

**REVIEWED**

*By SLGFD at 3:06 pm, Jun 01, 2022*

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2021



**BUNCOMBE COUNTY**  
NORTH CAROLINA



BUNCOMBE COUNTY, NORTH CAROLINA

# Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDING  
JUNE 30, 2021

**BOARD OF COMMISSIONERS**

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

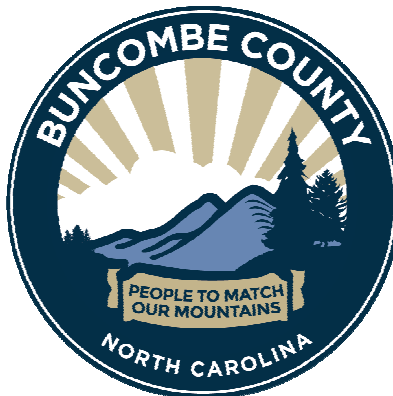
**COUNTY MANAGER**

Avril Pinder, CPA, ICMA-CM

**DIRECTOR OF FINANCE**

Donald P. Warn, MPA

Prepared by the Finance Department



Annual Comprehensive Financial Report  
For the Fiscal Year Ending June 30, 2021  
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, 2020

*Christopher P. Morill*

Executive Director/CEO



*February 21, 2022*

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. State law requires local governments to publish a complete set of financial statements annually.

Management of Buncombe County assumes responsibility for the completeness and reliability of all the information presented in this report based upon a comprehensive framework of internal control that it has established for this purpose. This report consists of management's representations concerning the financial position and results of operations for the fiscal year ended June 30, 2021.

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

CLA has audited the financial statements in accordance with generally accepted auditing standards. The cost of internal control should not exceed anticipated benefits; therefore, the auditor's review is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. The independent auditors concluded that the statements are presented in conformity with generally accepted accounting principles and there was a reasonable basis for issuing an unmodified opinion on the Buncombe County financial statements for the year ended June 30, 2021. 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 269,400 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 94,580 or approximately 35% of the County), which lies at the geographic center of the County and serves as the County seat. Throughout history Buncombe County has been an important crossroads, being approximately 240 miles west of the state capital, Raleigh, North Carolina; 205 miles north of Atlanta, Georgia; and, 120 miles east of Knoxville, Tennessee.

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

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

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



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

## The Local Economy

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

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

During fiscal year 2021, the Buncombe County Board of Commissioners recognized two major commitments of economic investment in the County. In October 2020, Pratt & Whitney announced plans to invest approximately \$650 million through the year 2027 in a new Buncombe County-based manufacturing facility. Once fully active, the operations of Pratt & Whitney are intended to create over 800 jobs at an average wage \$68,000, which is approximately 60% above the average wage in the County. In April 2021, the Board of Commissioners approved an economic incentive agreement in support of Systems Logistic Corporation's expansion of its existing Arden facility. The expansion includes capital investment of \$3 million and creation of 47 new jobs averaging \$32.17 per hour.

Following a slow employment recovery in mid-year 2020, Buncombe County's employment market picked up steam and refilled more consistently throughout fiscal year 2021. Though unemployment at the statewide level began to improve more quickly than in Buncombe County, the County's recovery ultimately aligned with State-level unemployment and fared slightly better than the nation as a whole by the close of the fiscal year. Buncombe County more than





halved unemployment from 11.3% in June 2020 to 4.5% in June 2021. In comparison, the state moved from 8.8% to 4.6% unemployment and the nation reported a transition from 11.1% to 5.9% during the same timeframe. The slow start to unemployment recovery is most attributable to the County's Hospitality, Travel, Leisure, and Manufacturing industries which were impacted by travel and business restrictions during the pandemic. Wage growth continued at a slower pace than in recent years, with the year-over-year average weekly wage increasing about 1% from Q4 2019 to Q4 2020 according to the Bureau of Labor Statistics.

Despite lingering concerns regarding sufficient workforce to meet back-to-business demands, Buncombe County's sales and occupancy tax collections in the fiscal year significantly outpaced projections. Sales tax collected exceeded projections by approximately 23%, equating to nearly \$7 million; year-end occupancy tax was more than 150% of anticipated collections, exceeding expected receipts by nearly \$9 million. Among other things, this can be attributed to a drastic increase in online sales throughout the pandemic as well as pent-up demand for the travel and recreation opportunities for which Buncombe County is well-known.

The Buncombe County housing market remains dynamic, reflecting and recovering from significant volatility early in the fiscal year. Median days for a house on market spiked to 118 days in November 2020. This is likely due to a confluence of several major factors including uncertainties related to the global pandemic, as well as those uncertainties generally associated with major election cycles. However, by June 2020, median days on market had gone back down to 50; this is nearly a week less than the three-year average. The number of closed sales year-over-year have increased significantly by about 37%; the median sales price has also increased, by about 18% from June 2020 to June 2021. By all measures, the housing environment in the area continues to be a seller's market.

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 2026 includes projects such as Elections facilities; solar panel installations; radio system and fleet replacements, as well as dispatch call center upgrades, for emergency services; parks and recreation upgrades; and, detention center facility expansion.

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

Another major achievement in the prior fiscal year (2020) was the adoption of the Buncombe County Strategic Plan 2020-2025. As the County continued to implement the strategic plan in fiscal year 2021, the Board of Commissioners also initiated work on the County's Comprehensive Plan 2043. A comprehensive plan is used by local governments as a broad, long-range planning tool for the community. The County's plan will consider a wide range of community concerns and needs from land use to equity. The plan will guide growth, address community needs and priorities, and inform how the County manages its resources for a 20-year period.

## Relevant Financial Policies

Fund balance is an accounting term defined as the difference between assets and liabilities in a governmental fund. The term *reserves* is often used by public finance practitioners, but is not a governmental accounting term. It refers to the portion of fund balance held in reserve to buffer against financial distress or risk. The North Carolina State Treasurer recommends a minimum unallocated general fund balance of 8%. However, the County policy is more restrictive, requiring a minimum unallocated general fund balance of 15% of the total actual expenditures and transfer. Each year County management challenges all County departments to generate savings throughout the year so that appropriated fund balance is never used.

On August 4, 2020, the Buncombe County Board of Commissioners adopted an updated General Fund Balance Policy which amended the minimum fund balance from a fixed 15% to a range of 15% to 20%. The policy was also updated to require any unreserved, undesignated fund balance in excess of 20% to be transferred to the County's capital projects fund. These changes create better management of undesignated fund balance in the General Fund while maintaining reasonable fund balance levels and create a mechanism to help fund capital expenditures commonly referred to as pay-go capital. These are the first updates to this policy since 2012.



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

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

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

In March 2021, the Buncombe County Board of Commissioners agreed to join North Carolina's first Local Government Investment Pool as a sponsoring organization. The Local Government Investment Pool is a cooperative investment product designed primarily for management of funds to meet the short-term investment and cash management needs of participating jurisdictions. Pooling funds grants participating governments several benefits including full-time portfolio management and a diversified investment portfolio.

## Awards and Acknowledgements

The County anticipates the Government Finance Officers Association of the United States and Canada (GFOA) to award a Certificate of Achievement for Excellence in Financial Reporting to Buncombe County for its annual comprehensive financial report for the fiscal year ending June 30, 2020. This would mark the forty-second consecutive year that Buncombe County has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.



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

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

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

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

Respectfully submitted,



Avril Pinder, CPA  
County Manager



Donald P. Warn  
Finance Director



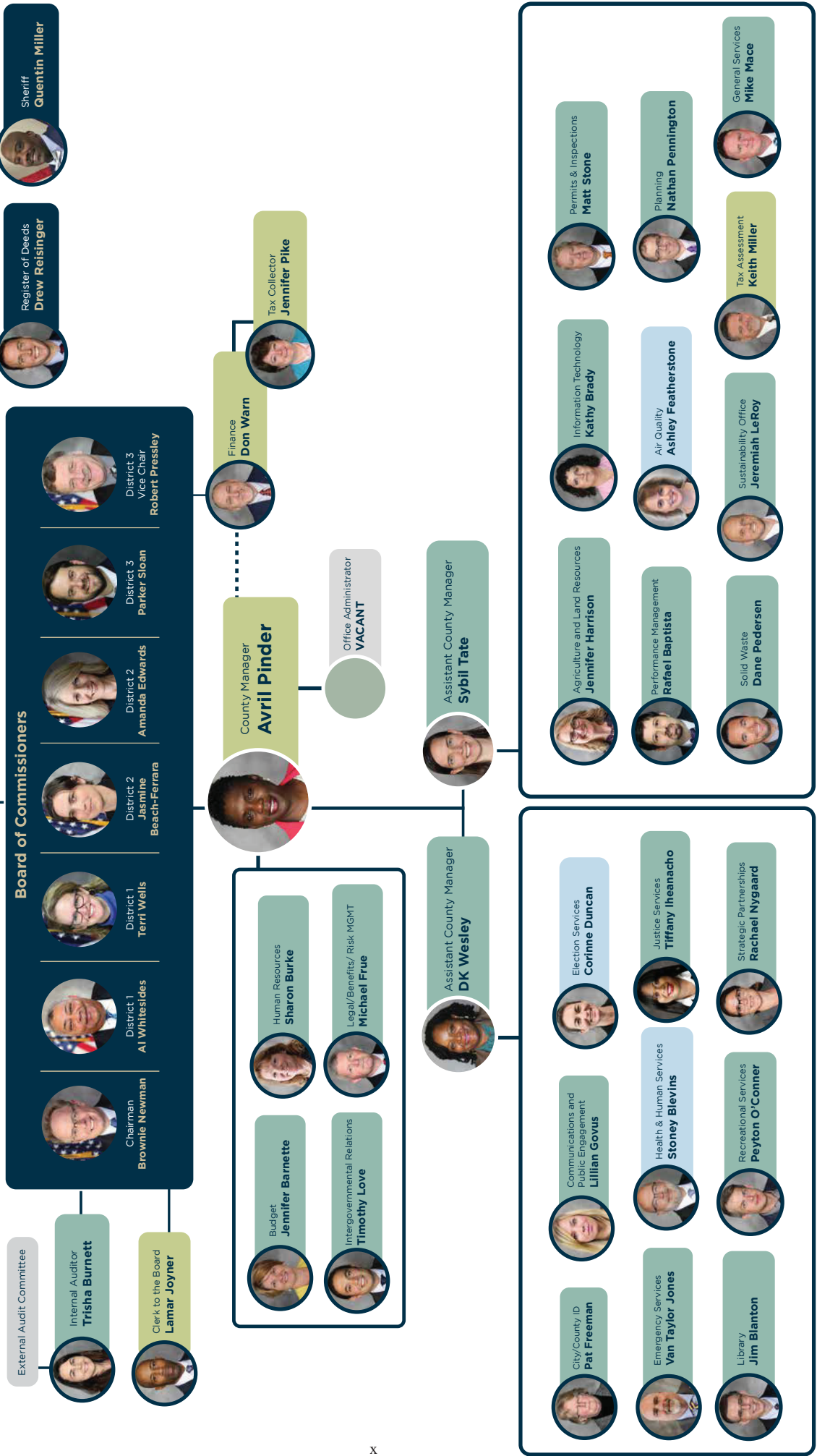




# Organizational Chart

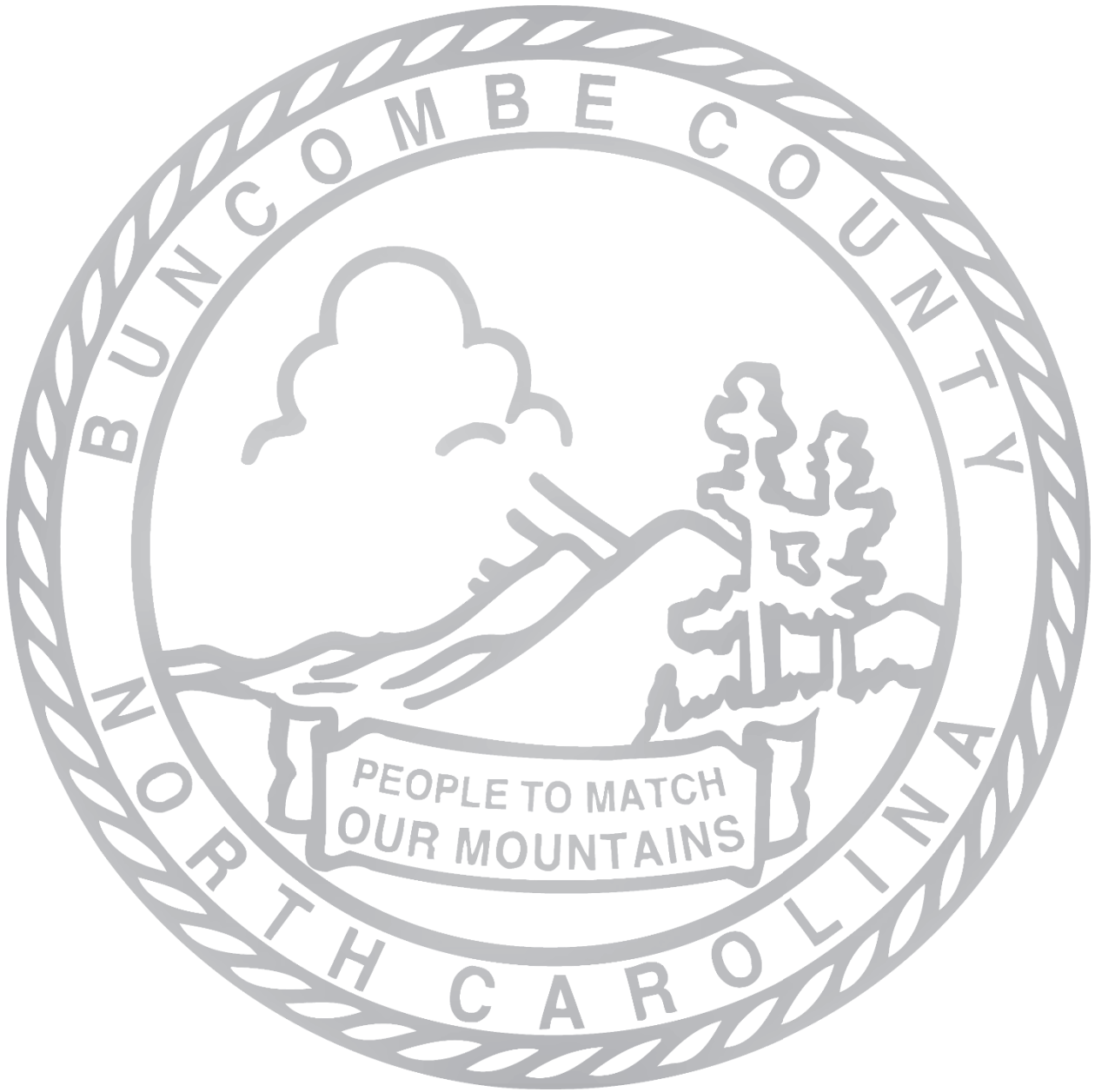
ELECTED APPOINTED SEPARATE BOARD DEPARTMENT HEAD

## Citizens



# Financial Section







## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buncombe County, North Carolina (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the occupancy tax fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

During fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement of beginning net position of the governmental activities, the fund balance of the non-major governmental funds, and the fiduciary net position of the custodial funds for the change in accounting principal (see Note 9). Our auditors' opinion was not modified with respect to this restatement.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, the combining and individual fund statements and schedules, the other schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and Individual fund statements and schedules, the other schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and Individual fund statements and schedules, the other schedules and the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and Individual fund statements and schedules, the other schedules and the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated January 26, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The amounts reported in prior years in the Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for Public School Capital Needs, AB Tech Capital Projects, Public Schools ADM Sales Tax and Lottery Project, County Capital Projects, Special Projects Capital Projects and Grant Projects funds (the supplementary project information) for the year ended June 30, 2020 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 2020 financial statements. The amounts reported in prior years in the supplementary information have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the prior year amounts for the supplementary project information are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

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

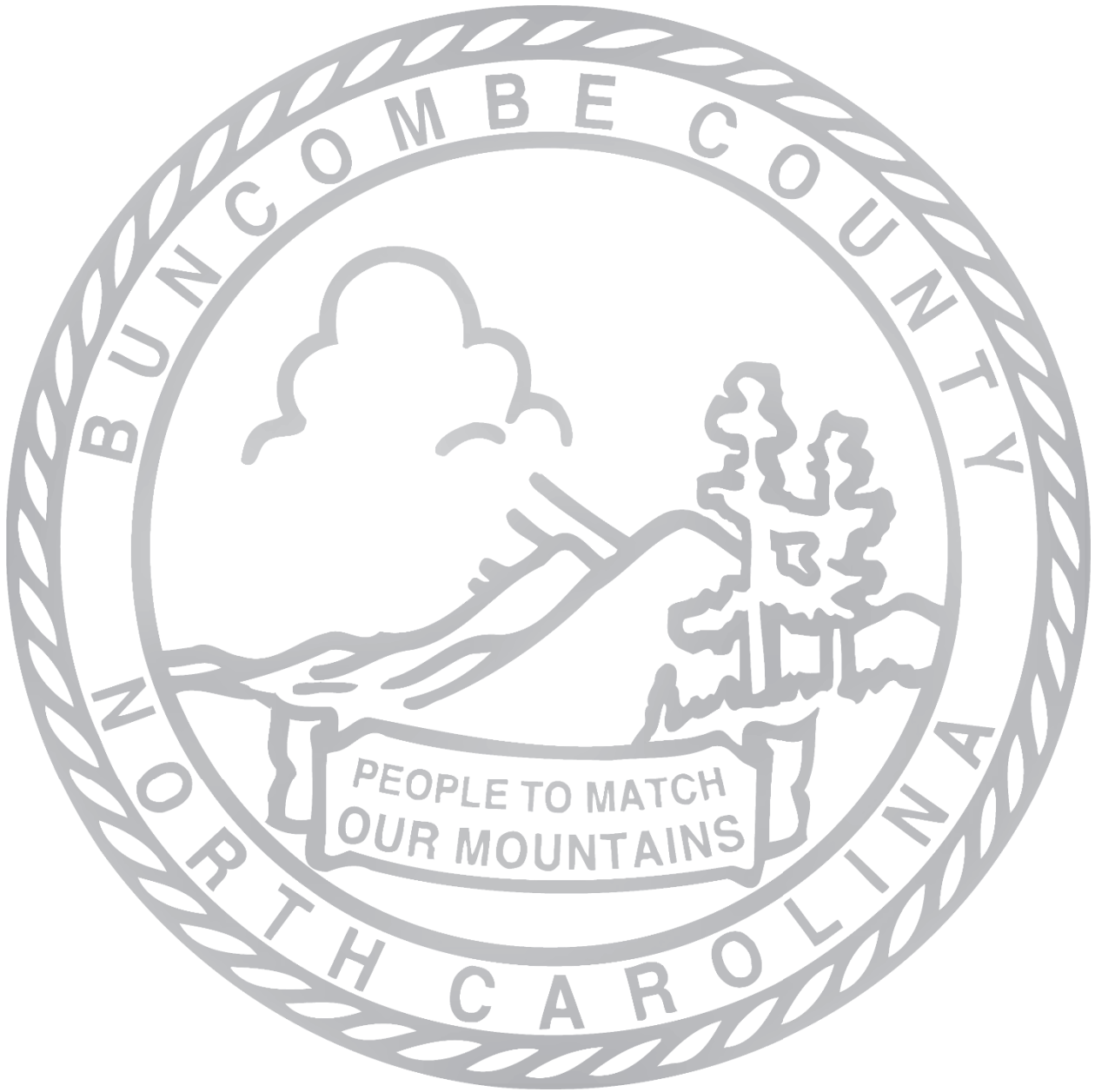
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 21, 2022



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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, 2021. 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.

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## 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 \$105.7 million (net position).
- The County's total net position increased by \$21.1 million during the fiscal year. The increase was primarily caused by the governmental activities, specifically from the net result of revenues exceeding budget expectations and reduced operating costs because of lingering COVID 19 cutbacks, combined with vacant positions that were not filled as of June 30, 2021.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$176.5 million, an increase of \$9.2 million from the prior year. Approximately 45% of this total amount, or \$79.7 million, is restricted or nonspendable.
- The County's General Fund increased fund balance by approximately \$18.8 million during the fiscal year for many of the same reasons as County's total net position increased.
- At June 30, 2021, available fund balance for the General Fund was \$90.9 million, or 27.4% of total general fund expenditures and transfers for the fiscal year which is 12.4% higher than the County's minimum fund balance policy.
- At June 30, 2021, the total amount of outstanding long-term debt was \$407 million, a decrease of \$28.5 million from the previous fiscal year.
- Under State law, the County is responsible for providing capital funding for the school systems and community college. At the end of the fiscal year, approximately \$237 million or 58.3% 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.

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## 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.

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## 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 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the



government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary funds statements; and 4) the fiduciary funds statements.

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

### **Government-wide Financial Statements**

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

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

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

The County adopts an annual budget for its General Fund as required by the NC General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Buncombe County's own programs. Buncombe County has eight fiduciary funds. One is a trust fund for the future health insurance benefits for retirees and the others are custodial funds. Information about these funds can be found on Exhibits 9 and 10 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**

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 \$105.7 million at June 30, 2021. The County's net position increased by \$21.1 million for the fiscal year ended June 30, 2021. The largest portion of Buncombe County's net position is reflected in the County's Net

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020 Restated</b>	<b>2021</b>	<b>2020 Restated</b>	<b>2021</b>	<b>2020 Restated</b>
Current and other assets	\$ 283.2	\$ 230.9	\$ 22.6	\$ 20.9	\$ 305.8	\$ 251.8
Capital assets	234.7	237.8	30.5	31.5	265.2	269.3
Total assets	517.9	468.7	53.1	52.4	571.0	521.1
Total deferred outflows of resources	75.9	44.3	1.6	0.8	77.5	45.1
Long-term liabilities outstanding	638.7	621.9	24.2	22.3	662.9	644.2
Other liabilities	78.6	34.7	0.7	0.6	79.3	35.3
Total liabilities	717.3	656.6	24.9	22.9	742.2	679.5
Total deferred inflows of resources	11.8	13.3	0.2	0.2	12.0	13.5
Net position:						
Net investment in capital assets	72.8	67.0	29.5	30.2	102.3	97.2
Restricted	67.4	62.8	-	-	67.4	62.8
Unrestricted	(275.5)	(286.7)	0.1	(0.1)	(275.4)	(286.8)
Total net position (deficit)	\$ (135.3)	\$ (156.9)	\$ 29.6	\$ 30.1	\$ (105.7)	\$ (126.8)

*Note: The 2020 amounts have been restated as discussed in Note 9*

Buncombe County has a negative balance of \$275.5 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 \$217.9 million or 53.5% 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 deficit increased by \$11.4 million from fiscal year 2020.

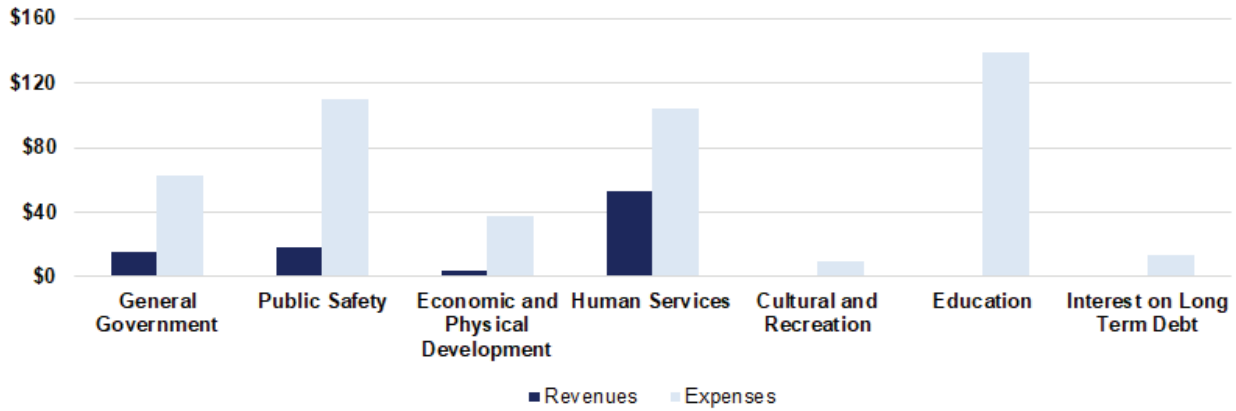
**Figure 2**  
**Change in Net Position (in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020 Restated</b>	<b>2021</b>	<b>2020 Restated</b>	<b>2021</b>	<b>2020 Restated</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 28.4	\$ 24.2	\$ 11.6	\$ 11.2	\$ 40.0	\$ 35.4
Operating grants and contributions	63.0	52.1	0.7	0.6	63.7	52.7
Capital grants and contributions	1.2	2.7	-	-	1.2	2.7
<b>General revenues:</b>						
Property taxes	256.9	232.2	-	-	256.9	232.2
Other taxes	143.4	118.8	-	-	143.4	118.8
Other	5.7	9.1	0.1	(0.5)	5.8	8.6
<b>Total revenues</b>	<b>498.6</b>	<b>439.1</b>	<b>12.4</b>	<b>11.3</b>	<b>511.0</b>	<b>450.4</b>
<b>Expenses:</b>						
General government	62.9	57.0	-	-	62.9	57.0
Public safety	110.2	101.4	-	-	110.2	101.4
Economic and physical development	37.9	32.4	-	-	37.9	32.4
Human services	103.8	95.9	-	-	103.8	95.9
Culture and recreation	9.8	10.1	-	-	9.8	10.1
Education	138.7	124.2	-	-	138.7	124.2
Interest on long-term debt	13.7	15.2	-	-	13.7	15.2
Solid waste disposal	-	-	12.7	10.8	12.7	10.8
Other	-	-	0.2	0.4	0.2	0.4
<b>Total expenses</b>	<b>477.0</b>	<b>436.2</b>	<b>12.9</b>	<b>11.2</b>	<b>489.9</b>	<b>447.4</b>
<b>Increase (decrease) in net position</b>						
Before transfers	21.6	2.9	(0.5)	0.1	21.1	3.0
<b>Transfers</b>						
	-	-	-	-	-	-
<b>Increase (decrease) in net position</b>	<b>21.6</b>	<b>2.9</b>	<b>(0.5)</b>	<b>0.1</b>	<b>21.1</b>	<b>3.0</b>
Net position, beginning of year, restated	(156.9)	(159.8)	30.1	30.0	(126.8)	(129.8)
<b>Net position (deficit), ending</b>	<b>\$ (135.3)</b>	<b>\$ (156.9)</b>	<b>\$ 29.6</b>	<b>\$ 30.1</b>	<b>\$ (105.7)</b>	<b>\$ (126.8)</b>

*Note: The 2020 amounts have been restated as discussed in Note 9*

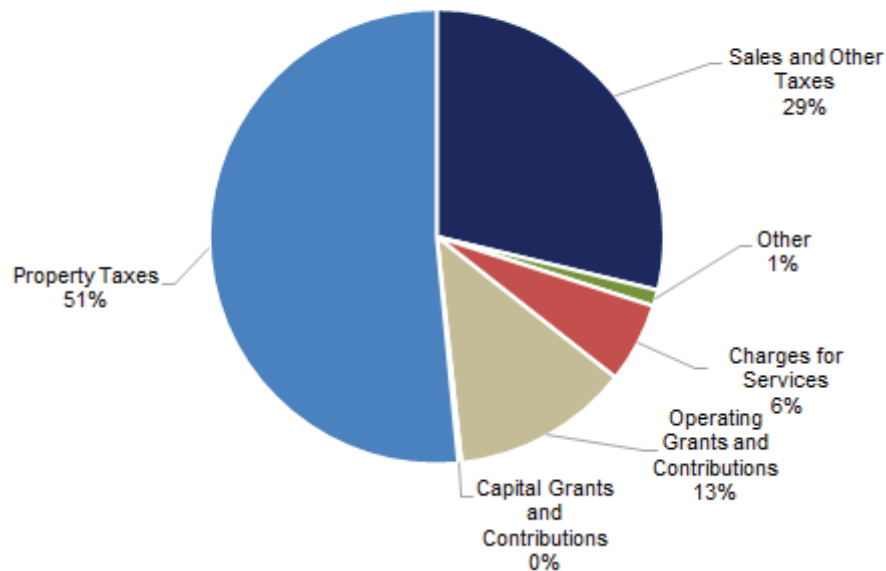


**Figure 3**  
**2021 Expenses and Program Revenues - Governmental Activities**  
 (in millions)

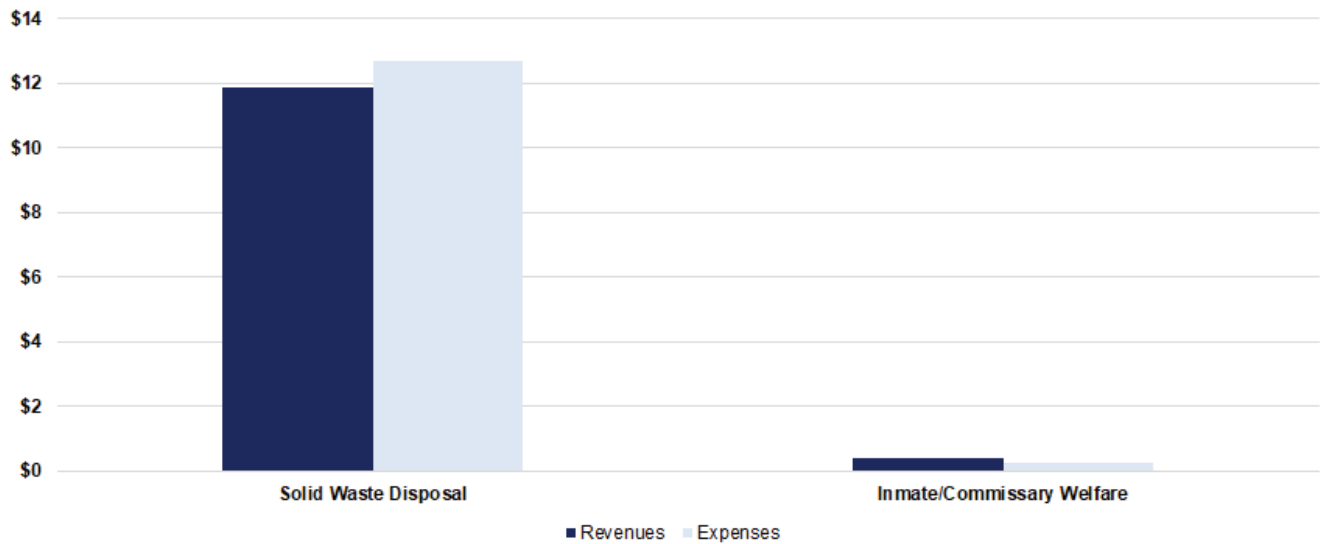


**Governmental Activities.** Governmental activities increased the County’s net position \$21.6 million. One key element of this increase is due to most categories of expenditures coming in under budget. Specifically, vacant positions in the detention center, EMS, IT and public health, economic development incentive payments that did not occur, reduced contract and professional services and travel and training that did not occur as a result of COVID 19 restrictions.

**Figure 4**  
**2021 Revenues By Source**  
**Governmental Activities**

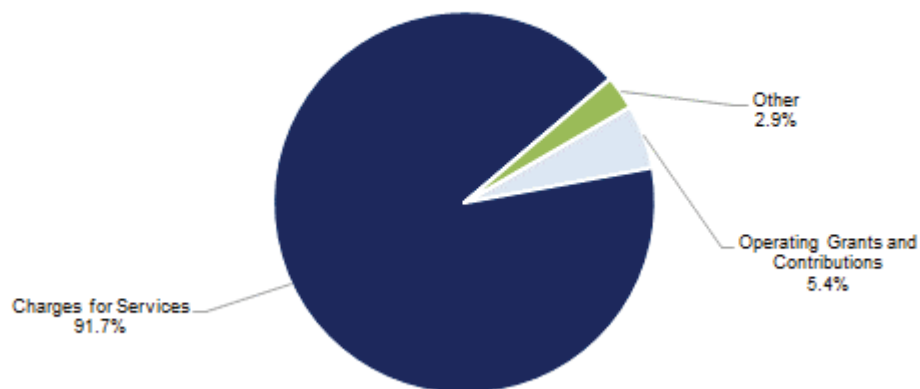


**Figure 5**  
**2021 Expenses and Program Revenues - Business-Type Activities**  
**(in millions)**



**Business-type Activities.** Business-type activities decreased Buncombe County’s overall net position by \$0.5 million in fiscal year ending June 30, 2021.

**Figure 6**  
**2021 Revenues By Source**  
**Business-Type Activities**



## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2021, the governmental funds of Buncombe County reported a combined fund balance of \$176.5 million, a \$9.2 million increase from last year. Of the total governmental fund balance, \$79.7 million, or 45%, 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 \$90.9 million, while total fund balance reached \$116.6 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 27.3% 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 \$7.2 million. The actual revenue collected was more than the final budget amount by \$19.2 million. This can be attributed to revenues exceeding budget in multiple areas. Ad Valorem Tax are budgeted based on estimated assessed values and collection rate and actual assessed values were higher than estimated. Consumer spending was stronger than anticipated and resulted in significantly higher than expected Local Option Sales Tax. Additionally, the County also saw higher than anticipated building permits fees, recording fees, sales and services associated with ambulance fees and Medicaid cost settlements.

The fund balance of the County's General Fund saw an increase of approximately \$18.8 million from the previous year; savings in all functional areas contributed to this increase. This is the ninth consecutive year that the County has seen an increase in its General Fund fund balance.

County Capital Projects Fund accounts for capital asset construction or acquisition from general government resources and financing. The total fund balance decreased \$2.5 million from \$14.9 million in fiscal year 2020 to \$12.4 million in 2021. 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 decrease is due to capital project expenditures incurred in 2021 that were funded by previous debt issues that had not been expended in previous years.

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 \$8 million from \$24.3 million in fiscal year 2020 to \$16.1 million in 2021. 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 decrease is due to capital project expenditures incurred in 2021 that were funded by previous debt issues that had not been expended in previous years.

The AB Tech Capital Project Fund accounts for revenues restricted for use on capital projects benefiting AB Tech Community College. The total fund balance decreased \$0.47 million from \$15 million in fiscal year 2020 to \$14.5 million in 2021. 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 decrease is due to planned capital maintenance expenditures incurred in 2021

Special Projects Capital Projects Fund accounts for special projects that may not necessarily result in a capital asset for the County. The total fund balance increased \$1.1 million from \$11.2 million in fiscal year 2020 to \$12.3 million in 2021. Total fund balance can fluctuate from year to year due to the timing of collections on long-term receivables associated with affordable housing loans and project completions. The most significant cause to the increase is due to the timing of when funds are transferred in and when the actual project expenditures occurs combined with collections on long-term receivables.

Grant Projects Fund accounts for revenues received from multi-year grants and related expenditures. The total fund balance decreased \$0.61 million from \$0.51 million in fiscal year 2020 to (\$.09) million in 2021. Total fund balance can fluctuate from year to year due to the timing of grant reimbursements and when the actual project expenditures occurred.

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

**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 a deficit of \$0.66 million due to the net investment in capital assets. While the Solid Waste Fund net position decreased \$0.67 million from fiscal year 2020, the unrestricted net position improved from 2020 as was anticipated with the new transfer station that became fully operational in 2019 and a new franchise agreement approved in fiscal year 2020.

### **Capital Asset and Debt Administration**

**Capital Assets.** As of June 30, 2021, the County's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities totaled \$265.3 million. These assets include land, buildings and improvements, equipment, automotive equipment, and construction in progress. This is a decrease of \$4 million, or 1.5%, from fiscal year 2020. This decrease is primarily due to depreciation of capital assets in governmental activities. See Figure 7.

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

- County facilities solar project
- Continued major maintenance of older buildings to maintain safety and extend their useful lives.
- Courthouse exterior renovations
- East Asheville Library

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)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 21.6	\$ 21.6	\$ 6.8	\$ 6.8	\$ 28.4	\$ 28.4
Buildings and improvements	191.8	195.6	20.6	22.1	212.4	217.7
Equipment	2.7	3.9	2.1	1.8	4.8	5.7
Automotive equipment	4.0	4.4	0.2	0.2	4.2	4.6
Intangibles	6.3	6.6	-	-	6.3	6.6
Construction in progress	8.3	5.7	0.8	0.6	9.0	6.3
<b>Total capital assets</b>	<b>\$ 234.7</b>	<b>\$ 237.8</b>	<b>\$ 30.5</b>	<b>\$ 31.5</b>	<b>\$ 265.3</b>	<b>\$ 269.3</b>

**Outstanding Debt.** As of June 30, 2021, the County's total debt outstanding was \$407 million, of which \$12.9 million is debt backed by the full faith and credit of the County. Installment notes account for the remaining \$394.1 million. Collateral for these notes are the assets purchased or constructed

As mentioned earlier, the County is required by State law to provide capital funding for the two local public school systems and the community college. At the end of the fiscal year, the outstanding balance of the debt for these activities is approximately \$217.9 million, of which \$157.5 million is for the school systems and \$60.4 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 \$29.9 million, or 7.3% 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.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General Obligation Bonds	\$ 12.9	\$ 15.7	\$ -	\$ -	\$ 12.9	\$ 15.7
Installment Notes Payable	393.1	418.5	1.0	1.3	394.1	419.8
<b>Total Outstanding Debt</b>	<b>\$ 406.0</b>	<b>\$ 434.2</b>	<b>\$ 1.0</b>	<b>\$ 1.3</b>	<b>\$ 407.0</b>	<b>\$ 435.5</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 \$2.9 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 \$865 million.

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

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### **FISCAL YEAR 2021 BUDGET HIGHLIGHTS**

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The total operating budget for Buncombe County is \$510.3 million. The General Fund budget for fiscal year 2022 is \$360.3 million. This is an increase of 3.04% from the fiscal year 2021 amended General Fund budget.

The tax rate for fiscal year 2022 is set at 48.8 cents per \$100 of property value, the tax rate decreased from 52.9 cents from 2021.

The FY2022 budget includes increased investment in Early Childhood Education to ensure that every child has an equal opportunity to thrive during their first 2,000 days. This includes \$3,745,440 for to achieve the following goals:

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

Buncombe County Commissioners continue their commitment to environmental and energy stewardship in the FY2022 budget by allocating the following:

- \$750,000 – Expanding Conservation Easements
- \$125,000 – Blue Horizons Project
- \$1,285,665 – Alternatively Fueled Vehicles
- \$400,000 – Solar Panels on County Buildings (Phase 2)

Other major items funded in the FY2022 budget include:

- \$1,105,798 for building Emergency Medical Service (EMS) capacity
- \$240,515 for community paramedics
- \$2.31M investment in affordable housing
- \$4 investment in economic development
- \$5.8M investment in capital improvements

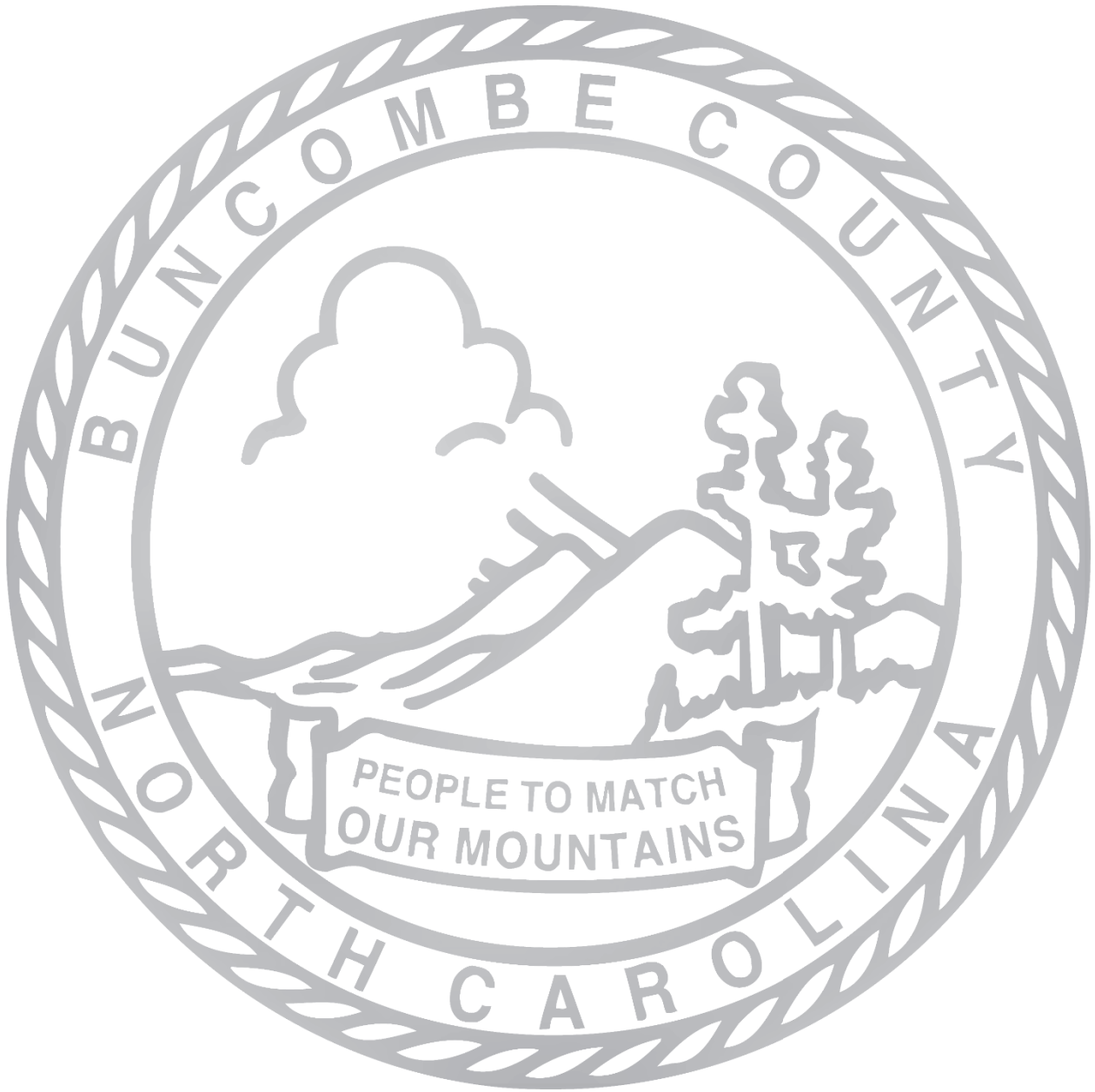
The fiscal year 2022 budget includes a fund balance appropriation of \$8.9 million. Fund balance appropriation is one of the available means to lower the burden on property tax owners. The County appropriates fund balance each year with the challenge to save the appropriated amount.

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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*

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Buncombe County, North Carolina

# BUNCOMBE COUNTY, NORTH CAROLINA

## Statement of Net Position

JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 173,532,481	\$ 21,468,602	\$ 195,001,083
Receivables (net)	9,470,272	932,116	10,402,388
Due from other governments	41,959,384	176,023	42,135,407
Due from primary government	-	-	-
Inventories	-	41,211	41,211
Prepays	453,233	-	453,233
Restricted cash and investments	50,296,440	-	50,296,440
Net pension asset	708,595	-	708,595
Long-term receivables	6,823,203	-	6,823,203
Capital assets:			
Land and construction in progress	29,852,799	7,613,066	37,465,865
Other capital assets, net of depreciation	204,881,887	22,910,561	227,792,448
Total capital assets	234,734,686	30,523,627	265,258,313
Total assets	517,978,294	53,141,579	571,119,873
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	75,949,521	1,604,844	77,554,365
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	28,477,475	680,175	29,157,650
Accrued interest payable	1,341,876	955	1,342,831
Payable from restricted cash	1,527,020	-	1,527,020
Unearned revenue	33,485,094	-	33,485,094
Other liabilities	7,739,633	-	7,739,633
Due to component unit	6,085,290	-	6,085,290
Noncurrent liabilities:			
Due within one year: Bonds, notes, compensated absences, retirement liabilities	42,171,417	553,208	42,724,625
Due in more than one year:			
Total pension liability - LEOSSA	11,440,707	-	11,440,707
Net pension liability - LGERS	45,164,841	1,049,921	46,214,762
Net OPEB liability	162,952,000	3,767,175	166,719,175
Bonds, notes, compensated absences, retirement liabilities	376,942,658	18,877,263	395,819,921
Total noncurrent liabilities	638,671,623	24,247,567	662,919,190
Total liabilities	717,328,011	24,928,697	742,256,708
<b>DEFERRED INFLOWS OF RESOURCES</b>	11,866,428	205,383	12,071,811
<b>NET POSITION</b>			
Net investment in capital assets	72,886,111	29,521,853	102,407,964
Restricted for:			
Stabilization by State statute	24,861,795	-	24,861,795
Product development	-	-	-
Capital projects	6,805,486	-	6,805,486
Education	30,678,005	-	30,678,005
Other	5,072,249	-	5,072,249
Unrestricted (deficit)	(275,570,270)	90,490	(275,479,780)
Total net position	\$ (135,266,624)	\$ 29,612,343	\$ (105,654,281)

**Exhibit 1**

	Component Units	
	Tourism Development Authority	WNC Regional Air Quality Agency
ASSETS		
Cash and investments	\$ 39,958,040	\$ 754,469
Receivables (net)	14,684	22
Due from other governments	-	374
Due from primary government	6,085,290	-
Inventories	-	-
Prepays	-	-
Restricted cash and investments	-	-
Net pension asset	-	-
Long-term receivables	-	-
Capital assets:	-	-
Land and construction in progress	-	-
Other capital assets, net of depreciation	-	18,815
Total capital assets	-	18,815
Total assets	46,058,014	773,680
DEFERRED OUTFLOWS OF RESOURCES	-	299,736
LIABILITIES		
Accounts payable and accrued expenses	5,392,023	38,478
Accrued interest payable	-	-
Payable from restricted cash	-	-
Unearned revenue	-	-
Other liabilities	215,782	-
Due to component unit	-	-
Noncurrent liabilities:		
Due within one year: Bonds, notes, compensated absences, retirement liabilities	-	88,844
Due in more than one year:		
Total pension liability - LEOSSA	-	-
Net pension liability - LGERS	-	139,364
Net OPEB liability	-	737,436
Bonds, notes, compensated absences, retirement liabilities	-	-
Total noncurrent liabilities	-	965,644
Total liabilities	5,607,805	1,004,122
DEFERRED INFLOWS OF RESOURCES	-	44,793
NET POSITION		
Net investment in capital assets	-	18,815
Restricted for:		
Stabilization by State statute	6,099,974	-
Product development	19,152,338	-
Capital projects	-	-
Education	-	-
Other	-	-
Unrestricted (deficit)	15,197,897	5,686
Total net position	\$ 40,450,209	\$ 24,501



# BUNCOMBE COUNTY, NORTH CAROLINA

## Statement of Activities

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
General government	\$ 62,905,681	\$ 7,502,909	\$ 8,135,243	\$ -
Public safety	110,196,922	12,078,741	5,778,715	-
Economic and physical development	37,854,625	3,525,855	325,046	-
Human services	103,818,039	4,474,914	48,446,716	48,177
Cultural and recreational	9,761,217	158,544	319,229	-
Education	138,712,888	636,621	-	1,130,515
Interest on long-term debt	13,705,700	-	-	-
Total governmental activities	476,955,072	28,377,584	63,004,949	1,178,692
BUSINESS-TYPE ACTIVITIES:				
Solid Waste Disposal	12,659,318	11,220,363	659,426	-
Inmate Commissary/Welfare	256,761	410,785	-	-
Total business-type activities	12,916,079	11,631,148	659,426	-
Total primary government	\$ 489,871,151	\$ 40,008,732	\$ 63,664,375	\$ 1,178,692
COMPONENT UNITS:				
Tourism Development Authority	\$ 16,257,948	\$ 195,846	\$ 26,833,398	\$ -
WNC Regional Air Quality Agency	641,077	519,186	265,536	-
Total component units	\$ 16,899,025	\$ 715,032	\$ 27,098,934	\$ -

### General revenues:

#### Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes and licenses

Payments in lieu of taxes

Investment earnings, unrestricted

Grants and contributions, unrestricted

Other, unrestricted

Gain on sale of assets

#### Transfers

Total general revenues and transfers

Change in net position

Net position, beginning, as originally reported

Prior period adjustment (Note 10)

Net position, beginning, as restated

Net position, ending

**Exhibit 2**

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tourism Development Authority	WNC Regional Air Quality Agency
\$ (47,267,529)	\$ -	\$ (47,267,529)		
(92,339,466)	-	(92,339,466)		
(34,003,724)	-	(34,003,724)		
(50,848,232)	-	(50,848,232)		
(9,283,444)	-	(9,283,444)		
(136,945,752)	-	(136,945,752)		
(13,705,700)	-	(13,705,700)		
(384,393,847)	-	(384,393,847)		
-	(779,529)	(779,529)		
-	154,024	154,024		
-	(625,505)	(625,505)		
(384,393,847)	(625,505)	(385,019,352)		
			\$ 10,771,296	\$ -
			-	143,645
			10,771,296	143,645
256,895,134	-	256,895,134	-	-
106,878,337	-	106,878,337	-	-
36,618,431	-	36,618,431	-	142,430
91,752	-	91,752	-	-
75,070	2,069	77,139	5,414	101
2,084,204	-	2,084,204	-	-
3,404,601	-	3,404,601	36,279	16,571
126,077	45,450	171,527	-	56
(60,445)	60,445	-	-	-
406,113,161	107,964	406,221,125	41,693	159,158
21,719,314	(517,541)	21,201,773	10,812,989	302,803
(157,892,578)	30,129,884	(127,762,694)	29,637,220	(278,302)
906,640	-	906,640	-	-
(156,985,938)	30,129,884	(126,856,054)	29,637,220	(278,302)
\$ (135,266,624)	\$ 29,612,343	\$ (105,654,281)	\$ 40,450,209	\$ 24,501

# BUNCOMBE COUNTY, NORTH CAROLINA

## Balance Sheet

### Governmental Funds

JUNE 30, 2021

	General	Occupancy Tax	Grant Projects	Public School Capital Needs
<b>ASSETS</b>				
Cash and investments	\$ 111,927,324	\$ 2,833,849	\$ -	\$ 5,800,902
Restricted cash and investments	583,055	-	33,800,049	3,930,835
Receivables, net	5,892,234	3,300,988	7,344	-
Due from other governments	20,181,021	-	1,391,777	6,466,533
Due from other funds	89,907	-	-	-
Prepaid items	69,233	-	-	-
Long-term receivable	17,717	-	-	-
Total assets	<u>\$ 138,760,491</u>	<u>\$ 6,134,837</u>	<u>\$ 35,199,170</u>	<u>\$ 16,198,270</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 13,961,226	\$ -	\$ 302,790	\$ 10,777
Payable from restricted cash	1,686	-	314,954	8,560
Unearned revenue	-	-	33,485,094	-
Other liabilities	3,310,559	-	-	-
Due to component unit	-	6,085,290	-	-
Due to other funds	-	49,547	36,955	-
Total liabilities	<u>17,273,471</u>	<u>6,134,837</u>	<u>34,139,793</u>	<u>19,337</u>
DEFERRED INFLOWS OF RESOURCES	<u>4,836,009</u>	<u>-</u>	<u>1,155,617</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	86,950	-	-	-
Restricted				
Stabilization by State statute	23,511,914	-	-	-
Education	-	-	-	16,178,933
Capital projects	226,751	-	-	-
Other	1,845,592	-	-	-
Committed for capital projects	15,172,602	-	-	-
Assigned				
Subsequent year's expenditures	9,344,348	-	-	-
Grant projects	-	-	-	-
Capital projects	-	-	-	-
Unassigned	66,462,854	-	(96,240)	-
Total fund balances	<u>116,651,011</u>	<u>-</u>	<u>(96,240)</u>	<u>16,178,933</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 138,760,491</u>	<u>\$ 6,134,837</u>	<u>\$ 35,199,170</u>	<u>\$ 16,198,270</u>

**Exhibit 3**

AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 10,088,682	\$ -	\$ 2,109,242	\$ 10,076,755	\$ 5,316,957	\$ 148,153,711
3,433	-	11,979,068	-	-	50,296,440
155	-	426	6,772	128,981	9,336,900
4,483,297	4,974,729	-	-	4,462,027	41,959,384
-	-	-	-	-	89,907
-	-	-	-	-	69,233
-	-	-	6,805,486	-	6,823,203
<u>\$ 14,575,567</u>	<u>\$ 4,974,729</u>	<u>\$ 14,088,736</u>	<u>\$ 16,889,013</u>	<u>\$ 9,907,965</u>	<u>\$ 256,728,778</u>
\$ 76,495	\$ 4,927,452	\$ 479,743	\$ 254,726	\$ 5,170,617	\$ 25,183,826
-	-	1,201,820	-	-	1,527,020
-	-	-	-	-	33,485,094
-	43,872	-	4,308,896	76,306	7,739,633
-	-	-	-	-	6,085,290
-	3,405	-	-	-	89,907
<u>76,495</u>	<u>4,974,729</u>	<u>1,681,563</u>	<u>4,563,622</u>	<u>5,246,923</u>	<u>74,110,770</u>
-	-	-	-	84,504	6,076,130
-	-	-	-	-	86,950
-	-	-	-	1,349,881	24,861,795
14,499,072	-	-	-	-	30,678,005
-	-	11,979,068	6,805,486	-	19,011,305
-	-	-	-	3,226,657	5,072,249
-	-	-	-	-	15,172,602
-	-	-	-	-	9,344,348
-	-	-	-	-	-
-	-	428,105	5,519,905	-	5,948,010
-	-	-	-	-	66,366,614
<u>14,499,072</u>	<u>-</u>	<u>12,407,173</u>	<u>12,325,391</u>	<u>4,576,538</u>	<u>176,541,878</u>
<u>\$ 14,575,567</u>	<u>\$ 4,974,729</u>	<u>\$ 14,088,736</u>	<u>\$ 16,889,013</u>	<u>\$ 9,907,965</u>	

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

Reconciliation to full accrual basis of accounting (see Note 1)	(311,808,502)
Net position (deficit) of governmental activities	<u>\$ (135,266,624)</u>

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	General	Occupancy Tax	Grant Projects	Public School Capital Needs
<b>REVENUES</b>				
Ad valorem taxes	\$ 219,807,334	\$ -	\$ -	\$ -
Incremental tax revenue	-	-	-	-
Local option sales taxes	37,062,183	-	-	23,387,621
Other taxes and licenses	9,376,262	27,242,169	-	-
Unrestricted intergovernmental	2,084,204	-	-	-
Restricted intergovernmental	45,879,582	-	11,367,304	190,357
Permits and fees	5,310,142	-	-	-
Sales and services	21,788,767	-	-	-
Investment earnings	26,813	-	-	3,347
Other	1,527,441	-	1,120,647	-
Total revenues	342,862,728	27,242,169	12,487,951	23,581,325
<b>EXPENDITURES</b>				
Current:				
General government	49,261,993	-	2,495,647	-
Public safety	65,297,896	-	3,159,160	-
Economic and physical development	7,434,692	27,242,169	17,426	-
Human services	85,089,564	-	7,997,485	-
Cultural and recreational	7,881,376	-	192,949	-
Education	92,223,088	-	199,000	-
Capital outlay	-	-	-	9,062,499
Debt service:				
Principal retirement	13,031,820	-	-	14,978,237
Interest and fees	6,684,716	-	-	7,631,964
Total expenditures	326,905,145	27,242,169	14,061,667	31,672,700
Revenues over (under) expenditures	15,957,583	-	(1,573,716)	(8,091,375)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	7,999,548	-	966,955	-
Transfers to other funds	(5,320,539)	-	(3,080)	-
Installment obligations issued	112,600	-	-	-
Sale of capital assets	116,742	-	-	-
Total other financing sources (uses)	2,908,351	-	963,875	-
Net changes in fund balances	18,865,934	-	(609,841)	(8,091,375)
Fund balances, beginning as originally reported	97,785,077	-	513,601	24,270,308
Prior period restatement- change in accounting principle	-	-	-	-
Fund balances, beginning	97,785,077	-	513,601	24,270,308
Fund balances, ending	\$ 116,651,011	\$ -	\$ (96,240)	\$ 16,178,933



**Exhibit 4**

AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 37,005,872	\$ 256,813,206
-	-	-	-	379,175	379,175
16,031,283	17,850,226	-	-	12,547,024	106,878,337
-	-	-	-	-	36,618,431
-	-	-	-	-	2,084,204
15,270	924,888	-	-	4,135,351	62,512,752
-	-	-	-	542,702	5,852,844
-	-	-	-	636,621	22,425,388
3,784	-	1,518	-	369	35,831
-	-	-	1,474,300	494,610	4,616,998
16,050,337	18,775,114	1,518	1,474,300	55,741,724	498,217,166
-	-	-	-	418,479	52,176,119
-	-	-	-	36,259,459	104,716,515
-	-	-	-	-	34,694,287
-	-	-	-	4,606,069	97,693,118
-	-	-	-	-	8,074,325
-	-	-	-	15,192,128	107,614,216
3,261,059	18,775,114	12,684,764	2,911,508	70,689	46,765,633
5,183,513	-	-	-	235,000	33,428,570
3,075,850	-	-	-	507,800	17,900,330
11,520,422	18,775,114	12,684,764	2,911,508	57,289,624	503,063,113
4,529,915	-	(12,683,246)	(1,437,208)	(1,547,900)	(4,845,947)
-	-	469,085	2,551,845	1,612,654	13,600,087
(5,000,000)	-	(280,000)	(40,000)	(41,484)	(10,685,103)
-	-	9,983,400	-	-	10,096,000
-	-	-	-	38,360	155,102
(5,000,000)	-	10,172,485	2,511,845	1,609,530	13,166,086
(470,085)	-	(2,510,761)	1,074,637	61,630	8,320,139
14,969,157	-	14,917,934	11,250,754	3,608,268	167,315,099
-	-	-	-	906,640	906,640
14,969,157	-	14,917,934	11,250,754	4,514,908	168,221,739
\$ 14,499,072	\$ -	\$ 12,407,173	\$ 12,325,391	\$ 4,576,538	\$ 176,541,878

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

Net changes in fund balances - total governmental funds	\$ 8,320,139
Reconciliation to full accrual basis of accounting (see Note 1)	13,399,175
Total change in net position (deficit) of governmental activities	<u>\$ 21,719,314</u>

## 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, 2021

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 212,211,847	\$ 212,211,847	\$ 219,807,334	\$ 7,595,487
Local option sales taxes	30,068,224	30,068,224	37,062,183	6,993,959
Other taxes and licenses	7,333,500	8,333,500	9,376,262	1,042,762
Unrestricted intergovernmental	625,000	702,500	2,084,204	1,381,704
Restricted intergovernmental	42,476,503	48,130,021	45,879,582	(2,250,439)
Permits and fees	3,854,000	3,861,000	5,310,142	1,449,142
Sales and services	18,178,051	18,330,551	21,788,767	3,458,216
Investment earnings	750,000	750,000	26,813	(723,187)
Other	869,376	1,231,707	1,531,881	300,174
Total revenues	316,366,501	323,619,350	342,867,168	19,247,818
EXPENDITURES				
Current:				
General government	49,746,797	51,767,873	49,261,993	2,505,880
Public safety	68,103,608	71,412,754	65,297,896	6,114,858
Economic and physical development	7,686,792	9,728,155	7,434,692	2,293,463
Human services	86,408,546	90,937,769	85,089,564	5,848,205
Cultural and recreational	8,416,714	8,487,324	7,881,376	605,948
Intergovernmental:				
Education	92,561,618	92,576,618	92,223,088	353,530
Total current expenditures	312,924,075	324,910,493	307,188,609	17,721,884
Debt service:				
Principal retirement			13,031,820	
Interest and other charges			6,684,716	
Total debt service	19,723,865	19,894,051	19,716,536	177,515
Total expenditures	332,647,940	344,804,544	326,905,145	17,899,399
Revenues over (under) expenditures	(16,281,439)	(21,185,194)	15,962,023	37,147,217
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	6,547,802	9,502,786	7,999,548	(1,503,238)
Transfers to other funds	(4,266,289)	(5,332,491)	(5,320,539)	11,952
Installment obligations issued	1,369,302	1,494,302	112,600	(1,381,702)
Sales of capital assets	30,000	30,000	116,742	86,742
Appropriated fund balance	12,600,624	15,490,597	-	(15,490,597)
Total other financing sources (uses)	16,281,439	21,185,194	2,908,351	(18,276,843)
Net change in fund balance	\$ -	\$ -	18,870,374	\$ 18,870,374
Reconciliation from budgetary basis to GAAP:				
Reconciling items:				
Net collections on long-term loans			(4,440)	
Change in fund balance			18,865,934	
Fund balance, beginning			97,785,077	
Fund balance, ending			\$ 116,651,011	

**BUNCOMBE COUNTY, NORTH CAROLINA****Exhibit 6***Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
Occupancy Tax Fund***FOR THE YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 27,250,000	\$ 27,242,169	\$ (7,831)
EXPENDITURES			
Current:			
Economic and physical development:			
Tourism development	27,250,000	27,242,169	7,831
Revenues over expenditures	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

# BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 7

## Statement of Net Position

### Proprietary Funds

JUNE 30, 2021

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 20,507,490	\$ 961,112	\$ 21,468,602	\$ 25,378,770
Receivables, net	918,365	13,751	932,116	8,992
Due from other governments	176,023	-	176,023	-
Prepays	-	-	-	384,000
Inventories	41,211	-	41,211	-
Total current assets	21,643,089	974,863	22,617,952	25,771,762
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	7,613,066	-	7,613,066	-
Other capital assets, net of depreciation	22,792,504	118,057	22,910,561	-
Total noncurrent assets	30,405,570	118,057	30,523,627	-
Total assets	52,048,659	1,092,920	53,141,579	25,771,762
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	1,546,926	57,918	1,604,844	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	416,955	81,386	498,341	1,631,652
Accrued interest payable	955	-	955	-
Salaries and payroll taxes payable	173,984	7,850	181,834	19,338
Compensated absences	222,780	10,428	233,208	-
Other liabilities	-	-	-	1,642,659
Installment obligations payable, current portion	320,000	-	320,000	-
Total current liabilities	1,134,674	99,664	1,234,338	3,293,649
Noncurrent liabilities:				
Accrued landfill closure and postclosure care costs	18,195,489	-	18,195,489	-
Net OPEB liability	3,631,218	135,957	3,767,175	-
Installment obligations payable	681,774	-	681,774	-
Net pension liability - LGERS	1,012,029	37,892	1,049,921	-
Total noncurrent liabilities	23,520,510	173,849	23,694,359	-
Total liabilities	24,655,184	273,513	24,928,697	3,293,649
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	197,971	7,412	205,383	-
<b>NET POSITION</b>				
Net investment in capital assets	29,403,796	118,057	29,521,853	-
Unrestricted (deficit)	(661,366)	751,856	90,490	22,478,113
Total net position	\$ 28,742,430	\$ 869,913	\$ 29,612,343	\$ 22,478,113

# BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 8

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

FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
OPERATING REVENUES				
Charges for services	\$ 11,220,363	\$ 410,785	\$ 11,631,148	\$ 38,236,879
Other	659,426	-	659,426	67,813
Total operating revenues	11,879,789	410,785	12,290,574	38,304,692
OPERATING EXPENSES				
Salaries, wages, and fringe benefits	4,026,134	119,312	4,145,446	371,107
Other operating expenses	5,589,185	109,800	5,698,985	1,316,663
Landfill closure and postclosure care costs	1,066,119	-	1,066,119	-
Depreciation	1,968,804	27,649	1,996,453	-
Insurance premiums	-	-	-	1,438,481
Claims	-	-	-	32,113,247
Total operating expenses	12,650,242	256,761	12,907,003	35,239,498
Operating income	(770,453)	154,024	(616,429)	3,065,194
NONOPERATING REVENUES (EXPENSES)				
Interest and investment revenue	1,987	82	2,069	-
Interest and other charges	(9,076)	-	(9,076)	-
Gain on disposal of assets	45,450	-	45,450	-
Total nonoperating revenues (expenses)	38,361	82	38,443	-
Income before transfers	(732,092)	154,106	(577,986)	3,065,194
Transfers to other funds	-	-	-	(2,975,429)
Transfers from other funds	58,768	1,677	60,445	-
Change in net position	(673,324)	155,783	(517,541)	89,765
Net position, beginning	29,415,754	714,130	30,129,884	22,388,348
Net position, ending	\$ 28,742,430	\$ 869,913	\$ 29,612,343	\$ 22,478,113



# BUNCOMBE COUNTY, NORTH CAROLINA

## Statement of Cash Flows

### Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2021

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 11,453,505	\$ 420,527	\$ 11,874,032	\$ 38,240,740
Cash paid for goods and services	(5,890,584)	(106,652)	(5,997,236)	(34,198,229)
Cash paid to employees for services	(3,274,679)	(124,700)	(3,399,379)	(366,591)
Other operating revenue	483,403	-	483,403	67,813
Net cash provided by operating activities	2,771,645	189,175	2,960,820	3,743,733
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	-	-	-	(2,975,429)
Transfers from other funds	58,768	1,677	60,445	-
Net cash provided by (used by) noncapital financing activities	58,768	1,677	60,445	(2,975,429)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(981,250)	(35,806)	(1,017,056)	-
Disposal of capital assets	45,449	-	45,449	-
Principal paid on installment obligation	(305,000)	-	(305,000)	-
Principal paid on bond maturities	-	-	-	-
Interest paid on long-term debt	(23,350)	-	(23,350)	-
Net cash used by capital and related financing activities	(1,264,151)	(35,806)	(1,299,957)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,987	82	2,069	-
Net cash provided by investing activities	1,987	82	2,069	-
Net increase in cash and investments	1,568,249	155,128	1,723,377	768,304
Cash and investments, beginning of year	18,939,241	805,984	19,745,225	24,610,466
Cash and investments, end of year	\$ 20,507,490	\$ 961,112	\$ 21,468,602	\$ 25,378,770

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Fund	Total	Insurance Fund
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ (770,453)	\$ 154,024	\$ (616,429)	\$ 3,065,194
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,968,804	27,649	1,996,453	-
Landfill closure and postclosure care costs	800,076	-	800,076	-
Changes in assets, liabilities and deferred outflows and inflows of resources:				
Accounts receivable	57,119	9,742	66,861	3,861
Inventories	(23,111)	-	(23,111)	-
Deferred outflows of resources - pensions	(138,381)	(5,538)	(143,919)	-
Net pension liability	297,251	11,746	308,997	-
Deferred inflows of resources - pensions	8,286	326	8,612	-
Accounts payable	(12,245)	3,148	(9,097)	670,162
Salaries and payroll taxes payable	23,130	4,167	27,297	4,516
Deferred outflows of resources - OPEB	(629,917)	(16,713)	(646,630)	-
Net OPEB liability	1,135,390	(4,333)	1,131,057	-
Deferred inflows of resources - OPEB	(1,421)	(3,294)	(4,715)	-
Accrued compensated absences	57,117	8,251	65,368	-
Total adjustments	3,542,098	35,151	3,577,249	678,539
Net cash provided by operating activities	\$ 2,771,645	\$ 189,175	\$ 2,960,820	\$ 3,743,733

## BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 10

*Statement of Fiduciary Net Position**Fiduciary Funds*

JUNE 30, 2021

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,197,467
Investments:		
State Treasurer Short Term Investment Fund	6,388,454	-
State Treasurer Bond Index Fund	2,739,086	-
Mutual funds	27,016,990	-
Receivables, net	-	401,625
Total assets	36,144,530	1,599,092
LIABILITIES		
Accounts payable and accrued liabilities	-	2,349
Due to other governments	-	1,108,635
Total liabilities	-	1,110,984
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	36,144,530	-
Individuals and other governments	-	488,108
Total net position	\$ 36,144,530	\$ 488,108

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

Exhibit 11

FOR THE YEAR ENDED JUNE 30, 2021

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ 10,150,029	\$ -
Investment income:		
Interest and dividends	91,686	-
Loss on sales of investments	(8,337)	-
Net appreciation in fair value of investments	7,081,129	-
Less: investment management fees	(4,156)	-
Investment income, net	7,160,322	-
Ad valorem taxes collected for other governments	-	88,333,703
Collections on behalf of inmates	-	1,111,590
Total additions	17,310,351	89,445,293
DEDUCTIONS		
Benefit payments	7,150,029	-
Tax distributions to other governments	-	88,156,453
Payments on behalf of inmates	-	1,103,779
Total deductions	7,150,029	89,260,232
Change in net position	10,160,322	185,061
NET POSITION		
Beginning, as previously reported	25,984,208	-
Prior period restatement, change in accounting principle	-	303,047
Ending	\$ 36,144,530	\$ 488,108

# BUNCOMBE COUNTY, NORTH CAROLINA

## Notes to the Financial Statements

For the Year Ended June 30, 2021

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### Note 1 - Summary of Significant Accounting Policies

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

#### (A) Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. Buncombe County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The OPEB Trust Fund holds funds used to provide postretirement benefits to qualifying employees of the County and the WNC Regional Air Quality Agency. It is presented as a fiduciary fund in the financial statements. Buncombe County Tourism Development Authority (the Tourism Development Authority) and Western North Carolina Regional Air Quality Agency (the Agency), which have a June 30 year-end, are presented as if they are separate governmental funds of the County (discrete presentation). The discretely presented component units 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

Buncombe County Service Foundation, Inc.	Blended	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 seven 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.	None issued.
Western North Carolina Regional Air Quality Agency	Discrete	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.	None issued.

**(B) Basis of Presentation, Basis of Accounting****Basis of Presentation, Measurement Focus – Basis of Accounting**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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.

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 Special Taxing Districts Fund, the Emergency Telephone System Fund, the Register of Deeds Automation Fund, the Register of Deeds Fund, the Representative Payee Fund, the Sondley Estate Trust Fund, the Transportation Fund, the Drug Forfeitures Fund, the School Fines and Forfeitures Fund, the PDF Woodfin Downtown Fund, and the Buncombe County Service Foundation blended component unit presented as a fund. The Reappraisal Reserve Fund is legally budgeted, but is consolidated into the General Fund for reporting purposes.

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

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

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

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital 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, Sondley Estate Trust Fund, Drug Forfeitures Fund, School Fines and Forfeitures Fund, PDF Woodfin Downtown Fund, Transportation Fund, the Reappraisal Reserve Fund, the Buncombe County Service Foundation, Inc. and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the County Capital Projects Fund, the Public School Capital Needs Fund, the AB Tech Capital Projects Fund, the Public School ADM Sales Tax/Lottery Projects Fund, the Grant Projects Fund, the Special Projects Capital Projects Funds, and the enterprise capital projects fund, which is consolidated with the enterprise operating funds for reporting purposes.

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

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

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

All deposits of the County, Buncombe County Tourism Development Authority, and Western North Carolina Regional 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 and the North Carolina Capital Management Trust (NCCMT).

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 authorized under G.S. 147-69.2(b)(8).

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.

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

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, 2021 of 1.3 years.

BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$32.24591 per share. Fair value for this Blackrock 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	\$ 226,751
General Fund	Reserve for tax reappraisal	356,304
Grant Projects Fund	Unexpended grant proceeds	33,800,049
County Capital Projects Fund	Unexpended bond proceeds	11,979,068
Public School Capital Needs Fund	Unexpended bond proceeds	3,930,835
AB Tech Capital Projects Fund	Unexpended bond proceeds	3,433
Total restricted cash		<u>\$ 50,296,440</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, 2020.

**(5) Allowances for Doubtful Accounts**

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

**(6) Inventories and Prepaid Items**

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

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

**(7) Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The minimum capitalization cost is \$25,000 (except for land and vehicles, which are capitalized regardless of cost). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Capital assets of the County and Western North Carolina Regional Air Quality Agency are depreciated on a straight-line basis over the following estimated useful lives:

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

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

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

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

**(9) Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position. 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.

**(10) 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.

**(11) 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.

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 restricted for capital project expenditures.

Restricted for other purposes as detailed below:

*Restricted for Register of Deeds:* Fund balance of \$322,527 restricted by revenue source for Register of Deeds related automation expenditures.

*Restricted for tax reappraisal:* Fund balance of \$354,618 restricted for expenditures related to tax reappraisal per G.S. 153A-150.

*Restricted for economic and physical development:*

Fund balance of \$1,440,682 restricted by revenue source to the support of the Permits and Inspections department per G.S. 153A-354, \$50,292 restricted by revenue source for soil conservation activities, and \$401 restricted by revenue source to paying debt service of the PDF Woodfin Downtown Fund.

*Restricted for human services:*

Fund balance of \$69,697 restricted by revenue source for human service activities of the Buncombe County Service Foundation and \$51,167 that can only be used for beneficiaries under the Social Security's Representative Payee Program.

*Restricted for library:* Fund balance of \$867,441 restricted for the libraries by the donor.

*Restricted for public safety:* Fund balance of \$1,915,424 restricted by revenue source for public safety purposes

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

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



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

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

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

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

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

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

#### **(12) 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)	\$ 405,645,394
Less accumulated depreciation	(170,910,708)
Net capital assets	234,734,686
 Net pension asset	 708,595
 Pension and other post-employment benefit activity relating to deferred outflows and inflows is not used or reported in the funds	 64,025,060
 Accrued interest receivable on long-term loans and investments reported in the government-wide activities, but not in the fund statements	 124,380
 Deferred inflows of resources are reported in the fund statements but not the government-wide statements	 4,153,168
 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	 22,478,113
 Deferred inflows and outflows related to advance refunding bonds issued – included on government-wide statement of net position, but not in the fund statements	 1,980,995
 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	(406,021,341)
Compensated absences	(10,756,533)
Total pension liability - LEOSSA	(11,440,707)
Other postemployment benefits	(162,952,000)
Net pension liability - LGERS	(45,164,841)
Accrued salaries related to retirement incentive	(1,236,178)
Pension spiking liability	(1,100,023)
Accrued interest payable	(1,341,876)
Total	\$ (311,808,502)

- (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 net position	\$ 12,971,945
Cost of disposed capital assets not recorded in fund statements	(29,025)
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the statement of activities but not in the fund statements	(16,019,944)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the statement of net activities – only the government-wide statement of net position is affected.	
Proceeds from the issuance of debt	(10,096,000)
Principal and escrow payments on long-term debt	33,428,570
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	(5,823,784)
Law Enforcement Special Separation Allowance expense adjustment	(779,326)
Register of Deeds' Supplemental Pension Fund expense adjustment	27,610
Other post-employment benefit expense adjustment	(4,448,812)
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:	
Accrued interest payable on long-term debt	(175,688)
Amortization of premium on long-term debt	4,897,187
Amortization of refunding costs not recorded on fund statements	(526,868)
Compensated absences	(1,549,715)
Payments related to the 2014 Retirement Incentive	1,403,535
Pension spiking liability	(361,867)
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)	39,346
Decrease of deferred inflows of resources – taxes receivable	(297,247)
Decrease of deferred inflows of resources – library receivable	(92,701)
Increase of deferred inflows of resources – EMS receivable	720,515
Decrease of deferred inflows of resources – rent receivable	(528,461)
Increase in deferred inflows of resources – grant receivables	550,140
Net expense, including transfers, of internal service funds determined to be governmental type	89,765
Total	<u>\$ 13,399,175</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****Deficit Fund Equity**

At June 30, 2021, the Grant Projects Fund, a major fund, has a deficit fund balance of \$96,240. The deficit is related to spending on a project for which the County has been awarded a grant, but has not yet met the performance obligation to qualify for reimbursement, which is based on meeting a certain percentage of completion. This resulted in expenditures being recorded for the project in the fiscal year, but no earned grant revenue. This situation will resolve as the project progresses.

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

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

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

At June 30, 2021, the County's (including Western North Carolina Regional Air Quality) deposits had a carrying amount of \$67,355,323 and a bank balance of \$67,948,119. Of the bank balance, \$250,000 was covered by federal depository insurance and \$67,698,119 was covered by collateral held under the Pooling Method. These amounts include \$1,197,467 held by the County in its fiduciary capacity for its custodial funds. At June 30, 2021, Buncombe County had \$11,600 cash on hand.

At June 30, 2021, the Tourism Development Authority's deposits had a carrying amount of \$10,866,875 and a bank balance of \$10,876,775. Of the bank balance, \$250,000 was covered by federal depository insurance and \$10,626,775 was covered by collateral held under the Pooling Method.

**(2) Investments**

As of June 30, 2021, the County had the following investments and maturities:

Investment Type	Valuation Measurement	Fair Value	Less Than 6		
	Method		Months	6-12 Months	1-3 Years
US Treasuries	Fair Value-Level 1	\$ 11,950,976	\$ -	\$ -	\$ 11,950,976
US Government agencies	Fair Value-Level 2	4,572,803	-	-	4,572,803
Commercial paper	Fair Value-Level 2	999,395	999,395	-	-
NCCMT - Government Portfolio	Fair Value-Level 1	152,295,007	152,295,007	-	-
Money market mutual fund	Fair Value-Level 2	62,382	62,382	-	-
NC Investment Pool	Fair Value-Level 1	10,001,973	10,001,973	-	-
Total		<u>\$ 179,882,536</u>	<u>\$ 163,358,757</u>	<u>\$ -</u>	<u>\$ 16,523,779</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, 2021, the Tourism Development Authority's investments consisted of \$29,091,165 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	WNC Regional Air Quality
Deposits	\$ 67,355,323	\$ 10,866,875	\$ -
Cash on hand	11,600	-	-
Investments	179,882,536	29,091,165	-
	<u>247,249,459</u>	<u>39,958,040</u>	<u>-</u>
Reported in Component Units	(754,469)	-	754,469
	<u>\$ 246,494,990</u>	<u>\$ 39,958,040</u>	<u>\$ 754,469</u>
Reported on government-wide statement of net position:			
Cash and investments	\$ 195,001,083	\$ 39,958,040	\$ 754,469
Restricted cash and investments	50,296,440	-	-
	<u>245,297,523</u>	<u>\$ 39,958,040</u>	<u>\$ 754,469</u>
Reported in custodial funds:			
Cash and investments	1,197,467		
	<u>\$ 246,494,990</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.

#### **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, 2021, the Buncombe County Healthcare Benefits (HCB) Plan Fund had \$36,144,530 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to G.S. 159-30.1. The State Treasurer's OPEB Fund may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes.

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

	Fair Value	Percent of Total
State Treasurer's Long-Term Investment Fund (BIF)	\$ 2,739,086	9.41%
State Treasurer's Short-Term Investment Fund (STIF)	6,388,454	21.60%
BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund	27,016,990	68.99%
Total	<u>\$ 36,144,530</u>	<u>100.00%</u>

#### **Interest Rate Risk**

The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

#### **Credit Risk**

The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

### **(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
2018	\$ 4,143,134	\$ 983,994	\$ 5,127,128
2019	4,059,361	598,756	4,658,117
2020	4,026,242	231,509	4,257,751
2021	4,032,048	-	4,032,048
Total	<u>\$ 16,260,785</u>	<u>\$ 1,814,259</u>	<u>\$ 18,075,044</u>

#### (4) Receivables

Receivables at the government-wide level at June 30, 2021 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 5,886,241	\$ 2,555,502	\$ 20,181,021	\$ 28,622,764
Occupancy Tax	-	3,300,988	-	3,300,988
Grant Projects	-	7,344	1,391,777	1,399,121
Public School Capital Needs	-	-	6,466,533	6,466,533
AB Tech Capital Projects	155	-	4,483,297	4,483,452
Public Schools ADM	-	-	4,974,729	4,974,729
County Capital Projects	-	426	-	426
Special Projects Capital Projects	6,772	-	-	6,772
Internal Service Fund	8,921	-	-	8,921
Other Governmental	43,346	121,851	4,462,027	4,627,224
	<u>5,945,435</u>	<u>5,986,111</u>	<u>41,959,384</u>	<u>53,890,930</u>
Allowance for doubtful accounts	(2,125,218)	(460,507)	-	(2,585,725)
Total	<u>3,820,217</u>	<u>5,525,604</u>	<u>41,959,384</u>	<u>51,305,205</u>
Governmental Activities	<u>124,451</u>	<u>-</u>	<u>-</u>	<u>124,451</u>
Total - governmental activities	<u>\$ 3,944,668</u>	<u>\$ 5,525,604</u>	<u>\$ 41,959,384</u>	<u>\$ 51,429,656</u>
Business-type Activities				
Solid Waste Disposal	\$ 912,823	\$ 13,969	\$ 176,023	\$ 1,102,815
Other Business-type	13,326	425	-	13,751
	<u>926,149</u>	<u>14,394</u>	<u>176,023</u>	<u>1,116,566</u>
Allowance for doubtful accounts	(8,427)	-	-	(8,427)
Total - business-type activities	<u>\$ 917,722</u>	<u>\$ 14,394</u>	<u>\$ 176,023</u>	<u>\$ 1,108,139</u>

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

Local option sales tax	\$ 29,510,741
Other	<u>12,448,643</u>
Total	<u>\$ 41,959,384</u>

No allowance for uncollectible accounts has been recorded by the Tourism Development Authority or Western North Carolina Regional Air Quality Agency.

**(5) Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments / Transfers</b>	<b>Ending Balances</b>
Capital assets not being depreciated:					
Land	\$ 21,587,883	\$ -	\$ -	\$ -	\$ 21,587,883
Construction in progress	5,676,813	13,314,264	10,726,161	-	8,264,916
Total assets not being depreciated	27,264,696	13,314,264	10,726,161	-	29,852,799
Capital assets being depreciated					
Buildings	217,080,640	6,772,796	37,900	-	223,815,536
Other improvements	100,350,628	1,354,505	-	-	101,705,133
Equipment	25,139,717	423,201	52,000	-	25,510,918
Intangibles	8,394,283	-	-	-	8,394,283
Vehicles	15,745,958	1,833,340	1,219,712	7,139	16,366,725
Total assets being depreciated	366,711,226	10,383,842	1,309,612	7,139	375,792,595
Less accumulated depreciation for:					
Buildings	88,426,715	6,797,689	37,900	-	95,186,504
Other improvements	33,380,562	5,105,263	-	-	38,485,825
Equipment	21,242,150	1,646,640	52,000	-	22,836,790
Intangibles	1,792,235	284,214	-	-	2,076,449
Vehicles	11,322,550	2,186,138	1,190,687	7,139	12,325,140
Total accumulated depreciation	156,164,212	\$ 16,019,944	\$ 1,280,587	\$ 7,139	170,910,708
Total capital assets being depreciated, net	210,547,014				204,881,887
Governmental activities capital assets, net	\$ 237,811,710				\$ 234,734,686

Depreciation expense was charged to functions/programs as follows:

<b>Governmental Activities</b>	
General government	\$ 7,880,404
Public safety	3,888,723
Economic and physical development	29,481
Human services	2,976,983
Cultural and recreational	1,244,353
Total depreciation expense	\$ 16,019,944



<b>Business-Type Activities</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments /Transfers</b>	<b>Ending Balances</b>
Solid Waste Disposal					
Capital assets not being depreciated:					
Land	\$ 6,842,138	\$ -	\$ -	\$ -	\$ 6,842,138
Construction in progress	594,818	316,980	140,870	-	770,928
Total capital assets not being depreciated	7,436,956	316,980	140,870	-	7,613,066
Capital assets being depreciated:					
Buildings and improvements	55,206,000	68,429	-	-	55,274,429
Equipment	4,325,167	627,915	746,006	-	4,207,076
Vehicles	2,987,073	108,797	1,132,528	-	1,963,342
Total capital assets being depreciated	62,518,240	805,141	1,878,534	-	61,444,847
Less accumulated depreciation for:					
Buildings and improvements	33,092,152	1,594,311	-	-	34,686,463
Equipment	2,668,693	272,192	746,006	-	2,194,879
Vehicles	2,801,228	102,301	1,132,528	-	1,771,001
Total accumulated depreciation	38,562,073	1,968,804	1,878,534	-	38,652,343
Total capital assets being depreciated, net	23,956,167				22,792,504
Solid Waste Disposal capital assets, net	31,393,123				30,405,570
Other Business-Type Activities					
Capital assets being depreciated:					
Equipment	129,294	35,806	-	-	165,100
Vehicles	29,129	-	-	-	29,129
Total capital assets being depreciated	158,423	35,806	-	-	194,229
Less accumulated depreciation for:					
Equipment	19,394	27,649	-	-	47,043
Vehicles	29,129	-	-	-	29,129
Total accumulated depreciation	48,523	27,649	-	-	76,172
Total capital assets being depreciated, net	109,900				118,057
Other Business-type capital assets, net	109,900				118,057
Business-type capital assets, net	\$ 31,503,023				\$ 30,523,627

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets, net	\$ 234,734,686	\$ 30,523,627	\$ 265,258,313
Debt:			
General obligation bonds	(12,877,000)	-	(12,877,000)
Installment notes (including deferrals)	(391,163,346)	(1,001,774)	(392,165,120)
Gross debt	(404,040,346)	(1,001,774)	(405,042,120)
Add portion of debt that has not given rise to capital assets:			
Unspent bond proceeds	12,205,819	-	12,205,819
Debt relating to schools and community college	217,918,996	-	217,918,996
Debt relating to economic development	12,066,956	-	12,066,956
Net debt	(161,848,575)	(1,001,774)	(162,850,349)
Capital assets, net of related debt	\$ 72,886,111	\$ 29,521,853	\$ 102,407,964

**Construction commitments**

The County has the following commitments with contractors for active construction projects at June 30, 2021:

Project	Spent-to-date	Remaining Commitment
Hall Fletcher Restroom Renovations	\$ 373,541	\$ 700
Hall Fletcher Roof Replacements	414,125	683
Montford Retaining Wall Repairs	61,068	13,048
AB Tech Capital Plan Maintenance	9,089,331	319,012
200 College Exterior	558,249	6,207
Buncombe County Health Clinic	1,391,520	21,675
Courthouse Exterior Renovations	3,681,634	785,321
Detention Center Exterior Repair and Cleaning	1,099,928	37,482
East Asheville Library	6,772,796	188,546
FY20 Roof Replacements	20,450	408,610
FY21 Solar on Public Facilities	2,046,407	7,787,186
Pack Library Fire Suppression System	5,740	227,660
Woodfin Greenway	121,239	19,796
Subtitle D Vertical Expansion	717,527	56,161
Total construction commitments	<u>\$ 26,353,555</u>	<u>\$ 9,872,087</u>

**Discretely presented component units**

Capital asset activity for WNC Regional Air Quality for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Adjustments /Transfers	Ending Balances
Capital assets being depreciated:					
Equipment	\$ 31,802	\$ -	\$ -	\$ -	\$ 31,802
Vehicles	53,569	-	-	(7,139)	46,430
Total capital assets being depreciated	<u>85,371</u>	<u>-</u>	<u>-</u>	<u>(7,139)</u>	<u>78,232</u>
Less accumulated depreciation for:					
Equipment	9,807	3,180	-	-	12,987
Vehicles	53,569	-	-	(7,139)	46,430
Total accumulated depreciation	<u>63,376</u>	<u>\$ 3,180</u>	<u>\$ -</u>	<u>\$ (7,139)</u>	<u>59,417</u>
WNC Regional Air Quality capital assets, net	<u>\$ 21,995</u>				<u>\$ 18,815</u>

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

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities			
General	\$ 5,368,831	\$ 8,594,081	\$ 13,962,912
Grant Projects	504,200	113,544	617,744
Public School Capital Needs	19,337	-	19,337
AB Tech Capital Projects	76,495	-	76,495
Public Schools ADM Sales Tax/Lottery Projects	4,927,452	-	4,927,452
County Capital Projects	1,681,563	-	1,681,563
Special Projects Capital Projects	254,726	-	254,726
Internal Service Fund	3,274,311	19,338	3,293,649
Other Governmental	5,170,617	-	5,170,617
Total - governmental activities	<u>\$ 21,277,532</u>	<u>\$ 8,726,963</u>	<u>\$ 30,004,495</u>
Business-type Activities			
Solid Waste Disposal	\$ 416,955	\$ 173,984	\$ 590,939
Other Business-type	81,386	7,850	89,236
Total - business-type activities	<u>\$ 498,341</u>	<u>\$ 181,834</u>	<u>\$ 680,175</u>

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

## 1. Plan Description.

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

## 2. Benefits Provided.

LGERS provides retirement, disability and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60.

Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

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

3. Contributions.

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contribution rates are set periodically and affirmed annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021 was 10.84% of compensation for law enforcement officers and 10.19% 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 \$9,379,209 for the year ended June 30, 2021.

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, 2021, the County reported a liability of \$46,214,761 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 1.293% (measured as of June 30, 2020), which was a decrease of 0.036% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$15,338,599. At June 30, 2021, 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	\$ 5,836,113	\$ -
Changes of assumptions	3,439,285	-
Net difference between projected and actual earnings on pension plan investments	6,503,490	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,219,673
Employer contributions subsequent to the measurement date	9,379,209	-
Total	<u>\$ 25,158,097</u>	<u>\$ 1,219,673</u>

Deferred outflows of resources related to pensions of \$9,379,209 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, 2022. 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:		
2022	\$	3,972,364
2023		5,529,258
2024		3,132,894
2025		1,924,699
2026		-
Thereafter		-
	\$	<u>14,559,215</u>

At June 30, 2021, the WNC Regional Air Quality Agency reported a liability of \$139,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the Agency's proportion was 0.0039% (measured as of June 30, 2020), which was a decrease of 0.0015% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the Agency recognized pension expense of \$49,440. At June 30, 2021, 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	\$ 17,599	\$ -
Changes in assumptions	10,371	-
Net difference between projected and actual earnings on pension plan investments	19,612	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,582	10,013
Employer contributions subsequent to the measurement date	42,301	-
Total	<u>\$ 97,465</u>	<u>\$ 10,013</u>

Deferred outflows of resources related to pensions of \$42,301 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, 2022. 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:		
2022	\$	13,234
2023		16,369
2024		9,744
2025		5,804
2026		-
Thereafter		-
	\$	<u>45,151</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

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

*Discount rate.* The discount rate used to measure the total pension liability in the December 31, 2019 valuation was 7.00%, which is unchanged from the rate used in the December 31, 2018 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	<u>\$ 93,764,715</u>	<u>\$ 46,214,761</u>	<u>\$ 6,697,406</u>
WNC Regional Air Quality Agency's proportionate share of the net pension liability	<u>\$ 282,754</u>	<u>\$ 139,364</u>	<u>\$ 20,196</u>

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

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

1. Plan Description.

Buncombe County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service, and have completed at least five years of continuous service as a law enforcement officer immediately preceding a service retirement. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2019 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	41
Active plan members	<u>240</u>
Total	<u>281</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, 2019 valuation. The total pension liability in the December 31, 2019 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 7.75%, including inflation and productivity factor
Discount rate	1.93%



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, 2019 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 \$544,985 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, 2021, the County reported a total pension liability of \$11,440,707. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$1,337,304. At June 30, 2021, 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	\$ 829,400	\$ 14,117
Changes in assumptions	2,708,895	151,596
County benefit payments and administrative expenses paid subsequent to the measurement date	283,512	-
Total	<u>\$ 3,821,807</u>	<u>\$ 165,713</u>

The County paid \$281,933 in benefit payments and \$1,579 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, 2022.

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
2022	\$ 830,104	\$ 81,856	\$ 748,248
2023	800,117	56,644	743,473
2024	739,516	27,213	712,303
2025	669,252	-	669,252
2026	499,306	-	499,306
	<u>\$ 3,538,295</u>	<u>\$ 165,713</u>	<u>\$ 3,372,582</u>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
County's proportionate share of the total pension liability	<u>\$ 12,377,774</u>	<u>\$ 11,440,707</u>	<u>\$ 10,579,618</u>

#### Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2019	\$ 7,816,784
Changes for the year:	
Service cost at end of year	341,533
Interest	245,944
Difference between expected & actual experience	630,721
Changes of assumptions and other inputs	2,950,710
Benefit payments	(544,985)
Net changes	<u>3,623,923</u>
Total pension liability as of December 31, 2020	<u>\$ 11,440,707</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at December 31, 2019 to 1.93 percent at December 31, 2020.

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 \$895,762 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 \$5,706,038 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 \$36,382 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$708,595 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net

pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 3.092%, which was an increase of 0.199% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$8,787. At June 30, 2021, 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	\$ -	\$ 14,439
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	60,632
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,694	25,185
Employer contributions subsequent to the measurement date	36,382	-
Total	<u>\$ 64,076</u>	<u>\$ 100,256</u>

Deferred outflows of resources related to pensions of \$36,382 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, 2022. 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:	
2022	\$ (9,288)
2023	(20,636)
2024	(27,363)
2025	(15,275)
2026	-
Thereafter	-
	<u>\$ (72,562)</u>

*Actuarial assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50% to 7.75%, including inflation and productivity factor
Investment rate of return	3.75%, 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, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical

performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems (System), including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability in the December 31, 2019 valuation was 3.75% which was unchanged from the rate used in the December 31, 2018 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 3.75%, 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 (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension asset	\$ 601,863	\$ 708,595	\$ 798,908

*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, 2020, 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, 2020, with an actuarial valuation date of December 31, 2019.

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)	\$ 46,214,761	\$ (708,595)	\$ -	\$ 45,506,166
County's proportion of the net pension liability (asset)	1.29329%	-3.09187%	N/A	-
Total pension liability	-	-	\$ 11,440,707	\$ 11,440,707
Pension expense	\$ 15,338,599	\$ 8,787	\$ 1,337,304	\$ 16,684,690

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	RODSPF	LEOSSA	Total
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 5,836,113	\$ -	\$ 829,400	\$ 6,665,513
Changes in assumptions	3,439,285	-	2,708,895	6,148,180
Net difference between projected and actual earnings on pension plan investments	6,503,490	-	-	6,503,490
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	27,694	-	27,694
County contributions (LGERS, RODSPF)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	9,379,209	36,382	283,512	9,699,103
Total				<u>\$ 29,043,980</u>

<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 14,439	\$ 14,117	\$ 28,556
Changes in assumptions	-	-	151,596	151,596
Net difference between projected and actual earnings on pension plan investments	-	60,632	-	60,632
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,219,673	25,185	-	1,244,858
Total				<u>\$ 1,485,642</u>

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

#### **Healthcare Benefits**

##### **1. Plan Description.**

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



eligible to receive health insurance coverage upon retirement. The plan does not issue a stand-alone report. Management of the HCB Plan is vested with the Buncombe County Board of Commissioners.

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

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

## 2. Benefits Provided.

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

## 3. Contributions.

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

## 4. Investments.

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

The following was the Board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Index Fund	65.0%	7.0%
Bond Index Fund	10.0%	2.0%
Short-term Investment Fund	25.0%	1.0%
Total	<u>100.0%</u>	

*Rate of return.* The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented above.



## 5. Net OPEB Liability of the Plan.

The components of the net OPEB liability of the Plan at June 30, 2021 were as follows:

Total OPEB liability	\$ 135,947,883
Plan fiduciary net position	36,144,530
Plan's net OPEB liability	<u>\$ 99,803,353</u>

Plan fiduciary net position as a percentage of the total OPEB liability	26.59%
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*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	3.25% to 8.41%
Long-term investment rate of return	5.00% net of OPEB plan investment expense, including price inflation
Municipal bond index rate	
Prior measurement date	2.21%
Measurement date	2.16%
Year FNP is projected to be depleted	
Prior measurement date	2024
Measurement date	N/A
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	2.26%
Measurement date	5.00%
Healthcare cost 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	\$ 117,782,136	\$ 99,803,353	\$ 85,053,910

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the net OPEB liability of the 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	\$ 82,623,225	\$ 99,803,353	\$ 121,138,371

### **GASB Statement 75 Employer Reporting**

#### **1. Contributions.**

For the year ended June 30, 2021, contributions to the plan consisted of \$7,150,029 in retirees' health insurance benefits and a \$3,000,000 investment in plan assets.

#### **2. Component Unit Allocation.**

Employees of the WNC Regional 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, 2021 the WNC Regional Air Quality's Agency's (the Agency) allocation percentage was 0.44%.

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

At June 30, 2021, the County reported a net OPEB liability of \$166,719,175 and the Agency a liability of \$737,436. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

At June 30, 2021 the components of the net OPEB liability or the County, measured as of June 30, 2020, were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances measured at June 30, 2019	\$ 160,446,445	\$ 25,262,972	\$ 135,183,473
Changes for the year			
Service cost	4,772,028	-	4,772,028
Interest	5,708,006	-	5,708,006
Difference between expected and actual experience	(396,896)	-	(396,896)
Changes in assumptions	30,009,971	-	30,009,971
Contributions	-	7,098,735	(7,098,735)
Net investment income	-	721,236	(721,236)
Benefit payments	(7,098,735)	(7,098,735)	-
Net change	32,994,374	721,236	32,273,138
Balances measured at June 30, 2020	\$ 193,440,819	\$ 25,984,208	\$ 167,456,611

For the year ended June 30, 2021, the County recognized OPEB expense of \$15,061,982 and the Agency (\$196,971). At June 30, 2021, the County and Agency combined reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,195,694	\$ 2,917,991
Changes of assumptions or other inputs	33,814,935	4,979,880
Net difference between projected and actual earnings on plan investments	770,889	-
Contributions subsequent to the measurement date	10,150,029	-
Total	\$ 45,931,547	\$ 7,897,871

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, 2022. These amounts are found in the preceding Deferred Outflows of Resources table above. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 5,648,125
2023	5,648,127
2024	5,647,451
2025	5,535,446
2026	5,404,498
Thereafter	-
	<u>\$27,883,647</u>

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

	1% Decrease (1.26%)	Discount Rate (2.26%)	1% Increase (3.26%)
Net OPEB Liability	\$ 200,529,660	\$ 167,456,611	\$ 141,451,039

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

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 138,612,354	\$ 167,456,611	\$ 204,930,300

#### 4. Investments.

The following was the Board's adopted asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Index Fund	65.0%	7.0%
Bond Index Fund	10.0%	2.0%
Short-term Investment Fund	25.0%	1.0%
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 \$1,016,129 reported as landfill postclosure care liability for this site at June 30, 2021, which represents the projected cost for the remaining 8 years of required postclosure care based on 2021 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 \$12,945,401 reported as landfill closure and postclosure care liability at June 30, 2021 represents the cost to close and monitor the 39.45% of the total estimated capacity of this landfill that has been used as of June 30, 2021. The County will recognize the total estimated cost of closure and postclosure care of \$27,700,000 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2021. The County expects to operate this landfill until at least the year 2046. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

The County currently operates a C&D landfill with a closure and postclosure care liability of \$4,233,959 reported as of June 30, 2021 representing a cumulative amount reported to date based on the use of 46.33% of the total estimated capacity of this unit. The County will recognize the total estimated cost of closure and postclosure care of \$9,100,000 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2021. The remaining capacity of the C&D landfill is expected to last nearly 20 years. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

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

Deferred outflows of resources for governmental activities and business-type activities at June 30, 2021 were as follows:

	Governmental Activities	Business-type Activities
Deferred charges on refunding of debt	\$ 2,781,110	\$ -
Deferred outflow related to pensions (Note 2)	28,472,431	571,549
Deferred outflow related to OPEB (Note 2)	44,695,980	1,033,295
Total deferred outflows of resources	<u>\$ 75,949,521</u>	<u>\$ 1,604,844</u>

Deferred inflows of resources for governmental funds, governmental activities, and business-type activities at June 30, 2021 were as follows:

	Governmental Funds	Governmental Activities	Business-type Activities
Prepaid taxes not yet earned (General Fund)	\$ 1,922,962	\$ 1,922,962	\$ -
Unavailable taxes receivable, net (General Fund)	547,350	-	-
Unavailable EMS revenue receivable (General Fund)	2,365,697	-	-
Unavailable taxes receivable, net (Special Revenue)	84,504	-	-
Unavailable grants receivable (Grant Projects Fund)	1,155,617	-	-
Debt refunding related deferrals (Note 2)	-	800,115	-
OPEB related deferrals (Note 2)	-	7,685,418	177,674
Pension related deferrals (Note 2)	-	1,457,933	27,709
Total deferred inflows of resources	<u>\$ 6,076,130</u>	<u>\$ 11,866,428</u>	<u>\$ 205,383</u>

**(5) Risk Management**

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

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

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

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

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

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

The County provides health insurance benefits through a self-insured health insurance plan. The County is protected against catastrophic individual and aggregate loss by stop-loss insurance coverage. The accompanying statement of net position and balance sheets as of June 30, 2021 include a loss reserve liability for estimated outstanding medical claims of \$1,642,659. Changes in the health claims liability are presented as follows:

	2021	2020
Estimated claims payable, beginning	\$ 1,944,320	\$ 1,682,223
Incurred claims and changes in estimates	31,967,124	30,326,127
Claims paid	(32,268,785)	(30,064,030)
Estimated claims payable, ending	<u>\$ 1,642,659</u>	<u>\$ 1,944,320</u>

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

**(6) Contingent Liabilities**

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

**(7) Operating Leases**

The County leases certain data processing equipment and other office equipment and facilities. Lease expenditures for the year ended June 30, 2021 amounted to \$1,563,749. Future minimum lease payments under these operating lease agreements at June 30, 2021 are as follows:

Year Ended June 30	Amount
2022	\$ 927,176
2023	748,839
2024	613,512
2025	358,960
2026	35,813
2027-2031	95,815
2032-2036	48,565
Total	<u>\$ 2,828,680</u>

**(8) Long-Term Obligations****(a) General Obligation Bond Indebtedness**

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

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

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

General obligation bonds outstanding at June 30, 2021:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities					
General Obligation Bonds					
2009 Qualified School Construction Bonds	\$ 5,685,000	November 10, 2009	0.50%	2022	\$ 877,000
2012B Refunding Bonds	32,500,000	October 1, 2012	1.70%	2025	12,000,000
	<u>\$ 38,185,000</u>				<u>\$ 12,877,000</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
2022	\$ 2,873,000	\$ 186,803
2023	2,804,000	143,810
2024	2,400,000	102,000
2025	2,400,000	61,200
2026	2,400,000	20,400
Total	<u>\$ 12,877,000</u>	<u>\$ 514,213</u>

The County is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt, (exclusive of funding and refunding bonds, bonds issued for water, gas, or electric power purposes, and bonds issued for certain other specified purposes). The County may have outstanding up to 8% of the appraised value of property subject to taxation. At June 30, 2021, Buncombe County had a legal debt margin of approximately \$2,930,000,000.

**(b) Installment Note Obligations**

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

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

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

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

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

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

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

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

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

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

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

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

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

Installment financings outstanding at June 30, 2021:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
<b>Governmental Activities</b>					
2010C Taxable Limited Obligation Bonds	\$ 3,800,000	December 16, 2010	6.375%	2025	\$ 965,000
2012A Limited Obligation Bonds	73,380,000	July 3, 2012	2.0% - 5.0%	2032	8,040,000
2014A Limited Obligation Bonds	151,590,000	February 27, 2014	3.0% - 5.0%	2037	100,050,000
2014B Taxable Limited Obligation Bonds	28,725,000	February 27, 2014	0.5% - 5.1%	2032	20,710,000
NC Drinking Water State Revolving Loan	1,964,204	February 6, 2015	0.0%	2035	1,421,956
2015 Limited Obligation Bonds	126,635,000	April 30, 2015	3.0% - 5.0%	2035	88,830,000
2018 Limited Obligation Bonds	54,730,000	March 28, 2018	3.0% - 5.0%	2038	46,525,000
2019 Sheriff Vehicle Installment Financing	1,675,000	September 4, 2019	1.9837%	2024	1,351,000
2020A Limited Obligation Bonds	56,495,000	April 9, 2020	2.0% - 5.0%	2040	52,105,000
2020B Taxable Limited Obligation Bonds	32,235,000	April 9, 2020	1.48% - 2.6%	2032	31,710,000
2020C Limited Obligation Bonds	10,096,000	October 14, 2020	1.99%	2035	10,096,000
Total governmental activities	<u>541,325,204</u>				<u>361,803,956</u>
<b>Business-type Activities</b>					
2009 ARRA Loan	4,061,396	August 4, 2009	0.0%	2013	750,000
2012A Limited Obligation Bonds	1,985,000	July 3, 2012	2.0% - 5.0%	2022	245,000
Total business-type activities	<u>6,046,396</u>				<u>995,000</u>
Total installment financings	<u>\$ 547,371,600</u>				<u>\$ 362,798,956</u>

For Buncombe County, the future minimum payments for installment financings as of June 30, 2021, are:

Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 30,561,570	\$ 16,160,870	\$ 320,000	\$ 11,850	\$ 30,881,570	\$ 16,172,720
2023	28,707,567	14,736,628	75,000	-	28,782,567	14,736,628
2024	28,853,568	13,422,319	75,000	-	28,928,568	13,422,319
2025	28,130,567	12,196,809	75,000	-	28,205,567	12,196,809
2026	26,977,567	10,876,886	75,000	-	27,052,567	10,876,886
2027-2031	128,937,844	36,531,344	375,000	-	129,312,844	36,531,344
2032-2036	76,830,273	10,423,179	-	-	76,830,273	10,423,179
2037-2040	12,805,000	778,219	-	-	12,805,000	778,219
Total	<u>\$ 361,803,956</u>	<u>\$ 115,126,254</u>	<u>\$ 995,000</u>	<u>\$ 11,850</u>	<u>\$ 362,798,956</u>	<u>\$ 115,138,104</u>

### (c) 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.

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, 2021, \$30,045,000 of defeased bonds remain outstanding.

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

Of the total Governmental Activities debt listed, only \$154,593,324 relates to assets for which the County holds title. Unspent restricted cash related to this debt amounts to \$12,205,819.

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

On July 8, 2014, the Buncombe County Board of Commissioners approved the 2014 Buncombe County Employee Retirement Incentive Plan. A liability of \$1,236,178 is recorded on the government-wide statements at June 30, 2021 to reflect remaining payments owed under this plan.

**(f) Pension Spiking Liability**

Pension spiking is a substantial increase in compensation that results in unusually high liabilities to the State's retirement system which, without intervention, would then be absorbed by other members and employers in the System. North Carolina adopted anti-pension spiking laws, effective January 1, 2015, which apply to retirements with an average final salary greater than \$100,000, adjusted annually for inflation. A contribution-based benefit cap (CBBC) is calculated, and if the benefit exceeds the cap, the employer must make an additional contribution to the retirement system. The County's potential spiking liability of \$1,100,023 for current active employees who will be retiring with an average final salary greater than \$110,405, the inflation adjusted amount for 2021, has been recorded on the government-wide statements at June 30, 2021.

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

On July 2, 1990, the County transferred the ownership, operation, and maintenance responsibility for the sanitary districts to the Metropolitan Sewerage District. The contracts effecting the transfer call for the Metropolitan Sewerage District to assume the liability for the Enka-Candler Water and Sewer District Bonds. Consequently, the bonds have been removed from the County's financial statements. The Enka-Candler Water and Sewer District, for which the County Board of Commissioners is the governing body, is liable for the payments on these bonds if the Metropolitan Sewerage District defaults. As of June 30, 2021, the balance of the bonds outstanding was \$148,000.

**(h) Conduit Debt Obligations**

The Buncombe County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private businesses served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were industrial revenue bonds outstanding with a principal amount payable of \$21,209,175.

**(i) Long Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the year ended June 30, 2021:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
<b>Governmental Activities:</b>					
General obligation bonds	\$ 15,750,000	\$ -	\$ 2,873,000	\$ 12,877,000	\$ 2,873,000
Limited obligation bonds	379,066,292	-	30,131,292	348,935,000	30,132,002
Installment financings-direct borrowing	3,198,525	-	425,569	2,772,956	429,568
Installment financings-direct placement	-	10,096,000	-	10,096,000	722,000
Premium on long-term debt	36,237,572	-	4,897,187	31,340,385	-
Net pension liability -- LEOSA	7,816,784	4,168,908	544,985	11,440,707	-
Net pension liability -- LGERS	35,545,929	9,618,912	-	45,164,841	-
Net OPEB liability	131,698,054	31,253,945	-	162,951,999	-
Retirement incentive liability	2,639,713	-	1,403,535	1,236,178	942,063
Pension spiking liability	738,156	391,446	29,579	1,100,023	252,146
Compensated absences	9,206,818	6,971,870	5,422,155	10,756,533	7,542,638
Total governmental activities	621,897,843	62,501,081	45,727,302	638,671,622	42,893,417
<b>Business-type Activities:</b>					
Limited obligation bonds	\$ 475,000	\$ -	\$ 230,000	\$ 245,000	\$ 245,000
Installment financings-direct borrowing	825,000	-	75,000	750,000	75,000
Premium on long-term debt	20,122	-	13,348	6,774	-
Net pension liability -- LGERS	740,924	308,997	-	1,049,921	-
Net OPEB liability	2,636,118	1,131,057	-	3,767,175	-
Compensated absences	167,840	125,828	60,460	233,208	233,208
Accrued landfill closure and postclosure care costs	17,395,413	938,388	138,312	18,195,489	-
Total business-type activities	22,260,417	2,504,270	517,120	24,247,567	553,208
Total primary government	\$ 644,158,260	\$ 65,005,351	\$ 46,244,422	\$ 662,919,189	\$ 43,446,625
<b>Discretely Presented Component Unit:</b>					
<b>Air Quality:</b>					
Net pension liability -- LGERS	\$ 148,835	\$ -	\$ 9,471	\$ 139,364	\$ -
Net OPEB liability	849,301	-	111,865	737,436	-
Compensated absences	68,999	49,499	29,654	88,844	88,844
	\$ 1,067,135	\$ 49,499	\$ 150,990	\$ 965,644	\$ 88,844

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, 2021:

*Due to General Fund:*

From the Occupancy Tax Fund for June collection fees	\$ 49,547
From the Grant Projects Fund for short term cash flow needs	36,955
From the Public Schools ADM Sales Tax/Lottery Projects Fund for short term cash flow needs	<u>3,405</u>
General Fund - Due from Other Funds	<u>\$ 89,907</u>

Transfers to/from other funds during the year ended June 30, 2021 consist of the following:

*Major Governmental Funds:**General Fund:*

From the General Fund to the Grant Projects Fund to fund grant matches	\$ 686,955
From the General Fund to the Special Projects Capital Projects Fund for housing and conservation projects	2,551,845
From the General Fund to the County Capital Projects Fund to fund various capital projects	469,085
From the General Fund to the Transportation Fund for transportation services	1,380,444
From the General Fund to the PDF Woodfin Downtown Fund to subsidize debt service costs	78,440
From the General Fund to the Emergency Telephone System Fund for 911 related expenses	3,770
From the General Fund to the BC Service Foundation Fund for One Buncombe	150,000

*Grant Projects Fund:*

From the Grant Projects Fund to the General Fund for grant funding	3,080
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*AB Tech Capital Projects Fund:*

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

From the County Capital Projects Fund to the Grant Projects Fund for capital project	280,000
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*Special Projects Capital Projects Fund:*

From the Special Projects Capital Projects Fund to the General Fund for employee loan program	40,000
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*Nonmajor Governmental Funds:*

From the Register of Deeds Automation Fund to the General Fund for reimbursement of automation related expenditures	23,620
From the BC Service Foundation Fund to the General Fund to transfer donated funds for a public health initiative	17,864

*Internal Service Fund:*

From the Internal Service Fund to the General Fund for reimbursement of OPEB expenditures	2,914,984
From the Internal Service Fund to the Solid Waste Disposal Fund for reimbursement of OPEB expenditures	58,768
From the Internal Service Fund to the Inmate Commissary Fund for reimbursement of OPEB expenditures	1,677



**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	\$ 116,651,011
Less:	
Prepays	86,950
Long term receivables	17,717
Stabilization by State Statute	23,511,914
Capital projects	226,751
Permits and inspections	1,440,682
Soil and water conservation district	50,292
Tax reappraisal	354,618
Appropriated in FY22 budget	9,344,348
Fund balance policy minimum	40,489,505
Future transfer to County Capital Projects Fund per policy	<u>15,172,602</u>
Remainder available	<u>\$ 25,955,632</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, 2021:

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 261,799
Grant Projects	2,161,609
Public School Capital Needs	292,222
AB Tech Capital Projects	268,991
County Capital Projects	8,150,150
Special Projects Capital Projects	1,493,034
Non-Major	<u>540,866</u>
	<u>\$ 13,168,671</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, 2021. 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 \$60,020,256 in principal are outstanding. Of the general obligations bonds issued for this purpose \$393,996 in principal is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibility to provide funding for the community college's facilities. The County contributed \$7,075,600 to the community college for operating purposes during the fiscal year ended June 30, 2021. In addition, the County made principal and interest payments of \$86,126 during the fiscal year on general obligation bonds and \$8,171,934 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, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at 340 Victoria Road, Asheville, NC 28801.

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

#### **Note 5 - Jointly Governed Organizations**

##### **Land of Sky Regional Council**

The County is a founding member of the Land of Sky Regional Council (Council) which serves four counties and fifteen municipalities. The Council coordinates various funding received from federal and state agencies and administers programs related to aging, workforce development, volunteer services and economic and community development. The participating governments appoint the Council's governing board. The County paid membership fees of \$122,804 to the Council during the fiscal year ended June 30, 2021.

##### **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	\$ 2,668,416	\$ -
Work First/Temporary Assistance for Needy Families (TANF)	467,223	-
Refugee Assistance	7,990	-
Adoption Assistance	2,125,110	381,867
Medical Assistance	289,151,745	112,444,674
State Children's Insurance Program	4,585,443	893,334
State/County Special Assistance for Adults	-	1,963,966
Child Welfare Services Adoption Subsidy	-	811,605
Totals	<u>\$ 299,005,927</u>	<u>\$ 116,495,446</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 \$157,504,744 and \$60,414,252 for the school systems and community college, respectively. Of the combined total, \$12,877,000 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 the assets purchased or constructed. 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. 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 \$15,716,250 payable through June 2037. Total principal and interest payments on the Series 2014A limited obligation bonds from July 1, 2020 through June 30, 2021 were \$740,200. Accumulated tax revenue for the same period of time was \$614,711.

**Note 10 – Change in Accounting Principle**

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity

and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

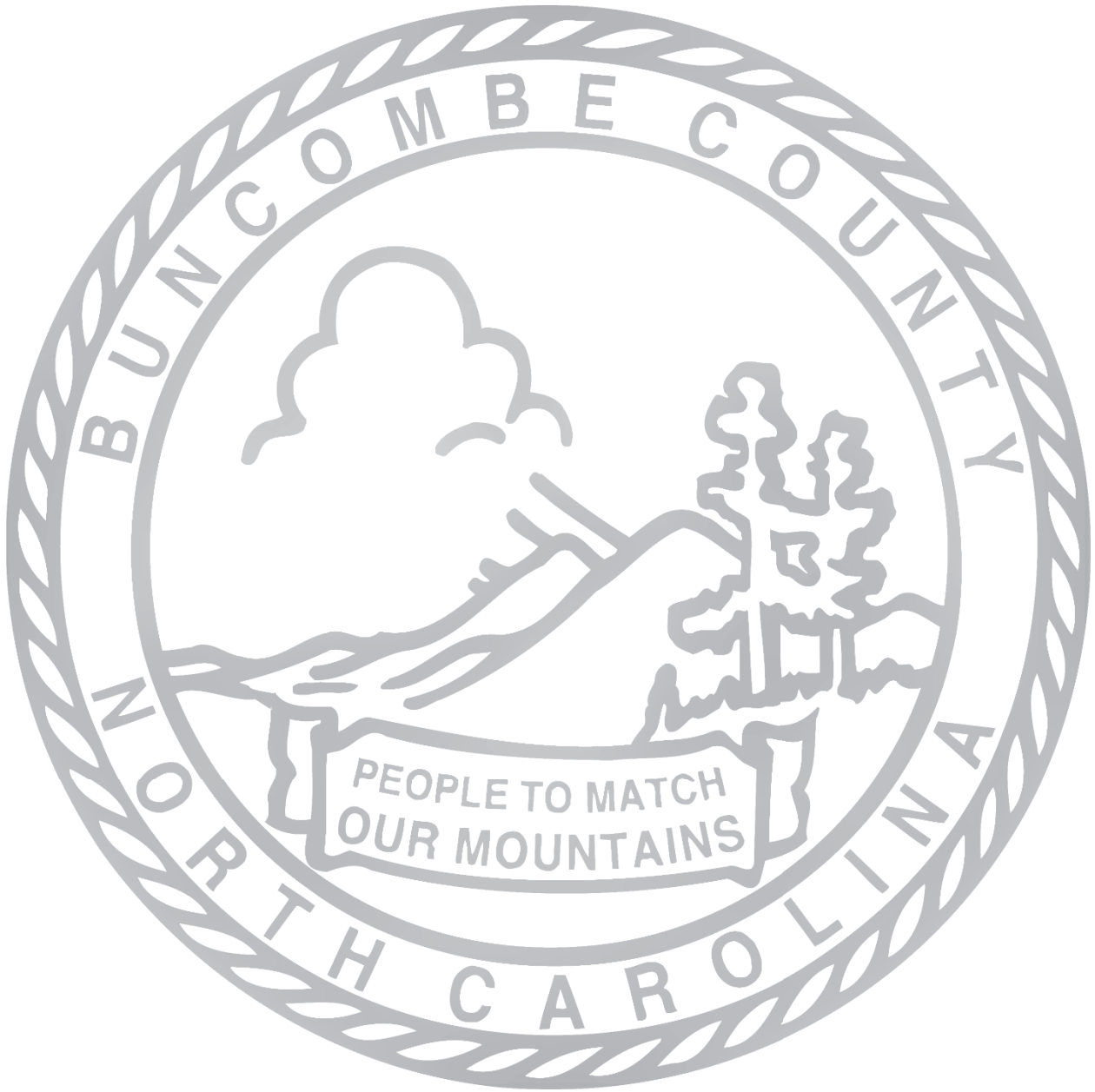
As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. Several new funds were created to account for activity formerly reported in agency funds as listed below and the purpose of each fund is detailed in Note 1.

Custodial funds: Inmate Trust Fund and Municipal Tax Collections Fund

Special revenue funds: Special Districts Volunteer Fire Department Fund was renamed Special Taxing Districts Fund, Register of Deeds Fund, Representative Payee Fund, Sondley Estate Trust Fund, School Fines and Forfeitures Fund.

Due to this change in accounting principle, fund balance and net position of various funds were restated as indicated below:

	Governmental Activities Net Position - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
Cash held for incarcerated inmates net of liabilities owed for payments on their behalf was reclassified from the Inmate Trust Agency Fund to the newly created Inmate Trust Custodial Fund.	\$ -	\$ -	\$ 79,829
Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the General Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable to taxes receivable at the beginning of the year was restated as custodial net position.	-	-	223,218
Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries was reclassified out of the Social Services Agency Fund to a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Social Services Agency Fund representing net cash available at the beginning of the year was restated as fund balance.	39,262	39,262	-
Cash held related to a bequest in trust for the benefit of the libraries was reclassified out of the Sondley Estate Trust Agency Fund to a newly created Sondley Estate Trust Special Revenue Fund.	867,378	867,378	-
Cash and receivables from fines and forfeitures net of liabilities owed to the Asheville City Schools and Buncombe County Schools Boards of Education were reclassified out of the General Agency Fund into a newly created School Fines and Forfeitures Special Revenue Fund. The reclassification did not result in a restatement of fund balance.	-	-	-
Cash and liabilities related to Register of Deeds fees collected and required to be remitted to the State of North Carolina were reclassified out of the General Agency Fund into a newly created Register of Deeds Special Revenue Fund. The reclassification did not result in a restatement of fund balance.	-	-	-
Cash, taxes receivable, and liabilities related to ad valorem property taxes, vehicle property taxes, and sales taxes that are remitted to the Asheville City Schools were reclassified out of the General Agency Fund and combined with the activity in the Special Districts Volunteer Fire Departments Special Revenue Fund, which was renamed the Special Taxing Districts Special Revenue Fund. The reclassification did not result in a restatement of fund balance.	-	-	-



## *Required Supplemental Financial Data*

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### Buncombe County, North Carolina

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

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

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

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

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

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

#### **Healthcare Benefits Plan**

Schedule of Changes in the Net OPEB Liability and Related Ratios

Schedule of County Contributions

Schedule of Investment Returns - OPEB

This section contains information required by generally accepted accounting principles

# BUNCOMBE COUNTY, NORTH CAROLINA

## Law Enforcement Officers' Special Separation Allowance

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

#### Schedule of Changes in Total Pension Liability

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

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

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

#### Notes to the schedule:

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

#### Changes in actuarial assumptions or other inputs:

December 31, 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 EIGHT FISCAL YEARS

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

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

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

County Contribution:

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



# BUNCOMBE COUNTY, NORTH CAROLINA

## Register of Deeds' Supplemental Pension Fund

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

#### LAST EIGHT FISCAL YEARS

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

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

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

##### County Contributions:

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

# BUNCOMBE COUNTY, NORTH CAROLINA

## Healthcare Benefits Plan

### Schedule of Changes in the Net OPEB Liability and Related Ratios

	<i>Schedule for the Plan</i>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total OPEB liability:					
Service cost at end of year	\$ 7,097,937	\$ 4,940,481	\$ 4,788,951	\$ 5,127,940	\$ 5,732,800
Interest on the total OPEB liability and cash flows	4,384,490	5,539,553	5,728,956	5,286,294	4,776,409
Difference between expected and actual experience	(1,836,022)	540,302	(3,699,090)	2,081,393	-
Changes of assumptions and other inputs	(64,107,498)	33,190,959	12,695,151	(8,668,680)	(13,287,300)
Benefit payments	(7,150,029)	(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	(57,492,936)	32,994,374	12,831,563	(3,853,330)	(9,560,002)
Total OPEB liability, beginning of year	193,440,819	160,446,445	147,614,882	151,468,212	161,028,214
Total OPEB liability, end of year	<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	\$ 10,150,029	\$ 7,098,735	\$ 8,682,405	\$ 8,680,277	\$ 8,781,911
Net investment income	7,160,322	721,236	1,170,556	1,502,685	1,971,359
Benefit payments	(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	10,160,322	721,236	3,170,556	2,502,685	3,950,658
Plan fiduciary net position, beginning of year	25,984,208	25,262,972	22,092,416	19,589,731	15,639,073
Plan fiduciary net position, end of year	<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>\$ 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	26.59%	13.43%	15.75%	14.97%	12.93%
Covered-employee payroll	\$ 47,844,539	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	208.60%	329.72%	220.69%	189.19%	182.51%

### *Schedule for the Employer\**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
County's net OPEB liability	\$ 167,456,611	\$ 135,183,473	\$ 125,522,466	\$ 123,198,204
Covered-employee payroll	\$ 50,787,597	\$ 61,256,259	\$ 66,348,252	\$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	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) decreased from 3.53% to 2.26% to reflect the changes to the Municipal Bond Index Rate from 3.50% on the prior measurement date to 2.21% on the measurement date.

# BUNCOMBE COUNTY, NORTH CAROLINA

## Healthcare Benefits Plan

### Schedule of County Contributions

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

#### Notes to schedule:

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

#### Methods and assumptions used to determine contribution rates.

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

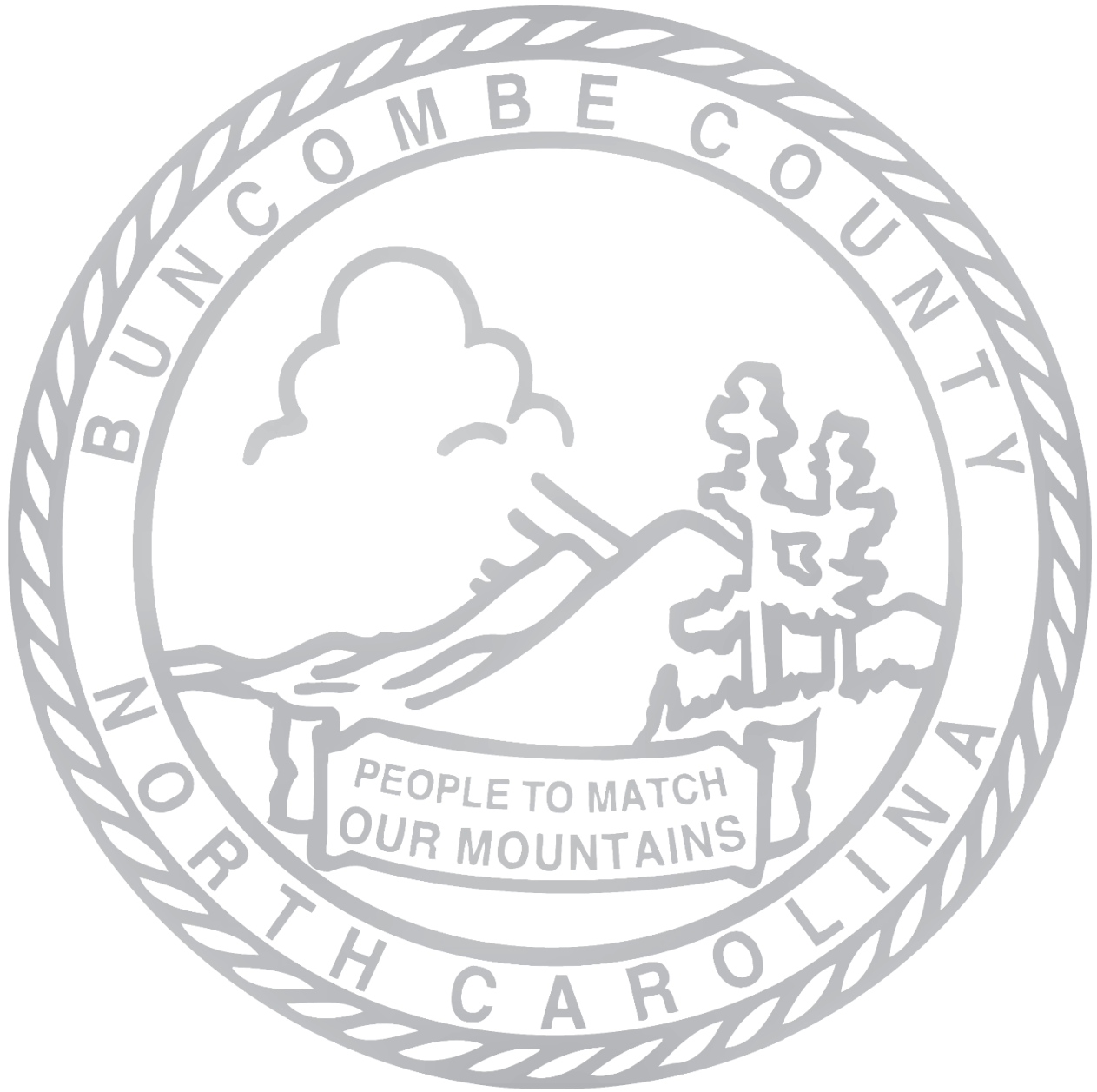
# BUNCOMBE COUNTY, NORTH CAROLINA

## *Healthcare Benefits Plan*

### *Schedule of Investment Returns - OPEB*

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	27.08%	2.85%	5.30%	7.64%	12.35%



*Combining and Individual Fund Statements and Schedules*

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Buncombe County, North Carolina

# 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad Valorem Taxes:			
Taxes		\$ 219,250,385	
Penalties and interest		556,949	
Total	\$ 212,211,847	219,807,334	\$ 7,595,487
Local Option Sales Taxes:			
Article 39, one percent *		16,997,021	
Article 40, one-half of one percent		11,430,503	
Article 42, one-half of one percent		8,634,293	
Article 44, one-half of one percent		366	
Total	30,068,224	37,062,183	6,993,959
Other Taxes and Licenses:			
Deed stamp excise tax		7,009,864	
Video programming tax		1,300,576	
Privilege licenses		28,465	
Rental car tax		1,037,357	
Total	8,333,500	9,376,262	1,042,762
Unrestricted Intergovernmental:			
Payments in lieu of taxes		91,752	
Beer and wine tax		615,589	
Other		1,376,863	
Total	702,500	2,084,204	1,381,704
Restricted Intergovernmental:			
Federal, State, and other grants		44,504,490	
Mixed drink surcharge		944,519	
Court facilities fees		216,347	
ABC bottle taxes		214,226	
Total	48,130,021	45,879,582	(2,250,439)
Permits and Fees:			
Building permits and inspections		3,361,693	
Register of deeds		1,948,449	
Total	3,861,000	5,310,142	1,449,142
Sales and Services:			
Rents, concessions, and fees		4,058,418	
Jail fees		2,916,191	
Ambulance and rescue squad fees		6,938,678	
Recreation fees		198,402	
Other charges for services		7,677,078	
Total	18,330,551	21,788,767	3,458,216

\* 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues - continued:</i>			
Investment Earnings	750,000	26,813	(723,187)
Other	1,231,707	1,531,881	300,174
Total revenues	323,619,350	342,867,168	19,247,818
<b>EXPENDITURES</b>			
General Government:			
Governing Body:			
Salaries and employee benefits		651,396	
Other operating expenditures		279,707	
Total		931,103	
County Manager:			
Salaries and employee benefits		1,128,787	
Other operating expenditures		62,856	
Total		1,191,643	
Sustainability:			
Salaries and employee benefits		127,547	
Other operating expenditures		352,930	
Total		480,477	
Community Engagement:			
Salaries and employee benefits		319,074	
Other operating expenditures		202,241	
Program support		2,015	
Total		523,330	
PR and Communications:			
Salaries and employee benefits		637,182	
Other operating expenditures		59,925	
Total		697,107	
Budget and Management Services:			
Salaries and employee benefits		646,551	
Other operating expenditures		22,298	
Total		668,849	
Human Resources:			
Salaries and employee benefits		1,496,647	
Other operating expenditures		275,241	
Total		1,771,888	

# 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
Legal and Risk:			
Salaries and employee benefits		980,692	
Other operating expenditures		58,929	
Total		<u>1,039,621</u>	
Finance:			
Salaries and employee benefits		1,945,447	
Other operating expenditures		353,188	
Total		<u>2,298,635</u>	
Internal Audit:			
Salaries and employee benefits		276,753	
Other operating expenditures		50,109	
Total		<u>326,862</u>	
Strategy and Innovation:			
Salaries and employee benefits		1,261,682	
Other operating expenditures		39,817	
Program support		5,000	
Total		<u>1,306,499</u>	
Tax Assessment:			
Salaries and employee benefits		2,781,104	
Other operating expenditures		523,447	
Total		<u>3,304,551</u>	
Tax Collections:			
Salaries and employee benefits		1,229,896	
Other operating expenditures		762,404	
Total		<u>1,992,300</u>	
Elections:			
Salaries and employee benefits		963,436	
Other operating expenditures		2,070,152	
Total		<u>3,033,588</u>	
Register of Deeds:			
Salaries and employee benefits		1,492,895	
Other operating expenditures		3,538,906	
Total		<u>5,031,801</u>	
Information Technology:			
Salaries and employee benefits		6,596,491	
Other operating expenditures		5,434,063	
Total		<u>12,030,554</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - continued:</i>			
General Services:			
Salaries and employee benefits		3,224,154	
Other operating expenditures		4,260,577	
Total		7,484,731	
Fleet:			
Salaries and employee benefits		677,806	
Other operating expenditures		344,044	
Capital outlay		1,291,183	
Total		2,313,033	
Parking Services		431,830	
Strategic Partnership Grants:			
Salaries and employee benefits		254,801	
Other operating expenditures		5,615	
Program support		1,427,646	
Total		1,688,062	
General Government OPEB Contribution		549,444	
Total General Government	51,320,298	49,095,908	2,224,390
Public Safety:			
Justice Resource Support:			
Salaries and employee benefits		609,047	
Other operating expenditures		1,168,112	
Program support		32,799	
Total		1,809,958	
Pretrial Release:			
Salaries and employee benefits		963,789	
Other operating expenditures		70,221	
Total		1,034,010	
ID Bureau and C.D.E.:			
Salaries and employee benefits		1,709,499	
Other operating expenditures		245,577	
Total		1,955,076	
Public Safety Interoperability Partnership:			
Salaries and employee benefits		779,061	
Other operating expenditures		487,386	
Total		1,266,447	

# 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
<i>Public Safety - continued:</i>			
Sheriff:			
Salaries and employee benefits		19,444,199	
Other operating expenditures		1,673,938	
Total		21,118,137	
Detention Center:			
Salaries and employee benefits		13,795,220	
Other operating expenditures		3,987,711	
Total		17,782,931	
Emergency Services:			
Salaries and employee benefits		13,824,358	
Other operating expenditures		2,469,008	
Program support		165,152	
Capital outlay		73,907	
Total		16,532,425	
Animal Services		1,437,022	
Public Safety Training Center:			
Salaries and employee benefits		414,274	
Other operating expenditures		242,937	
Total		657,211	
Juvenile Crime Prevention Council			
Other operating expenditures		984	
Program support		670,169	
Total		671,153	
Public Safety OPEB Contribution		1,033,526	
Total Public Safety	71,412,754	65,297,896	6,114,858
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		1,801,356	
Other operating expenditures		90,564	
Program support		4,174	
Total		1,896,094	
Economic Development		2,011,070	
Permits and Inspections:			
Salaries and employee benefits		2,245,615	
Other operating expenditures		213,731	
Total		2,459,346	

# 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
<i>Economic and Physical Development - continued:</i>			
Cooperative Extension		396,955	
Agriculture and Land Resources:			
Salaries and employee benefits		506,060	
Other operating expenditures		63,045	
Total		569,105	
Economic and Physical Development OPEB Contribution		102,122	
Total Economic and Physical Development	9,728,155	7,434,692	2,293,463
Human Services:			
Public Health:			
Salaries and employee benefits		12,701,045	
Other operating expenditures		6,640,147	
Program Support		2,881,422	
Total		22,222,614	
Social Services:			
Salaries and employee benefits		40,796,343	
Other operating expenditures		5,256,046	
Program support		14,009,192	
Total		60,061,581	
Veterans Services:			
Salaries and employee benefits		395,167	
Other operating expenditures		4,549	
Total		399,716	
Family Justice Center			
Salaries and employee benefits		136,687	
Other operating expenditures		80,049	
Program Support		217,649	
Total		434,385	
Behavioral Health:			
Other operating expenditures		600,000	
Program support		256,478	
Total		856,478	
Human Services OPEB Contribution		1,114,790	
Total Human Services	90,937,769	85,089,564	5,848,205

# 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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Cultural and Recreational:			
Library:			
Salaries and employee benefits		4,276,628	
Other operating expenditures		1,452,486	
Total		<u>5,729,114</u>	
Recreation Services:			
Salaries and employee benefits		1,249,985	
Other operating expenditures		698,712	
Program support		88,463	
Total		<u>2,037,160</u>	
Cultural and Recreational OPEB Contribution		<u>115,102</u>	
Total Cultural and Recreational	<u>8,487,324</u>	<u>7,881,376</u>	<u>605,948</u>
Education:			
Public schools:			
Current expenditures		82,441,429	
Pre-K		2,467,059	
Community college - current expenditures		7,075,600	
Total		<u>91,984,088</u>	
Education support		<u>239,000</u>	
Total Education	<u>92,576,618</u>	<u>92,223,088</u>	<u>353,530</u>
Debt Service:			
Principal retirement		13,031,820	
Interest and fees		<u>6,684,716</u>	
Total Debt Service	<u>19,894,051</u>	<u>19,716,536</u>	<u>177,515</u>
Total expenditures	<u>344,356,969</u>	<u>326,739,060</u>	<u>17,617,909</u>
Revenues over (under) expenditures	<u>(20,737,619)</u>	<u>16,128,108</u>	<u>36,865,727</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	9,502,786	7,999,548	(1,503,238)
Operating transfers to other funds	(5,395,824)	(5,383,872)	11,952
Installment obligations issued	1,494,302	112,600	(1,381,702)
Sales of capital assets	30,000	116,742	86,742
Appropriated fund balance	<u>15,106,355</u>	<u>-</u>	<u>(15,106,355)</u>
Total other financing sources (uses)	<u>20,737,619</u>	<u>2,845,018</u>	<u>(17,892,601)</u>
Net change in fund balance	<u>\$ -</u>	<u>18,973,126</u>	<u>\$ 18,973,126</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, 2021

	Final Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to GAAP:			
Reconciling items:			
Net collections on long-term loans		(4,440)	
Net change in fund balance in Reappraisal Reserve Fund (Consolidated with General Fund for GAAP Reporting)		<u>(102,752)</u>	
Change in fund balance		18,865,934	
Fund balance, beginning		<u>97,785,077</u>	
Fund balance, ending		<u><u>\$ 116,651,011</u></u>	



# 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, 2021

	Actual to June 30, 2021					Variance Positive (Negative)
	Project Budget	Reported In Prior Years*	Closures of Prior Activity	Current Year	Total	
REVENUES						
Restricted intergovernmental	\$ 90,539,470	\$ 9,897,629	\$ (3,717,414)	\$ 11,367,304	\$ 17,547,519	\$ (72,991,951)
Private grants and contributions	10,771,640	2,236,983	(371,383)	1,114,547	2,980,147	(7,791,493)
Sales and services	226,766	195,130	-	-	195,130	(31,636)
Other	2,519	2,519	-	6,100	8,619	6,100
Total revenues	101,540,395	12,332,261	(4,088,797)	12,487,951	20,731,415	(80,808,980)
EXPENDITURES						
General government	53,654,874	1,352,890	(443,115)	2,495,647	3,405,422	50,249,452
Public safety	9,247,514	2,866,816	(1,373,325)	3,159,160	4,652,651	4,594,863
Economic and physical development	355,198	23,043	(20,274)	17,426	20,195	335,003
Human services	28,425,076	8,556,522	(2,852,814)	7,997,485	13,701,193	14,723,883
Cultural and recreational	12,378,383	1,386,177	(7,500)	192,949	1,571,626	10,806,757
Education	199,000	-	-	199,000	199,000	-
Total expenditures	104,260,045	14,185,448	(4,697,028)	14,061,667	23,550,087	80,709,958
Revenues under expenditures	(2,719,650)	(1,853,187)	608,231	(1,573,716)	(2,818,672)	(99,022)
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	2,722,731	2,491,788	(733,231)	966,955	2,725,512	2,781
Transfer to other funds	(3,081)	(125,000)	125,000	(3,080)	(3,080)	1
Total other financing sources (uses)	2,719,650	2,366,788	(608,231)	963,875	2,722,432	2,782
Net change in fund balance	\$ -	\$ 513,601	\$ -	(609,841)	\$ (96,240)	\$ (96,240)
Fund balance, beginning				513,601		
Fund balance (deficit), ending				\$ (96,240)		

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

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Actual to June 30, 2021					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	
REVENUES						
Local option sales tax	\$ 98,616,019	\$ 84,807,012	\$ -	\$ 23,387,621	\$108,194,633	\$ 9,578,614
Restricted intergovernmental	1,465,580	1,811,179	-	190,357	2,001,536	535,956
Investment earnings	2,266,439	5,710,612	-	3,347	5,713,959	3,447,520
Total revenues	102,348,038	92,328,803	-	23,581,325	115,910,128	13,562,090
EXPENDITURES						
Capital outlay:						
Education:						
Buncombe County schools	58,662,777	46,403,367	(14,872,147)	8,729,028	40,260,248	18,402,529
Asheville City schools	10,228,063	32,076,056	(31,297,983)	316,964	1,095,037	9,133,026
Security Assessment	400,000	397,465	-	-	397,465	2,535
Radio Upgrade	2,226,825	2,144,563	(61,626)	16,507	2,099,444	127,381
Contingency	233,441	-	-	-	-	233,441
Total capital outlay	71,751,106	81,021,451	(46,231,756)	9,062,499	43,852,194	27,898,912
Debt service:						
Principal	80,390,753	65,093,730	-	14,978,237	80,071,967	318,786
Interest and fees	50,876,706	43,203,067	-	7,631,964	50,835,031	41,675
Total debt service	131,267,459	108,296,797	-	22,610,201	130,906,998	360,461
Total expenditures	203,018,565	189,318,248	(46,231,756)	31,672,700	174,759,192	28,259,373
Revenues over (under) expenditures	(100,670,527)	(96,989,445)	46,231,756	(8,091,375)	(58,849,064)	41,821,463
OTHER FINANCING SOURCES						
Proceeds of installment obligations	62,979,888	76,770,700	(39,631,753)	-	37,138,947	(25,840,941)
Prior year revenues and transfers	37,690,639	44,489,053	(6,600,003)	-	37,889,050	198,411
Total other financing sources	100,670,527	121,259,753	(46,231,756)	-	75,027,997	(25,642,530)
Revenues and other sources over expenditures and other uses	\$ -	\$ 24,270,308	\$ -	(8,091,375)	\$ 16,178,933	\$ 16,178,933
Fund balance, beginning				24,270,308		
Fund balance, ending				\$ 16,178,933		

# 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, 2021

		Actual to June 30, 2021				
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Local option sales taxes	\$ 79,475,291	\$ 87,327,921	\$ (1,284,401)	\$ 16,031,283	\$102,074,803	\$ 22,599,512
Restricted intergovernmental	257,640	275,931	-	15,270	291,201	33,561
Investment earnings	898,863	1,471,817	-	3,784	1,475,601	576,738
Total revenues	80,631,794	89,075,669	(1,284,401)	16,050,337	103,841,605	23,209,811
EXPENDITURES						
Community College	15,128,053	8,969,813	(1,284,401)	3,261,059	10,946,471	4,181,582
Debt service:						
Principal retirement	26,351,713	26,229,204	-	5,183,513	31,412,717	(5,061,004)
Interest and fees	21,108,455	20,867,346	-	3,075,850	23,943,196	(2,834,741)
Total expenditures	62,588,221	56,066,363	(1,284,401)	11,520,422	66,302,384	(3,714,163)
Revenues over expenditures	18,043,573	33,009,306	-	4,529,915	37,539,221	19,495,648
OTHER FINANCING SOURCES (USES)						
Payment to bond escrow agent	(8,520,538)	(8,517,114)	-	-	(8,517,114)	3,424
Proceeds from installment obligatio	8,586,619	8,586,619	-	-	8,586,619	-
Transfers to other funds	(19,629,654)	(19,629,654)	-	(5,000,000)	(24,629,654)	(5,000,000)
Transfers from other funds	1,520,000	1,520,000	-	-	1,520,000	-
Total other financing sources (uses)	(18,043,573)	(18,040,149)	-	(5,000,000)	(23,040,149)	(4,996,576)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 14,969,157	\$ -	(470,085)	\$ 14,499,072	\$ 14,499,072
Fund balance, beginning				14,969,157		
Fund balance, ending				\$ 14,499,072		

# 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, 2021

	Actual to June 30, 2021					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year Activity	Total	
REVENUES						
Local option sales taxes	\$ 78,063,756	\$ 59,676,217	\$ -	\$ 17,850,226	\$ 77,526,443	\$ (537,313)
Restricted intergovernmental	5,465,599	6,015,394	(3,571,547)	924,888	3,368,735	(2,096,864)
Total revenues	83,529,355	65,691,611	(3,571,547)	18,775,114	80,895,178	(2,634,177)
EXPENDITURES						
Capital outlay:						
Education:						
Buncombe County schools						
Sales tax projects	65,922,839	50,380,319	-	15,090,581	65,470,900	451,939
Lottery projects	5,150,000	6,015,394	(3,571,547)	827,574	3,271,421	1,878,579
Asheville City schools						
Sales tax projects	12,140,917	9,295,898	-	2,759,645	12,055,543	85,374
Lottery projects	315,599	-	-	97,314	97,314	218,285
Total capital outlay	83,529,355	65,691,611	(3,571,547)	18,775,114	80,895,178	2,634,177
Revenues under expenditures	\$ -	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning				-		
Fund balance, ending				\$ -		

# 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, 2021

	Actual to June 30, 2021					Variance
	Project	Reported In	Closures of	Current		Positive
	Authorization	Prior Years*	Prior Activity	Year	Total	(Negative)
REVENUES						
Restricted intergovernmental	\$ 1,868,000	\$ 96,991	\$ -	\$ -	\$ 96,991	\$ (1,771,009)
Other	287,612	125,775	(14,703)	-	111,072	(176,540)
Investment earnings	222,462	936,566	(209,114)	1,518	728,970	506,508
Total revenues	2,378,074	1,159,332	(223,817)	1,518	937,033	(1,441,041)
EXPENDITURES						
Capital outlay:						
200 College Exterior	616,017	417,751	-	148,907	566,658	49,359
35 Woodfin Chiller Replacement	-	117,547	(117,547)	-	-	-
50 Coxe Ave Elections Training Room	200,000	-	-	-	-	200,000
50 Coxe Renovations	-	1,000,000	(1,000,000)	-	-	-
Allport Upper High Roof	-	90,434	(90,434)	-	-	-
Automark Ballot Marking Replacement	400,000	372,100	-	-	372,100	27,900
Black Mountain Greenway	400,000	266,000	-	134,000	400,000	-
Broadband Projects	133,000	-	-	-	-	133,000
Building Automation System-Allport	39,600	-	-	-	-	39,600
Bunc Cty Detention Facility Assessment	225,000	-	-	217,860	217,860	7,140
Buncombe County Health Clinic	1,474,184	1,354,504	-	37,016	1,391,520	82,664
C3 at 356 Biltmore Avenue	-	1,074,992	(1,074,992)	-	-	-
Carbon Reduction Measures	-	181,316	(181,316)	-	-	-
COA/RADTIP	20,000	20,000	-	-	20,000	-
Comprehensive Facilities Assessment	835,780	-	-	799,908	799,908	35,872
Contract Management Software	92,000	76,519	-	203	76,722	15,278
County Buildings Major Maintenance	179,226	15,257	-	9,498	24,755	154,471
County Garage Lifts Improvements	74,200	70,108	-	997	71,105	3,095
Courthouse Exterior Renovations	4,575,835	295,102	-	3,589,229	3,884,331	691,504
Courthouse Repairs	596,239	-	-	-	-	596,239
Courthouse Security Needs	-	161,492	(161,492)	-	-	-
Detention Center Cooling Tower	376,940	16,500	-	-	16,500	360,440
Detention Center Exterior Repair/Cleaning	1,383,931	298,280	-	824,942	1,123,222	260,709
East Asheville Library	6,977,466	2,679,550	-	4,251,742	6,931,292	46,174
Enka Heritage Greenway	280,000	-	-	-	-	280,000
Enka Library Renovations	-	285,335	(285,335)	-	-	-
1st Floor Renovations and Meeting Rooms	-	1,015,731	(1,015,731)	-	-	-
Fleet and General Services Complex	3,500,000	-	-	48,700	48,700	3,451,300
Garren Creek Tower	1,000,000	67,920	-	57,287	125,207	874,793
General Government Vehicles	-	25,146	(25,146)	-	-	-
Grading/Paving Playground at Lake Julian	180,000	-	-	-	-	180,000
Greenways Contingency	148,849	-	-	-	-	148,849
Grounds Equipment	61,938	53,761	-	7,986	61,747	191
Hominy Creek Greenway	80,000	-	-	-	-	80,000
Human Services Building Expansion	-	42,127,727	(42,127,727)	-	-	-
Interchange Building	468,641	-	-	-	-	468,641
IT Redundant Network Configuration	1,000,000	792,182	-	87,931	880,113	119,887
Jail Mezzanine Metal Screen Partitions	318,000	-	-	-	-	318,000
Jail Repairs	786,358	-	-	-	-	786,358
Judicial Complex Chiller Addition	-	214,127	(214,127)	-	-	-
Lake Julian Marina Dock Replacement	-	259,870	(259,870)	-	-	-
Lake Julian Pontoon Boat	-	35,027	(35,027)	-	-	-
Lake Julian Shelter Replacements	100,000	4,950	-	3,767	8,717	91,283
Leicester Patrol Office Renovation	133,948	1,131	-	15,000	16,131	117,817
Library Infrastructure	140,085	94,849	-	32,420	127,269	12,816
Mitel Phone System Upgrade	-	101,724	(101,724)	-	-	-

# 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, 2021

	Actual to June 30, 2021					Variance Positive (Negative)
	Project Authorization	Reported In Prior Years*	Closures of Prior Activity	Current Year	Total	
Oakley/South Asheville Library HVAC	94,377	36,941	-	-	36,941	57,436
Orchard Street Park	150,000	-	-	-	-	150,000
Owen Park Exercise Stations	-	29,999	(29,999)	-	-	-
Pack Library Exterior Wash	192,500	-	-	-	-	192,500
Pack Library Fire Suppression System	233,439	-	-	5,740	5,740	227,699
Parking Lot Improvements Countywide	946,523	2,500	-	-	2,500	944,023
Parks and Recreation Projects	787,665	15,264	-	84,220	99,484	688,181
Playground Maintenance Revolving Fund	30,000	9,363	-	20,637	30,000	-
Reems Creek Greenway	600,000	-	-	-	-	600,000
Register of Deeds Building Envelope	560,475	-	-	-	-	560,475
Repairs for Libraries	366,978	148,374	-	9,901	158,275	208,703
Roof Replacements	466,900	-	-	20,450	20,450	446,450
Roofing Projects	-	123,275	(123,275)	-	-	-
Shelter at Lake Julian Walking Trail	180,000	-	-	-	-	180,000
Sheriff Vehicles	80,314	1,624,890	(1,624,890)	70,639	70,639	9,675
Sidewalks - General	182,000	-	-	-	-	182,000
Soccer Complex Improvements	155,608	-	-	-	-	155,608
Solar on Public Facilities	9,970,780	-	-	2,157,358	2,157,358	7,813,422
Warren Wilson Pool	300,000	-	-	-	-	300,000
Woodfin Greenway	1,960,000	121,239	-	-	121,239	1,838,761
Woodfin Greenway - TDA Grant	2,250,000	-	-	-	-	2,250,000
Zeugner Center Demolition	90,761	42,335	-	48,426	90,761	-
Zeugner Pool Operations & Maintenance	-	40,625	(40,625)	-	-	-
Total capital outlay	46,395,557	55,781,737	(48,509,257)	12,684,764	19,957,244	26,438,313
Debt service:						
Interest and fees	4,649,994	4,649,994	-	-	4,649,994	-
Total expenditures	51,045,551	60,431,731	(48,509,257)	12,684,764	24,607,238	26,438,313
Revenues over (under) expenditures	(48,667,477)	(59,272,399)	48,285,440	(12,683,246)	(23,670,205)	24,997,272
OTHER FINANCING SOURCES (USES)						
Prior year revenues	\$ 21,077,034	\$ 16,080,280	\$ (1,322,293)	-	\$ 14,757,987	\$ (6,319,047)
Proceeds from installment obligations	31,567,552	61,700,565	(46,256,581)	9,983,400	25,427,384	(6,140,168)
Transfers from other funds	5,430,796	5,472,390	(514,972)	469,085	5,426,503	(4,293)
Transfer to other funds	(9,751,587)	(9,751,587)	-	(280,000)	(10,031,587)	(280,000)
Contingency	(23,435)	-	-	-	-	23,435
Sale of capital assets	367,117	688,685	(191,594)	-	497,091	129,974
Total other financing sources (uses)	48,667,477	74,190,333	(48,285,440)	10,172,485	36,077,378	(12,590,099)
Revenues and other sources over expenditures and other uses	\$ -	\$ 14,917,934	\$ -	(2,510,761)	\$ 12,407,173	\$ 12,407,173
Fund balance, beginning				14,917,934		
Fund balance, ending				\$ 12,407,173		

\* 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, 2021

		Actual to June 30, 2021			Variance
	Project Budget	Reported in Prior Years	Current Year	Total	Positive (Negative)
REVENUES					
Restricted intergovernmental	\$ 793,755	\$ 539,717	\$ -	\$ 539,717	\$ (254,038)
Sales and services	-	37,451	-	37,451	37,451
Other	1,948,777	1,954,744	192,758	2,147,502	198,725
Total revenues	2,742,532	2,531,912	192,758	2,724,670	(17,862)
EXPENDITURES					
Current:					
Economic and physical development	3,000,000	-	500,000	500,000	2,500,000
Capital outlay:					
Housing:					
Home FY16	75,000	75,000	-	75,000	-
Home FY18	26,733	-	-	-	26,733
Home FY19	62,092	-	-	-	62,092
Home FY20	75,000	-	-	-	75,000
Home Program Income	147,769	126,288	-	126,288	21,481
Lee Walker Heights Redevelopment	4,200,000	3,700,000	-	3,700,000	500,000
East Haven Apartments	1,350,000	925,000	425,000	1,350,000	-
Old Haywood Road Neighborhood	680,800	680,800	-	680,800	-
Housing Trust FY18	227,015	227,015	-	227,015	-
Housing Trust FY19	513,145	503,146	9,999	513,145	-
Affordable Housing Services FY20	557,701	42,436	218,931	261,367	296,334
Affordable Housing Services FY21	2,551,272	-	1,422,774	1,422,774	1,128,498
Housing Trust Program Income	465,001	436,801	-	436,801	28,200
Manufactured Homes Disposal	193,334	147,057	31,200	178,257	15,077
Energy Initiatives	148,142	79,107	-	79,107	69,035
Small Business Development	200,000	-	200,000	200,000	-
Conservation	1,635,788	736,255	103,604	839,859	795,929
Total expenditures	16,108,792	7,678,905	2,911,508	10,590,413	5,518,379
Revenues over (under) expenditures	(13,366,260)	(5,146,993)	(2,718,750)	(7,865,743)	5,500,517
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	13,691,260	11,176,646	2,551,845	13,728,491	37,231
Transfer to other funds	(325,000)	(325,000)	(40,000)	(365,000)	(40,000)
Total other financing sources (uses)	13,366,260	10,851,646	2,511,845	13,363,491	(2,769)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 5,704,653	(206,905)	\$ 5,497,748	\$ 5,497,748
Reconciliation from budgetary basis (modified accrual) to GAAP:					
Reconciling items:					
Net collections on long-term loans			1,281,542		
Change in fund balance			1,074,637		
Fund balance, beginning			11,250,754		
Fund balance, ending			\$ 12,325,391		



## *Combining Statements and Schedules for Nonmajor Governmental Funds*

### SPECIAL REVENUE FUNDS

#### Special Taxing Districts

The County's Board of Commissioners serves as the tax levying body for 20 special fire protection districts and the Asheville City Schools Supplemental Taxing District. This fund accounts for the ad valorem tax revenues collected from these levies as well as sales tax revenues as distributed by the State and passed through the County to these

#### Emergency Telephone System Fund

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

#### Register of Deeds Automation Fund

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

#### Register of Deeds Fund

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

#### Representative Payee Fund

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

#### Sondley Estate Trust Fund

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

#### Transportation Fund

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

#### Drug Forfeitures Fund

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

#### School Fines and Forfeitures

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

#### PDF Woodfin Downtown Fund

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

#### Buncombe County Service Foundation

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

# BUNCOMBE COUNTY, NORTH CAROLINA

## Combining Balance Sheet

### Nonmajor Governmental Funds

JUNE 30, 2021

	Special Revenue Funds				
	Special Taxing Districts	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee
ASSETS					
Cash and investments	\$ 1,297,741	\$ 1,643,222	\$ 327,567	\$ 31,749	\$ 81,707
Receivables (net):					
Taxes receivable	84,504	188	6	-	-
Accounts receivable	24,552	25	4	-	-
Due from other governments	3,419,337	57,189	-	-	-
Total assets	\$ 4,826,134	\$ 1,700,624	\$ 327,577	\$ 31,749	\$ 81,707
LIABILITIES					
Accounts payable	\$ 4,741,630	\$ 43,393	\$ -	\$ 21,564	\$ -
Other liabilities	-	-	-	10,185	30,540
Total liabilities	4,741,630	43,393	-	31,749	30,540
DEFERRED INFLOWS OF RESOURCES	84,504	-	-	-	-
FUND BALANCES					
Restricted for:					
Stabilization by State statute	-	57,402	5,050	-	-
Register of deeds	-	-	322,527	-	-
Public safety	-	1,599,829	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	-	51,167
Library	-	-	-	-	-
Total fund balances	-	1,657,231	327,577	-	51,167
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,826,134	\$ 1,700,624	\$ 327,577	\$ 31,749	\$ 81,707

Special Revenue Funds Continued								
Sondley Estate Trust	Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	BC Service Foundation	Total Nonmajor Governmental Funds		
\$ 867,441	\$ 565,909	\$ 370,595	\$ 35,581	\$ 401	\$ 95,044	\$ 5,316,957		
-	31	906	-	-	-	85,635		
12	-	6	-	-	18,747	43,346		
-	985,501	-	-	-	-	4,462,027		
\$ 867,453	\$ 1,551,441	\$ 371,507	\$ 35,581	\$ 401	\$ 113,791	\$ 9,907,965		
\$ -	\$ 283,683	\$ 55,000	\$ -	\$ -	\$ 25,347	\$ 5,170,617		
-	-	-	35,581	-	-	76,306		
-	283,683	55,000	35,581	-	25,347	5,246,923		
-	-	-	-	-	-	84,504		
12	1,267,758	912	-	-	18,747	1,349,881		
-	-	-	-	-	-	322,527		
-	-	315,595	-	-	-	1,915,424		
-	-	-	-	401	-	401		
-	-	-	-	-	69,697	120,864		
867,441	-	-	-	-	-	867,441		
867,453	1,267,758	316,507	-	401	88,444	4,576,538		
\$ 867,453	\$ 1,551,441	\$ 371,507	\$ 35,581	\$ 401	\$ 113,791	\$ 9,907,965		

# BUNCOMBE COUNTY, NORTH CAROLINA

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

### Nonmajor Governmental Funds

FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Special Taxing Districts	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee
REVENUES					
Ad valorem taxes	\$ 37,005,872	\$ -	\$ -	\$ -	\$ -
Incremental tax revenue	-	-	-	-	-
Local option sales taxes	12,547,024	-	-	-	-
Permits and fees	-	-	189,128	353,574	-
Restricted intergovernmental	-	665,753	-	-	407,846
Sales and services	-	-	-	-	-
Investment earnings	-	155	24	-	71
Other	-	-	-	-	-
Total revenues	49,552,896	665,908	189,152	353,574	407,917
EXPENDITURES					
Current:					
General government	-	-	64,905	353,574	-
Public safety	34,997,389	1,005,804	-	-	-
Human services	-	-	-	-	396,012
Education	14,555,507	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fees	-	-	-	-	-
Total expenditures	49,552,896	1,005,804	64,905	353,574	396,012
Revenues over (under) expenditures	-	(339,896)	124,247	-	11,905
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	3,770	-	-	-
Transfers to other funds	-	-	(23,620)	-	-
Sale of assets	-	-	-	-	-
Total other financing sources (uses)	-	3,770	(23,620)	-	-
Net change in fund balances	-	(336,126)	100,627	-	11,905
Fund balances, beginning	-	1,993,357	226,950	-	-
Prior period restatement - change in accounting principle	-	-	-	-	39,262
Fund balances, beginning, as restated	-	1,993,357	226,950	-	39,262
Fund balances, ending	\$ -	\$ 1,657,231	\$ 327,577	\$ -	\$ 51,167

Special Revenue Funds Continued

Sondley Estate Trust	Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	BC Service Foundation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,005,872
-	-	-	-	379,175	-	379,175
-	-	-	-	-	-	12,547,024
-	-	-	-	-	-	542,702
-	2,696,776	39,508	-	285,468	40,000	4,135,351
-	-	-	636,621	-	-	636,621
75	-	36	-	-	8	369
-	7,568	-	-	-	487,042	494,610
75	2,704,344	39,544	636,621	664,643	527,050	55,741,724
-	-	-	-	-	-	418,479
-	-	256,266	-	-	-	36,259,459
-	3,553,979	-	-	-	656,078	4,606,069
-	-	-	636,621	-	-	15,192,128
-	70,689	-	-	-	-	70,689
-	-	-	-	235,000	-	235,000
-	-	-	-	507,800	-	507,800
-	3,624,668	256,266	636,621	742,800	656,078	57,289,624
75	(920,324)	(216,722)	-	(78,157)	(129,028)	(1,547,900)
-	1,380,444	-	-	78,440	150,000	1,612,654
-	-	-	-	-	(17,864)	(41,484)
-	15,602	22,758	-	-	-	38,360
-	1,396,046	22,758	-	78,440	132,136	1,609,530
75	475,722	(193,964)	-	283	3,108	61,630
-	792,036	510,471	-	118	85,336	3,608,268
867,378	-	-	-	-	-	906,640
867,378	792,036	510,471	-	118	85,336	4,514,908
\$ 867,453	\$ 1,267,758	\$ 316,507	\$ -	\$ 401	\$ 88,444	\$ 4,576,538

# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
		\$ -	
Total revenues	\$ -	-	\$ -
EXPENDITURES			
Current:			
General government:			
Salaries and employee benefits		11,206	
Other operating expenditures		154,879	
Total expenditures	447,575	166,085	281,490
Revenues under expenditures	(447,575)	(166,085)	281,490
OTHER FINANCING SOURCES			
Transfers from other funds	63,333	63,333	-
Appropriated fund balance	384,242	-	(384,242)
Total other financing sources	447,575	63,333	(384,242)
Net change in fund balance	\$ -	(102,752)	\$ (102,752)
Fund balance, beginning		457,370	
Fund balance, ending		\$ 354,618	

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes		\$ 37,005,872	
Local option sales taxes		<u>12,547,024</u>	
Total revenues	\$ 52,038,870	49,552,896	\$ (2,485,974)
EXPENDITURES			
Current:			
Public safety:			
Volunteer fire departments		34,997,389	
Education:			
Asheville City Schools		<u>14,555,507</u>	
Total expenditures	52,038,870	49,552,896	2,485,974
Net change in fund balance	<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 Emergency Telephone System Fund*

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 665,753	
Investment earnings		155	
Total revenues	\$ 551,980	665,908	\$ 113,928
EXPENDITURES			
Current:			
Public safety:			
Other operating expenditures		1,005,804	
Total expenditures	1,193,375	1,005,804	187,571
Revenues under expenditures	(641,395)	(339,896)	301,499
OTHER FINANCING SOURCES			
Transfers from other funds	-	3,770	3,770
Appropriated fund balance	641,395	-	(641,395)
Total other financing sources	641,395	3,770	(637,625)
Net change in fund balance	\$ -	(336,126)	\$ (336,126)
Fund balance, beginning		1,993,357	
Fund balance, ending		\$ 1,657,231	

# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 189,128	
Investment earnings		24	
Total revenues	\$ 96,353	189,152	\$ 92,799
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		64,905	
Total expenditures	72,101	64,905	7,196
Revenues over expenditures	24,252	124,247	99,995
OTHER FINANCING USES			
Transfer to general fund	(24,252)	(23,620)	632
Net change in fund balance	\$ -	100,627	\$ 100,627
Fund balance, beginning		226,950	
Fund balance, ending		\$ 327,577	

# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		\$ 353,574	
Total revenues	\$ 400,000	353,574	\$ (46,426)
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		353,574	
Total expenditures	400,000	353,574	46,426
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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 407,846	
Investment earnings		71	
Total revenues	\$ 500,000	407,917	\$ (92,083)
EXPENDITURES			
Current:			
Human Services:			
Program support		396,012	
Total expenditures	500,000	396,012	103,988
Revenues over expenditures	-	11,905	11,905
Net change in fund balance	\$ -	11,905	\$ 11,905
Fund balance, beginning, as previously reported		-	
Prior period restatement - change in accounting principle		39,262	
Fund balance, beginning, as restated		39,262	
Fund balance, ending		\$ 51,167	

# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings		\$ 75	
Total revenues	\$ -	75	\$ 75
EXPENDITURES			
Total expenditures	-	-	-
Revenues over expenditures	-	75	75
Net change in fund balance	\$ -	75	\$ 75
Fund balance, beginning, as previously reported		-	
Prior period restatement - change in accounting principle		867,378	
Fund balance, beginning, as restated		867,378	
Fund balance, ending		\$ 867,453	

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 2,696,776	
Other		7,568	
Total revenues	\$ 3,859,525	2,704,344	\$ (1,155,181)
EXPENDITURES			
Current:			
Human services:			
Salaries and benefits		170,352	
Other operating expenditures		3,383,627	
Capital outlay		70,689	
Total expenditures	5,321,753	3,624,668	1,697,085
Revenues under expenditures	(1,462,228)	(920,324)	541,904
OTHER FINANCING SOURCES			
Appropriated fund balance	81,784	-	(81,784)
Sales of capital assets	-	15,602	15,602
Transfer from general fund	1,380,444	1,380,444	-
Total other financing sources	1,462,228	1,396,046	(66,182)
Net change in fund balance	\$ -	475,722	\$ 475,722
Fund balance, beginning		792,036	
Fund balance, ending		\$ 1,267,758	

# BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 39,508	
Restricted investment earnings		36	
Total revenues	\$ 528,489	39,544	\$ (488,945)
EXPENDITURES			
Current:			
Public safety:			
Operating expenditures		170,799	
Capital outlay		85,467	
Total expenditures	569,301	256,266	313,035
Revenues under expenditures	(40,812)	(216,722)	(175,910)
OTHER FINANCING SOURCES			
Appropriated fund balance	40,812	22,758	(18,054)
Net change in fund balance	\$ -	(193,964)	\$ (193,964)
Fund balance, beginning		510,471	
Fund balance, ending		\$ 316,507	



# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales and services		\$ 636,621	
Total revenues	\$ 2,000,000	636,621	\$ (1,363,379)
EXPENDITURES			
Current:			
Education:			
Operating expenditures		636,621	
Total expenditures	2,000,000	636,621	1,363,379
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, 2021

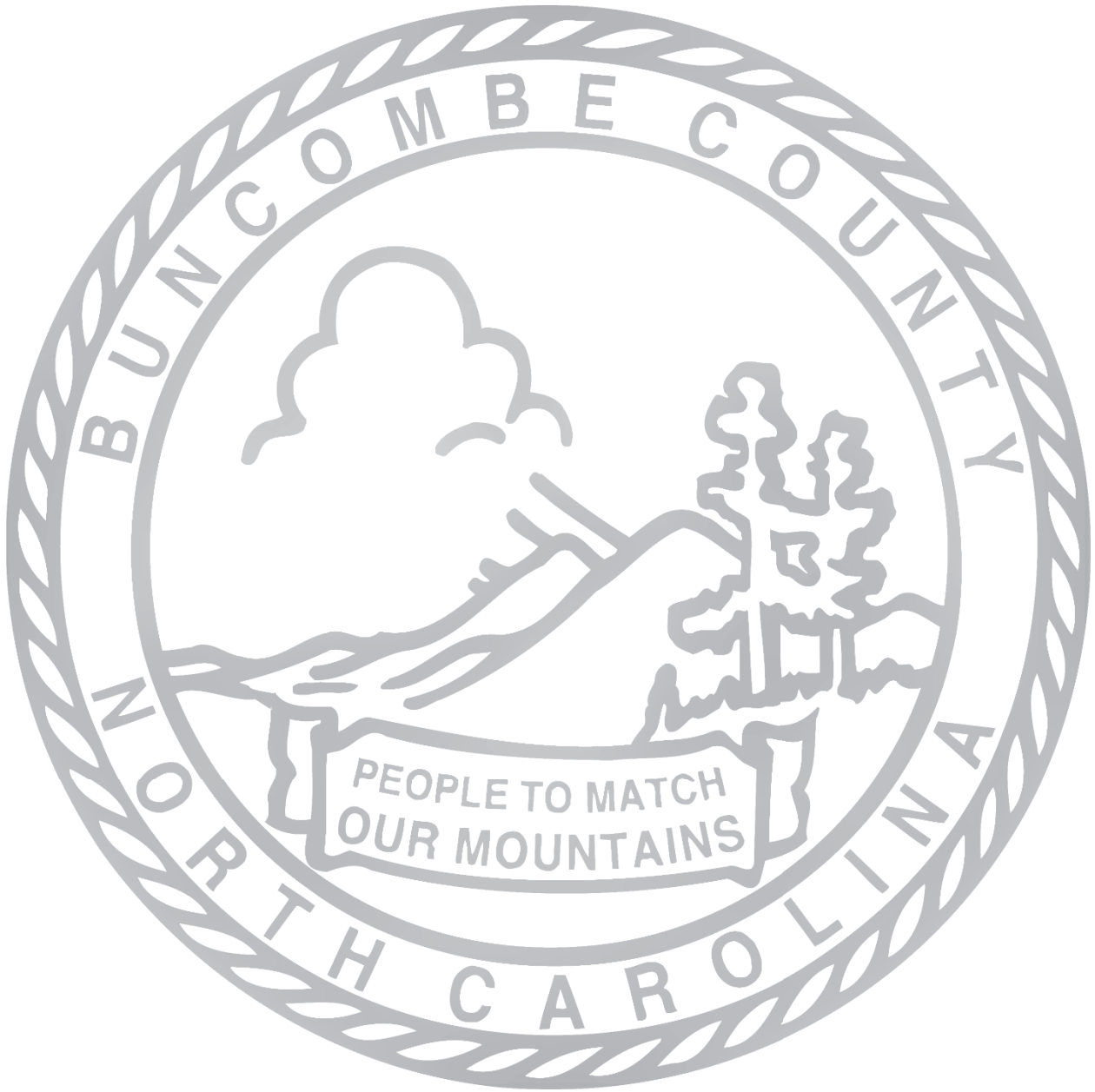
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Incremental tax revenue		\$ 379,175	
Restricted intergovernmental		285,468	
Total revenues	\$ 745,200	664,643	\$ (80,557)
EXPENDITURES			
Debt service:			
Principal retirement		235,000	
Interest and fees		507,800	
Total expenditures	745,200	742,800	2,400
Revenues under expenditures	-	(78,157)	(78,157)
OTHER FINANCING SOURCES			
Transfer from general fund	-	78,440	78,440
Net change in fund balance	\$ -	283	\$ 283
Fund balance, beginning		118	
Fund balance, ending		\$ 401	

# 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		\$ 40,000	
Investment earnings		8	
Other		487,042	
Total revenues	\$ 515,475	527,050	\$ 11,575
EXPENDITURES			
Current			
Human Services:			
Operating expenditures		656,078	
Total expenditures	732,946	656,078	76,868
Revenues under expenditures	(217,471)	(129,028)	88,443
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	85,336	-	(85,336)
Transfer from general fund	150,000	150,000	-
Transfer to general fund	(17,865)	(17,864)	1
Total other financing sources (uses)	217,471	132,136	(85,335)
Net change in fund balance	\$ -	3,108	\$ 3,108
Fund balance, beginning		85,336	
Fund balance, ending		\$ 88,444	



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

Solid Waste Disposal Fund

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

Landfill Capital Projects Fund

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

Inmate Commissary/Welfare Fund

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

# BUNCOMBE COUNTY, NORTH CAROLINA

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

### Solid Waste Disposal Fund

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Tipping fees		\$ 10,120,268	
Service charges and other revenues		1,100,095	
Intergovernmental revenues		659,426	
Total operating revenues	\$ 10,154,532	11,879,789	\$ 1,725,257
Nonoperating revenues:			
Investment earnings	291,168	1,846	(289,322)
Total revenues	10,445,700	11,881,635	1,435,935
EXPENDITURES			
Landfill:			
Salaries, wages, and fringe benefits		1,909,950	
Landfill closure and postclosure care costs		266,043	
Other operating expenses		4,058,319	
Total landfill		6,234,312	
Transfer station:			
Salaries, wages, and fringe benefits		1,284,503	
Other operating expenses		1,031,918	
Total transfer station		2,316,421	
Landfill gas to energy project:			
Salaries, wages, and fringe benefits		103,358	
Other operating expenses		381,189	
Total landfill gas to energy project		484,547	
Capital outlay		805,141	
Debt service:			
Principal retirement		305,000	
Interest and fees		23,350	
Total debt service		328,350	
Total expenditures	10,798,198	10,168,771	629,427
Revenues over expenditures	(352,498)	1,712,864	2,065,362
OTHER FINANCING SOURCES (USES)			
Transfer to solid waste capital projects	(55,000)	(55,000)	-
Transfer from internal service	-	58,768	58,768
Sale of capital assets	-	45,450	45,450
Appropriated fund balance	407,498	-	(407,498)
Total other financing uses	352,498	49,218	(303,280)
Revenues and other sources over expenditures and other uses	\$ -	1,762,082	\$ 1,762,082

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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues and other sources over expenditures and other uses		\$ 1,762,082	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Debt principal		305,000	
Decrease in accrued interest on debt		926	
Amortization of installment note premium		13,348	
Increase in deferred outflows of resources - pensions		138,382	
Increase in deferred outflows of resources - OPEB		629,917	
Increase in net pension liability		(297,250)	
Increase in deferred inflows of resources - pensions		(8,286)	
Decrease in deferred inflows of resources - OPEB		1,421	
Increase in net OPEB liability		(1,135,390)	
Increase in accrued compensated absences		(57,117)	
Increase in fuel inventory		23,111	
Increase in accrued landfill closure and postclosure care costs		(800,076)	
Capital outlay		805,141	
Operating expenditures from Landfill Capital Projects Fund		(140,870)	
Depreciation		(1,968,804)	
Accrued interest on investments		141	
Transfer to landfill capital projects		55,000	
Total reconciling items		<u>(2,435,406)</u>	
Change in net position		<u>\$ (673,324)</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, 2021

	Actual to June 30, 2021					Variance Positive (Negative)
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year Activity	Total to Date	
REVENUES						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Cell 7	621,000	565,309	-	53,400	618,709	2,291
Phase 6 C&D landfill	-	1,792,742	(1,792,742)	-	-	-
Subtitle D vertical expansion	782,805	570,635	-	146,892	717,527	65,278
Solid waste transfer facility	10,488,616	10,349,507	-	116,687	10,466,194	22,422
Contingency	95,780	-	-	-	-	95,780
Total expenditures	11,988,201	13,278,193	(1,792,742)	316,979	11,802,430	185,771
Revenues under expenditures	(11,988,201)	(13,278,193)	1,792,742	(316,979)	(11,802,430)	185,771
OTHER FINANCING SOURCES						
Sale of assets	-	5,000	-	-	5,000	5,000
Transfer from solid waste	10,543,616	11,021,616	(533,000)	55,000	10,543,616	-
Prior year revenues	1,444,585	2,691,230	(1,259,742)	-	1,431,488	(13,097)
Total other financing sources	11,988,201	13,717,846	(1,792,742)	55,000	11,980,104	(8,097)
Revenues and other sources over (under) expenditures	\$ -	\$ 439,653	\$ -	\$ (261,979)	\$ 177,674	\$ 177,674



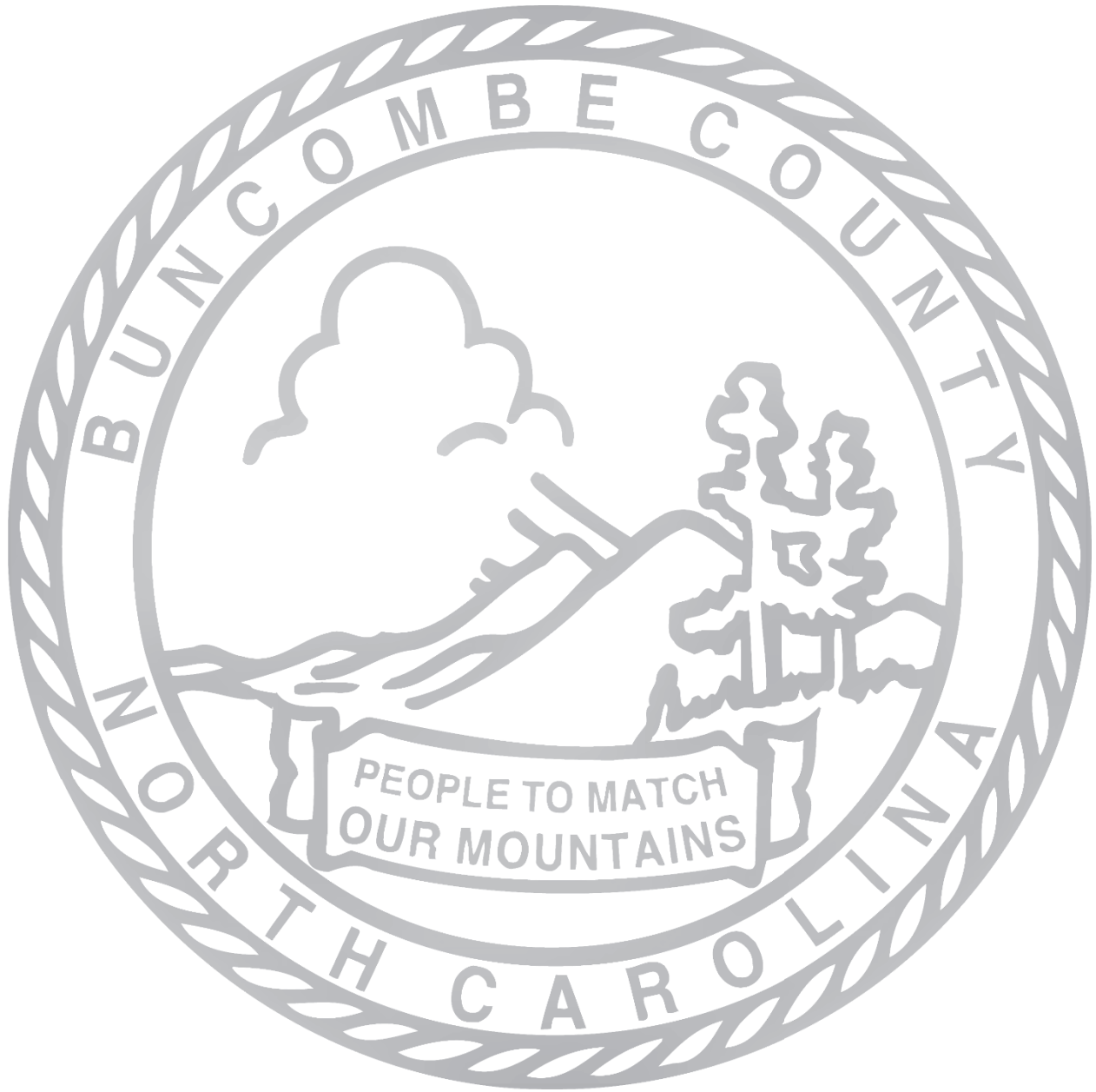
# BUNCOMBE COUNTY, NORTH CAROLINA

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

### Inmate Commissary/Welfare Fund

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Commissary concessions		\$ 314,162	
Telephone concessions		96,623	
Total operating revenues		<u>410,785</u>	
Nonoperating revenues:			
Investment earnings		<u>75</u>	
Total revenues	\$ 425,750	410,860	\$ (14,890)
EXPENDITURES			
Salaries, wages, and fringe benefits		128,867	
Other operating expenditures		109,800	
Capital outlay		<u>35,806</u>	
Total expenditures	425,991	274,473	151,518
Revenues over (under) expenditures	(241)	136,387	136,628
OTHER FINANCING SOURCES (USES)			
Transfer from internal service	1,677	1,677	-
Transfer to general fund	(13,000)	-	13,000
Appropriated fund balance	11,564	-	(11,564)
Total other financing sources (uses)	241	1,677	1,436
Revenues and other sources over expenditures	\$ -	138,064	\$ 138,064
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Increase in deferred outflows of resources - pensions		5,537	
Increase in deferred outflows of resources - OPEB		16,714	
Increase in net pension liability		(11,746)	
Increase in deferred inflows of resources - pensions		(326)	
Decrease in deferred inflows of resources - OPEB		3,294	
Increase in net OPEB liability		4,333	
Capital outlay		35,806	
Accrued interest on investments		7	
Depreciation		(27,649)	
Decrease in accrued compensated absences		<u>(8,251)</u>	
Total reconciling items		<u>17,719</u>	
Change in net position		<u>\$ 155,783</u>	



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

INTERNAL SERVICE FUND

Insurance Fund

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

CUSTODIAL FUNDS

Inmate Trust Fund

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

Municipal Tax Collections Fund

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

COMPONENT UNIT

Western North Carolina Regional 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, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Charges for services		\$ 38,236,879	
Other		67,813	
Total revenues	\$ 36,416,299	38,304,692	\$ 1,888,393
EXPENDITURES			
Salaries, wages, and fringe benefits		371,107	
Insurance premiums		1,438,481	
Claims		32,365,566	
Other operating expenditures		1,316,663	
Total expenditures	39,377,873	35,491,817	3,886,056
Revenues over (under) expenditures	(2,961,574)	2,812,875	5,774,449
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(4,492,000)	(2,975,429)	1,516,571
Appropriated fund balance	7,453,574	-	(7,453,574)
Total other financing sources (uses)	2,961,574	(2,975,429)	(5,937,003)
Revenues and other sources over expenditures and other uses	\$ -	(162,554)	\$ (162,554)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling item:			
Decrease in incurred but not reported claims		252,319	
Change in net position		\$ 89,765	

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

FOR THE YEAR ENDED JUNE 30, 2021

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
ASSETS			
Cash and investments	\$ 88,832	\$ 1,108,635	\$ 1,197,467
Receivables, net	1,157	400,468	401,625
Total assets	89,989	1,509,103	1,599,092
LIABILITIES			
Accounts payable and accrued liabilities	2,349	-	2,349
Due to other governments	-	1,108,635	1,108,635
Total liabilities	2,349	1,108,635	1,110,984
NET POSITION			
Restricted for:			
Individuals and other governments	87,640	400,468	488,108
Total net position	\$ 87,640	\$ 400,468	\$ 488,108

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

FOR THE YEAR ENDED JUNE 30, 2021

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
<b>ADDITIONS</b>			
Taxes for other governments	\$ -	\$ 88,333,703	\$ 88,333,703
Collections on behalf of inmates	1,111,590	-	1,111,590
Total additions	1,111,590	88,333,703	89,445,293
<b>DEDUCTIONS</b>			
Tax distributions to other governments	-	88,156,453	88,156,453
Payments on behalf of inmates	1,103,779	-	1,103,779
Total deductions	1,103,779	88,156,453	89,260,232
Net increase (decrease) in fiduciary net position	7,811	177,250	185,061
<b>NET POSITION</b>			
Beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	79,829	223,218	303,047
Net position, beginning, as restated	79,829	223,218	303,047
Net position, ending	\$ 87,640	\$ 400,468	\$ 488,108

# BUNCOMBE COUNTY, NORTH CAROLINA

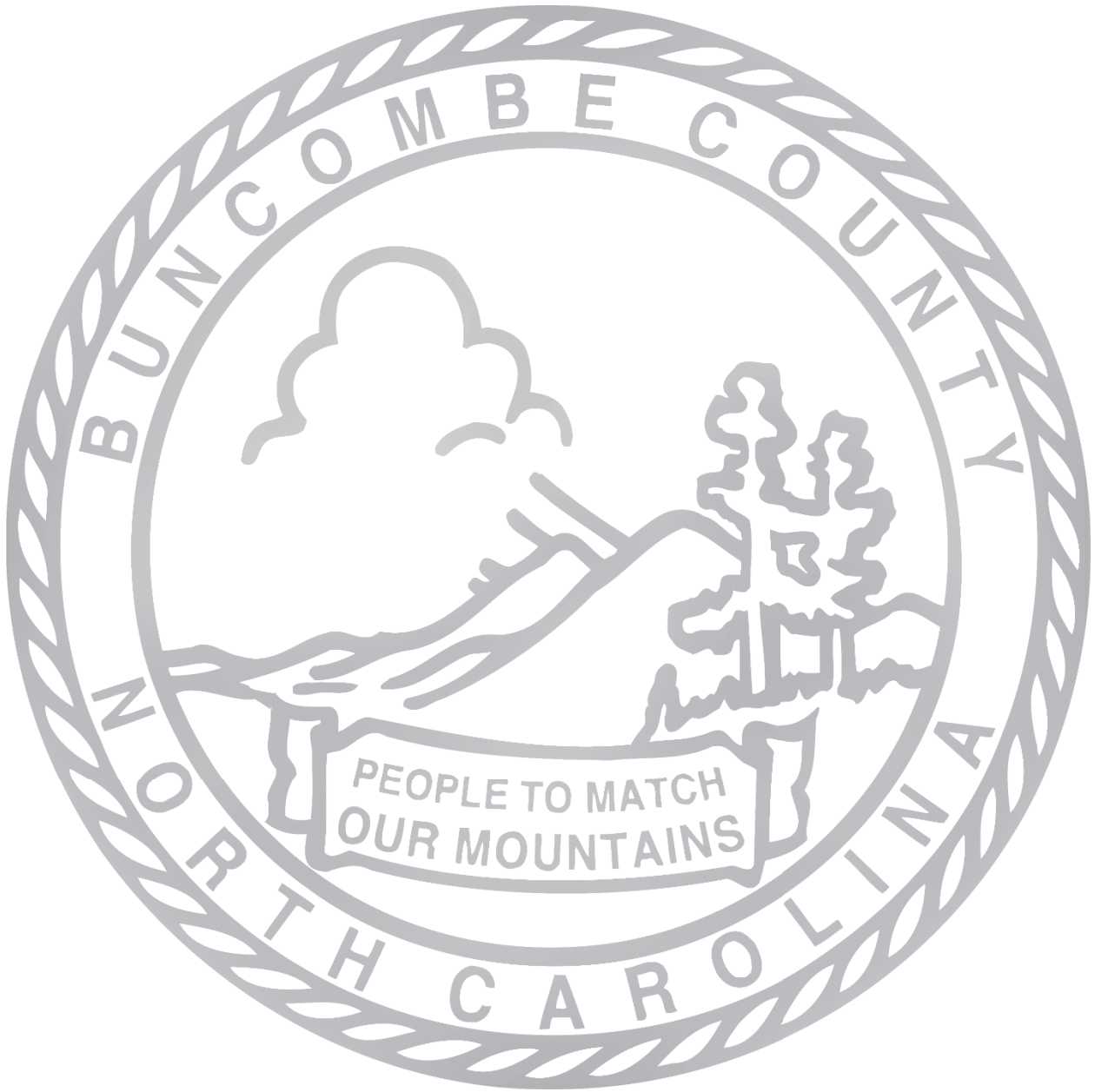
## Schedule of Revenues, Expenditures, and Change in Net Position - Budget and Actual (Non-GAAP)

### Western North Carolina Regional Air Quality Agency

#### Component Unit

FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal, State, and other grants		\$ 265,536	
Licenses and permits		519,179	
Other licenses and taxes		142,431	
Investment earnings		101	
Other		16,571	
Total revenues	\$ 881,607	943,818	\$ 62,211
EXPENDITURES			
Environmental protection:			
Salaries and employee benefits		665,428	
Other operating expenses		158,801	
Total expenditures	1,018,216	824,229	193,987
Revenues over expenditures	(136,609)	119,589	256,198
OTHER FINANCING SOURCES			
Transfer from internal service fund	16,571	-	(16,571)
Sale of assets	-	56	56
Appropriated fund balance	120,038	-	(120,038)
Total other financing sources	136,609	56	(136,553)
Revenues and other sources over expenditures	\$ -	119,645	\$ 119,645
Reconciliation from budgetary basis (modified accrual) to full accrual			
Reconciling items:			
Accrued interest on investments		6	
Depreciation		(3,180)	
Decrease in deferred outflows of resources - pensions		(9,081)	
Increase in deferred outflows of resources - OPEB		77,696	
Decrease in net pension liability		9,471	
Increase in deferred inflows of resources - pensions		(7,756)	
Decrease in deferred inflows of resources - OPEB		23,982	
Decrease in net OPEB liability		111,865	
Increase in accrued compensated absences		(19,845)	
Total reconciling items		183,158	
Change in net position		\$ 302,803	





## *Other Schedules*

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Buncombe County, North Carolina

# BUNCOMBE COUNTY, NORTH CAROLINA

## Schedule of Ad Valorem Taxes Receivable

### General Fund

JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1	Additions	Collections and Credits	Uncollected Balance June 30
2020-2021	\$ -	\$ 218,832,239	\$ 218,055,490	\$ 776,749
2019-2020	1,273,241	-	1,001,722	271,519
2018-2019	73,528	-	22,461	51,067
2017-2018	44,352	-	11,417	32,935
2016-2017	24,463	-	2,268	22,195
2015-2016	18,266	-	535	17,731
2014-2015	26,597	-	15,686	10,911
2013-2014	24,529	-	1,201	23,328
2012-2013	21,241	-	609	20,632
2012 & Prior	56,178	-	18,319	37,859
Total	\$ 1,562,395	\$ 218,832,239	\$ 219,129,708	1,264,926
Less allowance for uncollectible ad valorem taxes receivable				(424,291)
Ad valorem taxes receivable, net				\$ 840,635
Reconcilement with revenues:				
Taxes - Ad valorem - General Fund				219,807,334
Reconciling items:				
Credits and write-offs				169,784
Interest collected				(557,211)
Accruals				(38,789)
Ad val tax revenue reported in PDF Woodfin Fund				379,175
Other				(630,585)
Total reconciling items				(677,626)
Total collections and credits			\$ 219,129,708	

# BUNCOMBE COUNTY, NORTH CAROLINA

## Analysis of Current Year County-Wide Tax Levy

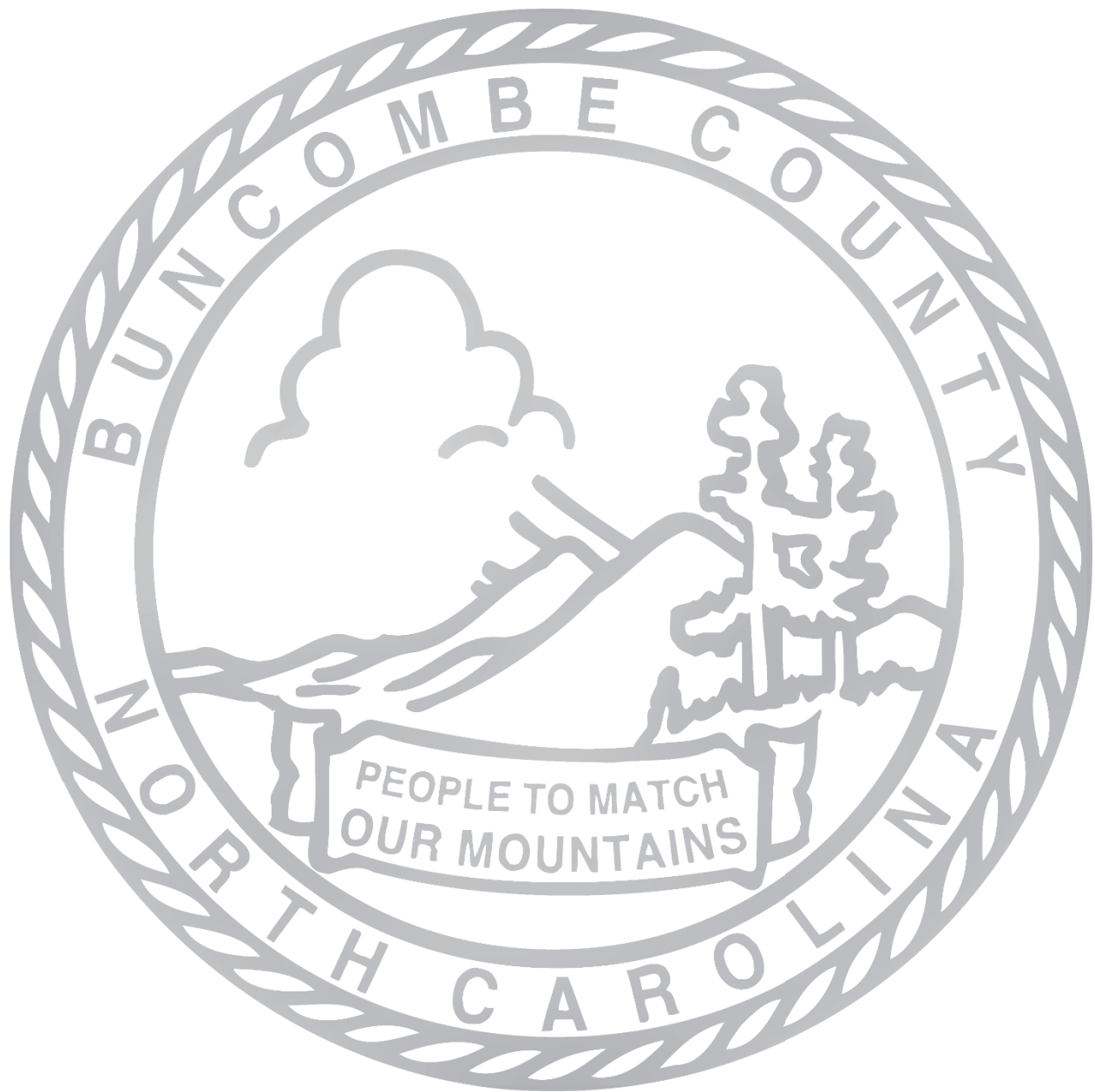
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$41,154,248,594	\$ 0.529	\$ 217,705,975	\$ 203,070,030	\$ 14,635,945
Discoveries & Adjustments					
Prior year taxes	160,448,270	Various	1,126,264	1,126,264	-
Net levy <sup>(1)</sup>	<u>\$ 41,314,696,864</u>		218,832,239	204,196,294	14,635,945
Uncollected taxes at June 30, 2021			776,749	688,426	88,323
Current year's taxes collected			<u>\$ 218,055,490</u>	<u>\$ 203,507,868</u>	<u>\$ 14,547,622</u>
Current levy collection %			99.65%	99.66%	99.40%
Secondary market disclosures:					
Assessed valuation					
Assessment ratio <sup>(2)</sup>				100.00%	
Real property				\$ 34,756,198,707	
Personal property				2,753,107,206	
Public service companies <sup>(3)</sup>				1,038,671,669	
Registered motor vehicles				2,766,719,282	
Total assessed valuation				<u>\$ 41,314,696,864</u>	
Tax rate per \$100				<u>\$ 0.529</u>	
Levy (includes discoveries, releases, and abatements)				<u>\$ 218,832,239</u>	
In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year ended June 30:					
School districts				\$ 10,318,514	
Fire protection districts				23,934,962	
Total				<u>\$ 34,253,476</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

*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>	145
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	150
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	154
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.	
<b>Demographic and Economic Information</b>	158
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
<b>Operating Information</b>	161
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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

**Table 1**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net Investment in Capital										
Assets	\$ 94,284,411	\$ 92,417,846	\$ 93,609,590	\$ 84,189,214	\$ 85,535,781	\$ 69,342,217	\$ 63,771,597	\$ 51,588,548	\$ 66,862,258	\$ 72,886,111
Restricted	55,085,740	78,301,557	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535
Unrestricted	(74,196,979)	(87,076,203)	(60,363,818)	(108,702,036)	(179,191,875)	(156,460,610)	(286,835,738)	(267,021,070)	(287,431,790)	(275,570,270)
Total governmental activities net position	\$ 75,173,172	\$ 83,643,200	\$ 77,256,322	\$ 27,687,499	\$ (20,215,945)	\$ (25,146,613)	\$ (162,272,491)	\$ (159,821,708)	\$ (157,892,578)	\$ (135,266,624)
<b>Business-type activities</b>										
Net Investment in Capital										
Assets	\$ 27,379,503	\$ 26,526,350	\$ 26,200,976	\$ 24,859,349	\$ 23,677,050	\$ 22,947,463	\$ 28,170,350	\$ 31,723,337	\$ 30,182,901	\$ 29,521,853
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,719,749	1,943,250	2,152,981	2,841,242	4,574,997	5,674,200	(3,834,289)	(1,684,521)	(53,017)	90,490
Total business-type activities net position	\$ 30,099,252	\$ 28,469,600	\$ 28,353,957	\$ 27,700,591	\$ 28,252,047	\$ 28,621,663	\$ 24,336,061	\$ 30,038,816	\$ 30,129,884	\$ 29,612,343
<b>Primary government</b>										
Net Investment in Capital										
Assets	\$ 121,663,914	\$ 118,944,196	\$ 119,810,566	\$ 109,048,563	\$ 109,212,831	\$ 92,289,680	\$ 91,941,947	\$ 83,311,885	\$ 97,045,159	\$ 102,407,964
Restricted	55,085,740	78,301,557	44,010,550	52,200,321	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535
Unrestricted	(71,477,230)	(85,132,953)	(58,210,837)	(105,860,794)	(174,616,878)	(150,786,410)	(290,670,027)	(268,705,591)	(287,484,807)	(275,479,780)
Total primary government net position	\$ 105,272,424	\$ 112,112,800	\$ 105,610,279	\$ 55,388,090	\$ 8,036,102	\$ 3,475,050	\$ (137,936,430)	\$ (129,782,892)	\$ (127,762,694)	\$ (105,654,281)

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

# BUNCOMBE COUNTY, NORTH CAROLINA

## Changes in Net Position

Table 2

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

EXPENSES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 23,356,495	\$ 22,719,044	\$ 26,179,307	\$ 26,547,924	\$ 28,628,887	\$ 35,976,699	\$ 31,735,854	\$51,470,532	\$57,033,928	\$62,905,681
Public safety	74,658,163	81,600,718	86,261,299	93,283,467	100,414,238	97,495,863	103,351,595	93,302,005	101,420,210	110,196,922
Economic and physical development	18,902,856	18,787,809	15,255,668	17,890,984	31,852,491	36,634,454	32,751,395	37,520,161	32,356,232	37,854,625
Human services	81,943,587	80,404,926	86,307,869	92,117,911	96,963,368	99,775,677	90,982,306	88,717,827	95,907,482	103,818,039
Cultural and recreational	8,814,503	8,579,412	10,611,885	9,798,772	8,981,702	9,052,515	8,758,786	9,974,167	10,109,657	9,761,217
Education	88,310,103	84,770,250	107,527,022	154,203,942	142,310,790	108,434,971	138,902,609	137,601,291	124,192,016	138,712,888
Interest on long-term debt	10,256,518	11,873,924	13,657,936	17,044,059	15,432,030	15,744,885	16,124,173	15,617,573	15,176,709	13,705,700
Total governmental activities expenses	306,242,225	308,736,083	345,800,986	410,887,059	424,583,506	403,115,064	422,606,718	434,203,556	436,196,234	476,955,072
Business-type activities:										
Solid Waste Disposal	6,759,933	6,457,464	6,811,079	7,830,522	7,270,565	8,493,953	11,911,302	4,715,353	10,869,728	12,659,318
Human Services facilities	570,709	-	-	-	-	-	-	-	-	-
Mental health	492,722	-	-	-	-	-	-	-	-	-
Inmate commissary/welfare	311,120	216,770	222,997	357,906	335,562	433,890	525,854	477,143	378,732	256,761
Criminal justice information system	1,297,159	1,246,614	1,416,776	-	-	-	-	-	-	-
Total business-type activities expenses	9,431,643	7,920,848	8,450,852	8,188,428	7,606,127	8,927,843	12,437,156	5,192,496	11,248,460	12,916,079
Total primary governmental expenses	\$ 315,673,868	\$ 316,656,931	\$ 354,251,838	\$ 419,075,487	\$ 432,189,633	\$ 412,042,907	\$ 435,043,874	\$ 439,396,052	\$ 447,444,694	\$ 489,871,151
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 3,495,120	\$ 4,774,384	\$ 3,542,856	\$ 1,792,710	\$ 2,407,864	\$ 5,207,544	\$ 5,206,280	\$ 5,352,685	\$ 5,141,450	\$ 7,502,909
Public safety	9,773,429	11,220,535	10,483,019	11,512,251	10,816,741	13,719,683	14,253,115	14,624,759	15,808,262	12,078,741
Economic and physical development	7,914,085	8,424,439	448,312	489,513	437,203	529,488	1,840,544	757,008	1,010,471	3,525,855
Human services	4,469,804	2,232,396	2,237,859	2,268,101	3,031,866	3,175,287	1,790,538	1,717,706	1,910,601	4,474,914
Cultural and recreational	663,930	590,408	517,104	450,484	365,132	361,971	413,519	505,568	310,224	158,544
Education	-	-	-	-	-	-	-	-	-	636,621
Operating grants and contributions	45,319,734	45,447,077	48,960,176	56,295,309	58,289,268	60,726,292	48,691,985	51,538,618	52,120,976	63,004,949
Capital grants and contributions	1,783,430	7,848,558	9,367,855	6,344,047	2,568,300	2,185,978	3,420,608	3,454,933	2,684,062	1,178,692
Total governmental activities program revenues	73,419,532	80,537,797	75,557,181	79,152,415	77,916,374	85,906,243	75,616,589	77,951,277	78,986,046	92,561,225
Business-type activities:										
Charges for services:										
Solid Waste Disposal	6,904,275	6,855,245	6,928,813	6,773,435	7,342,311	8,232,842	8,326,404	9,258,677	10,684,973	11,220,363
Human Services facilities	320,826	-	-	-	-	-	-	-	-	-
Mental health	681,105	-	-	-	-	-	-	-	-	-
Inmate commissary/welfare	506,366	351,049	323,536	311,076	343,402	477,200	512,433	568,978	504,460	410,785
Criminal justice information system	1,326,110	1,326,631	1,383,407	-	-	-	-	-	-	-
Operating grants and contributions	368,570	373,333	371,192	393,715	418,726	441,397	631,261	578,909	612,084	659,426
Capital grants and contributions	1,678,147	226,720	-	-	-	-	-	-	-	-
Total business-type activities program revenues	11,785,399	9,132,978	9,006,948	7,478,226	8,104,439	9,151,439	9,470,098	10,406,564	11,801,517	12,290,574
Total primary governmental program revenues	\$ 85,204,931	\$ 89,670,775	\$ 84,564,129	\$ 86,630,641	\$ 86,020,813	\$ 95,057,682	\$ 85,086,687	\$ 88,357,841	\$ 90,787,563	\$ 104,851,799

Continued On Next Page



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (expense) revenue										
Governmental activities	\$ (232,822,693)	\$ (228,198,286)	\$ (270,243,805)	\$ (331,734,644)	\$ (346,667,132)	\$ (317,208,821)	\$ (346,990,129)	\$ (356,252,279)	\$ (357,210,188)	\$ (384,393,847)
Business-type activities	2,353,756	1,212,130	556,096	(710,202)	498,312	223,596	(2,967,058)	5,214,068	553,057	(625,505)
Total primary governmental net expense	\$ (230,468,937)	\$ (226,986,156)	\$ (269,687,709)	\$ (332,444,846)	\$ (346,168,820)	\$ (316,985,225)	\$ (349,957,187)	\$ (351,038,211)	\$ (356,657,131)	\$ (385,019,352)

#### GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

Governmental activities:										
Taxes: Property taxes	\$ 170,097,044	\$ 171,095,813	\$ 192,667,851	\$ 191,247,474	\$ 196,709,722	\$ 201,518,909	\$ 216,163,406	\$ 221,478,724	\$ 232,199,493	\$ 256,895,134
Taxes: Local option sales tax	49,693,442	58,665,856	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337
Other taxes and licenses	5,208,845	5,524,997	15,039,610	17,209,248	23,374,603	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431
Investment earnings, unrestricted	567,965	144,603	300,785	344,674	770,823	1,244,338	2,261,540	4,088,580	3,077,122	75,070
Gain (Loss) on sale of capital assets	(2,000,621)	-	(417,150)	1,828,088	3,139,269	91,350	192,891	157,785	145,412	126,077
Miscellaneous, unrestricted	1,020,902	1,237,045	956,147	1,607,318	1,312,887	2,103,635	2,935,957	6,935,722	4,953,915	5,580,557
Transfers	16,012,934	-	601,570	-	-	-	-	-	-	(60,445)
Total governmental activities	240,600,511	236,668,314	271,111,416	283,028,886	301,308,908	312,278,153	337,085,882	354,415,368	359,139,318	406,113,161
Business-type activities:										
Investment earnings, unrestricted	106,873	57,016	38,182	55,526	46,854	141,511	234,592	302,015	162,120	2,069
Gain (Loss) on sale of capital assets	170	-	-	1,310	6,290	4,509	6,039	5,000	(624,109)	45,450
Transfers	(16,012,934)	-	(601,570)	-	-	-	-	-	-	60,445
Total business-type activities	(15,905,891)	57,016	(563,388)	56,836	53,144	146,020	240,631	307,015	(461,989)	107,964
Total primary government	\$ 224,694,620	\$ 236,725,330	\$ 270,548,028	\$ 283,085,722	\$ 301,362,052	\$ 312,424,173	\$ 337,326,513	\$ 354,722,383	\$ 358,677,329	\$ 406,221,125

#### CHANGE IN NET POSITION

Governmental activities	\$ 7,777,818	\$ 8,470,028	\$ 867,611	\$ (48,705,758)	\$ (45,358,224)	\$ (4,930,668)	\$ (9,904,247)	\$ (1,836,911)	\$ 1,929,130	\$ 21,719,314
Business-type activities	(13,552,135)	1,269,146	(7,292)	(653,366)	551,456	369,616	(2,726,427)	5,521,083	91,068	(517,541)
Total primary government	\$ (5,774,317)	\$ 9,739,174	\$ 860,319	\$ (49,359,124)	\$ (44,806,768)	\$ (4,561,052)	\$ (12,630,674)	\$ 3,684,172	\$ 2,020,198	\$ 21,201,773

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

BUNCOMBE COUNTY, NORTH CAROLINA  
Fund Balances of Governmental Funds

Table 3

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 207,455	\$ 243,865	\$ 300,407	\$ 52,597	\$ 52,202	\$ 57,975	\$ 40,734	\$ 38,481	\$ 56,655	\$ 86,950
Restricted	20,525,004	19,221,755	20,197,103	23,297,383	22,973,645	22,449,441	16,994,461	21,348,759	25,450,599	25,584,257
Committed	1,200,000	1,200,000	1,200,000	5,462,421	3,765,433	2,019,304	2,340,038	4,569,725	2,639,713	14,931,204
Assigned	8,147,972	7,001,237	7,584,637	9,643,213	6,039,085	15,363,817	9,042,094	13,640,077	12,673,752	9,344,348
Unassigned	40,897,807	43,466,405	41,869,339	37,121,496	43,741,792	37,694,163	53,872,735	55,692,912	56,964,358	66,704,252
Total General Fund	\$ 70,978,238	\$ 71,133,262	\$ 71,151,486	\$ 75,577,110	\$ 76,572,157	\$ 77,584,700	\$ 82,290,062	\$ 95,289,954	\$ 97,785,077	\$ 116,651,011
All other governmental funds										
Nonspendable	\$ 6,718,509	\$ 764	\$ 1,532,974	\$ 1,452,037	\$ 1,391,278	\$ 1,429,774	\$ 2,286,174	\$ 4,092,455	\$ -	\$ -
Restricted	34,560,736	59,079,802	174,502,262	187,815,672	115,566,695	70,341,446	82,685,453	46,305,740	54,285,298	54,039,097
Assigned	7,974,677	13,108,288	27,805,926	21,257,379	8,492,988	15,933,577	14,285,768	7,163,959	15,244,724	5,851,770
Unassigned	-	-	-	-	-	-	(168)	-	-	-
Total all other governmental funds	\$ 49,253,922	\$ 72,188,854	\$ 203,841,162	\$ 210,525,088	\$ 125,450,961	\$ 87,704,797	\$ 99,257,227	\$ 57,562,154	\$ 69,530,022	\$ 59,890,867
<b>Total Combined Governmental Fund Balances</b>	<b>\$ 120,232,160</b>	<b>\$ 143,322,116</b>	<b>\$ 274,992,648</b>	<b>\$ 286,102,198</b>	<b>\$ 202,023,118</b>	<b>\$ 165,289,497</b>	<b>\$ 181,547,289</b>	<b>\$ 152,852,108</b>	<b>\$ 167,315,099</b>	<b>\$ 176,541,878</b>

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

# BUNCOMBE COUNTY, NORTH CAROLINA

## Changes in Fund Balances of Governmental Funds

Table 4

### LAST TEN FISCAL YEARS (modified accrual basis of accounting)

REVENUES	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ad valorem taxes	\$ 169,368,975	\$ 171,520,939	\$ 192,949,306	\$ 191,565,661	\$ 196,458,687	\$ 201,907,004	\$ 216,086,991	\$ 221,770,248	\$ 231,903,837	\$ 257,192,381
Local option sales taxes	49,693,442	58,665,856	61,962,603	70,792,084	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337
Other taxes and licenses	11,998,130	13,090,813	14,331,532	16,466,653	22,665,004	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431
Unrestricted intergovernment	668,378	638,811	708,078	742,595	709,599	840,987	715,572	718,206	719,843	2,084,204
Restricted intergovernmental	47,537,053	48,245,459	58,328,031	61,016,020	59,150,308	62,840,342	52,681,247	54,949,366	54,336,167	62,512,752
Permits and fees	2,419,599	2,630,342	3,075,411	3,451,565	3,604,379	4,715,220	4,664,396	4,870,670	4,858,118	5,852,844
Sales and services	16,025,217	14,108,121	14,129,326	14,708,008	15,336,262	18,044,931	18,060,057	16,260,790	18,197,757	22,425,388
Investment earnings	607,247	148,134	274,061	382,885	721,103	1,141,090	2,235,734	4,299,443	1,839,869	35,831
Miscellaneous	1,020,902	1,247,045	956,147	1,607,318	1,312,887	1,262,648	2,220,385	5,915,315	5,051,020	4,616,998
Total revenues	299,338,943	310,295,520	346,714,495	360,732,789	375,959,833	398,072,143	412,196,470	430,538,595	435,669,987	498,217,166
Current:										
General government	20,996,399	21,731,568	23,200,093	25,720,370	26,764,764	29,316,045	29,248,466	41,849,374	46,976,274	52,176,119
Public safety	71,809,649	72,494,711	76,923,039	83,550,101	84,974,813	89,079,165	94,780,349	89,404,625	96,265,118	104,716,515
Economic and physical development	17,524,599	17,957,236	14,823,254	16,376,729	23,576,691	29,564,805	31,733,817	32,184,527	28,757,530	34,694,287
Human services	79,160,646	79,202,525	83,521,333	91,370,860	92,548,588	99,399,461	90,401,483	87,079,628	89,568,043	97,693,118
Cultural and recreation	7,897,539	7,242,489	8,987,448	8,387,620	7,422,146	7,769,730	7,580,495	8,309,149	8,305,780	8,074,325
Intergovernmental:										
Education	74,324,014	74,828,472	74,556,185	79,225,390	82,359,578	75,323,300	80,815,035	85,165,897	90,709,757	107,614,216
Capital outlay	57,908,742	50,774,671	69,217,388	99,951,422	91,403,795	59,688,720	74,464,435	64,475,539	45,287,687	46,765,633
Debt service										
Principal	20,944,000	22,299,000	20,243,994	24,407,151	25,932,708	26,145,568	29,020,567	31,920,567	31,914,567	33,428,570
Interest and fees	10,776,086	13,426,237	15,743,470	18,792,182	21,954,450	20,330,667	19,926,347	20,923,220	19,805,655	17,900,330
Total expenditures	361,341,674	359,956,909	387,216,204	447,781,825	456,937,533	436,617,461	457,970,994	461,312,526	457,590,411	503,063,113
Excess of revenues over (under) expenditures	(62,002,731)	(49,661,389)	(40,501,709)	(87,049,036)	(80,977,700)	(38,545,318)	(45,774,524)	(30,773,931)	(21,920,424)	(4,845,947)
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	19,541,153	5,829,800	18,199,223	11,183,266	23,991,948	7,208,044	19,385,843	17,493,731	12,733,881	13,600,087
Transfers to other funds	(11,181,584)	(5,829,800)	(18,582,849)	(13,683,266)	(33,156,948)	(7,208,044)	(19,385,843)	(15,629,823)	(12,733,881)	(10,685,103)
Installment obligations issued	-	73,380,000	180,315,001	126,844,450	-	1,720,347	54,730,000	-	98,465,674	10,096,000
General obligation debt issued	-	32,500,000	-	-	-	-	-	-	-	-
Premium/discount on debt issued	-	11,883,464	21,379,812	22,736,977	-	-	6,371,796	-	-	-
Payment to refunded bond escrow agent	-	(46,559,350)	(30,752,734)	(51,515,579)	-	-	-	-	(62,275,039)	-
Sale of capital assets	159,363	1,467,321	82,210	2,592,738	5,081,479	91,350	670,495	214,844	192,780	155,102
Total other financing sources (uses)	8,518,932	72,671,435	170,640,663	98,158,586	(4,083,521)	1,811,697	61,772,291	2,078,752	36,383,415	13,166,086
Net change in fund balances	\$ (53,483,799)	\$ 23,010,046	\$ 130,138,954	\$ 11,109,550	\$ (85,061,221)	\$ (36,733,621)	\$ 15,997,767	\$ (28,695,179)	\$ 14,462,991	\$ 8,320,139
Debt services as a percentage of noncapital expenditures	10.06%	11.37%	10.32%	9.65%	10.48%	10.64%	10.69%	11.46%	11.30%	10.20%

# BUNCOMBE COUNTY, NORTH CAROLINA

## Assessed Value of Taxable Property

Table 5

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year Ended June 30	Real Property		Use Value Farm	Historical Property	Personal Property		Less: Tax Exempt Real Property	Public Service		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property			Motor Vehicles	Other		Assessed Value			
2012	19,823,205	5,672,300	1,206,920	96,645	1,693,881	1,477,741	1,181,347	525,644	29,314,988	0.525	
2013	19,980,840	5,765,143	1,202,337	100,086	1,765,488	1,528,991	1,192,171	529,268	29,679,981	0.525	
2014	18,671,008	5,784,047	1,007,838	96,053	1,342,270	1,595,537	968,969	529,435	28,057,219	0.604	
2015	18,895,973	5,995,685	1,015,256	96,185	1,952,226	1,653,573	1,263,593	532,418	28,877,723	0.604	
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	

SOURCE: Buncombe County Tax Department

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

NOTE: The county assesses property at approximately 100 percent of actual value.

Tax rates are per \$100 of assessed value.

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

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

**Table 6**

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

	Fiscal Year									
	2012	2013	2014 <sup>2</sup>	2015	2016	2017 <sup>2</sup>	2018	2019	2020	2021
County Direct Rates:										
County-wide Rate <sup>1</sup>	\$ 0.525	\$ 0.525	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.539	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.529
Fire Districts <sup>3</sup>	0.113	0.113	0.118	0.118	0.118	0.118	0.123	0.143	0.143	0.133
Total average direct rate	0.638	0.638	0.722	0.722	0.722	0.657	0.652	0.672	0.672	0.662
Municipality Rates:										
City of Asheville	0.420	0.420	0.460	0.475	0.475	0.475	0.429	0.429	0.429	0.429
Town of Biltmore Forest	0.320	0.330	0.385	0.385	0.395	0.395	0.330	0.345	0.345	0.345
Town of Weaverville	0.375	0.375	0.420	0.420	0.440	0.440	0.380	0.380	0.380	0.380
Town of Black Mountain	0.365	0.365	0.375	0.375	0.375	0.375	0.333	0.333	0.333	0.333
Town of Montreat	0.370	0.410	0.410	0.410	0.410	0.410	0.410	0.410	0.430	0.430
Town of Woodfin	0.265	0.265	0.305	0.305	0.305	0.305	0.280	0.280	0.330	0.330
Asheville School District	0.150	0.150	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120

**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 and 2016 (fiscal year 2014 and 2017).
- (3) Average rate of the various Fire Districts.

# BUNCOMBE COUNTY, NORTH CAROLINA

## Principal Property Taxpayers

Table 7

DECEMBER 31, 2021

	December 31, 2021				December 31, 2012			
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	
Mission Hospital LLP	\$ 1,585,341,761	1	4.10%					
Duke Energy Progress Inc	785,659,479	2	2.03%		\$ 312,436,499	1	1.07%	
Ingles Markets Inc	332,767,790	3	0.86%		186,335,380	2	0.64%	
Biltmore Company	153,196,700	4	0.40%		98,565,897	6	0.34%	
New Belgium Brewing Company Inc	128,014,277	5	0.33%					
GPI Resort Holdings LLC	121,525,900	6	0.31%		132,883,000	5	0.45%	
Linamar North Carolina Inc	110,032,070	7	0.28%					
Asheville Mall CMBS LLC	95,656,800	8	0.25%		78,903,180	8	0.27%	
Town Square West LLC	90,496,065	9	0.23%		118,975,440	4	0.41%	
Southeastern Container Inc	80,217,917	10	0.21%		68,032,030	10	0.23%	
The Cliffs at Walnut Cove LLC					121,285,400	3	0.41%	
Arvato Digital Services (Sonopress)					72,690,410	7	0.25%	
Bellsouth Tel Co - AT&T North Carolina					73,165,166	9	0.25%	
Totals	\$ 3,482,908,759		9.01%		\$ 1,263,272,402		4.31%	

SOURCE: Buncombe County Tax Department

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

**Table 8**

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

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2012	154,046	152,262	98.84%	24	152,286	98.86%
2013	156,148	154,652	99.04%	6	154,658	99.05%
2014	167,069	166,098	99.42%	106	166,204	99.48%
2015	174,422	173,958	99.73%	8	173,966	99.74%
2016	178,618	178,338	99.84%	29	178,367	99.86%
2017	183,816	183,615	99.89%	146	183,761	99.97%
2018	195,601	195,331	99.86%	-	195,331	99.86%
2019	198,724	198,505	99.89%	-	198,505	99.89%
2020	208,210	206,937	99.39%	-	206,937	99.39%
2021	218,891	218,114	99.65%	-	218,114	99.65%

SOURCE: Buncombe County Tax Department

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

# BUNCOMBE COUNTY, NORTH CAROLINA

## Ratios of Outstanding Debt by Type

Table 9

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

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Installment Notes	Project Development Financing Bonds	Total Governmental Activities	Special Obligation Bonds	Installment Notes	Business-Type Activities	Total			
2012	51,256	173,771	12,960	237,987	4,218	-	-	4,218	242,205	2.73%	1,003
2013	44,717	238,710	12,960	296,387	2,867	3,714	-	6,581	302,968	3.26%	1,217
2014	38,344	427,831	-	466,175	1,462	3,372	-	4,834	471,009	4.93%	1,869
2015	30,124	527,434	-	557,558	-	3,030	-	3,030	509,141	4.91%	2,011
2016	27,248	493,279	-	520,527	-	2,688	-	2,688	523,215	4.73%	2,043
2017	24,373	461,451	-	485,824	-	2,348	-	2,348	488,172	N/A	1,885
2018	21,498	493,053	-	514,551	-	2,007	-	2,007	516,558	N/A	1,981
2019	18,623	456,783	-	475,406	-	1,741	-	1,741	477,147	N/A	1,817
2020	15,750	418,502	-	434,252	-	1,320	-	1,320	435,572	N/A	1,647
2021	12,877	393,144	-	406,021	-	1,001	-	1,001	407,022	N/A	1,534

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

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



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

**Table 10**

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2012	51,256	0.17%	212
2013	44,717	0.15%	185
2014	38,344	0.14%	154
2015	30,124	0.10%	119
2016	27,248	0.09%	106
2017	24,373	0.08%	94
2018	21,498	0.06%	82
2019	18,623	0.05%	71
2020	15,750	0.04%	60
2021	12,877	0.03%	49

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

Table 11

## Direct and Overlapping Governmental Activities Debt

AS OF JUNE 30, 2021

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	\$ 28,365,347	100%	\$ 28,365,347
Town of Weaverville	1,660,000	100%	1,660,000
Installment Debt			
City of Asheville	73,067,973	100%	73,067,973
Town of Biltmore Forest	176,909	100%	176,909
Town of Black Mountain	2,325,000	100%	2,325,000
Town of Weaverville	202,100	100%	202,100
Town of Woodfin	205,444	100%	205,444
Subtotal, overlapping debt			<u>106,002,773</u>
County direct debt		100%	<u>406,021,340</u>
Total direct and overlapping debt			<u>\$ 512,024,113</u>

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

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

# BUNCOMBE COUNTY, NORTH CAROLINA

Table 12

## Legal Debt Margin

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 2,345,199	\$ 2,374,398	\$ 2,210,098	\$ 2,154,040	\$ 2,363,561	\$ 2,433,364	\$ 2,901,169	\$ 3,002,249	\$ 3,147,071	\$ 3,305,175
Total net debt applicable to limit	219,141	257,377	402,098	454,994	431,485	406,791	432,220	400,014	399,315	375,675
Legal debt margin	\$ 2,126,058	\$ 2,117,021	\$ 1,808,000	\$ 1,699,046	\$ 1,932,076	\$ 2,026,573	\$ 2,468,949	\$ 2,602,235	\$ 2,747,756	\$ 2,929,500
Total net debt applicable to the limit as a percentage of debt limit	9.34%	10.84%	18.19%	21.12%	18.26%	16.72%	14.90%	13.32%	12.69%	11.37%
Assessed value of taxable property	\$ 41,314,697									
Debt Limit - Three Percent (3%) of assessed value**	\$ 1,239,441									
Gross Debt:										
Total Bonded Debt	12,877									
Installment Purchase Agreements	361,804									
Gross Debt	374,681									
Total amount of debt applicable to debt limit (net debt)	\$ 374,681									
Legal debt margin	\$ 864,760									

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

\*\* Local policy places the following additional restrictions and guidance on the use of debt financing and debt structuring beyond the terms of the General Statutes

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

**Table 13**

**LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	244,490	9,308,930	38,075	40.4	29,238	7.6%
2013	247,912	9,378,025	37,828	41.2	30,535	6.4%
2014	250,539	10,122,897	40,404	41.3	31,003	4.8%
2015	253,178	10,876,194	42,959	41.3	30,232	4.7%
2016	256,088	11,324,635	44,222	42.6	32,008	4.0%
2017	258,947	11,867,353	46,143	42.8	31,966	3.4%
2018	260,797	12,590,381	48,592	42.5	31,828	3.2%
2019	262,659	13,313,254	50,804	42.0	30,747	3.3%
2020	264,408	14,065,449	53,309	42.7	30,441	11.3%
2021	265,351	N/A	N/A	43.0	28,753	4.5%

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

Table 14

## Principal Employers

### CURRENT YEAR AND TEN YEARS AGO

MANUFACTURING	2021			2012		
	Employer	Employees	Rank	Approximate Percentage of Total County Employment		Percentage of Total County Employment
Eaton Corporation	500-999	1	0.37%-0.74%	750	1	0.59%
Thermo Fisher Scientific, Inc.	500-999	2	0.37%-0.74%	550	4	0.43%
Wilsonart LLC	500-999	3	0.37%-0.74%			
Borgwarner Turbo & Emissions Systems	500-999	4	0.37%-0.74%	600	3	0.47%
Kearfott Guidance & Navigation Corp.	400-499	5	0.29%-0.37%	420	5	0.33%
Plasticard-Locktech International	300-399	6	0.22%-0.29%			
Flint Group (Day International)	300-399	7	0.22%-0.29%	325	6	0.25%
GE Aviation	300-399	8	0.22%-0.29%			
Jabil (formerly Nypco Asheville)	300-399	9	0.22%-0.29%	310	8	0.24%
Owens & Minor	300-399	10	0.22%-0.29%			
Arvato Digital Services				650	2	0.51%
Unison Engine Components				325	7	0.25%
Milkco, Inc.				300	9	0.24%
Biltmore Estate Winery				235	10	0.18%
Total	4,600-9,100		3.38%-6.70%			

Continued on Next Page

NON-MANUFACTURING

	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	3,000+	1	2.21%	6,994	1	5.49%
Buncombe County Public Schools	3,000+	2	2.21%	4,000	2	3.14%
Ingles Markets, Inc.	1,000-2,999	3	0.74%-2.21%	1,137	6	0.89%
VA Medical Center - Asheville	1,000-2,999	4	0.74%-2.21%	1,593	4	1.25%
Buncombe County Government	1,000-2,999	5	0.74%-2.21%	1,380	5	1.08%
City of Asheville Government	1,000-2,999	6	0.74%-2.21%	1,000	9	0.78%
The Biltmore Company	1,000-2,999	7	0.74%-2.21%	1,770	3	1.39%
Walmart	1,000-2,999	8	0.74%-2.21%			
Asheville-Buncombe Technical Community College	500-999	9	0.37%-0.74%	1,019	8	0.80%
University of North Carolina at Asheville	500-999	10	0.37%-0.74%			
Omni Grove Park Inn				1,100	7	0.86%
CarePartners				950	10	0.75%
Total	13,000-26,000		9.57%-19.13%	20,943		16.43%

\* Labor Force Estimate for 2021 per NCESC:  
Labor Force Estimate for 2012 per NCESC:

135,894  
127,501

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

# BUNCOMBE COUNTY, NORTH CAROLINA

Table 15

## Summary of Permanent Positions by Service Area

### TEN FISCAL YEARS

General Fund Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	156	161	165	172	170	169	168	238	247	251
Public Safety	543	550	580	592	597	603	620	562	584	618
Human Services	552	555	565	586	609	584	589	569	570	572
Economic & Physical Development	25	23	23	22	23	23	24	42	43	44
Cultural and Recreational	84	81	81	70	61	63	64	65	65	80
Total	1,360	1,370	1,414	1,442	1,460	1,442	1,465	1,476	1,509	1,565
General Fund	1,360	1,370	1,414	1,442	1,460	1,442	1,465	1,476	1,509	1,565
Special Revenue Funds	-	-	-	9	2	1	1	1	1	17
Enterprise Funds	32	31	31	25	23	26	26	31	31	36
Internal Service Fund	2	5	5	5	2	7	6	7	6	5
Total	1,394	1,406	1,450	1,481	1,487	1,476	1,498	1,515	1,547	1,623

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

SOURCE: Buncombe County Budget Office.

# BUNCOMBE COUNTY, NORTH CAROLINA

Table 16

## Operating Indicators by Function

### LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GENERAL GOVERNMENT</b>										
Number of Employment Applications Processed	7,046	6,259	6,980	7,611	3,660	7,296	7,863	6,789	8,431	7,954
Percentage of Registered Voters Participating in General Election	69.0%	19.0%	49.0%	17.0%	71.0%	N/A	23.3%	61.0%	N/A	78.3%
<b>PUBLIC SAFETY</b>										
Number of Inmates Processed	15,074	14,492	13,870	12,973	13,349	12,962	12,550	12,009	10,821	7,746
Number of Building Permits Issued	1,482*	1,757	2,057	2,354	2,332	2,419	2,451	3,027	3,021	3,458
Number of Emergency Calls Dispatched*	62,884	65,127	66,223	68,537	70,150	71,837	165,481	187,317	174,904	176,319
<b>HUMAN SERVICES</b>										
Percentage of Children Reunited with Family after Foster Care	21%	28%	20%	34%	33%	24%	22%	29%	21%	28%
<b>ECONOMIC AND PHYSICAL DEVELOPMENT</b>										
Number of Subdivision Plan Reviews	483	494	518	624	681	785	954	775	927	984
<b>CULTURE AND RECREATION</b>										
Library Book Circulation	1,654,975	1,592,279	1,608,748	1,602,994	1,757,157	1,667,802	1,716,038	1,659,826	1,460,254	1,372,279
Number of Visitors to Swimming Pools**	73,877	59,194	56,063	47,381	35,421	36,505	38,524	29,743	10,737	21,590
<b>EDUCATION</b>										
Dollars Spent Per Pupil**	\$ 2,266	\$ 2,267	\$ 2,243	\$ 2,420	\$ 2,384	\$ 2,169	\$ 2,332	\$ 2,517	\$ 2,650	\$ 2,867
<b>ENTERPRISE FUND - SOLID WASTE</b>										
Tons of Waste Received	131,666	128,408	133,795	131,222	139,443	152,302	183,455	184,037	216,811	224,457
Tons of Waste Recycled	18,687	13,716	14,317	12,826	12,591	14,092	14,300	16,589	17,964	18,503

SOURCE: Various Buncombe County Government Departments.

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

\*\*General fund dollars spent per pupil



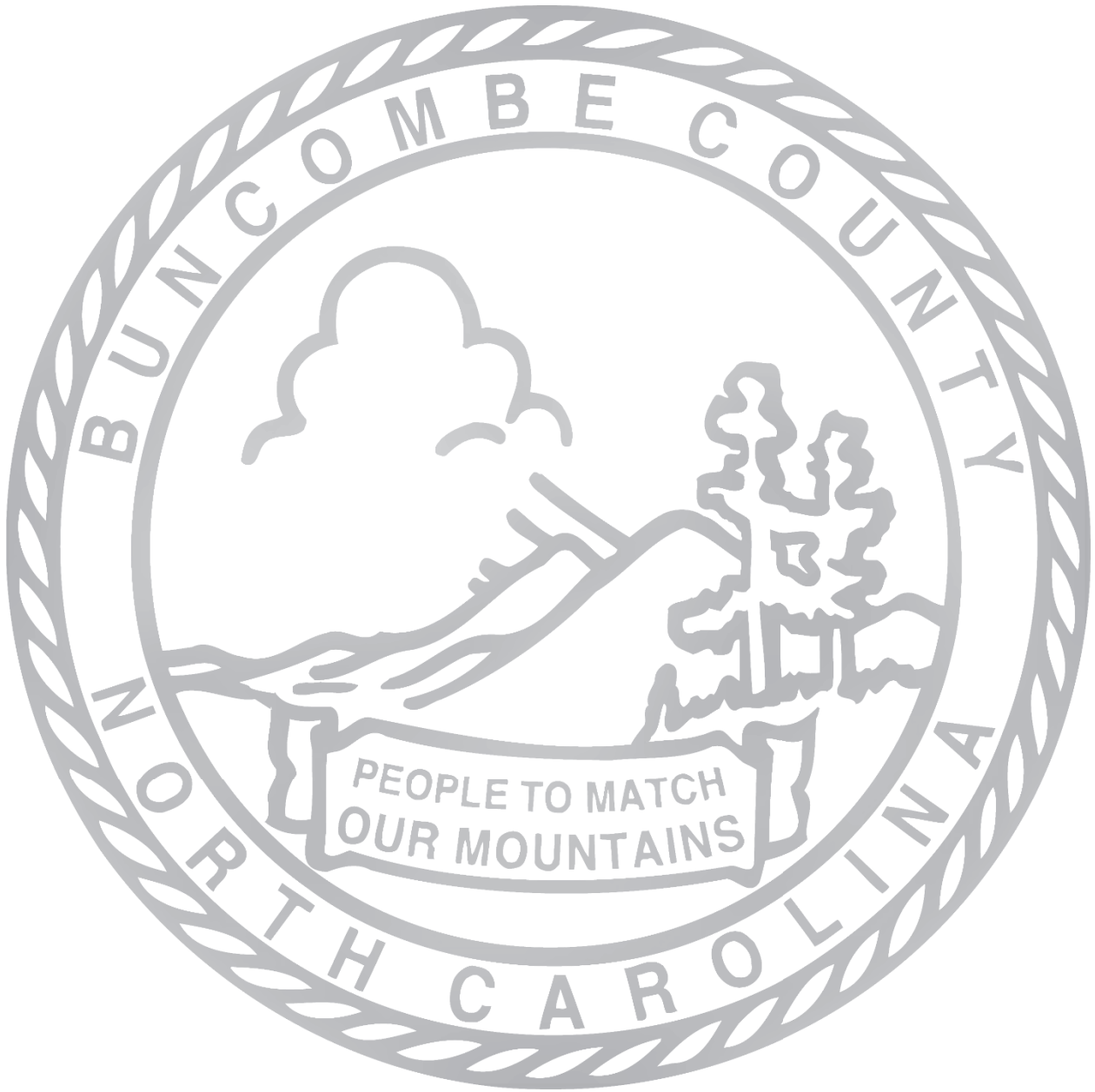
BUNCOMBE COUNTY, NORTH CAROLINA  
*Capital Asset Statistics by Function*

Table 17

LAST TEN FISCAL YEARS

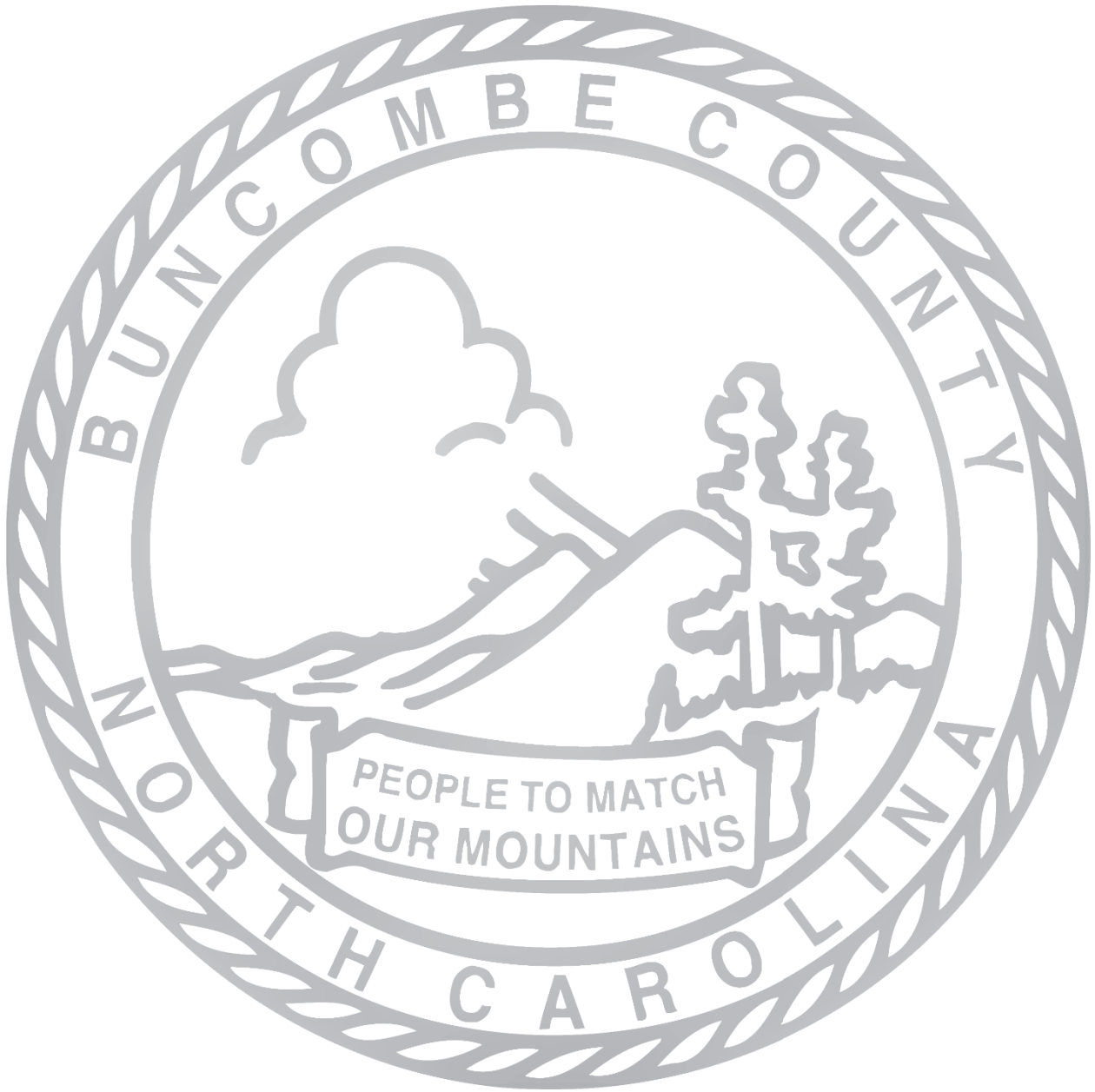
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Sheriff's Office										
Stations	2	2	2	3	4	4	4	4	4	4
Patrol Vehicles	77	77	80	81	81	81	86	87	87	87
CULTURAL AND RECREATIONAL										
Parks acreage	674	677	646	646	646	646	646	646	646	646
Parks	18	14	14	15	15	15	15	15	15	16
Swimming pools	6	6	6	5	5	5	5	5	5	5
Ballfields and courts	37	30	30	31	31	31	31	31	31	32
Libraries	12	12	13	13	13	13	13	13	13	13

SOURCE: Various County Departments



# Compliance Section







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

Board of County Commissioners  
Buncombe County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 21, 2022.

**Internal Control Over Financial Reporting**

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

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

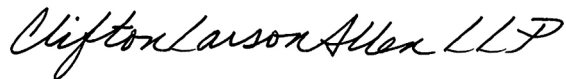
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 21, 2022



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Commissioners  
Buncombe County, North Carolina

### **Report on Compliance for 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, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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

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 of its major federal programs for the year ended June 30, 2021.


## **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 21, 2022





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE AND THE  
STATE SINGLE AUDIT IMPLEMENTATION ACT**

Board of Commissioners  
Buncombe County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Buncombe County, North Carolina's (the County) compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, which could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2021. The County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

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 of its major state programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

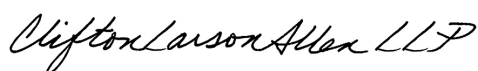
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
February 21, 2022

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
  - Material weakness(es) identified? \_\_\_\_\_ yes            x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes            x       none noted
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes            x       no

**Federal Awards**

1. Internal control over major federal programs:
  - Material weakness(es) identified? \_\_\_\_\_ yes            x       no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes            x       none noted
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes            x       no

**Identification of Major Federal Programs**

CFDA Number(s)	Name of Federal Program or Cluster
10.561	SNAP Cluster
21.019	Coronavirus Relief Fund
21.023	Emergency Rental Assistance
93.558	Temporary Assistance for Needy Families
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$       \$1,481,690      

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes            x       no

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**State Awards**

1. Internal control over state programs:

- Material weakness(es) identified?      \_\_\_\_\_ yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?      \_\_\_\_\_ yes        x   none noted

2. Type of auditors' report issued on compliance for state programs:

Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements?

\_\_\_\_\_ yes        x   no

**Identification of Major State Programs**

**Program Number(s)**

DHHS-28  
GOV-5  
  
93.778

**Program Name**

State Foster Care Benefits  
Juvenile Crime Prevention Council Programs  
(including Methodist Home for Children – JCPC)  
Medicaid Cluster

In addition, state match on federal programs included in the list of major federal programs above for the Medicaid Cluster.

Dollar threshold used to distinguish between  
Type A and Type B state programs:

\$   500,000

**BUNCOMBE COUNTY, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

---

***Section II – Financial Statement Findings***

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There were no financial statement findings for the fiscal year ended June 30, 2021.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

---

There were no federal program findings for the fiscal year ended June 30, 2021.

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***Section IV – Findings and Questioned Costs – Major State Programs***

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There were no state program findings for the fiscal year ended June 30, 2021.

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL No./ CFDA No.	State/Pass-Through Grantor's Number	Food 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:					
Food and Nutrition Services Cluster:					
Supplemental Nutrition Assistance Program - Admin	10.561	215NC406S2514	\$ 4,301,570	\$ -	-
Supplemental Nutrition Assistance Program - Fraud Admin	10.561	215NC406S2514	174,184	-	-
Supplemental Nutrition Assistance Program - Education & Training & Dependent Care	10.561	215NC406S2514	68,666	-	68,666
Total Food and Nutrition Services Cluster			4,544,420	-	68,666
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health					
Special Supplemental Food Program for Women, Infants, and Children Administration			853,403	-	-
Breastfeeding Peer Counseling Program			49,307	-	-
Total: Special Supplemental Food Program for Women, Infants, and Children			902,710	-	-
Passed through the Office of State Budget and Management:					
Forest Service Schools and Roads Cluster:					
Schools and Roads - Grants to States and Counties	10.665	N/A	19,661	-	-
Total Forest Service Schools and Roads Cluster			19,661	-	-
Natural Resources Conservation Service					
Emergency Watershed Protection Program	10.923	NR204532XXXXC032	8,935	-	-
Total U.S. Department of Agriculture			5,475,726	-	68,666
<b>U.S. Department of Justice</b>					
Family Justice Center Arrest Grant	16.590	2015-WI-AX-0015	154,092	-	-
Adult Drug Court	16.585	2018-MU-BX-0025	134,781	-	-
Comprehensive Opioid Abuse Site-Based Program (COAP) - Safer Together	16.838	2019-AR-BX-K071	218,636	-	-
Equitable Sharing Program	16.922	NC0110000	219,654	-	-
Public Safety Partnership and Community Policing Grants (COPS)	16.710	2020ULWX0035	93,844	-	-
Passed-Through N.C. Department of Public Safety:					
Family Justice Center GCC	16.575	PROJ013509	527,032	-	-
Crime Victim Assistance - Sobriety Treatment and Recovery Teams (START) Expansion	16.575	PROJ013535	541,170	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0052	24,500	-	-
Passed-through City of Asheville:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0500	14,135	-	-
Total U.S. Department of Justice			1,927,843	-	-
<b>U.S. Dept. of Transportation</b>					
<b>Federal Transit Administration</b>					
Passed-through N.C. Department of Transportation:					
Public Transportation for Nonurbanized Areas:					
Administration	20.509	3623313151	309,460	19,341	-
COVID-19 Administration (Operating)	20.509	492331112	674,791	-	-
Capital	20.509	51081123	55,059	6,882	-
COVID-19 DHHS Cares (Operating)	21.019	N/A	50,681	-	-
Total Public Transportation for Nonurbanized Areas			1,089,991	26,223	-
Passed-through N.C. Department of Transportation:					
Transit Services Programs Cluster:					
Passed-through City of Asheville:					
5310 SEDTAP	20.513	NC-2020-057-00	73,036	-	-
5310 RIDER	20.513	NC-2019-017-00	20,577	-	-
Total Transit Services Programs Cluster			93,613	-	-
Total Federal Transit Administration			1,183,604	26,223	-

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL No./ CFDA No.	State/Pass-Through Grantor's Number	Fed/Direct & Pass-through Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Highway Safety Cluster:</b>					
State and Community Highway Safety - DWI Court 2020	20.616	AL-2020-02-09	\$ 13,850	\$ -	\$ -
State and Community Highway Safety - DWI Court 2021	20.616	MSCS-2021-15-02	50,034	-	-
State and Community Highway Safety - DWI Taskforce 2021	20.616	AL-2021-02-11	298,226	-	-
Total Highway Safety Cluster			362,110	-	-
<b>Highway Planning &amp; Construction Cluster:</b>					
Passed-through N.C. Department of Transportation:					
Highway Planning & Construction - Enka Recreation Destination/Hominy Creek Greenway	20.205	EB-5824	12,205	-	-
Total Highway Planning & Construction Cluster			12,205	-	-
<b>Total U.S. Department of Transportation</b>			<b>1,557,919</b>	<b>26,223</b>	<b>-</b>
<b>U.S. Department of Treasury</b>					
COVID-19 Emergency Rental Assistance Program	21.023	N/A	2,796,539	-	-
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,441	-	-
COVID-19 Infection Prevention Support	21.019	1175-4026-HN	304,908	-	-
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office					
COVID-19 Coronavirus Relief Fund	21.019	N/A	5,821,394	-	2,128,284
<b>Total U.S. Department of Treasury</b>			<b>8,926,282</b>	<b>-</b>	<b>2,128,284</b>
<b>U.S. Department of Environmental Protection Agency</b>					
Air Pollution Control Program Support	66.001	406820	205,536	-	-
Ambient Air Monitoring Network	66.034	PM01D04620	60,000	-	-
<b>Total U.S. Environmental Protection Agency</b>			<b>265,536</b>	<b>-</b>	<b>-</b>
<b>Election Assistance Commission</b>					
Passed-through NC State Board of Elections					
HAVA Elections Security Grants 2020	90.404	NC20101001-11	197,996	-	-
COVID-19 2020 Supplemental Election Security Grants	90.404	03-25-11	304,829	-	-
<b>Total Election Assistance Commission</b>			<b>502,825</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Homeland Security</b>					
Passed-through N.C. Department of Public Safety:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	27,515	9,172	-
COVID-19 NCEM State-Centric Non-Congregate Sheltering	97.036	N/A	447,958	-	-
Emergency Management Performance Grants	97.042	EMA-2020-EP-00009	81,253	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>556,726</b>	<b>9,172</b>	<b>-</b>
<b>U.S. Department of Health and Human Services</b>					
<b>Administration for Children and Families</b>					
Division of Aging and Adult Services:					
SSBG - In-Home Services	93.667	2101NCOSR	32,391	-	32,391
SSBG - Adult Day Care	93.667	2101NCOSR	23,437	26,151	49,588
Adult Home Specialist Fund	93.778	XIX-MAP21	323,682	70,033	-
Total Division of Aging			379,510	96,184	81,980
Division of Public Health:					
Family Planning - TANF	93.558	13A1-5151-T2	27,155	-	-
Total Division of Public Health:			27,155	-	-

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal A/L No./CFDA No.	State/Pass-Through Grantor's Number	Fed Direct & Pass-through Expenditures	State Expenditures	Passed-through to Subrecipients
Division of Social Services:					
TANF Cluster:					
Work First/Temporary Assistance for Needy Families (TANF)	93.558	2101NCTANF	\$ 2,421,213	\$ -	\$ -
Total for TANF Cluster			2,421,213	-	-
Foster Care and Adoption Cluster <sup>2</sup> :					
Title IV-E Foster Care- Administration	93.658	2101NCGFST	2,830,912	-	-
Foster Care- Direct Benefits Payments	93.658	2101NCGFST	1,629,786	413,187	-
Foster Care IV-E-CPS	93.658	2101NCGFST	1,025,204	209,191	-
Adoption Assistance	93.659	2101NCADPT	293,795	-	-
Total for Foster Care and Adoption Cluster:			5,779,698	622,378	-
N.C. Child Support Enforcement Section					
Refugee Assistance - Administration	93.563	2101NCCES	1,065,174	1,156	1,066,331
Crisis Intervention Program	93.568	2101NCRMA	3,511	-	-
COVID-19 LIEAP	93.658	2101NCLIEA	917,933	-	917,933
Energy Assistance Payments - Direct Benefit Payments	93.568	2101NCLIEA	485,577	-	-
Stephanie Tubbs Jones Child Welfare Services Program:	93.568	2101NCLIEA	939,301	-	939,301
- Permanency Planning Grant - Families for Kids	93.568	2101NCLIEA	70,908	-	70,908
SSBG - Other Services	93.645	2101NCCWSS	72,120	-	-
CPS TANF Transferred to SSBG	93.667	2101NCCOSR	785,796	2,734	-
Independent Living Grant - LINKS	93.674	2101NCCOSR	258,280	-	-
Independent Living Grant - LINKS	93.674	2101NCCILP	41,798	10,450	52,248
Family Reunification	93.556	2101NCCILP	125,888	1,000	-
		2101NCFPSS	106,873	-	-
Total Division of Social Services			4,873,158	15,340	3,046,719
Division of Child Development:					
Subsidized Child Care <sup>3</sup>			13,480,734	637,717	3,046,719
Child Care Development Cluster:					
Division of Social Services:					
Childcare Development Fund - Administration	93.596	2101NCCDF	322,825	-	322,825
Total Administration for Children and Families			13,803,559	733,901	3,451,525
Centers for Medicare and Medicaid Services					
Passed-through N. C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medicaid Cluster:					
Medical Assistance Program - Administration	93.778	XIX-MAP21	13,147,884	-	-
Total Medicaid Cluster			13,147,884	-	-
State Children's Insurance Program - N.C. Health Choice	93.767	CHIP21	483,892	(3,737)	-
Total N.C. Health Choice			483,892	(3,737)	-
Total Centers for Medicare and Medicaid Services			13,631,776	(3,737)	-
Centers for Disease Control and Prevention					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
HIV Funds - CAPUS Safe Spaces	93.940	1311-4300-HV/1311-981C-HV	28,000	-	-
Tuberculosis Control Program	93.116	1460-2720-NF/1460-272A-NF/1460-272B-NF	50	-	-
Public Health Emergency Preparedness	93.074	1264-2680-EQ	75,000	-	19,500
COVID-19 Crisis Response	93.354	1264-2680-CP	149,558	-	-
Wiseoman Project	93.436	1313-372B-AL/1313-372-AL	163,810	-	-
COVID-19 CDC Vaccination Program	93.268	1331-639B-40/1331-639B-P7	137,123	-	-
Immunization Action Plan	93.268	1331-628B-E2/1331-631B-EJ/1331-631C-EJ	83,978	-	-
Refugee Health Assessments	93.566	1370-810B-68	2,166	-	-
Breast and Cervical Cancer Control Programs	93.598	1320-310D-D7	189,350	-	-
Gonorrhea Partner Services	93.977	1311-462B-NB/1311-4631-NB	100	-	-
Total Centers for Disease Control			829,135	-	19,500



**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
 FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-Through Grantor/Program Title	Federal AL No./ CFDA No.	State/Pass-Through Grantor's Number	Fed Direct & Pass-through Expenditures	State Expenditures	Passed-through to Subrecipients
<b>Health Resources and Services Administration</b>					
Passed-through N. C. Department of Health and Human Services:					
Division of Public Health:					
Preventative Health and Health Services Block Grant	93.991	1261-5503-PH	\$ 30,607	\$ -	\$ 12,905
Nurse Family Partnership - Healthy Families America	93.505	1271-123D-DB/1271-123D-DC	136,289	-	-
Nurse Family Partnership	93.994	1271-5020-AP/13A1-5830-AR	451,566	-	-
Maternal and Child Health Services Block Grant	93.994	13A1-5735-AP/1271-5318-AR/1271-5745-AR	253,463	-	124,627
COVID-19 CARES Activities	93.223	1175-870A-WT	85,862	-	-
COVID-19 ELC Enhancing Detection Activities	93.223	1175-878A-HH/1175-883A-PS	660,406	-	-
<b>Total Health Resources and Services Administration</b>			<b>1,618,192</b>	<b>-</b>	<b>137,532</b>
<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	1175-852A-DH/1175-852B-DH	104,397	-	61,543
<b>Office of the Population Affairs</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/13A1-592C-FP/13A1592D-FP	108,158	-	-
<b>Total Office of Population Affairs</b>			<b>108,158</b>	<b>-</b>	<b>-</b>
<b>Total U. S. Department of Health and Human Services</b>			<b>30,095,217</b>	<b>730,164</b>	<b>3,670,098</b>
<b>Institute of Museum and Library Services</b>					
Passed-through State Library of North Carolina:					
COVID-19 Grants to States - LSTA	45.310	NC-19-65	5,446	-	-
COVID-19 Grants to States - SLNC CARES Grant	45.310	LS-00-19-0034-19/LS-246551-OLS-20	76,155	-	-
<b>Total Institute of Museum and Library Services</b>			<b>81,601</b>	<b>-</b>	<b>-</b>
<b>Total Federal Awards</b>			<b>49,389,676</b>	<b>765,559</b>	<b>5,867,048</b>
<b>State Awards:</b>					
<b>N.C. Department of Administration</b>					
DMVA Community County Grants		N/A	-	2,084	-
<b>Total N. C. Department of Administration</b>			<b>-</b>	<b>2,084</b>	<b>-</b>
<b>N.C. Department of Agriculture and Consumer Services</b>					
Technical Assistance-Soil/Water		N/A	-	27,043	-
<b>Total N. C. Department of Agriculture</b>			<b>-</b>	<b>27,043</b>	<b>-</b>
<b>N.C. Department of Cultural and Natural Resources</b>					
Division of State Libraries					
Aid to Public Libraries		N/A	-	225,223	-
<b>Total N. C. Department of Cultural Resources</b>			<b>-</b>	<b>225,223</b>	<b>-</b>
<b>N.C. Department of Environmental Quality</b>					
Technical Assistance-Soil/Water		N/A	-	3,600	-
NC Electronics Management Fund		N/A	-	3,718	-
<b>Total N. C. Department of Environment and Natural Resources</b>			<b>-</b>	<b>7,318</b>	<b>-</b>

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL No./ CFDA No.	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	-
Beast and Cervical Cancer Program		1320-5599-00	-	98,150	-
Tuberculosis		1460-4551-00/1460-4554-00	-	32,935	-
Integrated Targeted Testing Services (ITTS)		1311-4601-BN/1311-4601-RQ	-	4,917	-
Minority Diabetes Prevention Program		1262-4179-00	-	229,392	220,815
Women's Health Service Fund		13A1-6021-FR	-	13,086	-
Healthy Communities		1261-5503-00	-	3,747	1,580
Women and Child Health- Family Planning		13A1-5735-00	-	71,602	-
Child Health		1271-5745-00	-	23,670	23,670
School Nurse Funding Initiative		1332-5338-00	-	150,000	150,000
CLAS Standards Advancing Health Equity		1262-4181-00	-	25,000	-
Total Division of Public Health			-	874,124	396,065
Division of Social Services:					
State Foster Care Benefits Program		N/A	-	714,332	-
Energy Assistance- Private Grants		N/A	-	54,425	54,425
State Child Welfare CPS		N/A	-	244,355	-
COVID-19 APS/CPS CARE		N/A	-	25,252	-
Total Division of Social Services			-	1,038,365	54,425
<b>Total N.C. Department of Health and Human Services</b>			-	<b>1,912,489</b>	<b>450,490</b>
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund - Lottery Proceeds		N/A	-	924,887	924,887
<b>Total N.C. Department of Public Instruction</b>			-	<b>924,887</b>	<b>924,887</b>
Service Weapon Replacement Program					
<b>N.C. Department of Public Safety</b>					
Division of Emergency Management					
Western Flood Assistance		N/A	-	5,643	-
Division of Juvenile Justice Delinquency Prevention:					
Juvenile Crime Prevention Council Programs		N/A	-	676,828	667,924
Methodist Home For Children - JCPC		N/A	-	957,294	957,294
<b>Total N.C. Department of Crime Control and Public Safety</b>			-	<b>1,639,765</b>	<b>1,625,218</b>
<b>Total State Awards</b>			-	<b>4,738,809</b>	<b>3,000,596</b>
<b>Total Federal and State Awards</b>			\$ 49,389,676	\$ 5,504,368	\$ 8,867,644

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, 2021. 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. The County has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

**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

**BUNCOMBE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-Through Grantor/Program Title	Federal AL No./ CFDA No.	State/Pass-Through Grantor's Number	Fed Direct & Pass-through Expenditures	State Expenditures	Passed-through to Subrecipients
Total SNAP Cluster	10.561		\$ 4,544,420		
Total Forest Service Schools and Roads Cluster	10.665		19,661		
Total Highway Safety Cluster	20.616		362,110		
Total Transit Services Program Cluster	20.513		93,613		
Total Highway Planning and Construction Cluster	20.205		12,205		
Total Medicaid Cluster	93.778		13,471,566		
Total 477 Cluster	93.558		2,448,368		
Total CCDF Cluster	93.596		322,825		
	93.505		136,289		
	93.898		189,350		
	93.940		28,000		
	93.977		100		
	93.994		705,029		
	97.036		475,473		
	10.557		902,710		
	10.923		8,935		
	16.575		1,068,202		
	16.585		134,781		
	16.590		154,092		
	16.710		93,844		
	16.738		38,635		
	16.838		218,636		
	16.922		219,654		
	20.509		1,039,310		
	21.016		-		
	21.019		6,176,983		
	21.023		2,796,539		
	21.027		3,441		
	45.310		81,601		
	66.001		205,536		
	66.034		60,000		
	90.404		502,825		
	93.074		75,000		
	93.116		50		
	93.136		104,397		
	93.217		108,158		
	93.268		221,101		
	93.323		746,268		
	93.354		149,558		
	93.436		163,810		
	93.556		106,873		
	93.563		1,065,174		
	93.566		5,677		
	93.568		1,928,141		
	93.645		72,120		
	93.658		5,971,479		
	93.659		293,795		
	93.667		1,099,904		
	93.674		167,686		
	93.767		483,892		
	93.991		30,607		
	97.042		81,253		
Total Federal Awards			\$ 49,389,676		



**Buncombe County**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2021**

Buncombe County respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2021.

Audit period: July 1, 2020 through June 30, 2021

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDING— STATE AWARD PROGRAM AUDITS**

**2020-001 – Public School Building Capital Fund – GOV-1**

**Condition:** The County does not have a proper process in place to verify that all Final Construction Reports are submitted within 60 days of completion.

**Status:** This finding has been cleared in fiscal year 2021.

