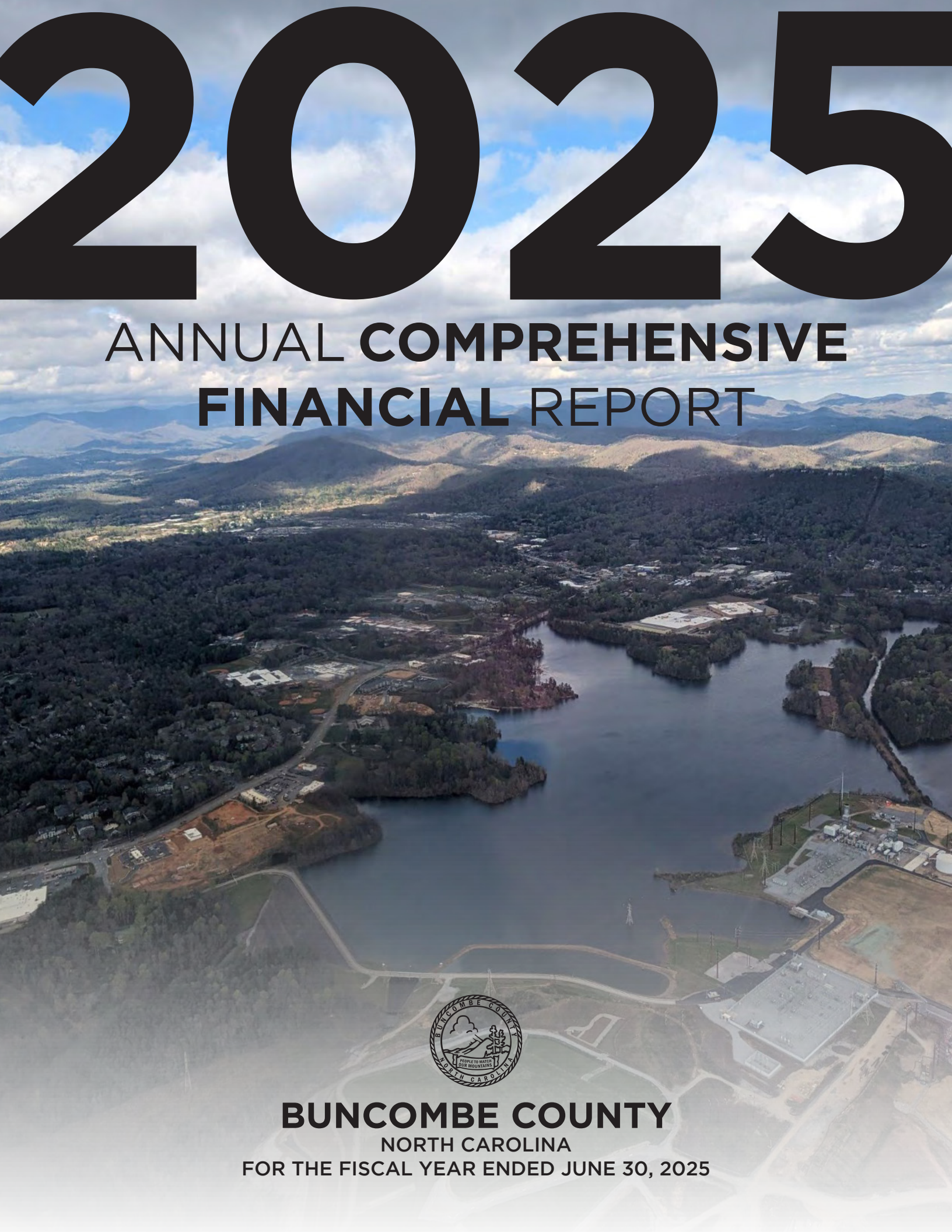
2025

ANNUAL **COMPREHENSIVE** **FINANCIAL** REPORT



BUNCOMBE COUNTY

NORTH CAROLINA

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

BUNCOMBE COUNTY, NORTH CAROLINA

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

BOARD OF COMMISSIONERS
Amanda Edwards, Chair
Al Whitesides, Vice Chair
Drew Ball
Jennifer Horton
Martin Moore
Parker Sloan
Terri Wells

COUNTY MANAGER
Avril Pinder, CPA, ICMA-CM

DIRECTOR OF FINANCE
Melissa Moore

Prepared by the Finance Department

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Buncombe County

Table of Contents

	Exhibit	Page
Introductory Section		i
GFOA Certificate of Achievement in Financial Reporting		ii
Letter of Transmittal		iii
Organizational Chart		xii
Financial Section		1
Independent Auditor's Report		3
Management's Discussion and Analysis		7
Basic Financial Statements		19
Government-wide Financial Statements:		
Statement of Net Position	1	20
Statement of Activities	2	22
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	26
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5	28
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Occupancy Tax Fund	6	29
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Taxing Districts Fund	7	30
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Opioid Settlement Fund	8	31
Statement of Net Position - Proprietary Funds	9	32
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	10	33
Statement of Cash Flows - Proprietary Funds	11	34
Statement of Fiduciary Net Position	12	36
Statement of Changes in Fiduciary Net Position	13	37
Notes to the Financial Statements		38
Required Supplemental Financial Data		91
Law Enforcement Officers' Special Separation Allowance - Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll		92
Local Government Employees' Retirement System - Schedule of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions		93
Register of Deeds' Supplemental Pension Fund - Schedule of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions		94
Healthcare Benefits Plan - Schedule of Changes in the Net OPEB liability and Related Ratios		95
Healthcare Benefits Plan - Schedule of County Contributions		96
Healthcare Benefits Plan - Schedule of Investment Returns - OPEB		97
Combining and Individual Fund Statements and Schedules		99
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
General Fund		100
Reappraisal Reserve Fund		107
Grant Projects Fund		108
Public School Capital Needs Fund		109
AB Tech Capital Projects Fund		110

Public Schools ADM Sales Tax and Lottery Project Fund		111
County Capital Projects Fund		112
Special Projects Capital Projects Fund		114
Combining Statements and Schedules for Nonmajor Governmental Funds:		115
Combining Balance Sheet - Nonmajor Governmental Funds		116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds		117
Combining Balance Sheet - Special Revenue Funds		118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds		120
Combining Balance Sheet - Capital Project Funds		122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Capital Project Funds		123
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP):		
Emergency Telephone System Fund		124
Register of Deeds Automation Fund		125
Register of Deeds Fund		126
Representative Payee Fund		127
Sondley Estate Trust Fund		128
Transportation Fund		129
Drug Forfeitures		130
School Fines and Forfeitures		131
PDF Woodfin Downtown Fund		132
Buncombe County Service Foundation Blended Component Unit		133
Housing/Open Space Bond Projects		134
Combining Statements and Schedules for Enterprise Funds:		135
Schedules of Revenues and Expenses - Budget and Actual (Non-GAAP):		
Solid Waste Disposal Fund		136
Landfill Capital Projects Fund		138
Combining Statement of Net Position - Nonmajor Enterprise Funds		139
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds		140
Combining Statement of Cash Flows - Nonmajor Enterprise Funds		142
Schedules of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP):		
Inmate Commissary/Welfare Fund		144
Real-Time Intelligence Center		145
Schedules and Combining Statements for Internal Service Fund, Custodial Funds, and Component Unit:		147
Schedules of Revenues and Expenses - Budget and Actual (Non-GAAP):		
Insurance Internal Service Fund		148
Combining Statement of Fiduciary Net Position - Custodial Funds		149
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds		150
Schedule of Revenues, Expenditures, and Changes in Net Position Budget and Actual (Non-GAAP) - Component Unit:		
Asheville-Buncombe Air Quality Agency		151
Other Schedules		153
Schedule of Ad Valorem Taxes Receivable - General Fund		154
Analysis of Current Year County-Wide Tax Levy		155
Statistical Section		157
Financial Trends		
Net Position by Component	1	159
Changes in Net Position	2	160
Fund Balances of Governmental Funds	3	162

Table of Contents, continued

	Table	Page
Changes in Fund Balances of Governmental Funds	4	163
Revenue Capacity		
Assessed Value of Taxable Property	5	164
Property Tax Rates-Direct and All Overlapping Governments	6	165
Principal Property Taxpayers	7	166
Property Tax Levies and Collections	8	167
Debt Capacity		
Ratios of Outstanding Debt by Type	9	168
Ratios of General Bonded Debt Outstanding	10	169
Direct and Overlapping Governmental Activities Debt	11	170
Legal Debt Margin	12	171
Demographic and Economic Information		
Demographic and Economic Statistics	13	172
Principal Employers	14	173
Summary of Permanent Positions by Service Area	15	175
Operating Information		
Operating Indicators by Function	16	176
Capital Asset Statistics by Function	17	177
Compliance Section		179
Independent Auditor's Section		
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*		181
Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act		183
Report on Compliance for each Major State Program and Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act		186
Schedule of Findings and Questioned Costs		189
Schedule of Expenditures of Federal and State Awards		194
Notes to the Schedule of Expenditures of Federal and State Awards		200
Management's Section		
Corrective Action Plan		202

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, 2024

Christopher P. Morrill

Executive Director/CEO

Melissa Moore
Finance Director

December 9, 2025

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

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. State law requires local governments to publish a complete set of financial statements annually.

Management of Buncombe County assumes responsibility for the completeness and reliability of all the information presented in this report based upon a comprehensive framework of internal control that it has established for this purpose. This report consists of management's representations regarding the financial position and results of operations for the fiscal year ended June 30, 2025.

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

Mauldin & Jenkins was initially engaged to conduct the County's annual audit beginning with fiscal year 2023. This is the third year the firm is auditing the County. Mauldin & Jenkins was established in 1918 and has experienced growth now covering 14 offices in six states. Their success is deeply rooted in their core values, with extensive experience serving public sector clients. This foundation provides the County with an audit firm that has stood the test of time and has a meaningful understanding of the specific requirements and challenges related to local government accounting and financial reporting in North Carolina.

The Mauldin & Jenkins team audited the financial statements in accordance with generally accepted auditing standards. The cost of internal control should not exceed anticipated benefits; therefore, the auditor's review is to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. The independent auditors concluded that the statements are presented in conformity with generally accepted accounting principles and there was a reasonable basis for issuing an unmodified opinion on the Buncombe County financial statements for the year ended June 30, 2025. 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 and state 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 Auditor's 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. As the most populous county in western North Carolina, Buncombe accounts for over half of the population in the four-county Asheville Metropolitan Area. The NC Office of State Budget and Management estimates the County's population to be 283,020 residents as of July 2024.

The County encompasses six incorporated municipalities, the largest being the City of Asheville (with a 2025 population of approximately 95,000 or 34% 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. Buncombe County's work is guided, at a high level, by various plans. Of these documents, the ones most consequential to the County's financial condition are the County's Strategic Plan and annual budget. The County undertakes strategic planning every five years to determine strategic priorities, operational requirements, and measures of success for the next five years. Each strategic planning process incorporates feedback from County residents, community partners, municipalities within the County,

employees, and the County's governing board. The County completed its most recent five-year strategic plan period with the close of fiscal year 2025. The Buncombe 2025 Strategic Plan organized the County's work around four community focus areas and related goals. The community focus areas are: Educated and Capable Community; Environmental and Energy Stewardship; Resident Well-Being; and Vibrant Economy. The Buncombe 2030 Strategic Plan was adopted November 4, 2025.

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 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 between May and 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 majority of the annual budget is spent on public safety, human services, and support of local public education entities. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving residents and other community stakeholders. Among these partners are the Asheville City Board of Education, the Buncombe County Board of Education, the Asheville-Buncombe Technical Community College, the Tourism Development Authority, the Land of Sky Regional Council, Buncombe County Service Foundation, and the Vaya Health Managed Care Organization.

Notable Events

On September 27, 2024, Hurricane Helene swept through the western region of North Carolina and adjoining states causing incredible devastation. Buncombe County was hit especially hard. There was catastrophic loss of life and property, and significant damage to core infrastructure. There were more than 350 residences destroyed, more than 350 bridges damaged or destroyed, almost 2,000 landslides, and over 11,000 housing units requiring habitability repair. Residents were without power, water, and other basic utilities for several weeks. Acknowledging the significant impacts of the storm is critical to understanding the recent evolution of the County's economic status and strategic priorities.

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 multiple regional healthcare systems; 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.

Buncombe County's employment market continued the trend of notably low unemployment into the beginning of fiscal year 2025. Buncombe County's unemployment rate of 2.5% was below the State-wide metric at 3.3% in late summer 2024. The County's unemployment rate rose after Helene and peaked in the months following the September 2024 storm. During fiscal year 2025, the County experienced markedly higher joblessness than pre-storm levels; June 2025 figures showed unemployment in the mid-4% range (around 4.5% in June 2025), noticeably above North Carolina's average (~3.7% in June 2025). The Asheville MSA followed a similar pattern.

Asheville and Buncombe County rely heavily on leisure and hospitality. Reports and chamber indicators show tourism demand dropped after the storm and remained below typical seasonal patterns through much of fiscal year 2025 — affecting lodging tax, retail sales, restaurants, and short-term rental revenues. Several local surveys flagged business interruptions, reduced occupancy and lower out-of-region visitation in the months after the storm. As noted above, small employers (firms under 50 employees) make up a significant portion of the Buncombe economy. That structure contributed to a fragile, slow-to-scale recovery: small businesses faced cash-flow problems, supply/transportation disruptions, and workforce shortages during the year following the storm. State small-business assistance programs and local grants were active to help mitigate closures. State programs, such as the Western North Carolina Small Business Initiative (WNCSBI) and Small Business Infrastructure Grant Program (SmBIZ), provided more than $100 million in grant awards to more than 2,000 Buncombe-area firms during the year.

By late summer 2025 reporting showed the unemployment rate had fallen from higher post-storm peaks (reports cite declines from winter/spring highs down to roughly the low-to-mid 4% area by June/July 2025), signaling hiring resumed in several sectors. However, the

improvement was uneven across industries — leisure/hospitality and some retail nodes remained weaker than pre-storm baselines.

One-year retrospective reporting through late September 2025 emphasized that tourism and hospitality hadn't fully recovered to pre-storm levels. Stakeholders reported lower fall visitation (an important season for the region) and slower recovery of the downtown and riverfront retail corridors. This business trend also impacted many small hospitality businesses into early fall 2025. Despite these notable shocks to the economy in the areas of leisure and hospitality and small retail, some sectors maintained or accelerated following the storm. The need for construction and infrastructure work drastically expanded, such as post-storm repair, and FEMA or insured rebuilds.

Returning to a broader perspective of economic trends in the County, wages continued the consistent growth characteristic of recent years, particularly in average weekly earnings and living wage standards, though they remained below the national average in overall hourly wages. The Asheville, NC Metropolitan Statistical Area (which includes Buncombe County) had a mean hourly wage of $27.60 in May 2024, which was below the national average of $32.66. However, Buncombe County showed strong year-over-year growth. From Q1 2024 to Q1 2025, the average weekly wage in Buncombe County saw a significant 7.7% increase, compared to a statewide average increase of 4.8%. The area living wage for a single adult—which measures the minimum income necessary for a worker to meet their basic needs without needing government subsidy or debt—increased nearly 5% to $23.15 between 2024 and 2025. A consistent and major contributing factor to the upward pressure on wages is the high cost of living, especially housing, in the Asheville metro area.

The Buncombe County housing market in 2024 and 2025 underwent a significant shift, moving from a competitive seller's market towards a more balanced, and in some price points, buyer-friendly environment. This transition was primarily driven by a sharp increase in inventory, a slowdown in sales volume, and lingering economic effects from Hurricane Helene and national interest rate trends.

The most notable change was a dramatic rise in the number of homes for sale. Active listings nearly doubled by mid-2025 compared to 2024 levels, pushing the months' supply of inventory closer to the six-month mark that defines a balanced market. This surge gave buyers significantly more options than they had in previous years' highly competitive market. Despite the rise in listings, closed and pending sales declined, particularly in the first half of 2025. Buncombe County saw a 24.4% drop in home sales in the first two quarters of 2025 compared to the same period in 2024. This indicates a more cautious and selective buyer pool, likely influenced by high interest rates and broader economic uncertainties. The average days on market increased from around 54 days in 2024 to over 70 days in late 2025. This allowed buyers more time for due diligence and negotiation, a stark contrast to the rapid sales often seen during the peak of the pandemic-era market.

Median home prices showed mixed signals, varying between the City of Asheville and the broader county, as well as by price bracket. The overall median sales price in Buncombe County saw only a slight increase, rising from approximately $477,000 in 2024 to around 485,000 in 2025. Sellers received a lower percentage of their original list price on average (dropping to around 95% in mid-2025), a sign of increased buyer negotiation power.

Hurricane Helene had a significant short-term and lingering impact on the housing market. Immediately following the storm, the market saw a sharp decline in sales and an increase in properties temporarily withdrawn from the market as the community dealt with physical damage. The storm damaged thousands of homes, worsening an already critical shortage of affordable housing and displacing residents, many of whom were renters. The resulting need for housing further stressed the existing supply and contributed to ongoing affordability challenges despite the market's general cooling trend. The slowdown in tourism after the hurricane led some short-term rental owners to list their properties for sale or long-term rent, contributing to the overall rise in inventory seen in 2025.

Overall, the 2024-2025 housing market in Buncombe County provided a more moderate environment compared to recent years, favoring buyers with more choices and negotiation leverage, while demanding more strategic pricing and presentation from sellers. The market's future remains tied to external factors, primarily national interest rates and the ongoing recovery from Hurricane Helene. While price appreciation has moderated, the fundamental challenge of housing affordability, especially at lower price points, remains a persistent issue in the region.

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. The increase in assessed value in non-revaluation years is generally between 3% and 5% due primarily to new construction and improvements. The County’s next countywide property revaluation was originally scheduled to be effective January 1, 2025. This process was delayed as Buncombe County has focused efforts on recovering from the impacts of Hurricane Helene. The next countywide property revaluation will be effective January 1, 2026.

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 through fiscal year 2032 includes projects such as emergency services base construction; comprehensive renovations and repairs to County-owned buildings; installation, repair, and replacement of park facilities and amenities; construction of transportation and recreation facilities in areas of future-planned affordable housing; and, evaluation, design, and construction of an upgraded emergency dispatching center.

In addition to the County's standard annual budgeting and capital planning processes, near and mid-term financial planning will largely be shaped by recovery needs stemming from Hurricane Helene. Toward that end, County staff have worked with residents, community partners, and the Board of Commissioners to draft a Recovery Plan encompassing five focus areas: community health, economic development, energy and environment, growth and development, and public safety. The draft plan outlines 31 project types, such as affordable housing development, across more than 130 specific sub-projects such as specific sites planned for affordable housing placement. To offset financial impacts to the County's taxpayers, the County has identified and is pursuing more than 130 external funding sources for planned recovery projects. Anticipated major funding sources include public assistance and hazard mitigation support from the Federal Emergency Management Agency (FEMA), as well as block grants focused on disaster recovery from the US Department of Housing and Urban Development (HUD). In addition, the County is pursuing a plethora of other competitive and non-competitive grant opportunities. The County's Recovery Plan is scheduled for adoption by the Board of Commissioners in November 2025. Once the plan is adopted, long-term recovery projects will be more formally incorporated into capital improvement and budgeting processes.

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% of expenditures. However, the County policy is more restrictive, requiring a range of 15% to 20%. The policy also requires any unreserved, undesignated fund balance more than 20% to be transferred to the County's Capital Projects Fund. This policy allows for better management of undesignated fund balance in the General Fund while maintaining reasonable fund balance levels and creates a mechanism to cash fund capital expenditures, helping to reduce the dependency on debt financing.

If fund balance is appropriated to balance the following year's budget in an amount that, if spent, would reduce the percentage below 15%, an explanation and a plan to save or replenish

the fund balance will be included in this transmittal letter. For the fiscal year that ended on June 30, 2025, the available fund balance in the County's General Fund equaled 15.6% of its expenditures and transfers. The County expects current-year revenues to fully cover planned expenditures, eliminating the anticipated need to use a significant amount of the fund balance as a funding source to balance the budget. The County is also aggressively pursuing all available external funding for storm recovery and future resiliency projects. Since the County is often responsible for the initial cash flow for capital projects—even after securing other funding—obtaining diverse external obligations is essential. This strategy aims to maximize the portion of the fund balance over which the Board of Commissioners has discretion.

The County's debt policy is the operational rulebook for the issuance and management of debt. This policy is reviewed regularly to ensure that debt is issued responsibly, affordably, and in keeping with the best interests of taxpayers. There have been no significant changes to this policy in recent years. Buncombe County maintains an Aaa credit rating from Moody's, as well as AAA ratings from the Kroll Bond Rating Agency (KBRA) and Standard and Poor's for general obligation debt. These ratings were confirmed by Moody's and KBRA through their most recent credit rating opinions received in 2024. Buncombe is part of an exclusive group of governments with three 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 June 2025 to expand prohibited investment types, clarify existing language, reduce redundancies, and add policy related to collateral.

Awards and Acknowledgements

The County was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report for the fiscal year ending June 30, 2024. This marks the forty-sixth consecutive year that Buncombe County has received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles, applicable legal requirements, and Certificate of Achievement program standards.

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

The County has also received the GFOA's Award for Distinguished Budget Presentation for its 2026 annual budget document. This is the thirtieth 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. In addition to receiving the award, the annual budget document received special recognition in the area of capital programming. To receive special recognition, a document category must receive the highest possible score from all reviewers. This is the second consecutive year the County has received this distinction.

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

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

Respectfully submitted,

Avril Pinder, CPA
County Manager

Melissa Moore
Finance Director

Organizational Chart

ELECTED · APPOINTED · SEPARATE BOARD · DEPARTMENT HEAD

Residents

Board of Commissioners

- Chairwoman **Amanda Edwards**
- District 1 **Al Whitesides**
- District 1 **Jennifer Horton**
- District 2 **Martin Moore** Vice Chair
- District 2 **Terri Wells**
- District 3 **Parker Sloan**
- District 3 **Drew Ball**

Sheriff **Quentin Miller**

Register of Deeds **Drew Reisinger**

External Audit Committee

Internal Auditor **Robb Hartman**

Clerk to the Board **Sarah Gross**

County Attorney **Curt Euler**

Finance **Melissa Moore**

Tax Collector **Jennifer Pike**

County Manager **Avril Pinder**

Executive Assistant **Jennifer Aviles**

Assistant County Manager Timothy Love

- Strategic Partnerships **Rachael Sawyer**
- General Services **Mike Mace**
- Election Services **Corinne Duncan**
- Parks and Recreation **Allison Dains**
- Sustainability Office **Jeremiah LeRoy**
- Library **Jason Hyatt**
- Air Quality **Ashley Featherstone**

Assistant County Manager DK Wesley

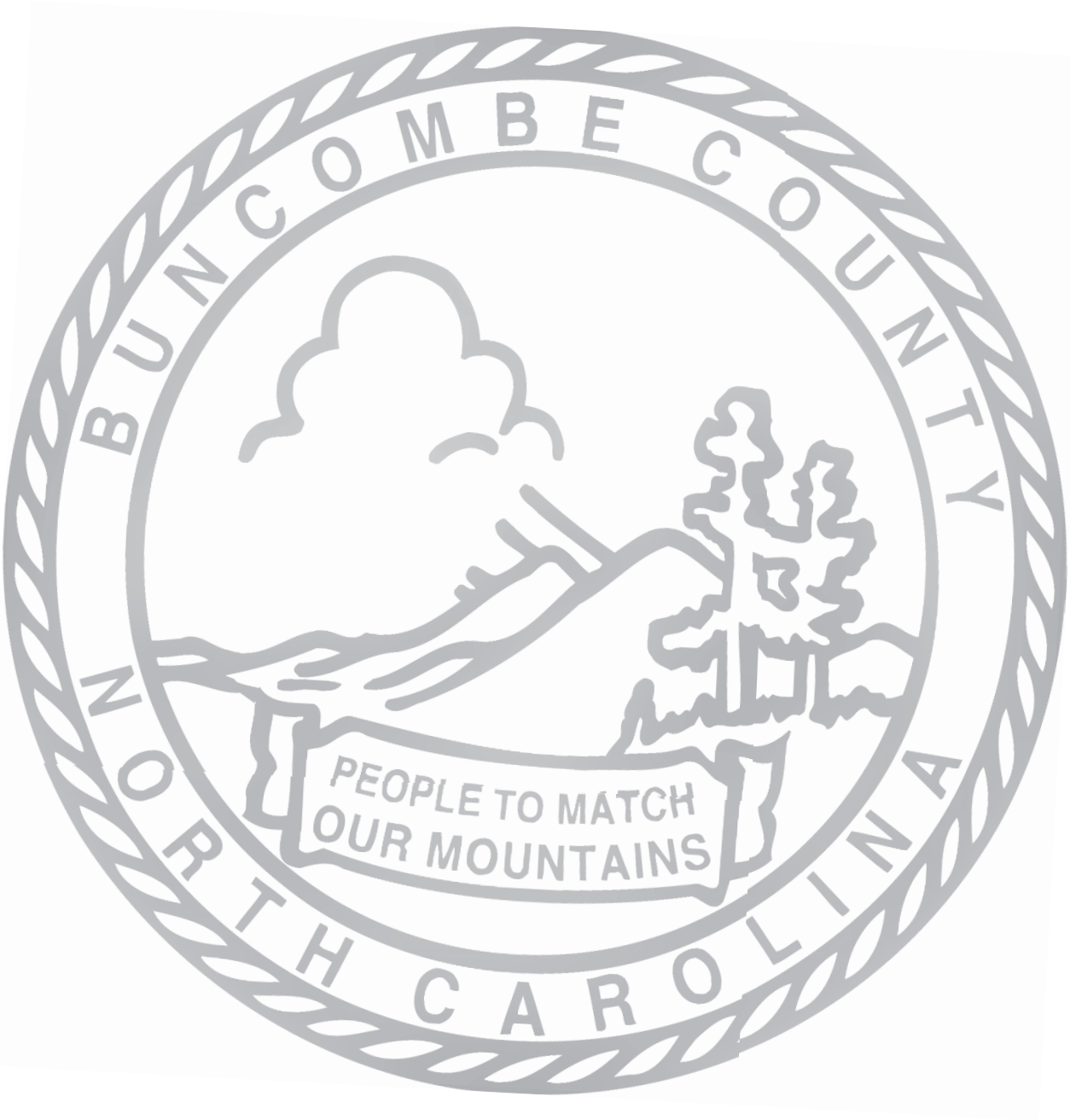
- Permits & Inspections **Bob Haynes**
- Planning **Nathan Pennington**
- Equity & Human Rights **Dr. Noreal Armstrong**
- Public Safety Communications **Dr. Osiris Carter**
- Emergency Services **Taylor Jones**
- Communications & Public Engagement **Lillian Govus**
- City/County ID **Oscar Wooten**

Assistant County Manager Sybil Tate

- Health & Human Services **David Sweat**
- Agriculture & Land Resources **Dr. Jennifer Harrison**
- Solid Waste **Dane Pedersen**
- Justice Services **Regenia Herring**
- Information Technology **Eric Grau**
- Interim Property Assessment **Eric Cregger**
- Strategy & Innovation **Rafael Baptista**

- Intergovernmental Relations **Vacant**
- Interim Human Resources **Karen Marshall**
- Budget **John Hudson**

Financial Section


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Buncombe County, North Carolina** (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Buncombe County, North Carolina as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statements for the General Fund, Occupancy Tax Fund, Special Taxing Districts Fund, and Opioid Settlement Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, PLLC

Raleigh, North Carolina
December 9, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

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, 2025. We encourage readers to consider the information here in conjunction with additional information we have furnished in the County's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR

- 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 $15.9 million (deficit net position).
- The County's total net position decreased by $18.0 million primarily due to governmental activities during the fiscal year. The decrease aligns to the immediate response and short-term recovery efforts following Hurricane Helene which drove significant, unanticipated increases in expenses along with underperformance in key revenue streams. When comparing fiscal year 2025 to the prior year, actual spending toward governmental activities increased approximately $30.2 million, or 4.9%, while governmental revenues grew only $17.1 million, or 2.8%.
- As of the close of the fiscal year, the County's governmental funds reported combined ending fund balances of $235.4 million, a decrease of $44.4 million from the prior year. Approximately 67.1% of this total amount, or $158 million, is restricted or nonspendable.
- The County's General Fund increased fund balance by $1.6 million during the fiscal year.
- At June 30, 2025, available fund balance for the General Fund was $72.3 million, or 15.6% of total General Fund expenditures and transfers for the fiscal year which is 0.6% higher than the County's minimum fund balance policy. Of the $1.6 million increase in fund balance, less than $1 million was added to the available portion of fund balance in the General Fund. $659,000, or approximately 41% of the increased fund balance, is restricted by State law for uses related to building permits and inspections.
- At June 30, 2025, the total amount of outstanding long-term debt was $396.5 million, a decrease of $28.3 million, or 6.7% 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 $213 million or 53.7% 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, as well as AAA bond ratings from Standard and Poor's Rating Service and the Kroll Bond Rating Agency.
- During fiscal year 2025, the County issued limited obligation bonds to realize savings through the refinancing ("refunding") of previously issued debt. The County also entered one new bank loan for acquisition of vehicles, primarily to support public safety, and capital equipment for use in the solid waste enterprise.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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 13) 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, state and federal grant funds, and sales tax distributions 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 readily assets can 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 the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Buncombe County's own programs. Buncombe County has three fiduciary funds. One is a trust fund for the future health insurance benefits for retirees and the others are custodial funds. Information about these funds can be found on Exhibits 12 and 13 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial condition. The County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by $15.9 million at June 30, 2025. The County's net position decreased by $18.0 million during the fiscal year due to governmental and business-type activities. The largest portion of Buncombe County's net position ($119.6 million) is restricted at fiscal year-end. Restricted net position represents County or externally funded resources that are legally restricted in their use based on the original funding source or intended purpose. Within restricted net position, a significant portion is committed for County and public school-related capital projects. Once completed, the capital assets from these projects will be used by the County and school systems to provide services to residents. Figure 1 below provides a summarized and comparative view of the primary government's net position for the prior two fiscal years.

Figure 1
Net Position (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 369.0	$ 425.4	$ 22.9	$ 22.9	$ 391.9	$ 448.3
Capital assets	236.9	234.0	38.6	41.6	275.5	275.6
Total assets	605.9	659.4	61.5	64.5	667.4	723.9
Total deferred outflows of resources	58.3	64.3	1.1	1.3	59.4	65.6
Long-term liabilities outstanding	582.1	595.9	39.2	39.0	621.3	634.9
Other liabilities	68.6	79.2	1.3	1.3	69.9	80.5
Total liabilities	650.7	675.1	40.5	40.3	691.2	715.4
Total deferred inflows of resources	50.8	64.9	0.5	0.9	51.3	65.8
Net position:						
Net investment in capital assets	83.3	95.7	30.0	30.3	113.3	126.0
Restricted	140.9	131.7	-	-	140.9	131.7
Unrestricted	(261.6)	(243.7)	(8.5)	(5.7)	(270.1)	(249.4)
Total net position (deficit)	$ (37.4)	$ (16.3)	$ 21.5	$ 24.6	$ (15.9)	$ 8.3

Buncombe County's governmental activities have a negative balance of $249.3 million in unrestricted net position (deficit). The unrestricted net position of governmental activities decreased by $5.6 million from fiscal year 2024. 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 $213 million or 53.7% 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.

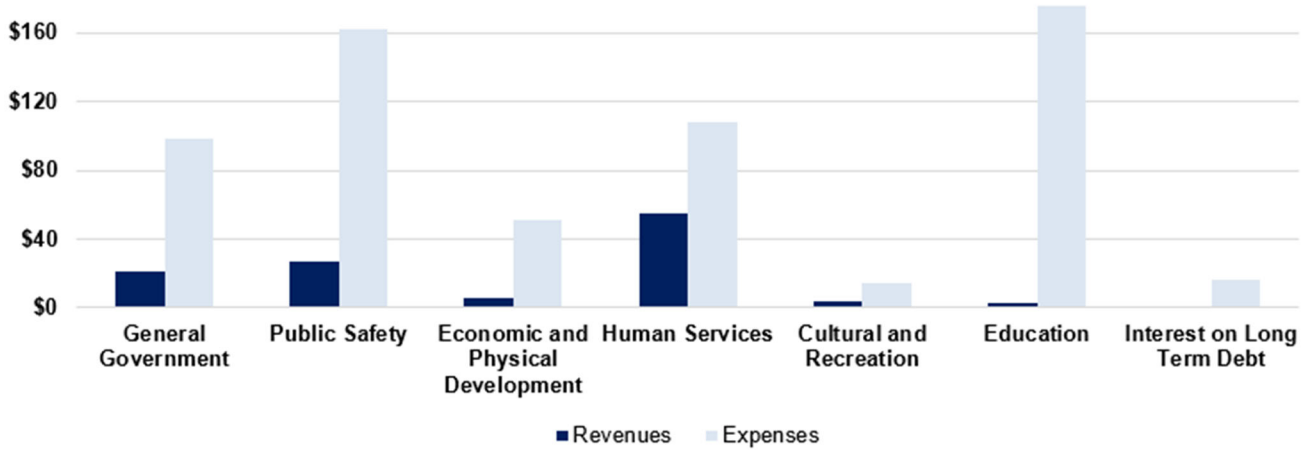
In addition to the capital commitments discussed above, a necessary accounting correction impacted the County's unrestricted net position. During fiscal year 2025, the County discovered that capital assets previously recorded and being depreciated on the government-wide statements belonged to the school districts. As a correction, these assets were removed from the County's financial statements, contributing to the decrease in total net position.

The change in the other categories of net position during the year demonstrates a healthy and expected business cycle for a local government in the County's position. An increase in net investment in capital assets reflects acquisition of new capital assets—primarily vehicles and equipment—along with consistent payoff of existing debt. The decreasing portion of restricted net position indicates legally designated funds are being effectively spent toward their intended purpose. Figure 2 below summarizes key activities impacting the County's net position.

Figure 2
Change in Net Position (in millions)

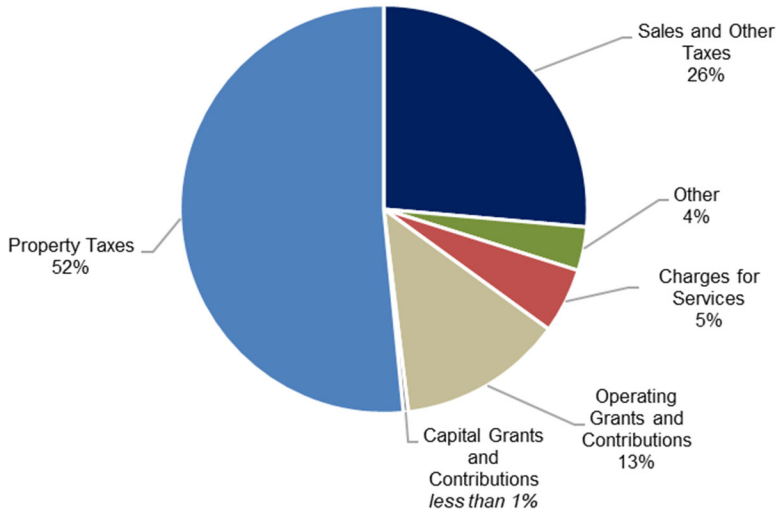
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 32.3	$ 34.1	$ 12.6	$ 11.7	$ 44.9	$ 45.8
Operating grants and contributions	82.2	72.7	0.5	0.7	82.7	73.4
Capital grants and contributions	2.5	2.6		-	2.5	2.6
General revenues:						
Property taxes	324.0	303.4		-	324.0	303.4
Other taxes	166.0	179.1	0.8	0.8	166.8	179.9
Other	21.7	19.7	0.1	0.9	21.8	20.6
Total revenues	628.7	611.6	14.0	14.1	642.7	625.7
Expenses:						
General government	98.0	85.9		-	98.0	85.9
Public safety	162.2	144.4		-	162.2	144.4
Economic and physical development	51.1	54.3		-	51.1	54.3
Human services	107.8	107.6		-	107.8	107.6
Culture and recreation	14.3	11.6		-	14.3	11.6
Education	194.2	197.0		-	194.2	197.0
Interest on long-term debt	16.0	12.6		-	16.0	12.6
Solid waste disposal		-	15.7	15.8	15.7	15.8
Other		-	1.4	0.6	1.4	0.6
Total expenses	643.6	613.4	17.1	16.4	660.7	629.8
Increase (decrease) in net position						
Before transfers	(14.9)	(1.8)	(3.1)	(2.3)	(18.0)	(4.1)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	(14.9)	(1.8)	(3.1)	(2.4)	(18.0)	(4.1)
Net position, beginning						
as originally reported	(16.3)	(37.9)	24.6	26.9	8.3	(11.0)
Change in accounting principle		(3.5)	-	-	-	(3.5)
Error correction	(6.2)	26.9	-	-	(6.2)	26.9
Net position (deficit), beginning	(22.5)	(14.5)	24.6	26.9	2.1	12.4
Net position (deficit), ending	$ (37.4)	$ (16.3)	$ 21.5	$ 24.5	$ (15.9)	$ 8.3

Figure 3
2025 Expenses and Program Revenues - Governmental Activities
(in millions)



- **Governmental Activities.** Governmental activities during the year decreased the County's net position $14.9 million. Continuing the historical trend, the governmental functions of Education and Public Safety represented the highest costs, totaling $356.5 million, or 55.3% of total governmental expenses. As noted previously, fiscal year 2025 was an exceptional year requiring significant unanticipated spending in response to Hurricane Helene. At June 30, approximately $25 million had been spent toward response or recovery. In addition, two of the County's top three revenue streams, property taxes and sales taxes, came in notably under their original budgets by $3.1 million (0.71% of budget) and $1.2 million (2.6% of budget), respectively.

Figure 4
2025 Revenues By Source
Governmental Activities



Business-type Activities. Business-type activities decreased net position by $3.1 million during the fiscal year ending June 30, 2025. This decrease is primarily due to activities in the County's Solid Waste Disposal Fund and marks the fifth consecutive year that fund has operated at a loss. Historically, this pattern is attributable to significant annual fluctuations in landfill closure and postclosure care costs, along with consistent growth of other fixed costs which outpace adjustments to fees for services. For fiscal year 2025, operating revenues represented 80% of operating expenses. Hurricane Helene also adversely impacted business during the fiscal year, requiring temporary closure of the County's solid waste transfer station and otherwise affecting use of the landfill through changing development patterns, landfill accessibility, and significant challenges related to managing the extreme amount of debris generated by the storm.

Figure 5
2025 Expenses and Program Revenues - Business-Type Activities
(in millions)

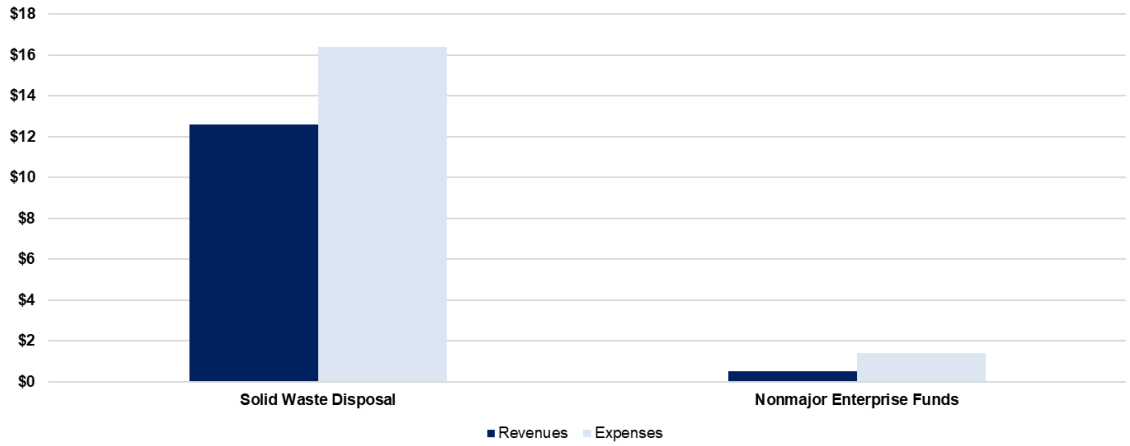
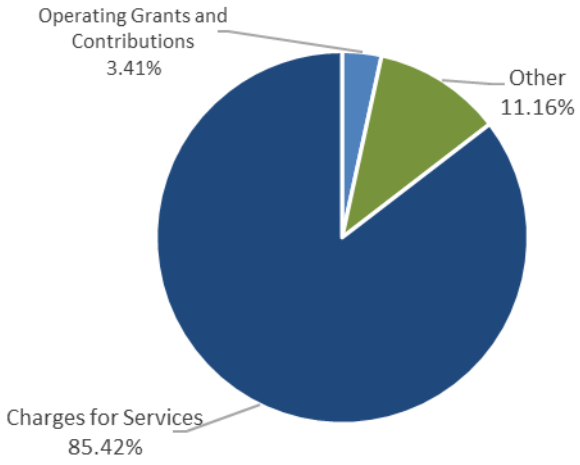


Figure 6 2025 Revenues By Source Business-Type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

At June 30, 2025, the governmental funds of Buncombe County reported a combined fund balance of $235.4 million, a $44.4 million decrease from last year. Of the total governmental fund balance, $158.0 million, or 67.1%, 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 $72.3 million, while total fund balance reached $117.5 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 15.6%.

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. Formal amendments to the General Fund decreased revenue by approximately $7 million in total, not accounting for the budgetary appropriation of fund balance. Of this amount, $4.8 million represented a reduction in appropriations to the local public school systems, an unprecedented step taken to preserve liquidity and support emergency response in the wake of Hurricane Helene. Revenue drivers for the budget amendments were anticipated reductions in property taxes and sales tax distributions, two of the County's top three revenue sources. Actual revenue collected during the year was less than the final budget amount by $2.2 million.

Providing evidence of success of the steps taken for budget moderation, the fund balance of the County's General Fund saw an increase of approximately $1.6 million from the prior year. As budgetary response to Hurricane Helene, broad expenditure-reducing measures were implemented at the operational level in addition to the formal budget amendments noted above. A hiring freeze was placed on approximately 90 positions, certain technology and infrastructure maintenance projects were deferred, the pending countywide property reappraisal was delayed, and special projects and community investments were temporarily eliminated. These cuts resulted in final General Fund expenditures which were $19.7 million under the amended budget.

Overall, the nonspendable and restricted portions of fund balance decreased approximately 1% from the prior year, while the available portion—committed, assigned, and unassigned—increased by 2.8%. About 41%, or approximately $659,000, of the $1.6 million added to fund balance is restricted by State law for uses related to building permits and inspections. An additional $10.8 million of fund balance was restricted at year-end for cashflow support of other funds operated by the County. This represents a more than 91% increase in the value of "cash loans" made by the General Fund compared to the prior year. A significant share of this amount, approximately $7.2 million or 67%, represents cash flow support of Helene recovery and response efforts pending federal and other reimbursements.

The County Capital Projects Fund accounts for capital asset construction or acquisition from general government resources and financing. The total fund balance decreased $13.6 million from $30.9 million in fiscal year 2024 to $17.3 million in 2025. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The issuance of debt is the County's primary funding structure for County capital projects and generally occurs in even-numbered years. There was no debt issued for County capital projects during fiscal year 2025, while there was nearly $16.6 million of project activity completed. Revenues received in the fund during the year were less than $2.1 million and primarily attributable to grant funding and investment earnings.

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. The County's primary role in this fund is as custodian of funds allocated from the State to the school systems for these projects. The County ensures reimbursement to the schools for project expenditures as eligible project activities are completed. Once constructed or improved, 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 $27.7 million from $66.6 million in fiscal year 2024 to $38.9 million in 2025. Total fund balance can fluctuate from year to year due to the timing of debt issuances or other funding and project completions. The primary funding sources in this fund are locally levied sales taxes and investment earnings which are used to make loan payments. During the fiscal year, $32.7 million was spent toward school capital projects while $31.3 million was earned in revenue. An additional $25.9 million was paid toward existing loans.

The AB Tech Capital Project Fund accounts for revenues restricted for use on capital projects benefiting AB Tech Community College. The total fund balance increased approximately $6.2 million from $20.2 million in fiscal year 2024 to $26.4 million in 2025. 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. During the fiscal year, capital project activities and related spending were limited in the aftermath of Hurricane Helene. Project activities that did occur were focused on capital maintenance, master planning, and major project underway prior to the storm. Despite the significant impacts of Hurricane Helene, sales tax proceeds, which are the primary source of revenue for this fund came in stronger than projected.

The Special Projects Capital Projects Fund accounts for special projects that may not necessarily result in a capital asset for the County. The total fund balance decreased $3.8 million from $22.9 million in fiscal year 2024 to $19.1 million in 2025. 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 primary cause for the decrease was use of fund balance accumulated in prior years to pay major commitments related to economic development, investment in early childhood education, and support of affordable housing services programs.

The Grant Projects Fund accounts for revenues received from multi-year grants and related expenditures. The total fund balance decreased $5.4 million from a ($5.3) million deficit in fiscal year 2024 to a ($10.7) million deficit in 2025. Total fund balance can fluctuate from year to year due to the timing of grant reimbursements and when the

actual project expenditures occurred. The most significant impacts in this fund during the year were generated from recovery and response activities to Hurricane Helene. The County spent nearly $25 million related to storm recovery efforts. At year-end, only a portion of this spending had been offset by federal reimbursements from FEMA, insurance claims, and cashflow loans from the State of North Carolina.

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

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

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Disposal Fund at the end of the fiscal year amounted to ($8.4) million (deficit). The Solid Waste Fund net position decreased—i.e., extended the deficit –$2.2 million from fiscal year 2024. For fiscal year 2025, the County increased the average tipping fee to $55.00 per ton, a 13.4% increase from the prior year fee. During the fiscal year, operating expenses exceeded operating revenues, including charges for services, by $2.8 million. This is likely due to consistent fluctuations in certain required costs, such as landfill closure and postclosure care costs, as well as extended business outages following Hurricane Helene. The County has committed to conducting the next reevaluation of the solid waste fee schedule following the close of fiscal year 2025.

Capital Asset and Debt Administration

Capital Assets. As of June 30, 2025, the County's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities totaled $275.5 million. These assets include land, buildings and improvements, equipment, automotive equipment, construction in progress, and right to use assets. This represents an immaterial decrease from fiscal year 2025 and indicates the County's inventory of capital assets remained relatively stable during the year.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 21.6	$ 21.6	$ 6.8	$ 6.8	$ 28.4	$ 28.4
Buildings and improvements	163.6	171.4	27.8	30.0	191.4	201.4
Equipment	10.1	13.8	2.3	2.6	12.5	16.4
Automotive equipment	11.1	5.8	0.3	0.7	11.3	6.5
Intangibles	0.4	0.8	-	-	0.4	0.8
Construction in progress	18.0	11.3	-	-	18.0	11.3
Right-to-use	12.1	9.3	1.3	1.5	13.4	10.8
Total capital assets	$ 236.9	$ 234.0	$ 38.6	$ 41.6	$ 275.5	$ 275.6

Outstanding Debt. As of June 30, 2025, the County's total debt outstanding was $396.5 million, of which $16.4 million is debt backed by the full faith and credit of the County. Installment notes account for the remaining $380.1 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 $213 million, of which $171.3 million is for the school systems and $41.7 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 $18.3 million, or 4.6% 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 the Kroll Bond Rating Agency, as well as its Aaa rating with Moody's Investor Service. The ratings were all maintained following completion of a "credit watch" period which is standard for jurisdictions impacted by a major catastrophic event, such as Hurricane Helene. These bond ratings are a positive reflection of the sound financial condition of the County and indication of confidence in the steps taken to maintain financial health following the storm. Continued maintenance of the highest credit ratings is a primary factor in keeping interest costs low on the County's outstanding debt.

During fiscal year 2025, the County completed one refinancing transaction ("refunding") of existing debt to generate savings through reduced annual loan payments. Much of the savings from the transaction will be realized in FY2026, with the County's General Fund debt service costs reduced by approximately $1.7 million. The County also entered into one direct bank loan for the acquisition of vehicles to be used primarily for public safety, as well as purchase of major capital equipment to support solid waste disposal business operations.

Figure 8
Outstanding Debt
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	$ 16.4	$ 19.5	$ -	$ -	$ 16.4	$ 19.5
Installment Notes Payable	369.9	394.3	10.2	11.0	380.1	405.3
Total Outstanding Debt	$ 386.3	$ 413.8	$ 10.2	$ 11.0	$ 396.5	$ 424.8

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Buncombe County is $3.8 billion. The County's policy is to limit amount of debt issued to 3% of the total assessed value of taxable property located within that government's boundaries. The County's imposed debt margin is $1.2 billion.

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

FISCAL YEAR 2026 BUDGET HIGHLIGHTS

The total operating budget for Buncombe County is $622.4 million. The General Fund budget for fiscal year 2026 is $433.1 million. This is a decrease of 8.6% from the fiscal year 2025 amended General Fund budget.

The tax rate for fiscal year 2026 is set at 54.66 cents per $100 of property value. The tax rate represents a 2.9 cent increase from 2025.

The County's prior two fiscal years were highlighted by significant, one-time events and responses, the impacts of which will inform the County's planning and budgeting processes for years to come. During fiscal year 2024, the County used $11.1 million in fund balance primarily to continue its commitment to educational investment in the local K-12 public school systems. This represents the first use of fund balance in the County's General Fund in more than two decades. Then, in September 2024, Buncombe County and the surrounding region suffered the catastrophic impacts of Hurricane Helene. Among many other impacts, the storm drastically altered the range of services needed in the community, as well as the County's approach to prioritizing and funding those needs. As part of mid-year expenditure-reduction measures following the storm, the County took the unprecedented step of reducing appropriations to the local public school systems by $4.8 million.

The FY2026 budget, in all material respects, reflects a structurally balanced budget – fund balance appropriated to balance the General Fund budget represents less than one percent of the adopted budget. The current year budget emphasizes continuity of essential operations and community investments. The budget also looks to limit expansion of the County's overhead – e.g., no new staffing positions were approved – as the County continues to evaluate the long-term impacts of Hurricane Helene on services needed in the community, the priority and cost of storm recovery and resiliency projects, and the potential funding sources to meet those needs.

The FY2026 budget continues the County's ongoing commitment to educational support which annually represents the County's highest functional expenditure. $121.8 million, or 28% of the total General Fund budget, was initially budgeted for educational support. Of that, $113.1 million has been committed to the Buncombe County and Asheville City school systems, with the remainder of the funding obligated to Asheville-Buncombe County Technical Community College (A-B Tech). Following special action by the North Carolina General Assembly, the County and school systems will also benefit from authorization to repurpose for operations a portion of sales tax proceeds historically restricted for public school capital projects. This mechanism is intended to allow the County to return the school systems to pre-Helene funding levels without increasing the property tax rate for that purpose; the authorization expires at the end of fiscal year 2027.

The current year's capital planning focuses on storm recovery activities and addressing essential maintenance projects related to the County's existing capital assets. The budget includes:

- $4.6 million in capital activities intended for debt-financing or lease, including replacement of essential vehicles, and upgrades, renovations, and repairs to County facilities;
- $2.3 million for repair of radio tower access roads, to be funded with anticipated recovery grant funding; and,
- $61,000 in essential information technology capital projects to upgrade public safety security and asset management systems.

The budget also recommits the County to community investment through $5.7 million in funding for early childhood education, Isaac Coleman grants, and supplemental funding for aging services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the 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.buncombenc.gov or send an email to FinanceInfo@buncombenc.gov.

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Net Position

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 191,049,340	$ 18,456,559	$ 209,505,899
Receivables, net	37,580,221	1,204,559	38,784,780
Due from other governments	52,968,833	239,585	53,208,418
Inventories	-	44,028	44,028
Prepaids	802,818	-	802,818
Restricted cash and investments	59,209,538	2,960,424	62,169,962
Net pension asset	358,856	-	358,856
Long-term receivables	16,018,147	-	16,018,147
Lease receivable	10,963,728	-	10,963,728
Capital assets:			
Land and construction in progress	39,577,930	6,842,138	46,420,068
Other capital assets, net of depreciation	185,199,972	30,436,309	215,636,281
Right to use assets, net of amortization	12,136,243	1,276,509	13,412,752
Total capital assets	236,914,145	38,554,956	275,469,101
Total assets	605,865,626	61,460,111	667,325,737
DEFERRED OUTFLOWS OF RESOURCES	58,273,140	1,100,004	59,373,144
LIABILITIES			
Accounts payable and accrued expenses	36,334,818	1,294,167	37,628,985
Accrued interest payable	1,574,038	34,819	1,608,857
Payable from restricted cash	5,986,064	-	5,986,064
Unearned revenue	10,586,055	-	10,586,055
Other liabilities	9,048,142	1,150	9,049,292
Due to component unit	5,104,905	-	5,104,905
Noncurrent liabilities:			
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	46,121,464	3,726,057	49,847,521
Due in more than one year:			
Total pension liability - LEOSSA	8,730,284	-	8,730,284
Net pension liability - LGERS	92,621,554	1,837,241	94,458,795
Net OPEB liability	66,534,977	1,319,230	67,854,207
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	368,075,574	32,306,255	400,381,829
Total noncurrent liabilities	582,083,853	39,188,783	621,272,636
Total liabilities	650,717,875	40,518,919	691,236,794
DEFERRED INFLOWS OF RESOURCES	50,807,251	529,036	51,336,287
NET POSITION			
Net investment in capital assets	83,265,035	29,996,637	113,261,672
Restricted for:			
Stabilization by State statute	39,535,227	-	39,535,227
Net pension asset	358,856	-	358,856
Capital projects	9,548,881	-	9,548,881
Education	65,416,283	-	65,416,283
General government	972,069	-	972,069
Public Safety	1,964,679	-	1,964,679
Economic and physical development	15,493,286	-	15,493,286
Human services	6,684,271	-	6,684,271
Library	958,261	-	958,261
Unrestricted (deficit)	(261,583,208)	(8,484,477)	(270,067,685)
Total net position	$ (37,386,360)	$ 21,512,160	$ (15,874,200)

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

	Component Units	
	Tourism Development Authority	Asheville-Buncombe Air Quality Agency
ASSETS		
Cash and investments	$ 76,486,682	$ 713,601
Receivables, net	5,129,406	30,352
Prepaids	36,439	-
Capital assets:		
Other capital assets, net of depreciation	-	209,091
Right to use assets, net of amortization	4,530,509	-
Total capital assets	4,530,509	209,091
Total assets	86,183,036	953,044
DEFERRED OUTFLOWS OF RESOURCES	-	240,688
LIABILITIES		
Accounts payable and accrued expenses	7,238,213	30,182
Accrued interest payable	11,788	-
Other liabilities	676,522	-
Noncurrent liabilities:		
Due within one year: Bonds, notes, lease liabilities, compensated absences, retirement liabilities	356,844	210,870
Due in more than one year:		
Net OPEB liability	-	295,291
Bonds, notes, lease liabilities, compensated absences, retirement liabilities	4,625,470	300,130
Total noncurrent liabilities	4,982,314	806,291
Total liabilities	12,908,837	836,473
DEFERRED INFLOWS OF RESOURCES	-	120,481
NET POSITION		
Net investment in capital assets	(314,272)	209,091
Restricted for:		
Stabilization by State statute	3,420,811	-
Product development	38,936,025	-
Legacy investment in tourism	16,724,213	-
Unrestricted (deficit)	14,507,422	27,687
Total net position	$ 73,274,199	$ 236,778

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Activities

FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
General government	$ 97,979,558	$ 7,322,178	$ 14,051,446	$ -
Public safety	162,240,005	14,300,095	13,014,248	-
Economic and physical development	51,126,355	4,802,049	1,058,450	127,841
Human services	107,791,912	4,880,819	50,208,594	-
Cultural and recreational	14,308,848	281,356	3,872,540	145,170
Education	194,226,526	732,275	-	2,216,366
Interest on long-term debt	16,029,634	-	-	-
Total governmental activities	643,702,838	32,318,772	82,205,278	2,489,377
BUSINESS-TYPE ACTIVITIES:				
Solid Waste Disposal	16,395,050	12,085,295	503,272	-
Nonmajor enterprise funds	1,419,260	514,595	-	-
Total business-type activities	17,814,310	12,599,890	503,272	-
Total primary government	$ 661,517,148	$ 44,918,662	$ 82,708,550	$ 2,489,377
COMPONENT UNITS:				
Tourism Development Authority	$ 27,432,209	$ 188,973	$ 26,376,441	$ -
Asheville-Buncombe Air Quality Agency	1,194,248	553,756	463,060	-
Total component units	$ 28,626,457	$ 742,729	$ 26,839,501	$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Other taxes and licenses				
Payments in lieu of taxes				
Investment earnings (loss), unrestricted				
Grants and contributions, unrestricted				
Other, unrestricted				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning, as previously reported				
Error correction (Note 9)				
Net position, beginning, as restated				
Net position, ending				

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

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Asheville-Buncombe Air Quality Agency
$ (76,605,934)	$ -	$ (76,605,934)		
(134,925,662)	-	(134,925,662)		
(45,138,015)	-	(45,138,015)		
(52,702,499)	-	(52,702,499)		
(10,009,782)	-	(10,009,782)		
(191,277,885)	-	(191,277,885)		
(16,029,634)	-	(16,029,634)		
(526,689,411)	-	(526,689,411)		
-	(3,806,483)	(3,806,483)		
-	(904,665)	(904,665)		
-	(4,711,148)	(4,711,148)		
(526,689,411)	(4,711,148)	(531,400,559)		
			$ (866,795)	$ -
			-	(177,432)
			(866,795)	(177,432)
324,040,174	-	324,040,174	-	-
132,417,525	-	132,417,525	-	-
33,549,299	819,404	34,368,703	-	155,565
110,624	-	110,624	-	-
13,192,001	815,216	14,007,217	3,165,536	30,133
3,163,153	-	3,163,153	-	-
5,290,468	-	5,290,468	37,024	100
(11,950)	11,950	-	-	-
511,751,294	1,646,570	513,397,864	3,202,560	185,798
(14,938,117)	(3,064,578)	(18,002,695)	2,335,765	8,366
(16,291,198)	24,576,738	8,285,540	70,938,434	228,412
(6,157,045)	-	(6,157,045)	-	-
(22,448,243)	24,576,738	2,128,495	70,938,434	228,412
$ (37,386,360)	$ 21,512,160	$ (15,874,200)	$ 73,274,199	$ 236,778

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

BUNCOMBE COUNTY, NORTH CAROLINA

Balance Sheet

Governmental Funds

JUNE 30, 2025

	General	Occupancy Tax	Special Taxing Districts	Opioid Settlement	Grant Projects
ASSETS					
Cash and investments	$ 96,524,179	$ 2,597,782	$ 1,829,040	$ -	$ -
Restricted cash and investments	741,642	-	-	4,044,879	10,963,996
Receivables, net	11,719,685	2,639,153	356,276	21,164,988	34,194
Due from other governments	19,264,819	-	4,539,855	-	8,305,003
Due from other funds	10,823,994	-	-	-	-
Prepaid items	418,481	-	-	-	337
Long-term receivable	484	-	-	-	-
Lease receivable	10,963,728	-	-	-	-
Total assets	$ 150,457,012	$ 5,236,935	$ 6,725,171	$ 25,209,867	$ 19,303,530
LIABILITIES					
Accounts payable and accrued liabilities	$ 11,944,437	$ -	$ 6,458,436	$ -	$ 1,783,066
Payable from restricted cash	57,251	-	-	158,705	377,941
Unearned revenue	-	-	-	-	10,586,055
Other liabilities	3,791,951	-	-	-	-
Due to component unit	-	5,104,905	-	-	-
Due to other funds	-	132,030	-	-	9,797,508
Total liabilities	15,793,639	5,236,935	6,458,436	158,705	22,544,570
DEFERRED INFLOWS OF RESOURCES	17,192,693	-	266,735	19,008,208	7,481,457
FUND BALANCES					
Nonspendable	395,609	-	-	-	-
Restricted					
Stabilization by State statute	37,746,069	-	-	-	-
Education	-	-	-	-	-
Capital projects	264,362	-	-	-	-
General government	372,776	-	-	-	-
Public Safety	-	-	-	-	-
Economic and physical development	6,362,515	-	-	-	-
Human services	-	-	-	6,042,954	-
Library	-	-	-	-	-
Assigned					
Subsequent year's expenditures	7,100	-	-	-	-
Education	-	-		-	-
Capital projects	-	-	-	-	-
Economic & physical development	-	-	-	-	-
Unassigned	72,322,249	-	-	-	(10,722,497)
Total fund balances	117,470,680	-	-	6,042,954	(10,722,497)
Total liabilities, deferred inflows of resources, and fund balances	$ 150,457,012	$ 5,236,935	$ 6,725,171	$ 25,209,867	$ 19,303,530

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

Public School Capital Needs	AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 19,279,082	$ 21,454,362	$ -	$ 1,293,521	$ 18,237,640	$ 5,089,112	$ 166,304,718
13,730,171	162,055	-	17,649,003	-	11,917,792	59,209,538
-	39,850	115,252	321,839	35,179	65,629	36,492,045
7,542,622	5,140,447	5,886,906	-	-	2,289,181	52,968,833
-	-	-	-	-	-	10,823,994
-	-	-	-	-	-	418,818
-	-	-	-	9,548,881	6,468,782	16,018,147
-	-	-	-	-	-	10,963,728
$ 40,551,875	$ 26,796,714	$ 6,002,158	$ 19,264,363	$ 27,821,700	$ 25,830,496	$ 353,199,821
$ 78,244	$ 195,366	$ 5,886,906	$ 1,104,334	$ 3,652,093	$ 458,814	$ 31,561,696
1,500,702	157,994	-	894,674	-	2,838,797	5,986,064
-	-	-	-	-	-	10,586,055
-	-	-	-	5,062,670	193,521	9,048,142
-	-	-	-	-	-	5,104,905
-	-	115,252	-	-	779,204	10,823,994
1,578,946	353,360	6,002,158	1,999,008	8,714,763	4,270,336	73,110,856
-	-	-	-	-	787,103	44,736,196
-	-	-	-	-	-	395,609
-	-	-	-	-	1,789,158	39,535,227
38,972,929	26,443,354	-	-	-	-	65,416,283
-	-	-	16,754,329	9,548,881	-	26,567,572
-	-	-	-	-	599,293	972,069
-	-	-	-	-	1,964,679	1,964,679
-	-	-	-	-	9,130,771	15,493,286
-	-	-	-	-	641,317	6,684,271
-	-	-	-	-	958,261	958,261
-	-	-	-	-	-	7,100
-	-	-	-	4,257,138	-	4,257,138
-	-	-	511,026	5,300,918	-	5,811,944
-	-	-	-	-	5,689,578	5,689,578
-	-	-	-	-	-	61,599,752
38,972,929	26,443,354	-	17,265,355	19,106,937	20,773,057	235,352,769
$ 40,551,875	$ 26,796,714	$ 6,002,158	$ 19,264,363	$ 27,821,700	$ 25,830,496	

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)	(272,739,129)
Net position (deficit) of governmental activities	$ (37,386,360)

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	General	Occupancy Tax	Special Taxing Districts	Opioid Settlement	Grant Projects
REVENUES					
Ad valorem taxes	$ 275,362,221	$ -	$ 48,087,034	$ -	$ -
Local option sales taxes	45,401,618	-	17,092,817	-	-
Other taxes and licenses	5,782,074	27,767,225	-	-	-
Unrestricted intergovernmental	3,163,153	-	-	-	-
Restricted intergovernmental	49,322,499	-	-	-	22,476,804
Permits and fees	5,399,210	-	-	-	-
Sales and services	25,105,494	-	-	-	-
Investment earnings (loss)	8,108,635	-	-	186,682	-
Other	1,423,558	-	-	2,707,191	665,232
Total revenues	419,068,462	27,767,225	65,179,851	2,893,873	23,142,036
EXPENDITURES					
Current:					
General government	58,146,242	-	-	161,001	24,002,908
Public safety	92,496,992	-	48,783,826	2,069,244	13,503,447
Economic and physical development	8,463,316	27,767,225	-	-	1,965,911
Human services	93,802,027	-	-	647,885	4,649,918
Cultural and recreational	10,778,296	-	-	-	965,706
Education	121,851,159	-	16,396,025	-	-
Capital outlay	10,714,992	-	-	36,689	-
Debt service:					
Principal retirement	18,744,929	-	-	-	-
Interest and fees	6,650,257	-	-	-	-
Total expenditures	421,648,210	27,767,225	65,179,851	2,914,819	45,087,890
Revenues over (under) expenditures	(2,579,748)	-	-	(20,946)	(21,945,854)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	5,061,030	-	-	-	273,828
Transfers to other funds	(10,255,003)	-	-	-	(11,950)
Installment obligations issued	3,407,000	-	-	-	14,024,620
Installment obligations issued - refunding	29,575,000	-	-	-	-
Premiums on issuance	2,654,563	-	-	-	-
Payment to refunded bond escrow agent	(32,692,723)	-	-	-	-
Lease liabilities issued	6,413,832	-	-	-	-
Sale of capital assets	25,879	-	-	-	-
Insurance recoveries	-	-	-	-	2,217,735
Total other financing sources (uses)	4,189,578	-	-	-	16,504,233
Net changes in fund balances	1,609,830	-	-	(20,946)	(5,441,621)
Fund balances, beginning	115,860,850	-	-	6,063,900	(5,280,876)
Fund balances, ending	$ 117,470,680	$ -	$ -	$ 6,042,954	$ (10,722,497)

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

Public School Capital Needs	AB Tech Capital Projects	Public Schools ADM Sales Tax/ Lottery Projects	County Capital Projects	Special Projects Capital Projects	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 323,449,255
28,353,867	19,391,685	22,177,538	-	-	-	132,417,525
-	-	-	-	-	-	33,549,299
-	-	-	-	-	-	3,163,153
-	-	2,216,366	145,170	127,841	6,297,967	80,586,647
-	-	-	-	-	370,427	5,769,637
-	-	-	-	-	732,275	25,837,769
2,216,986	779,544	-	885,641	-	908,975	13,086,463
763,269	73,885	-	1,054,306	176,702	69,705	6,933,848
31,334,122	20,245,114	24,393,904	2,085,117	304,543	8,379,349	624,793,596
-	-	-	-	-	241,215	82,551,366
-	-	-	-	-	978,449	157,831,958
-	-	-	-	-	-	38,196,452
-	-	-	-	-	5,256,840	104,356,670
-	-	-	-	-	-	11,744,002
-	-	-	-	-	732,275	138,979,459
32,677,306	2,394,389	24,393,904	16,592,983	11,589,398	3,480,826	101,880,487
17,776,775	5,147,957	-	-	-	610,632	42,280,293
8,162,227	1,464,009	-	-	-	295,610	16,572,103
58,616,308	9,006,355	24,393,904	16,592,983	11,589,398	11,595,847	694,392,790
(27,282,186)	11,238,759	-	(14,507,866)	(11,284,855)	(3,216,498)	(69,599,194)
-	-	-	854,640	7,533,661	1,592,874	15,316,033
-	(5,000,000)	-	-	(34,341)	(26,689)	(15,327,983)
-	-	-	-	-	-	17,431,620
21,505,000	2,690,000	-	-	-	-	53,770,000
1,934,682	239,960	-	-	-	-	4,829,205
(23,776,527)	(2,972,066)	-	-	-	-	(59,441,316)
-	-	-	-	-	-	6,413,832
-	-	-	-	-	9,200	35,079
-	-	-	-	-	-	2,217,735
(336,845)	(5,042,106)	-	854,640	7,499,320	1,575,385	25,244,205
(27,619,031)	6,196,653	-	(13,653,226)	(3,785,535)	(1,641,113)	(44,354,989)
66,591,960	20,246,701	-	30,918,581	22,892,472	22,414,170	279,707,758
$ 38,972,929	$ 26,443,354	$ -	$ 17,265,355	$ 19,106,937	$ 20,773,057	$ 235,352,769

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different:	
Net changes in fund balances - total governmental funds	$ (44,354,989)
Reconciliation to full accrual basis of accounting (see Note 1)	29,416,872
Total change in net position (deficit) of governmental activities	$ (14,938,117)

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Ad valorem taxes	$ 277,331,794	$ 278,469,778	$ 275,362,221	$ (3,107,557)
Local option sales taxes	46,629,466	46,629,466	45,401,618	(1,227,848)
Other taxes and licenses	6,799,610	6,799,610	5,782,074	(1,017,536)
Unrestricted intergovernmental	765,000	1,277,408	3,163,153	1,885,745
Restricted intergovernmental	48,053,728	48,718,938	49,322,499	603,561
Permits and fees	5,927,500	5,927,500	5,399,210	(528,290)
Sales and services	24,894,690	24,894,690	25,105,494	210,804
Investment earnings (loss)	7,130,000	6,500,000	8,108,635	1,608,635
Other	1,693,265	2,047,938	1,425,629	(622,309)
Total revenues	419,225,053	421,265,328	419,070,533	(2,194,795)
EXPENDITURES				
Current:				
General government	69,882,562	79,818,316	68,162,463	11,655,853
Public safety	95,252,463	94,321,656	93,195,763	1,125,893
Economic and physical development	9,713,375	11,161,938	8,463,316	2,698,622
Human services	96,663,471	97,296,250	93,802,026	3,494,224
Culture and recreation	11,306,529	11,323,089	10,778,296	544,793
Intergovernmental:				
Education	126,475,477	122,034,016	121,851,159	182,857
Total current expenditures	409,293,877	415,955,265	396,253,023	19,702,242
Debt service:				
Principal retirement	15,407,382	51,310,717	18,744,929	32,565,788
Interest and other charges	6,249,592	6,662,206	6,650,258	11,948
Total debt service	21,656,974	57,972,923	25,395,187	32,577,736
Total expenditures	430,950,851	473,928,188	421,648,210	52,279,978
Revenues over (under) expenditures	(11,725,798)	(52,662,860)	(2,577,677)	50,085,183
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,030,318	5,030,318	5,061,030	30,712
Transfers to other funds	(9,270,934)	(10,037,216)	(10,255,003)	(217,787)
Installment obligations issued	3,955,294	36,184,857	3,407,000	(32,777,857)
Installment obligations issued - refunding	-	-	29,575,000	29,575,000
Premiums on issuance	-	-	2,654,563	2,654,563
Payment to refunded bond escrow agent	-	-	(32,692,723)	(32,692,723)
Lease liabilities issued	-	6,418,819	6,413,832	(4,987)
Sales of capital assets	50,000	50,000	25,879	(24,121)
Appropriated fund balance	11,961,120	15,016,082	-	(15,016,082)
Total other financing sources (uses)	11,725,798	52,662,860	4,189,578	(48,473,282)
Net change in fund balance	$ -	$ -	1,611,901	$ 1,611,901
Reconciliation from budgetary basis to GAAP:				
Reconciling items:				
Net collections on long-term loans			(2,071)	
Change in fund balance			1,609,830	
Fund balance, beginning			115,860,850	
Fund balance, ending			$ 117,470,680	

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

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, 2025

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Occupancy tax	$ 40,000,000	$ 40,000,000	$ 27,767,225	$ (12,232,775)
Total revenues	40,000,000	40,000,000	27,767,225	(12,232,775)
EXPENDITURES				
Current:				
Economic and physical development:				
Tourism development	40,000,000	40,000,000	27,767,225	12,232,775
Total expenditures	40,000,000	40,000,000	27,767,225	12,232,775
Revenues over expenditures	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning			-	
Fund balance, ending			$ -	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 7

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Ad valorem taxes	$ 49,479,660	$ 49,479,660	$ 48,087,034	$ (1,392,626)
Local option sales taxes	18,868,597	18,868,597	17,092,817	(1,775,780)
Total revenues	68,348,257	68,348,257	65,179,851	(3,168,406)
EXPENDITURES				
Current:				
Public safety:				
Volunteer fire departments	51,098,257	51,098,257	48,783,826	2,314,431
Education:				
Asheville City Schools	17,250,000	17,250,000	16,396,025	853,975
Total expenditures	68,348,257	68,348,257	65,179,851	3,168,406
Net change in fund balance	$ -	$ -	-	$ -
Fund balance, beginning			-	
Fund balance, ending			$ -	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 8

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

FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Other	$ 2,109,143	$ 2,109,143	$ 2,707,191	$ 598,048
Investment earnings	-	-	186,682	186,682
Total revenues	2,109,143	2,109,143	2,893,873	$ 784,730
EXPENDITURES				
Current:				
General Government:				
Salaries and benefits	252,624	252,624	159,716	92,908
Other operating expenditures	3,891	3,891	1,285	2,606
Human services:				-
Salaries and benefits	268,542	268,542	262,550	5,992
Other operating expenditures	560,154	560,154	385,335	174,819
Public Safety:				-
Salaries and benefits	1,219,467	1,219,467	1,270,955	(51,488)
Other operating expenditures	955,182	955,182	798,289	156,893
Capital outlay	55,000	55,000	36,689	18,311
Total expenditures	3,314,860	3,314,860	2,914,819	400,041
Revenues under expenditures	(1,205,717)	(1,205,717)	(20,946)	1,184,771
OTHER FINANCING SOURCES				
Appropriated fund balance	1,205,717	1,205,717	-	(1,205,717)
Total other financing sources	1,205,717	1,205,717	-	(1,205,717)
Net change in fund balance	$ -	$ -	(20,946)	$ (20,946)
Fund balance, beginning			6,063,900	
Fund balance, ending			$ 6,042,954	

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Net Position
Proprietary Funds

JUNE 30, 2025

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
ASSETS				
Current assets:				
Cash and investments	$ 17,943,388	$ 513,171	$ 18,456,559	$ 24,744,622
Restricted cash and cash equivalents	2,960,424	-	2,960,424	-
Receivables, net	1,194,995	9,564	1,204,559	489,100
Due from other governments	209,585	30,000	239,585	-
Prepaids	-	-	-	384,000
Inventories	44,028	-	44,028	-
Total current assets	22,352,420	552,735	22,905,155	25,617,722
Noncurrent assets:				
Capital assets:				
Land, improvements, and construction in progress	6,842,138	-	6,842,138	-
Other capital assets, net of depreciation	30,275,352	160,957	30,436,309	-
Right to use assets, net of amortization	1,276,509	-	1,276,509	-
Total capital assets	38,393,999	160,957	38,554,956	-
Total noncurrent assets	38,393,999	160,957	38,554,956	-
Total assets	60,746,419	713,692	61,460,111	25,617,722
DEFERRED OUTFLOWS OF RESOURCES	1,048,180	51,824	1,100,004	-
LIABILITIES				
Current liabilities:				
Accounts payable	668,094	476,262	1,144,356	2,568,954
Accrued interest payable	34,819	-	34,819	-
Salaries and payroll taxes payable	140,717	9,094	149,811	16,483
Compensated absences	332,127	33,639	365,766	-
Other liabilities	1,150	-	1,150	2,187,685
Installment obligations payable, current portion	3,008,000	-	3,008,000	-
Lease obligations, current portion	352,291	-	352,291	-
Total current liabilities	4,537,198	518,995	5,056,193	4,773,122
Noncurrent liabilities:				
Accrued landfill closure and postclosure care costs	24,152,713	-	24,152,713	-
Net OPEB liability	1,257,077	62,153	1,319,230	-
Net pension liability - LGERS	1,750,684	86,557	1,837,241	-
Installment obligations payable	7,196,002	-	7,196,002	-
Lease obligations payable	957,540	-	957,540	-
Total noncurrent liabilities	35,314,016	148,710	35,462,726	-
Total liabilities	39,851,214	667,705	40,518,919	4,773,122
DEFERRED INFLOWS OF RESOURCES	504,112	24,924	529,036	-
NET POSITION				
Net investment in capital assets	29,835,680	160,957	29,996,637	-
Unrestricted (deficit)	(8,396,407)	(88,070)	(8,484,477)	20,844,600
Total net position	$ 21,439,273	$ 72,887	$ 21,512,160	$ 20,844,600

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

BUNCOMBE COUNTY, NORTH CAROLINA

Exhibit 10

Statement of Revenues, Expenses, and Change in Net Position

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
OPERATING REVENUES				
Charges for services	$ 12,085,295	$ 514,595	$ 12,599,890	$ 37,968,911
Other	503,272	-	503,272	5,923,074
Total operating revenues	12,588,567	514,595	13,103,162	43,891,985
OPERATING EXPENSES				
Salaries, wages, and fringe benefits	3,951,648	204,395	4,156,043	676,523
Contracted services		886,753	886,753	
Cost of products sold		49,786	49,786	
Other operating expenses	6,625,200	252,438	6,877,638	3,144,790
Landfill closure and postclosure care costs	1,323,780	-	1,323,780	-
Depreciation	2,856,568	25,888	2,882,456	-
Amortization	586,576	-	586,576	-
Insurance premiums	-	-	-	2,056,259
Claims	-	-	-	39,625,196
Total operating expenses	15,343,773	1,419,260	16,763,032	45,502,768
Operating income (loss)	(2,755,205)	(904,665)	(3,659,870)	(1,610,782)
NONOPERATING REVENUES (EXPENSES)				
Interest and investment income	769,494	45,722	815,216	-
Disposal taxes	819,404	-	819,404	-
Interest and other charges	(369,070)	-	(369,070)	-
Loss on disposal of assets	(682,208)	-	(682,208)	-
Total nonoperating revenues (expenses)	537,620	45,722	583,342	-
Income (loss) before transfers	(2,217,585)	(858,943)	(3,076,528)	(1,610,782)
Transfers to other funds	11,950	-	11,950	-
Change in net position	(2,205,635)	(858,943)	(3,064,578)	(1,610,782)
Net position, beginning	23,644,908	931,830	24,576,738	22,455,382
Net position, ending	$ 21,439,273	$ 72,887	$ 21,512,160	$ 20,844,600

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Cash Flows

Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 12,015,130	$ 485,788	$ 12,500,918	$ 37,624,729
Cash paid for goods and services	(7,006,636)	(905,913)	(7,912,549)	(42,998,705)
Cash paid to employees for services	(4,116,576)	(207,884)	(4,324,460)	(678,682)
Other operating revenue	293,685	-	293,685	5,923,074
Net cash provided (used) by operating activities	1,185,603	(628,009)	557,594	(129,584)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental revenues	819,404	-	819,404	-
Transfers from other funds	11,950	-	11,950	-
Net cash provided by (used in) noncapital financing activities	831,354	-	831,354	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(694,098)	-	(694,098)	-
Proceeds from installment obligation	1,774,000	-	1,774,000	-
Principal paid on installment obligations	(2,584,999)	-	(2,584,999)	-
Principal paid on lease obligations	(570,176)	-	(570,176)	-
Interest and fees paid on long-term liabilities	(362,320)	-	(362,320)	-
Net cash used by capital and related financing activities	(2,437,593)	-	(2,437,593)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	769,494	45,722	815,216	-
Net cash provided by investing activities	769,494	45,722	815,216	-
Net increase (decrease) in cash and investments	348,858	(582,287)	(233,429)	(129,584)
Cash and investments, beginning of year	20,554,954	1,095,458	21,650,412	24,874,206
Cash and investments, end of year	$ 20,903,812	$ 513,171	$ 21,416,983	$ 24,744,622
Classified as:				
Cash and investments	$ 17,943,388	$ 513,171	$ 18,456,559	$ 24,744,622
Restricted cash and cash equivalents	2,960,424	-	2,960,424	-
Total cash and investments	$ 20,903,812	$ 513,171	$ 21,416,983	$ 24,744,622

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

	Enterprise Funds			Internal Service Fund
	Solid Waste Disposal Fund	Nonmajor Enterprise Funds	Total	Insurance Fund
Reconciliation of operating loss to net cash provided by operating activities:				
Operating loss	$ (2,755,205)	$ (904,665)	$ (3,659,870)	$ (1,610,782)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	2,856,568	25,888	2,882,456	-
Amortization	586,576	-	586,576	
Landfill closure and postclosure care costs	1,227,714	-	1,227,714	-
Changes in assets, liabilities and deferred outflows and inflows of resources:				
Accounts receivable	(279,750)	(28,807)	(308,557)	(344,182)
Inventories	1,575	-	1,575	-
Deferred outflows of resources - pensions	191,075	8,035	199,110	-
Net pension liability	(54,488)	(345)	(54,833)	-
Deferred inflows of resources - pensions	(7,373)	(338)	(7,711)	-
Accounts payable	(286,947)	283,064	(3,883)	1,827,539
Salaries and payroll taxes payable	(7,160)	436	(6,724)	(2,159)
Deferred outflows of resources - OPEB	(3,114)	(350)	(3,464)	-
Net OPEB liability	(14,413)	(16,159)	(30,572)	-
Deferred inflows of resources - OPEB	(348,949)	942	(348,007)	-
Accrued compensated absences	79,494	4,290	83,784	-
Total adjustments	3,940,808	276,656	4,217,464	1,481,198
Net cash provided (used) by operating activities	$ 1,185,603	$ (628,009)	$ 557,594	$ (129,584)
Noncash capital and related financing activities				
Capital assets acquired under lease agreement	$ 376,681	$ -	$ 376,681	$ -
Total noncash capital and related financing activities	$ 376,681	$ -	$ 376,681	$ -

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Fiduciary Net Position

Fiduciary Funds

JUNE 30, 2025

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	$ -	$ 1,680,242
Investments:		
State Treasurer Short Term Investment Fund	8,780,105	-
State Treasurer Bond Index Fund	3,292,047	-
Mutual funds	42,546,412	-
Receivables, net	-	853,960
Total assets	54,618,564	2,534,202
LIABILITIES		
Accounts payable and accrued liabilities	-	105,597
Due to other governments	-	1,690,810
Total liabilities	-	1,796,407
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	54,618,564	-
Individuals and other governments	-	737,795
Total net position	$ 54,618,564	$ 737,795

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

BUNCOMBE COUNTY, NORTH CAROLINA

Statement of Changes in Fiduciary Net Position

FOR THE YEAR ENDED JUNE 30, 2025

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	$ 6,663,764	$ -
Investment income:		
Interest and dividends	399,092	-
Gain on sales of investments	117,773	-
Net appreciation in fair value of investments	6,080,495	-
Investment income, net	6,597,360	-
Ad valorem taxes collected for other governments	-	107,363,852
Collections on behalf of inmates	-	1,305,458
Total additions	13,261,124	108,669,310
DEDUCTIONS		
Benefit payments	6,663,764	-
Administrative expenses	8,248	-
Tax distributions to other governments	-	107,238,231
Payments on behalf of inmates	-	1,275,456
Total deductions	6,672,012	108,513,687
Change in net position	6,589,112	155,623
NET POSITION		
Beginning, as previously reported	48,029,452	582,172
Ending	$ 54,618,564	$ 737,795

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

Note 1 - Summary of Significant Accounting Policies

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

(A) Reporting Entity

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Buncombe County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued (no amounts have been presented because no financial transactions or account balances exist).
OPEB Trust Fund	Fiduciary Fund	The OPEB Trust Fund provides postretirement healthcare benefits to qualifying employees of the County and the Asheville-Buncombe 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 three-member board of directors, as appointed by the Buncombe County Manager. The Foundation's budget is adopted on an annual basis by the Foundation board. The Foundation has no corporate members, however the County provides financial assistance as well as operational staff and other non-monetary support.	None issued.
Asheville-Buncombe 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.

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

Opioid Settlement Special Revenue Fund: This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

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

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

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

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

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

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

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

Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when the vehicles are registered.

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

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

(C) Budgetary Data

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

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

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

(1) Deposits and Investments

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

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

The NCCMT Cash Portfolio, North Carolina Local Government Investment Pool (NCLGIP), and North Carolina Cooperative Liquid Assets Securities System (NC CLASS) are SEC-registered 2a7 external investment pools and are measured at amortized cost. The County pools moneys from several funds to facilitate disbursement and

investment and maximize investment income. Income from pooled moneys is allocated to participating funds based on the funds' respective share of total pooled cash and investments. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

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

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

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year-end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2025 of 2.1 years. Level 2 inputs in this case involve inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at $1 per share.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at $1 per unit, and had an average maturity of 8.11 years at June 30, 2025.

The EIF, 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, 2025, the fair value of the fund was $44.3339 per share. Fair value for this fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

(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.

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets.

Governmental Activities:		
General Fund	Unexpended bond proceeds	$ 264,362
General Fund	Reserve for tax reappraisal	420,029
General Fund	Payables from restricted cash	57,251
Opioid Settlement Fund	Unexpended settlement proceeds	3,886,174
Opioid Settlement Fund	Payables from restricted cash	158,705
Grant Projects Fund	Unexpended grant proceeds	10,586,055
Grant Projects Fund	Payables from restricted cash	377,941
County Capital Projects Fund	Unexpended bond proceeds	16,754,329
County Capital Projects Fund	Payables from restricted cash	894,674
Public School Capital Needs Fund	Unexpended bond proceeds	12,229,469
Public School Capital Needs Fund	Payables from restricted cash	1,500,702
AB Tech Capital Projects Fund	Unexpended bond proceeds	4,061
AB Tech Capital Projects Fund	Payables from restricted cash	157,994
Other Governmental Funds	Unexpended bond proceeds	9,078,995
Other Governmental Funds	Payables from restricted cash	2,838,797
Total Governmental Activities		$ 59,209,538
Business-Type Activities		
Solid Waste Disposal	Unexpended bond proceeds	$ 2,960,424
Total Business-Type Activities		$ 2,960,424
Total restricted cash		$ 62,169,962

(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, 2025.

(5) Lease Receivable

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

(6) Allowances for Doubtful Accounts

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

Since the County now has several years of experience related to the Opioid Settlement, the County has decided not to estimate an allowance for uncollectable accounts. Given the fact there is no historical information to serve as a

basis of the calculation and there haven't been any bankruptcies thus far to establish a going concern issue, the County believes it reasonable to expect full collection. The County will monitor this situation and review this procedure in future years.

(7) Inventories and Prepaid Items

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

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

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

(8) Capital Assets

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

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

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

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

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

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

	Years
Buildings	30
Improvements	20
Furniture and equipment	5-10
Intangibles	5
Vehicles	3-5

(9) Deferred Outflows/Inflows of Resources

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

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

(10) Long-term Obligations

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

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

(11) Compensated Absences

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

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

(12) Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmericourceBergen, and Cardinal Health, finalized a $26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded. The County received $2,707,191 as part of this settlement in Fiscal Year 2025. An additional $19,008,208 is recorded as a deferred inflow of resources in the Opioid Settlement Fund. This amount represents opioid settlement funds that are expected but not available. No allowance has been booked against the receivable as the County anticipates receiving all of these funds. The County will continue to monitor each settlement party for any collection issues. Currently, no allowance is considered necessary. Per the terms of the Memorandum of Agreement (MOA), the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

(13) Reimbursements for Pandemic Related Expenditures

In FY 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated $50,733,290 of fiscal recovery funds to be paid in two equal installments. The first installment of $25,366,645 was received in May 2021. The second installment was received in June 2022.

The Board of Commissioners elected to obligate and spend ARPA funds for the following US Treasury categories; $6,988,530 on public health, $25,843,777 on negative economic impacts, $1,909,250 on negative economic impacts related to public sector capacity, $1,023,751 on premium pay, $9,360,688 for revenue replacement, $5,581,699 for administrative work and transfers to other government units, and $25,595 on emergency relief from natural disasters.

(14) Net Position/Fund Balances

Net Position

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

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

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

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

Restricted for general government as detailed below:

Restricted for Register of Deeds: Fund balance of $599,293 restricted by revenue source for Register of Deeds related automation expenditures per G.S. 161-11.3.

Restricted for tax reappraisal: Fund balance of $372,776 restricted for expenditures related to tax reappraisal per G.S. 153A-150.

Restricted for economic and physical development:

Fund balance of $6,322,695 restricted by revenue source to the support of the Permits and Inspections department per G.S. 153A-354, $9,078,705 represents unspent bond proceeds to be used for housing and open space projects, $39,820 restricted by revenue source for soil conservation activities, and $52,066 restricted by revenue source to paying debt service of the PDF Woodfin Downtown Fund.

Restricted for human services:

Fund balance of $514,580 restricted by revenue source for human service activities of the Buncombe County Service Foundation, $126,737 that can only be used for beneficiaries under the Social Security's Representative Payee Program, and $6,042,954 restricted by revenue source to addressing the opioid crisis.

Restricted for library: Fund balance of $958,261 restricted for the libraries by the donor.

Restricted for public safety: Fund balance of $1,964,679 restricted by revenue source for public safety purposes.

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

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

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

Assigned for education: Portion of fund balance that has been designated by the Board of Commissioners for early childhood education initiatives.

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

Assigned for economic and physical development projects: Portion of fund balance in the Housing/Open Space Bond Projects fund that has been designated by the Board of Commissioners.

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

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

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

(15) Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Government Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered, defined benefit pension plans"), administers a single-employer Law Enforcement Officers' Special Separation Allowance (LEOSSA) defined benefit pension plan, and administers one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

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

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

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	$ 224,777,902
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	12,136,243
Net pension asset	358,856
Pension and other post-employment benefit activity relating to deferred outflows and inflows is not used or reported in the funds	28,333,737
Accrued interest receivable on long-term loans and investments reported in the government-wide activities, but not in the fund statements	599,076
Deferred inflows of resources for unavailable revenues are reported in the fund statements but not the government-wide statements	31,807,107
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	20,844,600
Deferred inflows and outflows related to advance refunding bonds issued – included on government-wide statement of net position, but not in the fund statements	(7,938,759)
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	(386,275,728)
Lease liabilities	(4,480,238)
Subscription Liabilities	(6,625,183)
Compensated absences	(14,477,798)
Total pension liability - LEOSSA	(9,370,724)
Net OPEB liability	(66,534,977)
Net pension liability - LGERS	(92,621,554)
Pension spiking liability	(1,697,651)
Accrued interest payable	(1,574,038)
Total	$ (272,739,129)

(2) Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities. The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities. There are several elements of that total adjustment as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements, but capitalized as assets in the statement of activities.	22,781,446
Cost of disposed capital assets not recorded in fund statements	(418,899)
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(19,733,491)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	26,229,658
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	(9,787,484)
Law Enforcement Special Separation Allowance expense adjustment	(310,746)
Register of Deeds' Supplemental Pension Fund expense adjustment	(47,075)
Other post-employment benefit expense adjustment	11,530,511
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Compensated absences	(2,278,095)
Pension spiking liability	(924,842)
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)	144,945
Increase of deferred inflows of resources – taxes receivable	590,920
Increase of deferred inflows of resources – EMS receivable	698,593
Increase in deferred inflows of resources - grant receivables	4,183,825
Decrease in deferred inflows of resources - other receivables	(1,631,612)
Net expense, including transfers, of internal service funds determined to be governmental type	(1,610,782)
Total	$ 29,416,872

(F) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

(1) Deficit Fund Equity

At June 30, 2025, the Grant Projects Fund, a major fund, has a deficit fund balance of $10,722,497. The deficit is related to grants for which there were expenditures, but no recorded revenue since reimbursement was not received and available as a current resource within the year or period of accrual after year end. The largest deficit in FY25 was the FEMA grant related to Hurricane Helene which resulted in expenditures in excess of $7,172,608 over revenues. The Grant Projects Fund deficit also includes an excess of $3,564,236 of expenditures over revenues related to the Enka Recreation Destination grant. Both grants will receive additional revenues once certain milestones are achieved and they are eligible for reimbursement. This will resolve over time when grant projects are closer to completion and all funds are received.

Note 3 - Detail Notes on All Funds

(A) Assets

(1) Deposits

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

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

At June 30, 2025, the County's (including Asheville-Buncombe Air Quality) deposits had a carrying amount of $78,510,854 and a bank balance of $78,539,013. Of the bank balance, $25,454,995 was covered by federal depository insurance and $53,114,018 was covered by collateral held under the Pooling Method. These amounts include $1,680,242 held by the County in its fiduciary capacity for its custodial funds. At June 30, 2025, Buncombe County had $10,750 cash on hand.

At June 30, 2025, the Tourism Development Authority's deposits had a carrying amount of $22,133,859 and a bank balance of $22,224,502. Of the bank balance, $15,954,443 was covered by federal depository insurance and $6,270,059 was covered by collateral held under the Pooling Method.

(2) Investments

As of June 30, 2025, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	1-3 Years
US Treasuries	Fair Value-Level 1	$ 9,244,293	$ 3,996,390	$ 4,242,643	$ 1,005,260
US Government agencies	Fair Value-Level 2	8,274,972	1,250,812	5,010,240	2,013,920
NCCMT - Government Portfolio	Fair Value-Level 1	49,864,244	49,864,244	-	-
NC CLASS	Fair Value-Level 1	100,249,036	100,249,036	-	-
NC Investment Pool	Fair Value-Level 1	27,915,557	27,915,557	-	-
Total		$ 195,548,101	$ 183,276,038	$ 9,252,883	$ 3,019,180

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days and both NC Investment Pool and NC CLASS have 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.The NC Investment Pool has an AAAm rating from S&P and AAAmmf from Fitch Ratings. NC CLASS has an AAAm rating from S&P.

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, 2025, the Tourism Development Authority's investments consisted of $54,352,822 in the North Carolina Capital Management Trust's Government Portfolio, Fair Value-Level 1, with a maturity of less than 6 months.

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

	Primary Government	Tourism Development Authority	Asheville-Buncombe Air Quality
Deposits	$ 78,510,854	$ 22,133,860	$ -
Cash on hand	10,750	-	-
Investments	195,548,101	54,352,822	-
	274,069,705	76,486,682	-
Reported in Component Units	(713,601)	-	713,601
	$ 273,356,104	$ 76,486,682	$ 713,601
Reported on government-wide statement of net position:			
Cash and investments	$ 209,505,900	$ 76,486,682	$ 713,601
Restricted cash and investments	62,169,962	-	-
	271,675,862	$ 76,486,682	$ 713,601
Reported in custodial funds:			
Cash and investments	1,680,242		
	$ 273,356,104		

Interest Rate Risk

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

Credit Risk
The County's policy is to limit investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by S&P. The County's investments in the North Carolina Investment Pool (NCIP) carried a credit rating of Aam by S&P and AAAmmf by Fitch Ratings. The County's investments in NC CLASS 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, 2025, the Buncombe County Healthcare Benefits (HCB) Plan Fund had $54,618,564 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)	$ 3,292,047	6.03%
State Treasurer's Short-Term Investment Fund (STIF)	8,780,105	16.08%
BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund	42,546,412	77.89%
Total	$ 54,618,564	100.00%

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

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

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

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

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

Fiscal Year Levied	Tax	Interest	Total
2022	$ 4,208,877	$ 999,608	$ 5,208,485
2023	4,232,958	624,361	4,857,319
2024	4,215,614	242,398	4,458,012
2025	3,995,731	-	3,995,731
Total	$ 16,653,180	$ 1,866,367	$ 18,519,547

(4) Receivables

Receivables at the government-wide level at June 30, 2025 were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Leases	Long-term Loans	Total
Governmental Activities:						
General	$ 11,814,949	$ 4,336,637	$ 19,264,819	$ 10,963,728	$ 484	$ 46,380,617
Occupancy Tax	-	2,639,153	-	-	-	2,639,153
Special Taxing Districts	-	508,965	4,539,855	-	-	5,048,820
Opioid Settlement	21,164,988	1,655	-	-	-	21,166,643
Grant Projects	34,194	6,797	8,305,003	-	-	8,345,994
Public School Capital Needs	-	-	7,542,622	-	-	7,542,622
AB Tech Capital Projects	39,850	8,725	5,140,447	-	-	5,189,022
Public Schools ADM	115,252	-	5,886,906	-	-	6,002,158
County Capital Projects	321,839	-	-	-	-	321,839
Special Projects Capital Projects	35,179	493,044	-	-	9,548,881	10,077,104
Internal Service Fund	489,100	-	-	-	-	489,100
Other Governmental	65,629	14,477	2,289,181	-	6,468,782	8,838,069
	34,080,980	8,009,453	52,968,833	10,963,728	16,018,147	122,041,141
Allowance for doubtful accounts	(3,720,594)	(789,618)	-	-	-	(4,510,212)
Total - governmental activities	$ 30,360,386	$ 7,219,835	$ 52,968,833	$ 10,963,728	$ 16,018,147	$ 117,530,929
Business-type Activities						
Solid Waste Disposal	$ 1,206,552	$ -	$ 209,585	$ -	$ -	$ 1,416,137
Other Business-type	9,564	-	30,000	-	-	39,564
	1,216,116	-	239,585	-	-	1,455,701
Allowance for doubtful accounts	(11,557)	-	-	-	-	(11,557)
Total - business-type activities	$ 1,204,559	$ -	$ 239,585	$ -	$ -	$ 1,444,144

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

Local option sales tax	$ 35,160,129
Other	17,808,704
Total	$ 52,968,833

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

As of 06/30/2025, Buncombe County, NC had 7 active leases. The leases have receipts that range from $9,923 to $1,088,841 and interest rates that range from 1.0830% to 4.1500%. As of 06/30/2025, the total combined value of the lease receivable is $10,963,728, and the combined value of the deferred inflow of resources is $10,987,084. The principal and interest expected to maturity on these leases is as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2026	$ 1,205,261	$ 146,336
2027	1,221,709	129,888
2028	1,238,455	113,142
2029	1,264,377	96,053
2030	1,294,646	78,547
2031 - 2035	4,739,280	132,391
Total	$ 10,963,728	$ 696,357

(5) Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities	Restated Beginning Balances	Increases	Decreases	Adjustments/ Transfers	Ending Balances
Capital assets not being depreciated:					
Land	$ 21,587,883	$ -	$ -	$ -	$ 21,587,883
Construction in progress	11,285,449	20,007,347	13,302,749	-	17,990,047
Total assets not being depreciated	32,873,332	20,007,347	13,302,749	-	39,577,930
Capital assets being depreciated					
Buildings	224,409,659	4,086,494	598,575	-	227,897,578
Other improvements	116,806,751	-	-	-	116,806,751
Equipment	32,365,058	3,805,390	327,464	-	35,842,984
Intangibles	4,257,906	-	-	-	4,257,906
Vehicles	22,275,857	8,184,964	2,459,384	(20,076)	27,981,361
Total assets being depreciated	400,115,231	16,076,848	3,385,423	(20,076)	412,786,580
Less accumulated depreciation for:					
Buildings	116,181,655	6,550,165	469,596	-	122,262,224
Other improvements	53,588,612	5,257,043	-	-	58,845,655
Equipment	24,729,492	1,211,545	216,582	-	25,724,455
Intangibles	3,413,140	412,489	-	-	3,825,629
Vehicles	16,521,889	2,707,178	2,280,346	(20,076)	16,928,645
Total accumulated depreciation	214,434,788	16,138,420	2,966,524	(20,076)	227,586,608
Total capital assets being depreciated, net	185,680,443	(61,572)	418,899	-	185,199,972
Capital asset being amortized:					
Right to use assets:					
Leased land	646,145	-	-	-	646,145
Leased buildings	705,308	-	196,897	-	508,411
Leased equipment	2,614,177	-	-	-	2,614,177
Leased infrastructure	900,846	-	-	-	900,846
Leased vehicles	-	1,053,182	-	-	1,053,182
IT subscriptions	9,472,032	5,360,642	2,518,562	-	12,314,112
Total assets being amortized	14,338,508	6,413,824	2,715,459	-	18,036,873
Less accumulated amortization:					
Right to use assets:					
Leased land	82,046	27,348	-	-	109,394
Leased buildings	254,929	111,438	196,897	-	169,470
Leased equipment	545,168	341,958	-	-	887,126
Leased infrastructure	169,792	56,598	-	-	226,390
Leased vehicles	-	98,993			98,993
IT subscriptions	3,969,083	2,958,736	2,518,562	-	4,409,257
Total accumulated amortization	5,021,018	3,595,071	2,715,459	-	5,900,630
Total capital assets being amortized, net	9,317,490	2,818,753	-	-	12,136,243
Governmental activities capital assets, net	$ 227,871,265				$ 236,914,145

* Beginning balances were restated for an error correction (see Note 9)

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

Governmental Activities	
General government	$ 10,779,475
Public safety	4,893,196
Economic and physical development	133,331
Human services	2,571,525
Cultural and recreational	1,355,964
Total depreciation and amortization expense	$ 19,733,491

Business-Type Activities	Beginning Balances	Increases	Decreases	Adjustments/ Transfers	Ending Balances
Solid Waste Disposal					
Capital assets not being depreciated:					
Land	$ 6,842,138	$ -	$ -	$ -	$ 6,842,138
Construction in progress	-	409,341	409,341	-	-
Total capital assets not being depreciated	6,842,138	409,341	409,341	-	6,842,138
Capital assets being depreciated:					
Buildings and improvements	70,400,677	146,880	-	-	70,547,557
Equipment	5,692,710	369,589	356,879	-	5,705,420
Vehicles	2,568,237	177,629	1,041,687	20,076	1,724,255
Total capital assets being depreciated	78,661,624	694,098	1,398,566	20,076	77,977,232
Less accumulated depreciation for:					
Buildings and improvements	40,396,407	2,340,171	-	-	42,736,578
Equipment	3,257,921	427,160	163,391	-	3,521,690
Vehicles	1,887,267	89,237	552,968	20,076	1,443,612
Total accumulated depreciation	45,541,595	2,856,568	716,359	20,076	47,701,880
Total capital assets being depreciated, net	33,120,029	(2,162,470)	682,207	-	30,275,352
Capital asset being amortized:					
Right to use assets:					
Leased equipment	2,782,691	376,681	1,439,545	-	1,719,827
Total assets being amortized	2,782,691	376,681	1,439,545	-	1,719,827
Less accumulated amortization:					
Right to use assets:					
Leased equipment	1,296,287	586,576	1,439,545	-	443,318
Total accumulated amortization	1,296,287	586,576	1,439,545	-	443,318
Total capital assets being amortized, net	1,486,404	(209,895)	-	-	1,276,509
Solid Waste Disposal capital assets, net	41,448,571				38,393,999
Other Business-Type Activities					
Capital assets being depreciated:					
Equipment	323,527	-	-	-	323,527
Vehicles	29,129	-	-	-	29,129
Total capital assets being depreciated	352,656	-	-	-	352,656
Less accumulated depreciation for:					
Equipment	136,682	25,888	-	-	162,570
Vehicles	29,129	-	-	-	29,129
Total accumulated depreciation	165,811	25,888	-	-	191,699
Total capital assets being depreciated, net	186,845	(25,888)	-	-	160,957
Other Business-type capital assets, net	186,845				160,957
Business-type capital assets, net	$ 41,635,416				$ 38,554,956

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

	Governmental Activities	Business-Type Activities	Total
Capital assets, net	$ 236,914,145	$ 38,554,956	$ 275,469,101
Total	236,914,145	38,554,956	275,469,101
Debt:			
General obligation bonds	(16,390,000)	-	(16,390,000)
Installment notes (including deferrals)	(377,824,487)	(10,204,000)	(388,028,487)
Lease installment obligations	(4,480,238)	(1,309,831)	(5,790,069)
Subscription installment obligations	(6,625,183)	-	(6,625,183)
Capital accounts payable	(1,999,008)	(4,912)	(2,003,920)
Retainage payable	(1,271,815)	-	(1,271,815)
Gross debt	(408,590,731)	(11,518,743)	(420,109,474)
Add portion of debt that has not given rise to capital assets:			
Unspent bond proceeds	17,018,691	2,960,424	29,058,110
Debt relating to schools and community college	212,963,239	-	212,963,239
Debt relating to economic development	24,959,691	-	24,959,691
Net debt	(153,649,110)	(8,558,319)	(153,128,434)
Capital assets, net of related debt	$ 83,265,035	$ 29,996,637	$ 122,340,667

Construction commitments

The County has the following commitments with contractors for active construction projects at June 30, 2025:

Project	Spent-to-date	Remaining Commitment
AHS - Main Bldg Water & Sewer	$ 1,993,598	$ 1,078,479
AHS Track - Asheville High Fencing	1,277,246	8,348
Apparatus Building Generator	-	89,950
Asheville High Arts Bldg HVAC Piping & Abatement	796,589	1,300,620
Big Ivy Community Center	-	87,946
Capital Plan Maintenance	-	127,800
FY20 Fleet & General Services Complex	6,179,299	3,163,051
FY20 Enka Site TCC Roofs	5,195,988	94,531
FY21 Courthouse Repairs	367,525	17,115
FY21 Solar on Public Facilities	10,804,121	12,837
FY23 AB Tech Parking Lot Green Infrastructure Retrofit	447,463	22,189
FY23 AB Tech Chestnut Stormwater Control Measures	-	187,762
FY23 Buncombe County Courthouse Electrial Upgrades	269,780	370,110
FY23 County Courthouse Renovation & Repair Preconstruction	117,068	51,780
FY23 Lake Julian Bathroom Additions	86,183	18,750
FY23 Solar on Schools & Public Buildings	1,329,850	133,000
FY23 South Buncombe Library Parking Lot Improvements	-	367,831
FY24 35 Woodfin Renovation for Forward Facing Facility	3,272,659	437,729
FY24 County Courthouse Renovation & Repair	180,300	249,451
FY24 Hall Fletcher - Campus Wide Projects	54,181	11,097
FY25 35 Woodfin 911 Backup Center Renovation	2,197,093	549,977
FY25 ACS - General Security Upgrades	6,789,341	1,373,824
FY25 Countywide Roofing & Parking Decks Renovation & Repair	-	361,800
FY25 Detention Center Dryer Installation	211,263	52,335
FY25 Detention Center Facility Assessment Renovation & Repair	167,098	602,313
Total construction commitments	$ 41,736,645	$ 10,770,625

Discretely presented component units

Capital asset activity for Asheville-Buncombe Air Quality Agency for the year ended June 30, 2025, was as follows:

	Beginning Balances	Increases	Decreases	Adjustments/Transfers	Ending Balances
Capital assets being depreciated:					
Equipment	$ 151,917	$ 80,315	$ -	$ -	$ 232,232
Vehicles	46,430	66,048	-	-	112,478
Total capital assets being depreciated	198,347	146,363	-	-	344,710
Less accumulated depreciation for:					
Equipment	39,011	44,707	-	-	83,718
Vehicles	46,430	5,471	-	-	51,901
Total accumulated depreciation	85,441	$ 50,178	$ -	$ -	135,619
Asheville-Buncombe Air Quality capital assets, net	$ 112,906				$ 209,091

(B) Liabilities

(1) Payables

Payables at the government-wide level at June 30, 2025, were as follows:

	Vendors	Retainage	Salaries and Benefits	Total
Governmental Activities				
General	$ 4,398,506	$ -	$ 7,603,182	$ 12,001,688
Special Taxing District	6,458,436	-	-	6,458,436
Opioid Settlement	158,705	-	-	158,705
Grant Projects	2,087,547	-	73,460	2,161,007
Public School Capital Needs	1,208,421	370,525	-	1,578,946
AB Tech Capital Projects	195,366	157,994	-	353,360
Public Schools ADM Sales Tax/Lottery Projects	5,886,906	-	-	5,886,906
County Capital Projects	1,514,062	484,946	-	1,999,008
Special Projects Capital Projects	3,652,093	-	-	3,652,093
Internal Service Fund	2,568,954	-	16,483	2,585,437
Other Governmental	2,510,743	786,868	-	3,297,611
Total	30,639,739	1,800,333	7,693,125	40,133,197
Governmental Activities	2,187,685	-	-	2,187,685
Total - governmental activities	$ 32,827,424	$ 1,800,333	$ 7,693,125	$ 42,320,882
Business-type Activities				
Solid Waste Disposal	$ 668,094	$ -	$ 140,717	$ 808,811
Other Business-type	476,262	-	9,094	485,356
Total - business-type activities	$ 1,144,356	$ -	$ 149,811	$ 1,294,167

(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.

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, 2025 was 15.04% of compensation for law enforcement officers and 13.63% 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 $18,398,785 for the year ended June 30, 2025.

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, 2025, the County reported a liability of $94,458,795 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 1.401% (measured as of June 30, 2024), which was a increase of 0.039% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of $9,924,049. At June 30, 2025, 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	$ 16,552,758	$ 111,294
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	12,841,617	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	467,541	582,785
Employer contributions subsequent to the measurement date	18,398,785	-
Total	$ 48,260,701	$ 694,079

Deferred outflows of resources related to pensions of $18,398,785 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, 2026. 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:	
2026	$ 8,806,591
2027	18,665,983
2028	3,147,285
2029	(1,452,022)
	$ 29,167,837

At June 30, 2025, the Asheville-Buncombe Air Quality Agency reported a liability of $300,130 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the Agency's proportion was 0.0045% (measured as of June 30, 2024), which was a decrease of 0.0001% from its proportion measured at June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the Agency recognized pension expense of $24,370. At June 30, 2025, 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	$ 52,594	$ 354
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	40,803	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,984	4,732
Employer contributions subsequent to the measurement date	83,197	-
Total	$ 204,578	$ 5,086

Deferred outflows of resources related to pensions of $83,197 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, 2026. 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:		
2026	$	41,671
2027		65,467
2028		13,771
2029		(4,614)
	$	116,295

Actuarial assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real

rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability in the December 31, 2023 valuation was 6.50%, which is the same as the December 31, 2022 valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability	$ 167,383,751	$ 94,458,795	$ 34,467,990
Asheville-Buncombe Air Quality Agency's proportionate share of the net pension liability	$ 531,839	$ 300,130	$ 109,517

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 June 30, 2024, the date of the most recent actuarial valuation, the Separation Allowance's membership consisted of:

Retirees receiving benefits	46
Active plan members	213
Total	259

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 June 30, 2024 valuation. The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% including inflation and productivity factor
Discount rate	4.28%

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 June 30, 2024 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 $662,391 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, 2025, the County reported a total pension liability of $9,370,724. The total pension liability was measured as of December 31, 2024, based on a June 30, 2024 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $959,990.

At June 30, 2025, 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	$ 99,505	$ 491,740
Changes in assumptions	696,811	1,206,363
County benefit payments and administrative expenses paid subsequent to the measurement date	326,384	-
Total	$ 1,122,700	$ 1,698,103

The County paid $324,384 in benefit payments and $2,000 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, 2026.

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
2026	$ 901,845	$ 594,097	$ 307,748
2027	76,155	573,755	(497,600)
2028	76,155	454,712	(378,557)
2029	68,545	75,539	(6,994)
2030	-	-	-
	$ 1,122,700	$ 1,698,103	$ (575,403)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.28 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
County's total pension liability	$ 10,119,492	$ 9,370,724	$ 8,687,514

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2023	$ 10,057,358
Changes for the year:	
Service cost at end of year	439,886
Interest	366,794
Difference between expected & actual experience	(459,286)
Changes of assumptions and other inputs	(371,637)
Benefit payments	(662,391)
Net changes	(686,634)
Total pension liability as of December 31, 2024	$ 9,370,724

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.77 percent at December 31, 2023 to 4.28 percent at December 31, 2024.

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

(c) Supplemental Retirement Income Plan for Law Enforcement Officers

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

2. Funding Policy.
Article 12E of G.S. Chapter 143 requires the County contribute each month an amount equal to 5% of each officer's salary. The County has opted to fund at an amount equal to 8%. All amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County contributed $1,282,451 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 $8,523,428 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 Resisters 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.

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 $23,717 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of $358,856 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 3.114%, which was an increase of 0.429% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the County recognized pension expense of $47,075. At June 30, 2025, 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	$ 7,879	$ 6,415
Net difference between projected and actual earnings on pension plan investments	138,585	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,771	50,258
Employer contributions subsequent to the measurement date	23,717	-
Total	$ 188,952	$ 56,673

Deferred outflows of resources related to pensions of $23,717 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, 2026. 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:	
2026	$ 60,911
2027	34,571
2028	12,582
2029	498
	$ 108,562

Actuarial assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, 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, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2024 is 2.76%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability in the December 31, 2023 valuation was 3.00% which was the same as the rate used in the December 31, 2022 valuation. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset	$ 237,774	$ 358,856	$ 460,848

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, 2024, 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, 2024, with an actuarial valuation date of December 31, 2024.

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)	$ 94,458,795	$ (358,856)	$ -	$ 94,099,939
County's proportion of the net pension liability (asset)	1.40116%	0.42861%	N/A	-
Total pension liability	-	-	$ 9,370,724	$ 9,370,724
Pension expense	$ 28,322,836	$ 70,792	$ 959,990	$ 29,353,618

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	RODSPF	LEOSSA	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 16,552,758	$ 7,879	$ 99,505	$ 16,660,142
Changes in assumptions	-	-	696,811	696,811
Net difference between projected and actual earnings on pension plan investments	12,841,617	138,585	-	12,980,202
Changes in proportion and differences between employer contributions and proportionate share of contributions	467,541	18,771	-	486,312
County contributions (LGERS, RODSPF)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	18,398,785	23,717	326,384	18,748,886
Total				$ 49,572,353
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 111,294	$ 6,415	$ 491,740	$ 609,449
Changes in assumptions	-	-	1,206,363	1,206,363
Changes in proportion and differences between employer contributions and proportionate share of contributions	582,785	50,258	-	633,043
Total				$ 2,448,855

(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, 2024, the valuation date:

	2025
Active plan members	592
Retired participants and beneficiaries	618
Total	1210

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' lifetime. 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. For the year ended June 30, 2025, contributions to the plan consisted of $6,663,764 in retirees' health insurance benefits.

4. Investments.

Investment policy. The HCB Plan's policy regarding 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 effective as of July 1, 2024:

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

Rate of return. For the year ended June 30, 2025, the rate of return on OPEB plan investments, net of OPEB plan investment expenses was 13.72%

5. Net OPEB Liability of the Plan.
The components of the net OPEB liability of the Plan at June 30, 2025 were as follows:

Total OPEB liability	$	122,768,062
Plan fiduciary net position		54,618,564
Plan's net OPEB liability	$	68,149,498
Plan fiduciary net position as a percentage of the total OPEB liability		44.49%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Wage inflation	3.25%
Long-term investment rate of return	5.00% net of OPEB plan investment expense, including price inflation
Municipal bond index rate	
Measurement date	4.81%
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Measurement date	5.00%
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.50% for 2025 decreasing to an ultimate rate of 4.50% by 2033
Medicare Medical and Prescription Drug	5.50% for 2025 decreasing to an ultimate rate of 4.50% by 2033

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, 2024 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.

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

Employees of the Asheville-Buncombe Air Quality component unit are eligible for participation in the HCB plan. Allocation of OPEB expense and liability to the component unit is based on the component unit's percentage of salary expense of the total salary expense of the County and Agency. At June 30, 2025 the Asheville-Buncombe Air Quality's Agency's (the Agency) allocation percentage was 0.43%.

At June 30, 2025, the County reported a net OPEB liability of $67,854,207 and the Agency a liability of $295,291. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial report measured as of June 30, 2025.

At June 30, 2025 the components of the net OPEB liability of the County and Agency, were as follows:

Primary Government	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances measured at June 30, 2024	$ 111,377,958	$ 47,821,341	$ 63,556,617
Changes for the year			
Service cost	1,830,528	-	1,830,528
Interest	5,381,932	-	5,381,932
Difference between expected and actual experience	4,069,525	-	4,069,525
Changes in assumptions	-	-	-
Contributions	6,211,055	6,634,890	(423,835)
Net investment income	-	6,560,560	(6,560,560)
Benefit payments	(6,634,890)	(6,634,890)	-
Net change	10,858,150	6,560,560	4,297,590
Primary government balances measured at June 30, 2025	$ 122,236,108	$ 54,381,901	$ 67,854,207

Component Unit	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances measured at June 30, 2024	$ 484,701	$ 208,112	$ 276,589
Changes for the year			
Service cost	7,966	-	7,966
Interest	23,421	-	23,421
Difference between expected and actual experience	17,710	-	17,710
Changes in assumptions	-	-	-
Contributions	27,030	28,874	(1,844)
Net investment income	-	28,551	(28,551)
Benefit payments	(28,874)	(28,874)	-
Net change	47,253	28,551	18,702
Component unit balances measured at June 30, 2025	$ 531,954	$ 236,663	$ 295,291

For the year ended June 30, 2025, the County recognized OPEB expense of ($5,248,790) and the Agency ($92,742). At June 30, 2025, the County and Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Primary Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,765,268	$ 1,978,039
Changes of assumptions or other inputs	4,532,392	18,988,808
Net difference between projected and actual earnings on plan investments	-	5,549,606
Total	$ 8,297,660	$ 26,516,453

Component Unit	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,386	$ 8,608
Changes of assumptions or other inputs	19,724	82,637
Net difference between projected and actual earnings on plan investments	-	24,151
Total	$ 36,110	$ 115,396

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Schedules			
Primary Government		Component Unit	
Year ended June 30:		Year ended June 30:	
2026	$ (11,905,993)	2026	$ (51,813)
2027	(4,879,355)	2027	(21,234)
2028	(643,742)	2028	(2,801)
2029	(789,703)	2029	(3,438)
	$ (18,218,793)		$ (79,286)

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:

Primary Government	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	$ 82,507,749	$ 67,854,207	$ 55,708,093

Component Unit	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB Liability	$ 359,062	$ 295,291	$ 242,434

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:

Primary Government	1% Decrease	Current	1% Increase
Net OPEB Liability	$ 54,663,586	$ 67,854,207	$ 84,093,029

Component Unit	1% Decrease	Current	1% Increase
Net OPEB Liability	$ 237,888	$ 295,291	$ 365,961

(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 $514,089 reported as landfill postclosure care liability for this site at June 30, 2025, which represents the projected cost for the remaining 4 years of required postclosure care based on 2025 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 $17,458,941 reported as landfill closure and postclosure care liability at June 30, 2025 represents the cost to close and monitor the 45.61% of the total estimated capacity of this landfill that has been used as of June 30, 2025. The County will recognize the total estimated cost of closure and postclosure care of $32,214,721 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2025. The County expects to operate this landfill until at least the year 2047. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Construction and Demolition (C&D) Landfill Permit Number 11-07:
The County currently operates a C&D landfill with a closure and postclosure care liability of $5,921,254 reported as of June 30, 2025 representing a cumulative amount reported to date based on the use of 64.64% of the total estimated capacity of this unit. The County will recognize the total estimated cost of closure and postclosure care of $9,318,664 as the remaining estimated capacity is filled. This amount is based on what it would cost to perform all closure and postclosure care in 2025. The remaining capacity of the C&D landfill is expected to last nearly 6 years. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

Transfer Station:
As required by the North Carolina Administrative Code (NCAC) Title 15A Chapter 13 Solid Waste Management Regulations, transfer station owners are required to provide closure cost estimates. The County operates a transfer station with a closure cost liability of $258,429.

(4) Deferred Outflows and Inflows of Resources

Deferred outflows of resources for governmental activities and business-type activities at June 30, 2025 were as follows:

	Governmental Activities	Business-type Activities
Deferred charges on refunding of debt (Note 3)	$ 1,503,131	$ -
Deferred outflow related to pensions (Note 3)	48,633,673	938,680
Deferred outflow related to OPEB (Note 3)	8,136,336	161,324
Total deferred outflows of resources	$ 58,273,140	$ 1,100,004

Deferred inflows of resources for governmental funds, governmental activities, and business-type activities at June 30, 2025 were as follows:

	Governmental Funds	Governmental Activities	Business-type Activities
Prepaid taxes not yet earned (General Fund)	$ 1,942,005	$ 1,942,005	$ -
Unavailable taxes receivable, net (General Fund)	1,167,841	-	-
Unavailable EMS revenue receivable (General Fund)	3,031,336	-	-
Unavailable taxes receivable, net (Special Revenue)	266,735	-	-
Unavailable receivables, net (General Fund)	64,427	-	-
Unavailable opioid settlement revenues	19,008,208	-	
Unavailable grants receivable	8,268,560	-	-
Leases	10,987,084	10,987,084	-
Debt refunding related deferrals (Note 3)	-	9,441,890	-
OPEB related deferrals (Note 3)	-	26,000,917	515,536
Pension related deferrals (Note 3)	-	2,435,355	13,500
Total deferred inflows of resources	$ 44,736,196	$ 50,807,251	$ 529,036

(5) Risk Management

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

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

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

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

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

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

	2025	2024
Estimated claims payable, beginning	$ 2,441,957	$ 1,621,608
Incurred claims and changes in estimates	38,152,921	35,325,377
Claims paid	(38,407,193)	(34,505,028)
Estimated claims payable, ending	$ 2,187,685	$ 2,441,957

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

(6) Contingent Liabilities

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

(7) Long-Term Obligations

(a) Leases

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

As of June 30, 2025, Buncombe County, NC had 38 active leases. The leases have payments that range from $912 to $292,688 and interest rates that range from 0.4170% to 6.5170%. As of June 30, 2025, the total combined value of the lease liability is $5,790,069, the total combined value of the short-term lease liability is $1,067,798.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Year Ending	Governmental Activities		Business-Type Activities		Total Primary Government	
June 30	Principle	Interest	Principle	Interest	Principle	Interest
2026	$ 715,507	$ 125,145	$ 352,291	$ 37,863	$ 1,067,798	$ 163,008
2027	743,777	100,282	364,105	26,049	1,107,882	126,331
2028	706,669	74,271	376,318	13,836	1,082,987	88,107
2029	526,049	51,463	217,117	2,326	743,166	53,789
2030	444,587	31,791			444,587	31,791
2031 - 2035	898,172	59,419			898,172	59,419
2036 - 2040	310,247	15,870			310,247	15,870
2041 - 2045	79,524	4,951			79,524	4,951
2046 - 2050	46,182	1,946			46,182	1,946
2051 - 2052	9,524	99			9,524	99
Total	$ 4,480,238	$ 465,237	$ 1,309,831	$ 80,074	$ 5,790,069	$ 545,311

(b) General Obligation Bond Indebtedness

The County issues general obligation bonds for the acquisition and construction of major capital facilities for the County and public schools. All general obligation bonds serviced by the County's general fund are direct

obligations collateralized by the full faith, credit, and taxing power of the County. In the event of a default, the County agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the County.

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

The 2024 General Obligation Bonds were issued as part of the approved November 2022 ballot measure for bonds to support housing and open space.

General obligation bonds outstanding at June 30, 2025:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities					
General Obligation Bonds					
2012B Refunding Bonds	$ 32,500,000	October 1, 2012	1.70%	2025	$ 2,400,000
2024 General Obligation Bonds	14,730,000	June 5, 2024	4.850% - 6.000%	2044	13,990,000
	$ 52,915,000				$ 16,390,000

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

Year Ending June 30	Governmental Activities Principal	Interest
2026	3,140,000	782,993
2027	740,000	718,193
2028	740,000	673,793
2029	740,000	629,393
2030	740,000	584,993
2031-2035	3,675,000	2,261,963
2036-2040	3,675,000	1,280,370
2041-2045	2,940,000	367,500
Total	$ 16,390,000	$ 7,299,198

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, 2025, Buncombe County had a legal debt margin of approximately $3,841,535,205.

(c) Installment Note Obligations

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

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

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

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

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

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

The 2024A Limited Obligation Bonds were issued as a tax-exempt refunding of the 2022B taxable limited obligation bonds. The security and default provisions of the 2024A bonds are the same as the 2022A limited obligation bonds.
The 2024B Limited Obligation Bonds, a direct placement, were issued to provide funds for County, School, and Community College capital projects. The security and default provisions of the 2024B bonds are under the 2015 limited obligation bonds indentured deed of trust which is secured by a mortgage on Asheville High, Montford North Star Academy and the Health and Human Services building.

The 2025 Limited Obligation Bonds were issued as a tax-exempt refunding of the 2015 tax-exempt limited obligation bonds. The security and default provisions of the 2025 bonds are the same as the 2018 limited obligation bonds.

The 2025 State Cashflow Loans for Disaster Response Activities to Local Governments, direct borrowings, were interest-free loans directly from the State of North Carolina, authorized by the General Assembly under the *Disaster Recovery Act of 2024*. The loans were intended to provide immediate financial liquidity to support disaster response and recovery in areas impacted by Hurricane Helene while those jurisdictions await federal funding support. The County received two rounds of cashflow loans during the fiscal year. While the program encourages the best efforts of loan recipients to obtain alternative funding, the County's current payment schedule is independent of other funding sources. Repayment of the loans is on an escalating schedule, meaning an increasing

percentage of the original loan principal amount is due each year, with final repayment due on the fifth anniversary of the first-round loan.

Installment financings outstanding at June 30, 2025:

	Original Borrowing	Issue Date	Interest Rates	Final Maturity	Outstanding at Year-end
Governmental Activities					
2014B Taxable Limited Obligation Bonds	$ 28,725,000	February 27, 2014	0.5% - 5.1%	2034	$ 15,470,000
NC Drinking Water State Revolving Loan	1,964,204	February 6, 2015	0.00%	2035	1,015,683
2018 Limited Obligation Bonds	54,730,000	March 28, 2018	2.5% - 5.0%	2038	35,585,000
2020A Limited Obligation Bonds	56,495,000	April 9, 2020	2.0% - 5.0%	2040	35,070,000
2020B Taxable Limited Obligation Bonds	32,235,000	April 9, 2020	1.48% - 2.6%	2032	22,670,000
2020C Limited Obligation Bonds	10,096,000	October 14, 2020	1.99%	2035	7,210,000
2022A Limited Obligation Bonds	43,961,000	June 22, 2022	2.93%	2037	35,165,000
2024A Limited Obligation Bonds	80,461,000	March 5, 2024	2.93%	2037	72,175,000
2024B Limited Obligation Bonds	61,510,000	June 12, 2024	5.00%	2044	58,095,000
2025 State Cashflow Loan Round 1	8,449,310	March 5, 2025	0.00%	2030	8,449,310
2025 Equipment Installment Financing	3,407,000	April 15, 2025	3.50%	2029	3,407,000
2025 Limited Obligation Bonds	53,770,000	April 24, 2025	5.00%	2035	53,770,000
2025 State Cashflow Loan Round 2	5,575,310	June 20, 2025	0.00%	2030	5,575,310
Total governmental activities	441,378,824				353,657,303
Business-type Activities					
2009 ARRA Loan	4,061,396	August 4, 2009	0.0%	2031	450,000
2022A Limited Obligation Bonds	15,324,000	June 22, 2022	2.93%	2037	7,980,000
2025 Equipment Installment Financing	1,774,000	April 15, 2025	3.50%	2029	1,774,000
Total business-type activities	23,144,396				10,204,000
Total installment financings	$ 464,523,220				$ 363,861,303

For Buncombe County, the future minimum payments for installment financings as of June 30, 2025, are:

Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 30,473,572	$ 13,608,671	$ 3,008,000	$ 272,793	$ 33,481,572	$ 13,881,464
2027	35,742,030	12,229,898	3,072,000	207,978	38,814,030	12,437,876
2028	36,946,492	10,929,864	3,162,000	118,239	40,108,492	11,048,103
2029	38,378,954	9,581,432	437,000	25,795	38,815,954	9,607,227
2030	38,769,414	8,223,711	450,000	13,125	39,219,414	8,236,836
2031-2035	122,715,841	23,905,011	75,000	-	122,790,841	23,905,011
2036-2040	38,841,000	6,766,641	-	-	38,841,000	6,766,641
2041-2045	11,790,000	1,474,250	-	-	11,790,000	1,474,250
Total	$ 353,657,303	$ 86,719,478	$ 10,204,000	$ 637,930	$ 363,861,303	$ 87,357,408

(d) Subscriptions

The County has entered into agreements to finance subscriptions that result in an intangible right to use asset and a corresponding liability under GASB 96. These agreements have been recorded at the present value of the future minimum subscription payments as of the date of inception.

As of June 30, 2025, Buncombe County, NC had 18 active subscriptions. The subscriptions have payments that range from $19,571 to $906,693 and interest rates that range from 2.0380% to 3.5910%. As of June 30, 2025, the total combined value of the subscription liability is $6,625,183, and the total combined value of the short-term subscription liability is $2,586,954.

The future minimum subscription obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 2,586,954	$ 182,665	$ 2,769,619
2027	1,574,083	114,471	1,688,554
2028	1,198,646	69,379	1,268,025
2029	1,102,479	36,020	1,138,499
2030	52,921	4,331	57,252
2031 - 2033	110,100	4,407	114,507
Total	$ 6,625,183	$ 411,273	$ 7,036,456

(e) Refundings

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

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

On March 5, 2024, the County issued $80,461,000 of series 2024A tax-exempt bonds with an interest rate of 2.93% to refund $80,461,000 of outstanding series 2022B limited obligation bonds with an interest rate of 3.71%. This transaction represents the County's exercise of its forward purchase option agreed upon with the bondholder at the time the series 2022B bonds were originally issued on June 22, 2022. Final accrued interest of $779,444 was paid on the series 2022B bonds at the time of closing. With this refunding, there was zero impact to the net carrying amount of the old debt so there are no reportable impacts from this transaction to the County's deferred outflows or inflows of resources. The refunding reduced total debt service payments by $3,742,262 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $3,329,890.

On April 24, 2025, the County issued $53,770,000 of series 2025 tax-exempt bonds with an interest rate of 5.00% to refund $58,270,000 of outstanding series 2015 limited obligation bonds (interest rates ranging from 2.50% to 5.00%). After issue of the bonds, $59,441,316 was deposited in an irrevocable trust with an escrow agent to provide funds for prepayment in full of all outstanding 2015 bonds on June 1, 2025. This amount represents par proceeds from the 2025 bonds of $53,770,000, plus premium of ($4,829,205) and additional County funds ($1,441,750), less

projected issuance costs ($599,639). The net carrying amount of the old debt, including related premiums of $4,653,177, exceeded the reacquisition price by $5,093,548. This amount is reported as a deferred inflow of resources and amortized over the remaining life of the refunded debt. The refunding reduced total debt service payments by $4,249,682 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $4,100,125.

(f) Debt Related to Capital Activities

Of the total Governmental Activities debt listed, only $129,065,770 relates to assets for which the County holds title. Unspent restricted cash related to this debt amounts to $38,331,216.

(g) Pension Spiking Liability

Pension spiking is a substantial increase in compensation that results in unusually high liabilities to the State's retirement system which, without intervention, would then be absorbed by other members and employers in the System. North Carolina adopted anti-pension spiking laws, effective January 1, 2015, which apply to retirements with an average final salary greater than $100,000, adjusted annually for inflation. A contribution-based benefit cap (CBBC) is calculated, and if the benefit exceeds the cap, the employer must make an additional contribution to the retirement system. The County's potential spiking liability of $1,697,651 for current active employees who will be retiring with an average final salary greater than $134,688, the inflation adjusted amount for 2025, has been recorded on the government-wide statements at June 30, 2025.

(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, 2025, there were industrial revenue bonds outstanding with a principal amount payable of approximately $4,308,000.

(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, 2025:

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025	Current Portion of Balance
Governmental Activities:					
General obligation bonds	$ 19,530,000	$ -	$ 3,140,000	$ 16,390,000	$ 3,140,000
Limited obligation bonds	248,535,000	53,770,000	81,645,000	220,660,000	18,210,000
Installment financings-direct borrowing	1,465,253	17,431,620	449,568	18,447,305	771,570
Installment financings-direct placement	126,090,998	-	11,541,000	114,549,998	11,492,002
Premium on long-term debt	18,233,564	4,829,205	6,834,344	16,228,425	-
Lease installment obligations	4,106,562	1,053,188	679,512	4,480,238	715,507
Subscription installment obligations	4,359,758	5,360,644	3,095,219	6,625,183	2,586,954
Total pension liability -- LEOSSA	10,057,358	-	686,634	9,370,724	640,440
Net pension liability -- LGERS	88,303,642	4,317,912	-	92,621,554	-
Net OPEB liability	62,197,513	4,337,464	-	66,534,977	-
Pension spiking liability	772,809	924,842	-	1,697,651	537,197
Compensated absences	12,199,703	2,278,095	-	14,477,798	8,027,794
Total governmental activities	595,852,160	94,302,970	108,071,277	582,083,853	46,121,464
Business-type Activities:					
Installment financings-direct borrowing	$ 525,000	$ 1,774,000	$ 75,000	$ 2,224,000	$ 424,000
Installment financings-direct placement	10,490,001	-	2,509,999	7,980,002	2,584,000
Lease installment obligations	1,503,326	376,681	570,176	1,309,831	352,291
Net pension liability -- LGERS	1,892,074	-	54,832	1,837,241	-
Net OPEB liability	1,332,700	-	13,470	1,319,230	-
Compensated absences	281,982	83,782	-	365,766	365,766
Accrued landfill closure and postclosure care costs	22,924,999	1,363,767	136,053	24,152,713	-
Total business-type activities	22,260,417	3,598,230	3,359,530	39,188,783	3,726,057
Total primary government	$ 644,158,260	$ 97,901,200	$ 111,430,807	$ 621,272,636	$ 49,847,521
Discretely Presented Component Units:					
Air Quality:					
Net pension liability -- LGERS	$ 304,265	$ -	$ 4,135	$ 300,130	$ -
Net OPEB liability	302,992	-	7,701	295,291	-
Compensated absences	87,957	8,157	-	96,114	96,114
Pension spiking liability	-	114,756	-	114,756	114,756
	$ 695,214	$ 122,913	$ 11,836	$ 806,291	$ 210,870
Tourism Development Authority:					
Lease installment obligations	$ 4,935,151	$ -	$ 173,910	$ 4,761,241	$ 178,101
Subscription installment obligations	220,632	-	137,092	83,540	41,210
Compensated absences	121,785	15,748	-	137,533	137,533
	$ 5,277,568	$ 15,748	$ 311,002	$ 4,982,314	$ 356,844

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. The change in compensated absences liability is presented as a net change for the year ended June 30, 2025 as allowed by GASB 101.

(C) Interfund Balances and Activity

Interfund loans consisted of the following at June 30, 2025:

Due to General Fund:		
From the Occupancy Tax Fund for June collection fees	$	132,030
From the Grant Projects Fund for short term cash flow needs		9,797,508
From the Public Schools ADM Sales Tax/Lottery Projects for short term cash flow needs		115,252
From the Housing/Open Space Bond Projects for short tern cash flow needs		779,204
Total Due to the General Fund	$	10,823,994

Transfers to/from other funds during the year ended June 30, 2025 consist of the following:

Major Governmental Funds:		
General Fund:		
From the General Fund to the Grant Projects Fund to fund grant matches	$	273,828
From the General Fund to the Special Projects Capital Projects Fund for housing and conservation projects		438,770
From the General Fund to the Special Projects Capital Projects Fund for reparations		520,200
From the General Fund to the Special Projects Capital Projects Fund for early childhood education		3,974,691
From the General Fund to the Special Projects Capital Projects Fund for economic incentives		2,600,000
From the General Fund to the 911 Operations Fund to cover prior year ineligible expenditures		237,788
From the General Fund to the Transportation Fund for transportation services		847,103
From the General Fund to the County Capital Projects Fund for various capital projects		854,640
From the General Fund to the PDF Woodfin Fund to cover County's cost of incremental taxes		507,983
Sprecial Projects Capital Projects Fund:		
From the Special Projects County Capital Projects Fund to the General Fund to reimburse savings		34,341
Grant Projects Fund:		
From the Grant Projects Fund to the Solid Waste Fund to reimburse for salary expenditures related to TS Fred		11,950
AB Tech Capital Projects Fund:		
From the AB Tech Capital Projects Fund to the General Fund for community college operations		5,000,000
Nonmajor Governmental Funds:		
From the Register of Deeds Automation Fund to the General Fund for reimbursement of automation related expenditures		26,689
		15,327,983

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	$ 117,470,680
Less:	
Restricted or nonspendable	
Prepaids	418,481
Long term receivables	484
Leases	(23,356)
Stabilization by State Statute	37,746,069
Capital projects	264,362
Permits and inspections	6,322,695
Soil and water conservation district	39,820
Tax reappraisal	372,776
Committed	
Future transfer to County Capital Projects Fund per policy	-
Assigned	
Appropriated in FY25 budget	7,100
Fund balance policy minimum	69,682,290
Remainder available for appropriation	$ 2,639,959

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, 2025:

Fund	Encumbrances
General	$ 201,175
Grant Projects	13,252,053
Public School Capital Needs	4,036,612
AB Tech Capital Projects	684,458
County Capital Projects	10,736,283
Special Projects Capital Projects	1,843,872
Non-Major	7,829,431
	$ 38,583,884

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, 2025. 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 $41,604,786 in principal are outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibility to provide funding for the community college's facilities. The County contributed $5,000,000 to the community college for operating purposes during the fiscal year ended June 30, 2025. In addition, the County made principal and interest payments of $78,799 during the fiscal year on general obligation bonds and $8,167,433 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, 2025. 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 $173,973 to the Council during the fiscal year ended June 30, 2025.

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 - 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 $147,982,719 and $41,683,585 for the school systems and community college, respectively. Of the combined total, $2,321,201 is general obligation debt, which is collateralized by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, necessary to pay debt service on its general obligation bonds. The remainder of the debt is installment debt and is collateralized by County assets. Principal and interest requirements are appropriated in the year they become due.

Note 8 - Pledged Revenues

The County and the Town of Woodfin have pledged a portion of their future ad valorem tax revenues to repay $11,285,000 in Series 2014A limited obligation bonds issued in February 2014. This issuance refunded $11,885,000 of Series 2008 Project Development Financing (PDF) Revenue Bonds that were used to finance the Woodfin Downtown project. A portion of this was refunded by the Series 2022B taxable limited obligation bonds and then again by a portion of the Series 2024A tax-exempt limited obligation bonds. The bond principal is payable from the incremental ad valorem tax revenues generated by increased property values in the refurbished district to the extent that these revenues are available. In the event that the incremental tax revenues are not sufficient to meet the debt service requirements, the Buncombe County General Fund will advance the funds necessary to keep the debt service current. The Buncombe County General Fund will then be reimbursed as additional incremental revenues become available in the future.

The total principal and interest amount remaining on the bonds is $9,504,000 payable through June 2037. Total principal and interest payments on the Series 2024A limited obligation bonds from July 1, 2024 through June 30, 2025 were $791,643. Accumulated tax revenue for the same period of time was $831,852.

Note 9 – Restatements

Correction of an Error in Previously Issued Financial Statements

Correction to value of capital assets related to equipment that is accounted for by school districts (Column A)

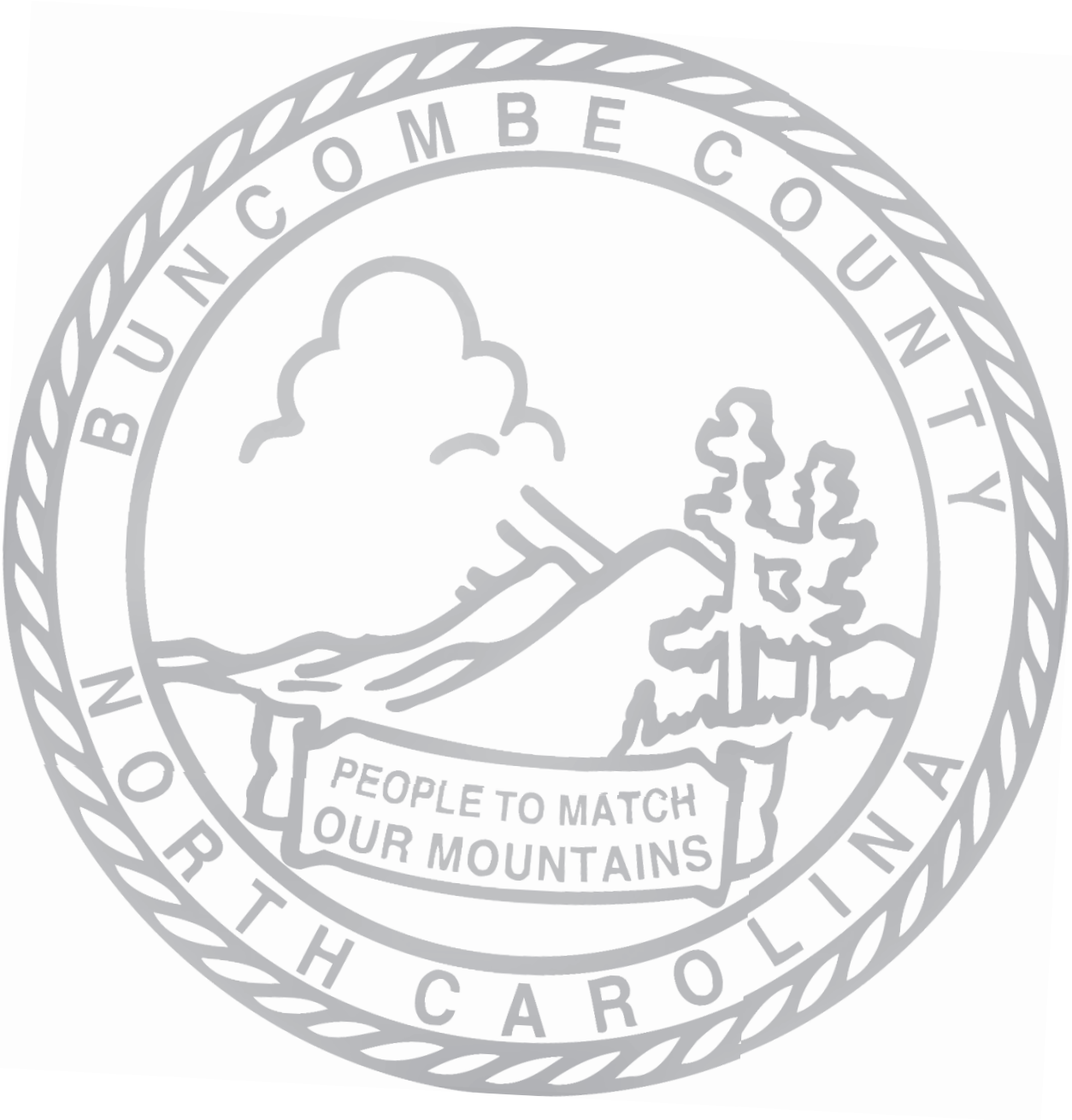
During fiscal year 2025, the County discovered that capital assets previously recorded and being depreciated on the government wide statements belonged to the school districts. These assets were part of the County's solar panel projects that were being built at various locations. In MOU's with Buncombe County Schools and Asheville City Schools, it was agreed that once installation was complete, the units would become part of the premises owned by the school system. Given that fact, the County should not have capitalized any of the completed solar projects on school property. Disposing of the already capitalized assets will reduce Equipment by $6,409,690 and the corresponding accumulated depreciation by $252,645. The result is a decrease to governmental activities net position by $6,157,045 as shown in column A below.

	June 30, 2024 As Previously Reported	Error Correction (A)	June 30, 2024 As Restated
Government Wide			
Governmental Activities	$ (16,291,198)	$ (6,157,045)	$ (22,448,243)
Business-Type Activities	24,576,738	-	24,576,738
Total Primary Government	$ 8,285,540	$ (6,157,045)	$ 2,128,495

Note 10 – Subsequent Events

Additional State Cashflow Loan for Disaster Response

On August 20, 2025, subsequent to the close of the fiscal year ended June 30, 2025, Buncombe County was notified by the State Treasurer's Office of its eligibility to receive an additional $5,418,434 in cashflow loan funding. This funding is the third round of the State loan program established to support disaster recovery efforts related to Hurricane Helene. Per the requirements of this round of funding, the County applied for funding prior to the deadline of August 15, 2025. The Round 3 awards were based on availability of funds as appropriated by the State's General Assembly and need as determined by the State Treasurer's Office and the Division of Emergency Management. On September 11, 2025, the County confirmed receipt of the third-round funding. This increases the County's total funding received through the loan program as of the reporting date to $19,443,054. The financial statements for the fiscal year ended June 30, 2025, do not include the effects of this newly approved loan funding because the conditions for the award were not finalized until after the balance sheet date.


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

Required Supplemental Financial Data

Buncombe County, North Carolina

Law Enforcement Officers' Special Separation Allowance
Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll

Local Governmental Employees' Retirement System
Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

Register of Deeds' Supplemental Pension Fund
Schedules of County's Proportionate Share of Net Pension Liability (Asset) and County Contributions

Healthcare Benefits Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
Schedule of County Contributions
Schedule of Investment Returns - OPEB

This section contains information required by generally accepted accounting principles

BUNCOMBE COUNTY, NORTH CAROLINA

Law Enforcement Officers' Special Separation Allowance

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

Schedule of Changes in Total Pension Liability

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	$ 10,057,358	$ 9,479,366	$ 11,115,331	$ 11,440,707	$ 7,816,784	$ 7,151,591	$ 7,076,534	$ 6,504,557	$ 6,435,449
Changes for the year:									
Service cost at end of year	439,886	393,859	549,484	562,306	341,533	309,418	346,181	292,258	324,170
Interest	366,794	394,717	243,356	215,319	245,944	251,636	217,434	244,382	223,868
Difference between expected and actual experience	(459,286)	17,508	(124,834)	(246,852)	630,721	357,591	173,058	(49,185)	-
Changes of assumptions and other inputs	(371,637)	431,812	(1,704,947)	(287,614)	2,950,710	223,551	(270,198)	431,353	(149,649)
Benefit payments	(662,391)	(659,904)	(599,024)	(568,535)	(544,985)	(477,003)	(391,418)	(346,831)	(329,281)
Net changes	(686,634)	577,992	(1,635,965)	(325,376)	3,623,923	665,193	75,057	571,977	69,108
Ending balance of the total pension liability	$ 9,370,724	$ 10,057,358	$ 9,479,366	$ 11,115,331	$ 11,440,707	$ 7,816,784	$ 7,151,591	$ 7,076,534	$ 6,504,557

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

Total Pension Liability	$ 9,370,724	$ 10,057,358	$ 9,479,366	$ 11,115,331	$ 11,440,707	$ 7,816,784	$ 7,151,591	$ 7,076,534	$ 6,504,557
Covered-Employee Payroll	13,597,199	14,384,145	14,384,145	13,800,012	13,132,599	12,874,345	13,782,414	13,226,166	13,727,850
Total pension liability as a percentage of covered-employee payroll	68.92%	69.92%	65.90%	80.55%	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, 2024 Measurement Date: The Municipal Bond Index Rate increased from 3.77% to 4.28%. Based on more turnover than expected, there was an experience inflow adjustment.

December 31, 2023 Measurement Date: The Municipal Bond Index Rate decreased from 4.31% to 3.77%.

December 31, 2022 Measurement Date: The Municipal Bond Index Rate increased from 2.25% to 4.31%.

December 31, 2021 Measurement Date: The Municipal Bond Index Rate increased from 1.93% to 2.25%.

December 31, 2020 Measurement Date: The Municipal Bond Index Rate decreased from 3.26% to 1.93%. Based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31,2019, the following were updated: mortality reates, 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 TEN FISCAL YEARS

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	1.401%	1.362%	1.350%	1.380%	1.293%	1.329%	1.361%	1.356%	1.367%	1.370%
County's proportionate share of the net pension liability (asset)	$ 94,458,795	$ 90,195,716	$ 76,183,535	$ 21,171,139	$ 46,214,761	$ 32,286,853	$ 32,284,728	$ 20,713,021	$ 29,009,136	$ 6,153,152
County's covered payroll	$ 122,701,257	$ 113,625,928	$ 95,371,351	$ 91,497,070	$ 87,523,909	$ 85,711,058	$ 85,410,896	$ 80,696,295	$ 78,543,481	$ 72,997,430
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.98%	79.38%	79.88%	23.14%	52.80%	37.67%	37.80%	25.67%	36.93%	8.43%
Plan fiduciary net position as a percentage of the total pension liability	82.49%	84.14%	95.51%	88.61%	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%

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

County Contribution:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 18,398,785	$ 15,932,029	$ 13,885,253	$ 10,925,396	$ 9,379,209	$ 7,930,774	$ 6,736,044	$ 6,437,477	$ 5,974,471	$ 5,289,811
Contribution made	18,398,785	15,932,029	13,885,253	10,925,396	9,379,209	7,930,774	6,736,044	6,437,477	5,974,471	5,289,811
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 133,708,585	$ 122,701,257	$ 113,625,928	$ 95,371,351	$ 91,497,070	$ 87,523,909	$ 85,711,058	$ 85,410,896	$ 80,696,295	$ 78,543,481
Contribution as a percentage of covered payroll	13.76%	12.98%	12.22%	11.46%	10.25%	9.06%	7.86%	7.54%	7.40%	6.73%

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 TEN FISCAL YEARS

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension asset	3.114%	2.686%	2.977%	3.031%	3.092%	2.893%	3.179%	3.515%	3.466%	3.461%
County's proportionate share of the net pension liability (asset)	$ (358,856)	$ (322,735)	$ (394,200)	$ (582,434)	$ (708,595)	$ (571,128)	$ (526,518)	$ (599,938)	$ (648,037)	$ (802,058)
County's covered payroll	$ 109,075	$ 109,749	$ 100,944	$ 99,131	$ 98,498	$ 94,900	$ 93,926	$ 90,779	$ 88,376	$ 79,564
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-329.00%	-294.07%	-390.51%	-587.54%	-719.40%	-601.82%	-560.57%	-660.88%	-733.27%	-1008.07%
Plan fiduciary net position as a percentage of the total pension liability (asset)	135.74%	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%

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

County Contributions:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 23,717	$ 24,586	$ 26,178	$ 34,132	$ 36,382	$ 29,605	$ 27,497	$ 27,204	$ 30,538	$ 28,316
Contribution	23,717	24,586	26,178	34,132	36,382	29,605	27,497	27,204	30,538	28,316
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 125,094	$ 109,075	$ 109,749	$ 100,944	$ 99,131	$ 98,498	$ 94,900	$ 93,926	$ 90,779	$ 88,376
Contributions as a percentage of covered payroll	18.96%	22.54%	23.85%	33.81%	36.70%	30.06%	28.97%	28.96%	33.64%	32.04%

BUNCOMBE COUNTY, NORTH CAROLINA

Healthcare Benefits Plan

Schedule of Changes in the Net OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:									
Service cost at end of year	$ 1,838,494	$ 2,867,474	$ 2,777,214	$ 2,689,795	$ 7,097,937	$ 4,940,481	$ 4,788,951	$ 5,127,940	$ 5,732,800
Interest on the total OPEB liability and cash flows	5,405,353	5,359,832	6,731,795	6,609,535	4,384,490	5,539,553	5,728,956	5,286,294	4,776,409
Difference between expected and actual experience	4,087,235	1,154,020	(4,142,843)	382,827	(1,836,022)	540,302	(3,699,090)	2,081,393	-
Changes of assumptions and other inputs	6,238,085	-	(25,773,498)	-	(64,107,498)	33,190,959	12,695,151	(8,668,680)	(13,287,300)
Benefit payments	(6,663,764)	(8,276,609)	(6,857,622)	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Reconciling adjustments	-	-	-	-	4,118,186	(4,118,186)	-	-	-
Net change in total OPEB liability	10,905,403	1,104,717	(27,264,954)	2,075,013	(57,492,936)	32,994,374	12,831,563	(3,853,330)	(9,560,002)
Total OPEB liability, beginning of year	111,862,659	110,757,942	138,022,896	135,947,883	193,440,819	160,446,445	147,614,882	151,468,212	161,028,214
Total OPEB liability, end of year	$ 122,768,062	$ 111,862,659	$ 110,757,942	$ 138,022,896	$ 135,947,883	$ 193,440,819	$ 160,446,445	$ 147,614,882	$ 151,468,212
Plan fiduciary net position:									
Contributions - employer	$ 6,663,764	$ 10,276,609	$ 8,857,622	$ 9,607,144	$ 10,150,029	$ 7,098,735	$ 8,682,405	$ 8,680,277	$ 8,781,911
Net investment income	6,589,111	6,209,179	4,248,721	(4,572,977)	7,160,322	721,236	1,170,556	1,502,685	1,971,359
Benefit payments	(6,663,764)	(8,276,609)	(6,857,622)	(7,607,144)	(7,150,029)	(7,098,735)	(6,682,405)	(7,680,277)	(6,781,911)
Administrative expense	-	-	-	-	-	-	-	-	(20,701)
Net change in plan fiduciary net position	6,589,111	8,209,179	6,248,721	(2,572,977)	10,160,322	721,236	3,170,556	2,502,685	3,950,658
Plan fiduciary net position, beginning of year	48,029,453	39,820,274	33,571,553	36,144,530	25,984,208	25,262,972	22,092,416	19,589,731	15,639,073
Plan fiduciary net position, end of year	$ 54,618,564	$ 48,029,453	$ 39,820,274	$ 33,571,553	$ 36,144,530	$ 25,984,208	$ 25,262,972	$ 22,092,416	$ 19,589,731
Net OPEB liability, end of year	$ 68,149,498	$ 63,833,206	$ 70,937,668	$ 104,451,343	$ 99,803,353	$ 167,456,611	$ 135,183,473	$ 125,522,466	$ 131,878,481
Plan fiduciary net position as a percentage of the total OPEB liability	44.49%	42.94%	35.95%	24.32%	26.59%	13.43%	15.75%	14.97%	12.93%
Covered-employee payroll	$ 43,656,126	$ 44,271,905	$ 44,271,905	$ 50,787,596	$ 47,844,539	$ 50,787,597	$ 61,256,259	$ 66,348,252	$ 72,258,181
Net OPEB liability as a percentage of covered-employee payroll	156.11%	144.18%	160.23%	205.66%	208.60%	329.72%	220.69%	189.19%	182.51%

Notes to schedule:

Pursuant to GASB 75, a 10-year history of the above information is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

BUNCOMBE COUNTY, NORTH CAROLINA

Healthcare Benefits Plan

Schedule of County Contributions

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 6,391,165	$ 7,780,838	$ 9,623,846	$ 9,623,846	$ 10,011,572	$ 10,011,572	$ 7,322,456	$ 7,322,456	$ 7,301,754
Contributions in relation to the actuarially determined contribution	6,663,764	10,276,609	8,857,622	9,607,144	10,150,029	7,098,735	8,682,405	8,680,277	8,781,911
Annual contribution deficiency (excess)	(272,599)	(2,495,771)	766,224	16,702	(138,457)	2,912,837	(1,359,949)	(1,357,821)	(1,480,157)
Covered-employee payroll	$ 43,656,126	$ 44,271,905	$ 44,271,905	$ 50,787,596	$ 47,844,539	$ 50,787,597	$ 61,256,259	$ 66,348,252	$ 61,814,919
Contributions as a percentage of covered-employee payroll	15.26%	23.21%	20.01%	18.92%	21.21%	13.98%	14.17%	13.08%	14.21%

Notes to schedule:

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

Methods and assumptions used to determine contribution rates.

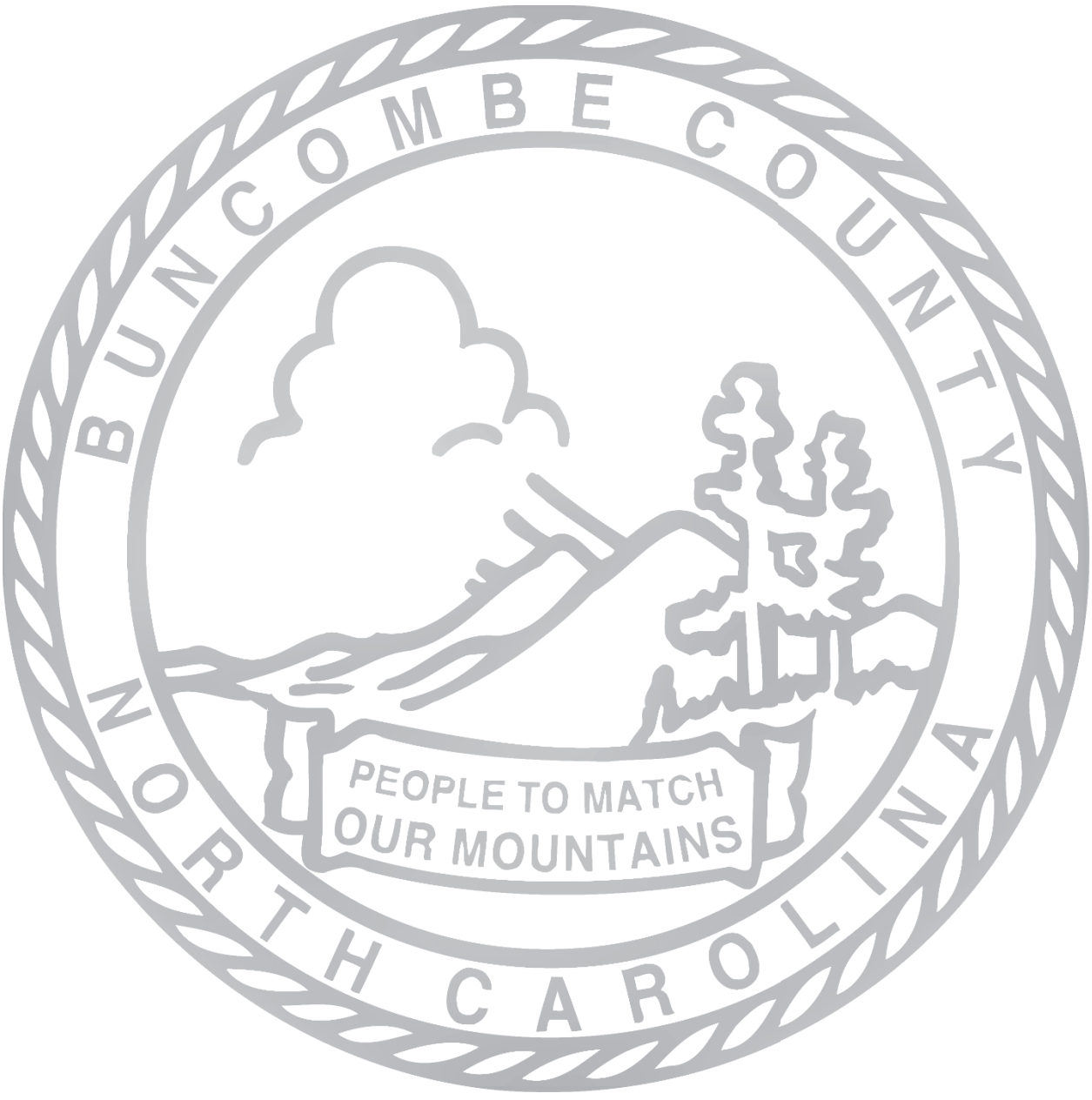
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	26 year
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.00%
Municipal Bond Index Rate	
Prior measurement date	3.97%
Measurement date	4.81%
Year FNP is projected to be depleted	
Prior measurement date	N/A
Measurement date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	5.00%
Measurement date	5.00%
Healthcare cost trends	
Pre-medicare Medical and Prescription Drug	7.00% for 2022 de 7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2 rate of 4.50% by 2032
Medicare Medical and Prescription Drug	5.13% for 2022 de 5.13% for 2022 decreasing to an ultimate rate of 4.500% by rate of 4.500% by 2025

BUNCOMBE COUNTY, NORTH CAROLINA

Healthcare Benefits Plan

Schedule of Investment Returns - OPEB

	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expenses	13.72%	15.21%	12.40%	-12.53%	27.08%	2.85%	5.30%	7.64%


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

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, 2025

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad Valorem Taxes:			
Taxes		$ 274,698,452	
Penalties and interest		663,769	
Total	$ 278,469,778	275,362,221	$ (3,107,557)
Local Option Sales Taxes:			
Article 39, one percent *		19,777,997	
Article 40, one-half of one percent		15,174,432	
Article 42, one-half of one percent		10,449,473	
Article 44, one-half of one percent		(284)	
Total	46,629,466	45,401,618	(1,227,848)
Other Taxes and Licenses:			
Deed stamp excise tax		2,994,511	
Video programming tax		1,043,205	
Privilege licenses		31,525	
Rental car tax		1,712,833	
Total	6,799,610	5,782,074	(1,017,536)
Unrestricted Intergovernmental:			
Payments in lieu of taxes		110,624	
Beer and wine tax		620,574	
Other		2,431,955	
Total	1,277,408	3,163,153	1,885,745
Restricted Intergovernmental:			
Federal, State, and other grants		48,264,153	
Mixed drink surcharge		660,418	
Court facilities fees		269,560	
ABC bottle taxes		128,368	
Total	48,718,938	49,322,499	603,561
Permits and Fees:			
Building permits and inspections		4,154,493	
Register of deeds		1,244,717	
Total	5,927,500	5,399,210	(528,290)
Sales and Services:			
Rents, concessions, and fees		2,915,683	
Jail fees		608,177	
Ambulance and rescue squad fees		12,577,261	
Recreation fees		206,323	
Other charges for services		8,798,050	
Total	24,894,690	25,105,494	210,804
Investment earnings (loss)	6,500,000	8,108,635	1,608,635
Other	2,047,938	1,425,629	(622,309)
Total revenues	421,265,328	419,070,533	(2,194,795)

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

continued on next page

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, 2025

	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES			
General Government:			
Governing Body:			
Salaries and employee benefits		628,072	
Other operating expenditures		356,380	
Total		984,452	
County Manager:			
Salaries and employee benefits		1,421,273	
Other operating expenditures		28,958	
Total		1,450,231	
Sustainability:			
Salaries and employee benefits		315,810	
Other operating expenditures		106,134	
Capital outlay		12,850	
Total		434,794	
Community Engagement:			
Salaries and employee benefits		295,074	
Other operating expenditures		311,016	
Total		606,090	
PR and Communications:			
Salaries and employee benefits		1,659,087	
Other operating expenditures		156,683	
Total		1,815,770	
Budget and Management Services:			
Salaries and employee benefits		816,380	
Other operating expenditures		8,340	
Total		824,720	
Human Resources:			
Salaries and employee benefits		2,183,916	
Other operating expenditures		375,688	
Total		2,559,604	
Legal and Risk:			
Salaries and employee benefits		1,118,681	
Other operating expenditures		87,579	
Total		1,206,260	
Finance:			
Salaries and employee benefits		2,496,952	
Other operating expenditures		410,426	
Total		2,907,378	
Internal Audit:			
Salaries and employee benefits		222,517	
Other operating expenditures		16,201	
Total		238,718	

continued on next page

	Final Budget	Actual	Variance Positive (Negative)
General Government - continued:			
Strategy and Innovation:			
Salaries and employee benefits		1,478,552	
Other operating expenditures		12,994	
Total		1,491,546	
Tax Assessment:			
Salaries and employee benefits		3,533,550	
Other operating expenditures		444,453	
Total		3,978,003	
Tax Collections:			
Salaries and employee benefits		1,324,879	
Other operating expenditures		745,047	
Total		2,069,926	
Elections:			
Salaries and employee benefits		1,423,142	
Other operating expenditures		1,610,387	
Total		3,033,529	
Register of Deeds:			
Salaries and employee benefits		1,914,427	
Other operating expenditures		82,590	
Total		1,997,017	
Information Technology:			
Salaries and employee benefits		9,042,493	
Other operating expenditures		6,900,192	
Capital outlay		5,360,642	
Total		21,303,327	
General Services:			
Salaries and employee benefits		4,378,599	
Other operating expenditures		6,454,555	
Total		10,833,154	
Fleet:			
Salaries and employee benefits		973,245	
Other operating expenditures		1,006,567	
Capital outlay		4,655,579	
Total		6,635,391	
Parking Services			
Other operating expenditures		808,225	
Total		808,225	

continued on next page

	Final Budget	Actual	Variance Positive (Negative)
General Government - continued:			
Strategic Partnership Grants:			
Salaries and employee benefits		558,693	
Other operating expenditures		5,465	
Program support		1,611,495	
Total		2,175,653	
Diversity Equity & Inclusion			
Salaries and employee benefits		442,326	
Other operating expenditures		29,387	
Total		471,713	
Total General Government	79,226,766	67,825,501	11,401,265
Public Safety:			
Justice Resource Support:			
Salaries and employee benefits		1,780,438	
Other operating expenditures		1,057,875	
Program support		19,702	
Total		2,858,015	
Pretrial Release:			
Salaries and employee benefits		1,205,135	
Other operating expenditures		32,270	
Total		1,237,405	
ID Bureau and C.D.E.:			
Salaries and employee benefits		1,787,994	
Other operating expenditures		52,157	
Total		1,840,151	
Public Safety Interoperability Partnership:			
Salaries and employee benefits		925,265	
Other operating expenditures		425,824	
Total		1,351,089	
Sheriff:			
Salaries and employee benefits		24,542,454	
Other operating expenditures		2,455,025	
Total		26,997,479	
Detention Center:			
Salaries and employee benefits		17,752,201	
Other operating expenditures		6,309,648	
Total		24,061,849	

continued on next page

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, 2025

	Final Budget	Actual	Variance Positive (Negative)
Public Safety - continued:			
Emergency Services:			
Salaries and employee benefits		21,300,732	
Other operating expenditures		2,833,912	
Program support		97,574	
Capital outlay		636,158	
Total		24,868,376	
911 Operations:			
Salaries and employee benefits		7,032,467	
Other operating expenditures		781,088	
Capital outlay		62,613	
Total		7,876,168	
Public Safety Training Center:			
Salaries and employee benefits		844,225	
Other operating expenditures		279,210	
Total		1,123,435	
Family Justice Center			
Salaries and employee benefits		136,105	
Other operating expenditures		845,691	
Total		981,796	
Total Public Safety	94,321,656	93,195,763	1,125,893
Economic and Physical Development:			
Planning:			
Salaries and employee benefits		3,429,753	
Other operating expenditures		80,251	
Program support		57,174	
Total		3,567,178	
Permits and Inspections:			
Salaries and employee benefits		2,776,670	
Other operating expenditures		166,682	
Program support		7,450	
Total		2,950,802	
Cooperative Extension:			
Other operating expenditures		531,895	
Total		531,895	

continued on next page

	Final Budget	Actual	Variance Positive (Negative)
Economic and Physical Development - continued:			
Agriculture and Land Resources:			
Salaries and employee benefits		778,443	
Other operating expenditures		113,821	
Program support		26,177	
Total		918,441	
Other Economic and Physical Development		495,000	
Total Economic and Physical Development	11,161,938	8,463,316	2,698,622
Human Services:			
Public Health:			
Salaries and employee benefits		15,744,209	
Other operating expenditures		5,682,119	
Program Support		1,683,120	
Total		23,109,448	
Social Services:			
Salaries and employee benefits		49,872,877	
Other operating expenditures		4,522,112	
Program support		13,598,530	
Total		67,993,519	
Veterans Services:			
Salaries and employee benefits		395,224	
Other operating expenditures		8,857	
Total		404,081	
Behavioral Health:			
Program support		600,000	
Total		600,000	
Animal Services		1,694,978	
Total Human Services	97,296,250	93,802,026	3,494,224
Culture and Recreation:			
Library:			
Salaries and employee benefits		7,169,703	
Other operating expenditures		1,226,596	
Total		8,396,299	
Recreation Services:			
Salaries and employee benefits		1,626,281	
Other operating expenditures		514,882	
Program support		240,834	
Total		2,381,997	
Total Culture and Recreation	11,323,089	10,778,296	544,793

continued on next page

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, 2025

	Final Budget	Actual	Variance Positive (Negative)
Education:			
Public schools:			
Current expenditures		112,570,819	
Community college - current expenditures		8,700,207	
Total		121,271,026	
Education support		580,133	
Total Education	122,034,016	121,851,159	182,857
Debt Service:			
Principal retirement		18,627,326	
Interest and fees		6,647,861	
Total Debt Service	57,972,923	25,275,187	32,697,736
Total expenditures	473,336,638	421,191,248	52,145,390
Revenues over (under) expenditures	(52,071,310)	(2,120,715)	49,950,595
OTHER FINANCING SOURCES (USES)			
Operating transfers from other funds	5,030,318	5,061,030	30,712
Operating transfers to other funds	(10,432,216)	(10,650,003)	(217,787)
Installment obligations issued	36,184,857	3,407,000	(32,777,857)
Installment obligations issued - refunding	-	29,575,000	29,575,000
Premiums on issuance	-	2,654,563	2,654,563
Payment to refunded bond escrow agent	-	(32,692,723)	(32,692,723)
Lease liabilities issued	6,418,819	6,413,832	(4,987)
Sales of capital assets	50,000	25,879	(24,121)
Appropriated fund balance	14,819,532	-	(14,819,532)
Total other financing sources (uses)	52,071,310	3,794,578	(48,276,732)
Net change in fund balance	$ -	1,673,863	$ 1,673,863
Reconciliation from budgetary basis (modified accrual) to GAAP:			
Reconciling items:			
Net collections on long-term loans		(2,071)	
Net change in fund balance in Reappraisal Reserve Fund (Consolidated with General Fund for GAAP Reporting)		(61,962)	
Change in fund balance		1,609,830	
Fund balance, beginning		115,860,850	
Fund balance, ending		$ 117,470,680	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Total revenues	$ -	$ -	$ -
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		336,962	
Total expenditures	591,550	336,962	254,588
Debt service:			
Principal retirement		117,603	
Interest and fees		2,397	
Total debt service	-	120,000	(120,000)
Revenues under expenditures	(591,550)	(456,962)	134,588
OTHER FINANCING SOURCES			
Transfers from other funds		395,000	
Total other financing sources	591,550	395,000	196,550
Net change in fund balance	$ -	(61,962)	$ 331,138
Fund balance, beginning		434,738	
Fund balance, ending		$ 372,776	

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, 2025

		Actual to June 30, 2025				
	Project Budget	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Restricted intergovernmental	$ 135,921,795	$ 65,978,390	$ (15,156,202)	$ 22,476,804	$ 73,298,992	$ (62,622,803)
Private grants and contributions	15,349,007	8,032,314	(3,534,972)	665,232	5,162,574	(10,186,433)
Other	171,269	-	-	-	-	(171,269)
Total revenues	151,442,071	74,010,704	(18,691,174)	23,142,036	78,461,566	(72,980,505)
EXPENDITURES						
General government	61,206,396	29,347,183	(51,378)	24,002,908	53,298,713	7,907,683
Public safety	23,811,106	14,360,434	(6,602,650)	13,503,447	21,261,231	2,549,875
Economic and physical development	18,906,984	2,505,176	(60,088)	1,965,911	4,410,999	14,495,985
Human services	29,850,891	29,653,182	(12,497,535)	4,649,918	21,805,565	8,045,326
Cultural and recreational	24,940,801	7,549,983	-	965,706	8,515,689	16,425,112
Total expenditures	158,716,178	83,415,958	(19,211,651)	45,087,890	109,292,197	49,423,981
Revenues under expenditures	(7,274,107)	(9,405,254)	520,477	(21,945,854)	(30,830,631)	(23,556,524)
OTHER FINANCING SOURCES (USES)						
Prior year revenues						
Transfer from other funds	7,356,871	4,207,140	(520,477)	273,828	3,960,491	(3,396,380)
Transfer to other funds	(82,764)	(82,762)	-	(11,950)	(94,712)	(11,948)
Proceeds of installment obligations	-	-	-	14,024,620	14,024,620	14,024,620
Insurance recoveries	-	-	-	2,217,735	2,217,735	2,217,735
Total other financing sources (uses)	7,274,107	4,124,378	(520,477)	16,504,233	20,108,134	12,834,027
Revenues and other sources over (under) expenditures and other uses	$ -	$ (5,280,876)	$ -	(5,441,621)	$ (10,722,497)	$ (10,722,497)
Fund balance (deficit), beginning of year				(5,280,876)		
Fund balance (deficit), ending				$ (10,722,497)		

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, 2025

		Actual to June 30, 2025				
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Local option sales tax	$ 194,385,583	$ 192,096,240	$ -	$ 28,353,867	$ 220,450,107	$ 26,064,524
Restricted intergovernmental	1,465,580	2,474,961	-	-	2,474,961	1,009,381
Investment earnings	2,413,347	8,048,208	-	2,216,986	10,265,194	7,851,847
Other	576,700	260,000	-	763,269	1,023,269	446,569
Total revenues	198,841,210	202,879,409	-	31,334,122	234,213,531	35,372,321
EXPENDITURES						
Capital outlay:						
Education:						
Buncombe County schools	96,964,355	43,934,219	(6,551,474)	23,424,232	60,806,977	36,157,378
Asheville City schools	37,955,023	13,251,609	(118,000)	9,253,074	22,386,683	15,568,340
Contingency	233,441	-	-	-	-	233,441
Total capital outlay	135,152,819	57,185,828	(6,669,474)	32,677,306	83,193,660	51,959,159
Debt service:						
Principal	142,689,541	125,097,762	-	17,776,775	142,874,537	(184,996)
Interest and fees	79,172,883	71,009,306	-	8,162,227	79,171,533	1,350
Total debt service	221,862,424	196,107,068	-	25,939,002	222,046,070	(183,646)
Total expenditures	357,015,243	253,292,896	(6,669,474)	58,616,308	305,239,730	51,775,513
Revenues over (under) expenditures	(158,174,033)	(50,413,487)	6,669,474	(27,282,186)	(71,026,199)	87,147,834
OTHER FINANCING SOURCES (USES)						
Installment obligations issued	185,641,426	116,003,896	(6,669,474)	-	109,334,422	(76,307,004)
Installment obligations issued - refunding	-	-	-	21,505,000	21,505,000	21,505,000
Premiums on issuance	-	-	-	1,934,682	1,934,682	1,934,682
Payment to bond escrow agent	(55,674,141)	(31,897,614)	-	(23,776,527)	(55,674,141)	-
Prior year revenues and transfers	28,206,748	32,899,165	-	-	32,899,165	4,692,417
Total other financing sources	158,174,033	117,005,447	(6,669,474)	(336,845)	109,999,128	(48,174,905)
Revenues and other sources over (under) expenditures and other uses	$ -	$ 66,591,960	$ -	(27,619,031)	$ 38,972,929	$ 38,972,929
Fund balance, beginning				66,591,960		
Fund balance, ending				$ 38,972,929		

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

AB Tech Capital Projects Fund

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Authorization	Actual to June 30, 2025				Variance Positive (Negative)
		Reported in Prior Years	Closures of Prior Activity	Current Year	Total	
REVENUES						
Local option sales taxes	$ 168,150,450	$ 158,484,584	$ (150,000)	$ 19,391,685	$ 177,726,269	$ 9,575,819
Restricted intergovernmental	300,042	291,201	-	-	291,201	(8,841)
Investment earnings	1,398,863	2,732,502	-	779,544	3,512,046	2,113,183
Other	68,156	-	-	73,885	73,885	5,729
Total revenues	169,917,511	161,508,287	(150,000)	20,245,114	181,603,401	11,685,890
EXPENDITURES						
Community College	47,993,112	26,009,656	(150,000)	2,394,389	28,254,045	19,739,067
Debt service:						
Principal retirement	51,471,199	46,320,377	-	5,147,957	51,468,334	2,865
Interest and fees	32,444,370	30,965,389	-	1,464,009	32,429,398	14,972
Total expenditures	131,908,681	103,295,422	(150,000)	9,006,355	112,151,777	19,756,904
Revenues over expenditures	38,008,830	58,212,865	-	11,238,759	69,451,624	31,442,794
OTHER FINANCING SOURCES (USES)						
Installment obligations issued	54,233,428	46,293,619	-	-	46,293,619	(7,939,809)
Installment obligations issued - refunding	-	-	-	2,690,000	2,690,000	2,690,000
Premiums on issuance	-	-	-	239,960	239,960	239,960
Payment to bond escrow agent	(49,132,604)	(46,150,129)	-	(2,972,066)	(49,122,195)	10,409
Transfers to other funds	(44,629,654)	(39,629,654)	-	(5,000,000)	(44,629,654)	-
Transfers from other funds	1,520,000	1,520,000	-	-	1,520,000	-
Total other financing sources (uses)	(38,008,830)	(37,966,164)	-	(5,042,106)	(43,008,270)	(4,999,440)
Revenues and other sources over (under) expenditures and other uses	$ -	$ 20,246,701	$ -	6,196,653	$ 26,443,354	$ 26,443,354
Fund balance, beginning				20,246,701		
Fund balance, ending				$ 26,443,354		

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, 2025

	Project Authorization	Actual to June 30, 2025				Variance Positive (Negative)
		Reported In Prior Years	Closures of Prior Activity	Current Year Activity	Total	
REVENUES						
Local option sales taxes	$ 51,266,980	$ 73,050,168	$ (49,000,000)	22,177,538	$ 46,227,706	$ (5,039,274)
Restricted intergovernmental	7,180,605	4,357,844	(1,879,965)	2,216,366	4,694,245	(2,486,360)
Total revenues	58,447,585	77,408,012	(50,879,965)	24,393,904	50,921,951	(7,525,634)
EXPENDITURES						
Capital outlay:						
Education:						
Buncombe County schools						
Sales tax projects	42,796,618	59,471,508	(40,000,000)	19,091,720	38,563,228	4,233,390
Lottery projects	5,940,006	4,188,368	(1,879,965)	2,216,366	4,524,769	1,415,237
Asheville City schools						
Sales tax projects	8,470,362	13,578,660	(9,000,000)	3,085,818	7,664,478	805,884
Lottery projects	1,240,599	169,476	-	-	169,476	1,071,123
Total capital outlay	58,447,585	77,408,012	(50,879,965)	24,393,904	50,921,951	7,525,634
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, 2025

		Actual to June 30, 2025				
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Restricted intergovernmental	$ 15,111,001	$ 1,487,712	$ -	$ 145,170	$ 1,632,882	$ (13,478,119)
Other	760,351	2,173,422	(111,072)	1,054,306	3,116,656	2,356,305
Investment earnings	638,890	1,282,171	-	885,641	2,167,812	1,528,922
Total revenues	16,510,242	4,943,305	(111,072)	2,085,117	6,917,350	(9,592,892)
EXPENDITURES						
Capital outlay:						
200 College Exterior	4,958,869	698,760	-	166,470	865,230	4,093,639
205 College St. Renovation & Repair	1,231,217	-	-	-	-	1,231,217
40 Coxe Interior Renovation	1,213,615	1,200,193	-	4,393	1,204,586	9,029
35 Woodfin Renovation for Forward Facing	6,847,480	333,620		4,783,711	5,117,331	1,730,149
35 Woodfin 911 Backup Center Renovation	3,814,670	-	-	2,434,575	2,434,575	1,380,095
Administration Building Envelope Repair	-	124,801	-	(124,801)	-	-
Ambulances	854,640	-	-	854,640	854,640	-
BAS System for Detention Center	174,052	-	-	-	-	174,052
Broadband Projects	200,442	139,772	-	23,195	162,967	37,475
Buncombe County Sports Dog Park	-	77,479	(77,479)	-	-	-
Comprehensive Facilities Assessment - FY24	1,235,625	73,383	-	71,300	144,683	1,090,942
Comprehensive Facilities Assessment - FY25	251,683	-	-	-	-	251,683
Courthouse Exterior Renovations	15,096,571	195,782	-	507,038	702,820	14,393,751
Courthouse Repairs	596,239	378,820	-	193,928	572,748	23,491
Countywide Paving	3,033,350	-		17,855	17,855	3,015,495
Countywide Roofing & Parking Decks Renovation & Repair	2,512,926	-	-	87,358	87,358	2,425,568
Detention Center Cooling Tower	-	338,128	(338,128)	-	-	-
Detention Center Facility Assessment Reno & Repair - FY24	1,325,492	609,904		608,157	1,218,061	107,431
Detention Center Facility Assessment Reno & Repair - FY25	1,852,576	-	-	312,466	312,466	1,540,110
Detention Center Dryer Installation	300,000			218,564	218,564	81,436
East Asheville Library	-	6,901,091	(6,901,091)	-	-	-
Electric Vehicle Charging Infrastructure - FY24	120,000	78,100	-	4,960	83,060	36,940
Electric Vehicle Charging Infrastructure - FY25	425,930	-	-	-	-	425,930
EMS Base Construction	6,600,000	555,694	-	84,533	640,227	5,959,773
EMS Local Base - Design	750,000	-	-	-	-	750,000
EMS Regional Base - Land & Design	1,760,000	-	-	53,650	53,650	1,706,350
Facility Assessment - Renovation	4,010,000	281,884	-	449,628	731,512	3,278,488
Fire Station Alerting/Paging	2,000,000	-		954,082	954,082	1,045,918
Fleet and General Services Complex	10,227,532	2,910,197	-	4,127,319	7,037,516	3,190,016
Garren Creek Tower Retrofit	-	637,249	(637,249)	-	-	-
Greenways Contingency	148,849	-	-	-	-	148,849
Interchange Building	468,641	17,400	-	15,000	32,400	436,241
Jail Repairs	786,358	66,255	-	298,847	365,102	421,256
Lake Julian Bathroom Additions	674,160	482,930	-	49,197	532,127	142,033
Lake Julian Shelter Replacements	100,000	72,335	-	27,533	99,868	132
Library Renovation	691,654	-	-	-	-	691,654
New Restroom Facility for Sports Park	-	148,461	(148,461)	-	-	-
New Storage Facility - Design	4,212,000	32,292		101,528	133,820	4,078,180
New Parks & Recreation Facility for Sports Park	217,084	-	-	-	-	217,084
Oakley/South Asheville Library HVAC	-	3,600	(3,600)	-	-	-
Orchard Street Park	150,000	-	-	-	-	150,000
Parking Lot Improvements Countywide	946,523	926,584	-	19,939	946,523	-
Planning for Forward Facing Building	200,000	186,000	-	-	186,000	14,000
PSIP Core System Replacement	10,000,000	-	-	102,608	102,608	9,897,392
Recreation Services Master Plan	315,175	114,785	-	66,093	180,878	134,297
Reems Creek Greenway	600,000	-	-	94	94	599,906

continued on next page

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, 2025

		Actual to June 30, 2025				
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
Shelter Resiliency Generator Project	2,301,000	-	-	-	-	2,301,000
Sidewalks - General	207,000	-	-	-	-	207,000
Silverline Park	650,000	650,000		-	650,000	-
Solar on Public Facilities	10,592,728	10,451,687	-	32,767	10,484,454	108,274
Solar on Schools & Public Buildings	5,587,850	1,329,850	-	-	1,329,850	4,258,000
Solar Panel Installation Phase 2	-	330,237	(330,237)	-	-	-
Warren Wilson Pool	300,000	-	-	-	-	300,000
West Asheville EMS Base Design	650,000	45,257		2,552	47,809	602,191
Woodfin Greenway - Beaverdam Creek	4,060,557	184,714		37,678	222,392	3,838,165
Woodfin Greenway - Highway 251	10,992,444	1,000,085		6,126	1,006,211	9,986,233
Total capital outlay	126,244,932	31,577,329	(8,436,245)	16,592,983	39,734,067	86,510,865
Debt service:						
Interest and fees	4,663,994	4,702,715	-	-	4,702,715	(38,721)
Total expenditures	130,908,926	36,280,044	(8,436,245)	16,592,983	44,436,782	86,472,144
Revenues over (under) expenditures	(114,398,684)	(31,336,739)	8,325,173	(14,507,866)	(37,519,432)	76,879,252
OTHER FINANCING SOURCES (USES)						
Prior year revenues	$ 12,574,437	$ 6,476,610	$ (235,400)	-	$ 6,241,210	$ (6,333,227)
Installment obligations issued	99,000,028	51,189,306	(7,222,984)	-	43,966,322	(55,033,706)
Transfers from other funds	18,450,413	20,127,453	(866,789)	854,640	20,115,304	1,664,891
Transfer to other funds	(15,602,759)	(15,538,049)	-	-	(15,538,049)	64,710
Contingency	(23,435)	-	-	-	-	23,435
Total other financing sources (uses)	114,398,684	62,255,320	(8,325,173)	854,640	54,784,787	(59,613,897)
Revenues and other sources over (under) expenditures and other uses	$ -	$ 30,918,581	$ -	(13,653,226)	$ 17,265,355	$ 17,265,355
Fund balance, beginning				30,918,581		
Fund balance, ending				$ 17,265,355		

* 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, 2025

		Actual to June 30, 2025				
	Project Budget	Reported in Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Restricted intergovernmental	$ 30,000	$ 207,555	$ (170,200)	$ 127,841	$ 165,196	$ 135,196
Unrestricted intergovernmental	214,443	214,443	-	-	214,443	-
Sales and services	-	9,300	-	-	9,300	9,300
Other	1,538,426	2,201,953	(474,774)	443,548	2,170,727	632,301
Total revenues	1,782,869	2,633,251	(644,974)	571,389	2,559,666	776,797
EXPENDITURES						
Current:						
Economic and physical development	38,209,341	7,866,968	(398,968)	6,649,616	14,117,616	24,091,725
Education	8,058,658	3,959,743	-	3,816,468	7,776,211	282,447
Capital outlay:						
Housing:						
Home Program Income	-	126,288	-	-	126,288	(126,288)
Affordable Housing Services FY21	-	1,893,975	(1,893,975)	-	-	-
Affordable Housing Services FY22	-	1,238,600	(1,238,600)	-	-	-
Affordable Housing Services FY23	1,242,620	815,512	-	27,482	842,994	399,626
Affordable Housing Services FY24	2,000,000	744,045	-	1,129,938	1,873,983	126,017
Affordable Housing Services FY25	3,434,637	-	-	1,902,636	1,902,636	1,532,001
Housing Trust Program Income	660,555	436,801	-	-	436,801	223,754
Energy Initiatives	148,142	79,107	-	-	79,107	69,035
High-Top Road Repair	-	170,200	(170,200)	-	-	-
Public Art Project	153,438	86,540	-	3,213	89,753	63,685
Reparations	3,091,204	174,375	-	-	174,375	2,916,829
Conservation	2,030,890	659,890	(186,834)	337,553	810,609	1,220,281
Warren Wilson college	310,000	-	-	-	-	310,000
Total expenditures	59,339,485	18,252,044	(3,888,577)	13,866,906	28,230,373	31,109,112
Revenues over (under) expenditures	(57,556,616)	(15,618,793)	3,243,603	(13,295,517)	(25,670,707)	31,885,909
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	57,556,616	31,338,047	(3,283,603)	7,533,661	35,588,105	(21,968,511)
Transfer to other funds	-	(365,000)	40,000	(34,341)	(359,341)	(359,341)
Total other financing sources (uses)	57,556,616	30,973,047	(3,243,603)	7,499,320	35,228,764	(22,327,852)
Revenues and other sources over (under) expenditures and other uses	$ -	$ 15,354,254	$ -	(5,796,197)	$ 9,558,057	$ 9,558,057
Fund balance, beginning (Non-GAAP)				15,354,254		
Fund balance, ending (Non-GAAP)				9,558,057		
Reconciliation from budgetary basis (modified accrual) to GAAP:						
Fund balance, beginning (GAAP)				22,892,472		
Loan disbursements				2,277,508		
Payments on loans				(266,846)		
Total reconciling items				24,903,134		
Fund balance, ending (GAAP)				$ 19,106,937		

SPECIAL REVENUE FUNDS

Emergency Telephone System Fund

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

Register of Deeds Automation Fund

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

Register of Deeds Fund

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

Representative Payee Fund

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

Sondley Estate Trust Fund

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

Transportation Fund

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

Drug Forfeitures Fund

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

School Fines and Forfeitures

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

PDF Woodfin Downtown Fund

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

Buncombe County Service Foundation

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

CAPITAL PROJECT FUNDS

Housing/Open Space Bond Projects Fund

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

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2025

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 5,089,112	$ -	$ 5,089,112
Restricted cash and investments	-	11,917,502	11,917,502
Restricted assets	290	-	290
Receivables (net):			
Accounts receivable	65,629	-	65,629
Due from other governments	2,289,181	-	2,289,181
Long-term receivables	-	6,468,782	6,468,782
Total assets	$ 7,444,212	$ 18,386,284	$ 25,830,496
LIABILITIES			
Accounts payable	458,814	-	458,814
Payable from restricted cash	-	2,838,797	2,838,797
Other liabilities	193,521	-	193,521
Due to other funds	-	779,204	779,204
Due to component unit	-	-	-
Total liabilities	652,335	3,618,001	4,270,336
DEFERRED INFLOWS OF RESOURCES	787,103	-	787,103
FUND BALANCES			
Restricted for:			
Stabilization by State statute	1,789,158	-	1,789,158
General government	599,293	-	599,293
Public safety	1,964,679	-	1,964,679
Economic and physical development	52,066	9,078,705	9,130,771
Human services	641,317	-	641,317
Library	958,261	-	958,261
Assigned			
Economic and physical development	-	5,689,578	5,689,578
Total fund balances	6,004,774	14,768,283	20,773,057
Total liabilities, deferred inflows of resources, and fund balances	$ 7,444,212	$ 18,386,284	$ 25,830,496

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Permits and fees	$ 370,427	$ -	$ 370,427
Restricted intergovernmental	6,297,967	-	6,297,967
Sales and services	732,275	-	732,275
Investment earnings	176,065	732,910	908,975
Other	69,705	-	69,705
Total revenues	7,646,439	732,910	8,379,349
EXPENDITURES			
Current:			
General government	241,215	-	241,215
Public safety	978,449	-	978,449
Human services	5,256,840	-	5,256,840
Education	732,275	-	732,275
Capital outlay	2,693,958	786,868	3,480,826
Debt service:			
Principal retirement	610,632	-	610,632
Interest and fees	295,610	-	295,610
Total expenditures	10,808,979	786,868	11,595,847
Revenues over (under) expenditures	(3,162,540)	(53,958)	(3,216,498)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	1,592,874	-	1,592,874
Transfers to other funds	(26,689)	-	(26,689)
Sale of assets	9,200	-	9,200
Total other financing sources (uses)	1,575,385	-	1,575,385
Net change in fund balances	(1,587,155)	(53,958)	(1,641,113)
Fund balances, beginning	7,591,929	14,822,241	22,414,170
Fund balances, ending	$ 6,004,774	$ 14,768,283	$ 20,773,057

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2025

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate
ASSETS					
Cash and investments	$ 1,100,830	$ 604,782	$ 28,428	$ 205,204	$ 958,261
Restricted assets	-	-	-	-	-
Receivables (net):					
Accounts receivable	1,912	1,067	-	-	1,734
Due from other governments	15,725	-	-	-	-
Total assets	$ 1,118,467	$ 605,849	$ 28,428	$ 205,204	$ 959,995
LIABILITIES					
Accounts payable	$ 101,352	$ 5,489	$ 13,460	$ -	$ -
Other liabilities	-	-	14,968	78,467	-
Total liabilities	101,352	5,489	28,428	78,467	-
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-
FUND BALANCES					
Restricted for:					
Stabilization by State statute	17,637	1,067	-	-	1,734
General government	-	599,293	-	-	-
Public safety	999,478	-	-	-	-
Economic and physical development	-	-	-	-	-
Human services	-	-	-	126,737	-
Library	-	-	-	-	958,261
Total fund balances	1,017,115	600,360	-	126,737	959,995
Total liabilities, deferred inflows of resources, and fund balances	$ 1,118,467	$ 605,849	$ 28,428	$ 205,204	$ 959,995

Special Revenue Funds (Continued)						
Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	BC Service Foundation	Total Special Revenue Funds
$ 582,327	$ 974,101	$ 68,823	$ 51,776	$ 514,580	$ 5,089,112
-	-	-	290	-	290
26,986	1,734	31,263	-	933	65,629
2,273,456	-	-	-	-	2,289,181
$ 2,882,769	$ 975,835	$ 100,086	$ 52,066	$ 515,513	$ 7,444,212
$ 329,613	$ 8,900	$ -	$ -	$ -	$ 458,814
-	-	100,086	-	-	193,521
329,613	8,900	100,086	-	-	652,335
787,103	-	-	-	-	787,103
1,766,053	1,734	-	-	933	1,789,158
-	-	-	-	-	599,293
-	965,201	-	-	-	1,964,679
-	-	-	52,066	-	52,066
-	-	-	-	514,580	641,317
-	-	-	-	-	958,261
1,766,053	966,935	-	52,066	515,513	6,004,774
$ 2,882,769	$ 975,835	$ 100,086	$ 52,066	$ 515,513	$ 7,444,212

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				
	Emergency Telephone System	Register of Deeds Automation	Register of Deeds	Representative Payee	Sondley Estate
REVENUES					
Permits and fees	$ -	$ 132,767	$ 237,660	$ -	$ -
Restricted intergovernmental	188,697	-	-	612,522	-
Sales and services	-	-	-	-	-
Investment earnings (loss)	57,075	22,562	-	1,635	37,178
Other	-	-	-	-	-
Total revenues	245,772	155,329	237,660	614,157	37,178
EXPENDITURES					
Current:					
General government	-	3,555	237,660	-	-
Public safety	912,378	-	-	-	-
Human services	-	-	-	588,461	-
Education	-	-	-	-	-
Capital outlay	521,385	-	-	-	-
Debt service:					
Principal retirement	-	55,467	-	-	-
Interest and fees	-	1,833	-	-	-
Total expenditures	1,433,763	60,855	237,660	588,461	-
Revenues over (under) expenditures	(1,187,991)	94,474	-	25,696	37,178
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	237,788	-	-	-	-
Transfers to other funds	-	(26,689)	-	-	-
Sale of assets	-	-	-	-	-
Total other financing sources (uses)	237,788	(26,689)	-	-	-
Net change in fund balances	(950,203)	67,785	-	25,696	37,178
Fund balances, beginning	1,967,318	532,575	-	101,041	922,817
Fund balances, ending	$ 1,017,115	$ 600,360	$ -	$ 126,737	$ 959,995

Special Revenue Funds (Continued)						
Transportation	Drug Forfeitures	School Fines and Forfeitures	PDF Woodfin Downtown	BC Service Foundation	Total Special Revenue Funds
$ -	$ -	$ -	$ -	$ -	$ 370,427
5,035,817	137,062	-	323,869	-	6,297,967
-	-	732,275	-	-	732,275
-	37,773	-	-	19,842	176,065
61,322	-	-	210	8,173	69,705
5,097,139	174,835	732,275	324,079	28,015	7,646,439
-	-	-	-	-	241,215
-	66,071	-	-	-	978,449
4,660,034	-	-	-	8,345	5,256,840
-	-	732,275	-	-	732,275
2,145,908	26,665	-	-	-	2,693,958
57,165	-	-	498,000	-	610,632
135	-	-	293,642	-	295,610
6,863,242	92,736	732,275	791,642	8,345	10,808,979
(1,766,103)	82,099	-	(467,563)	19,670	(3,162,540)
847,103	-	-	507,983	-	1,592,874
-	-	-	-	-	(26,689)
9,200	-	-	-	-	9,200
856,303	-	-	507,983	-	1,575,385
(909,800)	82,099	-	40,420	19,670	(1,587,155)
2,675,853	884,836	-	11,646	495,843	7,591,929
$ 1,766,053	$ 966,935	$ -	$ 52,066	$ 515,513	$ 6,004,774

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

JUNE 30, 2025

	Capital Project Funds	
	Housing/Open Space Bond Projects	Total Capital Project Funds
ASSETS		
Cash and investments	$ -	$ -
Restricted cash and investments	11,917,502	11,917,502
Restricted assets	-	-
Receivables (net):		
Taxes receivable	-	-
Accounts receivable	-	-
Due from other governments	-	-
Inventories	-	-
Restricted cash and cash equivalents	-	-
Long-term receivables	6,468,782	6,468,782
Total assets	$ 18,386,284	$ 18,386,284
LIABILITIES		
Payable from restricted cash	2,838,797	2,838,797
Other liabilities	-	-
Unearned revenue	-	-
Due to other funds	779,204	779,204
Due to component unit	-	-
Total liabilities	3,618,001	3,618,001
FUND BALANCES		
Restricted for:		
Economic and physical development	9,078,705	9,078,705
Assigned		
Economic and physical development	5,689,578	5,689,578
Total fund balances	14,768,283	14,768,283
Total liabilities, deferred inflows of resources, and fund balances	$ 18,386,284	$ 18,386,284

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Capital Project Funds	
	Housing/Open Space Bond Projects	Total Capital Project Funds
REVENUES		
Investment earnings (loss)	$ 732,910	$ 732,910
Total revenues	732,910	732,910
EXPENDITURES		
Capital outlay	786,868	786,868
Total expenditures	786,868	786,868
Revenues over (under) expenditures	(53,958)	(53,958)
Net change in fund balances	(53,958)	(53,958)
Fund balances, beginning	14,822,241	14,822,241
Fund balances, ending	$ 14,768,283	$ 14,768,283

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		$ 188,697	
Investment earnings		57,075	
Total revenues	$ 188,697	245,772	$ 57,075
EXPENDITURES			
Current:			
Public safety:			
Other operating expenditures		912,378	
Capital outlay		521,385	
Total expenditures	1,736,815	1,433,763	303,052
Revenues under expenditures	(1,548,118)	(1,187,991)	360,127
OTHER FINANCING SOURCES			
Transfers from other funds		237,788	
Total other financing sources	1,548,118	237,788	(1,310,330)
Net change in fund balance	$ -	(950,203)	$ (950,203)
Fund balance, beginning		1,967,318	
Fund balance, ending		$ 1,017,115	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		$ 132,767	
Investment earnings		22,562	
Total revenues	$ 153,000	155,329	$ 2,329
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		3,555	
Total expenditures	122,682	3,555	119,127
Debt service:			
Principal retirement		55,467	
Interest and fees		1,833	
Total debt service	-	57,300	(57,300)
Revenues over expenditures	30,318	94,474	64,156
OTHER FINANCING USES			
Transfer to general fund		(26,689)	
Total other financing uses	(30,318)	(26,689)	3,629
Net change in fund balance	$ -	67,785	$ 67,785
Fund balance, beginning		532,575	
Fund balance, ending		$ 600,360	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Permits and fees		$ 237,660	
Total revenues	$ 320,000	237,660	$ (82,340)
EXPENDITURES			
Current:			
General government:			
Other operating expenditures		237,660	
Total expenditures	320,000	237,660	82,340
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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		$ 612,522	
Investment earnings		1,635	
Total revenues	$ 700,000	614,157	$ (85,843)
EXPENDITURES			
Current:			
Human services:			
Program support		588,461	
Total expenditures	700,000	588,461	111,539
Revenues over expenditures	-	25,696	25,696
Net change in fund balance	$ -	25,696	$ 25,696
Fund balance, beginning		101,041	
Fund balance, ending		$ 126,737	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings		$ 37,178	
Total revenues	$ -	37,178	$ 37,178
EXPENDITURES			
Current:			
Library			
Other operating expenditures		-	-
Total expenditures	-	-	-
Revenues over expenditures	-	37,178	37,178
Net change in fund balance	$ -	37,178	$ 37,178
Fund balance, beginning		922,817	
Fund balance, ending		$ 959,995	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		$ 5,035,817	
Other		61,322	
Total revenues	$ 6,632,193	5,097,139	$ (1,535,054)
EXPENDITURES			
Current:			
Human services:			
Salaries and benefits		222,794	
Other operating expenditures		4,437,240	
Capital outlay		2,145,908	
Debt service:			
Principal retirement		57,165	
Interest and fees		135	
Total expenditures	8,677,457	6,863,242	1,814,215
Revenues under expenditures	(2,045,264)	(1,766,103)	279,161
OTHER FINANCING SOURCES			
Sales of capital assets		9,200	
Transfer from general fund		847,103	
Total other financing sources	2,045,264	856,303	(1,188,961)
Net change in fund balance	$ -	(909,800)	$ (909,800)
Fund balance, beginning		2,675,853	
Fund balance, ending		$ 1,766,053	

BUNCOMBE COUNTY, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		$ 137,062	
Restricted investment earnings		37,773	
Total revenues	$ 208,000	174,835	$ (33,165)
EXPENDITURES			
Current:			
Public safety:			
Operating expenditures		66,071	
Capital outlay		26,665	
Total expenditures	208,000	92,736	115,264
Revenues under expenditures	-	82,099	82,099
Net change in fund balance	$ -	82,099	$ 82,099
Fund balance, beginning		884,836	
Fund balance, ending		$ 966,935	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales and services		$ 732,275	
Total revenues	$ 2,000,000	732,275	$ (1,267,725)
EXPENDITURES			
Current:			
Education:			
Operating expenditures		732,275	
Total expenditures	2,000,000	732,275	1,267,725
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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental		$ 323,869	
Other		210	
Total revenues	$ 794,058	324,079	$ (469,979)
EXPENDITURES			
Debt service:			
Principal retirement		498,000	
Interest and fees		293,642	
Total expenditures	794,058	791,642	2,416
Revenues under expenditures	-	(467,563)	(467,563)
OTHER FINANCING SOURCES			
Transfer from general fund		507,983	
Total other financing sources	-	507,983	507,983
Net change in fund balance	$ -	40,420	$ 40,420
Fund balance, beginning		11,646	
Fund balance, ending		$ 52,066	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings		$ 19,842	
Other		8,173	
Total revenues	$ -	28,015	$ 28,015
EXPENDITURES			
Current			
Human Services:			
Operating expenditures		8,345	
Total expenditures	-	8,345	(8,345)
Revenues over expenditures	-	19,670	19,670
Net change in fund balance	$ -	19,670	$ 19,670
Fund balance, beginning		495,843	
Fund balance, ending		$ 515,513	

BUNCOMBE COUNTY, NORTH CAROLINA

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

Housing/Open Space Bond Projects

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

		Actual to June 30, 2025				
	Project Authorization	Reported In Prior Years	Closures of Prior Activity	Current Year	Total	Variance Positive (Negative)
REVENUES						
Investment earnings	$ -	$ 58,590	$ -	$ 732,910	$ 791,500	$ 791,500
Total revenues	-	58,590	-	732,910	791,500	791,500
EXPENDITURES						
Current:						
Affordable housing	937,213	58,743	-	-	58,743	878,470
Open space	937,213	39,629	-	-	39,629	897,584
Total current expenditures	1,874,426	98,372	-	-	98,372	1,776,054
Capital outlay:						
Agricultural Growth Zone Match	2,345,443	-	-	-	-	2,345,443
Asheville Affordable Pine Lane	6,517,699	-	-	-	-	6,517,699
Battle Forest	375,500	-	-	-	-	375,500
Dearverview Mountaint	7,671,764	-	-	-	-	7,671,764
Ferry Road Open Space	3,000,000	-	-	-	-	3,000,000
Kestrel Herb Farm	259,000	-	-	-	-	259,000
Lake Eden Preserve	250,000	-	-	-	-	250,000
Lakeshore Villas	3,618,318	-	-	2,916,970	2,916,970	701,348
Laurel Wood	800,000	-	-	-	-	800,000
Lofts at Swannanoa	379,787	-	-	-	-	379,787
Meribel	8,468,195	-	-	4,338,680	4,338,680	4,129,515
Okoboji Farm	511,500	-	-	-	-	511,500
Parham-Fortner Farm	150,000	-	-	-	-	150,000
Redwood Commons	1,826,000	-	-	-	-	1,826,000
Rocky River Apartments	7,889,950	-	-	-	-	7,889,950
Sandy Hollar Farm	760,000	-	-	-	-	760,000
Woodfin Greenway: Beaverdam Creek	997,355	-	-	-	-	997,355
Woodfin Greenway: Highway 251	275,895	-	-	-	-	275,895
Total capital outlay	46,096,406	-	-	7,255,650	7,255,650	38,840,756
Debt service:						
Interest and fees	-	306,137	-	-	306,137	(306,137)
Total debt service	-	306,137	-	-	306,137	(306,137)
Total expenditures	47,970,832	404,509	-	7,255,650	7,660,159	40,310,673
Revenues over (under) expenditures	(47,970,832)	(345,919)	-	(6,522,740)	(6,868,659)	41,102,173
OTHER FINANCING SOURCES						
Installment obligations issued	47,970,832	15,120,868	-	-	15,120,868	(32,849,964)
Prior year revenues and transfers	-	47,292	-	-	47,292	47,292
Total other financing sources	47,970,832	15,168,160	-	-	15,168,160	(32,802,672)
Revenues and other sources over (under) expenditures and other uses	$ -	$ 14,822,241	$ -	(6,522,740)	$ 8,299,501	$ 8,299,501
Fund balance, beginning (Non-GAAP)				14,822,241		
Fund balance, ending (Non-GAAP)				8,299,501		
Reconciliation from budgetary basis (modified accrual) to GAAP:						
Fund balance, beginning (GAAP)				14,822,241		
Loan disbursements				6,468,782		
Total reconciling items				21,291,023		
Fund balance, ending (GAAP)				$ 14,768,283		

MAJOR FUNDS

Solid Waste Disposal Fund

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

Landfill Capital Projects Fund

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

NONMAJOR FUNDS

Inmate Commissary/Welfare Fund

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

Real-Time Intelligence Fund

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

Solid Waste Disposal Fund

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Tipping fees		$ 12,085,295	
Service charges and other revenues		486,760	
Intergovernmental revenues		819,404	
Other revenue		16,512	
Total operating revenues	$ 11,654,607	13,407,971	$ 1,753,364
Nonoperating revenues:			
Investment earnings	-	767,060	767,060
Total revenues	11,654,607	14,175,031	2,520,424
EXPENDITURES			
Landfill:			
Salaries, wages, and fringe benefits		2,459,643	
Landfill closure and postclosure care costs		96,066	
Other operating expenses		5,426,205	
Total landfill		7,981,915	
Transfer station:			
Salaries, wages, and fringe benefits		1,529,720	
Other operating expenses		735,734	
Total transfer station		2,265,454	
Landfill gas to energy project:			
Salaries, wages, and fringe benefits		120,055	
Other operating expenses		204,927	
Total landfill gas to energy project		324,982	
Capital outlay		893,150	
Debt service:			
Principal retirement		3,155,175	
Interest and fees		362,320	
Total debt service		3,517,495	
Total expenditures	15,184,464	14,982,996	201,468
Expenditures over revenues	(3,529,857)	(807,965)	2,721,892
OTHER FINANCING SOURCES (USES)			
Transfer to solid waste capital projects	(935,000)	(124,795)	810,205
Transfer from solid waste capital projects	-	186,950	186,950
Installment obligations issued	-	1,774,000	1,774,000
Lease liabilities issued	-	376,681	376,681
Sale of capital assets	-	-	-
Appropriated fund balance	4,464,857	-	(4,464,857)
Total other financing uses	3,529,857	2,212,836	(1,317,021)
Revenues and other sources over expenses and other uses	$ -	1,404,870	$ 1,404,870

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, 2025

Revenues and other sources over expenditures and other uses	$	1,404,870
Reconciliation from budgetary basis (modified accrual) to full accrual:		
Reconciling items:		
Accrued interest on investments		2,435
Decrease in fuel inventory		(1,578)
Capital outlay		694,098
Depreciation		(2,856,568)
Amortization of lease right-to-use asset		(586,576)
Decrease in deferred outflows of resources - pensions		(191,075)
Increase in deferred outflows of resources - OPEB		3,114
Decrease in accrued interest on debt		(6,750)
Increase in accrued compensated absences		(79,494)
Increase in accrued landfill closure and postclosure care costs		(1,227,714)
Decrease in net OPEB liability		14,413
Decrease in net pension liability		54,488
Debt principal		3,155,175
Installment obligations issued		(1,774,000)
Decrease in deferred inflows of resources - pensions		7,373
Decrease in deferred inflows of resources - OPEB		348,949
Operating expenditures from Landfill Capital Projects Fund		(434,383)
Sale of capital assets		(682,208)
Transfer between landfill capital projects		(50,205)
Total reconciling items		(3,610,506)
Change in net position	$	(2,205,635)

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, 2025

		Actual to June 30, 2025				
	Project Authorization	Reported in Prior Years	Closures of Prior Activity	Current Year Activity	Total to Date	Variance Positive (Negative)
REVENUES						
	$ -	$ -	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-	-	-
Cell 7	13,555,691	12,320,313	-	-	12,320,313	1,235,378
Compost feasibility study	-	92,151	(92,151)	-	-	-
Floor trailer for transfer station	-	98,573	(98,573)	-	-	-
Improvements to landfill site	130,000	110,647	-	12,100	122,747	7,253
Landfill scale replacement	104,162	-	-	-	-	104,162
MS landfill cell 6 gas collection & control system	350,000	53,700	-	-	53,700	296,300
Paving station	100,000	75,800	-	12,942	88,742	11,258
Phase 8 C&D landfill	250,000	-	-	233,742	233,742	16,258
Transfer Station Expansion	150,000	-	-	-	-	150,000
Transfer Truck	190,000	-	-	175,599	175,599	14,401
Contingency	181,358	-	-	-	-	181,358
Total expenditures	15,011,211	12,751,184	(190,724)	434,383	12,994,843	2,016,368
Revenues under expenditures	(15,011,211)	(12,751,184)	190,724	(434,383)	(12,994,843)	(2,016,368)
OTHER FINANCING SOURCES (USES)						
Proceeds from installment obligations	13,756,358	13,506,358	-	-	13,506,358	250,000
Transfer from solid waste	1,178,005	1,253,210	(190,724)	124,795	1,187,281	(9,276)
Transfer to solid waste	-	(6,358)	-	(175,000)	(181,358)	181,358
Prior year revenues	76,848	76,848	-	-	76,848	-
Total other financing sources	15,011,211	14,830,058	(190,724)	(50,205)	14,589,129	422,082
Revenues and other sources over (under) expenditures	$ -	$ 2,078,874	$ -	$ (484,588)	$ 1,594,286	$ (1,594,286)

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Net Position

Nonmajor Enterprise Funds

JUNE 30, 2025

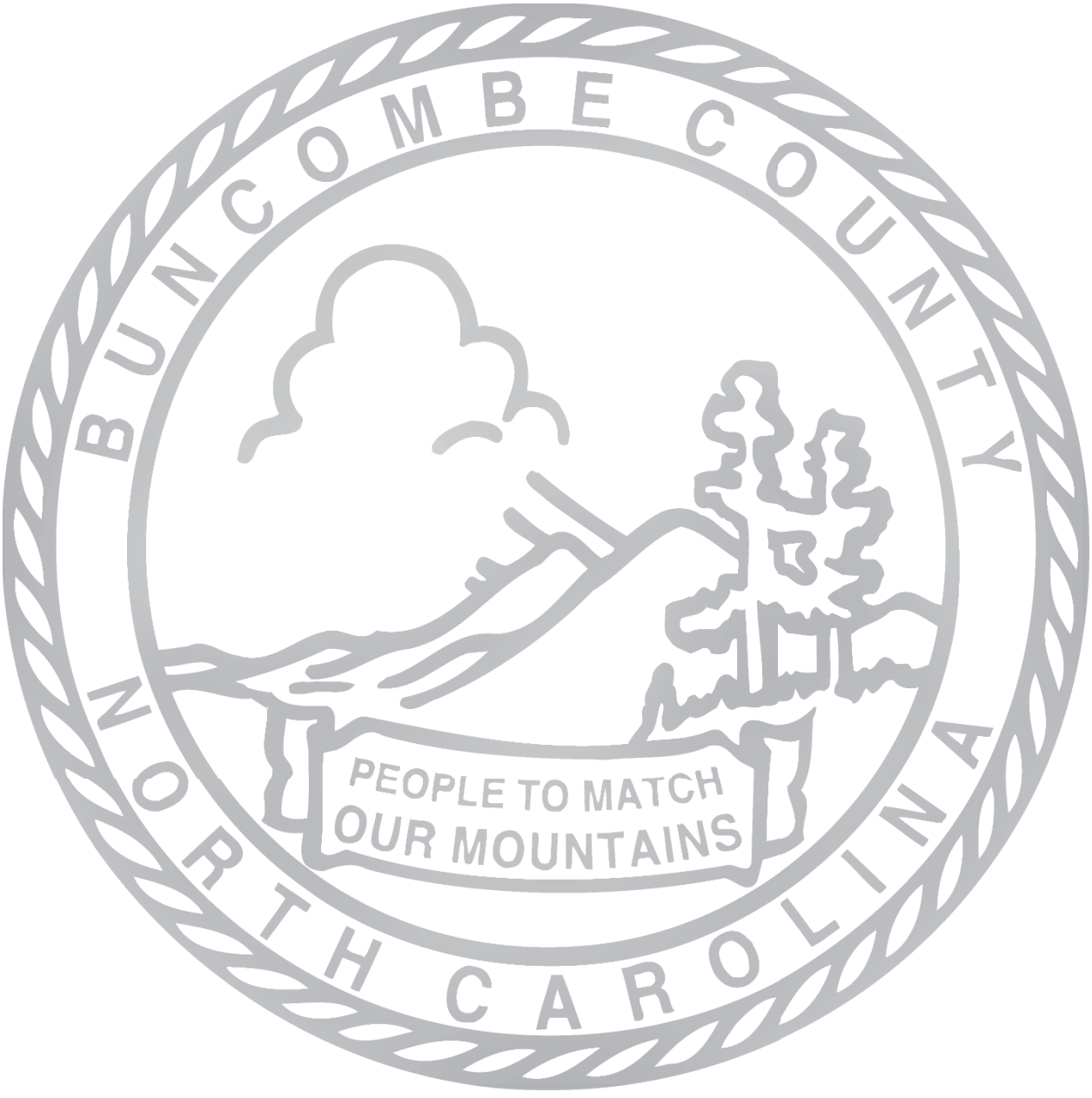
	Enterprise Funds		
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	$ 461,065	$ 52,106	$ 513,171
Receivables (net):	9,564	-	9,564
Due from other governments	-	30,000	30,000
Total current assets	470,629	82,106	552,735
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	160,957	-	160,957
Total capital assets	160,957	-	160,957
Total noncurrent assets	160,957	-	160,957
Total assets	631,586	82,106	713,692
DEFERRED OUTFLOW OF RESOURCES	51,824	-	51,824
LIABILITIES			
Current liabilities			
Accounts payable	272,386	203,876	476,262
Salaries and payroll taxes payable	9,094	-	9,094
Compensated absenses	33,639	-	33,639
Total current liabilities	315,119	203,876	518,995
Noncurrent liabilities			
Net OPEB liability	62,153	-	62,153
Net pension liability - LGERS	86,557	-	86,557
Total noncurrent liabilities	148,710	-	148,710
Total liabilities	463,829	203,876	667,705
DEFFERED INFLOWS OF RESOURCES	24,924	-	24,924
NET POSITION			
Net investment in capital assets	160,957	-	160,957
Unrestricted (deficit)	33,700	(121,770)	(88,070)
Total net position	194,657	(121,770)	72,887

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds		
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	$ 390,570	$ 124,025	$ 514,595
Total operating revenues	390,570	124,025	514,595
OPERATING EXPENDITURES			
Salaries, wages, and fringe benefits	204,395	-	204,395
Contracted services	886,753	-	886,753
Costs of products sold	49,786	-	49,786
Other operating expenditures	48,434	204,004	252,438
Depreciation	25,888	-	25,888
Total operating expenditures	1,215,256	204,004	1,419,260
Operating income (loss)	(824,686)	(79,979)	(904,665)
NONOPERATING REVENUES (EXPENSES)			
Interest and investment income	34,166	11,556	45,722
Total nonoperating revenues (expenses)	34,166	11,556	45,722
Income (loss) before contributions and transfers	(790,520)	(68,423)	(858,943)
Capital Contributions	-	-	-
Change in net position	(790,520)	(68,423)	(858,943)
Net position, beginning	985,177	(53,347)	931,830
Net position, ending	$ 194,657	$ (121,770)	$ 72,887


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds		
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 391,763	$ 94,025	$ 485,788
Cash paid for goods and services	(852,438)	(53,475)	(905,913)
Cash paid to employees for services	(207,884)	-	(207,884)
Net cash provided (used) by operating activities	(668,559)	40,550	(628,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	34,166	11,556	45,722
Net cash provided by investing activities	34,166	11,556	45,722
Net increase (decrease) in cash and investments	(634,393)	52,106	(582,287)
Cash and investments, beginning of year	1,095,458	-	1,095,458
Cash and investments, end of year	$ 461,065	$ 52,106	$ 513,171

continued on next page

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds		
	Inmate Commissary/ Welfare Fund	Real-Time Intelligence Fund	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (824,686)	$ (79,979)	$ (904,665)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	25,888	-	25,888
Changes in assets, liabilities and deferred outflows and inflows of resources:			
Accounts receivable	1,193	(30,000)	(28,807)
Deferred outflows of resources - pensions	8,035	-	8,035
Net pension liability	(345)	-	(345)
Deferred inflows of resources - pensions	(338)	-	(338)
Accounts payable	132,535	150,529	283,064
Salaries and payroll taxes payable	436	-	436
Deferred outflows of resources - OPEB	(350)	-	(350)
Net OPEB liability	(16,159)	-	(16,159)
Deferred inflows of resources - OPEB	942	-	942
Accrued compensated absences	4,290	-	4,290
Total adjustments	156,127	120,529	276,656
Net cash provided (used) by operating activities	$ (668,559)	$ 40,550	$ (628,009)

BUNCOMBE COUNTY, NORTH CAROLINA

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

Inmate Commissary/Welfare Fund

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Commissary concessions		$ 207,398	
Telephone concessions		183,172	
Total operating revenues		390,570	
Nonoperating revenues:			
Investment earnings		34,145	
Total revenues	$ 453,411	424,715	$ (28,696)
EXPENDITURES			
Salaries, wages, and fringe benefits		208,320	
Contracted services		886,753	
Cost of products sold		49,786	
Other operating expenditures		48,434	
Total expenditures	1,193,871	1,193,293	578
Revenues over (under) expenditures	(740,460)	(768,578)	(28,118)
Total other financing sources (uses)	740,460	-	(740,460)
Revenues over expenditures	$ -	(768,578)	$ (768,578)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling Items:			
Decrease in deferred outflows of resources - pensions		(8,035)	
Increase in deferred outflows of resources - OPEB		350	
Decrease in net pension liability		345	
Decrease in deferred inflows of resources - pensions		338	
Increase in deferred inflows of resources - OPEB		(942)	
Decrease in net OPEB liability		16,159	
Accrued interest on investments		21	
Depreciation		(25,888)	
Decrease in accrued compensated absences		(4,290)	
Total reconciling items		(21,942)	
Change in net position		$ (790,520)	

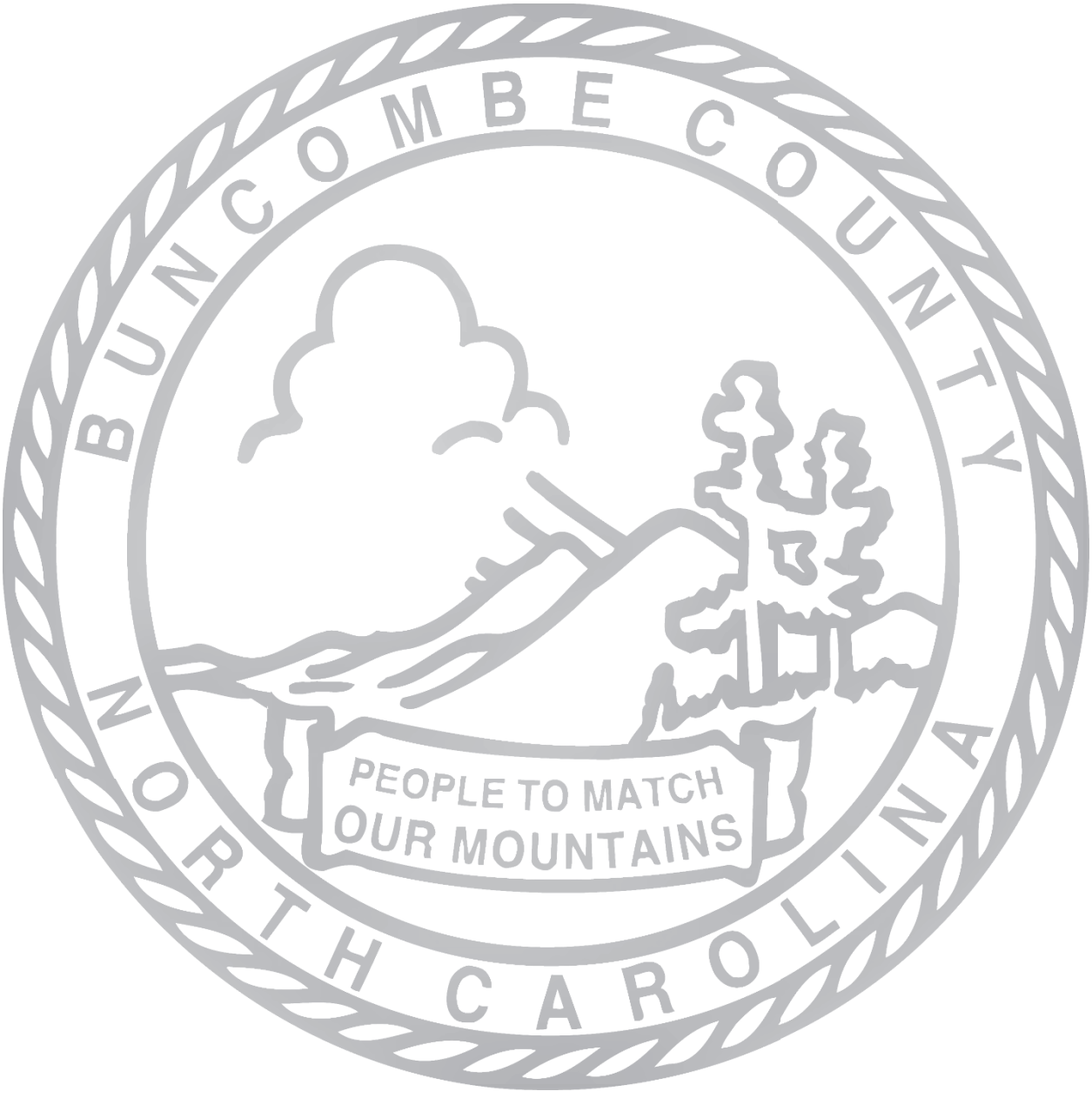
BUNCOMBE COUNTY, NORTH CAROLINA

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

Real-Time Intelligence Center

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Sales and Services		$ 124,025	
Total operating revenues		124,025	
Nonoperating revenues:			
Investment earnings		11,556	
Total revenues	$ 210,000	135,581	$ (74,419)
EXPENDITURES			
Other operating expenditures		204,004	
Total expenditures	210,000	204,004	5,996
Revenues (under) expenditures	$ -	(68,423)	$ (68,423)
Change in net position		$ (68,423)	


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

INTERNAL SERVICE FUND

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

CUSTODIAL FUNDS

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

Municipal Tax Collections Fund

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

COMPONENT UNIT

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

BUNCOMBE COUNTY, NORTH CAROLINA

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

Insurance Internal Service Fund

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Operating revenues:			
Charges for services		$ 39,889,300	
Other		5,923,075	
Total revenues	$ 44,114,207	45,812,375	$ 1,698,168
EXPENDITURES			
Salaries, wages, and fringe benefits		676,523	
Insurance premiums		2,056,259	
Claims		39,879,468	
Other operating expenditures		5,065,179	
Total expenditures	48,222,516	47,677,429	545,087
Revenues over (under) expenditures	(4,108,309)	(1,865,054)	2,243,255
OTHER FINANCING SOURCES			
Appropriated fund balance	4,108,309	-	(4,108,309)
Total other financing sources	4,108,309	-	(4,108,309)
Revenues and other sources under expenditures and other uses	$ -	(1,865,054)	$ (1,865,054)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling item:			
Increase in incurred but not reported claims		254,272	
Total reconciling items		254,272	
Change in net position		$ (1,610,782)	

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Fiduciary Net Position

Custodial Funds

JUNE 30, 2025

	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
ASSETS			
Cash and investments	$ 204,026	$ 1,476,216	$ 1,680,242
Receivables, net	125	853,835	853,960
Total assets	204,151	2,330,051	2,534,202
LIABILITIES			
Accounts payable and accrued liabilities	105,597	-	105,597
Due to other governments	-	1,690,810	1,690,810
Total liabilities	105,597	1,690,810	1,796,407
NET POSITION			
Restricted for:			
Individuals and other governments	98,554	639,241	737,795
Total net position	$ 98,554	$ 639,241	$ 737,795

BUNCOMBE COUNTY, NORTH CAROLINA

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds

FOR THE YEAR ENDED JUNE 30, 2025

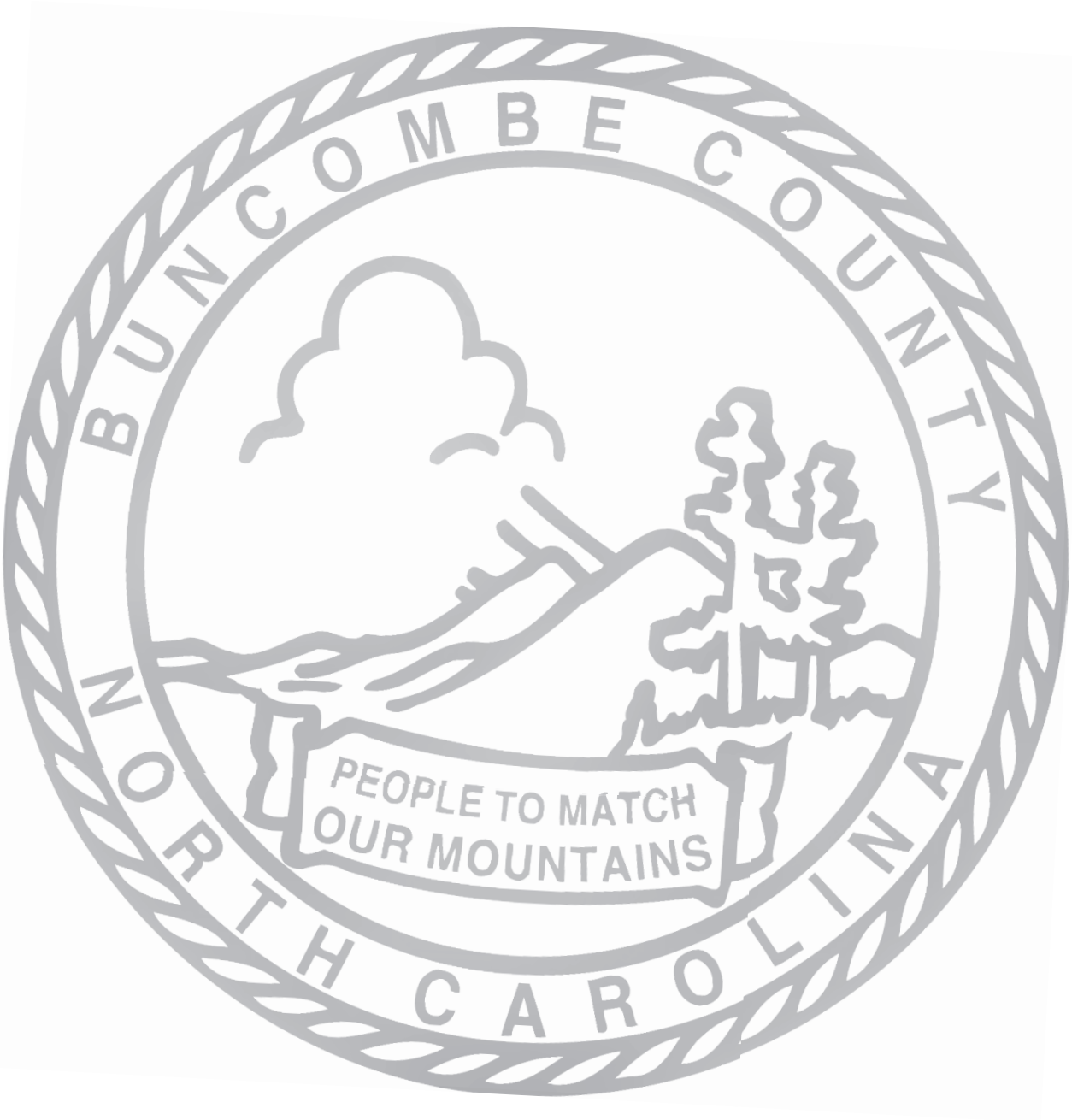
	Inmate Trust Fund	Municipal Tax Collections Fund	Total Custodial Funds
ADDITIONS			
Taxes for other governments	$ -	$ 107,363,852	$ 107,363,852
Collections on behalf of inmates	1,305,458	-	1,305,458
Total additions	1,305,458	107,363,852	108,669,310
DEDUCTIONS			
Tax distributions to other governments	-	107,238,231	107,238,231
Payments on behalf of inmates	1,275,456	-	1,275,456
Total deductions	1,275,456	107,238,231	108,513,687
Net increase in fiduciary net position	30,002	125,621	155,623
NET POSITION			
Net position, beginning	68,552	513,620	582,172
Net position, ending	$ 98,554	$ 639,241	$ 737,795

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Revenues, Expenditures, and Change in Net Position - Budget and Actual (Non-GAAP)
Asheville-Buncombe Air Quality Agency
Component Unit

FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Federal, State, and other grants		$ 463,060	
Licenses and permits		553,756	
Other licenses and taxes		155,565	
Investment earnings		30,049	
Other		100	
Total revenues	$ 1,232,700	1,202,530	$ (30,170)
EXPENDITURES			
Environmental protection:			
Salaries and employee benefits		932,111	
Other operating expenses		189,633	
Total expenditures	1,349,960	1,235,892	114,068
Revenues over expenditures	(117,260)	(33,362)	83,898
OTHER FINANCING SOURCES			
Appropriated fund balance	117,260	-	(117,260)
Total other financing sources	117,260	-	(117,260)
Revenues and other sources under expenditures	$ -	(33,362)	$ (33,362)
Reconciliation from budgetary basis (modified accrual) to full accrual			
Reconciling items:			
Accrued interest on investments		84	
Depreciation		(50,178)	
Capital outlay		146,363	
Decrease in deferred outflows of resources - pensions		(24,149)	
Increase in deferred outflows of resources - OPEB		220	
Increase in net pension liability		4,135	
Increase in LGERS liability		(114,756)	
Decrease in deferred inflows of resources - pensions		(4,356)	
Decrease in deferred inflows of resources - OPEB		84,821	
Decrease in net OPEB liability		7,701	
Decrease in accrued compensated absences		(8,157)	
Total reconciling items		41,728	
Change in net position		$ 8,366	


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

BUNCOMBE COUNTY, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable

General Fund

JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1	Additions	Collections and Credits	Uncollected Balance June 30
2024-2025	$ -	$ 275,595,145	$ 274,076,608	$ 1,518,537
2023-2024	569,419	-	201,900	367,519
2022-2023	119,103	-	34,319	84,784
2021-2022	174,329	-	13,969	160,360
2020-2021	164,219	-	7,564	156,655
2019-2020	60,057	-	5,697	54,360
2018-2019	31,154	-	2,190	28,964
2017-2018	26,165	-	602	25,563
2016-2017	(1,708)	-	261	(1,969)
2016 & Prior	25,077	-	595	24,482
Total	$ 1,167,815	$ 275,595,145	$ 274,343,705	2,419,255
Less allowance for uncollectible ad valorem taxes receivable				(667,080)
Ad valorem taxes receivable, net				$ 1,752,175

Reconcilement with revenues:	
Taxes - Ad valorem - General Fund	275,362,221
Reconciling items:	
Credits and write-offs	6,633
Prepaid in prior year	245,274
Accruals	(618,851)
Penalties	(663,769)
Other	12,197
Total reconciling items	(1,018,516)
Total collections and credits	$ 274,343,705

BUNCOMBE COUNTY, NORTH CAROLINA

Analysis of Current Year County-Wide Tax Levy

FOR THE YEAR ENDED JUNE 30, 2025

	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	$ 53,122,909,776	$ 0.518	$ 274,964,181	$ 255,683,233	$ 19,280,948
Discoveries & Adjustments					
Prior year taxes	(208,083,816)	Various	630,964	630,964	-
Net levy [1]	$ 52,914,825,960		275,595,145	256,314,197	19,280,948
Uncollected taxes at June 30, 2024			1,518,536	1,174,776	343,760
Current year's taxes collected			$ 274,076,609	$ 255,139,421	$ 18,937,188
Current levy collection %			99.45%	99.54%	98.22%

Secondary market disclosures:	
Assessed valuation	
Assessment ratio [2]	100.00%
Real property	$ 44,943,752,070
Personal property	3,201,063,242
Public service companies [3]	1,025,525,928
Registered motor vehicles	3,744,484,720
Total assessed valuation	$ 52,914,825,960
Tax rate per $100	$ 0.518
Levy (includes discoveries, releases, and abatements)	$ 275,595,145

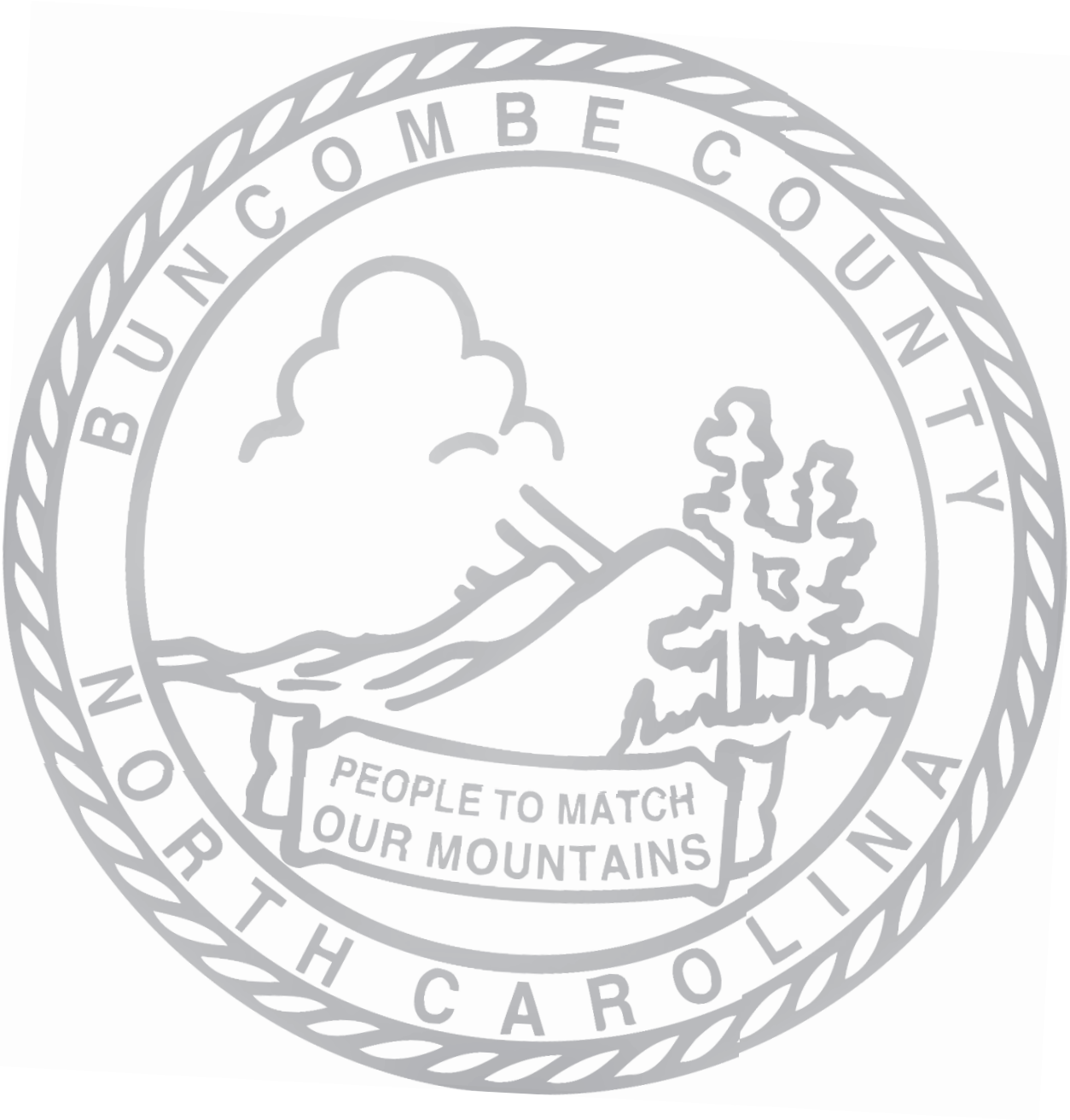
In addition to the County-wide rate, the following table lists the levies by the County on behalf of school districts and fire protection districts for the fiscal year ended June 30:

School districts	$ 11,491,499
Fire protection districts	33,040,828
Total	$ 44,532,327

[1] Penalties collected are distributed directly to the local school systems, and are therefore not included in the net levy.

[2] Percentage of appraised value has been established by statute.

[3] Valuation of railroads, telephone companies, and other utilities as determined by the North Carolina Property Tax Commission.


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

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.

Contents ***Page***

Financial Trends 159

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 164

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 168

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.

Demographic and Economic Information 172

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 176

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

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net Investment in Capital Assets	$ 85,535,781	$ 69,342,217	$ 63,771,597	$ 51,588,548	$ 66,862,258	$ 72,886,111	$ 82,516,708	$ 95,075,359	$ 95,704,173	$ 83,265,035
Restricted	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	106,247,162	103,258,648	131,577,708	140,931,813
Unrestricted	(179,191,875)	(156,460,610)	(286,835,738)	(267,021,070)	(287,431,790)	(275,570,270)	(267,344,791)	(236,220,812)	(264,361,326)	(261,583,208)
Total governmental activities net position	$ (20,215,945)	$ (25,146,613)	$ (162,272,491)	$ (159,821,708)	$ (157,892,578)	$ (135,266,624)	$ (78,580,921)	$ (37,886,805)	$ (37,079,445)	$ (37,386,360)
Business-type activities										
Net Investment in Capital Assets	$ 23,677,050	$ 22,947,463	$ 28,170,350	$ 31,723,337	$ 30,182,901	$ 29,521,853	$ 28,301,409	$ 29,427,255	$ 30,302,863	$ 29,996,637
Restricted	-	-	-	-	-	-	-	-	-	
Unrestricted	4,574,997	5,674,200	(3,834,289)	(1,684,521)	(53,017)	90,490	984,674	(2,505,500)	(5,726,125)	(8,484,477)
Total business-type activities net position	$ 28,252,047	$ 28,621,663	$ 24,336,061	$ 30,038,816	$ 30,129,884	$ 29,612,343	$ 29,286,083	$ 26,921,755	$ 24,576,738	$ 21,512,160
Primary government										
Net Investment in Capital Assets	$ 109,212,831	$ 92,289,680	$ 91,941,947	$ 83,311,885	$ 97,045,159	$ 102,407,964	$ 110,818,117	$ 124,502,614	$ 126,007,036	$ 113,261,672
Restricted	73,440,149	61,971,780	60,791,650	55,610,814	62,676,954	67,417,535	106,247,162	103,258,648	131,577,708	140,931,813
Unrestricted	(174,616,878)	(150,786,410)	(290,670,027)	(268,705,591)	(287,484,807)	(275,479,780)	(266,360,117)	(238,726,312)	(270,087,451)	(270,067,685)
Total primary government net position	$ 8,036,102	$ 3,475,050	$ (137,936,430)	$ (129,782,892)	$ (127,762,694)	$ (105,654,281)	$ (49,294,838)	$ (10,965,050)	$ (12,502,707)	$ (15,874,200)

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

BUNCOMBE COUNTY, NORTH CAROLINA

Changes in Net Position

LAST TEN FISCAL YEARS (accrual basis of accounting)

EXPENSES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
General government	$ 28,628,887	$ 35,976,699	$ 31,735,854	$ 51,470,532	$57,033,928	$62,905,681	$69,303,669	$78,636,285	$85,868,385	$97,979,558
Public safety	100,414,238	97,495,863	103,351,595	93,302,005	101,420,210	110,196,922	113,768,142	128,392,070	144,400,737	162,240,005
Economic and physical developmen	31,852,491	36,634,454	32,751,395	37,520,161	32,356,232	37,854,625	46,154,773	50,856,588	54,281,200	51,126,355
Human services	96,963,368	99,775,677	90,982,306	88,717,827	95,907,482	103,818,039	106,825,233	101,454,761	107,581,514	107,791,912
Cultural and recreational	8,981,702	9,052,515	8,758,786	9,974,167	10,109,657	9,761,217	7,193,826	10,131,965	11,625,921	14,308,848
Education	142,310,790	108,434,971	138,902,609	137,601,291	124,192,016	138,712,888	153,123,698	170,341,081	197,033,173	194,226,526
Interest on long-term debt	15,432,030	15,744,885	16,124,173	15,617,573	15,176,709	13,705,700	12,316,370	9,494,862	12,603,340	16,029,634
Total governmental activities expenses	424,583,506	403,115,064	422,606,718	434,203,556	436,196,234	476,955,072	508,685,711	549,307,612	613,394,270	643,702,838
Business-type activities:										
Solid Waste Disposal	7,270,565	8,493,953	11,911,302	4,715,353	10,869,728	12,659,318	12,035,590	14,429,606	15,784,653	16,395,050
Inmate commissary/welfare	335,562	433,890	525,854	477,143	378,732	256,761	398,720	412,892	638,947	1,419,260
Total business-type activities expenses	7,606,127	8,927,843	12,437,156	5,192,496	11,248,460	12,916,079	12,434,310	14,842,498	16,423,600	17,814,310
Total primary governmental expenses	$ 432,189,633	$ 412,042,907	$ 435,043,874	$ 439,396,052	$ 447,444,694	$ 489,871,151	$ 521,120,021	$ 564,150,110	$ 629,817,870	$ 661,517,148
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 2,407,864	$ 5,207,544	$ 5,206,280	$ 5,352,685	$ 5,141,450	$ 7,502,909	$ 7,379,953	$ 6,811,804	$ 8,041,623	$ 7,322,178
Public safety	10,816,741	13,719,683	14,253,115	14,624,759	15,808,262	12,078,741	13,947,930	12,005,556	13,241,865	14,300,095
Economic and physical developmen	437,203	529,488	1,840,544	757,008	1,010,471	3,525,855	4,367,490	5,064,761	6,465,342	4,802,049
Human services	3,031,866	3,175,287	1,790,538	1,717,706	1,910,601	4,474,914	4,800,514	4,361,719	4,664,801	4,880,819
Cultural and recreational	365,132	361,971	413,519	505,568	310,224	158,544	283,372	340,064	311,356	281,356
Education	-	-	-	-	-	636,621.00	1,116,720	1,040,434	1,402,342	732,275
Operating grants and contributions	58,289,268	60,726,292	48,691,985	51,538,618	52,120,976	63,004,949	79,355,050	71,647,262	72,746,358	82,205,278
Capital grants and contributions	2,568,300	2,185,978	3,420,608	3,454,933	2,684,062	1,178,692	798,363	2,834,870	2,340,193	2,489,377
Total governmental activities program revenues	77,916,374	85,906,243	75,616,589	77,951,277	78,986,046	92,561,225	112,049,392	104,106,470	109,213,880	117,013,427
Business-type activities:										
Charges for services:										
Solid Waste Disposal	7,342,311	8,232,842	8,326,404	9,258,677	10,684,973	11,220,363	10,929,639	10,733,832	11,255,443	12,085,295
Inmate commissary/welfare	343,402	477,200	512,433	568,978	504,460	410,785	466,869	272,976	413,684	390,570
Criminal justice information system	-	-	-	-	-	-	-	122,875	86,420	124,025
Operating grants and contributions	418,726	441,397	631,261	578,909	612,084	659,426	-	-	586,577	503,272
Capital grants and contributions	-	-	-	-	-	-	-	-	85,606.00	-
Total business-type activities program revenues	8,104,439	9,151,439	9,470,098	10,406,564	11,801,517	12,290,574	11,396,508	11,129,683	12,427,730	13,103,162
Total primary governmental program revenues	$ 86,020,813	$ 95,057,682	$ 85,086,687	$ 88,357,841	$ 90,787,563	$ 104,851,799	$ 123,445,900	$ 115,236,153	$ 121,641,610	$ 130,116,589

Continued On Next Page

Table 2

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue										
Governmental activities	$ (346,667,132)	$ (317,208,821)	$ (346,990,129)	$ (356,252,279)	$ (357,210,188)	$ (384,393,847)	$ (396,636,319)	$ (456,349,689)	$ (504,180,390)	$ (526,689,411)
Business-type activities	498,312	223,596	(2,967,058)	5,214,068	553,057	(625,505)	(1,037,802)	(3,392,527)	(3,995,870)	(4,711,148)
Total primary governmental net expense	$ (346,168,820)	$ (316,985,225)	$ (349,957,187)	$ (351,038,211)	$ (356,657,131)	$ (385,019,352)	$ (397,674,121)	$ (459,742,216)	$ (508,176,260)	$ (531,400,559)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes: Property taxes	$ 196,709,722	$ 201,518,909	$ 216,163,406	$ 221,478,724	$ 232,199,493	$ 256,895,134	$ 277,517,395	$ 288,320,136	$ 303,431,204	$ 324,040,174
Taxes: Local option sales tax	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415	130,972,714	133,268,122	132,417,525
Other taxes and licenses	23,374,603	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,178,771	46,775,576	45,861,230	33,659,923
Investment earnings (loss), unrestricted	770,823	1,244,338	2,261,540	4,088,580	3,077,122	75,070	(52,847)	8,730,206	13,633,938	13,192,001
Gain (loss) on sale of capital assets	3,139,269	91,350	192,891	157,785	145,412	126,077	9,025	131,261	64,445	-
Miscellaneous, unrestricted	1,312,887	2,103,635	2,935,957	6,935,722	4,953,915	5,580,557	6,187,691	10,965,406	6,082,639	8,453,621
Transfers	-	-	-	-	-	(60,445)	-	-	-	(11,950)
Total governmental activities	301,308,908	312,278,153	337,085,882	354,415,368	359,139,318	406,113,161	456,194,450	485,895,299	502,341,578	511,751,294
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	747,118	811,217	845,922	819,404
Investment earnings, unrestricted	46,854	141,511	234,592	302,015	162,120	2,069	(36,477)	501,270	881,690	815,216
Gain (Loss) on sale of capital assets	6,290	4,509	6,039	5,000	(624,109)	45,450	901	36,000	-	-
Transfers	-	-	-	-	-	60,445	-	-	-	11,950
Total business-type activities	53,144	146,020	240,631	307,015	(461,989)	107,964	711,542	1,348,487	1,727,612	1,646,570
Total primary government	$ 301,362,052	$ 312,424,173	$ 337,326,513	$ 354,722,383	$ 358,677,329	$ 406,221,125	$ 456,905,992	$ 487,243,786	$ 504,069,190	$ 513,397,864
CHANGE IN NET POSITION										
Governmental activities	$ (45,358,224)	$ (4,930,668)	$ (9,904,247)	$ (1,836,911)	$ 1,929,130	$ 21,719,314	$ 59,558,131	$ 40,694,157	$ (1,838,812)	$ (14,938,117)
Business-type activities	551,456	369,616	(2,726,427)	5,521,083	91,068	(517,541)	(326,260)	(2,364,328)	(2,268,258)	(3,064,578)
Total primary government	$ (44,806,768)	$ (4,561,052)	$ (12,630,674)	$ 3,684,172	$ 2,020,198	$ 21,201,773	$ 59,231,871	$ 38,329,829	$ (4,107,070)	$ (18,002,695)

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

BUNCOMBE COUNTY, NORTH CAROLINA

Fund Balances of Governmental Funds

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 52,202	$ 57,975	$ 40,734	$ 38,481	$ 56,655	$ 86,950	$ 453,917	$ 1,135,050	$ 1,573,127	$ 395,609
Restricted	22,973,645	22,449,441	16,994,461	21,348,759	25,450,599	25,584,257	32,000,060	39,756,699	43,955,449	44,745,722
Committed	3,765,433	2,019,304	2,340,038	4,569,725	2,639,713	14,931,204	1,803,066	-	-	-
Assigned	6,039,085	15,363,817	9,042,094	13,640,077	12,673,752	9,344,348	15,947,652	18,894,070	11,764,570	7,100
Unassigned	43,741,792	37,694,163	53,872,735	55,692,912	56,964,358	66,704,252	74,109,359	67,174,948	58,567,704	72,322,249
Total General Fund	$ 76,572,157	$ 77,584,700	$ 82,290,062	$ 95,289,954	$ 97,785,077	$ 116,651,011	$ 124,314,054	$ 126,960,767	$ 115,860,850	$ 117,470,680
All other governmental funds										
Nonspendable	$ 1,391,278	$ 1,447,015	$ 2,286,174	$ 4,092,455	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	115,566,695	75,796,426	82,685,453	46,305,740	54,285,298	54,039,097	89,721,963	85,150,511	147,628,120	112,845,926
Assigned	8,492,988	22,255,300	14,285,768	7,163,959	15,244,724	5,851,770	22,106,342	23,440,477	21,351,238	15,758,660
Unassigned	-	(16,178,572)	(168)	-	-	-	(1,942,419)	(7,185,198)	(5,280,876)	(10,722,497)
Total all other governmental funds	$ 125,450,961	$ 82,999,435	$ 99,257,227	$ 57,562,154	$ 69,530,022	$ 59,890,867	$ 109,885,886	$ 101,405,790	$ 163,698,482	$ 117,882,089
Total Combined Governmental Fund Balances	**$ 202,023,118**	**$ 160,584,135**	**$ 181,547,289**	**$ 152,852,108**	**$ 167,315,099**	**$ 176,541,878**	**$ 234,199,940**	**$ 228,366,557**	**$ 279,559,332**	**$ 235,352,769**

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

BUNCOMBE COUNTY, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds

LAST TEN FISCAL YEARS (modified accrual basis of accounting)

REVENUES	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ad valorem taxes	$ 196,458,687	$ 201,907,004	$ 216,086,991	$ 221,770,248	$ 231,903,837	$ 257,192,381	$ 278,179,164	$ 287,570,305	$ 303,307,463	$ 323,449,255
Local option sales taxes	76,001,604	79,120,505	84,964,773	87,852,117	90,357,501	106,878,337	123,354,415	130,972,714	133,268,122	132,417,525
Other taxes and licenses	22,665,004	28,199,416	30,567,315	33,902,440	28,405,875	36,618,431	49,084,779	46,674,869	45,754,125	33,549,299
Unrestricted intergovernmen	709,599	840,987	715,572	718,206	719,843	2,084,204	2,737,810	5,695,521	1,127,975	3,163,153
Restricted intergovernmenta	59,150,308	62,840,342	52,681,247	54,949,366	54,336,167	62,512,752	78,684,648	72,719,279	74,764,716	80,586,647
Permits and fees	3,604,379	4,715,220	4,664,396	4,870,670	4,858,118	5,852,844	6,010,354	5,983,784	7,464,804	5,769,637
Sales and services	15,336,262	18,044,931	18,060,057	16,260,790	18,197,757	22,425,388	25,548,726	24,127,171	26,434,309	25,837,769
Investment earnings	721,103	1,141,090	2,235,734	4,299,443	1,839,869	35,831	(116,164)	8,579,875	13,577,371	13,086,463
Miscellaneous	1,312,887	1,262,648	2,220,385	5,915,315	5,051,020	4,616,998	3,785,248	5,450,469	10,467,743	6,933,848
Total revenues	375,959,833	398,072,143	412,196,470	430,538,595	435,669,987	498,217,166	567,268,980	587,773,987	616,166,627	624,793,596
Current:										
General governmen	26,764,764	29,316,045	29,248,466	41,849,374	46,976,274	52,176,119	67,237,776	77,667,428	68,783,778	82,551,366
Public safety	84,974,813	89,079,165	94,780,349	89,404,625	96,265,118	104,716,515	113,967,071	128,465,921	142,577,892	157,831,958
Economic and physical developmer	23,576,691	29,564,805	31,733,817	32,184,527	28,757,530	34,694,287	44,529,952	43,866,360	47,497,587	38,196,452
Human services	92,548,588	99,399,461	90,401,483	87,079,628	89,568,043	97,693,118	108,360,261	101,151,255	106,222,358	104,356,670
Cultural and recreation	7,422,146	7,769,730	7,580,495	8,309,149	8,305,780	8,074,325	9,179,460	13,360,244	11,035,694	11,744,002
Intergovernmental										
Education	82,359,578	75,323,300	80,815,035	85,165,897	90,709,757	107,614,216	115,586,273	125,936,378	139,681,677	138,979,459
Capital outlay	91,403,795	59,688,720	74,464,435	64,475,539	45,287,687	46,765,633	47,499,365	57,605,380	83,191,496	101,880,487
Debt service										
Principal	25,932,708	26,145,568	29,020,567	31,920,567	31,914,567	33,428,570	33,584,822	36,633,546	37,917,376	42,280,293
Interest and fees	21,954,450	20,330,667	19,926,347	20,923,220	19,805,655	17,900,330	16,603,781	15,224,388	15,089,990	16,572,103
Total expenditures	456,937,533	436,617,461	457,970,994	461,312,526	457,590,411	503,063,113	556,548,761	599,910,900	651,997,848	694,392,790
Excess of revenues over (under) expenditures	(80,977,700)	(38,545,318)	(45,774,524)	(30,773,931)	(21,920,424)	(4,845,947)	10,720,219	(12,136,913)	(35,831,221)	(69,599,194)
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	23,991,948	7,208,044	19,385,843	17,493,731	12,733,881	13,600,087	28,168,739	24,094,062	20,710,122	15,316,033
Transfers to other funds	(33,156,948)	(7,208,044)	(19,385,843)	(15,629,823)	(12,733,881)	(10,685,103)	(28,168,739)	(24,094,062)	(20,554,857)	(15,327,983)
Installment obligations issued	-	1,720,347	54,730,000	-	98,465,674	10,096,000	124,831,000		76,240,000	17,431,620
Installment obligations issued - refunding	-	-	-	-	-	-	-	-	-	53,770,000
Premium/discount on debt issued	-	-	6,371,796	-	-	-	-	-	7,820,179	4,829,205
Payment to refunded bond escrow agen	-	-	-	-	(62,275,039)	-	(80,711,695)	-	-	(59,441,316)
Right-to-use liabilities issued	-	-	-	-	-	-	2,097,912	6,171,554	1,800,263	6,413,827
Sale of capital assets	5,081,479	91,350	670,495	214,844	192,780	155,102	99,186	131,978	64,445	35,084
Insurance recoveries	-	-	-	-	-	-	-	-	-	2,217,735
Total other financing sources (uses)	(4,083,521)	1,811,697	61,772,291	2,078,752	36,383,415	13,166,086	46,316,403	6,303,532	86,080,152	25,244,205
Net change in fund balances	$ (85,061,221)	$ (36,733,621)	$ 15,997,767	$ (28,695,179)	$ 14,462,991	$ 8,320,139	$ 57,036,622	$ (5,833,381)	$ 50,248,931	$ (44,354,989)
Debt services as a percentage of noncapital expenditures	10.48%	10.64%	10.69%	11.46%	11.30%	10.20%	9.02%	8.87%	8.35%	8.76%

BUNCOMBE COUNTY, NORTH CAROLINA

Assessed Value of Taxable Property

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year	Real Property				Personal Property		Less:	Public Service	Total Taxable	Total Direct
Ended June 30	Residential Property	Commercial Property	Use Value Farm	Historical Property	Motor Vehicles	Other	Tax Exempt Real Property	Assessed Value	Assessed Value	Tax Rate
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	0.604
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	0.539
2019	24,468,024	8,110,475	1,272,935	150,588	2,429,053	1,975,798	1,588,701	709,941	37,528,113	0.529
2020	26,328,421	7,831,821	1,174,739	116,260	2,424,076	2,150,140	1,562,025	874,955	39,338,387	0.529
2021	26,717,813	8,299,036	1,206,360	96,830	2,766,719	2,755,991	1,566,723	1,038,671	41,314,697	0.529
2022	32,740,434	9,340,190	1,372,910	107,568	2,905,716	2,785,403	1,789,001	957,424	48,420,644	0.488
2023	34,076,451	10,025,136	1,327,077	108,059	3,093,631	2,918,987	2,632,266	980,640	49,897,715	0.488
2024	34,877,520	10,298,020	1,347,588	112,108	3,299,471	2,860,738	2,191,662	981,198	51,584,981	0.498
2025	35,235,172	10,320,209	1,336,732	115,877	3,328,791	3,063,707	1,239,710	754,048	52,914,826	0.518

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 2013, 2017 and 2021.

BUNCOMBE COUNTY, NORTH CAROLINA

Property Tax Rates-Direct And All Overlapping Governments

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

	Fiscal Year									
	2016	2017 2	2018	2019	2020	2021	2022 2	2023	2024	2025
County Direct Rates:										
County-wide Rate [1]	$ 0.604	$ 0.539	$ 0.529	$ 0.529	$ 0.529	$ 0.529	$ 0.488	$ 0.488	$ 0.498	$ 0.518
Fire Districts [3]	0.118	0.118	0.123	0.143	0.143	0.133	0.130	0.138	0.138	0.140
Total average direct rate	0.722	0.657	0.652	0.672	0.672	0.662	0.618	0.626	0.636	0.657
Municipality Rates:										
City of Asheville	0.475	0.475	0.429	0.429	0.429	0.429	0.403	0.403	0.403	0.409
Town of Biltmore Forest	0.395	0.395	0.330	0.345	0.345	0.345	0.345	0.345	0.345	0.345
Town of Weaverville	0.440	0.440	0.380	0.380	0.380	0.380	0.350	0.350	0.350	0.350
Town of Black Mountain	0.375	0.375	0.333	0.333	0.333	0.333	0.306	0.321	0.321	0.321
Town of Montreat	0.410	0.410	0.410	0.410	0.430	0.430	0.430	0.430	0.430	0.430
Town of Woodfin	0.305	0.305	0.280	0.280	0.330	0.330	0.330	0.330	0.330	0.330
Asheville School District	0.150	0.150	0.120	0.120	0.120	0.120	0.106	0.106	0.106	0.106

NOTES:

(1) All taxable property is subject to the county-wide tax. Most property in unincorporated areas are also subject to fire district taxes.

(2) A revaluation of real property is required by N.C. General Statute at least every eight years.
Revaluation was completed for tax year 2013, 2016 and 2021 (fiscal year 2014, 2017 and 2022).

(3) Average rate of the various Fire Districts.

BUNCOMBE COUNTY, NORTH CAROLINA

Principal Property Taxpayers

DECEMBER 31, 2024

	December 31, 2024			December 31, 2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	896,313,299	1	1.83%			
Progress Duke Energy	539,531,314	2	1.09%	338,108,091	1	1.14%
Ingles Markets Inc	415,121,718	3	0.85%	269,140,129	2	0.91%
Pratt & Whitney	330,604,929	4	0.67%			
Raytheon Technologies Corporation	256,545,000	5	0.52%	73,173,004	8	0.25%
Biltmore Company	149,873,666	6	0.31%	95,322,077	4	0.32%
GPI Resort Holdings LLC	146,281,000	7	0.30%	104,318,800	3	0.35%
New Belgium Brewing Company Inc	124,747,832	8	0.25%			
Southeastern Container Inc	118,960,607	9	0.24%			
Borgwarner Turbo Systems	101,789,390	10	0.21%	61,383,141	10	0.21%
Jacob Holm Industries				84,046,582	5	0.28%
Town Square West LLC				79,212,500	6	0.27%
Asheville Mall CMBS LLC				75,135,300	7	0.25%
Public Service Co of NC Inc				65,238,358	9	0.22%
Totals	$ 3,079,768,755		5.82%	$ 1,245,077,982		4.21%
Total Overall Valuation	**52,914,825,960**			**29,544,513,113**		

SOURCE: Buncombe County Tax Department

BUNCOMBE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections

LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2016	178,618	178,338	99.84%	205	178,543	99.96%
2017	183,816	183,615	99.89%	151	183,766	99.97%
2018	195,601	195,331	99.86%	109	195,440	99.92%
2019	198,724	198,505	99.89%	48	198,553	99.91%
2020	208,210	206,937	99.39%	1,101	208,038	99.92%
2021	218,891	218,114	99.65%	166	218,280	99.72%
2022	236,637	236,054	99.75%	14	236,068	99.76%
2023	243,686	243,138	99.78%	286	243,424	99.89%
2024	256,914	256,343	99.78%	198	256,541	99.85%
2025	275,595	274,077	99.45%	-	274,077	99.45%

SOURCE: Buncombe County Tax Department

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

BUNCOMBE COUNTY, NORTH CAROLINA

Ratios of Outstanding Debt by Type

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

	Governmental Activities					Business-type Activities						
Fiscal Year	General Obligation Bonds	Installment Notes	Lease Installment Obligations	Subscription Installment Obligations	Total Governmental Activities	Special Obligation Bonds	Installment Notes	Lease Installment Obligations	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2016	27,248	493,279	-	-	520,527	-	2,688	-	2,688	523,215	4.62%	2,099
2017	24,373	461,451	-	-	485,824	-	2,348	-	2,348	488,172	4.09%	1,934
2018	21,498	493,053	-	-	514,551	-	2,007	-	2,007	516,558	4.07%	2,017
2019	18,623	456,783	-	-	475,406	-	1,741	-	1,741	477,147	3.58%	1,835
2020	15,750	418,502	-	-	434,252	-	1,320	-	1,320	435,572	3.10%	1,660
2021	12,877	393,144	-	-	406,021	-	1,001	-	1,001	407,022	2.54%	1,537
2022	10,004	398,154	1,651	-	409,809	-	15,999	1,290	17,289	427,098	2.52%	1,549
2023	7,200	359,883	1,999	4,042	373,124	-	13,529	727	14,256	387,380	2.12%	1,397
2024	19,530	394,324	4,106	4,359	422,319	-	11,015	1,503	12,518	434,837	N/A	1,557
2025	16,390	353,657	4,480	6,625	381,152	-	10,204	1,310	11,514	392,666	N/A	1,387

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

[1]Personal income and population data can be found on Table 13 (Demographic and Economic Statistics)

BUNCOMBE COUNTY, NORTH CAROLINA

Legal Debt Margin

LAST TEN FISCAL YEARS (amounts expressed in thousands)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 2,363,561	$ 2,433,364	$ 2,901,169	$ 3,002,249	$ 3,147,071	$ 3,305,175	$ 3,873,652	$ 3,991,817	$ 4,126,799	$ 4,233,186
Total net debt applicable to limit	431,485	406,791	432,220	400,014	399,315	375,675	390,468	373,043	433,334	391,650
Legal debt margin	$ 1,932,076	$ 2,026,573	$ 2,468,949	$ 2,602,235	$ 2,747,756	$ 2,929,500	$ 3,483,184	$ 3,618,774	$ 3,618,774	$ 3,841,536
Total net debt applicable to the limit as a percentage of debt limit	18.26%	16.72%	14.90%	13.32%	12.69%	11.37%	10.08%	9.35%	9.35%	9.25%

	State Limit	County Limit
Assessed value of taxable property	$ 52,914,825	$ 52,914,825
Debt Limit - Eight Percent (8%) of assessed value	$ 4,233,186	
Debt Limit - Three Percent (3%) of assessed value**		$ 1,587,445
Gross Debt:		
Total Bonded Debt	16,390	16,390
Installment Purchase Agreements	350,431	352,642
Business-Type Debt	12,415	
Debt Incurred for Water Purposes		1,015
Lease Liability	5,790	4,480
SBITA Liability	6,625	6,625
Total amount of debt applicable to debt limit (net debt)	$ 391,651	$ 381,152
Legal debt margin	$ 3,841,535	$ 1,206,293

NOTE: Under state finance law, Buncombe County's outstanding general obligation debt should not exceed 8 percent of total assessed property value. The only exclusion to debt applicable to the debt limit is that which is used for water purposes.

** Local policy has additional restrictions and guidance on the use of debt financing and debt structuring beyond the terms of the General Statutes. This includes a debt limit of only 3% and only exludes debt used for business-type activities.

BUNCOMBE COUNTY, NORTH CAROLINA

Ratios of General Bonded Debt Outstanding

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value[1] of Property	Per Capita[2]
2016	27,248	0.09%	106
2017	24,373	0.07%	94
2018	21,498	0.06%	82
2019	18,623	0.05%	70
2020	15,750	0.04%	59
2021	12,877	0.03%	48
2022	10,004	0.02%	37
2023	7,200	0.01%	26
2024	19,530	0.04%	69
2025	16,390	0.03%	58

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

[1]Property value data can be found on Table 5 (Assessed Value of Taxable Property)

[2]Population data can be found on Table 13 (Demographic and Economic Statistics)

BUNCOMBE COUNTY, NORTH CAROLINA

Direct and Overlapping Governmental Activities Debt

AS OF JUNE 30, 2025

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	$ 61,245,000	100%	$ 61,245,000
Town of Weaverville	948,000	100%	948,000
Town of Woodfin	3,500,000	100%	3,500,000
Installment Debt			
City of Asheville	128,434,092	100%	128,434,092
Town of Biltmore Forest	378,947	100%	378,947
Town of Black Mountain	2,448,307	100%	2,448,307
Town of Woodfin	3,453,138	100%	3,453,138
Subtotal, overlapping debt			200,407,484
County direct debt		100%	397,381,149
Total direct and overlapping debt			$ 597,788,633

(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

Demographic and Economic Statistics

LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	260,096	11,332,554	44,403	42.6	32,008	4.0%
2017	262,360	11,923,891	46,323	42.8	31,966	3.4%
2018	264,849	12,679,516	48,819	42.5	31,828	3.2%
2019	267,372	13,313,254	50,804	42.0	30,747	3.3%
2020	270,224	14,045,669	53,309	42.7	30,441	11.3%
2021	272,880	16,046,681	58,805	43.0	28,753	4.5%
2022	275,777	16,966,788	61,524	43.4	28,747	2.9%
2023	277,266	18,289,037	65,962	43.8	28,625	2.8%
2024	279,331	N/A	N/A	44.0	29,169	3.2%
2025	283,020	N/A	N/A	43.6	28,921	4.2%

NOTE: Population estimates come from the North Carolina Office of State Budget and Management.
Personal income information is a total for the year. Unemployment rate information is as of the month ending June. School enrollment is based on the census at the start of the school year. Beginning in 2016 charter schools are included in total enrollment.

BUNCOMBE COUNTY, NORTH CAROLINA

Principal Employers

CURRENT YEAR AND TEN YEARS AGO

MANUFACTURING

	2025			2016		
Employer	Employees	Rank	Approximate Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation	1,000-2,999	1	0.71%-2.14%	750-999	1	0.66-0.75%
Thermo Fisher Scientific, Inc.	1,000-2,999	2	0.71%-2.14%	500-749	2	0.38-0.57%
Borgwarner Turbo & Emissions Systems	500-999	3	0.36%-0.71%	500-749	3	0.38-0.57%
Linamar	500-999	4	0.36%-0.71%			
Jabil	500-999	5	0.36%-0.71%	300-399	6	0.23-0.30%
Plasticard-Locktech International	400-499	6	0.21%-0.28%	300-399	5	0.23-0.30%
Flint Group	300-399	7	0.21%-0.28%	300-399	9	0.23-0.30%
GE Aviation	300-399	8	0.21%-0.28%	300-399	8	0.23-0.30%
Kearfott	300-399	9	0.21%-0.28%	400-499	4	0.23-0.30%
Owens & Minor	300-399	10	0.21%-0.28%	300-399	7	0.23-0.30%
TE Connectivity				200-299	10	0.15-0.23%
Total	5,100-11,090		3.28%-6.46%	3850-5290		2.91-3.99%

Continued on Next Page

NON-MANUFACTURING

Employer	2025 Employees	2025 Rank	2025 Percentage of Total County Employment	2016 Employees	2016 Rank	2016 Percentage of Total County Employment
Mission Health System and Hospital	1000+	1	0.71%-2.14%	3000+	1	2.27%
Ingles Markets, Inc.	1000+	2	0.71%-2.14%	1,000-2,999	7	0.75%-2.26%
Buncombe County Public Schools	1000+	3	0.71%-2.14%	3,000	2	2.27%
VA Medical Center - Asheville	1000+	4	0.71%-2.14%	1,000-2,999	9	0.75%-2.26%
Buncombe County Government	1000+	5	0.71%-2.14%	1,000-2,999	5	0.75%-2.26%
City of Asheville Government	1000+	6	0.71%-2.14%	1,000-2,999	6	0.75%-2.26%
Walmart	1000+	7	0.71%-2.14%			
The Biltmore Company	1000+	8	0.71%-2.14%	1,000-2,999	4	0.75%-2.26%
Mountain Area Health Center	1000+	9	0.71%-2.14%			
Asheville-Buncombe Technical Community College	500-999	10	0.36%-0.71%	1,000-2,999	3	0.75%-2.26%
Omni Grove Park				1,000-2,999	8	0.75%-2.26%
Parallon Enterprises Llc				750-999	10	0.57%-0.75%
Total	13,000-26,000		6.75%-19.97%	13,750-21,992		10.4%-16.6%

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

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

BUNCOMBE COUNTY, NORTH CAROLINA

Table 15

Summary of Permanent Positions by Service Area

TEN FISCAL YEARS

General Fund Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	170	169	168	238	247	251	258	287	295	300
Public Safety	597	603	620	562	584	618	640	703	732	745
Human Services	609	584	589	569	570	572	567	572	588	599
Economic & Physical Development	23	23	24	42	43	44	49	58	62	64
Cultural and Recreational	61	63	64	65	65	80	98	105	116	111
Total	1,460	1,442	1,465	1,476	1,509	1,565	1,612	1,725	1,793	1,819
General Fund	1,460	1,442	1,465	1,476	1,509	1,565	1,612	1,725	1,793	1,819
Special Revenue Funds	2	1	1	1	1	17	29	39	58	48
Enterprise Funds	23	26	26	31	31	36	39	42	42	45
Internal Service Fund	2	7	6	7	6	5	4	4	5	5
Total	1,487	1,476	1,498	1,515	1,547	1,623	1,684	1,810	1,898	1,917

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

SOURCE: Buncombe County Budget Office.

BUNCOMBE COUNTY, NORTH CAROLINA

Operating Indicators by Function

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GENERAL GOVERNMENT										
Number of Employment Applications Processed	7,611	3,660	7,296	7,863	6,789	8,431	7,954	8,042	7,100	7,186
Percentage of Registered Voters Participating in General Election	17.0%	71.0%	N/A	23.3%	61.0%	N/A	78.3%	20.0%	57.6%	74.7%
PUBLIC SAFETY										
Number of Inmates Processed	12,973	13,349	12,962	12,550	12,009	10,821	7,746	8,165	7,692	7,439
Number of Building Permits Issued	2,354	2,332	2,419	2,451	3,027	3,021	3,458	3,574	3,162	3,009
Number of Emergency Calls Dispatched*	68,537	70,150	71,837	165,481	187,317	174,904	176,319	232,757	212,112	299,337
HUMAN SERVICES										
Percentage of Children Reunified with Family after Foster Care	34%	33%	24%	22%	29%	21%	28%	33%	46%	42%
ECONOMIC AND PHYSICAL DEVELOPMENT										
Number of Subdivision Plan Reviews	624	681	785	954	775	927	984	802	743	627
CULTURE AND RECREATION										
Library Book Circulation	1,757,157	1,667,802	1,716,038	1,659,826	1,460,254	1,372,279	1,669,379	1,785,326	1,962,070	1,777,231
Number of Visitors to Swimming Pools	35,421	36,505	38,524	29,743	10,737	21,590	36,454	43,010	55,809	47,273
EDUCATION										
Dollars Spent Per Pupil**	$ 2,420	$ 2,384	$ 2,169	$ 2,332	$ 2,517	$ 2,650	$ 2,867	$ 3,037	$ 3,389	$ 3,892
ENTERPRISE FUND - SOLID WASTE										
Tons of Waste Received	139,443	152,302	183,455	184,037	216,811	224,457	224,233	228,887	224,659	249,010
Tons of Waste Recycled	12,591	14,092	14,300	16,589	17,964	18,503	16,840	21,097	22,203	27,856

SOURCE: Various Buncombe County Government Departments.

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

**General fund dollars spent per pupil

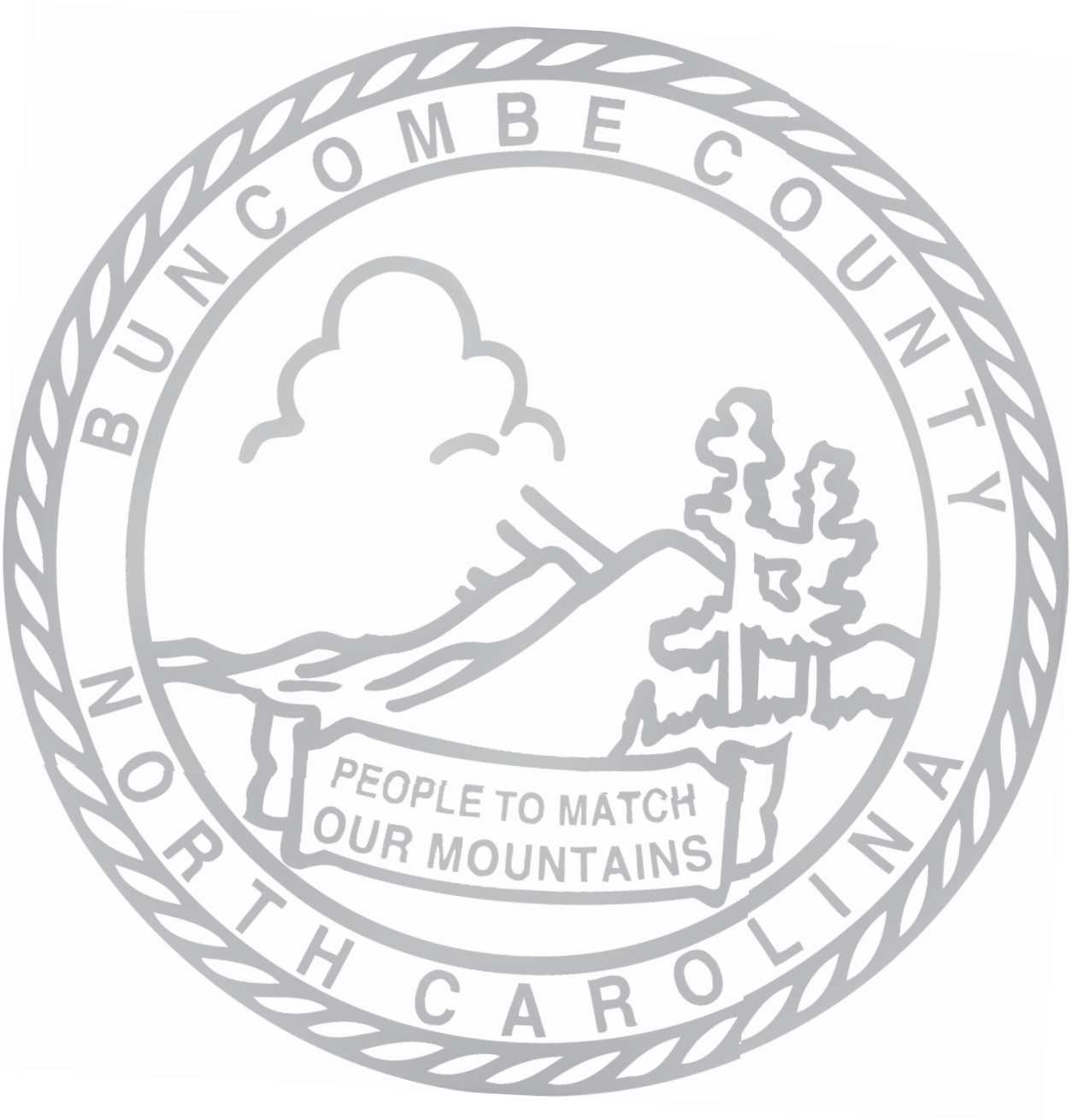
BUNCOMBE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function

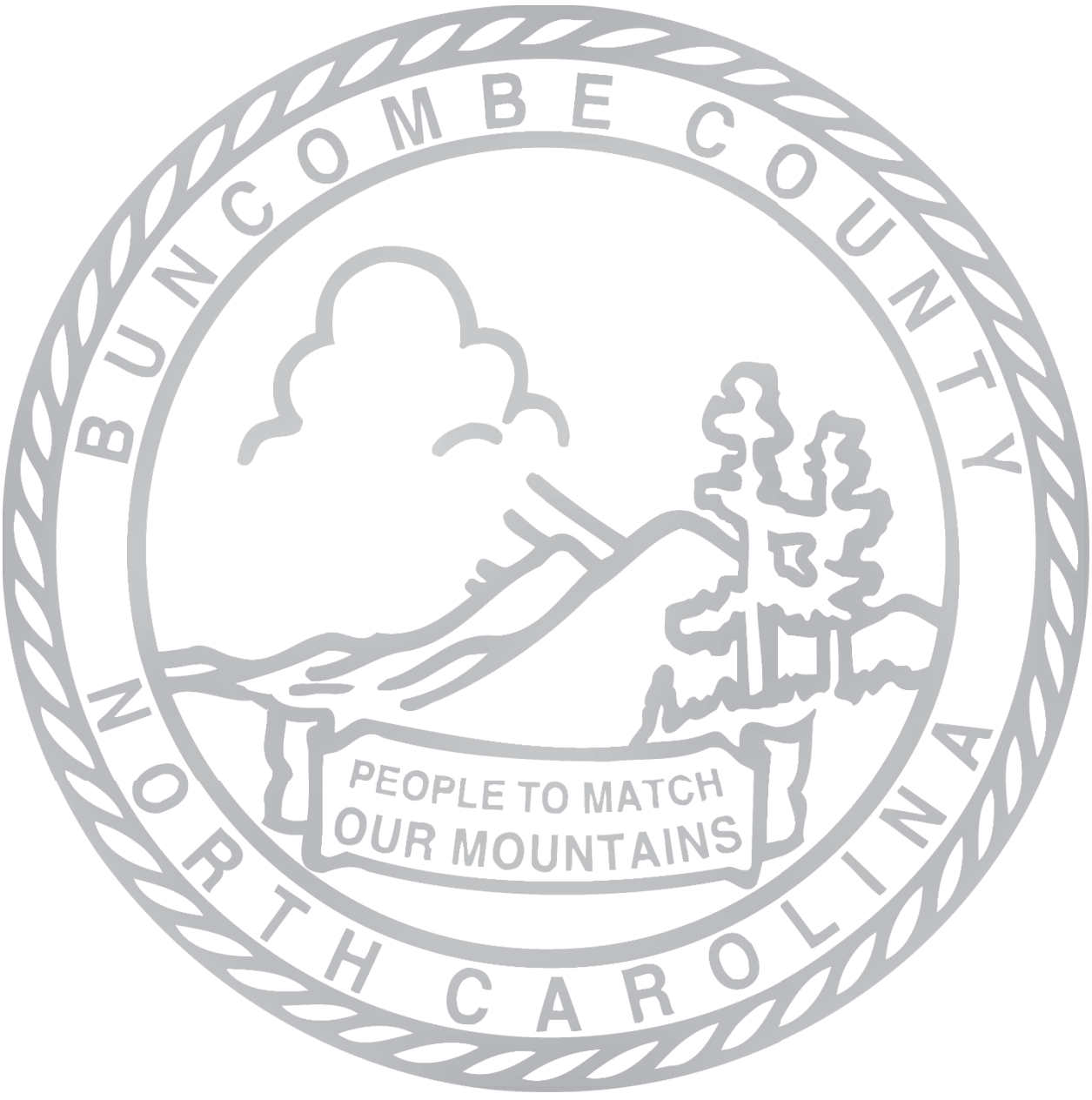
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PUBLIC SAFETY										
Sheriff's Office										
Stations	4	4	4	4	4	4	4	4	4	4
Patrol Vehicles	81	81	86	87	87	87	87	87	87	270
CULTURAL AND RECREATIONAL										
Parks acreage	646	646	646	646	646	646	646	646	646	646
Parks	15	15	15	15	15	16	16	16	16	16
Swimming pools	5	5	5	5	5	5	5	5	5	5
Ballfields and courts	31	31	31	31	31	32	32	32	32	32
Libraries	13	13	13	13	13	13	13	13	13	13

SOURCE: Various County Departments


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

Compliance Section


BUNCOMBE COUNTY
NORTH CAROLINA
PEOPLE TO MATCH
OUR MOUNTAINS

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Buncombe County, North Carolina** (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

MAULDIN & JENKINS

Report on Compliance and Other Matters

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

Buncombe County, North Carolina's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, PLLC

Raleigh, North Carolina
December 9, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Buncombe County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina,* issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiency.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Mauldin & Jenkins, PLLC

Raleigh, North Carolina
December 9, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited **Buncombe County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2025. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major state program.

Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County'sresponses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiency.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Mauldin & Jenkins, PLLC

Raleigh, North Carolina
December 9, 2025

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	X Yes ____ No
Significant deficiency(ies) identified?	____ Yes X None reported
Noncompliance material to financial statements noted?	____ Yes X No

Federal Awards

Internal control over major state programs:	
Material weakness(es) identified?	____ Yes X No
Significant deficiency(ies) identified?	X Yes ____ None reported
Type of auditor's report issued on compliance for major federal programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X Yes ____ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.509	Formula Grant for Rural Areas
93.558	Temporary Assistance for Needy Families (TANF)
93.658	Foster Care – Title IV-E
93.778	Medical Assistance Program (Medicaid Cluster)

Dollar threshold used to distinguish between type A and type B programs:	$1,638,541
Auditee qualified as low-risk auditee?	No

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

Material weakness(es) identified?	_____ Yes __X__ No
Significant deficiency(ies) identified?	__X__ Yes ____ None reported
Type of auditor's report issued on compliance for major state programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	__X__ Yes ____ No
Auditee qualified as low-risk auditee?	No

Identification of major State programs:

Program Name
Cash Flow Loan State Program
Juvenile Crime Prevention Council

Other major state programs include the Medical Assistance Program (Medicaid), Foster Care – Title IV-E, and Formula Grant for Rural Areas which have a state match on the federal programs. Therefore, these programs have been included in the major programs above.

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2025-001 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended June 30, 2024.

Context/Cause: During our audit for the year ended June 30, 2025, a material misstatement in the opening balances of the County's governmental activities was identified. In previous years, the County completed a large solar panel project that included the installation of solar panels at the school districts located within the County. Upon completion, the total cost of the project was capitalized out of construction-in-progress and into the appropriate depreciable category within the County's capital assets. During the current fiscal year, it was determined that the solar panels installed at the respective schools should not have been included in the County's capital assets.

Effects: As a result of the issue identified above, a restatement to the County's governmental activities was required in the amount of approximately $6.2 million which included removing the historical cost and accumulated depreciation taken on the solar panels through June 30, 2024.

Recommendation: We recommend the County carefully review any projects that could include assets that are being constructed on-behalf of other entities to ensure that capital assets and other related balances are properly reported upon completion of the projects.

Auditee's Response: We concur with the finding and will take additional steps to carefully review assets created by large projects to ensure all capitalized items are properly reported.

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2025-002 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

Information on the Federal Program: Medical Assistance Program (Medicaid Cluster), Assistance Listing Number 93.778, Foster Care – Title IV-E, Assistance Listing Number 93.658, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services (NCDHHS), Division of Social Services

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Condition: Employee's time is tracked through the use of day sheets in which employees track their time by service code in 5-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted one out of forty day sheets selected for Medicaid had more program minutes than what was reported on the employee's approved time sheet. Additionally, we noted two out of forty day sheets selected for Foster Care – Title IV-E had more program minutes than what was reported on the employee's approved time sheet.

Context/Cause: As the day sheets included more program time than was included on the employee's approved timesheet, the time spent on this program was understated during the 1571 monthly reimbursement request to the State.

Effects: Inaccurate reporting of time coded to programs affects the total federal and state reimbursement for the program.

Recommendation: We recommend that the County implements a review control over weekly timesheets to ensure the timesheets include all program time coded on the day sheets.

Auditee's Response: We concur with the finding and are currently implementing controls to address the issues identified by the auditor.

SECTION IV
STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2025-002 as listed in Section III Federal Award Findings and Questioned Costs is also considered to be a state award finding.

BUNCOMBE COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

2024-001 Restatement of Prior Year Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to timely detect material misstatements in the County's financial statements for the year ended June 30, 2023.

Current Status: Repeat finding 2025-001.

2024-002 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Condition: Employee's time is tracked through the use of day sheets in which employees track their time by service code in 5-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted one out of forty day sheets selected for TANF had more program minutes than what was reported on the employee's approved time sheet.

Current Status: Repeat finding 2025-002.

2024-003 Material Weakness – Eligibility Second Party Reviews

Criteria: Per the DSS Administrative Letter for Economic and Family Service 07-2018, Work First Program Second Party Review Checklists must be completed at application and recertification for no less than 25% of the monthly ongoing Work First cases. The protocol must outline the persons responsible for completing the reviews and the process for follow-up as required. If second party reviews identify a trend in deficiencies; the County process for providing necessary training must also be outlined.

Condition: The County was not abiding by the State policy and procedures outlined above. Reviews were not taking place at the frequency level based on number of cases. The County only reviewed 6% of the required cases during the 2024 fiscal year.

Current Status: Corrected.

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
U.S. Dept. of Agriculture					
Food and Nutrition Service					
Passed-through N.C. Department of Health and Human Services:					
Division of Social Services:					
Supplemental Nutrition Assistance Program (SNAP) Cluster :					
Supplemental Nutrition Assistance Program - Admin	10.561	225NC406S2514	$ 5,515,674	$ 858,242	$ -
Supplemental Nutrition Assistance Program - Fraud Admin	10.561	225NC406S2514	182,431	-	-
Supplemental Nutrition Assistance Program - Education & Training & Dependent Care	10.561	225NC406S2514	48,771	-	-
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			5,746,876	858,242	-
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health					
Special Supplemental Food Program for Women, Infants, and Children Administration	10.557	133001-2D15409-20G0001001/133001-2D15409-20G0001001/133001-2D15405-20G0001001/133001-2D15405-20G0001001/133001-2D15404-20G0001001/133001-2D15404-20G0001001/133001-2D15403-20G0001001/133001-2D15403-20G0001001	863,138	-	-
Breastfeeding Peer Counseling Program	10.557	133001-2D0570H-20G0003001/133001-2D1570F-20G0003001/133001-2D1570G-20G0003001	78,892	-	-
Total: Special Supplemental Food Program for Women, Infants, and Children			942,030	-	-
Forest Service					
Passed through the Office of the State Controller:					
Schools and Roads - Grants to States and Counties	10.665	N/A	4,367	-	-
Total Forest Service Schools and Roads - Grants to States and Counties			4,367	-	-
Natural Resources Conservation Service					
Emergency Watershed Protection Program	10.923	NR204532XXXXC032	606,450	202,150	-
Total Emergency Watershed Protection Program			606,450	202,150	-
Total U.S. Department of Agriculture			7,299,724	1,060,392	-
U.S. Department of Housing & Urban Development					
Passed-through N.C. Department of Commerce:					
Community Development Block Grant Declared Disaster Recovery (CDBG-DDRF)	14.218	B-24-MC-37-2001	628,486	-	-
Community Development Block Grant Recovery Housing Program (CDBG-RHP)	14.228	21-T-4140	5,434	-	-
Total U.S. Department of Housing & Urban Development			633,920	-	-
U.S. Department of Justice					
Community Violence Initiative (OJP)	16.045	15PBJA-22-GG-04717-CVIP/FAW-173039	424,099	-	-
Adult Drug Court FY2023-FY2027	16.585	15PBJA-22-GG-03944-DGCT	226,191	-	-
Family Justice Center DOJ Office of Violence Against Women (OVW)	16.590	15JOVW21GG02027ICJR	174,271	-	-
Accreditation Grant	16.710	15JCOPS-23-GG-02074-PPSE	127,893	-	-
Promoting Access to Crisis Teams (PACT)	16.710	15JCOPS-24-GG-01373-PPSE	77,910	-	-
Equitable Sharing Program	16.922	NC0110000	68,980	23,756	-
Passed-Through N.C. Department of Public Safety:					
Passed-through City of Asheville:					
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	15-0404-0-1-754	21,952	-	-
Total U.S. Department of Justice			1,121,297	23,756	-

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
U.S. Dept. of Transportation					
Federal Transit Administration					
Passed-through N.C. Department of Transportation:					
Public Transportation for Nonurbanized Areas:					
Administration	20.509	36233.13.15.1	$ 333,540	$ 20,846	$ -
Capital	20.509	51081.1.2.3/36233.13.16.5	875,147	1,029,565	-
Total Rural Areas and Tribal Transit Program			1,208,687	1,050,411	-
Passed-through N.C. Department of Transportation:					
Transit Services Programs Cluster:					
Passed-through City of Asheville:					
5310 SEDTAP	20.513	NC-2020-057-00/NC-1057-2021-2	277,607	-	-
5310 RIDE	20.513	NC-2019-017-00	45,441	-	-
Total Transit Services Programs Cluster			323,048	-	-
Federal Transit Cluster:					
5307 ARPA	20.507		457,501	-	-
Total Federal Transit Cluster			457,501	-	-
Total Federal Transit Administration			1,989,236	1,050,411	-
National Highway Traffic Safety Administration					
Highway Safety Cluster:					
State and Community Highway Safety - DWI Taskforce 2024	20.616		25,056	-	-
State and Community Highway Safety - DWI Taskforce 2025	20.616		35,360	-	-
Total Highway Safety Cluster			60,416	-	-
Federal Highway Administration					
Highway Planning & Construction Cluster:					
Passed-through N.C. Department of Transportation:					
Highway Planning & Construction - Enka Recreation Destination/Hominy Creek Greenway	20.205	EB-5824	23,092	-	-
Woodfin Greenway project	20.205	EB-5774	35,044	-	-
Total Highway Planning & Construction Cluster			58,136	-	-
Total U.S. Department of Transportation			2,107,788	1,050,411	-
U.S. Department of Treasury					
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	TDO22SLFRP8588C	12,768,122	-	3,324,520
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office					
COVID-19: ARPA Addressing Lead in Water & Lead-Based Paint	21.027	230330-2B0SFLA-200TT00000 & 230330-2B0SFLT-200TT00000	8,200	-	-
COVID-19: NC PRO Emergency Rental II Assistance	21.023		9,427	-	-
ARPA: Local Assistance and Tribal Consistancy Fund	21.032		3,213	-	-
Total U.S. Department of Treasury			12,788,962	-	3,324,520
U.S. Department of Environmental Protection Agency					
Air Pollution Control Program Support	66.001	A00406820	222,974	-	-
Ambient Air Monitoring Network	66.034	PM01D04620	240,086	-	-
Total U.S Environmental Protection Agency			463,060	-	-
U.S. Department of Energy					
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SE0000601	127,000	-	-
Total U.S Department of Energy			127,000	-	-

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
U.S. Department of Health and Human Services					
Administration for Children and Families					
Division of Social Services:					
Work First/Temporary Assistance for Needy Families (TANF)	93.558	2201NCTANF	$ 2,400,541	$ -	$ -
Division of Public Health:					
Family Planning - TANF	93.558	133000-2B25151-20G0119003	27,155	-	-
Total for Temporary Assistance for Needy Families (TANF) Cluster			2,427,696	-	-
Foster Care and Adoption Cluster[3]:					
Title IV-E Foster Care- Administration	93.658	2201NCFOST	3,011,772	-	-
Foster Care- Direct Benefits Payments	93.658	2201NCFOST	1,346,846	1,886,460	-
Foster Care IV-E-CPS	93.658	2201NCFOST	780,084	212,400	-
Pre Training CWS	93.658	2201NCFOST	194,613	4,554	-
Adoption Assistance	93.659	2201NCADPT	307,894	-	-
Total for Foster Care and Adoption Cluster:			5,641,208	2,103,414	-
N.C. Child Support Enforcement Section	93.563	2201NCCES	1,575,500	-	-
Refugee Assistance - Administration	93.566	2201NCRCMA	2,020	-	-
Refugee Health Assessments	93.566	133501-2B08100-20G0122001	50,765	-	-
Total for Refugee and Entrant Assistance			52,785	-	-
Low Income Home Energy Assistance Block Grant - Administration	93.568	2201NCLIEA	164,976	-	-
Total for Low-Income Home Energy Assistance			164,976	-	-
Division of Child Development:					
Subsidized Child Care					
Child Care Development Cluster:					
Division of Social Services:					
Childcare Development Fund - Administration	93.596	2201NCCCDF	481,415	-	-
CPS TANF Transferred to SSBG	93.667	2201NC0SR	269,341	-	-
Independent Living Grant - LINKS	93.674	2201NCCILP	68,393	17,098	-
Independent Living Grant - LINKS- Direct Benefit Payments	93.674	2201NCCILP	30,189	-	-
Family Reunification	93.556	2201NCFPSS	78,575	-	-
County Funded Programs		N/A	-	430	-
			927,912	17,528	-
SSBG - Other Services	93.667	2201NC0SR	712,059	-	-
SSBG - In-Home Services	93.667	2201NC0SR	38,468	-	-
SSBG - Adult Day Care	93.667	2201NC0SR	44,828	35,021	-
Total for Social Services Block Grant			795,356	35,021	-
Total Administration for Children and Families			1,723,268	52,550	-

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Centers for Medicare and Medicaid Services					
Passed-through N.C. Department of Health and Human Services:					
Division of Medical Assistance:					
Medicaid Cluster:					
Medicated Assisted Treatment (MAT) Grant FY24	93.788	N/A	$ 9,413	$ -	$ -
Medical Assistance Program - Administration	93.778	XIX-MAP22	13,010,932	525,647	-
Adult Home Specialist Fund	93.778	XIX-MAP22	305,459	25,611	-
Total Medicaid Cluster			13,325,805	551,258	-
State Children's Insurance Program - N.C. Health Choice	93.767	CHIP22	1,317,268	422,553	-
Total N.C. Health Choice			1,317,268	422,553	-
Total Centers for Medicare and Medicaid Services			14,643,073	973,810	-
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	133200-2B04300-20G0174001	28,000	-	-
Tuberculosis Control Program	93.116	134600-2B22720-20G0065001/134600-2B2UK77-20G0065001	50	-	-
Public Health Emergency Preparedness	93.069	132008-2B32680-20G0054001	58,158	-	-
Preventative Health and Health Services Block Grant	93.991	131204-2B27955-20G0107001/132001-2B15503-20G0184002	31,086	-	-
ARPA COVID-19 PH Regional Workforce	93.354	132008-2B32680-20G0104001	13,349	-	-
Public Health Infrastructure: Local Workforce Development	93.967	131204-2B0SGLH-20G0216001	215,489	-	199,045
Performance Management	93.967	131204-2B0SG23-20G0216002	13,708	-	-
Division of Community Health:					
Wisewoman Project	93.436	133202-2B03720-20G0111001	87,835	-	-
COVID-19: CDC Vaccination Program	93.268	1331-6315-LD/1331-639B-P7	285,103	-	-
Immunization Action Plan	93.268	133401-2B0631E-20G0093002	41,941	-	-
CDC Bridge Access Program for COVID-19 Vaccines	93.268	133401-2B0HHBR-20G0093006	140,670	-	-
Breast and Cervical Cancer Control Programs	93.898	133300-2B03100-20G0167001	128,050	-	-
Gonorrhea Partner Services	93.977	133200-2B04631-20G0182001	100	-	-
Start Model	93.959		282,615	-	-
Total Centers for Disease Control			1,326,154	-	199,045
Health Resources and Services Administration					
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
Nurse Familty Partnership - Healthy Families America	93.870	132105-2D0123D-20G0211001/132105-2D0123D-20G0211001	214,597	-	-
Nurse Family Partnership	93.994	132105-2D05020-20G0185001/132105-2D05020-20G0185002/132105-2D05020-2000000000 132105-2D05318-20G0185002/132105-2D05745-20G0185002/132105-2D05351-	451,566	5,793	-
Maternal and Child Health Services Block Grant	93.994	2000000000/133000-2B25735-20G0185001	254,321	-	125,301
Total Health Resources and Services Administration			920,484	5,793	125,301

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Office of Assistant Secretary for Health					
Passed-through N.C. Department of Health and Human Services:					
Division of Public Health:					
Family Planning Services Title X	93.217	133000-2B25900-20G0079002	$ 106,364	$ -	$ -
Total Office of Assistant Secretary for Health			106,364	-	-
Total U.S. Department of Health and Human Services			28,581,508	3,135,567	324,346
U.S. Department of Homeland Security					
Passed-through N.C. Department of Public Safety:					
Emergency Management Performance Grants	97.042	EMA-2021-EP-00015/EMA-2021-EP-00014/EMPG-S-2020-2025011	62,500	-	-
FEMA Building Resilient Infrastructure and Communities (BRIC)	97.047	EMA-2021-BR-005-0010	113,351	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note 7)	97.036	4827DR-NC	1,318,912	-	-
Total U.S. Department of Homeland Security			1,494,763	-	-
Total Federal Awards			54,618,021	5,270,126	3,648,866
State Awards:					
N.C. Department of Administration					
DMVA Community County Grants		N/A	-	2,273	-
State Board of Elections Hurricane Helene Reimbursement		N/A	-	13,466	-
Total N.C. Department of Administration			-	15,739	-
N.C. Department of Agriculture and Consumer Services					
Technical Assistance-Soil/Water		N/A	-	26,716	-
Matching Funds		N/A	-	3,600	-
Conservation Easements			-	30,000	-
Spay/Neuter Grant		N/A	-	13,481	-
Fairview Park Development		N/A		37,500	
Total N.C. Department of Agriculture and Consumer Services			-	111,297	-
N.C. Department of Cultural and Natural Resources					
Division of State Library:					
Aid to Public Libraries		N/A	-	288,429	-
State Library Fiscal Recovery Funds			-	65,619	-
Total N.C. Department of Cultural and Natural Resources			-	354,048	-
N.C. Department of Environmental Quality					
Division of Water Resources					
NC Electronics Management Fund		N/A	-	7,100	-
Barnardsville Stream-Restoration Project			-	181,400	-
Total N.C. Department of Environmental Quality			-	188,500	-

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
N.C. Dept. of Health and Human Services					
Division of Public Health:					
Communicable Disease Control		131304-2B14510-2000000000	$ -	$ 7,807	$ -
General Aid to Counties		131204-2B14110-2000000000	-	213,419	-
Breast and Cervical Cancer Program		133300-2B05599-2000000000/133300-2B05599-2000000000	-	100,900	-
Tuberculosis		134600-2B24551-2000000000/134600-2B24551-2000000000	-	32,935	-
Integrated Targeted Testing Services (ITTS)		133200-2B04601-20G0169002/133200-2B04601-20G0169002	-	5,322	-
Women's Health Service Fund		133000-2B26021-20G0079004	-	13,086	-
Healthy Communities		132001-2B15503-2000000000	-	3,827	-
Women and Child Health- Family Planning		133000-2B25735-2000000000	-	71,602	-
Child Health		132105-2D05745-2000000000	-	22,996	22,996
School Nurse Funding Initiative		133406-2D05358-2000000000	-	150,000	150,000
Food and Lodging		131106-2B04752-200SZ00000	-	35,491	-
Home and Community Care Block Grant - In Home Aide Program			-	274,133	-
ARPA Temporary Savings Fund Public Health Services		131204-2BTS190-2000400000	-	100,000	-
Hurricane Helene Essential Functions Support		230333-2B0HHEL-20H0000002	-	450,969	526,563
Total Division of Public Health			-	1,482,487	699,559
Division of Social Services:					
State Child Welfare CPS		N/A	-	240,171	-
Emergency Placement FC		N/A	-	66,775	-
Total Division of Social Services			-	306,946	-
Total N.C. Department of Health and Human Services			-	1,789,433	699,559
N.C. Department of Public Instruction					
Public School Building Capital Fund - Lottery Proceeds		N/A	-	2,216,366	2,216,366
Total N.C. Department of Public Instruction			-	2,216,366	2,216,366
N.C. Department of Public Safety					
Division of Emergency Management					
USAR TF2 Debby Deployment			-	156,402	-
USAR TF2		2021-180-24-1	-	94,007	-
COVID-19: NCEM State Stream Restoraton and Stabilization		N/A	-	115,370	-
Medication Assistance Treatment (MAT) in Jails		19-RFA-RQ96528-WAX	-	8,996	-
Division of Juvenile Justice Delinquency Prevention:					
Juvenile Crime Prevention Council Programs		N/A	-	644,477	634,477
Total N.C. Department of Public Safety			-	1,019,253	634,477
N.C. Department of Transportation					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	195,848	-
ROAP Rural General Public Transportation		DOT-16CL	-	145,059	-
ROAP Work First Transitional-Employment Transportation Assistance Program		DOT-16CL	-	2,016	-
Total Rural Operating Assistance Program (ROAP) Cluster			-	342,923	-
Total N.C. Department of Transportation			-	342,923	-

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Total State Awards			$ -	$ 6,037,559	$ 3,550,402
NC Dept. of State Treasurer					
State Cashflow Loan Program (Note 6)			-	14,024,620	-
Other Financial Assistance:					
NC Dept. of Justice					
Opioid Settlement Fund (Note 5)			-	2,914,820	-
Total Federal and State Awards			$ 54,618,021	$ 28,247,125	$ 7,199,269

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, 2025 The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Buncombe County, it is not intended to and does not present the financial position, changes in net position or cash flows of Buncombe County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption

Note 4: Indirect Cost Rate

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

Note 5: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

Note 6: Loans Outstanding

Buncombe County had the following loan balances outstanding at June 30, 2025 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2025 consist of:

Program Title	Assistance Listing No.	State/ Pass-through Grantor's Number	Amount Outstanding
Statewide Cashflow Loan Program	n/a	DST-1	$ 14,024,620

Note 7: Disaster Grants – Public Assistance (Presidentially Declared Disasters) (ALN 97.036)

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance to reimburse eligible costs associated with the repair, replacement or restoration of disaster-damaged facilities. Due to the long-term nature of these grants, nonfederal entities must record expenditures on the SEFSA for 97.036 when (1) FEMA has approved the nonfederal entities PW (project worksheet), and (2) the nonfederal entity has incurred the eligible expenditures. Only when both requirements are met will the expenditure appear on the SEFSA. For this reason, some eligible expenditures may appear on the entity's SEFSA in fiscal years subsequent to the date they were incurred.

Total Federal Awards by Cluster and Assistance Listing

Total Food And Nutrition Services Cluster	**10.561**	$ 5,746,876
	10.557	942,030
Total Forest Service Schools and Roads Cluster	**10.665**	4,367
	10.923	606,450
	14.218	628,486
	14.228	5,434
	16.045	424,099

BUNCOMBE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal AL Number	State/Pass-Through Grantor's Number	Fed.(Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
	16.585		226,191		
	16.590		174,271		
	16.710		205,803		
	16.738		21,952		
	16.922		68,980		
Total Highway Planning and Construction Cluster	**20.205**		58,136		
Total Federal Transit Cluster	**20.507**		457,501		
	20.509		1,208,687		
Total Transit Services Program Cluster	**20.513**		323,048		
Total Highway Safety Cluster	**20.616**		60,416		
	21.023		9,427		
	21.027		12,776,322		
	21.032		3,213		
	66.001		222,974		
	66.034		240,086		
	81.128		127,000		
	93.069		58,158		
	93.116		50		
	93.217		106,364		
	93.268		467,714		
	93.354		13,349		
	93.436		87,835		
	93.556		78,575		
	93.558		2,427,696		
	93.563		1,575,500		
	93.566		52,785		
	93.568		164,976		
Total CCDF Cluster	**93.596**		481,415		
	93.658		5,333,314		
	93.659		307,894		
	93.667		1,064,696		
	93.674		98,581		
	93.767		1,317,268		
	93.778		13,316,391		
	93.788		9,413		
	93.87		214,597		
	93.898		128,050		
	93.940		28,000		
	93.959		282,615		
	93.967		229,197		
	93.977		100		
	93.991		31,086		
	93.994		705,887		
	97.036		1,318,912		
	97.042		62,500		
	97.047		113,351		
			$ 54,618,021		

Melissa Moore
Finance Director

Buncombe County
Corrective Action Plan
For the Fiscal Year Ended June 30, 2025

Buncombe County respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit period: July 1, 2024 through June 30, 2025

The finding from Section II. Financial Statement Findings and Responses is discussed below. The finding is numbered consistently with the number assigned in Section II.

2025-001 Restatement of Prior Year Balances

The auditors recommend the County carefully review the financial statements and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

There is no disagreement with this audit finding.

In this instance, the County had a large solar panel installation project which began during fiscal year 2021 and was completed in various phases. As part of this work, some of the installations were completed on public school property which included a memorandum of understanding (MOU) releasing the completed assets to the care and custody of the school system. These assets should not have been capitalized by the County and were removed from beginning balances to correct the error.

County staff will take additional steps to carefully review assets created by large projects to ensure all capitalized items are in fact assets of the County.

Person responsible for correction action: Melissa Moore, Finance Director

Completion date: The County will implement enhanced review and communication processes immediately.

2025-002 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

The auditors recommend that the County implements a review control over weekly timesheets to ensure the timesheets include all program time coded on the day sheets.

NCDHHS policy requires program salaries to be allocated and supported by payroll and attendance records for individuals.

There is no disagreement with this audit finding.

Annual day sheet training is now required for all staff that submit day sheets. Additionally, all new hires are required to complete day sheet training prior to submitting their first entry. A PowerBI dashboard has been created and released in June 2025 to pull data from both Workday (the County's system of record) and our daysheet system, ISSI that provides supervisors the ability to show discrepancies between entries in real time.

The County will also conduct random reviews monthly. Any discrepancies identified will be provided to staff leadership for support and correction. Additional reviews will be conducted for those staff with identified errors until released by leadership.

Semi-annual reports will be provided to HHS Senior Leadership members to show trends and compliance with day sheet and timesheet entries. These reports will be created in December and June of each year.

Person responsible for correction action: Leigh Anderson, HHS Business Administrator

Completion date: The County has already implemented these changes.