

ANNUAL COMPREHENSIVE FINANCIAL REPORT

2023
ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30

ASHEVILLE
CITY
SCHOOLS
ASHEVILLE, NC





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Annual Comprehensive Financial Report of
the
Asheville City Schools

Asheville, North Carolina
For the Fiscal Year Ended June 30, 2023



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Prepared by Finance Department
Heidi Kerns, Chief Finance Officer
Christy House, CSBM, Financial Services Manager



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INTRODUCTORY SECTION



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LETTER OF TRANSMITTAL

November 20, 2023

To the Members of the Asheville City Board of Education and Citizens of Asheville and Buncombe County, North Carolina

In compliance with the *Public School Laws of North Carolina* (State), the Annual Comprehensive Financial Report of the Asheville City Board of Education (Board), operating as the “Asheville City Schools,” for the fiscal year ended June 30, 2023, is herewith submitted. Responsibility for the accuracy, completeness, and clarity of the report rests with the Superintendent and the Chief Finance Officer.

The report has been prepared by the Finance Department following the requirements and guidelines promulgated by the Governmental Accounting Standards Board. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board’s financial activity have been included. Additionally, the report contains Management’s Discussion and Analysis (MD&A), a narrative introduction, overview and analysis of the basic financial statements beginning on page 4 of the Financial Section of the report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

REPORTING ENTITY

The Board is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes (G.S.)] with the responsibility to oversee and control all activities related to public school education in Asheville, North Carolina. It was established in 1887 by action of the North Carolina General Assembly. For fiscal year 2023, the Board operated nine schools and a preschool program that provided a continuum of service from birth through twelfth grade. The schools include one comprehensive high school facility which houses both Asheville High School and the School of Inquiry and Life Sciences at Asheville (SILSA); two middle schools; five elementary schools; and several alternative classrooms/programs including the preschool program. Information pertaining to individual school buildings is provided in the statistical section (Table 19). The average daily membership for the 2022-23 school year was 3,990 students.

Within the context of a strong system-wide curricular emphasis, Asheville City Schools offers parents a choice from among five elementary magnet schools. Each school has adopted a theme that guides instructional decisions and strategies. The themes are Arts and Humanities; Ecology; Global Scholars; Science, Math and Technology; and Experiential Learning. The magnet themes provide unique opportunities for students and their families to experience a curriculum suited to their individual interests and needs.

During the 2022-2023 year, the citizens of Asheville chose its first elected board members, growing the five member board to seven members. The Asheville City Council (City) is not accountable for the Asheville City School District. The Buncombe County Board of Commissioners (County) levies all taxes, but the Asheville City Board of Education determines how the school system will spend the funds generated for schools. The County cannot modify the school system's budget, nor is the County entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the County and therefore is recognized as a primary government, as defined by the Governmental Accounting Standards Board. The Board also receives state, local, and federal government funding and must comply with the legal requirements of each funding agency.

In 1997, the North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools receive a per pupil allocation of local county funds as defined by the legislation. Although the county funding for the charter schools passes through the Board, the Board has no authority or responsibility related to the charter schools and, therefore, they are not a component unit of the Board.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Accounting records of the school system must be maintained in a uniform state format. Monthly reports of transactions of state and federal funds and details of disbursements from these funds are submitted to the North Carolina Department of Public Instruction for review. Financial activities throughout the year are controlled in accordance with the *North Carolina School Budget and Fiscal Control Act* which requires a pre-audit procedure to ensure availability of funds prior to the issuance of purchase orders or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The concept of reasonable

assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. Governmental funds budgeted include the General Fund, the State Public School Fund, the Federal Grants Fund, the Other Specific Revenue Fund and the Capital Outlay Fund. The Board's annual budget resolution authorizes expenditures by purpose, the legal level of budgetary control, on a modified accrual basis. For internal management purposes, the budget is allocated by line item within each purpose or function. The Board also uses a purchase order encumbrance system that records encumbrances outstanding against each line item of expenditure. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.

ECONOMIC CONDITION AND OUTLOOK

Asheville City Schools operates within Buncombe County, the most populous county in Western North Carolina. With over 270,000 residents, Buncombe County accounts for over half of the population in the four-county Asheville Metropolitan Area and serves as the region's economic and service center. Its economy is supported by a robust healthcare system, a strong business and professional services sector, a popular tourism industry, and a thriving arts and outdoor culture.

Buncombe County's average unemployment rate for fiscal year 2022-23 was estimated at 2.8%. The Buncombe County unemployment rate decreased from 3.1% in July 2022 to 2.7% in July 2023. Buncombe County's July 2023 unemployment rate of 2.7% was below both the state (3.6%) and national (3.8%) unemployment rates at that time.

The Asheville Metro gained approximately 5,700 total nonfarm jobs in July 2022-23, a year-over-year gain of 2.9%. July 2022-23 major industry employment gains were led by Education & Health Services (+1,900 jobs) and Leisure & Hospitality (+1,700). Manufacturing and Transportation & Utilities were the only major industries to experience a decline in employment, with 100 fewer jobs each in July 2023 as compared to July 2022.

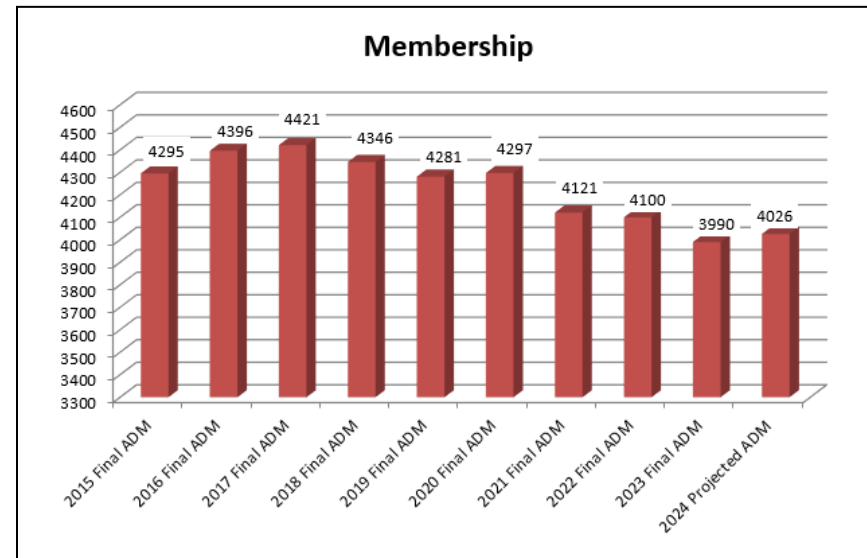
For the housing market in the Asheville Metro, closed sales decreased year-over-year and prices continued to rise. July 2022-23 year-over-year closed home sales were down 4.7% and the average price of homes increased from \$512,898 to \$566,521 (+10.5%). Days on Market Until Sale rose 57.1% from 21 days in July 2022 to 33 days in July 2023.

While operating within the above economic environment, Asheville City Schools has continued to enjoy the commitment to quality education for its citizens and the Buncombe County Commissioners have demonstrated that by their level of support and funding. For fiscal year 2023, county general appropriation funding increased 7.79%, from \$14,153,775 to \$15,254,804. This trend continued into fiscal year 2024 with a 16.58% increase, bringing the total county general appropriation to over \$17.8 million for that budget year.

Buncombe County Board of Commissioners established the School Capital Commission Board. Originally drafted in 1983 to ensure adequate school capital needs were met for both County and City school systems, the Buncombe School Capital Fund Commission legislation was amended in 2016 to better align resources with capital needs. Using funds from Article 39 sales tax revenue, a five-member commission reviews the capital project requests from Asheville City Schools and Buncombe County Schools. These requests are combined and prioritized, and based upon funding availability, the Commission recommends to the Buncombe County Board of Commissioners those projects that should be funded through Article 39 funding. Recommendations for funding are considered on an annual basis.

Long range planning for capital projects is reviewed each spring during the budget process. Projects are evaluated by high priority and critical need. Major projects such as roof repairs and major renovations are identified for the next budget year and five additional years.

Asheville City Schools experienced a decrease in student population for fiscal year 2023. As many state funding formulas are driven by student population, this equates to Asheville City Schools receiving a decrease in funding through the State Public School Fund for this fiscal year. Due to the impact of COVID-19, NCDPI held districts harmless for reduced enrollment in preceding years; however, the hold harmless no longer applied beginning in 2023. Following is a graph comparing final average daily membership for fiscal years 2015 through 2023 and projected average daily membership for fiscal year 2024. Actual membership for 2024 is expected to be less.



MAJOR ACCOMPLISHMENTS AND INITIATIVES

Dr. James Causby served as Interim Superintendent of Asheville City Schools during the 2022-23 school year. Towards the end of that year, the school board selected Dr. Maggie Fehrman as Superintendent to begin the 2023-2024 school year. 2022-2023 contained a number of milestones for Asheville City Schools focusing on early childhood, academic achievement and the whole child.

- The District's high school graduation rate for the Class of 2023 was 91.2 percent.
- 52 of Asheville City Schools' certified staff members hold the distinction of National Board Certification, the highest credential in the teaching profession.
- As part of the transition to online learning due to COVID 19, the District's computer-to-student ratio for grades K-12 became 1:1. The district continued to maintain this ratio for 2023.
- The Asheville City Schools Preschool Program continues to operate 5 sites with a 5-star child care facility rating from the North Carolina Division of Child Development.
- On average, our 22 yellow school buses transport approximately 2,200 students every day, over half of the students enrolled in the district.
- The Advancement Via Individual Determination Program (AVID) graduated its 21st class while celebrating 24 years of AVID. Just as every other class had achieved over the years, every 2023 graduate was extended an offer at either a college or university or military service. Many received scholarship offers.
- Asheville City Schools' Career & Technical Education programs continue to provide high school students with opportunities to build real-world skills through specialized courses, internships, and other work-based learning experiences. The success of

our programs is evidenced by the awards and credentials students earn academically in year in Career & Technical Education.

INDEPENDENT AUDIT

The financial statements have been audited by Anderson Smith & Wike PLLC, independent certified public accountants, whose opinion is included in the Financial Section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of Asheville City Schools for the fiscal year ended June 30, 2023, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Asheville City Schools financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America.

The independent audit of the financial statements of the Asheville City Schools was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited entity's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Asheville City Schools separately issued Compliance Reports.

FINANCIAL REPORTING AWARDS

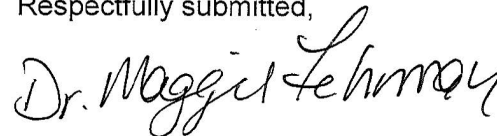
Each year since 1985, the Asheville City Schools' Annual Comprehensive Financial Report has earned the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting Award. The Report has also earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past thirty-

six years. These awards are made to governmental units that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conform to program standards as well as satisfy accounting principles generally accepted in the United States of America and applicable legal requirements. The awards are valid for a period of one year only. We believe the accompanying Report continues to conform to ASBO and GFOA requirements, and we will submit it to the respective organizations for consideration of awards for the fiscal year ended June 30, 2023.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the personnel in the Finance Department, Superintendent's Office, Community Relations and the staff of our independent auditor. Assistance received from the personnel in Buncombe County's Finance Department, Buncombe County's Tax Department and the Asheville Area Chamber of Commerce was also invaluable. We would like to express our appreciation to all of these people for their assistance and contributions in developing the final report.

Respectfully submitted,



Dr. Maggie Fehrman
Superintendent



Heidi Kerns, CMA
Chief Finance Officer



Christy House, CSBD
Financial Services Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Asheville City Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Asheville City Schools
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

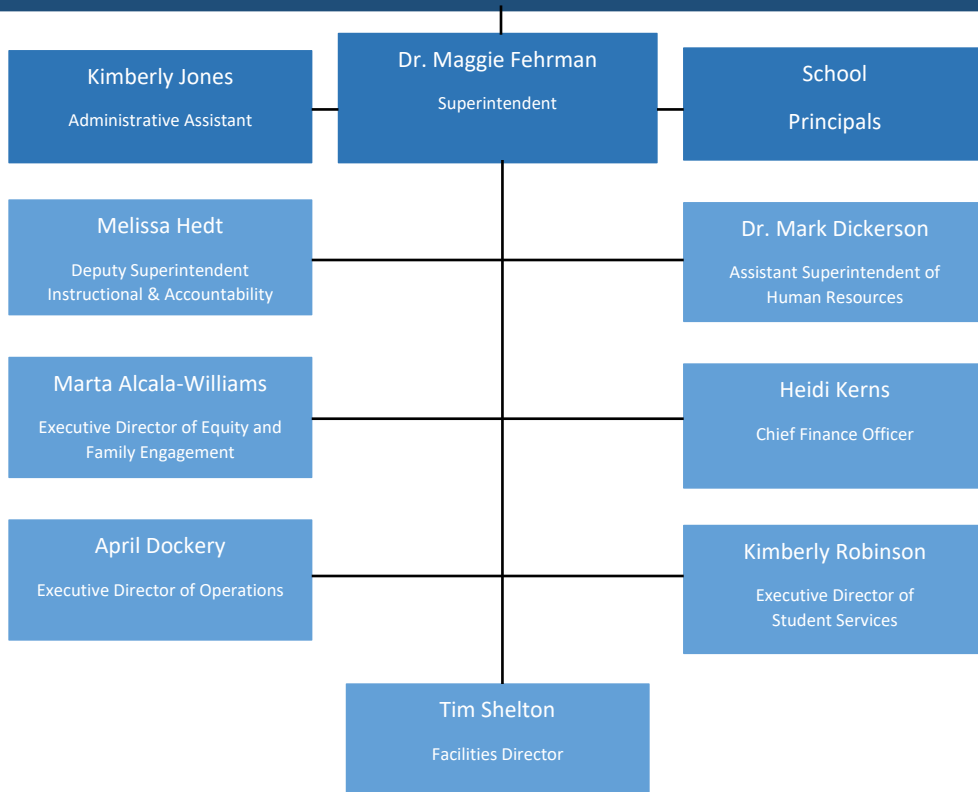
June 30, 2022

Christopher P. Morill

Executive Director/CEO

Asheville City Board of Education

George Sieburg-Chair Amy Ray-Vice Chair Sarah Thornburg Jesse Warren Liza Kelly Rebecca Strimer James Carter





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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Asheville City Board of Education
Asheville, North Carolina

Opinions

We have audited accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Asheville City Board of Education, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise of the Asheville City Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Asheville City Board of Education as of June 30, 2023, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Federal Grants Fund, and the Other Special Revenue 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 *Governmental Auditing Standards*, issued by the Comptroller 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 Asheville City Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical 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 Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 raises substantial doubt about Asheville City Board of Education's ability to continue as a going concern for the 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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 *Governmental Auditing Standards* will always detect material statement 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 *Governmental Auditing Standards* we

- Exercised professional judgement and maintained 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 responsible 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 Asheville City Board of Education'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 Asheville City Board of Education'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 Management's Discussion and Analysis on pages 4 through 10 and the Schedule of the Proportionate Share of the Net Pension Liability, OPEB Liability and the Schedule of Board Contributions on pages 48 through 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Asheville City Board of Education's basic financial statements. The budgetary schedules and other schedules 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 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund budgetary schedules and other schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of Asheville City Board of Education'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 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 Asheville City Board of Education'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 Asheville City Board of Education's internal control over financial reporting and compliance.

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 updated our auditor's report thereon. Our opinions 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 connection 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.

Anderson Smith & Wike PLLC

October 24, 2023
Elon, North Carolina
(336) 380-4123

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

This section of the Asheville City Schools' (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2023. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- The liabilities and deferred inflows of resources of the Board exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$18,360,915.
- The Board's total net position increased by \$12,132,090.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$19,452,028, an increase of \$754,016.

Overview of the Financial Statements

The audited financial statements of the Asheville City Schools consist of four components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents budgetary schedules and other schedules for governmental, enterprise funds, and fiduciary fund*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund, and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary fund and fiduciary fund are presented on the full accrual basis of accounting.

The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in Buncombe County's (the County) property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding, the Asheville City Schools supplemental city school tax, and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School Food Service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Asheville City Schools has three types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Federal Grants Fund, the Other Special Revenue Fund, the Individual Schools Fund and the Capital Outlay Fund.

The governmental fund statements are shown as Exhibits 3, 4, and 5 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Asheville City Schools has one proprietary fund – an enterprise fund – the School Food Service Fund.

The proprietary fund statements are shown as Exhibits 6, 7, and 8 of this report.

Fiduciary fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Asheville City Schools has two fiduciary funds – the Asheville High Awards Fund and

**ASHEVILLE CITY SCHOOLS
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Isaac Dickson Elementary Fund. Since the resources of the Custodial Funds are not available to support government programs, they are excluded from the government-wide statements.

The fiduciary fund statements are shown as Exhibits 9 and 10 of this report.

Financial Analysis of the Board as a Whole

Net position may serve over time as one useful indicator of the fiscal health of the Board. The Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$18,360,915 as of June 30, 2023, an increase of \$12,132,090 as compared to the prior fiscal year. The largest component of net position is the net investment in capital assets (e.g. land, buildings, machinery and equipment). The net investment in capital assets totaled \$81,891,960 at June 30, 2023.

Following is a summary of the statement of Net Position:

**Table 1
Condensed Statement of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Current assets	\$ 20,100,773	\$ 19,609,727	\$ 597,594	\$ 645,209	\$ 20,698,367	\$ 20,254,936
Capital assets	81,459,906	78,124,340	432,054	504,408	81,891,960	78,628,748
Total assets	<u>101,560,679</u>	<u>97,734,067</u>	<u>1,029,648</u>	<u>1,149,617</u>	<u>102,590,327</u>	<u>98,883,684</u>
Deferred outflows of resources	<u>27,944,074</u>	<u>20,357,972</u>	<u>390,506</u>	<u>259,132</u>	<u>28,334,580</u>	<u>20,617,104</u>
Current liabilities	648,745	877,937	48,987	40,681	697,732	918,618
Long-term liabilities	83,417,226	77,435,841	1,144,715	990,612	84,561,941	78,426,453
Total liabilities	<u>84,065,971</u>	<u>78,313,778</u>	<u>1,193,702</u>	<u>1,031,293</u>	<u>85,259,673</u>	<u>79,345,071</u>
Deferred inflows of resources	<u>26,899,958</u>	<u>33,500,471</u>	<u>375,915</u>	<u>426,421</u>	<u>27,275,873</u>	<u>33,926,892</u>
Net investment in capital assets	81,459,906	78,124,340	432,054	504,408	81,891,960	78,628,748
Restricted net position	5,592,795	7,209,074	-	430	5,592,795	7,209,504
Unrestricted net position	<u>(68,513,877)</u>	<u>(79,055,624)</u>	<u>(609,963)</u>	<u>(553,803)</u>	<u>(69,123,840)</u>	<u>(79,609,427)</u>
Total net position	<u>\$ 18,538,824</u>	<u>\$ 6,277,790</u>	<u>\$ (177,909)</u>	<u>\$ (48,965)</u>	<u>\$ 18,360,915</u>	<u>\$ 6,228,825</u>

Note that net position of governmental activities increased by approximately \$12.3 million during the year, indicating an improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Buncombe County carries the offsetting debt.

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 1,177,370	\$ 1,353,374	\$ 549,940	\$ 115,888	\$ 1,727,310	\$ 1,469,262
Operating grants and contributions	35,169,957	38,445,357	1,522,443	2,458,607	36,692,400	40,903,964
Capital grants and contributions	-	22,002	-	55,979	-	77,981
General revenues:						
Buncombe County	18,695,516	17,519,452	-	-	18,695,516	17,519,452
Supplemental school tax	11,407,104	11,303,234	-	-	11,407,104	11,303,234
Local option sales tax	4,479,364	4,358,864	-	-	4,479,364	4,358,864
Other revenues	3,935,098	3,641,586	568	1,792	3,935,666	3,643,378
Total revenues	74,864,409	76,643,869	2,072,951	2,632,266	76,937,360	79,276,135
Expenses:						
Governmental activities:						
Instructional services	45,770,180	50,813,201	-	-	45,770,180	50,813,201
System-wide support services	14,307,653	12,659,060	-	-	14,307,653	12,659,060
Ancillary services	426,770	346,004	-	-	426,770	346,004
Non-programmed charges	1,833,618	1,654,098	-	-	1,833,618	1,654,098
Unallocated depreciation	194,570	207,582	-	-	194,570	207,582
Business-type activities:						
Child Nutrition	-	-	2,272,479	1,969,437	2,272,479	1,969,437
Total expenses	62,532,791	65,679,945	2,272,479	1,969,437	64,805,270	67,649,382
Excess (deficiency)						
before transfers	12,331,618	10,963,924	(199,528)	662,829	12,132,090	11,626,753
Transfers in (out)	(70,584)	(70,734)	70,584	70,734	-	-
Change in net position	12,261,034	10,893,190	(128,944)	733,563	12,132,090	11,626,753
Beginning net position	6,277,790	(4,615,400)	(48,965)	(782,528)	6,228,825	(5,397,928)
Ending net position	\$ 18,538,824	\$ 6,277,790	\$ (177,909)	\$ (48,965)	\$ 18,360,915	\$ 6,228,825

Governmental activities generated revenues of \$74.9 million for fiscal year 2023 compared to \$76.6 million for the previous year. Governmental activities expenses totaled \$62.5 million for fiscal year 2023 compared to \$65.7 million for the previous year. After transfers to the business-type activities, the increase in net position stands at approximately \$12.3 million at June 30, 2023 compared to an increase of \$10.9 million in 2022.

County funding comprised 25.0% of total governmental revenues in fiscal year 2023 and 22.9% in fiscal year 2022, increasing slightly from the previous year. The amount of the Asheville City Schools supplemental city school tax received was 15.2% of total governmental revenues for the year. Much of the remaining governmental revenues consist of restricted state and federal money. Instructional

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

expenses comprised 73.3% of total governmental expenses for fiscal year 2023 compared to 77.4% for fiscal year 2022. Support services accounted for 22.8% and 19.3% of expenses in fiscal years 2023 and 2022, respectively.

Business-type activities generated revenues of approximately \$2.1 million for fiscal year 2023 and \$2.6 million for fiscal year 2022. At the same time, expenses for the business-type activities were approximately \$2.3 million for fiscal year 2023 and \$2.0 million for fiscal year 2022. Thus, net position decreased in the business-type activities by \$128,944, after transfers in from the governmental activities of \$70,584.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of Asheville City Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements. Table 3 below compares fund balance at June 30, 2023 and 2022 for the General Fund, the Other Special Revenue Fund, the Capital Outlay Fund and the Individual Schools Fund. Both the State Public School Fund and the Federal Grants Fund do not maintain a fund balance since revenues must equal expenditures. Thus, these funds have been excluded from Table 3.

**Table 3
Summary of Fund Balances - Governmental Funds
As of June 30, 2023 and 2022**

	2023				Total
	General Fund	Individual Schools Fund	Capital Outlay Fund	Other Special Revenue Fund	
Fund balances:					
Restricted	\$ 94,698	\$ 961,523	\$ 3,281,590	\$ 1,254,984	\$ 5,592,795
Assigned	3,000,000	-	-	3,398,275	6,398,275
Unassigned	7,460,958	-	-	-	7,460,958
Total	<u>\$ 10,555,656</u>	<u>\$ 961,523</u>	<u>\$ 3,281,590</u>	<u>\$ 4,653,259</u>	<u>\$ 19,452,028</u>
	2022				Total
	General Fund	Individual Schools Fund	Capital Outlay Fund	Other Special Revenue Fund	
Fund balances:					
Restricted	\$ 61,527	\$ 1,001,604	\$ 4,940,706	\$ 1,171,459	\$ 7,175,296
Assigned	2,500,000	-	-	2,522,551	5,022,551
Unassigned	6,500,165	-	-	-	6,500,165
Total	<u>\$ 9,061,692</u>	<u>\$ 1,001,604</u>	<u>\$ 4,940,706</u>	<u>\$ 3,694,010</u>	<u>\$ 18,698,012</u>

The General Fund and Other Special Revenue Fund ended the year with a surplus of revenues and other financing sources over expenditures and other financing uses. This resulted in a combined increase of \$2.5 million in the aforementioned funds. This was primarily due to additional grants received. The Capital Outlay Fund and Individual Schools Fund experienced decreases in fund balance of \$1.7 million and \$40,000, respectively. The decrease in Capital Outlay is primarily due to ongoing construction projects.

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Proprietary Fund: The Board's proprietary fund reflected a decrease in net position of \$128,944 after transfers for 2023 compared to an increase of \$733,563 after transfers for fiscal year 2022.

General Fund Budgetary Highlights

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board on a monthly basis to reflect new revenues not measurable or known at the time of the original budget resolution. State and federal budgets are not approved at the State level until after the fiscal year begins and amendments are needed to reconcile the initial budget to final approved State and federal budgets. The State may send new allotments throughout the year and require additional budget amendments. There were no significant budget amendments during the year and there were no significant expenditures in excess of the budgeted expenditures. Actual expenditures were less than budgeted expenditures mainly due increases in State and federal funding.

Capital Assets

Following is a summary of capital assets, net of accumulated depreciation at year-end.

Table 4						
Summary of Capital Assets						
As of June 30, 2023 and 2022						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Land	\$ 1,307,576	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576	\$ 1,307,576
Construction in progress	1,068,531	-	-	-	1,068,531	-
Land improvements	2,515,549	2,436,988	-	-	2,515,549	2,436,988
Buildings	74,061,880	72,654,745	-	-	74,061,880	72,654,745
Equipment and furniture	1,398,725	1,146,076	432,054	504,408	1,830,779	1,650,484
Vehicles	1,107,645	578,955	-	-	1,107,645	578,955
Total	<u>\$81,459,906</u>	<u>\$78,124,340</u>	<u>\$ 432,054</u>	<u>\$ 504,408</u>	<u>\$81,891,960</u>	<u>\$78,628,748</u>

Capital assets increased \$3,263,212 or (4.2%) over the previous year. Additional information regarding the Board's capital assets can be found in Note 2 to the financial statements.

Debt Outstanding

Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. At the end of fiscal year 2023, the Board's outstanding debt was composed of the liability for compensated absences to be paid from governmental and proprietary funds and pension plan obligations. The County holds all debt issued for school capital construction. Additional information regarding the Board's debt can be found in Note 2 to the financial statements.

Economic Factors Affecting Next Year's Budget

The following factors have been considered when developing the Asheville City Schools' 2023 budget:

- The North Carolina General Assembly again provided significant salary increases as well as step increases for teachers who earned a year of experience.
- The retirement matching rate as set by the North Carolina General Assembly increased from 24.50% to 25.02%
- The annual cost of employer provided hospitalization insurance increased from \$7,397 to \$7,557, per employee.
- The Asheville City Schools supplemental tax rate for 2023 is set at 10.62 cents per \$100 of assessed taxable valuation. An increase of \$232,910 is projected.

Requests for Information

This report is intended to provide a summary of the financial condition of Asheville City Schools. Questions or requests for additional information should be addressed to:

Heidi Kerns, CMA
Chief Financial Officer
Asheville City Schools
P. O. Box 7347
Asheville, NC 28802

ASHEVILLE CITY SCHOOLS
STATEMENT OF NET POSITION
June 30, 2023

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 17,872,788	\$ 456,948	\$ 18,329,736
Due from other governments	2,042,075	57,031	2,099,106
Receivables	185,910	761	186,671
Inventories	-	82,854	82,854
Capital assets:			
Land and construction in progress	2,376,107	-	2,376,107
Other capital assets, net of depreciation	79,083,799	432,054	79,515,853
Total capital assets	81,459,906	432,054	81,891,960
Total assets	101,560,679	1,029,648	102,590,327
DEFERRED OUTFLOWS OF RESOURCES	27,944,074	390,506	28,334,580
LIABILITIES			
Accounts payable and accrued expenses	648,745	5,172	653,917
Unearned revenues	-	43,815	43,815
Long-term liabilities:			
Due within one year:			
Liability for compensated absences	1,474,488	28,446	1,502,934
Due in more than one year:			
Net pension liability	33,046,032	461,805	33,507,837
Net OPEB liability	47,282,442	660,752	47,943,194
Liability for compensated absences	1,614,264	22,158	1,636,422
Total liabilities	84,065,971	1,222,148	85,288,119
DEFERRED INFLOWS OF RESOURCES	26,899,958	375,915	27,275,873
NET POSITION			
Net investment in capital assets	81,459,906	432,054	81,891,960
Restricted for:			
Individual school activities	961,523	-	961,523
Stabilization by State statute	1,349,682	-	1,349,682
School Capital Outlay	3,281,590	-	3,281,590
Unrestricted	(68,513,877)	(609,963)	(69,123,840)
Total net position	\$ 18,538,824	\$ (177,909)	\$ 18,360,915

ASHEVILLE CITY SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 24,622,448	114,337	\$ 19,114,678	\$ -	\$ (5,393,433)	\$ -	\$ (5,393,433)
Special populations	6,300,879	-	5,521,927	-	(778,952)	-	(778,952)
Alternative programs	5,011,027	361,850	2,552,632	-	(2,096,545)	-	(2,096,545)
School leadership	3,300,708	-	1,557,195	-	(1,743,513)	-	(1,743,513)
Co-curricular services	1,043,070	700,938	-	-	(342,132)	-	(342,132)
School-based support	5,492,048	-	3,153,682	-	(2,338,366)	-	(2,338,366)
System-wide support services							
Support and development	495,464	-	216,133	-	(279,331)	-	(279,331)
Special population support and development	384,077	-	274,128	-	(109,949)	-	(109,949)
Alternative programs	495,845	-	122,347	-	(373,498)	-	(373,498)
Technology support	1,029,739	-	39,752	-	(989,987)	-	(989,987)
Operational support	8,057,693	-	1,655,423	-	(6,402,270)	-	(6,402,270)
Financial and human resource services	110,777	-	459,180	-	348,403	-	348,403
Accountability	725,269	-	-	-	(725,269)	-	(725,269)
System-wide pupil support	1,478,209	-	106,866	-	(1,371,343)	-	(1,371,343)
Policy, leadership and public relations	1,530,580	-	334,822	-	(1,195,758)	-	(1,195,758)
Ancillary services	426,770	245	61,192	-	(365,333)	-	(365,333)
Non-programmed charges	1,833,618	-	-	-	(1,833,618)	-	(1,833,618)
Unallocated depreciation expense**	194,570	-	-	-	(194,570)	-	(194,570)
Total governmental activities	62,532,791	1,177,370	35,169,957	-	(26,185,464)	-	(26,185,464)
Business-type activities:							
School food service	2,272,479	549,940	1,522,443	-	-	(200,096)	(200,096)
Total primary government	\$ 64,805,270	\$ 1,727,310	\$ 36,692,400	\$ -	(26,185,464)	(200,096)	(26,385,560)
General revenues:							
Unrestricted county appropriations - operating					15,254,804	-	15,254,804
Unrestricted county appropriations - capital					3,440,712	-	3,440,712
Supplemental city school tax					11,407,104	-	11,407,104
Local option sales tax					4,479,364	-	4,479,364
Investment earnings, unrestricted					313,006	-	313,006
Miscellaneous, unrestricted					3,622,092	568	3,622,660
Transfers					(70,584)	70,584	-
Total general revenues and transfers					38,446,498	71,152	38,517,650
Change in net position					12,261,034	(128,944)	12,132,090
Net position-beginning					6,277,790	(48,965)	6,228,825
Net position-ending					\$ 18,538,824	\$ (177,909)	\$ 18,360,915

** This amount excludes the depreciation that is included in the direct expenses of the various programs

ASHEVILLE CITY SCHOOLS
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
ASSETS							
Cash and cash equivalents	\$ 11,080,248	\$ -	\$ 959,405	\$ 2,425,715	\$ 3,407,420	\$ -	\$ 17,872,788
Receivables	36,708	-	2,118	-	147,084	-	185,910
Due from other governments	57,990	-	-	876,185	1,107,900	-	2,042,075
Total assets	<u>\$ 11,174,946</u>	<u>\$ -</u>	<u>\$ 961,523</u>	<u>\$ 3,301,900</u>	<u>\$ 4,662,404</u>	<u>\$ -</u>	<u>\$ 20,100,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 619,290	\$ -	\$ -	\$ 20,310	\$ 9,145	\$ -	\$ 648,745
Fund balances:							
Restricted:							
Stabilization by State statute	94,698	-	-	-	1,254,984	-	1,349,682
School capital outlay	-	-	-	3,281,590	-	-	3,281,590
Individual schools	-	-	961,523	-	-	-	961,523
Assigned:							
Special revenues	-	-	-	-	3,398,275	-	3,398,275
Subsequent year's expenditures	3,000,000	-	-	-	-	-	3,000,000
Unassigned	7,460,958	-	-	-	-	-	7,460,958
Total fund balances	<u>10,555,656</u>	<u>-</u>	<u>961,523</u>	<u>3,281,590</u>	<u>4,653,259</u>	<u>-</u>	<u>19,452,028</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,174,946</u>	<u>\$ -</u>	<u>\$ 961,523</u>	<u>\$ 3,301,900</u>	<u>\$ 4,662,404</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 81,459,906
Deferred outflows of resources related to pensions.	19,960,884
Deferred outflows of resources related to OPEB and payable in the current period and therefore are not reported in the funds.	7,983,190
Net pension liability	(3,088,752)
Net OPEB liability	(33,046,032)
Deferred inflows of resources related to OPEB	(47,282,442)
Deferred inflows of resources related to pensions	(25,124,895)
	(1,775,063)
Net position of governmental activities	<u>\$ 18,538,824</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
REVENUES							
State of North Carolina	\$ -	\$ 30,629,335	\$ -	\$ -	\$ 225,596	\$ -	\$ 30,854,931
Buncombe County	15,254,804	-	-	3,440,712	-	-	18,695,516
U.S. Government	-	-	-	-	-	5,044,025	5,044,025
Supplemental city school tax	11,407,104	-	-	-	-	-	11,407,104
Local option sales tax	-	-	-	-	4,479,364	-	4,479,364
Other	394,688	-	700,938	152,302	3,135,541	-	4,383,469
Total revenues	27,056,596	30,629,335	700,938	3,593,014	7,840,501	5,044,025	74,864,409
EXPENDITURES							
Current:							
Instructional services:							
Regular instructional	6,293,382	18,657,294	453,500	15,029	2,145,179	457,384	28,021,768
Special populations	634,494	4,728,306	-	-	915,626	793,621	7,072,047
Alternative programs	878,753	469,737	-	-	2,033,734	2,082,895	5,465,119
School leadership	1,843,393	1,557,195	-	-	349,689	-	3,750,277
Co-curricular services	297,390	-	851,716	36,034	-	-	1,185,140
School-based support	1,801,091	2,394,531	-	892,080	309,978	759,151	6,156,831
System-wide support services:							
Support and development	299,711	216,038	-	-	47,104	95	562,948
Special population support and development	110,614	12,693	-	-	22,977	261,435	407,719
Alternative programs and services	402,682	56,564	-	-	38,352	65,783	563,381
Technology support	1,064,319	39,752	-	-	58,693	-	1,162,764
Operational support	6,116,121	1,589,498	-	809,288	383,485	65,925	8,964,317
Financial and human resource services	1,106,261	395,455	-	-	114,106	63,725	1,679,547
Accountability	115,195	-	-	-	10,671	-	125,866
System-wide pupil support	622,336	106,866	-	-	94,851	-	824,053
Policy, leadership and public relations	1,296,988	334,822	-	-	107,241	-	1,739,051
Ancillary services	282,087	-	-	-	141,619	61,192	484,898
Non-programmed charges:							
Payments to charter schools	1,833,618	-	-	-	-	-	1,833,618
Other	-	-	-	-	-	432,819	432,819
Capital outlay	-	-	-	3,499,699	107,947	-	3,607,646
Total expenditures	24,998,435	30,558,751	1,305,216	5,252,130	6,881,252	5,044,025	74,039,809
Revenues over (under) expenditures	2,058,161	70,584	(604,278)	(1,659,116)	959,249	-	824,600
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	564,197	-	-	-	564,197
Transfers to other funds	(564,197)	(70,584)	-	-	-	-	(634,781)
Total other financing sources (uses)	(564,197)	(70,584)	564,197	-	-	-	(70,584)
Net change in fund balance	1,493,964	-	(40,081)	(1,659,116)	959,249	-	754,016
Fund balances-beginning	9,061,692	-	1,001,604	4,940,706	3,694,010	-	18,698,012
Fund balances-ending	\$ 10,555,656	\$ -	\$ 961,523	\$ 3,281,590	\$ 4,653,259	\$ -	\$ 19,452,028

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

Exhibit 4
(Continued)

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 754,016
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,335,566
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	2,556,358
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	6,356,151
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	358,964
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expense	(6,318,858)
Net OPEB expense	5,376,150
Compensated absences	(157,313)
	<hr/>
Total changes in net position of governmental activities	<u>\$ 12,261,034</u>

ASHEVILLE CITY SCHOOLS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023**

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	15,283,953	15,283,953	15,254,804	(29,149)
U.S. Government	-	-	-	-
Supplemental city school tax	11,419,825	11,419,825	11,407,104	(12,721)
Local option sales tax	-	-	-	-
Other	150,000	350,000	394,688	44,688
Total revenues	<u>26,853,778</u>	<u>27,053,778</u>	<u>27,056,596</u>	<u>2,818</u>
Expenditures:				
Current:				
Instructional services	13,621,447	13,620,447	11,748,503	1,871,944
System-wide support services	13,078,138	13,159,138	11,134,227	2,024,911
Ancillary services	258,452	458,452	282,087	176,365
Non-programmed charges:				
Payments to charter schools	2,380,000	2,300,000	1,833,618	466,382
Capital Outlay	-	-	-	-
Total expenditures	<u>29,338,037</u>	<u>29,538,037</u>	<u>24,998,435</u>	<u>4,539,602</u>
Revenues over (under) expenditures	(2,484,259)	(2,484,259)	2,058,161	4,542,420
Other financing sources uses:				
Transfers to other funds	<u>(564,197)</u>	<u>(564,197)</u>	<u>(564,197)</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(3,048,456)	(3,048,456)	1,493,964	4,542,420
Appropriated fund balance	<u>3,048,456</u>	<u>3,048,456</u>	<u>-</u>	<u>3,048,456</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	1,493,964	<u>\$ 1,493,964</u>
Fund balances, beginning of year			<u>9,061,692</u>	
Fund balances, end of year			<u>\$ 10,555,656</u>	

ASHEVILLE CITY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2023

Exhibit 5 (Continued)

	State Public School Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ 31,173,008	\$ 31,894,390	\$ 30,629,335	\$ (1,265,055)
Buncombe County	-	-	-	-
U.S. Government	-	-	-	-
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>31,173,008</u>	<u>31,894,390</u>	<u>30,629,335</u>	<u>(1,265,055)</u>
Expenditures:				
Current:				
Instructional services	28,206,561	28,809,869	27,807,063	1,002,806
System-wide support services	2,896,403	3,013,877	2,751,688	262,189
Ancillary services	70,044	-	-	-
Non-programmed charges	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>31,173,008</u>	<u>31,823,746</u>	<u>30,558,751</u>	<u>1,264,995</u>
Revenues over (under) expenditures	-	70,644	70,584	(60)
Other financing sources uses:				
Transfers to other funds	-	(70,644)	(70,584)	60
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

ASHEVILLE CITY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2023

Exhibit 5 (Continued)

	Other Special Revenue Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ 1,434,291	\$ 225,596	\$ 225,596	\$ -
Buncombe County	-	-	-	-
U.S. Government	-	-	-	-
Supplemental city school tax	-	-	-	-
Local option sales tax	5,488,600	4,325,695	4,479,364	153,669
Other	-	2,600,034	3,135,541	535,507
Total revenues	<u>6,922,891</u>	<u>7,151,325</u>	<u>7,840,501</u>	<u>689,176</u>
Expenditures:				
Current:				
Instructional services	6,882,383	6,582,821	5,754,206	828,615
System-wide support services	880,347	1,232,239	877,480	354,759
Ancillary services	133,758	199,696	141,619	58,077
Non-programmed charges	-	-	-	-
Capital Outlay	-	110,166	107,947	2,219
Total expenditures	<u>7,896,488</u>	<u>8,124,922</u>	<u>6,881,252</u>	<u>1,243,670</u>
Revenues over (under) expenditures	(973,597)	(973,597)	959,249	1,932,846
Other financing sources uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	(973,597)	(973,597)	959,249	1,932,846
Appropriated fund balance	<u>973,597</u>	<u>973,597</u>	-	<u>973,597</u>
Revenue and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	959,249	<u>\$ 959,249</u>
Fund balances, beginning of year			<u>3,694,010</u>	
Fund balances, end of year			<u>\$ 4,653,259</u>	

ASHEVILLE CITY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2023

Exhibit 5 (Continued)

	Federal Grants Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	-	-	-	-
U.S. Government	8,754,969	9,243,129	5,044,025	(4,199,104)
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>8,754,969</u>	<u>9,243,129</u>	<u>5,044,025</u>	<u>(4,199,104)</u>
Expenditures:				
Current:				
Instructional services	5,872,763	6,250,419	4,093,051	2,157,368
System-wide support services	1,236,407	1,280,013	456,963	823,050
Ancillary services	92,501	153,693	61,192	92,501
Non-programmed charges	1,553,298	1,559,004	432,819	1,126,185
Capital Outlay	-	-	-	-
Total expenditures	<u>8,754,969</u>	<u>9,243,129</u>	<u>5,044,025</u>	<u>4,199,104</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

ASHEVILLE CITY SCHOOLS
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2023

Exhibit 6

	<u>Enterprise Funds</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 456,948
Due from other governments	57,031
Receivables (net)	761
Inventories	82,854
Total current assets	<u>597,594</u>
Noncurrent assets:	
Capital assets, net	432,054
Total assets	<u>1,029,648</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>390,506</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	5,172
Compensated absences	28,446
Unearned revenues	43,815
Total current liabilities	<u>77,433</u>
Noncurrent liabilities:	
Net pension liability	461,805
Net OPEB liability	660,752
Compensated absences	22,158
Total liabilities	<u>1,222,148</u>
DEFERRED INFLOWS OF RESOURCES	<u>375,915</u>
NET POSITION	
Net investment in capital assets	432,054
Unrestricted	(609,963)
Total net position	<u>\$ (177,909)</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For the Year Ended June 30, 2023

Exhibit 7

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
OPERATING REVENUES	
Food sales	\$ 549,940
OPERATING EXPENSES	
Purchase of food	857,747
Salaries and benefits	1,128,815
Indirect costs	91,469
Materials and supplies	75,176
Contracted services	20,597
Depreciation	72,354
Other	26,321
Total operating expenses	<u>2,272,479</u>
Operating income (loss)	<u>(1,722,539)</u>
NONOPERATING REVENUES	
Federal reimbursements	1,279,344
Federal commodities	148,927
State reimbursements	2,703
Indirect costs not paid	91,469
Other	568
Total nonoperating revenues	<u>1,523,011</u>
Income (loss) before transfers	(199,528)
Transfer from other funds	70,584
Change in net position	<u>(128,944)</u>
Total net position - beginning	<u>(48,965)</u>
Total net position - ending	<u>\$ (177,909)</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2023

Exhibit 8

	Enterprise Fund
	Major Fund
	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 558,262
Cash paid for goods and services	(671,958)
Cash paid to employees for services	(1,125,755)
Net cash provided (used) by operating activities	(1,239,451)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements	1,295,105
State reimbursements	2,703
Net cash provided by noncapital financing activities	1,297,808
Net increase (decrease) in cash and cash equivalents	58,925
Balances-beginning of the year	398,023
Balances-end of the year	\$ 456,948

ASHEVILLE CITY SCHOOLS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2023

Exhibit 8 (Continued)

Reconciliation of operating loss to net cash used by operating activities	
Operating income (loss)	\$ (1,722,539)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	72,354
Donated commodities consumed	148,927
Transfers from other funds	70,584
Indirect costs not paid	91,469
Changes in assets deferred outflows of resources, and liabilities:	
(Increase) decrease in accounts receivable	1,977
(Increase) decrease in net OPEB asset	430
(Increase) decrease in inventory	88,372
Increase (decrease) in accounts payable and accrued liabilities	1,961
(Increase) decrease in deferred outflows	(131,374)
Increase (decrease) in net pension liability	323,537
Increase (decrease) in net OPEB liability	(149,333)
Increase (decrease) in deferred inflows	(50,506)
Increase (decrease) in unearned revenues	6,345
Increase (decrease) in compensated absences	8,345
Total adjustments	483,088
Net cash provided (used) by operating activities	\$ (1,239,451)

Noncash investing, capital, and financing activities:

The State Public School Fund paid operating expenses of \$70,584 of the School Food Service Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

Indirect costs of \$91,469 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibits 7 and C-1.

The School Food Service Fund received donated commodities with a value of \$148,927 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

ASHEVILLE CITY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2023

Exhibit 9

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 22,205
NET POSITION	
Unrestricted	\$ 22,205

ASHEVILLE CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2023

Exhibit 10

	Custodial Funds
ADDITIONS	
Interest earned	\$ 127
DEDUCTIONS	
Supplies	-
Change in net position	127
Total net position - beginning	22,078
Total net position - ending	\$ 22,205

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Asheville City Schools (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Asheville City, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through 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 Board and for each function of the Board'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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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 are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Board's 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. The fiduciary funds are presented separately.

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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund. This fund is the "Local Current Expense Fund", which is mandated by state law (G.S. 115C-426).

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

clubs and organizations, receipts from athletic events, and proceeds from various fund-raising activities. The primary expenditures are for athletic teams, club programs, activity buses and instructional needs.

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Buncombe County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

Federal Grants Fund. The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

The Board reports the following major enterprise fund:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

The Board reports the following fiduciary fund:

Custodial Fund. The Custodial Fund is used to account for assets held by the Board as an agent for other organizations. The Custodial Fund is used to account for funds deposited with the Board as an agent for the benefit of various scholarship and awards funds and the Educational Access Channel Consortium.

Measurement Focus and 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 and 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 Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for 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. Acquisitions under capital leases are reported as other financing sources.

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

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by a cumulative total of plus or minus ten percent. All such amendments must be approved by the governing board. During the year, several amendments to the original budget ordinance 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.

Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several immaterial 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.

Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board 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; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Cash and Cash Equivalents

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

Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Capital Assets

The Board's capital assets are recorded at original cost. Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities, such as student desks, are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Buncombe County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit financing agreements for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board once all restrictions of the financing agreements have been met.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements	20
Equipment and furniture	5 - 20
Vehicles	8

Depreciation for assets that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

revenue until then. The Board has several items that meet this criterion - pension and OPEB related deferrals.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of four 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:

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for school capital outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

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Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Executive Director of Finance will use resources in the following hierarchy: state funds, federal funds, local non-board of education funds, and board of education 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 Executive Director of Finance has the authority to deviate from this policy if it is in the best interest of the Board.

Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(913,204) 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)	\$ 155,444,807
Less Accumulated Depreciation	<u>73,984,901</u>
Net capital assets	81,459,906
Pension related deferred outflows of resources	19,960,884
OPEB related deferred outflows of resources	7,983,190
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:	
Compensated absences	(3,088,752)
Net pension liability	(33,046,032)
Net OPEB liability	(47,282,442)
Deferred inflows of resources related to pensions	(1,775,063)
Deferred inflows of resources related to OPEB	<u>(25,124,895)</u>
Total adjustment	<u>\$ (913,204)</u>

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B. 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 – total 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 of \$11,507,018 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 7,266,900
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(3,931,334)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	6,356,151
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,556,358
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
OPEB nonemployer contributions	358,964
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.	
Pension expense	(6,318,858)
Net OPEB expense	5,376,150
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	<u>(157,313)</u>
Total adjustment	<u>\$ 11,507,018</u>

Defined Benefit Pension Plan and OPEB Plans

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 position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

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NOTE 2 - DETAIL NOTES ON ALL FUNDS

Assets

Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. 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 Board, these deposits are considered to be held by the agent in the entity's name. 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 Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board 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 Board has no policy regarding custodial credit risk for deposits.

At June 30, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$2,531,885 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$3,251,834 and \$224,672, respectively. Of these balances, \$938,890 was covered by federal depository insurance and \$2,537,616 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2023, the Board of Education had \$389,900 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. There was \$15,430,156 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2023. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

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

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 57,990	\$ 36,708	\$ 94,698
Other governmental activities	1,984,085	149,202	2,133,287
Total governmental activities	<u>\$ 2,042,075</u>	<u>\$ 185,910</u>	<u>\$ 2,227,985</u>
Business-type activities:			
School Food Service Fund	\$ 57,031	\$ 761	\$ 57,792

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Due from other governments consists of the following:

Governmental activities:

General Fund	\$ 57,990	Due from Buncombe County
Other Special Revenue Fund	1,107,900	Due from Buncombe County
Capital Outlay Fund	<u>876,185</u>	Due from Buncombe County
Total	<u>\$ 2,042,075</u>	

Business-type activities:

School Food Service Fund	<u>\$ 57,031</u>	Federal grant funds
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Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576
Construction in progress	-	1,068,531	-	1,068,531
Total capital assets not being depreciated	<u>1,307,576</u>	<u>1,068,531</u>	<u>-</u>	<u>2,376,107</u>
Capital assets being depreciated:				
Buildings	131,570,632	4,753,005	-	136,323,637
Equipment and furniture	6,052,425	457,809	10,590	6,499,644
Vehicles	3,885,336	690,524	-	4,575,860
Land improvements	5,487,916	297,031	115,388	5,669,559
Total capital assets being depreciated	<u>146,996,309</u>	<u>6,198,369</u>	<u>125,978</u>	<u>153,068,700</u>
Less accumulated depreciation for:				
Buildings	58,915,887	3,356,460	10,590	62,261,757
Equipment and furniture	4,906,349	194,570	-	5,100,919
Vehicles	3,306,381	161,834	-	3,468,215
Land improvements	3,050,928	218,470	115,388	3,154,010
Total accumulated depreciation	<u>70,179,545</u>	<u>3,931,334</u>	<u>125,978</u>	<u>73,984,901</u>
Total capital assets being depreciated, net	<u>76,816,764</u>			<u>79,083,799</u>
Governmental activity capital assets, net	<u>\$78,124,340</u>			<u>\$81,459,906</u>

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	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u> <u>and Transfers</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment	\$ 1,395,270	\$ -	\$ 8,100	\$ 1,387,170
Less accumulated depreciation for:				
Equipment	<u>890,862</u>	<u>72,354</u>	<u>8,100</u>	<u>955,116</u>
School Food Service capital assets, net	<u>\$ 504,408</u>			<u>\$ 432,054</u>

Depreciation was charged to governmental functions as follows:

Regular Instruction services	\$ 3,574,930
System-wide support services	161,834
Unallocated depreciation	<u>194,570</u>
Total	<u>\$ 3,931,334</u>

Construction Commitments

Asheville City Board of Education has active construction projects as of June 30, 2023 for the benefit of Asheville City Board of Education. At year end, commitments with contractors for school construction and renovations are as follows:

	<u>Spent to date</u>	<u>Total Commitment</u>
North slope repair	\$ 764,816	\$ 802,421
AHS baseball field	88,497	580,182
CTE elevator modernization	142,534	286,818
AHS renovations	40,974	342,637
IBJ playground	31,710	266,439
	<u>\$ 1,068,531</u>	<u>\$ 2,278,497</u>

Liabilities

Pension Plan and Other Postemployment Obligations

Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS 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 Teachers' and State Employees' Retirement System is included in the Annual Comprehensive

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Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. 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.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% 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. General employee 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. General employee 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. 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 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. Increases are contingent upon actuarial gains of the plan.

TSERS 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.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2023, was 17.38% of covered payroll, 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 Board were \$6,444,976 for the year ended June 30, 2023.

Refunds of Contributions – Board employees who have terminated service as a contributing member of TSERS, 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 TSERS.

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

At June 30, 2023, the Board reported a liability of \$33,507,837 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board'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 TSERS employers, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was .23%, and .24%, respectively.

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For the year ended June 30, 2023, the Board recognized pension expense of \$(6,425,720). At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 145,895	\$ 456,717
Changes of assumptions	2,643,641	-
Net difference between projected and actual earnings on pension plan investments	11,005,317	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,343,151
Board contributions subsequent to the measurement date	<u>6,444,976</u>	<u>-</u>
Total	<u>\$ 20,239,829</u>	<u>\$ 1,799,868</u>

\$6,444,976 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

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

Year ended June 30:	
2024	\$ 2,927,288
2025	2,824,479
2026	967,577
2027	5,275,641
2028	-
Thereafter	-
Total	<u>\$11,994,985</u>

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

Inflation	2.50%
Salary increases	3.25% to 8.05%, including a 2.5% 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, 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.

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The actuarial assumptions used in the December 31, 2021 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. 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 2.50%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50%. 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 Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

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	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 59,243,562	\$ 33,507,837	\$ 12,265,053

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.

Other Postemployment Benefits

Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General

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Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.89% of covered payroll which amounted to \$2,554,999. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$363,981.

At June 30, 2023, Board reported a liability of \$47,884,123 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and at June 30, 2021, the Boards proportion was 0.20% and 0.21%, respectively.

\$2,554,999 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (6,573,151)
2025	(4,602,555)
2026	(5,452,330)
2027	(3,462,705)
2028	-
Thereafter	-
Total	<u>\$ (20,090,741)</u>

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Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.00%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF at June 30, 2023 and 2022 were 3.54% and 2.16%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.54% was used as the discount rate used to measure the total OPEB liability. The 3.54% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Net OPEB liability	\$ 56,401,980	\$ 47,884,123	\$ 40,927,346

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

	<u>1% Decrease in Trend Rates</u>	<u>Rates (6.50% Medical, 7.25% Rx, 3.00% Administrative Expenses)</u>	<u>1% Increase in Trend Rates</u>
Net OPEB liability	\$ 39,416,293	\$ 47,884,123	\$ 58,830,004

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

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NOTES TO THE FINANCIAL STATEMENTS
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Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$37,083 for the year ended June 30, 2023.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2023, Board reported an OPEB liability of \$59,071 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Boards proportion was .20% and 21%, respectively.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

\$37,083 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 28,543
2025	32,841
2026	25,031
2027	19,314
2028	3,928
Thereafter	7,748
Total	<u>\$ 117,405</u>

Actuarial assumptions. Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases	3.25% to 8.05%, including a 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	<u>1% Decrease (2.00%)</u>	<u>Current Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net OPEB liability	\$ 72,738	\$ 59,071	\$ 45,369

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, 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 mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 1.3%.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

Following is information related to the proportionate share and pension expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ 5,442,261	\$ (59,542)	\$ 5,382,719
OPEB liability (asset)	47,884,123	59,071	47,943,194
Proportionate share of the net OPEB liability (asset)	0.202%	0.199%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	\$ 464,892	\$ 66,213	\$ 531,105
Changes of assumptions	3,833,746	3,797	3,837,543
Net difference between projected and actual earnings on plan investments	414,656	62,478	477,134
Changes in proportion and defferences between Board contributions and proportionate share of contributions	647,712	9,175	656,887
Board contributions subsequent to the measurement date	<u>2,554,999</u>	<u>37,083</u>	<u>2,592,082</u>
Total Deferred Outflows of Resources	<u>\$ 7,916,005</u>	<u>\$ 178,746</u>	<u>\$ 8,094,751</u>
Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 132,500	\$ -	\$ 132,500
Changes of assumptions	21,793,192	10,943	21,804,135
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>3,526,055</u>	<u>13,315</u>	<u>3,539,370</u>
Total Deferred Inflows of Resources	<u>\$ 25,451,747</u>	<u>\$ 24,258</u>	<u>\$ 25,476,005</u>

Accounts Payable

Accounts payable as of June 30, 2023 are as follows:

	<u>Vendors</u>	<u>Charter Schools</u>	<u>Total</u>
Governmental Activities:			
General	\$ 415,068	\$ 204,222	\$ 619,290
Other Governmental	29,455	-	29,455
Total Governmental Activities	<u>\$ 444,523</u>	<u>\$ 204,222</u>	<u>\$ 648,745</u>
Business-types Activities			
School Food Service	<u>\$ 5,172</u>	<u>\$ -</u>	<u>\$ 5,172</u>

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Deferred Inflows of resources

The balance in deferred inflows of resources at year-end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between Board contributions and proportionate share of contributions	\$ 656,887	\$ 4,882,521
Changes in assumptions	6,481,184	21,804,135
Difference between projected and actual earnings on plan investments	11,482,452	-
Board contributions subsequent to the measurement date	9,037,057	-
Difference between expected and actual experience	<u>677,000</u>	<u>589,217</u>
Total	<u>\$ 28,334,580</u>	<u>\$ 27,275,873</u>

Unearned Revenues

The balance in unearned revenues at June 30, 2023 is composed of the following:

Prepaid lunch sales (School Food Service Fund)	<u>\$ 43,815</u>
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Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through the private insurance industry, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Board has an annual aggregate limit for general liability of \$3,000,000 and \$1,000,000 each loss and \$1,000,000 aggregate for errors and omissions. In addition, the Board carries commercial umbrella for another \$1,000,000 of liability coverage. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State funds. For employees not paid from State funds, the Board also carries workers' compensation and employers liability through private insurance of \$1,000,000 each accident and \$1,000,000 each employee, with a policy limit of \$1 million. Directed by the North Carolina General Assembly, the North Carolina Department of Public Instruction implemented, in 2011, an Excess Educator's Legal Liability policy. This policy is in excess of the Board's insurance policies, covers all employees of the school system, and there is no requirement that employees join any association to receive coverage of \$1,000,000 per insured per occurrence with a \$1,000,000 aggregate per insured.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. The Board pays the majority of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$200,000. The remaining employees that have access to funds are covered under a crime policy with a \$50,000 limit for Employee Theft. A limit of \$50,000 for Theft of Money and Securities (inside and outside premises). A limit of \$50,000 for Computer and Funds Transfer Fraud. A limit of \$50,000 for Social Engineering.

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

Long-Term Obligations

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

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Governmental activities:					
Net pension liability	\$ 10,862,567	\$ 22,183,465	\$ -	\$ 33,046,032	\$ -
Net OPEB liability	63,641,835	-	16,359,393	47,282,442	-
Compensated absences	<u>2,931,439</u>	<u>2,978,616</u>	<u>2,821,303</u>	<u>3,088,752</u>	<u>1,474,488</u>
Total governmental activities	<u>\$ 77,435,841</u>	<u>\$ 25,162,081</u>	<u>\$ 19,180,696</u>	<u>\$ 83,417,226</u>	<u>\$ 1,474,488</u>
Business-type activities:					
Net pension liability	\$ 138,268	\$ 323,537	\$ -	\$ 461,805	\$ -
Net OPEB liability	810,085	-	149,333	660,752	-
Compensated absences	<u>43,045</u>	<u>72,525</u>	<u>64,966</u>	<u>50,604</u>	<u>28,446</u>
Total business activities:	<u>\$ 991,398</u>	<u>\$ 396,062</u>	<u>\$ 214,299</u>	<u>\$ 1,173,161</u>	<u>\$ 28,446</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds.

Transfers to/from other Funds

Transfers to/from other funds at June 30, 2023 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 70,584</u>
From the General Fund to the Individual Schools Fund for operating expenditures	<u>\$ 564,197</u>

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Fund Balance

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	\$ 10,555,656
Less:	
Stabilization by State statute	94,698
Appropriated Fund Balance in 2024 budget	<u>3,000,000</u>
Remaining fund balance	<u>\$ 7,460,958</u>

Supplemental City School Tax

The supplemental city school tax, approved in 1935 by the citizens of Asheville, is currently 10.62¢ per \$100 of assessed valuation of taxable property located in the Asheville City School District. The Asheville City School District's boundaries do not coincide with the City of Asheville corporate limits. In compliance with North Carolina state law, the supplemental city school tax is levied, billed and collected by Buncombe County. All property taxes, including the supplemental city school tax, are assessed as of July 1, the beginning of the County's fiscal year, and are based upon 100 percent of the assessed value as of January 1 the same year.

NOTE 3 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Board 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 moneys 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 moneys.



ASHEVILLE CITY SCHOOLS

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SUPPLEMENTARY INFORMATION



ASHEVILLE CITY SCHOOLS

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ASHEVILLE CITY SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
*Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Board's proportion of the net pension liability (asset)	0.226%	0.235%	0.244%	0.250%	0.236%
Board's proportionate share of the net pension liability (asset)	\$ 33,507,837	\$ 11,000,835	\$ 29,459,533	\$ 25,831,347	\$ 23,464,511
Board's covered-employee payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	88.98%	30.87%	82.96%	72.45%	71.83%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%

	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.225%	0.230%	0.235%	0.225%	0.221%
Board's proportionate share of the net pension liability (asset)	\$ 17,821,548	\$ 21,155,920	\$ 8,646,212	\$ 2,632,789	\$ 13,386,597
Board's covered-employee payroll	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	59.04%	72.76%	29.02%	9.39%	47.63%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,444,976	\$ 6,168,008	\$ 5,266,642	\$ 4,605,865	\$ 4,382,177
Contributions in relation to the contractually required contribution	6,444,976	6,168,008	5,266,642	4,605,865	4,382,177
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 37,082,714	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444
Contributions as a percentage of covered-employee payroll	17.38%	16.38%	14.78%	12.97%	12.29%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,521,400	\$ 3,012,263	\$ 2,660,476	\$ 2,726,252	\$ 2,437,006
Contributions in relation to the contractually required contribution	3,521,400	3,012,263	2,660,476	2,726,252	2,437,006
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113
Contributions as a percentage of covered-employee payroll	10.78%	9.98%	9.15%	9.15%	8.69%

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
*Last Seven Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability (asset)	0.202%	0.208%	0.212%	0.214%	0.210%
Board's proportionate share of the net OPEB liability (asset)	\$ 47,884,123	\$ 64,451,920	\$ 58,902,685	\$ 67,627,045	\$ 59,740,339
Board's covered-employee payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	127.16%	180.87%	165.87%	189.66%	182.88%
Plan fiduciary net position as a percentage of the total OPEB liability	10.58%	7.72%	6.92%	4.40%	4.40%

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.208%	0.202%
Board's proportionate share of the net OPEB liability (asset)	\$ 68,139,813	\$ 87,886,274
Board's covered-employee payroll	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	225.76%	302.26%
Plan fiduciary net position as a percentage of the total OPEB liability	3.52%	0.24%

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

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 2,554,999	\$ 2,368,545	\$ 2,380,323	\$ 2,297,606	\$ 2,235,659
Contributions in relation to the contractually required contribution	2,554,999	2,368,545	2,380,323	2,297,606	2,235,659
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 37,082,714	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444
Contributions as a percentage of covered-employee payroll	6.89%	6.29%	6.68%	6.47%	6.27%

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,976,296	\$ 1,753,632	\$ 1,690,248	\$ 1,635,751	\$ 1,514,598
Contributions in relation to the contractually required contribution	1,976,296	1,753,632	1,690,248	1,635,751	1,514,598
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113
Contributions as a percentage of covered-employee payroll	6.05%	5.81%	5.60%	5.49%	5.40%

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
DISABILITY INCOME PLAN OF NORTH CAROLINA
Last Seven Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.199%	0.209%	0.216%	0.222%	0.211%
Board's proportionate share of the net OPEB liability (asset)	\$ 59,071	\$ (34,208)	\$ (106,136)	\$ (95,694)	\$ (63,990)
Board's covered payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	0.16%	0.10%	0.30%	0.27%	0.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability/asset	0.199%	0.207%
Board's proportionate share of the net OPEB liability (asset)	\$ (120,830)	\$ (128,354)
Board's covered payroll	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	0.40%	0.44%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	116.23%	116.06%

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

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 37,083	\$ 33,890	\$ 32,070	\$ 35,512	\$ 49,959
Contributions in relation to the contractually required contribution	<u>37,083</u>	<u>33,890</u>	<u>32,070</u>	<u>35,512</u>	<u>49,959</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 37,082,714	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444
Contributions as a percentage of covered-employee payroll	0.10%	0.09%	0.09%	0.10%	0.14%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 45,732	\$ 114,695	\$ 119,213	\$ 122,160	\$ 123,412
Contributions in relation to the contractually required contribution	<u>45,732</u>	<u>114,695</u>	<u>119,213</u>	<u>122,160</u>	<u>123,412</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113
Contributions as a percentage of covered-employee payroll	0.13%	0.35%	0.39%	0.42%	0.41%

This schedule is required supplementary information.

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Exhibit A-1 Positive (Negative) Variance
Revenues:			
Buncombe County:			
County appropriations	\$ 15,283,953	\$ 15,254,804	\$ (29,149)
Other:			
Supplemental school taxes	11,419,825	11,407,104	(12,721)
Miscellaneous	350,000	394,688	44,688
Total	<u>11,769,825</u>	<u>11,801,792</u>	<u>31,967</u>
Total revenues	<u>27,053,778</u>	<u>27,056,596</u>	<u>2,818</u>
Expenditures:			
Instructional services	13,620,447	11,748,503	1,871,944
System-wide support services	13,159,138	11,134,227	2,024,911
Ancillary services	458,452	282,087	176,365
Non-programmed charges			
Payments to charter schools	<u>2,300,000</u>	<u>1,833,618</u>	<u>466,382</u>
Total expenditures	<u>29,538,037</u>	<u>24,998,435</u>	<u>4,539,602</u>
Revenues over (under) expenditures	(2,484,259)	2,058,161	4,542,420
Other financing sources:			
Operating transfers out	<u>(564,197)</u>	<u>(564,197)</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(3,048,456)	1,493,964	4,542,420
Appropriated fund balance	<u>3,048,456</u>	<u>-</u>	<u>(3,048,456)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>1,493,964</u>	<u>\$ 1,493,964</u>
Fund balances:			
Beginning of year, July 1		9,061,692	
End of year, June 30		<u>\$ 10,555,656</u>	

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL OUTLAY FUND
For the Year Ended June 30, 2023

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Buncombe County:			
General county appropriations	\$ 3,800,194	\$ 3,440,712	\$ (359,482)
Other:			
Interest	56,630	62,033	5,403
Miscellaneous	42,405	90,269	47,864
	<u>99,035</u>	<u>152,302</u>	<u>53,267</u>
Total revenues	<u>3,899,229</u>	<u>3,593,014</u>	<u>(306,215)</u>
Expenditures:			
Instructional services	1,097,078	943,143	153,935
System-wide support services	1,116,599	809,288	307,311
Capital outlay	4,326,552	3,499,699	826,853
Total expenditures	<u>6,540,229</u>	<u>5,252,130</u>	<u>1,288,099</u>
Revenues under expenditures	(2,641,000)	(1,659,116)	981,884
Appropriated fund balance	<u>2,641,000</u>	<u>-</u>	<u>(2,641,000)</u>
Revenues and appropriated fund balance under expenditures	<u>\$ -</u>	<u>(1,659,116)</u>	<u>\$ (1,659,116)</u>
Fund balances:			
Beginning of year, July 1		<u>4,940,706</u>	
End of year, June 30		<u>\$ 3,281,590</u>	

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2023

Exhibit C-1

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 147,000	\$ 549,940	\$ 402,940
Operating expenditures:			
Purchase of food		769,375	
Salaries and benefits		1,128,146	
Materials and supplies		75,176	
Contracted services		20,597	
Other		26,321	
Total operating expenditures	2,730,600	2,019,615	710,985
Operating loss	(2,583,600)	(1,469,675)	1,113,925
Nonoperating revenues:			
Federal reimbursements	1,996,600	1,279,344	(717,256)
Federal commodities	150,000	148,927	(1,073)
State reimbursements	1,000	2,703	1,703
Other	-	568	568
Total nonoperating revenues	2,147,600	1,431,542	(716,058)
Revenues over (under) expenditures before other financing sources	(436,000)	(38,133)	397,867
Other financing sources:			
Transfers from other funds	436,000	70,584	(365,416)
Revenues and other sources over (under) expenditures	\$ -	\$ 32,451	\$ 32,451

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2023

Exhibit C-1
(Continued)

	<u>Actual</u>
Reconciliation of modified accrual to full accrual basis:	
Revenues, other sources, and appropriated fund balance over expenditures	\$ 32,451
Reconciling items:	
Depreciation	(72,354)
Increase (decrease) in inventory	(88,372)
(Increase) decrease in compensated absences	(8,345)
Deferred outflows	131,374
Net pension liability	(323,537)
Net OPEB liability	149,333
Deferred inflows	<u>50,506</u>
Change in net position	<u>\$ (128,944)</u>

ASHEVILLE CITY SCHOOLS
COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2023

Exhibit D-1

	<u>Custodial Funds</u>		<u>Total Custodial Funds</u>
	<u>Asheville High Awards</u>	<u>Isaac Dickson Elementary</u>	
ASSETS			
Cash and cash equivalents	\$ 20,091	\$ 2,114	\$ 22,205
NET POSITION			
Unrestricted	\$ 20,091	\$ 2,114	\$ 22,205

ASHEVILLE CITY SCHOOLS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2023

Exhibit E-1

	Custodial Funds		Total Custodial Funds
	Asheville High Awards	Isaac Dickson Elementary	
ADDITIONS			
Interest earned	\$ 81	\$ 46	\$ 127
DEDUCTIONS			
Supplies	-	-	-
Change in net position	81	46	127
Total net position - beginning	20,010	2,068	22,078
Total net position - ending	<u>\$ 20,091</u>	<u>\$ 2,114</u>	<u>\$ 22,205</u>



ASHEVILLE CITY SCHOOLS

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STATISTICAL SECTION



ASHEVILLE CITY SCHOOLS

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STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about Asheville City Schools' overall financial health. The schedules included in this section can be categorized as follows:

Financial Trends Schedules

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 Schedules

These schedules contain information to help the reader assess one of the government's most significant local revenue sources, the Asheville City Schools' supplemental city school tax.

Debt Capacity Schedules

No schedules for debt capacity are included since the Board's long-term obligations are limited to compensated absences to be paid from governmental and proprietary funds, pension liabilities, and the installment purchase of school buses to be repaid through the North Carolina Department of Public Instruction. Additionally, the Board holds no overlapping debt with other governmental entities.

Demographic and Economic Information Schedules

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 Schedules

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.

The schedule type or category is listed in the upper right-hand corner on each of the attached schedules. Unless otherwise noted, the information shown on the attached schedules was derived from the annual comprehensive financial reports for the relevant year.



ASHEVILLE CITY SCHOOLS

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ASHEVILLE CITY SCHOOLS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Governmental Activities				
Net investment in capital assets	\$ 81,459,906	\$ 78,124,340	\$ 81,029,067	\$ 82,627,532
Restricted	5,592,795	7,209,074	6,264,453	6,266,508
Unrestricted	(68,513,877)	(79,055,624)	(91,908,920)	(93,960,030)
Total Governmental Activities Net Position	\$ 18,538,824	\$ 6,277,790	\$ (4,615,400)	\$ (5,065,990)
Business Type Activities				
Net investment in capital assets	\$ 432,054	\$ 504,408	\$ 519,492	\$ 564,551
Restricted	-	430	1,347	1,037
Unrestricted	(609,963)	(553,803)	(1,303,367)	(907,050)
Total Business-Type Activities Net Position	\$ (177,909)	\$ (48,965)	\$ (782,528)	\$ (341,462)
Primary Government				
Net investment in capital assets	\$ 81,891,960	\$ 78,628,748	\$ 81,548,559	\$ 83,192,083
Restricted	5,592,795	7,209,504	6,265,800	6,267,545
Unrestricted	(69,123,840)	(79,609,427)	(93,212,287)	(94,867,080)
Total Primary Government Net Position	\$ 18,360,915	\$ 6,228,825	\$ (5,397,928)	\$ (5,407,452)

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2014 through June 30, 2023.

Note: Net position for 2014 is not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its share of the net pension liability associated with the Board's participation in the statewide Teacher's and State Employee's Retirement System (TSERS).

Note: Net position for 2017 and before is not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its share of the Other Postemployment Benefit (OPEB) liability and asset associated with the Board's participation in the statewide Retiree Health Benefit Fund (RHBF) and the Disability Income Plan of North Carolina (DIPNC).

Financial Trends
Schedule 1 (continued)

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 85,458,293	\$ 88,110,450	\$ 96,159,018	\$ 92,132,950	\$ 65,327,482	\$ 46,045,342
5,985,294	5,518,410	5,065,963	3,919,228	2,850,499	2,901,699
<u>(90,414,365)</u>	<u>(90,077,584)</u>	<u>(86,373,532)</u>	<u>(1,677,945)</u>	<u>(4,358,156)</u>	<u>(6,355,759)</u>
<u>\$ 1,029,222</u>	<u>\$ 3,551,276</u>	<u>\$ 14,851,449</u>	<u>\$ 94,374,233</u>	<u>\$ 63,819,825</u>	<u>\$ 42,591,282</u>
\$ 596,534	\$ 602,286	\$ 569,741	\$ 123,337	\$ 118,879	\$ 141,939
-	-	-	-	-	-
<u>(1,058,417)</u>	<u>(1,253,443)</u>	<u>(1,161,031)</u>	<u>220,315</u>	<u>193,735</u>	<u>119,554</u>
<u>\$ (461,883)</u>	<u>\$ (651,157)</u>	<u>\$ (591,290)</u>	<u>\$ 343,652</u>	<u>\$ 312,614</u>	<u>\$ 261,493</u>
\$ 86,054,827	\$ 88,712,736	\$ 96,728,759	\$ 92,256,287	\$ 65,446,361	\$ 46,187,281
5,985,294	5,518,410	5,065,963	3,919,228	2,850,499	2,901,699
<u>(91,472,782)</u>	<u>(91,331,027)</u>	<u>(87,534,563)</u>	<u>(1,457,630)</u>	<u>(4,164,421)</u>	<u>(6,236,205)</u>
<u>\$ 567,339</u>	<u>\$ 2,900,119</u>	<u>\$ 14,260,159</u>	<u>\$ 94,717,885</u>	<u>\$ 64,132,439</u>	<u>\$ 42,852,775</u>

ASHEVILLE CITY SCHOOLS
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Expenses				
Governmental activities:				
Instructional programs	\$ 45,770,180	\$ 50,813,201	\$ 50,017,774	\$ 53,928,952
Support services	14,307,653	12,659,060	13,093,494	12,824,033
Unallocated depreciation expense	194,570	207,582	315,101	301,093
Other	2,260,388	2,000,102	1,680,443	1,853,115
Total governmental activities expenses	<u>62,532,791</u>	<u>65,679,945</u>	<u>65,106,812</u>	<u>68,907,193</u>
Business-type activities:				
Child nutrition	2,272,479	1,969,437	1,972,621	1,775,950
Total business-type activities	<u>2,272,479</u>	<u>1,969,437</u>	<u>1,972,621</u>	<u>1,775,950</u>
Total government-wide expenses	<u>64,805,270</u>	<u>67,649,382</u>	<u>67,079,433</u>	<u>70,683,143</u>
Program Revenues				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	1,177,125	1,353,374	777,078	2,344,137
Support services - operational support	-	-	-	-
Ancillary services	245	-	225	224,708
Total charges for services	<u>1,177,370</u>	<u>1,353,374</u>	<u>777,303</u>	<u>2,568,845</u>
Operating grants and contributions	35,169,957	38,445,357	32,201,439	30,679,458
Capital grants and contributions	-	22,002	424,422	67,936
Total governmental activities program revenues	<u>36,347,327</u>	<u>39,820,733</u>	<u>33,403,164</u>	<u>33,316,239</u>
Business-type activities:				
Charges for Services:				
Child nutrition	549,940	115,888	30,367	367,685
Total charges for services	<u>549,940</u>	<u>115,888</u>	<u>30,367</u>	<u>367,685</u>
Operating grants and contributions	1,522,443	2,458,607	1,429,089	1,427,757
Capital grants and contributions	-	55,979	24,175	32,892
Total business-type program revenue	<u>2,072,383</u>	<u>2,630,474</u>	<u>1,483,631</u>	<u>1,828,334</u>
Total government-wide program revenue	<u>38,419,710</u>	<u>42,451,207</u>	<u>34,886,795</u>	<u>35,144,573</u>
Net (Expense)	<u>\$ (26,385,560)</u>	<u>\$ (25,198,175)</u>	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2014 through June 30, 2023.

Financial Trends
Schedule 2 (continued)

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
\$ 47,876,328	\$ 51,343,852	\$ 41,493,734	\$ 38,490,269	\$ 38,968,670	\$ 39,284,689	
12,137,295	11,847,744	11,149,123	10,128,150	10,094,897	11,875,229	
2,647,408	5,505,964	2,057,342	1,877,018	1,878,711	1,846,895	
1,700,204	1,964,251	1,336,330	1,240,178	1,289,089	1,096,795	
<u>64,361,235</u>	<u>70,661,811</u>	<u>56,036,529</u>	<u>51,735,615</u>	<u>52,231,367</u>	<u>54,103,608</u>	
1,607,846	1,912,226	1,772,923	1,694,619	1,614,687	1,757,338	
<u>1,607,846</u>	<u>1,912,226</u>	<u>1,772,923</u>	<u>1,694,619</u>	<u>1,614,687</u>	<u>1,757,338</u>	
<u>65,969,081</u>	<u>72,574,037</u>	<u>57,809,452</u>	<u>53,430,234</u>	<u>53,846,054</u>	<u>55,860,946</u>	
2,240,235	2,094,830	1,837,575	1,776,922	1,639,846	1,562,955	
-	32,822	22,774	15,200	32,889	64,396	
104,112	88,350	35,505	28,998	31,586	14,045	
<u>2,344,347</u>	<u>2,216,002</u>	<u>1,895,854</u>	<u>1,821,120</u>	<u>1,704,321</u>	<u>1,641,396</u>	
31,733,496	30,293,504	29,112,643	28,229,960	29,085,274	28,058,038	
149,722	210,246	1,014,667	1,390,435	28,187	200,196	
<u>34,227,565</u>	<u>32,719,752</u>	<u>32,023,164</u>	<u>31,441,515</u>	<u>30,817,782</u>	<u>29,899,630</u>	
420,795	399,451	337,050	316,455	321,557	364,834	
<u>420,795</u>	<u>399,451</u>	<u>337,050</u>	<u>316,455</u>	<u>321,557</u>	<u>364,834</u>	
1,173,117	1,205,685	1,252,454	1,283,646	1,234,519	1,265,815	
-	-	-	-	-	-	
<u>1,593,912</u>	<u>1,605,136</u>	<u>1,589,504</u>	<u>1,600,101</u>	<u>1,556,076</u>	<u>1,630,649</u>	
<u>35,821,477</u>	<u>34,324,888</u>	<u>33,612,668</u>	<u>33,041,616</u>	<u>32,373,858</u>	<u>31,530,279</u>	
<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>	<u>\$ (24,196,784)</u>	<u>\$ (20,388,618)</u>	<u>\$ (21,472,196)</u>	<u>\$ (24,330,667)</u>	

ASHEVILLE CITY SCHOOLS
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Net (Expense) Revenue				
Governmental activities	\$ (26,185,464)	\$ (25,859,212)	\$ (31,703,648)	\$ (35,590,954)
Business-type activities	(200,096)	661,037	(488,990)	52,384
Total primary government net (expense)	<u>\$ (26,385,560)</u>	<u>\$ (25,198,175)</u>	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>
General revenues and transfers:				
Governmental activities:				
U.S. Government	\$ -	\$ -	\$ -	\$ 121,406
Buncombe County - General Fund appropriation	15,254,804	14,153,775	12,679,492	12,456,771
Buncombe County - capital outlay	3,440,712	3,365,677	2,759,645	2,412,806
Supplemental city school tax	11,407,104	11,303,234	10,794,794	10,150,870
Local option sales tax	4,479,364	4,358,864	3,671,828	3,092,911
Other revenues	3,935,098	3,641,586	2,296,403	1,949,136
Transfers (out)	(70,584)	(70,734)	(47,924)	(68,037)
Total governmental activities general revenues and transfers	<u>38,446,498</u>	<u>36,752,402</u>	<u>32,154,238</u>	<u>30,115,863</u>
Business-type activities:				
Other revenues	568	1,792	-	-
Transfers in	70,584	70,734	47,924	68,037
Total business-type activities general revenue and transfers	<u>71,152</u>	<u>72,526</u>	<u>47,924</u>	<u>68,037</u>
Total government-wide general revenues and transfers	<u>38,517,650</u>	<u>36,824,928</u>	<u>32,202,162</u>	<u>30,183,900</u>
Change in Net Position				
Governmental activities	12,261,034	10,893,190	450,590	(5,475,091)
Business-type activities	(128,944)	733,563	(441,066)	120,421
Total primary government	<u>\$ 12,132,090</u>	<u>\$ 11,626,753</u>	<u>\$ 9,524</u>	<u>\$ (5,354,670)</u>

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2014 through June 30, 2023.

Financial Trends
Schedule 3 (continued)

		Fiscal Year					
2019	2018	2017	2016	2015	2014		
\$ (30,133,670)	\$ (37,942,059)	\$ (24,013,365)	\$ (20,294,100)	\$ (21,413,585)	\$ (24,203,978)		
(13,934)	(307,090)	(183,419)	(94,518)	(58,611)	(126,689)		
<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>	<u>\$ (24,196,784)</u>	<u>\$ (20,388,618)</u>	<u>\$ (21,472,196)</u>	<u>\$ (24,330,667)</u>		
\$ 80,139	\$ 88,893	\$ 68,364	\$ 75,632	\$ 65,162	\$ 46,421		
11,681,164	11,681,164	10,743,742	9,562,424	8,997,929	8,526,806		
3,078,314	2,549,506	6,774,435	29,269,456	22,562,902	8,024,347		
9,394,257	8,928,186	8,620,247	8,330,977	8,136,173	8,142,348		
2,963,968	2,991,931	2,940,136	3,024,676	2,495,436	2,540,159		
616,982	649,429	450,205	710,899	489,960	396,721		
(203,208)	(247,223)	(587,763)	(125,556)	(105,434)	(115,785)		
<u>27,611,616</u>	<u>26,641,886</u>	<u>29,009,366</u>	<u>50,848,508</u>	<u>42,642,128</u>	<u>27,561,017</u>		
-	-	-	-	4,298	-		
203,208	247,223	587,763	125,556	105,434	115,785		
<u>203,208</u>	<u>247,223</u>	<u>587,763</u>	<u>125,556</u>	<u>109,732</u>	<u>115,785</u>		
27,814,824	26,889,109	29,597,129	50,974,064	42,751,860	27,676,802		
(2,522,054)	(11,300,173)	4,996,001	30,554,408	21,228,543	3,357,039		
189,274	(59,867)	404,344	31,038	51,121	(10,904)		
<u>\$ (2,332,780)</u>	<u>\$ (11,360,040)</u>	<u>\$ 5,400,345</u>	<u>\$ 30,585,446</u>	<u>\$ 21,279,664</u>	<u>\$ 3,346,135</u>		

ASHEVILLE CITY SCHOOLS
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	94,698	61,527	273,742	47,319
Assigned	3,000,000	2,500,000	3,500,000	3,000,000
Unassigned	7,460,958	6,500,165	1,890,624	2,048,467
Total General Fund	\$ 10,555,656	\$ 9,061,692	\$ 5,664,366	\$ 5,095,786
All Other Governmental Funds:				
Restricted	\$ 5,498,097	\$ 7,113,769	\$ 5,885,922	\$ 6,124,532
Assigned	3,398,275	2,522,551	1,331,807	945,361
Total all other governmental funds	\$ 8,896,372	\$ 9,636,320	\$ 7,217,729	\$ 7,069,893

Source: Asheville City Schools, Annual Comprehensive Financial Reports,
Years Ended June 30, 2014 through June 30, 2023.

Financial Trends
Schedule 4 (continued)

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ 39,984	\$ 35,807	\$ 38,082	\$ 33,187
47,770	91,245	148,271	146,060	199,640	186,514
-	2,858,864	1,754,667	1,418,182	1,219,032	1,300,000
6,105,184	4,673,076	5,970,838	5,420,843	5,066,723	4,676,509
<u>\$ 6,152,954</u>	<u>\$ 7,623,185</u>	<u>\$ 7,913,760</u>	<u>\$ 7,020,892</u>	<u>\$ 6,523,477</u>	<u>\$ 6,196,210</u>
\$ 5,664,405	\$ 5,163,402	\$ 4,917,692	\$ 3,773,168	\$ 2,650,859	\$ 2,715,185
621,308	1,332,818	1,373,473	1,383,769	1,138,951	1,029,201
<u>\$ 6,285,713</u>	<u>\$ 6,496,220</u>	<u>\$ 6,291,165</u>	<u>\$ 5,156,937</u>	<u>\$ 3,789,810</u>	<u>\$ 3,744,386</u>

ASHEVILLE CITY SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2023	2022	2021	2020
Revenues:				
Intergovernmental sources:				
State of North Carolina	\$ 30,854,931	\$ 30,562,849	\$ 29,155,874	\$ 28,867,239
U. S. Government	5,044,025	9,700,429	4,277,984	2,703,118
Local sources:				
Buncombe County - unrestricted	15,254,804	14,153,775	12,679,492	12,456,771
Buncombe County - restricted	3,440,712	3,365,677	2,759,645	2,412,806
Supplemental city school tax	11,407,104	11,303,234	10,794,794	10,150,870
Local option sales tax	4,479,364	4,358,864	3,671,828	3,092,911
Charges for services	1,177,370	-	777,303	-
Other local revenues	3,206,099	3,203,948	1,488,406	3,865,974
Total revenues	<u>74,864,409</u>	<u>76,648,776</u>	<u>65,605,326</u>	<u>63,549,689</u>
Expenditures:				
Instructional Programs	51,651,182	52,269,043	47,313,401	48,799,223
Support Services	16,029,646	14,152,299	13,239,038	13,947,298
Capital Outlay	3,607,646	1,524,864	2,469,460	858,039
Debt service:				
Principal	-	22,002	44,422	67,936
Interest	-	-	-	-
Other	2,751,335	2,793,917	1,774,665	170,158
Total expenditures	<u>74,039,809</u>	<u>70,762,125</u>	<u>64,840,986</u>	<u>63,842,654</u>
Revenues over (under) expenditures	824,600	5,886,651	764,340	(292,965)
Other financing (uses)				
Transfers from other funds	564,197	565,948	152,780	148,750
Transfers to other funds	(634,781)	(636,682)	(200,704)	(216,787)
Capital lease obligations and installment purchase contracts issued	-	-	-	88,014
Total other financing (uses)	<u>(70,584)</u>	<u>(70,734)</u>	<u>(47,924)</u>	<u>19,977</u>
Net change in fund balances	<u>\$ 754,016</u>	<u>\$ 5,815,917</u>	<u>\$ 716,416</u>	<u>\$ (272,988)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.07%	0.18%	0.39%

Source: Asheville City Schools, Annual Comprehensive Financial Reports, Years Ended June 30, 2014 through June 30, 2023.

Financial Trends
Schedule 5 (continued)

		Fiscal Year									
		2019	2018	2017	2016	2015	2014				
\$	28,518,511	\$	27,269,376	\$	27,073,291	\$	25,843,608	\$	23,733,552	\$	23,219,272
	3,362,048		3,183,007		2,855,283		3,469,360		5,254,811		4,871,479
	11,681,164		11,681,164		10,743,742		9,562,424		8,997,929		8,526,806
	3,078,314		2,549,506		6,774,435		29,269,456		22,562,902		8,024,347
	9,394,257		8,928,186		8,620,247		8,330,977		8,136,173		8,142,348
	2,963,968		2,991,931		2,940,136		3,024,676		2,495,436		2,540,159
	965,004		804,981		606,442		514,387		418,756		434,276
	2,189,952		2,304,313		2,107,965		2,527,206		2,121,695		1,947,461
	62,153,218		59,712,464		61,721,541		82,542,094		73,721,254		57,706,148
	48,391,295		44,812,327		41,235,600		39,323,369		39,702,599		38,358,386
	12,137,796		11,645,934		10,828,359		10,191,353		10,172,186		10,363,778
	1,354,945		1,479,577		5,931,040		29,950,637		22,120,504		7,676,429
	149,722		210,246		315,132		121,048		-		-
	-		-		-		-		-		-
	1,596,990		1,492,347		1,305,765		1,207,686		1,247,840		1,054,626
	63,630,748		59,640,431		59,615,896		80,794,093		73,243,129		57,453,219
	(1,477,530)		72,033		2,105,645		1,748,001		478,125		252,929
	150,950		493,000		178,399		189,436		138,343		122,100
	(354,158)		(740,223)		(766,162)		(314,992)		(243,777)		(237,885)
	-		89,670		509,214		242,097		-		-
	(203,208)		(157,553)		(78,549)		116,541		(105,434)		(115,785)
\$	(1,680,738)	\$	(85,520)	\$	2,027,096	\$	1,864,542	\$	372,691	\$	137,144
	0.61%		0.92%		0.22%		0.00%		0.00%		0.37%

ASHEVILLE CITY SCHOOLS
 ASSESSED VALUE OF TAXABLE PROPERTY FOR BUNCOMBE COUNTY
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Real Property			
	Residential Property	Commercial Property	Use Value Farm	Historical Property
2014	18,671,008	5,784,047	1,007,838	96,053
2015	18,895,973	5,995,685	1,015,256	96,185
2016	19,122,947	6,143,178	1,034,999	97,419
2017	19,416,142	6,445,705	1,014,952	97,091
2018	23,644,415	7,987,749	1,281,038	118,491
2019	24,468,024	8,110,475	1,272,935	150,588
2020	26,328,421	7,831,821	1,174,739	116,260
2021	26,717,813	8,299,036	1,206,360	96,830
2022	32,740,434	9,340,190	1,372,910	107,568
2023	34,076,451	10,025,136	1,327,077	108,059

Source: Buncombe County Tax Department.

Note: Property in the County can be reassessed every four years. The County assesses property at approximately 100 percent of actual value. Tax rates are per \$100 of assessed value. Property was reassessed in fiscal years 2014, 2018 and 2022.

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

Revenue Capacity
Schedule 6 (continued)

<u>Personal Property</u>			<u>Public Service</u>		
<u>Motor Vehicles</u>	<u>Other</u>	Less: Tax Exempt Real Property*	<u>Assessed Value</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
1,342,270	1,595,537	968,969	529,435	28,057,219	1
1,952,226	1,653,573	1,263,593	532,418	28,877,723	1
2,100,032	1,726,624	1,268,909	588,226	29,544,516	1
2,215,126	1,902,707	1,260,614	585,936	30,417,045	1
2,320,683	1,893,655	1,595,053	613,635	36,264,613	1
2,429,053	1,975,798	1,588,701	709,941	37,528,113	1
2,424,076	2,150,140	1,562,025	874,955	39,338,387	1
2,766,719	2,755,991	1,566,723	1,038,671	41,314,697	1
2,905,716	2,785,403	1,789,001	957,424	48,420,644	0
3,093,631	2,918,987	2,632,266	980,640	49,897,715	0

ASHEVILLE CITY SCHOOLS
PROPERTY TAX RATES--DIRECT AND ALL OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

	Fiscal Year				
	2023	2022	2021	2020	2019
County of Buncombe Direct Rates					
General County-wide Rate	0.488	0.488	0.529	0.529	0.529
Fire Districts	0.138	0.130	0.133	0.133	0.143
Total average direct rate	0.626	0.618	0.662	0.662	0.672
City					
City of Asheville	0.403	0.403	0.429	0.429	0.429
Towns					
Biltmore Forest	0.345	0.345	0.345	0.345	0.345
Weaverville	0.350	0.350	0.380	0.380	0.380
Black Mountain	0.321	0.306	0.333	0.333	0.333
Woodfin	0.330	0.330	0.330	0.330	0.280
Montreat	0.430	0.430	0.430	0.430	0.410
Districts					
Asheville School	0.106	0.106	0.120	0.120	0.120

Source: Buncombe County Tax Department

Note: Property was reassessed in fiscal year 2014 as well as fiscal year 2017 and fiscal year 2022. All taxable property is subject to the county-wide tax. Most property in unincorporated areas are also subject to fire district taxes.

Revenue Capacity
Schedule 7 (continued)

Fiscal Year				
2018	2017	2016	2015	2014
0.539	0.604	0.604	0.604	0.604
0.123	0.118	0.118	0.118	0.118
0.662	0.722	0.722	0.722	0.722
0.429	0.475	0.475	0.475	0.460
0.330	0.395	0.395	0.385	0.385
0.380	0.440	0.440	0.420	0.420
0.333	0.375	0.375	0.375	0.375
0.280	0.305	0.305	0.305	0.305
0.410	0.410	0.410	0.410	0.410
0.120	0.150	0.150	0.150	0.150

ASHEVILLE CITY SCHOOLS
PRINCIPAL PROPERTY TAXPAYERS FOR BUNCOMBE COUNTY
Current Year and Ten Years Ago

Taxpayer	2023		Percentage of Total Taxable Assessed
	Taxable Assessed Value	Rank	
Mission Hospital LLP	\$ 945,898,389	1	2.00%
Ingles Markets Inc	371,289,455	2	0.79%
Raytheon Technologies Corporation	257,647,700	3	0.55%
Biltmore Company	150,392,261	4	0.32%
GPI Resort Holdings LLC	146,281,000	5	0.31%
New Belgium Brewing Company Inc	132,319,926	6	0.28%
Eli Lilly & Company	131,680,384	7	0.28%
Pratt & Whitney	106,126,479	8	0.22%
Linamar North Carolina Inc	105,646,908	9	0.22%
Southeastern Container Inc	100,702,243	10	0.21%
MHG Asheville			
Progress/Duke Energy			
Town Square West LLC			
The Cliffs at Walnut Cove LLC			
Arvato Digital Services (Sonopress)			
Asheville Mall CMBS LLC			
Bellsouth Tel Co - AT&T North Carolina			
Borgwarner Turbo Systems			
Public Service Co of NC Inc			
Totals	<u>\$ 2,447,984,745</u>		<u>5.18%</u>
Total Overall Valuation	<u>\$ 47,290,446,812</u>		

Source: Buncombe County Tax Department

Revenue Capacity
Schedule 8 (continued)

Taxpayer	2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP			
Ingles Markets Inc	\$ 253,344,730	2	0.92%
Raytheon Technologies Corporation			
Biltmore Company	99,993,052	5	0.36%
GPI Resort Holdings LLC	104,565,000	4	0.38%
New Belgium Brewing Company Inc			
Eli Lilly & Company			
Pratt & Whitney			
Linamar North Carolina Inc			
Southeastern Container Inc	62,859,470	8	0.23%
MHG Asheville			
Progress/Duke Energy	323,318,363	1	1.17%
Town Square West LLC	107,582,750	3	0.39%
The Cliffs at Walnut Cove LLC			
Arvato Digital Services (Sonopress)			
Asheville Mall CMBS LLC	75,985,600	6	0.28%
Bellsouth Tel Co - AT&T North Carolina	62,351,865	9	0.23%
Borgwarner Turbo Systems	64,093,710	7	0.23%
Public Service Co of NC Inc	60,953,371	10	0.22%
	<u>\$ 1,215,047,911</u>		<u>4.41%</u>
	<u>\$ 27,626,220,753</u>		

ASHEVILLE CITY SCHOOLS
PROPERTY TAX LEVIES AND COLLECTIONS FOR BUNCOMBE COUNTY
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2014	167,069	166,098	99.42%	106	166,161	99.46%
2015	174,422	173,958	99.73%	8	173,958	99.73%
2016	178,618	178,338	99.84%	29	178,557	99.97%
2017	183,816	183,615	99.89%	146	183,615	99.89%
2018	195,601	195,331	99.86%	-	195,331	99.86%
2019	198,724	198,505	99.89%	-	198,505	99.89%
2020	208,210	206,937	99.39%	-	206,937	99.39%
2021	218,891	218,114	99.65%	-	218,114	99.65%
2022	236,637	236,054	99.75%	-	236,054	99.75%
2023	243,686	243,138	99.78%	-	243,138	99.78%

Source: Buncombe County Tax Department

Note: Property was revalued and effective in
fiscal year 2014 as well as fiscal year 2017 and fiscal year 2022.

ASHEVILLE CITY SCHOOLS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING FOR BUNCOMBE COUNTY
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2014	38,344	0.14%	152
2015	30,124	0.11%	111
2016	27,254	0.09%	107
2017	24,373	0.08%	94
2018	21,498	0.06%	82
2019	18,623	0.05%	70
2020	15,750	0.04%	59
2021	12,877	0.03%	49
2022	10,004	0.02%	36
2023	7,200	0.01%	26

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Assessed Value of Taxable Property on pages 71 and 72 for property value data.

Population data can be found in the Schedule of Demographic and Economic Statistics on page 83.

ASHEVILLE CITY SCHOOLS
RATIO OF OUTSTANDING DEBT BY TYPE FOR BUNCOMBE COUNTY
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation	Lease Installment Obligations	Subscription Installment Obligations	Installment Notes	Special Obligation	Lease Installment Obligations	Installment Notes			
	Bonds				Bonds					
2014	38,344	-	-	427,831	1,462	-	3,372	471,009	5.00%	1,889
2015	30,124	-	-	527,434	-	-	3,030	560,588	5.01%	2,017
2016	27,248	-	-	493,279	-	-	2,688	523,215	4.83%	2,043
2017	24,373	-	-	461,451	-	-	2,348	488,172	4.30%	1,877
2018	21,498	-	-	493,053	-	-	2,007	516,558	4.33%	1,969
2019	18,623	-	-	456,783	-	-	1,741	477,147	3.76%	1,802
2020	15,750	-	-	418,502	-	-	1,320	435,572	3.27%	1,629
2021	12,877	-	-	393,144	-	-	1,001	407,022	N/A	1,506
2022	10,004	1,651	-	398,154	-	1,290	15,999	427,098	N/A	1,549
2023	7,200	1,999	4,042	359,883	-	727	13,529	387,380	N/A	1,397

N/A = Not available

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 83 for personal income and population data.

ASHEVILLE CITY SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY
As of June 30, 2023

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
Net general obligation bonded debt			
City of Asheville	\$ 40,100,000	100%	\$ 40,100,000
Town of Weaverville	1,310,000	100%	1,310,000
Installment debt			
City of Asheville	79,467,650	100%	79,467,650
Town of Biltmore Forest	871,847	100%	871,847
Town of Black Mountain	2,057,705	100%	2,057,705
Town of Weaverville	103,407	100%	103,407
Town of Woodfin	196,815	100%	<u>196,815</u>
Subtotal, overlapping debt			124,107,424
County direct debt		100%	<u>373,124,283</u>
Total direct and overlapping debt			<u><u>\$ 497,231,707</u></u>

Source: Buncombe County Annual Comprehensive Financial Report

(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.

ASHEVILLE CITY SCHOOLS
LEGAL DEBT MARGIN FOR BUNCOMBE COUNTY
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year			
	2023	2022	2021	2020
Debt limit	\$ 3,991,817	\$ 3,873,652	\$ 3,305,175	\$ 3,147,071
Total net debt applicable limit	<u>373,124</u>	<u>390,468</u>	<u>375,675</u>	<u>399,315</u>
Legal debt margin	<u>\$ 3,618,693</u>	<u>\$ 3,483,184</u>	<u>\$ 2,929,500</u>	<u>\$ 2,747,756</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>9.35%</u>	<u>10.08%</u>	<u>11.37%</u>	<u>12.69%</u>

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value of taxable property	<u>\$ 49,897,715</u>
Debt Limit - Three Percent (3%) of assessed value	1,496,931
Gross Debt:	
Total Bonded Debt	7,200
Installment Purchase Agreements	<u>365,924</u>
Gross Debt	<u>373,124</u>
Total amount of debt applicable to debt limit (net debt)	<u>\$ 373,124</u>
Legal debt margin	<u>\$ 1,123,807</u>

Source: Buncombe County Annual Comprehensive Financial Reports.

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

Debt Capacity
Schedule 13 (continued)

Fiscal Year					
2019	2018	2017	2016	2015	2014
\$ 3,002,249	\$ 2,901,169	\$ 2,433,364	\$ 2,363,561	\$ 2,154,040	\$ 2,210,098
400,014	432,220	406,791	431,485	454,994	402,098
<u>\$ 2,602,235</u>	<u>\$ 2,468,949</u>	<u>\$ 2,026,573</u>	<u>\$ 1,932,076</u>	<u>\$ 1,699,046</u>	<u>\$ 1,808,000</u>
<u>13.32%</u>	<u>14.90%</u>	<u>16.72%</u>	<u>18.26%</u>	<u>21.12%</u>	<u>18.19%</u>

ASHEVILLE CITY SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

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

N/A = Not available

Note: Population estimates come from the North Carolina Office of State Budget and Management. Personal income information is a total for the year. Unemployment information is as of the month ending June 30th. School enrollment is based on the Final ADM per NCDPI.

BUNCOMBE COUNTY
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

MANUFACTURING

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

Continued on Next Page

Demographic and Economic
Schedule 15 (continued)

NON-MANUFACTURING

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

* 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)

NOTE: Many of the top employers for manufacturing have changed in the past 10 years. Therefore, many companies that were top employers in 2014 are not in business in 2023 and many companies that are top employers in 2023 were not here in 2014.

ASHEVILLE CITY SCHOOLS
NUMBER OF PERSONNEL
Last Ten Fiscal Years

Year Ended June 30:	Certified Personnel	Other Operating Personnel	Total	Final Average Daily Membership	Ratio of Pupils to Certified Personnel
2023	454	207	661	3,990	8.8
2022	475	185	660	4,099	8.6
2021	477	232	709	4,121	8.6
2020	482	236	718	4,297	8.9
2019	464	258	722	4,281	9.2
2018	436	250	686	4,346	10.0
2017	399	288	687	4,421	11.1
2016	402	299	701	4,396	10.9
2015	402	306	708	4,295	10.7
2014	399	298	697	4,221	10.6

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2014 through 2023.

ASHEVILLE CITY SCHOOLS
OPERATING STATISTICS
Last Ten Fiscal Years

Fiscal Year	Final Average Daily Membership	Final Average Daily Attendance	Per Pupil Expenditure	North Carolina Per Pupil Expenditure Rank	Students Receiving Free or Reduced Price Meals	Student Racial/Ethnic Composition		
						Black	White	Other
2023	3,990	3,667	\$16,568	Eighteenth	42.07%	18.76%	62.39%	18.86%
2022	4,099	3,765	15,277	Seventeenth	31.98%	18.47%	63.53%	18.00%
2021	4,121	3,935	14,277	Eleventh	N/A	18.13%	63.05%	18.82%
2020	4,297	4,114	13,055	Eighth	37.90%	18.22%	63.44%	18.82%
2019	4,281	4,096	13,394	Eleventh	36.70%	20.00%	62.80%	17.20%
2018	4,346	4,096	12,790	Tenth	38.40%	20.30%	63.10%	16.60%
2017	4,421	4,183	11,601	Fourteenth	39.80%	22.40%	60.60%	17.00%
2016	4,396	4,164	11,150	Seventeenth	43.20%	22.80%	61.20%	16.00%
2015	4,295	4,066	11,260	Fifteenth	43.70%	23.60%	60.80%	15.60%
2014	4,221	4,002	11,213	Ninth	46.50%	23.50%	60.90%	15.60%

Source:

Free and Reduced Price Meals: Asheville City Schools Child Nutrition Department.

Information other than Free and Reduced Price Meals: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instructions, 2014 through 2023.

Note 1: The amounts shown for per pupil expenditures represent the per pupil expenditures as computed and reported by the North Carolina Department of Public Instruction (NCDPI). NCDPI computes this statistic by dividing current expense expenditures by average daily membership. Consequently, capital expense expenditures and certain other expenditures (community services, Head Start, and inter/intra fund transfers) are excluded to improve the comparability of per pupil expenditures between fiscal years and between other North Carolina school districts. The computation is considered the official per pupil expenditure reported for the Asheville City Schools.

N/A - No free and reduced applications were completed by students in FY 21. All students received free meals due to the COVID19 pandemic

ASHEVILLE CITY SCHOOLS
TEACHERS' SALARIES
Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2023	\$ 40,330	\$ 97,102	\$ 51,541
2022	38,150	94,559	62,918
2021	38,150	93,099	53,956
2020	38,150	86,008	53,707
2019	38,150	79,966	53,665
2018	38,150	83,294	51,113
2017	37,975	83,294	49,316
2016	37,975	78,352	47,599
2015	35,805	74,306	47,921
2014	33,418	69,674	43,396

Source: Asheville City Schools Payroll Data

Note: Reflects salary earned during 10 months of regular school year only and includes both salary amount certified by the State of North Carolina and a local supplement paid by the Asheville City Schools.

ASHEVILLE CITY SCHOOLS
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 19

School Name	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Elementary:										
Asheville Primary School										
Square Feet	59,132	59,132	59,132	59,132	59,132	59,132	See below	See below	See below	See below
First month membership	0	102	102	103	104	47	See below	See below	See below	See below
Claxton										
Square Feet	81,193	81,193	81,193	81,193	81,193	81,193	81,193	81,193	81,193	81,193
First month membership	394	408	408	430	430	473	493	478	469	450
Dickson (see below):										
Square Feet	77,169	77,169	77,169	77,169	77,169	77,169	77,169	77,169	77,169	77,169
First month membership	399	411	411	430	432	491	525	508	488	465
Hall Fletcher										
Square Feet	88,205	88,205	88,205	88,205	88,205	88,205	88,205	88,205	88,205	88,205
First month membership	283	267	267	318	318	315	347	392	349	347
Jones										
Square Feet	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,730	85,730
First month membership	356	372	372	416	416	448	501	498	482	444
Vance										
Square Feet	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665
First month membership	280	312	312	349	350	422	470	467	464	462
Middle:										
Asheville Middle										
Square Feet	174,695	174,695	174,695	174,695	174,695	174,695	174,695	170,418	170,418	170,418
First month membership	584	668	668	661	662	769	796	704	721	747

ASHEVILLE CITY SCHOOLS
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 19 (continued)

School Name	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Middle/High:										
Montford North Star Academy, Formerly Randolph Learning Center/William Randolph School:										
Square Feet	57,374	57,374	57,374	57,374	57,374	57,374	See below	See below	See below	See below
First month membership	222	229	229	220	221	82	See below	See below	See below	See below
Asheville High/SILSA:										
Square Feet	354,803	354,803	354,803	354,803	354,803	354,803	367,803	367,803	367,803	367,803
First month membership	1,490	1,094	1,094	1,049	1,380	1,374	1,372	1,376	1,385	1,332

Sources: Asheville City Schools Records

Notes: During 2014, students participating in the alternative program at William Randolph School were considered Asheville Middle School and Asheville High School students and were included in the appropriate first month membership for those schools. Beginning in school year 2014, the William Randolph School campus was used to house Dickson Elementary students during the construction of a new Dickson Elementary school and the William Randolph School students were returned to their respective home campuses.

2017 marked the beginning of new school buildings for Dickson Elementary School and Asheville Middle School.

2018 included the first year of operation for Asheville Primary School & Montford North Star Academy along with the destruction of the former ROTC building on the Asheville High School campus.

2023 Building G replaced the former ROTC building on the Asheville High School campus. Asheville Primary School was closed.



ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

ASHEVILLE CITY BOARD OF EDUCATION



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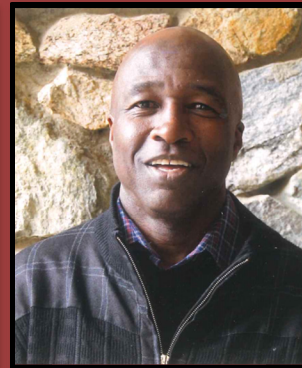
LIZA
KELLY



REBECCA
STRIMER



SARAH
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MISSION

Asheville City Schools will create learning environments that ensure Excellence with Equity for all students.

VISION

Empower and Engage Every Child to Learn - Discover - Thrive.