

**POPULAR ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ending June 30, 2009

**BUNCOMBE  
COUNTY**

**NORTH CAROLINA**

— GOVERNMENT —

# Introduction from County Manager

Dear Buncombe County Residents,

It is a pleasure to present Buncombe County's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2009. The PAFR is a brief analysis of where the revenues come from to operate the County and where those same dollars are spent. It is our goal to provide a means of communicating the financial operations of the County in an easy to understand financial report.

Buncombe County is in the people business, and we understand that everything we do as stewards of your tax dollars affects every resident of the County. We realize the importance of the partnership between County Government and the community. We provide services that touch the lives of our citizens every day, and we provide those services at a point in the lives of our citizens when they are often at a point of great need.

We realize the importance of a strong relationship between County Government and the community, and we are moving forward in pursuit of our goal to improve the quality of life for all residents of Buncombe County while running a streamlined organization.



In this annual report, you will find more information about your County and what it does for you as well as details about accomplishments, innovative programs, and plans for the future. I hope you find it interesting and useful and we welcome you to read more and learn about Buncombe County Government.

A handwritten signature in black ink that reads "Wanda Greene". The signature is written in a cursive, flowing style.

Wanda Greene  
PhD, CPA

County Manager



# Fiscal Year 2009 Highlights

Buncombe County is part of the Asheville metropolitan area including Buncombe, Haywood, Henderson, and Madison counties. The area continues to suffer economically like the rest of the nation; however, due to diversification into various industries, comparatively, the impact has been modest. Key economic factors through the second quarter of 2009 compared to the same time period in 2008 indicate the following:

- The population of the area continues to grow, which has been the trend for the past four decades. Since 2000, the population has grown 10.3 percent.
- The unemployment rate increased to 9.0 percent from 5.2 percent. While high, it is lower than the state and the nation, which are 11.1 and 9.7 percent, respectively.
- The total number of residential homes sold is down 8.2 percent in the Asheville MLS area with the average price of a home sold down 7.7 percent from \$275,551 to \$254,203. New residential building permits have decreased 55 percent.

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

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

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Buncombe County for its Popular Annual Financial Report for the fiscal year ended June 30, 2008. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards for creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

## Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**Buncombe County  
North Carolina**

for the Fiscal Year Ended

**June 30, 2008**



  
President  
*Jeffrey L. Esser*  
Executive Director

# Buncombe County Board of Commissioners

## Fiscal Year 2009

Buncombe County is governed by a five-member board of commissioners, elected at-large in partisan countywide elections. Commissioners serve four-year terms. The Board oversees all the departments in the County through a County Manager form of government. The Board sets policy that is carried out by the County Manager.

The Commissioners enact policies such as establishment of the property tax rate, regulation of erosion control, noise and subdivisions outside municipal jurisdiction, and adoption of the annual budget.

Commissioners meet on the first and third Tuesday of each month at 30 Valley Street in downtown Asheville. Meeting agendas are available online at [buncombecounty.org](http://buncombecounty.org).

### **DAVID GANTT**

#### *CHAIRMAN*

The Law Offices of David Gantt  
82 Church Street  
Asheville, NC 28801  
828-252-2852  
[commissioner@davidgantt.com](mailto:commissioner@davidgantt.com)

### **BILL STANLEY**

#### *VICE CHAIRMAN*

Commissioners Office  
205 College Street  
Asheville, NC 28801  
828-250-4007  
[bill.stanley@buncombecounty.org](mailto:bill.stanley@buncombecounty.org)

### **CAROL PETERSON**

#### *COMMISSIONER*

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205 College Street  
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[carol.peterson@buncombecounty.org](mailto:carol.peterson@buncombecounty.org)

### **K. RAY BAILEY**

#### *COMMISSIONER*

Commissioners Office  
205 College Street  
Asheville, NC 28801  
828-250-4008  
[ray.bailey@buncombecounty.org](mailto:ray.bailey@buncombecounty.org)

### **HOLLY JONES**

#### *COMMISSIONER*

322 Westover Drive  
Asheville, NC 28801  
828-250-4004  
[holly.jones@buncombecounty.org](mailto:holly.jones@buncombecounty.org)



PHOTO  
BY  
DAVID GANTT  
FOR THE BUNCOMBE COUNTY  
COMMISSIONERS

[BUNCOMBECOUNTY.ORG](http://BUNCOMBECOUNTY.ORG)

# Buncombe County Organizational Chart



# Demographics and Statistics for Buncombe County

## Land

The real property in the County currently has a value of \$28 billion.

## Size

656.66 square miles.

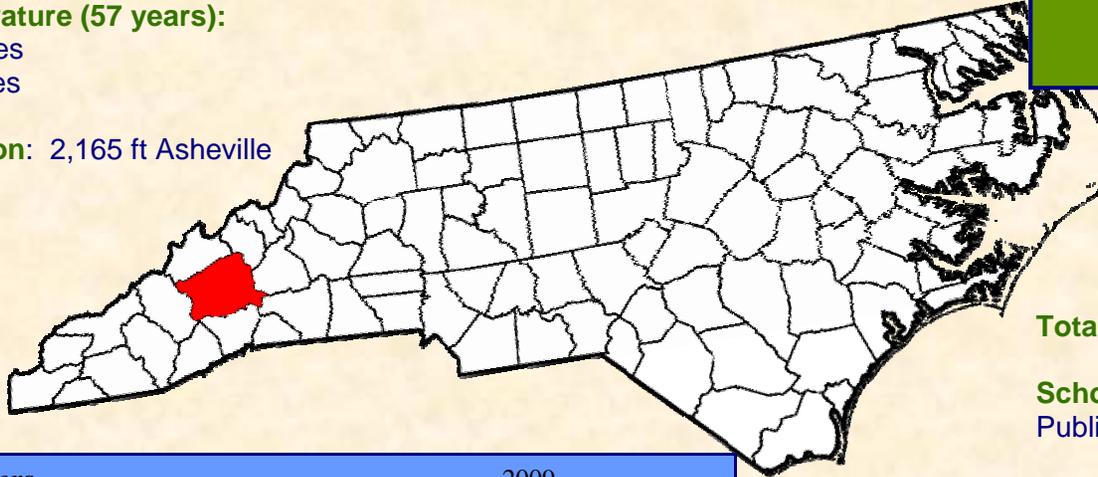
## Average Temperature (57 years):

JAN - 37.3 degrees

JUL - 73.3 degrees

## Average Elevation: 2,165 ft Asheville

Regional Airport



## BUNCOMBE COUNTY, NORTH CAROLINA

was established 218 years ago in 1791 and has a rich history of working folks determined to make a better life for themselves. Our County is ever changing and growing and the government is still determined to meet the needs of its citizens in the most efficient, reliable and effective way possible.

Principal Employers	2009	
	Employees	Percentage of Total County Employment
Mission Health Systems and Hospital	6,990	6.35%
Buncombe County Public Schools	4,010	3.64%
Ingles Markets, Inc.	3,050	2.77%
Buncombe County Government	1,670	1.52%
The Biltmore Company	1,580	1.43%
VA Medical Center - Asheville	1,140	1.04%
The Grove Park Inn Resort & Spa	1,100	1.00%
Eaton Corporation - Electrical Division	1,010	0.92%
City of Asheville	1,000	0.91%
Borgwarner Turbo & Emissions Systems	830	0.75%
Total	22,380	20.33%

**Total Population**.....228,909

## Schools

Public school students .....29,653

**Total Households**..... 93,751

**Median household income**.....\$45,446

**Average price of homes sold** .....\$254,203

**Median monthly rent**.....\$778

**Median Age**.....41

## Gender

Males .....47.7%

Females .....52.4%

# Key Businesses

**County Government can be divided into three main business functions; Education, Public Safety and Human Services:**

## Education

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

**Education accounts for 25.1% of the total governmental activities expenses or \$73.2 million**



## Public Safety

Sheriff's Office includes Crime Stoppers, Buncombe County Anti-Crime Task Force (BCAT), Patrol and Investigation, Court Security, Detention Center and Satellite jail facility. The Detention Center can house 356 inmates. The Satellite jail can house up to 80 inmates and the new Detention Center annex can house 248 inmates.

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

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

**Public Safety accounts for 23.8% of the governmental activities expenses or \$69.4 million**

## Human Services

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

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

Transportation (Mountain Mobility) - serves a wide variety of organizations as well as provide general public transportation services outside the City of Asheville. Mountain Mobility operates 39 vans and two small buses and provided about 500 passenger trips every week in 2009.

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

**Human Services accounts for 28.5% of the total governmental activities expenses or \$83.3 million**



# Capital Improvement Plan

The purpose of the Capital Improvement Program (CIP) is to identify all capital projects for the next budget year and five additional years. A capital project is defined as any purchase over \$250,000. At June 30, 2009, general fund projects estimated at \$192.2 million are planned over the next five years. However, future projects may be impacted by future economic conditions.

Major projects include the following:

## FY2010

- \$24.5 million—Courthouse Life Safety Tower addition
- \$16.5 million—Emergency services Training Center

## FY2011

- \$80 million—Courthouse renovations and new Court Annex
- \$30 million—Aquatics facility and softball complex

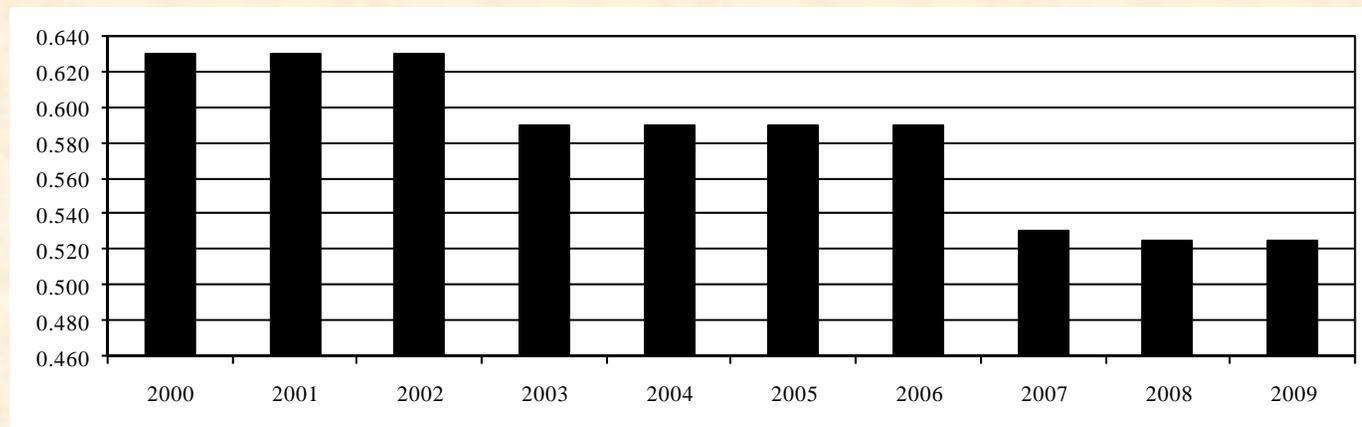
## FY2012

- \$2 million—Replacement East Asheville branch library
- \$5 million—Outdoor pool and sports park field improvements



# Tax Rates

Ad Valorem taxes on real and personal property produce the majority of Buncombe County's revenue for the general fund. Even so, tax rates have continued to decline over the past decade as shown in the chart below. The tax rate for fiscal year 2009 remained at 0.525 per \$100 of assessed value.



Note: Property was revalued and effective in fiscal years 1999, 2003, and 2007.

# Overview of Buncombe County Finances

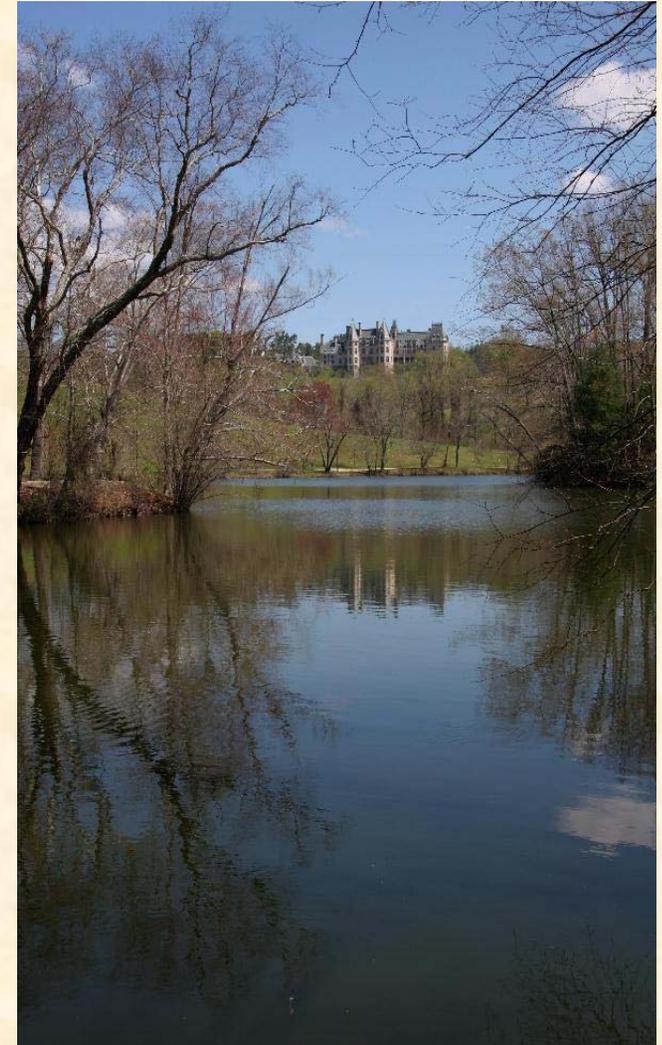
Table 1, the Statement of Net Assets, shows what the government has in relation to assets (what we own) and liabilities (what we owe).

By far the largest portion of Buncombe County's net assets (84.4 percent) reflects its investment in capital assets (e.g. land, buildings, automotive equipment and office and other equipment), less any related debt used to acquire those assets that is still outstanding. The amount as of June 30, 2009 was \$97.0 million.

The government's net assets were increased by \$9.5 million during the current fiscal year. The increase can be tied to increases in ad valorem collections and savings from operational efficiencies and controlled spending by departments.

**TABLE 1: Statement of Net Assets (in millions)**

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 161.0	\$ 154.0	\$ 25.3	\$ 32.8	\$ 186.3	\$ 186.8
Capital assets	106.6	108.4	55.3	50.0	161.9	158.4
<b>Total assets</b>	<b>267.6</b>	<b>262.4</b>	<b>80.6</b>	<b>82.8</b>	<b>348.2</b>	<b>345.2</b>
Long-term liabilities outstanding	181.6	184.2	31.8	33.8	213.4	218.0
Other liabilities	18.7	19.4	1.1	2.3	19.8	21.7
<b>Total liabilities</b>	<b>200.3</b>	<b>203.6</b>	<b>32.9</b>	<b>36.1</b>	<b>233.2</b>	<b>239.7</b>
Net assets:						
Invested in capital assets, net of related debt	63.0	62.7	34.0	30.5	97.0	93.3
Restricted	-	1.4	2.6	9.0	2.6	10.4
Unrestricted	4.3	(5.3)	11.1	7.1	15.4	1.8
<b>Total net assets</b>	<b>\$ 67.3</b>	<b>\$ 58.8</b>	<b>\$ 47.7</b>	<b>\$ 46.7</b>	<b>\$ 115.0</b>	<b>\$ 105.5</b>



# Overview of Buncombe County Finances, cont.

**TABLE 2: Statement of Activities (in millions)**

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$27.2	\$35.1	\$9.0	\$8.4	\$36.2	\$43.5
Operating grants and contributions	49.1	47.8	0.3	0.3	49.4	48.1
Capital grants and contributions	17.5	17.6	-	.1	17.5	17.7
General revenues:						
Property taxes	162.6	157.6	-	-	162.6	157.6
Other taxes	43.1	45.6	-	-	43.1	45.6
Other	3.9	6.5	.8	2.1	4.7	8.6
<b>Total Revenues</b>	<b>303.4</b>	<b>310.2</b>	<b>10.1</b>	<b>10.9</b>	<b>313.5</b>	<b>321.1</b>
Expenses:						
General government	21.7	23.4	-	-	21.7	23.4
Public safety	69.4	68.0	-	-	69.4	68.0
Economic and physical development	26.2	18.6	-	-	26.2	18.6
Human services	83.3	90.1	-	-	83.3	90.1
Culture and recreation	11.1	8.1	-	-	11.1	8.1
Education	73.2	75.9	-	-	73.2	75.9
Interest on long-term debt	7.2	6.3	-	-	7.2	6.3
Solid waste disposal	-	-	7.3	7.7	7.3	7.7
Other	-	-	4.6	3.4	4.6	3.4
<b>Total expenses</b>	<b>292.1</b>	<b>290.4</b>	<b>11.9</b>	<b>11.1</b>	<b>304.0</b>	<b>301.5</b>
Increase (decrease) in net assets before transfers, contributions, and special item	11.3	19.8	(1.8)	(0.2)	9.5	19.6
Transfers, contributions, and special item	(2.9)	(3.0)	2.9	3.0	-	-
Increase (decrease) in net assets	8.4	16.8	1.1	2.8	9.5	19.6
Net assets, beginning of year	63.0	45.6	46.6	43.8	109.6	89.4
Prior period adjustment	(4.1)	0.6	-	-	(4.1)	0.6
Net assets, end of year	<b>\$67.3</b>	<b>\$63.0</b>	<b>\$47.7</b>	<b>\$46.6</b>	<b>\$115.0</b>	<b>\$109.6</b>

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

Governmental activities increased the County's net assets by \$8.4 million, thereby accounting for over 89 percent of the total growth in net assets.

Key elements of the increase include \$5 million more collected in ad valorem property tax revenue and a \$1.3 million increase in operating grant revenues. Nearly 68 percent of the County's revenues are from property and sales taxes collected.



# Overview of Buncombe County Finances Cont.

## Where does the money go?

### FY09 General Fund Expenditures

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

32.5%  
Human  
services

18.6%  
Public  
safety

6.1%  
Other  
\*see below



### Budgetary Controls

The County adopts an annual budget for its General Fund as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the county, the management of the County, and the decisions of the Board of Commissioners about which services to provide and how to pay for them. It also authorizes the county to obtain funds from identified sources to finance these current period activities.

	29.4%	8.3%	4.9%
	Education	General government	Debt service
General government	\$ 19,981,394		
Public safety	44,793,445		
*Economic and physical development	5,076,748		
Human services	78,106,470		
*Cultural and recreational	9,721,760		
Education	70,618,376		
Debt service	11,926,629		
<b>Total Expenditures</b>	<b>\$ 240,224,822</b>		



# Overview of Buncombe County Finances Cont.

## Next Year's Budget (Fiscal Year 2010)

The County has approved a \$250.1 million General Fund budget for fiscal year 2010, which represents a 2 percent decrease over the 2009 final budget. The tax rate remained unchanged at 52.5 cents per \$100 of assessed valuation.

The following factors were considered when developing the 2010 budget:

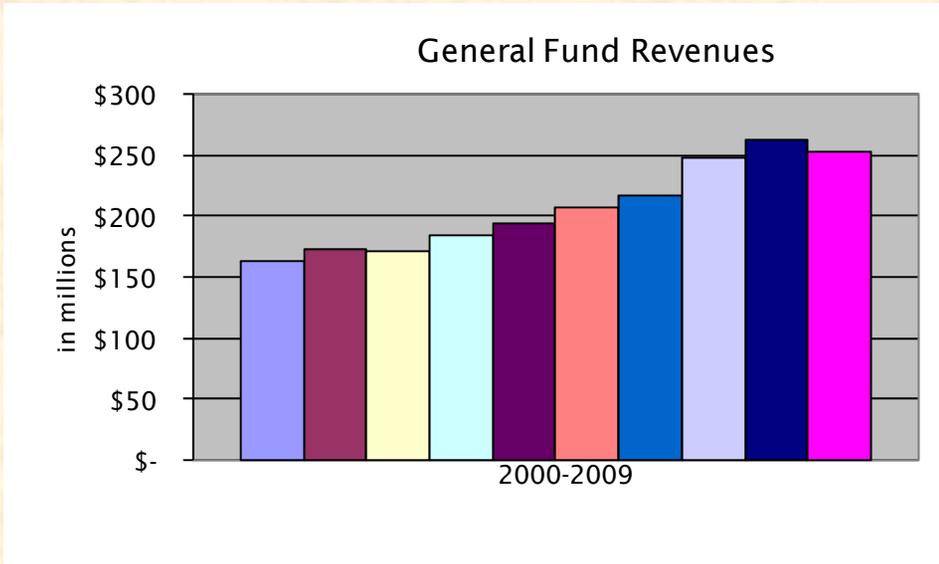
- A turbulent economy, both local and national, that is reflected in decreases in both home sales and new residential construction projects and increases in the unemployment rate.
- An increased demand for human services and more volatile revenue sources (such as sales tax revenue) that are particularly sensitive to economic fluctuations.
- The need for a conservative approach for revenue estimates due to the level of State and Federal funding.
- An increased focus on providing for those core services the County is required to provide and developing community partnerships to continue services that are not "core" to county government but are essential for the community's economic vitality.



## Where does the money come from? FY09 General Fund Revenue Sources



# Trends



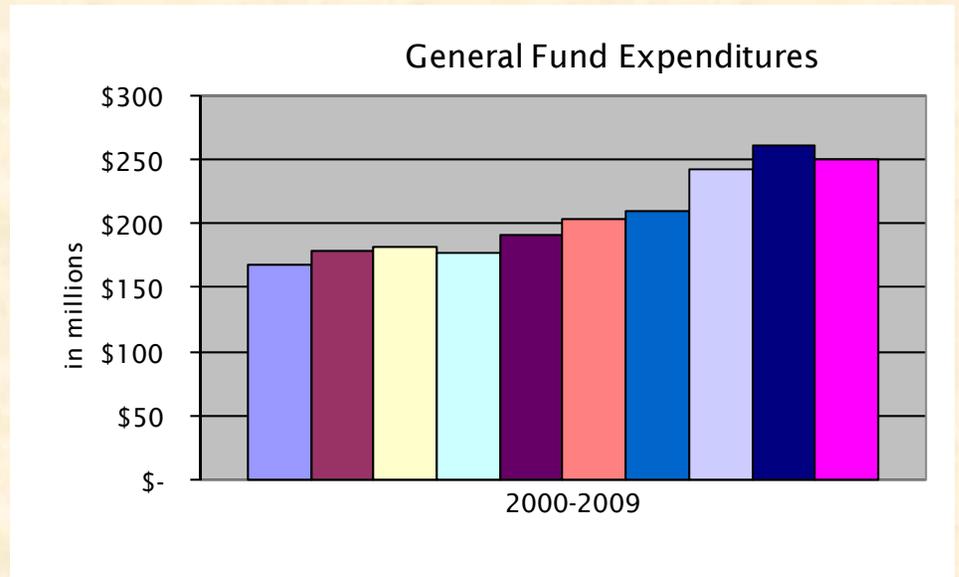
The general fund is the chief operating fund of the County.

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

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



The County adopts an annual budget for its General Fund as required by the General Statutes. Actual operating expenditures and transfers were less than the budgeted amount by \$11.6 million, thus eliminating the need to draw upon existing fund balances.

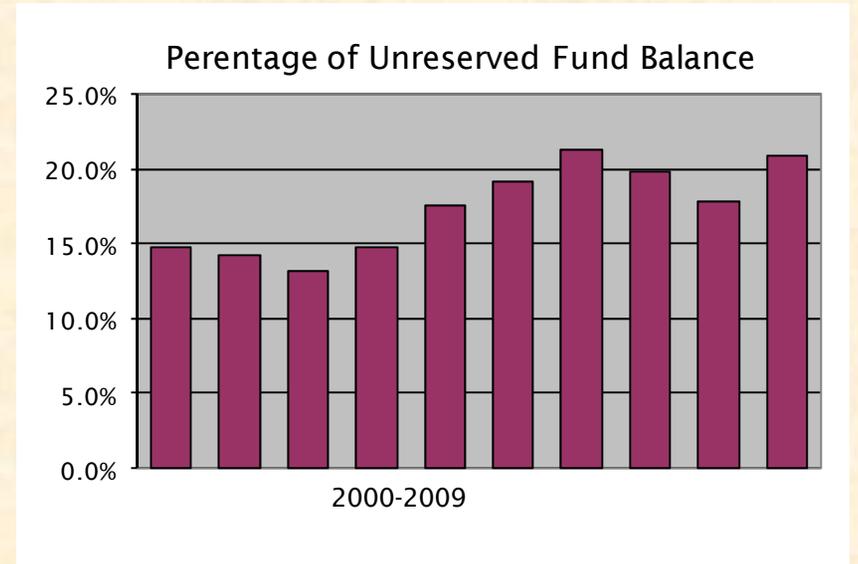


## Trends, cont.

Fund balance is the difference between fund assets and fund liabilities in a governmental fund. **Unreserved** fund balance is the portion of total fund balance available for appropriation that is uncommitted at year end.

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

The County's unreserved fund balance for the General Fund was \$52.3 million or 20.9 percent of the total general fund expenditures and transfers for the fiscal year. This compares with \$46.6 million or 17.8 percent at the end of fiscal year 2008.



### Principal Property Taxpayers

DECEMBER 31, 2008

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Progress Energy Carolinas	\$ 305,649,932	1	1.08%	\$ 205,352,683	1	1.58%
Ingles Markets Inc	185,810,320	2	0.66%	108,893,315	3	0.84%
The Cliffs at Walnut Cove LLC	153,161,700	3	0.54%			
Jack Tar Hotels (AKA Grove Park)	102,511,800	4	0.36%	67,624,570	7	0.52%
Arvato Digital Services (Sonopress)	99,160,850	5	0.35%	67,820,210	6	0.52%
Biltmore Company	94,737,970	6	0.34%	66,042,260	8	0.51%
Bellsouth Telephone Co.	89,149,301	7	0.32%	114,235,843	2	0.88%
Asheville LLC	75,689,620	8	0.27%	57,039,490	9	0.44%
Southeastern Container	75,501,700	9	0.27%	76,307,400	5	0.59%
Borgwarner Turbo Systems	65,384,381	10	0.23%			
BASF Corporation				76,901,700	4	0.59%
Biltmore Square				33,008,670	10	0.25%
<b>Totals</b>	<b>\$ 1,246,757,574</b>		<b>4.42%</b>	<b>\$ 873,226,141</b>		<b>6.72%</b>

# Outstanding Debt

At June 30, 2009 the total amount of outstanding long-term debt was \$195.6 million. This is a decrease of \$6.8 million or 3.4 percent from the previous fiscal year. Nearly 54 percent of the outstanding debt is for Buncombe County and Asheville City Schools and Asheville-Buncombe Technical Community College. Debt as a percentage of personal income is low compared to other NC Counties and Cities.

A summary of long-term debt is shown here:

<i>Outstanding Debt (in millions)</i>						
	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 67.9	\$ 76.5	\$ -	\$ -	\$ 67.9	\$ 76.5
Special Obligation Revenue	-	-	\$ 9.5	\$ 11.4	\$ 9.5	\$ 11.4
Installment Notes Payable	\$ 91.0	\$ 99.5	\$ 14.4	\$ 15.0	\$ 105.4	\$ 114.5
Product Development Financing Bonds	\$ 12.8	-	-	-	\$ 12.8	-
<b>Total debt</b>	<b>\$ 171.7</b>	<b>\$ 176.0</b>	<b>\$ 23.9</b>	<b>\$ 26.4</b>	<b>\$ 195.6</b>	<b>\$ 202.4</b>

General Obligation Bonds are backed by the full faith and credit of the County.

Special obligation revenue bonds have revenues which are pledged to the payment of and as security for the bonds.

Installment notes have collateral which are the asset purchased or constructed.

Product Development Financing Bonds (issued in fiscal year 2009 to fund the Woodfin Downtown District Project) are a financing mechanism whereby the county can promote economic development and redevelopment by capturing the incremental increase in tax revenue created by the project as a means of funding the debt.

# Bond Ratings

Bond ratings are a clear indication of the sound financial condition of the County, which helps keep interest costs low on the County's outstanding debt.

The County maintained bonds ratings of Aa2 with Moody's (high quality by all standards) and AA with Standards & Poor's (high quality; very strong capacity to pay) in fiscal year 2009. However, as a result of the County's strong fiscal position, management policies and continued economic diversity and growth, particularly in the current economic environment, Standards & Poor's has since upgraded the County's rating to AA+.



# Buncombe County Service Directory

Air Quality Agency	250-6777
Burning Control	250-6777
BCTV	250-4107
Child Care Services	250-6700
<b>City/County ID Bureau</b>	250-4665
Background Checks	250-4661
Clerk to the Board	250-4105
Cooperative Extension	255-5522
County Commissioners	250-4001
County Jobline	250-4183
County Manager	250-4100
Election Services	250-4200
Emergency Services	250-6600
Emergencies	911
Erosion Control	250-4848
Finance	250-4130
Fire Marshal	250-6620
GIS Property Info System	250-6860
<b>Health Center</b>	250-5000
Administration	250-5214
Community Health	250-5055
Dental Care (WNCCHS)	285-0622
Disease Control/Immunization	250-5109
Environmental Health	250-5016
Immunizations	250-5096
Pharmacy	250-5233
Primary Care	250-5000
Restaurant/Septic Inspection	250-5016
Water Testing	250-5016
WIC/Nutrition	250-5170

Human Resources	250-4166
Joblink	250-4761
<b>Libraries:</b>	
Pack Memorial (Main)	250-4700
TDD for hearing impaired	250-4718
Renewal Line	251-4998
Mountain Mobility	258-0186
Mountain Area Job Training	250-4761
Parking - College Street Deck	250-4249
Parks & Recreation	250-4260
Permits & Inspections	250-5360
Planning	250-4830
Pretrial Services	250-6285
Purchasing	250-4130
Records Management	250-4147
Register of Deeds	250-4300
<b>Sheriff</b>	250-6670
Animal Control (County)	253-1195
Civil Process	250-4410
Crime Stoppers	255-5050
Crime Prevention	250-4547
Detention Center (Jail)	250-4550
Inmate Booking	250-4571
Senior Reassurance	250-4491
Warrants	250-4468

<b>Social Services</b>	250-5500
Administration	250-5700
Adult Services	250-5814
Child Support Enforcement	232-1416
Children/Family Services	250-5822
Food Assistance	250-5500
Foster Home Licensing	250-5868
Health Choice	250-5939
Medicaid	250-5500
Protective Services Intake:	
Adults	250-5800
Children	250-5900
Veterans Services	250-5726
Work First Employment	250-5500
Workforce Development	250-4760
Work Permit	250-5500
Soil and Water Conservation	250-4785
<b>Solid Waste</b>	250-5460
Environmental Control	250-5472
Household Hazardous Waste Disposal	250-5462
Junk Cars/Mobile Home Removal	250-5470
Landfill	250-5462
Transfer Station	250-6205
Street Addressing (Planning)	250-4845
<b>Tax Department:</b>	
Business Personal Property	250-4930
Collections	250-4910
Land Records	250-4970
Personal Property	250-4920
Real Estate	250-4940
Whistleblower Hotline	866-908-7236





**Buncombe County Department of Finance**

828.250.4130

[buncombecounty.org](http://buncombecounty.org)