/CHAFFEE/NR-LINKS		N/A	-	-	8,103
Start Model		N/A	-	262,048	-
State Child Welfare CPS		N/A	-	241,831	-
Total Division of Social Services			-	1,453,172	12,924,365
Division of Mental Health/DD/SAS:					
Justice Involved SUD Grant		N/A	-	561,672	-
Total Division of Mental Health/DD/SAS			-	561,672	-
<b>Total N.C. Department of Health and Human Services</b>					
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund - Lottery Proceeds		N/A	-	1,825,316	1,825,316
Total N.C. Department of Public Instruction			-	1,825,316	1,825,316
<b>N.C. Department of Public Safety</b>					
Division of Emergency Management		N/A	-	13,733	-
TF2 Jackson County Deployment		N/A	-	300	-
COVID-19- NCEM State Stream Restoration and Stabilization		22-080-4127	-	-	-
Streamflow Rehabilitation Assistance Program			-	-	-
Division of Juvenile Justice Delinquency Prevention:			-	-	-
Juvenile Crime Prevention Council Programs		N/A	-	612,416	564,855
Methodist Home For Children - JCPC		N/A	-	75,000	75,000
Total N.C. Department of Public Safety			-	701,449	639,855
<b>N.C. Department of Transportation</b>					
Rural Operating Assistance Program (ROAP) Cluster			-	-	-
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	182,668	9,350
ROAP Rural General Public Transportation		DOT-16CL	-	109,762	-
ROAP Work First Transitional-Employment Transportation Assistance Program		DOT-16CL	-	7,557	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	299,987	9,350
Total N.C. Department of Transportation			-	299,987	9,350
<b>Total State Awards</b>					
			-	6,187,510	15,398,886

**BUNCOMBE COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Other Financial Assistance:</b>					
NC Dept. of Justice			\$ -	\$ 352,612	\$ -
Opioid Settlement Fund (Note 5)			\$ 55,481,414	\$ 9,373,914	\$ 45,118,703
<b>Total Federal and State Awards</b>					

Notes to the Schedule of Expenditures of Federal and State Financial Awards:  
**Note 1: Basis of Presentation**  
 The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of Buncombe County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Buncombe County, it is not intended to and does not present the financial position, changes in net position or cash flows of Buncombe County.

**Note 2: Summary of Significant Accounting Policies**  
 Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Cluster of Programs**  
 The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption

**Note 4: Indirect Cost Rate**  
 The County has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 5: Opioid Settlement Fund**  
 The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

Cluster and Assistance Listing	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Total Federal Awards by Cluster and Assistance Listing</b>	<b>10,561</b>		<b>4,801,497</b>		
Total Food And Nutrition Services Cluster	10,665		21,881		
Total Forest Service Schools and Roads Cluster	20,616		178,062		
Total Highway Safety Cluster	20,507		426,915		
Total Federal Transit Cluster	20,513		163,999		
Total Transit Services Program Cluster	20,205		255,908		
Total Highway Planning and Construction Cluster	93,778		13,128,506		
Total Medicaid Cluster	93,596		439,191		
Total CCDF Cluster	93,558		2,266,234		
	93,505		168,770		
	93,898		125,020		
	93,940		28,000		
	93,994		100		
	97,036		708,346		
	97,042		103,004		
	97,067		80,907		
	10,557		23,640		
	10,923		1,003,743		
	14,228		23,640		
	16,045		115,788		
	16,575		122,695		
	16,585		504,689		
	16,590		116,141		
	16,710		64,591		
	16,738		125,000		
	16,838		39,143		
	16,922		212,361		
	20,509		105,362		
	21,023		316,004		
			5,201,816		

**BUNCOMBE COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
	21.027		13,110,550		
	45.312		4,008		
	66.001		214,517		
	66.034		135,700		
	93.074		75,000		
	93.116		41,185		
	93.136		97,558		
	93.217		112,088		
	93.268		398,105		
	93.323		707,201		
	93.354		202,174		
	93.391		59,317		
	93.436		146,190		
	93.499		87,488		
	93.556		58,820		
	93.563		1,011,133		
	93.566		130,227		
	93.568		905,839		
	93.645		81,878		
	93.658		5,069,586		
	93.659		267,008		
	93.667		858,747		
	93.674		208,689		
	93.747		61,619		
	93.767		372,840		
	93.788		133,246		
	93.991		30,327		
	93.958		29,622		
			<b>55,481,414</b>		



## Buncombe County Corrective Action Plan For the Fiscal Year Ended June 30, 2023

Buncombe County respectfully submits the following corrective action plan for the year ended June 30, 2023.

Audit period: July 1, 2022 through June 30, 2023

The finding from Section II. Financial Statement Findings and Responses is discussed below. The finding is numbered consistently with the number assigned in Section II.

### **2023-001      Restatement of Prior Year Balances**

The auditors recommend the County carefully review the financial statements and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

There is no disagreement with this audit finding.

The facts underlying this finding were based on best-available information and expert guidance at the time of a previous audit. County staff will carefully review the financial statements and applicable reporting requirements under GAAP, and proactively communicate with regulators and auditors regarding special reporting situations.

Person responsible for correction action: Melissa Moore, Finance Director

Completion date: The County will implement enhanced review and communication processes immediately.

