

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

2022  
ANNUAL REPORT  
FOR THE YEAR ENDED JUNE 30

ASHEVILLE  
CITY  
SCHOOLS  
Asheville, NC

Asheville High School



# ASHEVILLE CITY SCHOOLS

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Annual Comprehensive Financial Report of  
the  
**Asheville City Schools**

Asheville, North Carolina  
For the Fiscal Year Ended June 30, 2022



ASHEVILLE CITY SCHOOLS

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Prepared by Finance Department  
Georgia Harvey, Executive Director of Finance  
Christy House, CSBM, Financial Services Manager



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ASHEVILLE CITY SCHOOLS

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**INTRODUCTORY SECTION**



# ASHEVILLE CITY SCHOOLS

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LETTER OF TRANSMITTAL

December 8, 2022

**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 Comprehensive Annual Financial Report of the Asheville City Board of Education (Board), operating as the "Asheville City Schools," for the fiscal year ended June 30, 2022, is herewith submitted. Responsibility for the accuracy, completeness, and clarity of the report rests with the Superintendent and the Executive Director of Finance.

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 2022, the Board operated ten 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; one primary school; and several alternative classrooms/programs including the preschool program. The average daily membership for the 2021-22 school year was 4,100 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.

The Asheville City Council (City) is responsible for appointing the members of the Board for Asheville City Schools, but the City's accountability for the Board does not extend beyond making those appointments. 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 manufacturing presence, a popular tourism industry, and a thriving arts and culture industry. Buncombe County's average unemployment rate for fiscal year 2021-22 was estimated at 3.2%. The Buncombe County unemployment rate decreased from 4.3% in July 2021 to 2.9% in July 2022. Buncombe County's July 2022 unemployment rate of 2.9% was below both the state (3.7%) and national (3.8%) unemployment rates at that time.

The Asheville Metro gained approximately 6,300 total nonfarm jobs in July 2021-22, a year-over-year gain of 3.3%. Starting in March 2022, the Asheville Metro's total nonfarm employment exceeded 2019 (pre-pandemic) levels of employment. A record employment level, at least through fiscal year 2021-22, was set in May 2022 at 201,400. July 2021-22 major industry employment gains were led by Professional and Business Services (+2,000 jobs) and Retail Trade (+1,800). Leisure and Hospitality was the only major industry to experience a decline in employment, with 400 fewer jobs in July 2022 than in July 2021.

For the housing market in the Asheville Metro, closed sales decreased year-over-year and prices continued to rise. July 2021-22 year-over-year closed home sales were down 23% and the average price of homes increased from \$433,554 to \$514,607 (+19%). Days on Market Until Sale have dropped 19% from 26 days in July 2021 to 21 days in July 2022.

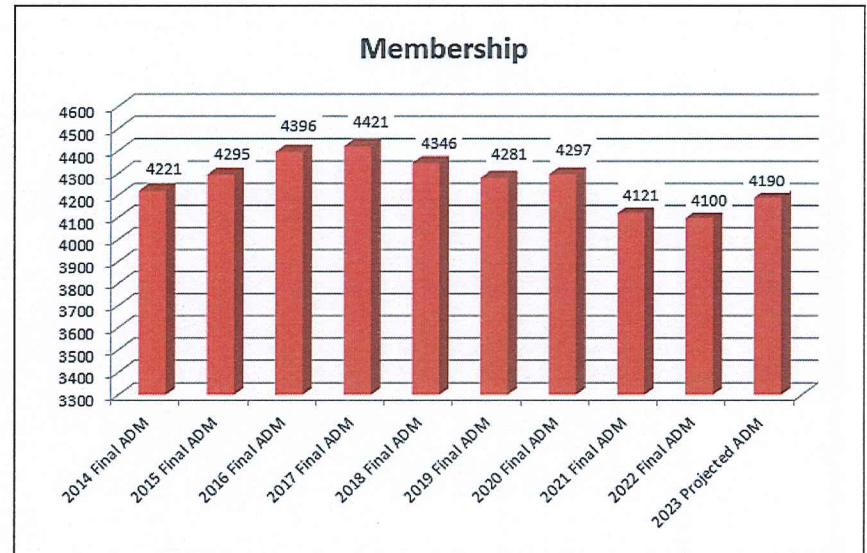
While operating within the above economic environment, Asheville City Schools has continued to enjoy the commitment to quality education for its citizens and the Buncombe County Commissioners have demonstrated that by their level of support and funding. For fiscal year 2022, county general appropriation funding increased 11.6%, from \$12,679,492 to \$14,153,775. This trend continued into fiscal year 2023 with a 7.9% increase, bringing the total county general appropriation to over \$15.3 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 2022. As many state funding formulas are driven by student population, this would normally equate to Asheville City Schools receiving a decrease in funding through the State Public School Fund for fiscal year 2022. Due to the impact of COVID-19, NCDPI held districts harmless for reduced enrollment this year. Following is a graph comparing final average daily membership for fiscal years 2014 through 2022 and projected average daily membership for fiscal year 2023. This projected ADM did not take



into consideration the impact of COVID-19 on membership. Actual membership for 2023 is expected to be less.

## **MAJOR ACCOMPLISHMENTS AND INITIATIVES**

Dr. Gene Freeman resigned as Superintendent of Asheville City Schools near the end of the 2021-22 school year. The year contained a number of milestones for Asheville City Schools focusing on early childhood, academic achievement and the whole child all while continuing to navigate a myriad of challenges brought on by COVID-19.

- The District's high school graduation rate for the Class of 2022 was 93.5 percent.
- 15.9% 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 2022.
- 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 20th class while celebrating 23 years of AVID. Just as every other class had achieved over the years, every 2022 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, 2022, 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, 2022, 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.

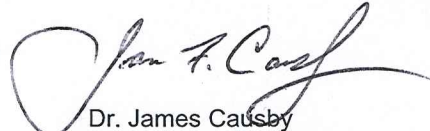
## **FINANCIAL REPORTING AWARDS**

Each year since 1985, the Asheville City Schools' Comprehensive Annual 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

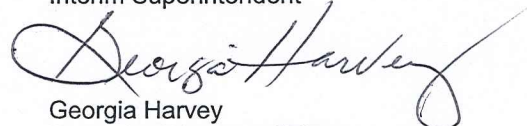
Achievement for Excellence in Financial Reporting for the past thirty-five years. These awards are made to governmental units that publish a comprehensive annual financial report that is easily readable, efficiently organized, and conform to program standards as well as satisfy accounting principles 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, 2022.

#### 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.



Dr. James Causby  
Interim Superintendent



Georgia Harvey  
Executive Director of Finance



Christy W. House, CSBD  
Financial Services Manager

Respectfully submitted,



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, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**President**

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
**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, 2021

*Christopher P. Morill*

Executive Director/CEO

## Asheville City Board of Education

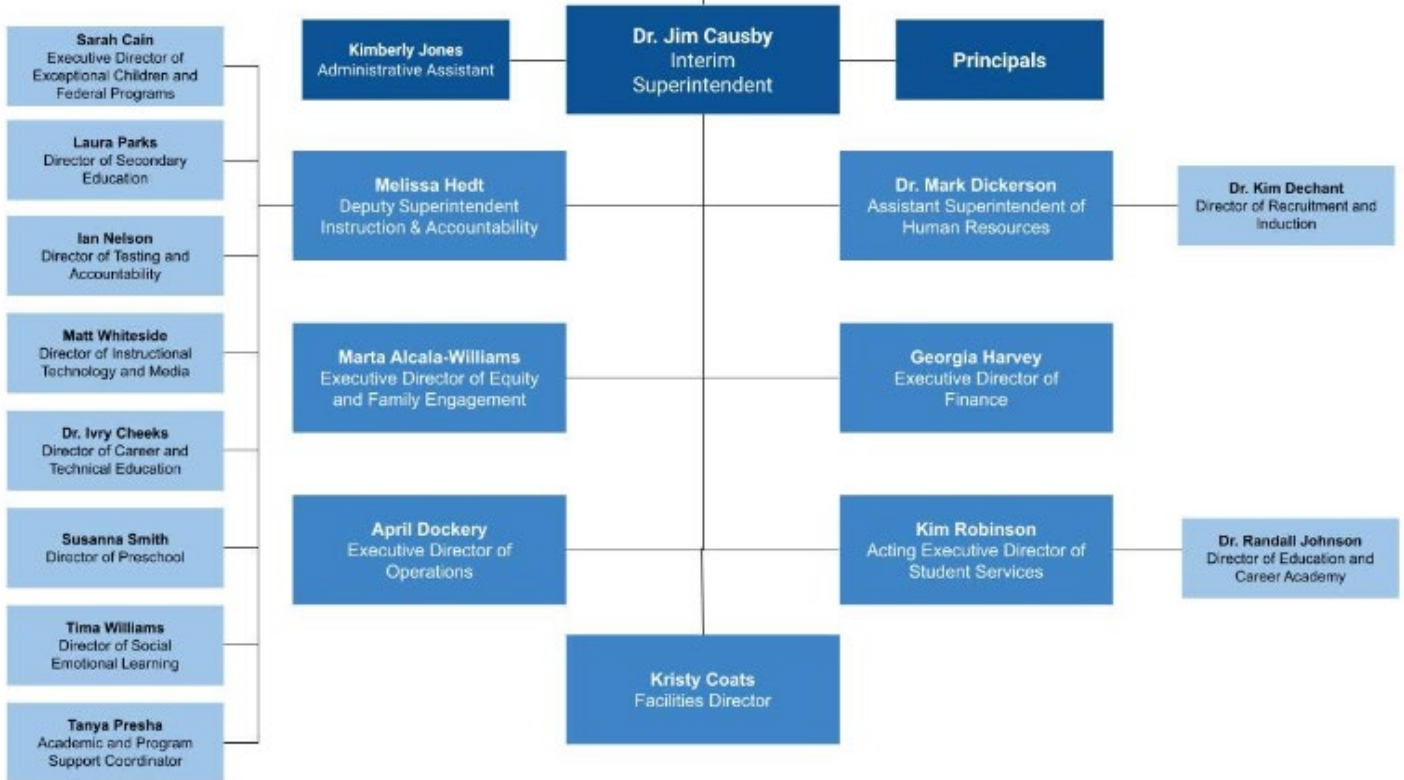
James C. Carter - Chair

Martha Geitner - Vice Chair

Shaunda Sandford

Peyton O'Conner

George Sieburg







ASHEVILLE CITY SCHOOLS

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**FINANCIAL SECTION**



# ASHEVILLE CITY SCHOOLS

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ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **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, 2022 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, 2022, 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 OPEB Asset and the Schedule of Board Contributions on pages 49 through 54, 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 combining fund financial statements and individual fund budgetary 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, the combining fund financial statements and individual fund budgetary 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 19, 2022 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.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance of them.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our 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 19, 2022  
Elon, North Carolina  
(336) 380-4123

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

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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, 2022. 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 \$6,228,825.
- The Board's total net position increased by \$11,626,753.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$18,698,012, an increase of \$5,815,917.

***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, 2022**

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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 one fiduciary fund – the Custodial Fund. Since the resources

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

of the Custodial Fund 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 \$6,228,825 as of June 30, 2022, an increase of \$11,626,753 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 \$76,628,748 at June 30, 2022.

Following is a summary of the statement of Net Position:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Current assets	\$ 19,609,727	\$ 13,431,799	\$ 645,209	\$ 4,461	\$ 20,254,936	\$ 13,436,260
Capital assets	78,124,340	81,051,069	504,408	519,492	78,628,748	81,570,561
Total assets	<u>97,734,067</u>	<u>94,482,868</u>	<u>1,149,617</u>	<u>523,953</u>	<u>98,883,684</u>	<u>95,006,821</u>
Deferred outflow s of resources	<u>20,357,972</u>	<u>18,714,842</u>	<u>259,132</u>	<u>240,639</u>	<u>20,617,104</u>	<u>18,955,481</u>
Current liabilities	877,937	444,915	40,681	39,229	918,618	484,144
Long-term liabilities	77,435,841	90,237,429	990,612	1,159,037	78,426,453	91,396,466
Total liabilities	<u>78,313,778</u>	<u>90,682,344</u>	<u>1,031,293</u>	<u>1,198,266</u>	<u>79,345,071</u>	<u>91,880,610</u>
Deferred inflow s of resources	<u>33,500,471</u>	<u>27,130,766</u>	<u>426,421</u>	<u>348,854</u>	<u>33,926,892</u>	<u>27,479,620</u>
Net investment in capital assets	78,124,340	81,029,067	504,408	519,492	78,628,748	81,548,559
Restricted net position	7,209,074	6,264,453	430	1,347	7,209,504	6,265,800
Unrestricted net position	<u>(79,055,624)</u>	<u>(91,908,920)</u>	<u>(553,803)</u>	<u>(1,303,367)</u>	<u>(79,609,427)</u>	<u>(93,212,287)</u>
Total net position	<u>\$ 6,277,790</u>	<u>\$ (4,615,400)</u>	<u>\$ (48,965)</u>	<u>\$ (782,528)</u>	<u>\$ 6,228,825</u>	<u>\$ (5,397,928)</u>

Note that net position of governmental activities increased by approximately \$10,900,000 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.



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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 1,353,374	\$ 777,303	\$ 115,888	\$ 30,367	\$ 1,469,262	\$ 807,670
Operating grants and contributions	38,445,357	32,201,439	2,458,607	1,429,089	40,903,964	33,630,528
Capital grants and contributions	22,002	424,422	55,979	24,175	77,981	448,597
General revenues:						
Buncombe County	17,519,452	15,439,137	-	-	17,519,452	15,439,137
Supplemental school tax	11,303,234	10,794,794	-	-	11,303,234	10,794,794
Local option sales tax	4,358,864	3,671,828	-	-	4,358,864	3,671,828
Other revenues	3,641,586	2,296,403	1,792	-	3,643,378	2,296,403
<b>Total revenues</b>	<b>76,643,869</b>	<b>65,605,326</b>	<b>2,632,266</b>	<b>1,483,631</b>	<b>79,276,135</b>	<b>67,088,957</b>
Expenses:						
Governmental activities:						
Instructional services	50,813,201	50,017,774	-	-	50,813,201	50,017,774
System-wide support services	12,659,060	13,093,494	-	-	12,659,060	13,093,494
Ancillary services	346,004	298,290	-	-	346,004	298,290
Non-programmed charges	1,654,098	1,382,153	-	-	1,654,098	1,382,153
Unallocated depreciation	207,582	315,101	-	-	207,582	315,101
Business-type activities:						
Child Nutrition	-	-	1,969,437	1,972,621	1,969,437	1,972,621
<b>Total expenses</b>	<b>65,679,945</b>	<b>65,106,812</b>	<b>1,969,437</b>	<b>1,972,621</b>	<b>67,649,382</b>	<b>67,079,433</b>
Excess (deficiency)						
before transfers	10,963,924	498,514	662,829	(488,990)	11,626,753	9,524
Transfers in (out)	(70,734)	(47,924)	70,734	47,924	-	-
Change in net position	10,893,190	450,590	733,563	(441,066)	11,626,753	9,524
Beginning net position	(4,615,400)	(5,065,990)	(782,528)	(341,462)	(5,397,928)	(5,407,452)
<b>Ending net position</b>	<b>\$ 6,277,790</b>	<b>\$ (4,615,400)</b>	<b>\$ (48,965)</b>	<b>\$ (782,528)</b>	<b>\$ 6,228,825</b>	<b>\$ (5,397,928)</b>

Governmental activities generated revenues of \$76.6 million for fiscal year 2022 compared to \$65.6 million for the previous year. Governmental activities expenses totaled \$65.7 million for fiscal year 2022 compared to \$65.1 million for the previous year. After transfers to the business-type activities, the increase in net position stands at approximately \$10,900,000 at June 30, 2022 compared to an increase of \$450,000 in 2021.

County funding comprised 22.9% of total governmental revenues in fiscal year 2022 and 23.5% in fiscal year 2021, maintaining close consistency with the previous year. The amount of the Asheville City

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

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Schools supplemental city school tax received was 14.7% of total governmental revenues for the year. Much of the remaining governmental revenues consist of restricted state and federal money. Instructional expenses comprised 77.4% of total governmental expenses for fiscal year 2022 compared to 76.8% for fiscal year 2021. Support services accounted for 19.3% and 20.1% of expenses in fiscal years 2022 and 2021, respectively.

Business-type activities generated revenues of approximately \$2.6 million for fiscal year 2022 and \$1.5 million for fiscal year 2021. At the same time, expenses for the business-type activities were approximately \$2.0 million for fiscal year 2022 and 2021. Thus, net position increased in the business-type activities by \$733,563, after transfers in from the governmental activities of \$70,734.

**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, 2022 and 2021 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, 2022 and 2021**

	2022				Total
	General Fund	Other Special Revenue Fund	Capital Outlay Fund	Individual Schools Fund	
Fund balances:					
Restricted	\$ 61,527	\$ 1,171,459	\$ 4,940,706	\$ 1,001,604	\$ 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>3,694,010</u>	<u>4,940,706</u>	<u>1,001,604</u>	<u>18,698,012</u>
	2021				Total
	General Fund	Other Special Revenue Fund	Capital Outlay Fund	Individual Schools Fund	
Fund balances:					
Restricted	\$ 273,742	\$ 973,782	\$ 4,016,887	\$ 895,253	\$ 6,159,664
Assigned	3,500,000	1,331,807	-	-	4,831,807
Unassigned	1,890,624	-	-	-	1,890,624
Total	<u>5,664,366</u>	<u>2,305,589</u>	<u>4,016,887</u>	<u>895,253</u>	<u>12,882,095</u>

All funds 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 \$5.8 million.

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

Proprietary Fund: The Board's proprietary fund reflected an increase in net position of \$733,563 after transfers for 2022 compared to a decrease of \$441,066 after transfers for 2021.

**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.

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Land	\$ 1,307,576	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576	\$ 1,307,576
Land improvements	2,436,988	2,578,957	-	-	2,436,988	2,578,957
Buildings	72,654,745	75,459,350	-	-	72,654,745	75,459,350
Equipment and furniture	1,146,076	1,148,480	504,408	519,492	1,650,484	1,667,972
Vehicles	578,955	556,706	-	-	578,955	556,706
Total	<u>\$ 78,124,340</u>	<u>\$ 81,051,069</u>	<u>\$ 504,408</u>	<u>\$ 519,492</u>	<u>\$ 78,628,748</u>	<u>\$ 81,570,561</u>

Capital assets decreased \$2,941,813 or (3.6%) 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 2022, 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 provided step increases for teachers who earned a year of experience.
- The retirement matching rate as set by the North Carolina General Assembly increased from 22.89% to 24.50%

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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- The annual cost of employer provided hospitalization insurance increased from \$7,019 to \$7,397, per employee.
- The Asheville City Schools supplemental tax rate for 2022 is set at 10.62 cents per \$100 of assessed taxable valuation. An increase of \$116,591 is projected.

***Impact of Coronavirus on School***

During the fiscal year, the state and nation continued to be affected by the coronavirus (COVID-19) pandemic. Educational services returned to the traditional classroom environment. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment, remote learning educational tools, learning loss remediation as a result of the online learning challenges and an increase in salaries due to Board's expansions of summer school programs and hiring, retention and COVID-19 bonuses. The Board received significant grants from the federal government to assist with these additional expenses incurred due to the world-wide pandemic.

***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:

Georgia Harvey, Executive Director of Finance  
Asheville City Schools  
P. O. Box 7347  
Asheville, NC 28802

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 17,433,152	\$ 398,023	\$ 17,831,175
Due from other governments	2,128,337	72,792	2,201,129
Receivables	14,460	2,738	17,198
Net OPEB asset	33,778	430	34,208
Inventories	-	171,226	171,226
Capital assets:			
Land and construction in progress	1,307,576	-	1,307,576
Other capital assets, net of depreciation	76,816,764	504,408	77,321,172
Total capital assets	78,124,340	504,408	78,628,748
Total assets	97,734,067	1,149,617	98,883,684
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	20,357,972	259,132	20,617,104
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	706,601	3,211	709,812
Unearned revenues	171,336	37,470	208,806
Long-term liabilities:			
Net pension liability	10,862,567	138,268	11,000,835
Net OPEB liability	63,641,835	810,085	64,451,920
Due within one year	1,466,218	24,651	1,490,869
Due in more than one year	1,465,221	17,608	1,482,829
Total liabilities	78,313,778	1,031,293	79,345,071
<b>DEFERRED INFLOWS OF RESOURCES</b>	33,500,471	426,421	33,926,892
<b>NET POSITION</b>			
Net investment in capital assets	78,124,340	504,408	78,628,748
Restricted for:			
Individual school activities	1,001,604	-	1,001,604
Stabilization by State statute	1,232,986	-	1,232,986
School Capital Outlay	4,940,706	-	4,940,706
DIPNC OPEB plan	33,778	430	34,208
Unrestricted	(79,055,624)	(553,803)	(79,609,427)
Total net position	\$ 6,277,790	\$ (48,965)	\$ 6,228,825

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

Functions/Programs	<i>Exhibit 2</i>						Total
	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Primary Government					
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
<b>Primary government:</b>							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 31,427,707	142,552	\$ 22,815,063	\$ -	\$ (8,470,092)	\$ -	\$ (8,470,092)
Special populations	5,966,587	-	5,292,881	-	(673,706)	-	(673,706)
Alternative programs	4,884,709	586,198	2,851,815	-	(1,446,696)	-	(1,446,696)
School leadership	3,127,300	-	1,577,595	-	(1,549,705)	-	(1,549,705)
Co-curricular services	790,442	624,624	4,274	-	(161,544)	-	(161,544)
School-based support	4,616,456	-	2,905,583	-	(1,710,873)	-	(1,710,873)
System-wide support services							
Support and development	557,450	-	269,447	-	(288,003)	-	(288,003)
Special population support and development	345,702	-	332,901	-	(12,801)	-	(12,801)
Alternative programs	251,148	-	79,545	-	(171,603)	-	(171,603)
Technology support	1,105,353	-	99,079	-	(1,006,274)	-	(1,006,274)
Operational support	6,710,501	-	1,232,782	22,002	(5,455,717)	-	(5,455,717)
Financial and human resource services	104,926	-	496,614	-	391,688	-	391,688
Accountability	657,907	-	1,077	-	(656,830)	-	(656,830)
System-wide pupil support	1,399,605	-	128,091	-	(1,271,514)	-	(1,271,514)
Policy, leadership and public relations	1,526,468	-	282,673	-	(1,243,795)	-	(1,243,795)
Ancillary services	346,004	-	75,937	-	(270,067)	-	(270,067)
Non-programmed charges	1,654,098	-	-	-	(1,654,098)	-	(1,654,098)
Unallocated depreciation expense**	207,582	-	-	-	(207,582)	-	(207,582)
Total governmental activities	<u>65,679,945</u>	<u>1,353,374</u>	<u>38,445,357</u>	<u>22,002</u>	<u>(25,859,212)</u>	<u>-</u>	<u>(25,859,212)</u>
Business-type activities:							
School food service	1,969,437	115,888	2,458,607	55,979	-	661,037	661,037
Total primary government	<u>\$ 67,649,382</u>	<u>\$ 1,469,262</u>	<u>\$ 40,903,964</u>	<u>\$ 77,981</u>	<u>(25,859,212)</u>	<u>661,037</u>	<u>(25,198,175)</u>
General revenues:							
Unrestricted county appropriations - operating					14,153,775	-	14,153,775
Unrestricted county appropriations - capital					3,365,677	-	3,365,677
Supplemental city school tax					11,303,234	-	11,303,234
Local option sales tax					4,358,864	-	4,358,864
Investment earnings, unrestricted					6,768	-	6,768
Miscellaneous, unrestricted					3,634,818	1,792	3,636,610
Transfers					(70,734)	70,734	-
Total general revenues and transfers					<u>36,752,402</u>	<u>72,526</u>	<u>36,824,928</u>
Change in net position					10,893,190	733,563	11,626,753
Net position-beginning					(4,615,400)	(782,528)	(5,397,928)
Net position-ending					<u>\$ 6,277,790</u>	<u>\$ (48,965)</u>	<u>\$ 6,228,825</u>

\*\* 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, 2022**

*Exhibit 3*

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,691,906	\$ -	\$ 999,536	\$ 4,041,571	\$ 2,700,139	\$ -	\$ 17,433,152
Receivables	7,651	-	2,068	-	4,741	-	14,460
Due from other governments	53,876	-	-	907,743	1,166,718	-	2,128,337
Total assets	<u>\$ 9,753,433</u>	<u>\$ -</u>	<u>\$ 1,001,604</u>	<u>\$ 4,949,314</u>	<u>\$ 3,871,598</u>	<u>\$ -</u>	<u>\$ 19,575,949</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 691,741	\$ -	\$ -	\$ 8,608	\$ 6,252	\$ -	\$ 706,601
Earned revenues	-	-	-	-	171,336	-	171,336
Total liabilities	<u>691,741</u>	<u>-</u>	<u>-</u>	<u>8,608</u>	<u>177,588</u>	<u>-</u>	<u>877,937</u>
Fund balances:							
Restricted:							
Stabilization by State statute	61,527	-	-	-	1,171,459	-	1,232,986
School capital outlay	-	-	-	4,940,706	-	-	4,940,706
Individual schools	-	-	1,001,604	-	-	-	1,001,604
Assigned:							
Special revenues	-	-	-	-	2,522,551	-	2,522,551
Subsequent year's expenditures	2,500,000	-	-	-	-	-	2,500,000
Unassigned	6,500,165	-	-	-	-	-	6,500,165
Total fund balances	<u>9,061,692</u>	<u>-</u>	<u>1,001,604</u>	<u>4,940,706</u>	<u>3,694,010</u>	<u>-</u>	<u>18,698,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,753,433</u>	<u>\$ -</u>	<u>\$ 1,001,604</u>	<u>\$ 4,949,314</u>	<u>\$ 3,871,598</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.	\$ 78,124,340
Net OPEB asset	33,778
Deferred outflows of resources related to pensions.	10,905,513
Deferred outflows of resources related to OPEB	9,452,459
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(2,931,439)
Net pension liability	(10,862,567)
Net OPEB liability	(63,641,835)
Deferred inflows of resources related to OPEB	(18,560,021)
Deferred inflows of resources related to pensions	(14,940,450)
Net position of governmental activities	<u>\$ 6,277,790</u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 4**

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 29,781,068	\$ -	\$ 48,124	\$ 733,657	\$ -	\$ 30,562,849
Buncombe County	14,153,775	-	-	3,365,677	-	-	17,519,452
U.S. Government	-	1,080,926	-	223,200	-	8,396,303	9,700,429
Supplemental city school tax	11,303,234	-	-	-	-	-	11,303,234
Local option sales tax	-	-	-	-	4,358,864	-	4,358,864
Other	188,896	-	624,624	57,093	2,333,335	-	3,203,948
Total revenues	25,645,905	30,861,994	624,624	3,694,094	7,425,856	8,396,303	76,648,776
<b>EXPENDITURES</b>							
<b>Current:</b>							
Instructional services:							
Regular instructional	5,105,726	19,333,979	484,848	34,635	2,205,399	3,481,084	30,645,671
Special populations	662,134	4,419,794	-	-	722,896	873,087	6,677,911
Alternative programs	999,303	734,297	-	-	1,458,186	2,117,518	5,309,304
School leadership	1,659,037	1,577,595	-	-	314,961	-	3,551,593
Co-curricular services	273,070	-	599,373	20,487	-	4,274	897,204
School-based support	1,158,801	2,412,694	-	813,125	309,851	492,889	5,187,360
System-wide support services:							
Support and development	294,246	268,772	-	-	69,388	675	633,081
Special population support and development	14,265	119,240	-	-	21,411	213,661	368,577
Alternative programs and services	198,636	3,337	-	-	3,721	76,208	281,902
Technology support	1,052,509	69,546	-	-	81,908	29,533	1,233,496
Operational support	5,509,161	1,038,708	-	292,514	414,756	194,074	7,449,213
Financial and human resource services	979,667	390,249	-	-	109,850	106,365	1,586,131
Accountability	107,855	1,077	-	-	10,230	-	119,162
System-wide pupil support	558,836	128,091	-	-	60,241	-	747,168
Policy, leadership and public relations	1,310,715	252,761	-	2,005	138,176	29,912	1,733,569
Ancillary services	144,572	45,785	-	55,978	116,461	30,152	392,948
Non-programmed charges:							
Payments to charter schools	1,654,098	-	-	-	-	-	1,654,098
Other	-	-	-	-	-	746,871	746,871
<b>Debt service:</b>							
Principal payments	-	-	-	22,002	-	-	22,002
<b>Capital outlay</b>							
Total expenditures	21,682,631	30,795,925	1,084,221	2,765,610	6,037,435	8,396,303	70,762,125
Revenues over (under) expenditures	3,963,274	66,069	(459,597)	928,484	1,388,421	-	5,886,651
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	-	-	565,948	-	-	-	565,948
Transfers to other funds	(565,948)	(66,069)	-	(4,665)	-	-	(636,682)
Total other financing sources (uses)	(565,948)	(66,069)	565,948	(4,665)	-	-	(70,734)
Net change in fund balance	3,397,326	-	106,351	923,819	1,388,421	-	5,815,917
Fund balances-beginning	5,664,366	-	895,253	4,016,887	2,305,589	-	12,882,095
Fund balances-ending	\$ 9,061,692	\$ -	\$ 1,001,604	\$ 4,940,706	\$ 3,694,010	\$ -	\$ 18,698,012



**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 4**  
**(Continued)**

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

Net changes in fund balances - total governmental funds	\$ 5,815,917
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 depreciation exceeded capital outlays in the current period.	(2,921,822)
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	2,372,239
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	6,090,483
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	384,952
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	22,002
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	(2,672,690)
Net OPEB expense	1,763,487
Compensated absences	43,529
Loss on disposal of assets	(4,907)
	<hr/>
Total changes in net position of governmental activities	<u>\$ 10,893,190</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, 2022**

**Exhibit 5**

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	13,127,687	13,445,324	14,153,775	708,451
U.S. Government	-	-	-	-
Supplemental city school tax	11,109,987	11,109,987	11,303,234	193,247
Local option sales tax	-	-	-	-
Other	175,311	175,311	188,896	13,585
Total revenues	<u>24,412,985</u>	<u>24,730,622</u>	<u>25,645,905</u>	<u>915,283</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	15,937,003	16,254,640	9,858,071	6,396,569
System-wide support services	10,157,921	10,157,921	10,025,890	132,031
Ancillary services	218,061	218,061	144,572	73,489
Non-programmed charges:				
Payments to charter schools	<u>1,600,000</u>	<u>1,900,000</u>	<u>1,654,098</u>	<u>245,902</u>
Total expenditures	<u>27,912,985</u>	<u>28,530,622</u>	<u>21,682,631</u>	<u>6,847,991</u>
Revenues over (under) expenditures	(3,500,000)	(3,800,000)	3,963,274	7,763,274
Other financing sources uses:				
Transfers to other funds	<u>(565,948)</u>	<u>(565,948)</u>	<u>(565,948)</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(4,065,948)	(4,365,948)	3,397,326	7,763,274
Appropriated fund balance	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>	<u>3,500,000</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ (565,948)</u>	<u>\$ (865,948)</u>	<u>3,397,326</u>	<u>\$ 4,263,274</u>
Fund balances, beginning of year			<u>5,664,366</u>	
Fund balances, end of year			<u>\$ 9,061,692</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, 2022**

*Exhibit 5 (Continued)*

	<b>State Public School Fund</b>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 30,490,226	\$ 32,566,166	\$ 29,781,068	\$ (2,785,098)
Buncombe County	-	-	-	-
U.S. Government	-	-	1,080,926	1,080,926
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>30,490,226</u>	<u>32,566,166</u>	<u>30,861,994</u>	<u>(1,704,172)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	28,221,375	29,959,356	28,478,359	1,480,997
System-wide support services	2,201,643	2,493,817	2,271,781	222,036
Ancillary services	-	45,785	45,785	-
Non-programmed charges	-	-	-	-
Total expenditures	<u>30,423,018</u>	<u>32,498,958</u>	<u>30,795,925</u>	<u>1,703,033</u>
Revenues over (under) expenditures	67,208	67,208	66,069	(1,139)
Other financing sources uses:				
Transfers to other funds	<u>(67,208)</u>	<u>(67,208)</u>	<u>(66,069)</u>	<u>1,139</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<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, 2022**

**Exhibit 5 (Continued)**

	<b>Federal Grants Fund</b>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	-	-	-	-
U.S. Government	11,635,795	14,828,238	8,396,303	(6,431,935)
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>11,635,795</u>	<u>14,828,238</u>	<u>8,396,303</u>	<u>(6,431,935)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	7,877,696	11,935,897	6,968,852	4,967,045
System-wide support services	3,343,304	1,997,627	650,428	1,347,199
Ancillary services	414,795	30,153	30,152	1
Non-programmed charges	-	864,561	746,871	117,690
Total expenditures	<u>11,635,795</u>	<u>14,828,238</u>	<u>8,396,303</u>	<u>6,431,935</u>
Revenues over (under) expenditures	-	-	-	-
Other financing sources uses:				
Transfers to other funds	-	-	-	-
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 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, 2022**

*Exhibit 5 (Continued)*

	<b>Other Special Revenue Fund</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ 794,085	\$ 734,251	\$ 733,657	\$ (594)
Buncombe County	-	-	-	-
U.S. Government	-	-	-	-
Supplemental city school tax	-	-	-	-
Local option sales tax	3,650,434	3,650,434	4,358,864	708,430
Other	576,868	1,964,934	2,333,335	368,401
Total revenues	<u>5,021,387</u>	<u>6,349,619</u>	<u>7,425,856</u>	<u>1,076,237</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	5,156,223	6,109,455	5,011,293	1,098,162
System-wide support services	844,659	1,219,659	909,681	309,978
Ancillary services	116,841	116,841	116,461	380
Non-programmed charges	-	-	-	-
Total expenditures	<u>6,117,723</u>	<u>7,445,955</u>	<u>6,037,435</u>	<u>1,408,520</u>
Revenues over (under) expenditures	(1,096,336)	(1,096,336)	1,388,421	2,484,757
Appropriated fund balance	<u>1,096,336</u>	<u>1,096,336</u>	-	<u>1,096,336</u>
Revenue and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,388,421	<u>\$ 1,388,421</u>
Fund balances, beginning of year			<u>2,305,589</u>	
Fund balances, end of year			<u>\$ 3,694,010</u>	

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**June 30, 2022**

**Exhibit 6**

	<u>Enterprise Funds</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 398,023
Due from other governments	72,792
Receivables (net)	2,738
OPEB asset	430
Inventories	171,226
Total current assets	<u>645,209</u>
Noncurrent assets:	
Capital assets, net	504,408
Total assets	<u>1,149,617</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>259,132</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	3,211
Compensated absences	24,651
Unearned revenues	37,470
Total current liabilities	<u>65,332</u>
Noncurrent liabilities:	
Net pension liability	138,268
Net OPEB liability	810,085
Compensated absences	17,608
Total liabilities	<u>1,031,293</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>426,421</u>
<b>NET POSITION</b>	
Net investment in capital assets	504,408
DIPNC OPEB plan	430
Unrestricted	(553,803)
Total net position	<u>\$ (48,965)</u>

The accompanying notes are an integral part of the basic financial statements.

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**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit 7**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
<b>OPERATING REVENUES</b>	
Food sales	\$ 115,888
<b>OPERATING EXPENSES</b>	
Purchase of food	787,443
Salaries and benefits	919,481
Indirect costs	77,831
Materials and supplies	67,051
Contracted services	16,867
Depreciation	71,063
Other	29,701
Total operating expenses	<u>1,969,437</u>
Operating income (loss)	<u>(1,853,549)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	2,166,726
Federal commodities	214,050
Indirect costs not paid	77,831
Other	1,792
Total nonoperating revenues	<u>2,460,399</u>
Income (loss) before transfers	606,850
Capital contribution	55,979
Transfer from other funds	70,734
Change in net position	<u>733,563</u>
Total net position - beginning	<u>(782,528)</u>
Total net position - ending	<u>\$ (48,965)</u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit 8**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 112,483
Cash paid for goods and services	(658,196)
Cash paid to employees for services	<u>(1,025,796)</u>
Net cash provided (used) by operating activities	<u>(1,571,509)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal reimbursements	2,163,645
Due to other funds	<u>(195,905)</u>
Net cash provided by noncapital financing activities	<u>1,967,740</u>
Net increase (decrease) in cash and cash equivalents	398,023
Balances-beginning of the year	<u>-</u>
Balances-end of the year	<u><u>\$ 398,023</u></u>



**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 8 (Continued)**

Reconciliation of operating loss to net cash used by operating activities	
Operating income (loss)	<u>\$ (1,853,549)</u>
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	71,063
Donated commodities consumed	214,050
Transfers from other funds	70,734
Indirect costs not paid	77,831
Changes in assets deferred outflows of resources, and liabilities:	
(Increase) decrease in net OPEB asset	917
(Increase) decrease in inventory	(41,918)
Increase (decrease) in accounts payable and accrued liabilities	2,119
(Increase) decrease in deferred outflows	(18,493)
Increase (decrease) in net pension liability	(235,721)
Increase (decrease) in net OPEB liability	62,315
Increase (decrease) in deferred inflows	77,567
Increase (decrease) in unearned revenues	(667)
Increase (decrease) in compensated absences	<u>4,981</u>
Total adjustments	<u>282,040</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,571,509)</u></u>

**Noncash investing, capital, and financing activities:**

The State Public School Fund paid operating expenses of \$66,069 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.

The Capital Outlay Fund paid operating expenses of \$4,665 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.

The School Food Service Fund received \$55,979 of capital assets as a capital contribution from the Capital Outlay Fund.

Indirect costs of \$77,831 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 \$214,050 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, 2022**

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*Exhibit 9*

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>22,078</u>
 <b>NET POSITION</b>	
Unrestricted	\$ <u>22,078</u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS**  
**For the Year Ended June 30, 2022**

*Exhibit 10*

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Interest earned	<u>\$ 11</u>
<b>DEDUCTIONS</b>	
Transfer to UNC Asheville	<u>38,693</u>
Total deductions	<u>38,693</u>
Change in net position	(38,682)
Total net position - beginning	<u>60,760</u>
Total net position - ending	<u><u>\$ 22,078</u></u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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**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.

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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*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 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, 2022**

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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.

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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 assets 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 assets that applies to a future period and will not be recognized as

**ASHEVILLE CITY SCHOOLS**  
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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, 2022 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.



**ASHEVILLE CITY SCHOOLS**  
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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 \$(12,420,222) 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)	\$ 148,303,885
Less Accumulated Depreciation	70,179,545
Net capital assets	78,124,340
Net OPEB asset	33,778
Pension related deferred outflows of resources	10,905,513
OPEB related deferred outflows of resources	9,452,459
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	(2,931,439)
Net pension liability	(10,862,567)
Net OPEB liability	(63,641,835)
Deferred inflows of resources related to pensions	(14,940,450)
Deferred inflows of resources related to OPEB	(18,560,021)
Total adjustment	<u>\$ (12,420,222)</u>

**ASHEVILLE CITY SCHOOLS**  
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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 \$5,077,273 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 933,884
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.	(3,855,706)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	6,090,483
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,372,239
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	384,952
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	(2,672,690)
Net OPEB expense	1,763,487
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	43,529
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.	22,002
Loss on disposal of fixed assets	<u>(4,907)</u>
Total adjustment	<u>\$ 5,077,273</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

**ASHEVILLE CITY SCHOOLS**  
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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.

**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, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$3,883,363 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$4,766,911 and \$1,288,912, respectively. Of these balances, \$955,077 was covered by federal depository insurance and \$5,100,746 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2022, the Board of Education had \$375,794 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 \$13,594,096 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, 2022. The Board has no policy for managing interest rate risk or credit risk.

**ASHEVILLE CITY SCHOOLS**  
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Accounts Receivable

Receivables at the government-wide level at June 30, 2022 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 53,876	\$ 7,651	\$ 61,527
Other governmental activities	<u>2,074,461</u>	<u>6,809</u>	<u>2,081,270</u>
 Total governmental activities	 <u>\$ 2,128,337</u>	 <u>\$ 14,460</u>	 <u>\$ 2,142,797</u>
 Business-type activities:			
School Food Service Fund	<u>\$ 72,792</u>	<u>\$ 2,738</u>	<u>\$ 75,530</u>

Amounts due from other governments at June 30, 2022, are summarized below. Amounts due from local governments in the General Fund are related to miscellaneous tax revenue from Buncombe County. Amounts due from local governments to the Other Specific Revenue Fund are related to sales tax revenue from Buncombe County. Amounts due from local governments to the Capital Outlay Fund are related to sales tax revenue from Buncombe County. Amounts due from state governments to the School Food Service fund are related to USDA funds. Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 53,876	Due from Buncombe County
Other Special Revenue Fund	1,166,718	Due from Buncombe County
Capital Outlay Fund	<u>907,743</u>	Due from Buncombe County
 Total	 <u>\$ 2,128,337</u>	
 Business-type activities:		
School Food Service Fund	<u>\$ 72,792</u>	Federal grant funds

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Capital Assets

Capital asset activity for the year ended June 30, 2022 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
Capital assets being depreciated:				
Buildings	131,085,711	484,921	-	131,570,632
Equipment and furniture	5,875,335	210,085	32,995	6,052,425
Vehicles	3,783,973	162,928	61,565	3,885,336
Land improvements	5,411,966	75,950	-	5,487,916
Total capital assets being depreciated	<u>146,156,985</u>	<u>933,884</u>	<u>94,560</u>	<u>146,996,309</u>
Less accumulated depreciation for:				
Buildings	55,626,361	3,289,526	-	58,915,887
Equipment and furniture	4,726,855	207,582	28,088	4,906,349
Vehicles	3,227,267	140,679	61,565	3,306,381
Land improvements	2,833,009	217,919	-	3,050,928
Total accumulated depreciation	<u>66,413,492</u>	<u>3,855,706</u>	<u>89,653</u>	<u>70,179,545</u>
Total capital assets being depreciated, net	<u>79,743,493</u>			<u>76,816,764</u>
Governmental activity capital assets, net	<u>\$ 81,051,069</u>			<u>\$ 78,124,340</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balances</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment	\$ 1,346,328	\$ 55,979	\$ 7,037	\$ 1,395,270
Less accumulated depreciation for:				
Equipment	826,836	71,063	7,037	890,862
School Food Service capital assets, net	<u>\$ 519,492</u>			<u>\$ 504,408</u>

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Depreciation was charged to governmental functions as follows:

Regular Instruction services	\$ 3,507,445
System-wide support services	140,679
Unallocated depreciation	<u>207,582</u>
Total	<u>\$ 3,855,706</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 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](http://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.

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*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, 2022, was 16.38% 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 \$6,168,008 for the year ended June 30, 2022.

*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, 2022, the Board reported a liability of \$11,000,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and at June 30, 2020, the Board's proportion was .24%.

For the year ended June 30, 2022, the Board recognized pension expense of \$(2,704,339). At June 30, 2022, 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	\$ 618,371	\$ 249,841
Changes of assumptions	4,126,531	-
Net difference between projected and actual earnings on pension plan investments	-	13,630,171
Changes in proportion and differences between Board contributions and proportionate share of contributions	131,418	1,250,612
Board contributions subsequent to the measurement date	<u>6,168,008</u>	<u>-</u>
Total	<u>\$ 11,044,328</u>	<u>\$ 15,130,624</u>

\$6,168,008 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.

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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:**

2023	\$ (1,716,151)
2024	(2,121,360)
2025	(2,236,474)
2026	(4,180,319)
Total	<u>\$ (10,254,304)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 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.

The actuarial assumptions used in the December 31, 2020 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, 2021 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>	



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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 3.00%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability reported at June 30, 2022 and 2021 was 6.50% and 7.00%, respectively. 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:

	<b>1% Decrease (5.50%)</b>	<b>Discounted Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Board's proportionate share of the net pension liability (asset)	\$ 36,900,944	\$ 11,000,835	\$ (10,528,649)

*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>.

**ASHEVILLE CITY SCHOOLS**  
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*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 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, 2022. 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 6.29% of covered payroll which amounted to \$2,368,545. 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 \$389,852.

At June 30, 2022, Board reported a liability of \$64,451,920 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and at June 30, 2020, the Boards proportion was 0.21%.

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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\$2,368,545 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:**

2023	\$ (7,106,384)
2024	(2,757,164)
2025	(716,007)
2026	(1,585,496)
2027	(467,320)
Total	<u>\$ (11,697,731)</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, 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 was 2.16%, a decrease of .05% over the prior year discount rate of 2.21%. 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 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

*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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discounted</u> <u>Rate (2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Net OPEB liability	\$ 76,664,622	\$ 64,451,920	\$ 54,561,006

*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

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

<b>Healthcare Trend Rates</b>		
<b>1% Decrease</b>		<b>1% Increase</b>
<b>(Medical - 5.5%, Pharmacy - 6.25%, Medicare Advantage - 4.0% Administrative - 2.0%)</b>	<b>(Medical - 6.5%, Pharmacy - 7.25%, Medicare Advantage - 5.0% Administrative - 3.0%)</b>	<b>(Medical - 7.5%, Pharmacy - 8.25%, Medicare Advantage - 6.0% Administrative - 4.0%)</b>

Net OPEB liability \$	52,195,185	\$	64,451,920	\$	80,711,607
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*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.

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, 2022,

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employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$33,890 for the year ended June 30, 2022.

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, 2022, Board reported an OPEB asset of \$34,208 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 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, 2021 and at June 30, 2020, the Boards proportion was .21% and 22%, respectively.

\$33,890 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:**

2023		\$	19,712
2024			12,587
2025			17,120
2026			8,775
2027			2,748
Thereafter			10,863
	Total	\$	<u>71,805</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 asset 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 (2.75%)</u>	<u>Discounted Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net OPEB asset	\$ 36,005	\$ 34,208	\$ 31,969

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 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, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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, 2021. 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, 2021 is 1.3%.

**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	\$ 1,868,458	\$ (72,527)	\$ 1,795,931
OPEB liability (asset)	64,451,920	(34,208)	64,417,712
Proportionate share of the net OPEB liability (asset)	0.208%	0.209%	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	380,515	87,221	467,736
Changes of assumptions	5,271,612	6,006	5,277,618
Net difference between projected and actual earnings on plan investments	-	3,338	3,338
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,416,829	4,821	1,421,650
Board contributions subsequent to the measurement date	2,368,545	33,890	2,402,435
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	1,199,750	-	1,199,750
Changes of assumptions	15,663,217	12,419	15,675,636
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,870,750	17,162	1,887,912
Net difference between projected and actual earnings on plan investments	32,970	-	32,970

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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Accounts Payable

Accounts payable as of June 30, 2022 are as follows:

	<u>Vendors</u>	<u>Charter Schools</u>	<u>Total</u>
Governmental Activities:			
General	\$ 434,577	\$ 257,164	\$ 691,741
Other Governmental	14,860	-	14,860
Total Governmental Activities	<u>\$ 449,437</u>	<u>\$ 257,164</u>	<u>\$ 706,601</u>
Business-types Activities			
School Food Service	<u>\$ 3,211</u>	<u>\$ -</u>	<u>\$ 3,211</u>

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>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 1,553,068	\$ 3,138,524
Changes of assumptions	9,404,148	15,675,636
Difference between projected and actual earnings on plan investments	3,338	13,663,141
Board contributions subsequent to the measurement date	8,570,443	-
Difference between expected and actual experience	<u>1,086,107</u>	<u>1,449,591</u>
Totals	<u>\$ 20,617,104</u>	<u>\$ 33,926,892</u>

Unearned Revenues

The balance in unearned revenues at June 30, 2022 is composed of the following elements:

Contract Reimbursement (Other Special Revenue Fund)	<u>\$ 171,336</u>
Prepaid lunch sales (School Food Service Fund)	<u>\$ 37,470</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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.

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 \$100,000 limit for Employee Theft. A limit of \$25,000 for Theft of Money and Securities (inside and outside premises). A limit of \$100,000 for Computer and Funds Transfer Fraud. A limit of \$50,000 for Fraudulent Impersonation.

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.



**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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Long-Term Obligations

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2022:

	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement	\$ 22,002	\$ -	\$ 22,002	\$ -	\$ -
installment purchases					
Net pension liability	29,085,544	-	18,222,977	10,862,567	-
Net OPEB liability	58,154,915	5,486,920	-	63,641,835	-
Compensated absences	<u>2,974,968</u>	<u>2,889,905</u>	<u>2,933,434</u>	<u>2,931,439</u>	<u>1,466,218</u>
<b>Total governmental activities</b>	<u>\$ 90,237,429</u>	<u>\$ 8,376,825</u>	<u>\$ 21,178,413</u>	<u>\$ 77,435,841</u>	<u>\$ 1,466,218</u>
Business-type activities:					
Net pension liability	\$ 373,989	\$ -	\$ 235,721	\$ 138,268	\$ -
Net OPEB liability	747,770	62,315	-	810,085	-
Compensated absences	<u>37,278</u>	<u>63,455</u>	<u>58,474</u>	<u>42,259</u>	<u>24,531</u>
<b>Total business activities:</b>	<u>\$ 1,159,037</u>	<u>\$ 125,770</u>	<u>\$ 294,195</u>	<u>\$ 990,612</u>	<u>\$ 24,531</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, 2022 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 66,069</u>
From the Capital Outlay Fund to the School Food Service Fund for capital expenditures	<u>\$ 4,665</u>
From the General Fund to the Individual Schools Fund for operating expenditures	<u>\$ 565,948</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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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	\$ 9,061,692
Less:	
Inventories	
Stabilization by State statute	61,527
Appropriated Fund Balance in 2023 budget	<u>2,500,000</u>
Remaining fund balance	<u>\$ 6,500,165</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 Nine Fiscal Years\**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net pension liability (asset)	0.235%	0.244%	0.250%	0.236%	0.225%
Board's proportionate share of the net pension liability (asset)	\$ 11,000,835	\$ 29,459,533	\$ 25,831,347	\$ 23,464,511	\$ 17,821,548
Board's covered-employee payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	30.87%	82.96%	72.45%	71.83%	59.04%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.230%	0.235%	0.225%	0.221%
Board's proportionate share of the net pension liability (asset)	\$ 21,155,920	\$ 8,646,212	\$ 2,632,789	\$ 13,386,597
Board's covered-employee payroll	\$ 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	72.76%	29.02%	9.39%	47.63%
Plan fiduciary net position as a percentage of the total pension liability	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 Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 6,168,008	\$ 5,266,642	\$ 4,605,865	\$ 4,382,177	\$ 3,521,400
Contributions in relation to the contractually required contribution	6,168,008	5,266,642	4,605,865	4,382,177	3,521,400
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Contributions as a percentage of covered-employee payroll	16.38%	14.78%	12.97%	12.29%	10.78%

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

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability (asset)	0.208%	0.212%	0.214%	0.210%	0.208%
Board's proportionate share of the net OPEB liability (asset)	\$ 64,451,920	\$ 58,902,685	\$ 67,627,045	\$ 59,740,339	\$ 68,139,813
Board's covered-employee payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	180.87%	165.87%	189.66%	182.88%	225.76%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%

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	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.202%
Board's proportionate share of the net OPEB liability (asset)	\$ 87,886,274
Board's covered-employee payroll	\$ 29,076,240
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	302.26%
Plan fiduciary net position as a percentage of the total OPEB liability	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*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 2,368,545	\$ 2,380,323	\$ 2,297,606	\$ 2,235,659	\$ 1,976,296
Contributions in relation to the contractually required contribution	2,368,545	2,380,323	2,297,606	2,235,659	1,976,296
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Contributions as a percentage of covered-employee payroll	6.29%	6.68%	6.47%	6.27%	6.05%

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 1,753,632	\$ 1,628,269	\$ 1,635,751	\$ 1,514,598	\$ 1,489,652
Contributions in relation to the contractually required contribution	1,753,632	1,628,269	1,635,751	1,514,598	1,489,652
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642
Contributions as a percentage of covered-employee payroll	5.81%	5.60%	5.49%	5.40%	5.30%

**This schedule is required supplementary information.**



**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
*Last Six Fiscal Years\**

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB asset	0.209%	0.216%	0.222%	0.211%	0.199%
Board's proportionate share of the net OPEB asset	\$ 34,208	\$ 106,136	\$ 95,694	\$ 63,990	\$ 120,830
Board's covered-employee payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.10%	0.30%	0.27%	0.20%	0.40%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%

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	<u>2017</u>
Board's proportion of the net OPEB asset	0.207%
Board's proportionate share of the net OPEB asset	\$ 128,354
Board's covered-employee payroll	\$ 29,076,240
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 33,890	\$ 32,070	\$ 35,512	\$ 49,959	\$ 45,732
Contributions in relation to the contractually required contribution	<u>33,890</u>	<u>32,070</u>	<u>35,512</u>	<u>49,959</u>	<u>45,732</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 37,655,724	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048
Contributions as a percentage of covered-employee payroll	0.09%	0.09%	0.10%	0.14%	0.14%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 114,695	\$ 119,213	\$ 122,160	\$ 123,412	\$ 123,669
Contributions in relation to the contractually required contribution	<u>114,695</u>	<u>119,213</u>	<u>122,160</u>	<u>123,412</u>	<u>123,669</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642
Contributions as a percentage of covered-employee payroll	0.38%	0.41%	0.41%	0.44%	0.44%

**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, 2022**

	<u>Budget</u>	<u>Actual</u>	<b>Exhibit A-1</b> Positive (Negative) Variance
<b>Revenues:</b>			
Buncombe County:			
County appropriations	\$ 13,445,324	\$ 14,153,775	\$ 708,451
Other:			
Supplemental school taxes	11,109,987	11,303,234	193,247
Miscellaneous	175,311	188,896	13,585
Total	<u>11,285,298</u>	<u>11,492,130</u>	<u>206,832</u>
Total revenues	<u>24,730,622</u>	<u>25,645,905</u>	<u>915,283</u>
<b>Expenditures:</b>			
Instructional services	16,254,640	9,858,071	6,396,569
System-wide support services	10,157,921	10,025,890	132,031
Ancillary services	218,061	144,572	73,489
Non-programmed charges			
Payments to charter schools	<u>1,600,000</u>	<u>1,654,098</u>	<u>(54,098)</u>
Total expenditures	<u>28,230,622</u>	<u>21,682,631</u>	<u>6,547,991</u>
Revenues over (under) expenditures	(3,500,000)	3,963,274	7,463,274
Revenues over (under) expenditures and other uses	(3,500,000)	3,397,326	6,897,326
Appropriated fund balance	<u>3,500,000</u>	<u>-</u>	<u>(3,500,000)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>3,397,326</u>	<u>\$ 3,397,326</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>5,664,366</u>	
End of year, June 30		<u>\$ 9,061,692</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, 2022**

**Exhibit B-1**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 22,004	\$ 22,002	\$ (2)
Public School Capital Fund - lottery	26,122	26,122	-
Total State of North Carolina	<u>48,126</u>	<u>48,124</u>	<u>(2)</u>
Buncombe County:			
General county appropriations	<u>2,743,554</u>	<u>3,365,677</u>	<u>622,123</u>
US Government:			
Emergency Connectivity Grant	<u>223,200</u>	<u>223,200</u>	<u>-</u>
Other:			
Interest	-	6,768	6,768
Miscellaneous	42,405	50,325	7,920
	<u>42,405</u>	<u>57,093</u>	<u>14,688</u>
Total revenues	<u>3,057,285</u>	<u>3,694,094</u>	<u>636,809</u>
Expenditures:			
Instructional services	1,349,138	868,247	480,891
System-wide support services	512,298	294,519	217,779
Ancillary services	90,000	55,978	34,022
Capital outlay	3,734,129	1,524,864	2,209,265
Debt service:			
Principal payments	<u>22,004</u>	<u>22,002</u>	<u>2</u>
Total expenditures	<u>5,707,569</u>	<u>2,765,610</u>	<u>2,941,959</u>
Revenues under expenditures	(2,650,284)	928,484	3,578,768
Appropriated fund balance	<u>2,650,284</u>	<u>-</u>	<u>(2,650,284)</u>
Revenues and appropriated fund balance under expenditures	<u>\$ -</u>	<u>923,819</u>	<u>\$ 923,819</u>
Fund balances:			
Beginning of year, July 1		<u>4,016,887</u>	
End of year, June 30		<u>\$ 4,940,706</u>	

**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL FOOD SERVICE FUND**  
**For the Year Ended June 30, 2022**

**Exhibit C-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 77,263	\$ 115,888	\$ 38,625
Operating expenditures:			
Purchase of food		829,361	
Salaries and benefits		1,028,832	
Materials and supplies		67,051	
Contracted services		16,867	
Other		29,701	
Total operating expenditures	<u>2,572,263</u>	<u>1,971,812</u>	<u>600,451</u>
Operating loss	<u>(2,495,000)</u>	<u>(1,855,924)</u>	<u>639,076</u>
Nonoperating revenues:			
Federal reimbursements	2,075,000	2,166,726	91,726
Federal commodities	150,000	214,050	64,050
Other	-	1,792	1,792
Total nonoperating revenues	<u>2,225,000</u>	<u>2,382,568</u>	<u>157,568</u>
Revenues over (under) expenditures before other financing sources	(270,000)	526,644	796,644
Other financing sources:			
Transfers from other funds	<u>270,000</u>	<u>70,734</u>	<u>(199,266)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 597,378</u>	<u>\$ 597,378</u>

**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL FOOD SERVICE FUND**  
**For the Year Ended June 30, 2022**

**Exhibit C-1**  
**(Continued)**

	<u>Actual</u>
Reconciliation of modified accrual to full accrual basis:	
Revenues, other sources, and appropriated fund balance over expenditures	\$ 597,378
Reconciling items:	
Depreciation	(71,063)
Capital contribution	55,979
Increase (decrease) in inventory	41,918
(Increase) decrease in compensated absences	(4,981)
Deferred outflows	18,493
Net pension liability	235,721
Net OPEB liability	(62,315)
Deferred inflows	<u>(77,567)</u>
Change in net position	<u>\$ 733,563</u>

**ASHEVILLE CITY SCHOOLS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS**  
**June 30, 2022**

*Exhibit E-1*

	<u>Custodial Funds</u>			<u>Total Custodial Funds</u>
	<u>Asheville High Awards</u>	<u>Isaac Dickson Elementary</u>	<u>Educational Access Consortium</u>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,010	\$ 2,068	\$ -	\$ 22,078
<b>NET POSITION</b>				
Unrestricted	\$ 20,010	\$ 2,068	\$ -	\$ 22,078

**ASHEVILLE CITY SCHOOLS**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**CUSTODIAL FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit F-1**

	<b>Custodial Funds</b>			<b>Total Custodial Funds</b>
	<b>Asheville High Awards</b>	<b>Isaac Dickson Elementary</b>	<b>Educational Access Consortium</b>	
<b>ADDITIONS</b>				
Interest earned	\$ 7	\$ 4	\$ -	\$ 11
<b>DEDUCTIONS</b>				
Transfer to UNC Asheville	-	-	38,693	38,693
Change in net position	7	4	(38,693)	(38,682)
Total net position - beginning	20,003	2,064	38,693	60,760
Total net position - ending	\$ 20,010	\$ 2,068	\$ -	\$ 22,078





ASHEVILLE CITY SCHOOLS

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**STATISTICAL SECTION**



# ASHEVILLE CITY SCHOOLS

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## STATISTICAL SECTION

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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.

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# ASHEVILLE CITY SCHOOLS

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Net investment in capital assets	\$ 78,124,340	\$ 81,029,067	\$ 82,627,532	\$ 85,458,293
Restricted	7,209,074	6,264,453	6,266,508	5,985,294
Unrestricted	<u>(79,055,624)</u>	<u>(91,908,920)</u>	<u>(93,960,030)</u>	<u>(90,414,365)</u>
Total Governmental Activities Net Position	<u>\$ 6,277,790</u>	<u>\$ (4,615,400)</u>	<u>\$ (5,065,990)</u>	<u>\$ 1,029,222</u>
Business Type Activities				
Net investment in capital assets	\$ 504,408	\$ 519,492	\$ 564,551	\$ 596,534
Restricted	430	1,347	1,037	-
Unrestricted	<u>(553,803)</u>	<u>(1,303,367)</u>	<u>(907,050)</u>	<u>(1,058,417)</u>
Total Business-Type Activities Net Position	<u>\$ (48,965)</u>	<u>\$ (782,528)</u>	<u>\$ (341,462)</u>	<u>\$ (461,883)</u>
Primary Government				
Net investment in capital assets	\$ 78,628,748	\$ 81,548,559	\$ 83,192,083	\$ 86,054,827
Restricted	7,209,504	6,265,800	6,267,545	5,985,294
Unrestricted	<u>(79,609,427)</u>	<u>(93,212,287)</u>	<u>(94,867,080)</u>	<u>(91,472,782)</u>
Total Primary Government Net Position	<u>\$ 6,228,825</u>	<u>\$ (5,397,928)</u>	<u>\$ (5,407,452)</u>	<u>\$ 567,339</u>

Source: Asheville City Schools, Annual Comprehensive Financial Reports,  
Years Ended June 30, 2013 through June 30, 2022.


Note: Net position for 2014 and before 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).

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ 88,110,450	\$ 96,159,018	\$ 92,132,950	\$ 65,327,482	\$ 46,045,342	\$ 42,654,073	
5,518,410	5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	
<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>5,104,518</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>	<u>\$ 50,032,839</u>	
\$ 602,286	\$ 569,741	\$ 123,337	\$ 118,879	\$ 141,939	\$ 171,380	
-	-	-	-	-	-	
<u>(1,253,443)</u>	<u>(1,161,031)</u>	<u>220,315</u>	<u>193,735</u>	<u>119,554</u>	<u>252,012</u>	
<u>\$ (651,157)</u>	<u>\$ (591,290)</u>	<u>\$ 343,652</u>	<u>\$ 312,614</u>	<u>\$ 261,493</u>	<u>\$ 423,392</u>	
\$ 88,712,736	\$ 96,728,759	\$ 92,256,287	\$ 65,446,361	\$ 46,187,281	\$ 42,825,453	
5,518,410	5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	
<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>5,356,530</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>	<u>\$ 50,456,231</u>	

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

Financial Trends  
Schedule 2

				
	2022	2021	2020	2019
<b>Expenses</b>				
Governmental activities:				
Instructional programs	\$ 50,813,201	\$ 50,017,774	\$ 53,928,952	\$ 47,876,328
Support services	12,659,060	13,093,494	12,824,033	12,137,295
Unallocated depreciation expense	207,582	315,101	301,093	2,647,408
Other	2,000,102	1,680,443	1,853,115	1,700,204
Total governmental activities expenses	<u>65,679,945</u>	<u>65,106,812</u>	<u>68,907,193</u>	<u>64,361,235</u>
Business-type activities:				
Child nutrition	1,969,437	1,972,621	1,775,950	1,607,846
Total business-type activities	<u>1,969,437</u>	<u>1,972,621</u>	<u>1,775,950</u>	<u>1,607,846</u>
Total government-wide expenses	<u>67,649,382</u>	<u>67,079,433</u>	<u>70,683,143</u>	<u>65,969,081</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	1,353,374	777,078	2,344,137	2,240,235
Support services - operational support	-	-	-	-
Ancillary services	-	225	224,708	104,112
Total charges for services	<u>1,353,374</u>	<u>777,303</u>	<u>2,568,845</u>	<u>2,344,347</u>
Operating grants and contributions	38,445,357	32,201,439	30,679,458	31,733,496
Capital grants and contributions	22,002	424,422	67,936	149,722
Total governmental activities program revenues	<u>39,820,733</u>	<u>33,403,164</u>	<u>33,316,239</u>	<u>34,227,565</u>
Business-type activities:				
Charges for Services:				
Child nutrition	115,888	30,367	367,685	420,795
Total charges for services	<u>115,888</u>	<u>30,367</u>	<u>367,685</u>	<u>420,795</u>
Operating grants and contributions	2,458,607	1,429,089	1,427,757	1,173,117
Capital grants and contributions	55,979	24,175	32,892	-
Total business-type program revenue	<u>2,630,474</u>	<u>1,483,631</u>	<u>1,828,334</u>	<u>1,593,912</u>
Total government-wide program revenue	<u>42,451,207</u>	<u>34,886,795</u>	<u>35,144,573</u>	<u>35,821,477</u>
<b>Net (Expense)</b>	<u>\$ (25,198,175)</u>	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>

Source: Asheville City Schools, Annual Comprehensive Financial Reports,  
Years Ended June 30, 2013 through June 30, 2022.

Financial Trends  
Schedule 2

Fiscal Year	2018	2017	2016	2015	2014	2013
\$	51,343,852	\$ 41,493,734	\$ 38,490,269	\$ 38,968,670	\$ 39,284,689	\$ 38,788,317
	11,847,744	11,149,123	10,128,150	10,094,897	11,875,229	9,824,061
	5,505,964	2,057,342	1,877,018	1,878,711	1,846,895	1,562,032
	1,964,251	1,336,330	1,240,178	1,289,089	1,096,795	942,551
	<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>	<u>51,116,961</u>
	1,912,226	1,772,923	1,694,619	1,614,687	1,757,338	1,774,637
	<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>1,774,637</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>	<u>52,891,598</u>
	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	50,292
	88,350	35,505	28,998	31,586	14,045	17,300
	<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>	<u>67,592</u>
	30,293,504	29,112,643	28,229,960	29,085,274	28,058,038	28,601,518
	210,246	1,014,667	1,390,435	28,187	200,196	377,774
	<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>	<u>29,046,884</u>
	399,451	337,050	316,455	321,557	364,834	424,615
	<u>399,451</u>	<u>337,050</u>	<u>316,455</u>	<u>321,557</u>	<u>364,834</u>	<u>424,615</u>
	1,205,685	1,252,454	1,283,646	1,234,519	1,265,815	1,252,965
	-	-	-	-	-	-
	<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>1,677,580</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>30,724,464</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>	<u>(22,167,134)</u>



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

	2022	2021	2020	2019
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (25,859,212)	\$ (31,703,648)	\$ (35,590,954)	\$ (30,133,670)
Business-type activities	661,037	(488,990)	52,384	(13,934)
Total primary government net (expense)	<u>\$ (25,198,175)</u>	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>
<b>General revenues and transfers:</b>				
Governmental activities:				
U.S. Government	\$ -	\$ -	\$ 121,406	\$ 80,139
Buncombe County - General Fund appropriation	14,153,775	12,679,492	12,456,771	11,681,164
Buncombe County - capital outlay	3,365,677	2,759,645	2,412,806	3,078,314
Supplemental city school tax	11,303,234	10,794,794	10,150,870	9,394,257
Local option sales tax	4,358,864	3,671,828	3,092,911	2,963,968
Other revenues	3,641,586	2,296,403	1,949,136	616,982
Transfers (out)	(70,734)	(47,924)	(68,037)	(203,208)
Total governmental activities general revenues and transfers	<u>36,752,402</u>	<u>32,154,238</u>	<u>30,115,863</u>	<u>27,611,616</u>
Business-type activities:				
Other revenues	1,792	-	-	-
Transfers in	70,734	47,924	68,037	203,208
Total business-type activities general revenue and transfers	<u>72,526</u>	<u>47,924</u>	<u>68,037</u>	<u>203,208</u>
Total government-wide general revenues and transfers	<u>36,824,928</u>	<u>32,202,162</u>	<u>30,183,900</u>	<u>27,814,824</u>
<b>Change in Net Position</b>				
Governmental activities	10,893,190	450,590	(5,475,091)	(2,522,054)
Business-type activities	733,563	(441,066)	120,421	189,274
Total primary government	<u>\$ 11,626,753</u>	<u>\$ 9,524</u>	<u>\$ (5,354,670)</u>	<u>\$ (2,332,780)</u>

Source: Asheville City Schools, Annual Comprehensive Financial Reports, Years Ended June 30, 2013 through June 30, 2022.

Fiscal Year	2017	2016	2015	2014	2013
2018					
\$ (37,942,059)	\$ (24,013,365)	\$ (20,294,100)	\$ (21,413,585)	\$ (24,203,978)	\$ (22,070,077)
(307,090)	(183,419)	(94,518)	(58,611)	(126,689)	(97,057)
<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>	<u>\$ (22,167,134)</u>
\$ 88,893	\$ 68,364	\$ 75,632	\$ 65,162	\$ 46,421	\$ 59,184
11,681,164	10,743,742	9,562,424	8,997,929	8,526,806	8,115,790
2,549,506	6,774,435	29,269,456	22,562,902	8,024,347	3,539,607
8,928,186	8,620,247	8,330,977	8,136,173	8,142,348	8,104,621
2,991,931	2,940,136	3,024,676	2,495,436	2,540,159	2,364,755
649,429	450,205	710,899	489,960	396,721	332,403
(247,223)	(587,763)	(125,556)	(105,434)	(115,785)	(93,236)
<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>	<u>22,423,124</u>
-	-	-	4,298	-	-
247,223	587,763	125,556	105,434	115,785	93,236
<u>247,223</u>	<u>587,763</u>	<u>125,556</u>	<u>109,732</u>	<u>115,785</u>	<u>93,236</u>
26,889,109	29,597,129	50,974,064	42,751,860	27,676,802	22,516,360
(11,300,173)	4,996,001	30,554,408	21,228,543	3,357,039	353,047
(59,867)	404,344	31,038	51,121	(10,904)	(3,821)
<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>	<u>\$ 349,226</u>

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

	2022	2021	2020	2019
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	61,527	273,742	47,319	47,770
Committed	-	-	-	-
Assigned	2,500,000	3,500,000	3,000,000	-
Unassigned	6,500,165	1,890,624	2,048,467	6,105,184
<b>Total General Fund</b>	<b>\$ 9,061,692</b>	<b>\$ 5,664,366</b>	<b>\$ 5,095,786</b>	<b>\$ 6,152,954</b>
All Other Governmental Funds:				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	7,113,769	5,885,922	6,124,532	5,664,405
Committed	-	-	-	-
Assigned	2,522,551	1,331,807	945,361	621,308
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 9,636,320</b>	<b>\$ 7,217,729</b>	<b>\$ 7,069,893</b>	<b>\$ 6,285,713</b>

Source: Asheville City Schools, Annual Comprehensive Financial Reports, Years Ended June 30, 2013 through June 30, 2022.

Financial Trends  
Schedule 4

Fiscal Year						
2018	2017	2016	2015	2014	2013	
\$ -	39,984	\$ 35,807	\$ 38,082	\$ 33,187	\$ 32,531	
91,245	148,271	146,060	199,640	186,514	128,223	
-	-	-	-	-	-	
2,858,864	1,754,667	1,418,182	1,219,032	1,300,000	1,301,415	
4,673,076	5,970,838	5,420,843	5,066,723	4,676,509	4,979,955	
<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>	<u>\$ 6,442,124</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5,163,402	4,917,692	3,773,168	2,650,859	2,715,185	2,146,025	
-	-	-	-	-	-	
1,332,818	1,373,473	1,383,769	1,138,951	1,029,201	1,215,303	
-	-	-	-	-	-	
<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>	<u>\$ 3,361,328</u>	

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

	2022	2021	2020	2019
Revenues:				
Intergovernmental sources:				
State of North Carolina	\$ 30,562,849	\$ 29,155,874	\$ 28,867,239	\$ 28,518,511
U. S. Government	9,700,429	4,277,984	2,703,118	3,362,048
Local sources:				
Buncombe County - unrestricted	14,153,775	12,679,492	12,456,771	11,681,164
Buncombe County - restricted	3,365,677	2,759,645	2,412,806	3,078,314
Supplemental city school tax	11,303,234	10,794,794	10,150,870	9,394,257
Local option sales tax	4,358,864	3,671,828	3,092,911	2,963,968
Charges for services	-	777,303	-	965,004
Other local revenues	3,203,948	1,488,406	3,865,974	2,189,952
Total revenues	76,648,776	65,605,326	63,549,689	62,153,218
Expenditures:				
Instructional Programs	52,269,043	47,313,401	48,799,223	48,391,295
Support Services	14,152,299	13,239,038	13,947,298	12,137,796
Capital Outlay	1,524,864	2,469,460	858,039	1,354,945
Debt service:				
Principal	22,002	44,422	67,936	149,722
Interest	-	-	-	-
Other	2,793,917	1,774,665	170,158	1,596,990
Total expenditures	70,762,125	64,840,986	63,842,654	63,630,748
Revenues over (under) expenditures	5,886,651	764,340	(292,965)	(1,477,530)
Other financing (uses)				
Transfers from other funds	565,948	152,780	148,750	150,950
Transfers to other funds	(636,682)	(200,704)	(216,787)	(354,158)
Capital lease obligations and installment purchase contracts issued	-	-	88,014	-
Total other financing (uses)	(70,734)	(47,924)	19,977	(203,208)
Net change in fund balances	\$ 5,815,917	\$ 716,416	\$ (272,988)	\$ (1,680,738)
Debt Service as a Percentage of Noncapital Expenditures	0.03%	0.07%	0.18%	0.39%

Source: Asheville City Schools, Annual Comprehensive Financial Reports, Years Ended June 30, 2013 through June 30, 2022.

Financial Trends  
Schedule 5

Fiscal Year						
	2018	2017	2016	2015	2014	2013
\$	27,269,376	\$ 27,073,291	\$ 25,843,608	\$ 23,733,552	\$ 23,219,272	\$ 23,355,556
	3,183,007	2,855,283	3,469,360	5,254,811	4,871,479	5,577,328
	11,681,164	10,743,742	9,562,424	8,997,929	8,526,806	8,115,790
	2,549,506	6,774,435	29,269,456	22,562,902	8,024,347	3,539,607
	8,928,186	8,620,247	8,330,977	8,136,173	8,142,348	8,104,621
	2,991,931	2,940,136	3,024,676	2,495,436	2,540,159	2,364,755
	804,981	606,442	514,387	418,756	434,276	492,668
	2,304,313	2,107,965	2,527,206	2,121,695	1,947,461	1,693,743
	59,712,464	61,721,541	82,542,094	73,721,254	57,706,148	53,244,068
	44,812,327	41,235,600	39,323,369	39,702,599	38,358,386	37,692,061
	11,645,934	10,828,359	10,191,353	10,172,186	10,363,778	9,516,968
	1,479,577	5,931,040	29,950,637	22,120,504	7,676,429	3,186,048
	210,246	315,132	121,048	-	-	97,772
	-	-	-	-	-	-
	1,492,347	1,305,765	1,207,686	1,247,840	1,054,626	884,179
	59,640,431	59,615,896	80,794,093	73,243,129	57,453,219	51,377,028
	72,033	2,105,645	1,748,001	478,125	252,929	1,867,040
	493,000	178,399	189,436	138,343	122,100	131,500
	(740,223)	(766,162)	(314,992)	(243,777)	(237,885)	(224,736)
	89,670	509,214	242,097	-	-	-
	(157,553)	(78,549)	116,541	(105,434)	(115,785)	(93,236)
\$	(85,520)	\$ 2,027,096	\$ 1,864,542	\$ 372,691	\$ 137,144	\$ 1,773,804
	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
2013	19,980,840	5,765,143	1,202,337	100,086
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

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 year 2014 as well as fiscal year 2018.

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

Revenue Capacity  
Schedule 6

Personal Property			Public Service	Total Taxable	Total
Motor Vehicles	Other	Less: Tax Exempt Real Property*	Assessed Value	Assessed Value	Direct Tax Rate
1,765,488	1,528,991	1,192,171	529,268	29,679,981	0.525
1,342,270	1,595,537	968,969	529,435	28,057,219	0.604
1,952,226	1,653,573	1,263,593	532,418	28,877,723	0.604
2,100,032	1,726,624	1,268,909	588,226	29,544,516	0.604
2,215,126	1,902,707	1,260,614	585,936	30,417,045	0.539
2,320,683	1,893,655	1,595,053	613,635	36,264,613	0.529
2,429,053	1,975,798	1,588,701	709,941	37,528,113	0.529
2,424,076	2,150,140	1,562,025	874,955	39,338,387	0.529
2,766,719	2,755,991	1,566,723	1,038,671	41,314,697	0.529
2,905,716	2,785,403	1,789,001	957,424	48,420,644	0.488




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

	Fiscal Year					Fiscal Year				
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>County of Buncombe Direct Rates</b>										
General County-wide Rate	\$ 0.488	\$ 0.529	\$ 0.529	\$ 0.529	\$ 0.539	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.604	\$ 0.525
Fire Districts	0.130	0.133	0.133	0.143	0.123	0.118	0.118	0.118	0.118	0.113
Total average direct rate	0.618	0.662	0.662	0.672	0.662	0.722	0.722	0.722	0.722	0.638
<b>City</b>										
City of Asheville	0.403	0.429	0.429	0.429	0.429	0.475	0.475	0.475	0.460	0.420
<b>Towns</b>										
Biltmore Forest	0.345	0.345	0.345	0.345	0.330	0.395	0.395	0.385	0.385	0.330
Weaverville	0.350	0.380	0.380	0.380	0.380	0.440	0.440	0.420	0.420	0.375
Black Mountain	0.306	0.333	0.333	0.333	0.333	0.375	0.375	0.375	0.375	0.365
Woodfin	0.330	0.330	0.330	0.280	0.280	0.305	0.305	0.305	0.305	0.265
Montreat	0.430	0.430	0.430	0.410	0.410	0.410	0.410	0.410	0.410	0.370
<b>Districts</b>										
Asheville School	0.106	0.120	0.120	0.120	0.120	0.150	0.150	0.150	0.150	0.150

Source: Buncombe County Tax Department

Note: Property was reassessed in fiscal year 2014 as well as fiscal year 2018. All taxable property is subject to the county-wide tax. Most property in unincorporated areas are also subject to fire district taxes.

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	\$ 962,320,976	1	2.11%	 314,129,123	1	1.06%
Duke Energy Progress Inc	703,749,091	2	1.54%	\$ 213,226,216	2	0.72%
Ingles Markets Inc	348,737,415	3	0.76%	98,392,382	6	0.33%
Biltmore Company	150,047,627	4	0.33%	132,625,290	4	0.45%
GPI Resort Holdings LLC	146,281,000	5	0.32%			
New Belgium Brewing Company Inc	120,083,021	6	0.26%			
Linamar North Carolina Inc	110,532,141	7	0.24%			
Town Square West LLC	93,293,035	8	0.20%	114,808,690	5	0.39%
Southeastern Container Inc	87,517,931	9	0.19%	64,746,250	9	0.22%
MHG Asheville	80,201,951	10	0.18%			
The Cliffs at Walnut Cove LLC				136,498,700	3	0.46%
Asheville Mall CMBS LLC				78,531,000	7	0.26%
Bellsouth Tel Co - AT&T North Carolina				70,451,946	8	0.24%
Borgwarner Turbo Systems				64,317,250	10	0.22%
<b>Totals</b>	<b>\$ 2,802,764,188</b>		<b>6.13%</b>	<b>\$ 1,287,726,847</b>		<b>4.35%</b>
<b>Total Overall Valuation</b>	<b>\$ 45,637,290,244</b>			<b>\$ 29,314,987,619</b>		

Source: Buncombe County Tax Department

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
2013	156,148	154,652	99.04%	6	154,811	99.14%
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%

Source: Buncombe County Tax Department

Note: Property was revalued and effective in  
fiscal year 2014 as well as fiscal year 2018.

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

<u>Fiscal year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2013	44,717	0.15%	180
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

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Assessed Value of Taxable Property on pages 72 and 73 for property value data.

Population data can be found in the Schedule of Demographic and Economic Statistics on page 82.

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		Project Development Financing Bonds	Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Notes		Special Obligation Bonds	Installment Notes			
2013	44,717	238,710	12,960	2,867	3,714	302,968	3.22%	1,215
2014	38,344	427,831	-	1,462	3,372	471,009	4.63%	1,866
2015	30,124	527,434	-	-	3,030	560,588	4.70%	1,988
2016	27,248	493,279	-	-	2,688	523,215	4.62%	2,012
2017	24,373	461,451	-	-	2,348	488,172	4.09%	1,861
2018	21,498	493,053	-	-	2,007	516,558	4.07%	1,950
2019	18,623	456,783	-	-	1,741	477,147	3.58%	1,785
2020	15,750	418,502	-	-	1,320	435,572	3.10%	1,612
2021	12,877	393,144	-	-	1,001	407,022	N/A	1,492
2022	10,004	398,154	-	-	15,999	424,157	N/A	1,538

N/A = Not available

Source: Buncombe County Annual Comprehensive Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 87 for personal income and population data.

ASHEVILLE CITY SCHOOLS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY  
As of June 30, 2022

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
<b>Net general obligation bonded debt</b>			
City of Asheville	\$ 33,674,912	100%	\$ 33,674,912
Town of Weaverville	1,486,000	100%	1,486,000
<b>Installment debt</b>			
City of Asheville	75,075,258	100%	75,075,258
Town of Biltmore Forest	142,537	100%	142,537
Town of Black Mountain	1,690,473	100%	1,690,473
Town of Weaverville	153,329	100%	153,329
Town of Woodfin	196,815	100%	<u>196,815</u>
Subtotal, overlapping debt			112,419,324
County direct debt		100%	<u>409,809,100</u>
Total direct and overlapping debt			<u><u>\$ 522,228,424</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)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt limit	\$ 3,873,652	\$ 3,305,175	\$ 3,147,071	\$ 3,002,249
Total net debt applicable limit	<u>390,468</u>	<u>375,675</u>	<u>399,315</u>	<u>400,014</u>
Legal debt margin	<u>\$ 3,483,184</u>	<u>\$ 2,929,500</u>	<u>\$ 2,747,756</u>	<u>\$ 2,602,235</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.08%</u>	<u>11.37%</u>	<u>12.69%</u>	<u>13.32%</u>

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value of taxable property	<u>\$ 48,420,644</u>
Debt Limit - Eight Percent (8%) of assessed value	1,452,619
Gross Debt:	
Total Bonded Debt	10,004
Installment Purchase Agreements	<u>380,464</u>
Gross Debt	<u>390,468</u>
Total amount of debt applicable to debt limit (net debt)	<u>\$ 390,468</u>
Legal debt margin	<u>\$ 1,062,151</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

Fiscal Year	2018	2017	2016	2015	2014	2013
	\$ 2,901,169	\$ 2,433,364	\$ 2,363,561	\$ 2,154,040	\$ 2,210,098	\$ 2,374,398
	432,220	406,791	431,485	454,994	402,098	257,377
	<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>\$ 2,117,021</u>
	<u>14.90%</u>	<u>16.72%</u>	<u>18.26%</u>	<u>21.12%</u>	<u>18.19%</u>	<u>10.84%</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
2013	249,325	9,419,058	38,141	41.2	30,535	6.4%
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%

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mh Hospital Manager LLC	1000+	1	.73%+	1000+	1	.82%+
Ingles Markets, Inc	1000+	2	.73%+	1000+	2	.82%+
Veterans Administration	1000+	3	.73%+	1000+	4	.82%+
Buncombe County Board Of Education	1000+	4	.73%+	1000+	3	.82%+
Biltmore Workforce Management Inc	1000+	5	.73%+	1000+	8	.82%+
County Of Buncombe	1000+	6	.73%+	1000+	5	.82%+
City Of Asheville	1000+	7	.73%+	1000+	6	.82%+
Wal-Mart Associates Inc.	1000+	8	.73%+	1000+	7	.82%+
Eaton Corporation	1000+	9	.73%+	1000+	9	.82%+
Mountain Area Health Education Center	500-999	10	.37%-.73%	-	-	-
Community Carepartners Inc	-	-	-	1000+	10	.82%+
	<u>9,500 - 9,999+</u>		<u>6.94%-7.31%+</u>	<u>9,999+</u>		<u>8.23%+</u>
Buncombe County Employment	<u>136,819</u>			<u>121,521</u>		

SOURCE: NC Department of Commerce

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
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
2013	399	301	700	4,081	10.2

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2013 through 2022.

Operating  
Schedule 17ASHEVILLE 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
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%
2013	4,081	3,854	11,243	Ninth	46.00%	26.00%	59.00%	15.00%

## 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, 2013 through 2022.

Table on Per Pupil Expenditures, Child Nutrition Excluded.

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 COVID-19 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>
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
2013	33,418	69,674	44,424

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 Asheville City Schools.

ASHEVILLE CITY SCHOOLS  
SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years

Operating  
Schedule 19

School Name	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Elementary:</b>										
Asheville Primary School										
Square Feet	59,132	59,132	59,132	59,132	59,132	See below	See below	See below	See below	See below
First month membership	102	102	103	104	47	See below	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	408	408	430	430	473	493	478	469	450	439
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	411	411	430	432	491	525	508	488	465	470
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	267	267	318	318	315	347	392	349	347	302
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	372	372	416	416	448	501	498	482	444	415
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	312	312	349	350	422	470	467	464	462	459
<b>Middle:</b>										
Asheville Middle										
Square Feet	174,695	174,695	174,695	174,695	174,695	174,695	170,418	170,418	170,418	170,418
First month membership	668	668	661	662	769	796	704	721	747	787

ASHEVILLE CITY SCHOOLS  
SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years

Operating  
Schedule 19

School Name	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Middle/High:</b>										
Montford North Star Academy, Formerly Randolph Learning Center/William Randolph School:										
Square Feet	57,374	57,374	57,374	57,374	57,374	See below	See below	See below	See below	56,819
First month membership	229	229	220	221	82	See below	See below	See below	See below	See below
Asheville High/SILSA:										
Square Feet	354,803	354,803	354,803	354,803	354,803	367,803	367,803	367,803	367,803	365,441
First month membership	1,094	1,094	1,049	1,380	1,374	1,372	1,376	1,385	1,332	1,273

Sources: Asheville City Schools Records

Notes: For the school year 2013, the Randolph Learning Center was converted from an alternative school to an alternative program serving Asheville Middle School and Asheville High School students on the renamed William Randolph School campus. 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.



# ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.



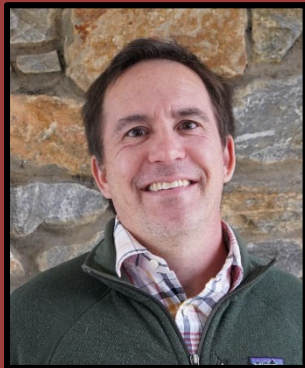
# ASHEVILLE CITY BOARD OF EDUCATION



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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.