

ANNUAL COMPREHENSIVE FINANCIAL REPORT



2021
ANNUAL REPORT
FOR THE YEAR ENDED **JUNE 30**

ASHEVILLE
CITY SCHOOLS
Asheville, NC



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Annual Comprehensive Financial Report
of the
Asheville City Schools

Asheville, North Carolina
For the Fiscal Year Ended June 30, 2021



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



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INTRODUCTORY SECTION



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Asheville City Schools

Administrative Offices • PO Box 7347 • 85 Mountain Street • Asheville, North Carolina 28802

LETTER OF TRANSMITTAL

December 14, 2021

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

In compliance with the *Public School Laws of North Carolina* (State), the Annual Comprehensive Financial Report of the Asheville City Board of Education (Board), operating as the "Asheville City Schools," for the fiscal year ended June 30, 2021, 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 2020, 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 2020-21 school year was 4,121 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. Asheville Primary School, opened in the 2017-18 school year, operates under a

Montessori theme that focuses on fostering a child's natural inclination to learn.

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 approximately 264,408 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 20120-21 was 6%. The Buncombe County unemployment rate decreased from 10.7% in July 2020 to 4.0% in July 2021. Buncombe County's unemployment rate was below both the state (4.6%) and national (5.7%) July 2021 unemployment rates.

The Asheville Metro gained approximately 9,500 total nonfarm jobs in July 2020-21, a year-over-year gain of 5%. This gain indicates a partial recovery from the COVID-19 pandemic. During April of 2020, Asheville Metro's nonfarm employment set a low of 162,500. Most recently, as of August 2021, nonfarm employment has recovered to 187,400 but is still below the pre-pandemic levels of employment of 198,100 in August 2019. Major industry employment losses were experienced primarily by Leisure and Hospitality, with a 25% decrease in employment from August 2019-20 year-over-year. Employment in Leisure and Hospitality has partially recovered from 23,500 in August 2020 to 27,600 in August 2021 but is still below pre-pandemic employment of 31,400 in August 2019.

The housing market has remained strong. Year-over-year closed home sales were up 20% in August 2021 compared to August 2020 and the average price of homes increased from \$387,286 to \$466,600 (+20.5%). In addition, Days on Market Until Sale have dropped 37% from 72 days in August 2020 to 27 days in August 2021.

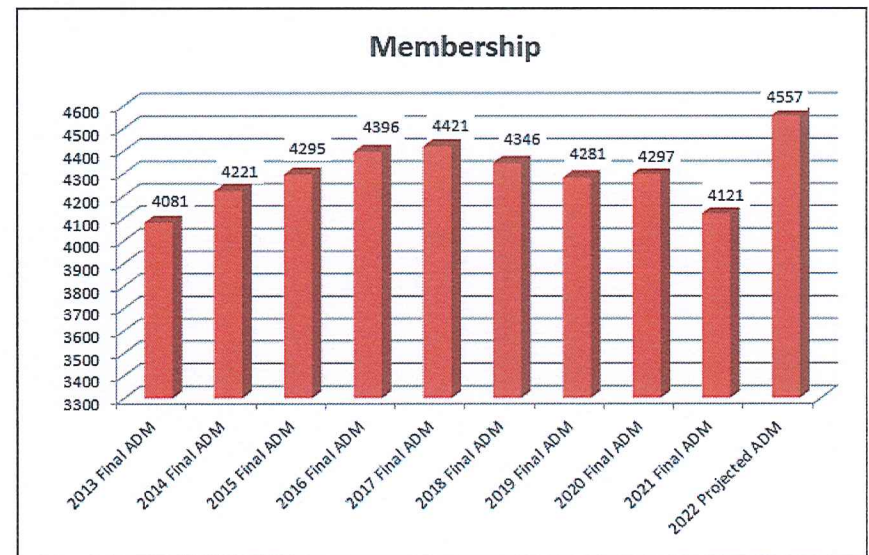
While operating within the above economic environment, Asheville City Schools has continued to enjoy the commitment to quality education for its citizens and the Buncombe County Commissioners have demonstrated that by their level of support and funding. For fiscal year 2020, county general appropriation funding increased 1.8%, from \$12,456,771 to \$12,679,492. This trend continued into fiscal year 2022 with a 3.5% increase, bringing the total county general appropriation to over \$13.1 million for fiscal year 2022.

The School Capital Commission Board was established by the Buncombe County Board of Commissioners. 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 2021. 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 2021. 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 2013 through 2021 and projected average daily membership for fiscal year 2022. This projected ADM did not take



into consideration the impact of COVID-19 on membership. Actual membership for 2022 is expected to be less.

MAJOR ACCOMPLISHMENTS AND INITIATIVES

Dr. Gene Freeman continued as Superintendent of Asheville City Schools during the 2020-21 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 2021 was 90.2 percent.
- 69 Asheville City Schools' 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 2021.
- The Asheville City Schools Preschool Program continues to operate 6 sites with a 5-star child care facility rating from the North Carolina Division of Child Development.
- On average, our 29 yellow school buses drive approximately 1,700 miles every day transporting over half of the students enrolled in the district.
- The Advancement Via Individual Determination Program (AVID) graduated its 18th class while celebrating 21 years of AVID. Just as every other class had achieved over the years, every 2021 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.

- District teaching staff members were awarded at regional and state levels during 2021:
 - Mrs. Robin Mehler of Lucy S. Herring Elementary was named as the 2021 state runner-up at the April 15th NCCAT-The North Carolina Center for the Advancement of Teaching-Prudential Beginning Teacher of the Year Award Ceremony.
 - Mrs. Susanna Cerrato was named the Western Region Teacher of the Year - the district's first since 2009. This made her one of just nine educators amongst North Carolina's 94,000 classroom teachers who could earn the title of North Carolina's 2021 Teacher of the Year.

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, 2021, 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, 2021, 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-four 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, 2021.

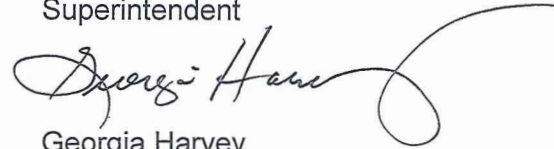
ACKNOWLEDGMENTS

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

Respectfully submitted,



Dr. Gene Freeman
Superintendent



Georgia Harvey
Executive Director of Finance



Christy W. House, CSBM
Financial Services Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Asheville City Schools

for its Comprehensive Annual Financial Report
(CAFR) for the Fiscal Year Ended June 30, 2020.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

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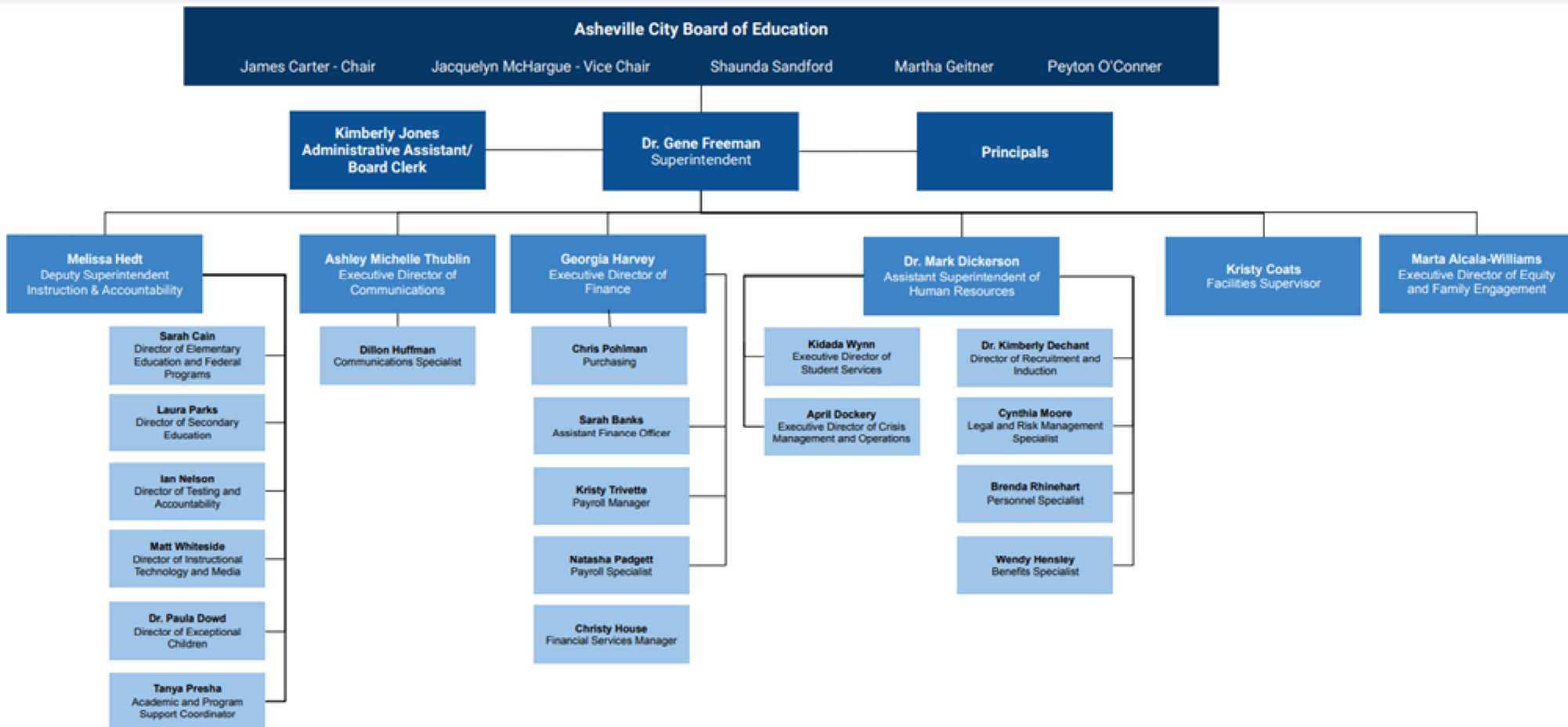
**Asheville City Schools
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO





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FINANCIAL SECTION



ASHEVILLE CITY SCHOOLS

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INDEPENDENT AUDITORS' REPORT

To the Asheville City Board of Education
Asheville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Asheville City Schools, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Asheville City Schools as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, State Public School and Other Special Revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the Schedule of the Proportionate Share of the Net Pension and OPEB Liabilities and the Schedule of Board Contributions on pages 46 through 51, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Asheville City Schools' 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.

The combining fund financial statements and individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements taken as a whole.

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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the Asheville City Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Schools' 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 Schools' internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 1, 2021
Statesville, North Carolina
(704) 562-5039

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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, 2021. 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 \$5,397,928.
- The Board's total net position increased by \$9,524.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$12,882,095, an increase of \$716,416.

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, 2021**

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, 2021**

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 \$5,397,928 as of June 30, 2021, an increase of \$9,524 as compared to the prior fiscal year. The largest component of net position is the net investment in capital assets (e.g. land, buildings, machinery and equipment). The net investment in capital assets totaled \$81,548,559 at June 30, 2021.

Following is a summary of the statement of Net Position:

**Table 1
Condensed Statement of Net Position
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Current assets	\$ 13,431,799	\$ 12,568,401	\$ 4,461	\$ 244,193	\$ 13,436,260	\$ 12,812,594
Capital assets	81,051,069	82,693,956	519,492	564,551	81,570,561	83,258,507
Total assets	<u>94,482,868</u>	<u>95,262,357</u>	<u>523,953</u>	<u>808,744</u>	<u>95,006,821</u>	<u>96,071,101</u>
Deferred outflows of resources	<u>18,714,842</u>	<u>19,108,874</u>	<u>240,639</u>	<u>209,293</u>	<u>18,955,481</u>	<u>19,318,167</u>
Current liabilities	444,915	308,065	39,229	47,281	484,144	355,346
Long-term liabilities	<u>90,237,429</u>	<u>95,389,419</u>	<u>1,159,037</u>	<u>1,052,205</u>	<u>91,396,466</u>	<u>96,441,624</u>
Total liabilities	<u>90,682,344</u>	<u>95,697,484</u>	<u>1,198,266</u>	<u>1,099,486</u>	<u>91,880,610</u>	<u>96,796,970</u>
Deferred inflows of resources	<u>27,130,766</u>	<u>23,739,737</u>	<u>348,854</u>	<u>260,013</u>	<u>27,479,620</u>	<u>23,999,750</u>
Net investment in capital assets	81,029,067	82,627,532	519,492	564,551	81,548,559	83,192,083
Restricted net position	6,264,453	6,266,508	1,347	1,037	6,265,800	6,267,545
Unrestricted net position	<u>(91,908,920)</u>	<u>(93,960,030)</u>	<u>(1,303,367)</u>	<u>(907,050)</u>	<u>(93,212,287)</u>	<u>(94,867,080)</u>
Total net position	<u>\$ (4,615,400)</u>	<u>\$ (5,065,990)</u>	<u>\$ (782,528)</u>	<u>\$ (341,462)</u>	<u>\$ (5,397,928)</u>	<u>\$ (5,407,452)</u>

Note that net position of governmental activities increased by approximately \$450,000 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.

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 777,303	\$ 2,568,845	\$ 30,367	\$ 367,685	\$ 807,670	\$ 2,936,530
Operating grants and contributions	32,201,439	30,679,458	1,429,089	1,427,757	33,630,528	32,107,215
Capital grants and contributions	424,422	67,936	24,175	32,892	448,597	100,828
General revenues:						
Buncombe County	15,439,137	14,869,577	-	-	15,439,137	14,869,577
Supplemental school tax	10,794,794	10,150,870	-	-	10,794,794	10,150,870
Local option sales tax	3,671,828	3,092,911	-	-	3,671,828	3,092,911
Other revenues	2,296,403	2,070,542	-	-	2,296,403	2,070,542
Total revenues	<u>65,605,326</u>	<u>63,500,139</u>	<u>1,483,631</u>	<u>1,828,334</u>	<u>67,088,957</u>	<u>65,328,473</u>
Expenses:						
Governmental activities:						
Instructional services	50,017,774	53,928,952	-	-	50,017,774	53,928,952
System-wide support services	13,093,494	12,824,033	-	-	13,093,494	12,824,033
Ancillary services	298,290	496,098	-	-	298,290	496,098
Non-programmed charges	1,382,153	1,357,017	-	-	1,382,153	1,357,017
Unallocated depreciation	315,101	301,093	-	-	315,101	301,093
Business-type activities:						
Child Nutrition	-	-	1,972,621	1,775,950	1,972,621	1,775,950
Total expenses	<u>65,106,812</u>	<u>68,907,193</u>	<u>1,972,621</u>	<u>1,775,950</u>	<u>67,079,433</u>	<u>70,683,143</u>
Excess (deficiency)						
before transfers	498,514	(5,407,054)	(488,990)	52,384	9,524	(5,354,670)
Transfers in (out)	(47,924)	(68,037)	47,924	68,037	-	-
Change in net position	450,590	(5,475,091)	(441,066)	120,421	9,524	(5,354,670)
Beginning net position	(5,065,990)	409,101	(341,462)	(461,883)	(5,407,452)	(52,782)
Ending net position	<u>\$ (4,615,400)</u>	<u>\$ (5,065,990)</u>	<u>\$ (782,528)</u>	<u>\$ (341,462)</u>	<u>\$ (5,397,928)</u>	<u>\$ (5,407,452)</u>

Governmental activities generated revenues of \$65.6 million for fiscal year 2021 compared to \$63.5 million for the previous year. Governmental activities expenses totaled \$65.1 million for fiscal year 2021 compared to \$68.9 million for the previous year. After transfers to the business-type activities, the increase in net position stands at approximately \$450,000 at June 30, 2021 compared to a decrease of \$5.5 million in 2020.

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

County funding comprised 23.4% of total governmental revenues in fiscal year 2020 and 23.5% in fiscal year 2021, maintaining close consistency with the previous year. The amount of the Asheville City Schools supplemental city school tax received was 16.0% of total governmental revenues for the year. Much of the remaining governmental revenues consist of restricted state and federal money. Instructional expenses comprised 73.1% of total governmental expenses for fiscal year 2021 compared to 78.3% for fiscal year 2020. Support services accounted for 20.4% and 18.6% of expenses in fiscal years 2021 and 2020, respectively.

Business-type activities generated revenues of approximately \$1.5 million for fiscal year 2021 and \$1.8 million for fiscal year 2020. At the same time, expenses for the business-type activities were approximately \$2.0 million for fiscal year 2021 compared to \$1.8 million for fiscal year 2020. Thus, net position decreased in the business-type activities by \$441,000, after transfers in from the governmental activities of \$48,000.

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, 2021 and 2020 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, 2021 and 2020**

	2021				Total
	General Fund	Other Special Revenue Fund	Capital Outlay Fund	Individual Schools Fund	
Fund balances:					
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -
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	5,664,366	2,305,589	4,016,887	895,253	12,882,095
	2020				Total
	General Fund	Other Special Revenue Fund	Capital Outlay Fund	Individual Schools Fund	
Fund balances:					
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	47,319	821,730	4,295,320	1,007,482	6,171,851
Assigned	3,000,000	945,361	-	-	3,945,361
Unassigned	2,048,467	-	-	-	2,048,467
Total	5,095,786	1,767,091	4,295,320	1,007,482	12,165,679

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

The General Fund and Other Special Revenue Fund ended the year with a surplus of revenues and other financing sources over expenditures and other financing uses. This resulted in a combined net increase of \$1.1 million in the aforementioned funds. The Capital Outlay Fund and Individual Schools Fund experienced decreases in fund balance of \$280,000 and \$110,000, respectively.

Proprietary Fund: The Board's proprietary fund reflected a decrease in net position of \$441,066 for 2021 compared to an increase of \$120,421 for 2020.

General Fund Budgetary Highlights

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

Capital Assets

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

Table 4						
Summary of Capital Assets						
As of June 30, 2021 and 2020						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/20</u>	<u>6/30/21</u>	<u>6/30/20</u>
Land	\$ 1,307,576	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576	\$ 1,307,576
Construction in progress	-	63,049	-	-	-	63,049
Land improvements	2,578,957	1,808,312	-	-	2,578,957	1,808,312
Buildings	75,459,350	77,753,077	-	-	75,459,350	77,753,077
Equipment and furniture	1,148,480	1,165,377	519,492	564,551	1,667,972	1,729,928
Vehicles	556,706	596,565	-	-	556,706	596,565
Total	<u>\$ 81,051,069</u>	<u>\$ 82,693,956</u>	<u>\$ 519,492</u>	<u>\$ 564,551</u>	<u>\$ 81,570,561</u>	<u>\$ 83,258,507</u>

Capital assets decreased \$1,687,946 or (2.0%) 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 2021, the Board's outstanding debt was composed of installment purchase obligations related to school buses, the liability for compensated absences to be paid from governmental and proprietary funds and pension plan obligations. The County

**ASHEVILLE CITY SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021**

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

As of the date of the issuance of this report, the North Carolina General Assembly had not passed a final budget for Fiscal Year 2021. The following factors will be considered when developing the Asheville City Schools' 2022 budget:

- The North Carolina General Assembly is expected to provide step increases for teachers who earned a year of experience.
- The retirement matching rate as set by the North Carolina General Assembly is expected to increase from 21.68% to 22.27%
- The annual cost of employer provided hospitalization insurance is expected to increase from \$6,326 to \$6,580, per employee.
- The Asheville City Schools supplemental tax rate for 2021 is set at 10.62 cents per \$100 of assessed taxable valuation. An increase of \$315,193 is projected.

Impact of Coronavirus on School

During the fiscal year, the state and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

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, 2021

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,315,638	\$ -	\$ 11,315,638
Due from other governments	1,789,629	69,711	1,859,340
Receivables	25,838	-	25,838
Internal balances	195,905	(195,905)	-
Net OPEB asset	104,789	1,347	106,136
Inventories	-	129,308	129,308
Capital assets:			
Land and construction in progress	1,370,675	-	1,370,675
Other capital assets, net of depreciation	79,680,394	519,492	80,199,886
Total capital assets	81,051,069	519,492	81,570,561
Total assets	94,482,868	523,953	95,006,821
DEFERRED OUTFLOWS OF RESOURCES	18,714,842	240,639	18,955,481
LIABILITIES			
Accounts payable and accrued expenses	444,915	1,092	446,007
Unearned revenues	-	38,137	38,137
Long-term liabilities:			
Net pension liability	29,085,544	373,989	29,459,533
Net OPEB liability	58,154,915	747,770	58,902,685
Due within one year	1,463,782	23,274	1,487,056
Due in more than one year	1,533,188	14,004	1,547,192
Total liabilities	90,682,344	1,198,266	91,880,610
DEFERRED INFLOWS OF RESOURCES	27,130,766	348,854	27,479,620
NET POSITION			
Net investment in capital assets	81,029,067	519,492	81,548,559
Restricted for:			
Individual school activities	895,253	-	895,253
Stabilization by State statute	1,247,524	-	1,247,524
School Capital Outlay	4,016,887	-	4,016,887
DIPNC OPEB plan	104,789	1,347	106,136
Unrestricted	(91,908,920)	(1,303,367)	(93,212,287)
Total net position	\$ (4,615,400)	\$ (782,528)	\$ (5,397,928)

ASHEVILLE CITY SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	<i>Exhibit 2</i>						Total
	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Primary Government		Governmental Activities	Business-type Activities		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary government:							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 29,294,957	\$ 144,509	\$ 17,648,106	\$ -	\$ (11,502,342)	\$ -	\$ (11,502,342)
Special populations	6,246,885	-	5,006,724	-	(1,240,161)	-	(1,240,161)
Alternative programs	5,142,041	297,283	2,447,156	-	(2,397,602)	-	(2,397,602)
School leadership	3,411,358	-	1,600,010	-	(1,811,348)	-	(1,811,348)
Co-curricular services	860,431	335,286	1,506	-	(523,639)	-	(523,639)
School-based support	5,062,102	-	2,666,276	-	(2,395,826)	-	(2,395,826)
System-wide support services							
Support and development	840,854	-	155,270	-	(685,584)	-	(685,584)
Special population support and development	255,904	-	237,920	-	(17,984)	-	(17,984)
Alternative programs	288,762	-	82,203	-	(206,559)	-	(206,559)
Technology support	1,362,052	-	141,424	-	(1,220,628)	-	(1,220,628)
Operational support	6,344,485	-	1,172,249	424,422	(4,747,814)	-	(4,747,814)
Financial and human resource services	105,503	-	450,423	-	344,920	-	344,920
Accountability	915,910	-	-	-	(915,910)	-	(915,910)
System-wide pupil support	1,481,804	-	254,689	-	(1,227,115)	-	(1,227,115)
Policy, leadership and public relations	1,498,220	-	298,080	-	(1,200,140)	-	(1,200,140)
Ancillary services	298,290	225	39,403	-	(258,662)	-	(258,662)
Non-programmed charges	1,382,153	-	-	-	(1,382,153)	-	(1,382,153)
Unallocated depreciation expense**	315,101	-	-	-	(315,101)	-	(315,101)
Total governmental activities	65,106,812	777,303	32,201,439	424,422	(31,703,648)	-	(31,703,648)
Business-type activities:							
School food service	1,972,621	30,367	1,429,089	24,175	-	(488,990)	(488,990)
Total primary government	\$ 67,079,433	\$ 807,670	\$ 33,630,528	\$ 448,597	(31,703,648)	(488,990)	(32,192,638)
General revenues:							
Unrestricted county appropriations - operating					12,679,492	-	12,679,492
Unrestricted county appropriations - capital					2,759,645	-	2,759,645
Supplemental city school tax					10,794,794	-	10,794,794
Local option sales tax					3,671,828	-	3,671,828
Investment earnings, unrestricted					15,543	-	15,543
Miscellaneous, unrestricted					2,280,860	-	2,280,860
Transfers					(47,924)	47,924	-
Total general revenues and transfers					32,154,238	47,924	32,202,162
Change in net position					450,590	(441,066)	9,524
Net position-beginning					(5,065,990)	(341,462)	(5,407,452)
Net position-ending					\$ (4,615,400)	\$ (782,528)	\$ (5,397,928)

** 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, 2021

Exhibit 3

	Major Funds				Non-major Fund	Total Governmental Funds	
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue		Federal Grants
ASSETS							
Cash and cash equivalents	\$ 5,763,056	\$ -	\$ 893,189	\$ 3,326,353	\$ 1,333,040	\$ -	\$ 11,315,638
Receivables	23,774	-	2,064	-	-	-	25,838
Due from other fund	195,905	-	-	-	-	-	195,905
Due from other governments	54,063	-	-	761,784	973,782	-	1,789,629
Total assets	<u>\$ 6,036,798</u>	<u>\$ -</u>	<u>\$ 895,253</u>	<u>\$ 4,088,137</u>	<u>\$ 2,306,822</u>	<u>\$ -</u>	<u>\$ 13,327,010</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 372,432	\$ -	\$ -	\$ 71,250	\$ 1,233	\$ -	\$ 444,915
Fund balances:							
Restricted:							
Stabilization by State statute	273,742	-	-	-	973,782	-	1,247,524
School capital outlay	-	-	-	4,016,887	-	-	4,016,887
Individual schools	-	-	895,253	-	-	-	895,253
Assigned:							
Special revenues	-	-	-	-	1,331,807	-	1,331,807
Subsequent year's expenditures	3,500,000	-	-	-	-	-	3,500,000
Unassigned	1,890,624	-	-	-	-	-	1,890,624
Total fund balances	<u>5,664,366</u>	<u>-</u>	<u>895,253</u>	<u>4,016,887</u>	<u>2,305,589</u>	<u>-</u>	<u>12,882,095</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,036,798</u>	<u>\$ -</u>	<u>\$ 895,253</u>	<u>\$ 4,088,137</u>	<u>\$ 2,306,822</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.

Net OPEB asset

Deferred outflows of resources related to pensions.

Deferred outflows of resources related to OPEB

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.

Net pension liability

Net OPEB liability

Deferred inflows of resources related to OPEB

Deferred inflows of resources related to pensions

Net position of governmental activities

81,051,069

104,789

11,362,690

7,352,152

(2,996,970)

(29,085,544)

(58,154,915)

(26,538,323)

(592,443)

\$ (4,615,400)

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit 4

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
REVENUES							
State of North Carolina	\$ -	\$ 28,337,111	\$ -	\$ 187,776	\$ 630,987	\$ -	\$ 29,155,874
Buncombe County	12,679,492	-	-	2,759,645	-	-	15,439,137
U.S. Government	-	526,529	-	-	278,188	3,473,267	4,277,984
Supplemental city school tax	10,794,794	-	-	-	-	-	10,794,794
Local option sales tax	-	-	-	-	3,671,828	-	3,671,828
Other	114,941	-	335,286	436,087	1,379,395	-	2,265,709
Total revenues	<u>23,589,227</u>	<u>28,863,640</u>	<u>335,286</u>	<u>3,383,508</u>	<u>5,960,398</u>	<u>3,473,267</u>	<u>65,605,326</u>
EXPENDITURES							
Current:							
Instructional services:							
Regular instructional	6,870,094	17,367,035	-	91,855	1,586,258	281,071	26,196,313
Special populations	809,991	4,381,529	-	-	553,080	625,195	6,369,795
Alternative programs	1,419,091	613,237	-	-	1,341,208	1,833,919	5,207,455
School leadership	1,565,500	1,600,010	-	-	322,221	-	3,487,731
Co-curricular services	241,908	-	600,295	31,753	4,192	1,506	879,654
School-based support	1,261,666	2,556,358	-	742,836	501,675	109,918	5,172,453
System-wide support services:							
Support and development	620,360	154,069	-	-	84,049	1,201	859,679
Special population support and development	2,100	99,283	-	-	17,855	138,637	257,875
Alternative programs and services	213,023	-	-	-	-	82,203	295,226
Technology support	963,250	141,424	-	-	282,100	-	1,386,774
Operational support	4,666,510	959,287	-	210,383	299,321	212,962	6,348,463
Financial and human resource services	961,026	351,312	-	-	103,529	99,111	1,514,978
Accountability	98,715	-	-	-	9,150	-	107,865
System-wide pupil support	582,545	254,689	-	-	99,182	-	936,416
Policy, leadership and public relations	1,094,107	298,080	-	22,647	116,928	-	1,531,762
Ancillary services	115,828	39,403	-	48,585	101,152	-	304,968
Non-programmed charges:							
Payments to charter schools	1,382,153	-	-	-	-	-	1,382,153
Other	-	-	-	-	-	87,544	87,544
Debt service:							
Principal payments	-	-	-	44,422	-	-	44,422
Capital outlay							
Total expenditures	<u>22,867,867</u>	<u>28,815,716</u>	<u>600,295</u>	<u>3,661,941</u>	<u>5,421,900</u>	<u>3,473,267</u>	<u>64,840,986</u>
Revenues over (under) expenditures	721,360	47,924	(265,009)	(278,433)	538,498	-	764,340
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	152,780	-	-	-	152,780
Transfers to other funds	(152,780)	(47,924)	-	-	-	-	(200,704)
Total other financing sources (uses)	<u>(152,780)</u>	<u>(47,924)</u>	<u>152,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,924)</u>
Net change in fund balance	568,580	-	(112,229)	(278,433)	538,498	-	716,416
Fund balances-beginning	5,095,786	-	1,007,482	4,295,320	1,767,091	-	12,165,679
Fund balances-ending	<u>\$ 5,664,366</u>	<u>\$ -</u>	<u>\$ 895,253</u>	<u>\$ 4,016,887</u>	<u>\$ 2,305,589</u>	<u>\$ -</u>	<u>\$ 12,882,095</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

Exhibit 4
(Continued)

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

Net changes in fund balances - total governmental funds	\$ 716,416
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.	(1,642,887)
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	2,381,769
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	5,199,784
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	996,192
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.	44,422
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	(8,235,620)
Net OPEB expense	1,088,351
Compensated absences	<u>(97,837)</u>
Total changes in net position of governmental activities	<u>\$ 450,590</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, 2021

Exhibit 5

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	12,728,957	12,728,957	12,679,492	(49,465)
U.S. Government	-	-	-	-
Supplemental city school tax	10,694,608	10,694,608	10,794,794	100,186
Local option sales tax	-	-	-	-
Other	245,000	245,000	114,941	(130,059)
Total revenues	<u>23,668,565</u>	<u>23,668,565</u>	<u>23,589,227</u>	<u>(79,338)</u>
Expenditures:				
Current:				
Instructional services	14,541,379	13,540,879	12,168,250	1,372,629
System-wide support services	10,792,689	10,793,189	9,201,636	1,591,553
Ancillary services	109,497	609,497	115,828	493,669
Non-programmed charges:				
Payments to charter schools	<u>1,225,000</u>	<u>1,725,000</u>	<u>1,382,153</u>	<u>342,847</u>
Total expenditures	<u>26,668,565</u>	<u>26,668,565</u>	<u>22,867,867</u>	<u>3,800,698</u>
Revenues over (under) expenditures	(3,000,000)	(3,000,000)	721,360	3,721,360
Other financing sources uses:				
Transfers to other funds	-	-	(152,780)	(152,780)
Revenues over (under) expenditures and other uses	(3,000,000)	(3,000,000)	568,580	3,568,580
Appropriated fund balance	<u>3,000,000</u>	<u>3,000,000</u>	-	<u>3,000,000</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	568,580	<u>\$ 568,580</u>
Fund balances, beginning of year			<u>5,095,786</u>	
Fund balances, end of year			<u>\$ 5,664,366</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, 2021

Exhibit 5 (Continued)

	State Public School Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
State of North Carolina	\$ 28,622,116	\$ 29,090,035	\$ 28,337,111	\$ (752,924)
Buncombe County	-	-	-	-
U.S. Government	417,351	526,529	526,529	-
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>29,039,467</u>	<u>29,616,564</u>	<u>28,863,640</u>	<u>(752,924)</u>
Expenditures:				
Current:				
Instructional services	26,800,703	27,249,302	26,518,169	731,133
System-wide support services	2,144,802	2,273,300	2,258,144	15,156
Ancillary services	39,403	39,403	39,403	-
Non-programmed charges	-	-	-	-
Total expenditures	<u>28,984,908</u>	<u>29,562,005</u>	<u>28,815,716</u>	<u>746,289</u>
Revenues over (under) expenditures	54,559	54,559	47,924	(6,635)
Other financing sources uses:				
Transfers to other funds	<u>(54,559)</u>	<u>(54,559)</u>	<u>(47,924)</u>	<u>6,635</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, 2021

Exhibit 5 (Continued)

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
State of North Carolina	\$ 604,148	\$ 643,322	\$ 630,987	\$ (12,335)
Buncombe County	-	-	-	-
U.S. Government	95,000	309,924	278,188	(31,736)
Supplemental city school tax	-	-	-	-
Local option sales tax	2,924,551	2,924,551	3,671,828	747,277
Other	1,229,040	1,236,403	1,379,395	142,992
Total revenues	<u>4,852,739</u>	<u>5,114,200</u>	<u>5,960,398</u>	<u>846,198</u>
Expenditures:				
Current:				
Instructional services	5,438,254	5,394,715	4,308,634	1,086,081
System-wide support services	774,197	1,079,197	1,012,114	67,083
Ancillary services	121,240	121,240	101,152	20,088
Non-programmed charges	-	-	-	-
Total expenditures	<u>6,333,691</u>	<u>6,595,152</u>	<u>5,421,900</u>	<u>1,173,252</u>
Revenues over (under) expenditures	(1,480,952)	(1,480,952)	538,498	2,019,450
Appropriated fund balance	<u>1,480,952</u>	<u>1,480,952</u>	-	<u>1,480,952</u>
Revenue and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	538,498	<u>\$ 538,498</u>
Fund balances, beginning of year			<u>1,767,091</u>	
Fund balances, end of year			<u>\$ 2,305,589</u>	

ASHEVILLE CITY SCHOOLS
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2021

Exhibit 6

	<u>Enterprise Funds</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ -
Due from other governments	69,711
OPEB asset	1,347
Inventories	129,308
Total current assets	<u>200,366</u>
Noncurrent assets:	
Capital assets, net	<u>519,492</u>
Total assets	<u>719,858</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>240,639</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,092
Due to other fund	195,905
Compensated absences	23,274
Unearned revenues	38,137
Total current liabilities	<u>258,408</u>
Noncurrent liabilities:	
Net pension liability	373,989
Net OPEB liability	747,770
Compensated absences	14,004
Total liabilities	<u>1,394,171</u>
DEFERRED INFLOWS OF RESOURCES	<u>348,854</u>
NET POSITION	
Net investment in capital assets	519,492
DIPNC OPEB plan	1,347
Unrestricted	(1,303,367)
Total net position	<u>\$ (782,528)</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For the Year Ended June 30, 2021

Exhibit 7

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
OPERATING REVENUES	
Food sales	\$ 30,367
OPERATING EXPENSES	
Purchase of food	423,941
Salaries and benefits	1,130,744
Indirect costs	169,418
Materials and supplies	102,075
Contracted services	52,728
Depreciation	69,234
Other	24,481
Total operating expenses	<u>1,972,621</u>
Operating income (loss)	<u>(1,942,254)</u>
NONOPERATING REVENUES	
Federal reimbursements	1,088,726
Federal commodities	170,945
Indirect costs not paid	169,418
Total nonoperating revenues	<u>1,429,089</u>
Income (loss) before transfers	(513,165)
Capital contribution	24,175
Transfer from other funds	47,924
Change in net position	<u>(441,066)</u>
Total net position - beginning	<u>(341,462)</u>
Total net position - ending	<u>\$ (782,528)</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2021

Exhibit 8

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 25,813
Cash paid for goods and services	(385,208)
Cash paid to employees for services	(970,225)
	<u>(1,329,620)</u>
Net cash provided (used) by operating activities	(1,329,620)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal reimbursements	1,121,178
Due to other funds	195,905
Decrease in due from other funds	10,549
	<u>1,327,632</u>
Net cash provided by noncapital financing activities	1,327,632
Net increase (decrease) in cash and cash equivalents	(1,988)
Balances-beginning of the year	<u>1,988</u>
Balances-end of the year	<u>\$ -</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2021

Exhibit 8 (Continued)

Reconciliation of operating loss to net cash used by operating activities	
Operating income (loss)	<u>\$ (1,942,254)</u>
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	69,234
Donated commodities consumed	170,945
Transfers from other funds	47,924
Indirect costs not paid	169,418
Changes in assets deferred outflows of resources, and liabilities:	
(Increase) decrease in net OPEB asset	(310)
(Increase) decrease in inventory	(852)
Increase (decrease) in accounts payable and accrued liabilities	(3,498)
(Increase) decrease in deferred outflows	(31,346)
Increase (decrease) in net pension liability	94,132
Increase (decrease) in net OPEB liability	15,099
Increase (decrease) in deferred inflows	88,841
Increase (decrease) in unearned revenues	(4,554)
Increase (decrease) in compensated absences	<u>(2,399)</u>
Total adjustments	<u>612,634</u>
Net cash provided (used) by operating activities	<u><u>\$ (1,329,620)</u></u>

Noncash investing, capital, and financing activities:

The State Public School Fund paid operating expenses of \$47,924 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 \$24,175 of capital assets as a capital contribution from the Capital Outlay Fund.

Indirect costs of \$169,418 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 D-1.

The School Food Service Fund received donated commodities with a value of \$170,945 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, 2021

Exhibit 9

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>60,760</u>
 NET POSITION	
Unrestricted	\$ <u>60,760</u>

ASHEVILLE CITY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2021

Exhibit 10

	<u>Custodial Funds</u>
ADDITIONS	
Interest earned	\$ 99
DEDUCTIONS	
Supplies	100
Technology	<u>2,388</u>
Total deductions	<u>2,488</u>
Change in net position	(2,389)
Total net position - beginning	<u>63,149</u>
Total net position - ending	<u><u>\$ 60,760</u></u>

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021

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.

The Board reports the following non-major governmental fund:

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.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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.

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move monies from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by a cumulative total of plus or minus ten percent. All such amendments must be approved by the governing board. During the year, several amendments to the original budget ordinance were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, and Fund Equity

Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

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

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

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

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

Deferred Outflows and Inflows of Resources

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

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021 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
NOTES TO THE FINANCIAL STATEMENTS
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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 \$(17,497,495) 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)	\$ 147,464,561
Less Accumulated Depreciation	<u>(66,413,492)</u>
Net capital assets	81,051,069
Net OPEB asset	104,789
Pension related deferred outflows of resources	11,362,690
OPEB related deferred outflows of resources	7,352,152
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:	
Installment financing	(22,002)
Compensated absences	(2,974,968)
Net pension liability	(29,085,544)
Net OPEB liability	(58,154,915)
Deferred inflows of resources related to pensions	(592,443)
Deferred inflows of resources related to OPEB	<u>(26,538,323)</u>
Total adjustment	<u>\$ (17,497,495)</u>

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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(265,826) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 2,422,852
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.	(4,065,739)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,199,784
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,381,769
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	996,192
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	(8,235,620)
Net OPEB expense	1,088,351
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(97,837)
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.	44,422
Total adjustment	\$ (265,826)

Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which

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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.

Adoption of New Accounting Standard

The Board adopted Governmental Accounting Standards Board statement (GASBS) No. 84, Fiduciary Activities, in the fiscal year ending June 30, 2021. GASBS No. 84, Fiduciary Activities, as amended, establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. With the implementation of GASBS No. 84, agency funds are now referred to as custodial funds. The adoption did not have a material impact on the net position of the Board's fiduciary funds.

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, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$2,630,103 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$3,266,617 and \$513,324, respectively. Of these balances, \$924,433 was covered by federal depository insurance and \$2,342,184 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2021, the Board of Education had \$375,192 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 \$8,371,103 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, 2021. The Board has no policy for managing interest rate risk or credit risk.

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Accounts Receivable

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

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 195,905	\$ 54,063	\$ 23,774	\$ 273,742
Other governmental activities	<u>-</u>	<u>1,735,566</u>	<u>2,064</u>	<u>1,737,630</u>
Total governmental activities	<u>\$ 195,905</u>	<u>\$ 1,789,629</u>	<u>\$ 25,838</u>	<u>\$ 2,011,372</u>
Business-type activities:				
School Food Service Fund	<u>\$ (195,905)</u>	<u>\$ 69,711</u>	<u>\$ -</u>	<u>\$ (126,194)</u>

Amounts due from other governments at June 30, 2021, 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	\$ 54,063	Due from local governments
Other Special Revenue Fund	973,782	Due from Buncombe County
Capital Outlay Fund	<u>761,784</u>	Due from Buncombe County
Total	<u>\$ 1,789,629</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 69,711</u>	Federal grant funds

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Capital Assets

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

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576
Construction in progress	63,049	488,188	551,237	-
Total capital assets not being depreciated	<u>1,370,625</u>	<u>488,188</u>	<u>551,237</u>	<u>1,307,576</u>
Capital assets being depreciated:				
Buildings	129,935,145	1,150,566	-	131,085,711
Equipment and furniture	5,577,131	298,204	-	5,875,335
Vehicles	3,751,368	92,553	59,948	3,783,973
Land improvements	4,467,388	944,578	-	5,411,966
Total capital assets being depreciated	<u>143,731,032</u>	<u>2,485,901</u>	<u>59,948</u>	<u>146,156,985</u>
Less accumulated depreciation for:				
Buildings	52,182,068	3,444,293	-	55,626,361
Equipment and furniture	4,411,754	315,101	-	4,726,855
Vehicles	3,154,803	132,412	59,948	3,227,267
Land improvements	2,659,076	173,933	-	2,833,009
Total accumulated depreciation	<u>62,407,701</u>	<u>4,065,739</u>	<u>59,948</u>	<u>66,413,492</u>
Total capital assets being depreciated, net	<u>81,323,331</u>			<u>79,743,493</u>
Governmental activity capital assets, net	<u>\$ 82,693,956</u>			<u>\$ 81,051,069</u>

	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment	\$ 1,354,856	\$ 24,175	\$ 32,703	\$ 1,346,328
Less accumulated depreciation for:				
Equipment	790,305	69,234	32,703	826,836
School Food Service capital assets, net	<u>564,551</u>			<u>519,492</u>

Depreciation was charged to governmental functions as follows:

Regular Instruction services	\$ 3,618,226
System-wide support services	132,412
Unallocated depreciation	<u>315,101</u>
Total	<u>\$ 4,065,739</u>

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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.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021, was 14.78% 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 \$5,266,642 for the year ended June 30, 2021.

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

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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, 2021, the Board reported a liability of \$29,459,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The 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, 2020 and at June 30, 2019, the Board's proportion was .24% and .25%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$9,332,188. At June 30, 2021, 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	\$ 1,623,379	\$ -
Changes of assumptions	998,301	-
Net difference between projected and actual earnings on pension plan investments	3,257,922	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	362,550	600,061
Board contributions subsequent to the measurement date	<u>5,266,642</u>	<u>-</u>
Total	<u>\$ 11,508,794</u>	<u>\$ 600,061</u>

\$5,266,642 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, 2022.

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

Year ended June 30:

2022	\$ 2,060,718
2023	1,513,195
2024	1,097,615
2025	970,563
2026	- -
Thereafter	--
Total	<u>\$ 5,642,091</u>

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

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Inflation	3.0%
Salary increases	3.5% to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, 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, 2019 actuarial valuation were based on the actuarial experience study for the prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. 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, 2020 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 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 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00% which is the same as the prior year. 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

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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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discounted Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 53,020,241	\$ 29,459,533	\$ 9,696,975

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

Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$2,380,323. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 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 \$1,009,001.

At June 30, 2021, Board reported a liability of \$58,902,685 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 and at June 30, 2019, the Boards proportion was 0.21%.

\$2,380,323 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30:

2022		\$ (7,700,663)
2023		(7,694,195)
2024		(3,257,353)
2025		(1,176,389)
2026		(2,056,999)
Thereafter		--
	Total	<u>\$ (21,885,599)</u>

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

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.21%, a decrease of 1.29% over the prior year discount rate of 3.50%. 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 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease (1.21%)</u>	<u>Discounted Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Net OPEB liability	\$ 69,854,222	\$ 58,902,685	\$ 50,078,429

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

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

	Healthcare Trend Rates		
	1% Decrease (Medical - 5.5%, Pharmacy - 6.25%, Administrative - 2.00%)	(Medical - 6.5%, Pharmacy - 7.25%, Administrative - 3.00%)	1% Increase (Medical - 7.5%, Pharmacy - 8.25%, Administrative - 4.00%)
Net OPEB liability	\$ 47,485,783	\$ 58,902,685	\$ 74,161,660

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, 2021, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$32,070 for the year ended June 30, 2021.

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2021, Board reported an OPEB asset of \$106,136 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 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, 2020 and at June 30, 2019, the Boards proportion was .22%.

\$32,070 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$	18,014
2023		10,795
2024		3,455
2025		8,124
2026		(531)
Thereafter		477
Total		<u>\$ 40,334</u>

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

Inflation	3.00%
Salary increases	3.5% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	3.75%, 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 (2.75 percent) or 1-percentage point higher (4.75 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	\$ 91,664	\$ 106,136	\$ 120,188

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 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, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. 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, 2020 is 1.2%.

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	\$ (1,022,492)	\$ 75,838	\$ (946,654)
OPEB liability (asset)	58,902,685	(106,136)	58,796,549
Proportionate share of the net OPEB liability (asset)	0.212%	0.216%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	53,362	76,887	130,249
Changes of assumptions	2,583,219	8,252	2,591,471
Net difference between projected and actual earnings on plan investments	124,085	-	124,085
Changes in proportion and defferences between Board contributions and proportionate share of contributions	2,185,946	2,543	2,188,489
Board contributions subsequent to the measurement date	2,380,323	32,070	2,412,393
Deferred of Inflows of Resources			
Differences between expected and actual experience	2,304,346	-	2,304,346
Changes of assumptions	23,903,640	8,358	23,911,998
Changes in proportion and defferences between Board contributions and proportionate share of contributions	624,225	21,009	645,234
Net difference between projected and actual earnings on plan investments	-	17,981	17,981

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Accounts Payable

Accounts payable as of June 30, 2021 are as follows:

	<u>Vendors</u>	<u>Charter Schools</u>	<u>Total</u>
Governmental Activities:			
General	\$ 225,011	\$ 147,421	\$ 372,432
Other Governmental	72,483	-	72,483
Total Governmental Activities	<u>\$ 297,494</u>	<u>\$ 147,421</u>	<u>\$ 444,915</u>
Business-types Activities			
School Food Service	<u>\$ 1,092</u>		<u>\$ 1,092</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	\$ 2,551,039	\$ 1,245,295
Changes of assumptions	3,589,772	23,911,998
Difference between projected and actual earnings on plan investments	3,382,007	17,981
Board contributions subsequent to the measurement date	7,679,035	-
Difference between expected and actual experience	<u>1,753,628</u>	<u>2,304,346</u>
Totals	<u>\$ 18,955,481</u>	<u>\$ 27,479,620</u>

Unavailable Revenues

The balance in unearned revenues at June 30, 2021 is composed of the following elements:

Prepaid lunch sales (School Food Service Fund)	<u>\$ 38,137</u>
--	------------------

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. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$2 million per claim and \$5.15 million per coverage period aggregate. In addition, the Board maintains automobile liability and uninsured/ underinsured motorists coverage limits of \$2 million per accident through the Trust. The Trust retention per claim for

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

general liability and errors and omissions claims is \$150,000, and the retention per accident for automobile liability and uninsured/underinsured motorists' claims is \$150,000. The Trust maintains reinsurance through a commercial company to cover losses in excess of the retention amounts. Automobile physical damage coverage along with inland marine coverage for scheduled equipment is also maintained through the Trust.

During 2020-2021, the Trust provided statutory workers' compensation coverage to the Board for its locally and federally funded workers' compensation exposures pursuant to North Carolina law. In addition, the Trust provided the Board with employers' liability coverage with limits of \$3 million bodily injury by accident (per accident) and \$3 million bodily injury by disease (per employee/coverage period limit). The State of North Carolina provided statutory workers' compensation coverage for the Board's state-funded workers' compensation exposures.

The North Carolina Public Education Property Insurance Fund is a voluntary, self-insured risk control and risk financing fund established by the NC General Assembly and operated by the North Carolina Department of Insurance. The Fund provides property insurance coverage up to \$1.5 billion per occurrence. Excess reinsurance is purchased through commercial insurers, who participate in property losses in excess of the Fund's self-insured retention of \$10 million per occurrence. A total limit of \$300 million per occurrence is purchased for catastrophic events with a \$150 million maximum per occurrence for any one flood or earthquake. Business interruption and extra expense is limited to \$5 million unless higher values are reported.

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 bonded under a blanket bond for \$50,000, with a \$10,000 theft, disappearance and destruction limit.

There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

Long-Term Obligations

Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through third party direct placement financing arrangements. The Board has entered into such contracts for the purchase of school buses. The future minimum payments of the installment purchases as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2022	<u>\$ 22,002</u>

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

Long-Term Obligation Activity

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

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 66,424	\$ -	\$ 44,422	\$ 22,002	\$ 22,002
Net pension liability	25,551,490	3,534,054	-	29,085,544	-
Net OPEB liability	66,894,374	-	8,739,459	58,154,915	-
Compensated absences	<u>2,877,131</u>	<u>2,895,437</u>	<u>2,797,600</u>	<u>2,974,968</u>	<u>1,441,780</u>
Total governmental activities	<u>\$ 95,389,419</u>	<u>\$ 6,429,491</u>	<u>\$ 11,581,481</u>	<u>\$ 90,237,429</u>	<u>\$ 1,463,782</u>
Business-type activities:					
Net pension liability	\$ 279,857	\$ 94,132	\$ -	\$ 373,989	\$ -
Net OPEB liability	732,671	15,099	-	747,770	-
Compensated absences	<u>39,677</u>	<u>59,555</u>	<u>61,954</u>	<u>37,278</u>	<u>23,274</u>
Total business activities:	<u>\$ 1,052,205</u>	<u>\$ 168,786</u>	<u>\$ 61,954</u>	<u>\$ 1,159,037</u>	<u>\$ 23,274</u>

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

Interfund Balances

At June 30, 2021, the General Fund was due \$195,905 from the School Food Service Fund for operating expenses. This amount is expected to be repaid during the following fiscal year.

Transfers to/from other Funds

Transfers to/from other funds at June 30, 2021 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 47,924</u>
From the General Fund to the Individual Schools Fund for operating expenditures	<u>\$ 152,780</u>

ASHEVILLE CITY SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

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	\$	5,664,366
Less:		
Inventories		
Stabilization by State statute		(273,742)
Appropriated Fund Balance in 2022 budget		<u>(3,500,000)</u>
Remaining fund balance	\$	<u>1,890,624</u>

Supplemental City School Tax

The supplemental city school tax, approved in 1935 by the citizens of Asheville, is currently 12¢ 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 Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net pension liability (asset)	0.244%	0.250%	0.236%	0.225%	0.230%
Board's proportionate share of the net pension liability (asset)	\$ 29,459,533	\$ 25,831,347	\$ 23,464,511	\$ 17,821,548	\$ 21,155,920
Board's covered payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	82.96%	72.45%	71.83%	59.04%	72.76%
Plan fiduciary net position as a percentage of the total pension liability	85.98%	87.56%	87.61%	89.51%	87.32%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,266,642	\$ 4,605,865	\$ 4,382,177	\$ 3,521,400	\$ 3,012,263
Contributions in relation to the contractually required contribution	<u>5,266,642</u>	<u>4,605,865</u>	<u>4,382,177</u>	<u>3,521,400</u>	<u>3,012,263</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Contributions as a percentage of covered payroll	14.78%	12.97%	12.29%	10.78%	9.98%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.212%	0.214%	0.210%	0.208%	0.202%
Board's proportionate share of the net OPEB liability (asset)	\$ 58,902,685	\$ 67,627,045	\$ 59,740,339	\$ 68,139,813	\$ 87,886,274
Board's covered payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	165.87%	189.66%	182.88%	225.76%	302.26%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	3.52%	2.41%

* 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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,380,323	\$ 2,297,606	\$ 2,235,659	\$ 1,976,296	\$ 1,753,632
Contributions in relation to the contractually required contribution	2,380,323	2,297,606	2,235,659	1,976,296	1,753,632
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 1,628,269	\$ 1,635,751	\$ 1,514,598	\$ 1,489,652	\$ 1,394,815
Contributions in relation to the contractually required contribution	1,628,269	1,635,751	1,514,598	1,489,652	1,394,815
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642	\$ 27,896,300
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

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 Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.216%	0.222%	0.211%	0.199%	0.207%
Board's proportionate share of the net OPEB asset	\$ 106,136	\$ 95,694	\$ 63,990	\$ 120,830	\$ 128,354
Board's covered payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.30%	0.27%	0.20%	0.40%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	115.57%	113.00%	108.47%	116.23%	116.06%

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

This schedule is required supplementary information.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 32,070	\$ 35,512	\$ 49,959	\$ 45,732	\$ 114,695
Contributions in relation to the contractually required contribution	<u>32,070</u>	<u>35,512</u>	<u>49,959</u>	<u>45,732</u>	<u>114,695</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 35,633,575	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 119,213	\$ 122,160	\$ 123,412	\$ 123,669	\$ 145,061
Contributions in relation to the contractually required contribution	<u>119,213</u>	<u>122,160</u>	<u>123,412</u>	<u>123,669</u>	<u>145,061</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 29,076,240	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642	\$ 27,896,300
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%

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, 2021

	<u>Budget</u>	<u>Actual</u>	Exhibit A-1 Positive (Negative) Variance
Revenues:			
Buncombe County:			
County appropriations	\$ 12,728,957	\$ 12,679,492	\$ (49,465)
Other:			
Supplemental school taxes	10,694,608	10,794,794	100,186
Miscellaneous	245,000	114,941	(130,059)
Total	<u>10,939,608</u>	<u>10,909,735</u>	<u>(29,873)</u>
Total revenues	<u>23,668,565</u>	<u>23,589,227</u>	<u>(79,338)</u>
Expenditures:			
Instructional services	13,540,879	12,168,250	1,372,629
System-wide support services	10,793,189	9,201,636	1,591,553
Ancillary services	609,497	115,828	493,669
Non-programmed charges			
Payments to charter schools	<u>1,725,000</u>	<u>1,382,153</u>	<u>342,847</u>
Total expenditures	<u>26,668,565</u>	<u>22,867,867</u>	<u>3,800,698</u>
Revenues over (under) expenditures	(3,000,000)	721,360	3,721,360
Other financing sources:			
Operating transfers out	<u>-</u>	<u>(152,780)</u>	<u>152,780</u>
Revenues over (under) expenditures and other uses	(3,000,000)	568,580	3,568,580
Appropriated fund balance	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>568,580</u>	<u>\$ 568,580</u>
Fund balances:			
Beginning of year, July 1		<u>5,095,786</u>	
End of year, June 30		<u>\$ 5,664,366</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, 2021

Exhibit B-1

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 44,422	\$ 44,422	\$ -
Public School Capital Fund - lottery	-	143,354	143,354
Total State of North Carolina	<u>44,422</u>	<u>187,776</u>	<u>143,354</u>
Buncombe County:			
General county appropriations	2,237,469	2,759,645	522,176
Other:			
Donations	305,000	380,000	75,000
Interest	30,000	15,543	(14,457)
Miscellaneous	-	40,544	40,544
	<u>335,000</u>	<u>436,087</u>	<u>101,087</u>
Total revenues	<u>2,616,891</u>	<u>3,383,508</u>	<u>766,617</u>
Expenditures:			
Instructional services	995,000	866,444	128,556
System-wide support services	235,000	233,030	1,970
Ancillary services	100,000	48,585	51,415
Capital outlay	3,780,055	2,469,460	1,310,595
Debt service:			
Principal payments	44,422	44,422	-
Total expenditures	<u>5,154,477</u>	<u>3,661,941</u>	<u>1,492,536</u>
Revenues under expenditures	(2,537,586)	(278,433)	2,259,153
Appropriated fund balance	<u>2,537,586</u>	-	<u>(2,537,586)</u>
Revenues and appropriated fund balance under expenditures	<u>\$ -</u>	<u>(278,433)</u>	<u>\$ (278,433)</u>
Fund balances:			
Beginning of year, July 1		<u>4,295,320</u>	
End of year, June 30		<u>\$ 4,016,887</u>	

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FEDERAL GRANTS FUND
For the Year Ended June 30, 2021

Exhibit C-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
U. S. Government	\$ 7,467,586	\$ 3,473,267	\$ (3,994,319)
Expenditures:			
Instructional services	5,248,341	2,851,609	2,396,732
System-wide support services	703,161	534,114	169,047
Non-programmed charges			
Other	1,516,084	87,544	1,428,540
Total expenditures	7,467,586	3,473,267	3,994,319
Revenues over expenditures	\$ -	-	\$ -
Fund balances:			
Beginning of year, July 1		-	
End of year, June 30		\$ -	

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2021

Exhibit D-1

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 20,800	\$ 30,367	\$ 9,567
Operating expenditures:			
Purchase of food		424,793	
Salaries and benefits		966,417	
Materials and supplies		102,075	
Contracted services		52,728	
Other		24,481	
Total operating expenditures	2,093,205	1,570,494	522,711
Operating loss	(2,072,405)	(1,540,127)	532,278
Nonoperating revenues:			
Federal reimbursements	915,000	1,088,726	173,726
Federal commodities	108,967	170,945	61,978
State reimbursements	1,500	-	(1,500)
Other	546,938	-	(546,938)
Total nonoperating revenues	1,572,405	1,259,671	(312,734)
Revenues over (under) expenditures before other financing sources	(500,000)	(280,456)	219,544
Other financing sources:			
Transfers from other funds	500,000	47,924	(452,076)
Revenues and other sources over (under) expenditures	\$ -	\$ (232,532)	\$ (232,532)

ASHEVILLE CITY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-
GAAP) - SCHOOL FOOD SERVICE FUND
For the Year Ended June 30, 2021

Exhibit D-1
(Continued)

	<u>Actual</u>
Reconciliation of modified accrual to full accrual basis:	
Revenues, other sources, and appropriated fund balance over expenditures	\$ (232,532)
Reconciling items:	
Depreciation	(69,234)
Capital contribution	24,175
Increase (decrease) in inventory	852
(Increase) decrease in compensated absences	2,399
Deferred outflows	31,346
Net pension liability	(94,132)
Net OPEB liability	(15,099)
Deferred inflows	<u>(88,841)</u>
Change in net position	<u>\$ (441,066)</u>

ASHEVILLE CITY SCHOOLS
COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS
June 30, 2021

Exhibit E-1

	Custodial Funds			Total Custodial Funds
	Asheville High Awards	Isaac Dickson Elementary	Educational Access Consortium	
ASSETS				
Cash and cash equivalents	\$ 20,003	\$ 2,064	\$ 38,693	\$ 60,760
NET POSITION				
Unrestricted	\$ 20,003	\$ 2,064	\$ 38,693	\$ 60,760

ASHEVILLE CITY SCHOOLS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
June 30, 2021

Exhibit F-1

	Custodial Funds			Total Custodial Funds
	Asheville High Awards	Isaac Dickson Elementary	Educational Access Consortium	
ADDITIONS				
Interest earned	\$ 90	\$ 9	\$ -	\$ 99
DEDUCTIONS				
Supplies	100	-	-	100
Technology	-	-	2,388	2,388
Total deductions	100	-	2,388	2,488
Change in net position	(10)	9	(2,388)	(2,389)
Total net position - beginning	20,013	2,055	41,081	63,149
Total net position - ending	\$ 20,003	\$ 2,064	\$ 38,693	\$ 60,760



ASHEVILLE CITY SCHOOLS

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STATISTICAL SECTION



ASHEVILLE CITY SCHOOLS

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STATISTICAL SECTION

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

Financial Trends Schedules

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

Revenue Capacity Schedules

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

Debt Capacity Schedules

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

Demographic and Economic Information Schedules

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

Operating Information Schedules

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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



ASHEVILLE CITY SCHOOLS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities				
Net investment in capital assets	\$ 81,029,067	\$ 82,627,532	\$ 85,458,293	\$ 88,110,450
Restricted	6,264,453	6,266,508	5,985,294	5,518,410
Unrestricted	<u>(91,908,920)</u>	<u>(93,960,030)</u>	<u>(90,414,365)</u>	<u>(90,077,584)</u>
Total Governmental Activities Net Position	<u>\$ (4,615,400)</u>	<u>\$ (5,065,990)</u>	<u>\$ 1,029,222</u>	<u>\$ 3,551,276</u>
Business Type Activities				
Net investment in capital assets	\$ 519,492	\$ 564,551	\$ 596,534	\$ 602,286
Restricted	1,347	1,037	-	-
Unrestricted	<u>(1,303,367)</u>	<u>(907,050)</u>	<u>(1,058,417)</u>	<u>(1,253,443)</u>
Total Business-Type Activities Net Position	<u>\$ (782,528)</u>	<u>\$ (341,462)</u>	<u>\$ (461,883)</u>	<u>\$ (651,157)</u>
Primary Government				
Net investment in capital assets	\$ 81,548,559	\$ 83,192,083	\$ 86,054,827	\$ 88,712,736
Restricted	6,265,800	6,267,545	5,985,294	5,518,410
Unrestricted	<u>(93,212,287)</u>	<u>(94,867,080)</u>	<u>(91,472,782)</u>	<u>(91,331,027)</u>
Total Primary Government Net Position	<u>\$ (5,397,928)</u>	<u>\$ (5,407,452)</u>	<u>\$ 567,339</u>	<u>\$ 2,900,119</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2012 through June 30, 2021.

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).

Financial Trends
Schedule 1

Fiscal Year	2016	2015	2014	2013	2012
2017					
\$ 96,159,018	\$ 92,132,950	\$ 65,327,482	\$ 46,045,342	\$ 42,654,073	\$ 42,221,159
5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	2,264,680
(86,373,532)	(1,677,945)	(4,358,156)	(6,355,759)	5,104,518	3,624,664
<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>	<u>\$ 48,110,503</u>
\$ 569,741	\$ 123,337	\$ 118,879	\$ 141,939	\$ 171,380	\$ 187,768
-	-	-	-	-	-
(1,161,031)	220,315	193,735	119,554	252,012	237,496
<u>\$ (591,290)</u>	<u>\$ 343,652</u>	<u>\$ 312,614</u>	<u>\$ 261,493</u>	<u>\$ 423,392</u>	<u>\$ 425,264</u>
\$ 96,728,759	\$ 92,256,287	\$ 65,446,361	\$ 46,187,281	\$ 42,825,453	\$ 42,408,927
5,065,963	3,919,228	2,850,499	2,901,699	2,274,248	2,264,680
(87,534,563)	(1,457,630)	(4,164,421)	(6,236,205)	5,356,530	3,862,160
<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>	<u>\$ 48,535,767</u>

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

	2021	2020	2019	2018
Expenses				
Governmental activities:				
Instructional programs	\$ 50,017,774	\$ 53,928,952	\$ 47,876,328	\$ 51,343,852
Support services	13,093,494	12,824,033	12,137,295	11,847,744
Unallocated depreciation expense	315,101	301,093	2,647,408	5,505,964
Other	1,680,443	1,853,115	1,700,204	1,964,251
Total governmental activities expenses	65,106,812	68,907,193	64,361,235	70,661,811
Business-type activities:				
Child nutrition	1,972,621	1,775,950	1,607,846	1,912,226
Total business-type activities	1,972,621	1,775,950	1,607,846	1,912,226
Total government-wide expenses	67,079,433	70,683,143	65,969,081	72,574,037
Program Revenues				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	777,078	2,344,137	2,240,235	2,094,830
Support services - operational support	-	-	-	32,822
Ancillary services	225	224,708	104,112	88,350
Total charges for services	777,303	2,568,845	2,344,347	2,216,002
Operating grants and contributions	32,201,439	30,679,458	31,733,496	30,293,504
Capital grants and contributions	424,422	67,936	149,722	210,246
Total governmental activities program revenues	33,403,164	33,316,239	34,227,565	32,719,752
Business-type activities:				
Charges for Services:				
Child nutrition	30,367	367,685	420,795	399,451
Before and after school care	-	-	-	-
Total charges for services	30,367	367,685	420,795	399,451
Operating grants and contributions	1,429,089	1,427,757	1,173,117	1,205,685
Capital grants and contributions	24,175	32,892	-	-
Total business-type program revenue	1,483,631	1,828,334	1,593,912	1,605,136
Total government-wide program revenue	34,886,795	35,144,573	35,821,477	34,324,888
Net (Expense)	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports,
Years Ended June 30, 2012 through June 30, 2021.

Financial Trends
Schedule 2

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ 41,493,734	\$ 38,490,269	\$ 38,968,670	\$ 39,284,689	\$ 38,788,317	\$ 37,987,862
11,149,123	10,128,150	10,094,897	11,875,229	9,824,061	9,708,344
2,057,342	1,877,018	1,878,711	1,846,895	1,562,032	1,589,990
1,336,330	1,240,178	1,289,089	1,096,795	942,551	1,252,726
56,036,529	51,735,615	52,231,367	54,103,608	51,116,961	50,538,922
1,772,923	1,694,619	1,614,687	1,757,338	1,774,637	1,694,725
1,772,923	1,694,619	1,614,687	1,757,338	1,774,637	1,694,725
57,809,452	53,430,234	53,846,054	55,860,946	52,891,598	52,233,647
1,837,575	1,776,922	1,639,846	1,562,955	-	1,607,598
22,774	15,200	32,889	64,396	50,292	1,892
35,505	28,998	31,586	14,045	17,300	5,604
1,895,854	1,821,120	1,704,321	1,641,396	67,592	1,615,094
29,112,643	28,229,960	29,085,274	28,058,038	28,601,518	28,736,584
1,014,667	1,390,435	28,187	200,196	377,774	908,591
32,023,164	31,441,515	30,817,782	29,899,630	29,046,884	31,260,269
337,050	316,455	321,557	364,834	424,615	466,232
-	-	-	-	-	-
337,050	316,455	321,557	364,834	424,615	466,232
1,252,454	1,283,646	1,234,519	1,265,815	1,252,965	1,201,310
-	-	-	-	-	-
1,589,504	1,600,101	1,556,076	1,630,649	1,677,580	1,667,542
33,612,668	33,041,616	32,373,858	31,530,279	30,724,464	32,927,811
\$ (24,196,784)	\$ (20,388,618)	\$ (21,472,196)	\$ (24,330,667)	\$ (22,167,134)	\$ (19,305,836)

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

	2021	2020	2019	2018
Net (Expense) Revenue				
Governmental activities	\$ (31,703,648)	\$ (35,590,954)	\$ (30,133,670)	\$ (37,942,059)
Business-type activities	(488,990)	52,384	(13,934)	(307,090)
Total primary government net (expense)	<u>\$ (32,192,638)</u>	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>
General revenues and transfers:				
Governmental activities:				
U.S. Government	\$ -	\$ 121,406	\$ 80,139	\$ 88,893
Buncombe County - General Fund appropriation	12,679,492	12,456,771	11,681,164	11,681,164
Buncombe County - capital outlay	2,759,645	2,412,806	3,078,314	2,549,506
Supplemental city school tax	10,794,794	10,150,870	9,394,257	8,928,186
Local option sales tax	3,671,828	3,092,911	2,963,968	2,991,931
Other revenues	2,296,403	1,949,136	616,982	649,429
Transfers (out)	(47,924)	(68,037)	(203,208)	(247,223)
Total governmental activities general revenues and transfers	<u>32,154,238</u>	<u>30,115,863</u>	<u>27,611,616</u>	<u>26,641,886</u>
Business-type activities:				
Other revenues	-	-	-	-
Transfers in	47,924	68,037	203,208	247,223
Total business-type activities general revenue and transfers	<u>47,924</u>	<u>68,037</u>	<u>203,208</u>	<u>247,223</u>
Total government-wide general revenues and transfers	<u>32,202,162</u>	<u>30,183,900</u>	<u>27,814,824</u>	<u>26,889,109</u>
Change in Net Position				
Governmental activities	450,590	(5,475,091)	(2,522,054)	(11,300,173)
Business-type activities	(441,066)	120,421	189,274	(59,867)
Total primary government	<u>\$ 9,524</u>	<u>\$ (5,354,670)</u>	<u>\$ (2,332,780)</u>	<u>\$ (11,360,040)</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2012 through June 30, 2021.

Financial Trends
Schedule 3

Fiscal Year					
2017	2016	2015	2014	2013	2012
\$ (24,013,365)	\$ (20,294,100)	\$ (21,413,585)	\$ (24,203,978)	\$ (22,070,077)	\$ (19,278,653)
(183,419)	(94,518)	(58,611)	(126,689)	(97,057)	(27,183)
<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>	<u>\$ (19,305,836)</u>
\$ 68,364	\$ 75,632	\$ 65,162	\$ 46,421	\$ 59,184	\$ 65,869
10,743,742	9,562,424	8,997,929	8,526,806	8,115,790	7,779,035
6,774,435	29,269,456	22,562,902	8,024,347	3,539,607	2,917,618
8,620,247	8,330,977	8,136,173	8,142,348	8,104,621	8,093,877
2,940,136	3,024,676	2,495,436	2,540,159	2,364,755	2,228,877
450,205	710,899	489,960	396,721	332,403	335,010
(587,763)	(125,556)	(105,434)	(115,785)	(93,236)	(83,077)
<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>	<u>21,337,209</u>
-	-	4,298	-	-	172
587,763	125,556	105,434	115,785	93,236	83,077
<u>587,763</u>	<u>125,556</u>	<u>109,732</u>	<u>115,785</u>	<u>93,236</u>	<u>83,249</u>
<u>29,597,129</u>	<u>50,974,064</u>	<u>42,751,860</u>	<u>27,676,802</u>	<u>22,516,360</u>	<u>21,420,458</u>
4,996,001	30,554,408	21,228,543	3,357,039	353,047	2,058,556
404,344	31,038	51,121	(10,904)	(3,821)	56,066
<u>\$ 5,400,345</u>	<u>\$ 30,585,446</u>	<u>\$ 21,279,664</u>	<u>\$ 3,346,135</u>	<u>\$ 349,226</u>	<u>\$ 2,114,622</u>

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

	2021	2020	2019	2018
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	273,742	47,319	47,770	91,245
Committed	-	-	-	-
Assigned	3,500,000	3,000,000	-	2,858,864
Unassigned	1,890,624	2,048,467	6,105,184	4,673,076
Total General Fund	\$ 5,664,366	\$ 5,095,786	\$ 6,152,954	\$ 7,623,185
All Other Governmental Funds:				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	5,885,922	6,124,532	5,664,405	5,163,402
Committed	-	-	-	-
Assigned	1,331,807	945,361	621,308	1,332,818
Unassigned	-	-	-	-
Total all other governmental funds	\$ 7,217,729	\$ 7,069,893	\$ 6,285,713	\$ 6,496,220

Source: Asheville City Schools, Comprehensive Annual Financial Reports,
 Years Ended June 30, 2012 through June 30, 2021.

Financial Trends
Schedule 4

Fiscal Year		2017	2016	2015	2014	2013	2012
\$		39,984	\$ 35,807	\$ 38,082	\$ 33,187	\$ 32,531	\$ 28,256
		148,271	146,060	199,640	186,514	128,223	138,553
		-	-	-	-	-	-
		1,754,667	1,418,182	1,219,032	1,300,000	1,301,415	625,000
		5,970,838	5,420,843	5,066,723	4,676,509	4,979,955	4,441,328
		<hr/>					
\$		7,913,760	\$ 7,020,892	\$ 6,523,477	\$ 6,196,210	\$ 6,442,124	\$ 5,233,137
		<hr/>					
\$		-	\$ -	\$ -	\$ -	\$ -	\$ -
		4,917,692	3,773,168	2,650,859	2,715,185	2,146,025	2,126,127
		-	-	-	-	-	-
		1,373,473	1,383,769	1,138,951	1,029,201	1,215,303	670,384
		-	-	-	-	-	-
		<hr/>					
\$		6,291,165	\$ 5,156,937	\$ 3,789,810	\$ 3,744,386	\$ 3,361,328	\$ 2,796,511
		<hr/>					

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

	2021	2020	2019	2018
Revenues:				
Intergovernmental sources:				
State of North Carolina	\$ 29,155,874	\$ 28,867,239	\$ 28,518,511	\$ 27,269,376
U. S. Government	4,277,984	2,703,118	3,362,048	3,183,007
Local sources:				
Buncombe County - unrestricted	12,679,492	12,456,771	11,681,164	11,681,164
Buncombe County - restricted	2,759,645	2,412,806	3,078,314	2,549,506
Supplemental city school tax	10,794,794	10,150,870	9,394,257	8,928,186
Local option sales tax	3,671,828	3,092,911	2,963,968	2,991,931
Charges for services	777,303	-	965,004	804,981
Other local revenues	1,488,406	3,865,974	2,189,952	2,304,313
Total revenues	65,605,326	63,549,689	62,153,218	59,712,464
Expenditures:				
Instructional Programs	47,313,401	48,799,223	48,391,295	44,812,327
Support Services	13,239,038	13,947,298	12,137,796	11,645,934
Capital Outlay	2,469,460	858,039	1,354,945	1,479,577
Debt service:				
Principal	44,422	67,936	149,722	210,246
Interest	-	-	-	-
Other	1,774,665	170,158	1,596,990	1,492,347
Total expenditures	64,840,986	63,842,654	63,630,748	59,640,431
Revenues over (under) expenditures	764,340	(292,965)	(1,477,530)	72,033
Other financing (uses)				
Transfers from other funds	152,780	148,750	150,950	493,000
Transfers to other funds	(200,704)	(216,787)	(354,158)	(740,223)
Capital lease obligations and installment purchase contracts issued	-	88,014	-	89,670
Total other financing (uses)	(47,924)	19,977	(203,208)	(157,553)
Net change in fund balances	\$ 716,416	\$ (272,988)	\$ (1,680,738)	\$ (85,520)
Debt Service as a Percentage of Noncapital Expenditures				
	0.07%	0.18%	0.39%	0.61%

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2012 through June 30, 2021.

Financial Trends
Schedule 5

Fiscal Year						
	2017	2016	2015	2014	2013	2012
\$	27,073,291	\$ 25,843,608	\$ 23,733,552	\$ 23,219,272	\$ 23,355,556	\$ 22,403,838
	2,855,283	3,469,360	5,254,811	4,871,479	5,577,328	7,318,404
	10,743,742	9,562,424	8,997,929	8,526,806	8,115,790	7,779,035
	6,774,435	29,269,456	22,562,902	8,024,347	3,539,607	2,917,618
	8,620,247	8,330,977	8,136,173	8,142,348	8,104,621	8,093,877
	2,940,136	3,024,676	2,495,436	2,540,159	2,364,755	2,228,877
	606,442	514,387	418,756	434,276	492,668	467,284
	2,107,965	2,527,206	2,121,695	1,947,461	1,693,743	1,895,776
	61,721,541	82,542,094	73,721,254	57,706,148	53,244,068	53,104,709
	41,235,600	39,323,369	39,702,599	38,358,386	37,692,061	37,295,578
	10,828,359	10,191,353	10,172,186	10,363,778	9,516,968	9,337,488
	5,931,040	29,950,637	22,120,504	7,676,429	3,186,048	2,827,093
	315,132	121,048	-	-	97,772	97,777
	-	-	-	-	-	-
	1,305,765	1,207,686	1,247,840	1,054,626	884,179	1,180,820
	59,615,896	80,794,093	73,243,129	57,453,219	51,377,028	50,738,756
	2,105,645	1,748,001	478,125	252,929	1,867,040	2,365,953
	178,399	189,436	138,343	122,100	131,500	120,500
	(766,162)	(314,992)	(243,777)	(237,885)	(224,736)	(203,577)
	509,214	242,097	-	-	-	-
	(78,549)	116,541	(105,434)	(115,785)	(93,236)	(83,077)
\$	2,027,096	\$ 1,864,542	\$ 372,691	\$ 137,144	\$ 1,773,804	\$ 2,282,876
	0.92%	0.22%	0.00%	0.00%	0.37%	0.38%

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

<u>Real Property</u>				
<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Use Value Farm</u>	<u>Historical Property</u>
2012	19,823,205	5,672,300	1,206,920	96,645
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

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

<u>Personal Property</u>			<u>Public Service</u>		
Motor Vehicles	Other	Less: Tax Exempt Real Property*	Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate
1,693,881	1,477,741	1,181,347	525,644	29,314,988	0.525
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

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

	Fiscal Year				
	2021	2020	2019	2018	2017
County of Buncombe Direct Rates					
General County-wide Rate	\$ 0.525	\$ 0.529	\$ 0.529	\$ 0.539	\$ 0.604
Fire Districts	0.113	0.133	0.143	0.123	0.118
Total average direct rate	0.638	0.662	0.672	0.662	0.722
City					
City of Asheville	0.420	0.429	0.429	0.429	0.475
Towns					
Biltmore Forest	0.032	0.345	0.345	0.330	0.395
Weaverville	0.375	0.380	0.380	0.380	0.440
Black Mountain	0.365	0.333	0.333	0.333	0.375
Woodfin	0.370	0.330	0.280	0.280	0.305
Montreat	0.265	0.430	0.410	0.410	0.410
Districts					
Asheville School	0.150	0.120	0.120	0.120	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.

Revenue Capacity
Schedule 7

	2016	2015	2014	2013	2012
\$	0.604	\$ 0.604	\$ 0.604	\$ 0.525	\$ 0.525
	0.118	0.118	0.118	0.113	0.113
	0.722	0.722	0.722	0.638	0.638
	0.475	0.475	0.460	0.420	0.420
	0.395	0.385	0.385	0.330	0.320
	0.440	0.420	0.420	0.375	0.375
	0.375	0.375	0.375	0.365	0.365
	0.305	0.305	0.305	0.265	0.265
	0.410	0.410	0.410	0.370	0.370
	0.150	0.150	0.150	0.150	0.150

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

	2021		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	\$1,585,341,761	1	4.10%
Duke Energy Progress Inc	785,659,479	2	2.03%
Ingles Markets Inc	332,767,790	3	0.86%
Biltmore Company	153,196,700	4	0.40%
New Belgium Brewing Company Inc	128,014,277	5	0.33%
GPI Resort Holdings LLC	121,525,900	6	0.31%
Linamar North Carolina Inc	110,032,070	7	0.28%
Asheville Mall CMBS LLC	95,656,800	8	0.25%
Town Square West LLC	90,496,065	9	0.23%
Southeastern Container Inc	80,217,917	10	0.21%
The Cliffs at Walnut Cove LLC			
Arvato Digital Services (Sonopress)			
Bellsouth Tel Co - AT&T North Carolina			
Totals	<u>\$ 3,482,908,759</u>		<u>9.01%</u>
Total Overall Valuation	<u>\$ 38,676,039,656</u>		

Source: Buncombe County Tax Department

Revenue Capacity
Schedule 8

2012		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
312,436,499	1	1.07%
186,335,380	2	0.64%
98,565,897	6	0.34%
132,883,000	5	0.45%
78,903,180	8	0.27%
118,975,440	4	0.41%
68,032,030	10	0.23%
121,285,400	3	0.41%
72,690,410	7	0.25%
73,165,166	9	0.25%
<u>\$ 1,263,272,402</u>		<u>4.31%</u>
<u>\$ 29,314,987,619</u>		

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

Fiscal Year	Total Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage		Amount	Percentage of Levy
2012	154,046	152,262	98.84%	24	152,284	98.86%
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%

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>
2012	51,256	0.17%	212
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

Source: Buncombe County Comprehensive Annual Financial Reports.

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

Population data can be found in the Schedule of Demographic and Economic Statistics on page 84.

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	
	General Obligation	Installment		Special Obligation	Installment
	Bonds	Notes		Bonds	Notes
2012	51,256	170,913	12,960	4,218	-
2013	44,717	225,725	12,960	2,867	3,450
2014	38,344	395,806	-	1,462	3,156
2015	30,124	476,157	-	-	2,860
2016	27,248	447,545	-	-	2,559
2017	24,373	420,856	-	-	2,254
2018	21,498	450,948	-	-	1,944
2019	18,623	419,925	-	-	1,702
2020	15,750	382,265	-	-	1,300
2021	12,877	361,803	-	-	995

N/A = Not available

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 84 for personal income and population data.

Debt Capacity
Schedule 11

<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
239,347	2.69%	975
289,719	3.12%	1,164
438,768	4.59%	1,751
509,141	4.91%	2,026
477,352	4.31%	1,877
447,483	3.77%	1,735
474,390	3.74%	1,814
440,250	3.32%	1,658
399,315	2.84%	1,495
375,675	N/A	1,416

ASHEVILLE CITY SCHOOLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY
As of June 30, 2021

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
Net general obligation bonded debt			
City of Asheville	\$ 28,365,347	100%	\$ 28,365,347
Town of Weaverville	1,660,000	100%	1,660,000
Installment debt			
City of Asheville	73,067,973	100%	73,067,973
Town of Biltmore Forest	176,909	100%	176,909
Town of Black Mountain	2,325,000	100%	2,325,000
Town of Weaverville	202,100	100%	202,100
Town of Woodfin	205,444	100%	<u>205,444</u>
Subtotal, overlapping debt			106,002,773
County direct debt		100%	<u>434,252,388</u>
Total direct and overlapping debt			<u><u>\$ 540,255,161</u></u>

Source: Buncombe County Comprehensive Annual 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt limit	\$ 2,345,199	\$ 3,147,071	\$ 3,002,249	\$ 2,901,169
Total net debt applicable limit	<u>219,141</u>	<u>399,315</u>	<u>400,014</u>	<u>432,220</u>
Legal debt margin	<u>\$ 2,126,058</u>	<u>\$ 2,747,756</u>	<u>\$ 2,602,235</u>	<u>\$ 2,468,949</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>9.34%</u>	<u>12.69%</u>	<u>13.32%</u>	<u>14.90%</u>

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value of taxable property	<u>\$ 41,314,697</u>
Debt Limit - Eight Percent (8%) of assessed value	3,305,176
Gross Debt:	
Total Bonded Debt	15,750
Installment Purchase Agreements	<u>382,265</u>
Gross Debt	<u>398,015</u>
Total amount of debt applicable to debt limit (net debt)	<u>\$ 398,015</u>
Legal debt margin	<u>\$ 2,907,161</u>

Source: Buncombe County Comprehensive Annual 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					
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,433,364	\$ 2,363,561	\$ 2,154,040	\$ 2,210,098	\$ 2,374,398	\$ 2,345,199
<u>406,791</u>	<u>431,485</u>	<u>454,994</u>	<u>402,098</u>	<u>257,377</u>	<u>219,141</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>\$ 2,126,058</u>
<u>16.72%</u>	<u>18.26%</u>	<u>21.12%</u>	<u>18.19%</u>	<u>10.84%</u>	<u>9.34%</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
2012	241,419	8,884,892	36,803	40.7	3,978	7.9%
2013	248,929	9,282,566	37,290	40.7	4,081	7.1%
2014	251,995	9,552,676	37,908	40.8	4,217	6.3%
2015	251,271	10,378,772	41,305	40.1	4,295	4.8%
2016	254,344	11,071,174	43,232	41.0	4,396	3.5%
2017	257,931	11,876,263	46,044	41.1	4,421	4.1%
2018	261,532	12,687,040	48,510	41.7	4,346	4.1%
2019	265,586	13,239,850	49,851	41.9	4,281	4.2%
2020	267,046	14,065,449	53,309	42.7	4,297	9.7%
2021	265,351	N/A	N/A	43.0	4,107	4.5%

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.

ASHEVILLE CITY SCHOOLS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

MANUFACTURING

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

Continued on Next Page

ASHEVILLE CITY SCHOOLS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

NON-MANUFACTURING

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

* Labor Force Estimate for 2021 per NC Employment Security Commission: 135,894
 Labor Force Estimate for 2012 per NC Employment Security Commission: 127,501

SOURCE: Asheville Chamber of Commerce

NOTE: Many of the top employers for manufacturing have changed in the past 10 years. Therefore, many companies that were top employers in 2012 are not in business in 2021 and many companies that are top employers in 2021 were not here in 2012.

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
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
2012	400	291	691	3,978	9.9

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2012 through 2021.

ASHEVILLE CITY SCHOOLS
OPERATING STATISTICS
Last Ten Fiscal Years

Fiscal Year	Final Average Daily Membership	Final Average Daily Attendance	Per Pupil Expenditure	North Carolina Per Pupil Expenditure Rank	Students Receiving Free or Reduced Price Meals	Student Racial/Ethnic Composition		
						Black	White	Other
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%	18.34%
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%
2012	3,978	3,769	11,334	Fifth	47.90%	27.90%	57.50%	14.60%

Source:

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

Information other than Free and Reduced Price Meals: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instructions, 2012 through 2021.

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 COVID19 pandemic

ASHEVILLE CITY SCHOOLS
TEACHERS' SALARIES
Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
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
2012	33,017	69,828	44,476

Source: Asheville City Schools Payroll Data

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

ASHEVILLE CITY SCHOOLS
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 19

School Name	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary:										
Asheville Primary School										
Square Feet	59,132	59,132	59,132	59,132	See below	See below	See below	See below	See below	See below
First month membership	102	103	104	47	See below	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	430	430	473	493	478	469	450	439	455
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	430	432	491	525	508	488	465	470	445
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	318	318	315	347	392	349	347	302	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	416	416	448	501	498	482	444	415	390
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	349	350	422	470	467	464	462	459	441
Middle:										
Asheville Middle										
Square Feet	174,695	174,695	174,695	174,695	174,695	170,418	170,418	170,418	170,418	170,418
First month membership	668	661	662	769	796	704	721	747	787	766

ASHEVILLE CITY SCHOOLS
SCHOOL BUILDING INFORMATION
Last Ten Fiscal Years

Operating
Schedule 19

School Name	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Middle/High:										
Montford North Star Academy, Formerly Randolph Learning Center/William Randolph School:										
Square Feet	57,374	57,374	57,374	57,374	See below	See below	See below	See below	56,819	56,819
First month membership	229	220	221	82	See below	See below	See below	See below	See below	See below
Asheville High/SILSA:										
Square Feet	354,803	354,803	354,803	354,803	367,803	367,803	367,803	367,803	365,441	365,441
First month membership	1,094	1,049	1,380	1,374	1,372	1,376	1,385	1,332	1,273	1,228

Sources: Asheville City Schools Records

Notes: For school years 2012 & 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

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MISSION

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

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Empower and Engage
Every Child to
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