

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



ASHEVILLE  
CITY  
SCHOOLS  
Asheville, NC

2020 C A F R  
FOR THE YEAR ENDED JUNE 30



# ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

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

Asheville, North Carolina  
For the Fiscal Year Ended June 30, 2020



ASHEVILLE CITY SCHOOLS

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



# ASHEVILLE CITY SCHOOLS

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**INTRODUCTORY SECTION**



# ASHEVILLE CITY SCHOOLS

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

# Asheville City Schools

## LETTER OF TRANSMITTAL

January 4, 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 Comprehensive Annual Financial Report of the Asheville City Board of Education (Board), operating as the "Asheville City Schools," for the fiscal year ended June 30, 2020, 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 2019-20 school year was 4,297 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 261,191 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 2019-20 was 5.9%. The Asheville Metro lost approximately 21,800 jobs July 2019-20 year-over-year, a loss of 11.1%. This loss can be attributed largely to the COVID-19 pandemic that suddenly affected employment in early 2020.

The Buncombe County unemployment rate increased from 3.3% in July 2019 to 10.1% July 2020. Buncombe County's



unemployment rate was above the state (8.8%) and below the nation (10.5%) during this time.

Preliminary data shows the Asheville Metro is in the midst of a recovery from COVID-19 as shown in employment. During April of 2020, Asheville Metro's nonfarm employment set a low of 161,000. Most recently, as of September 2020, nonfarm employment has recovered to 178,800. The Asheville Metro has lost 20,500 jobs year-over-year in September 2020 compared to September 2019. Major industry employment losses were experienced primarily by Leisure and Hospitality (-31.6%) for September year over year comparison.

The housing market has remained strong during the COVID-19 pandemic. Year-over-year closed home sales were up 23% in September 2020 compared to September 2019 and the average price of homes increased from \$304,104 to \$394,796 (+29.8%). In addition, the 2020 YTD calendar shows a 4.2% increase in closed home sales and a 12.8% increase in the average sales price.

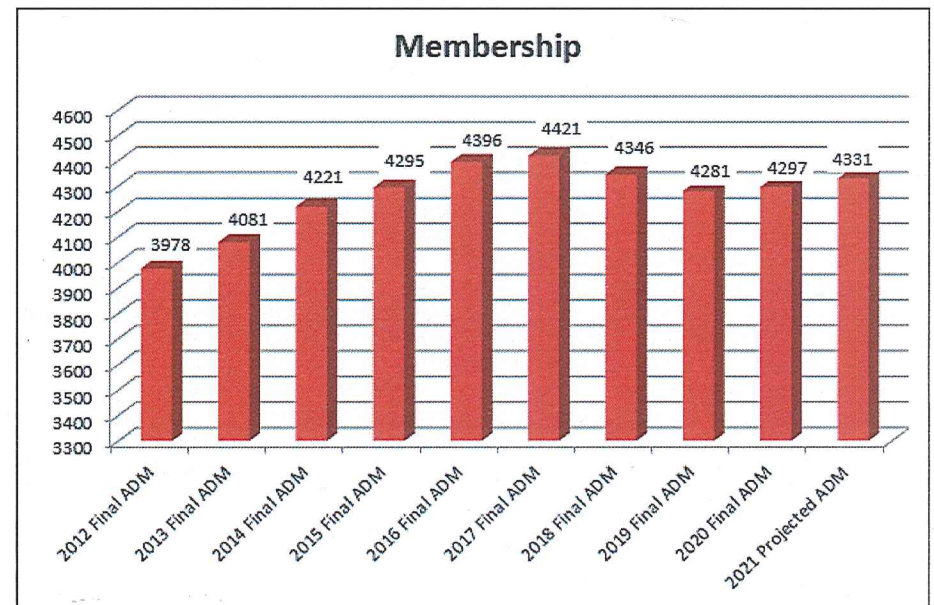
While operating within the above economic environment, Asheville City Schools has continued to enjoy the commitment to quality education for its citizens and the Buncombe County Commissioners have demonstrated that by their level of support and funding. For fiscal year 2019, county general appropriation funding increased 2.8%, from \$12,112,621 to \$12,456,771. This trend continued into fiscal year 2021 with a 2.2% increase, bringing the total county general appropriation to over \$12.7 million for fiscal year 2021.

The Buncombe County Board of Commissioners recently established the School Capital Commission Board. Originally drafted in 1983 to ensure adequate school capital needs were met for both County and City school systems, the Buncombe School Capital Fund Commission legislation was amended in 2016 to better align resources with capital needs. Using funds from Article 39 sales tax revenue, a five-member commission reviews 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 small increase in student population for fiscal year 2020. As many state funding formulas are driven by student population, this equates to Asheville City Schools receiving an increase in funding through the State Public School Fund for fiscal year 2020. Following is a graph comparing final average daily membership for fiscal years 2012 through 2020 and projected average daily membership for fiscal year 2021.





## MAJOR ACCOMPLISHMENTS AND INITIATIVES

Prior to the conclusion of the 2019-20 school year, Dr. Gene Freeman joined Asheville City Schools as Superintendent. The year contained a number of milestones for Asheville City Schools with the district entering the final year of its five-year strategic plan focusing on early childhood, academic achievement and the whole child in addition to presenting a myriad of challenges due to COVID-19.

- The District's high school graduation rate for the Class of 2020 was 91.5 percent and it's our highest rate yet.
- 61 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 Asheville City Schools Preschool Program continues to operate 4 sites with a 5-star child care facility rating from the North Carolina Division of Child Development.
- Normally on average, our 29 yellow school buses would drive approximately 1,700 miles every day. During COVID-19, drivers have used buses to serve both the educational and nutritional needs of our students.
- The Advancement Via Individual Determination Program (AVID) graduated its 17th class while celebrating 20 years of AVID. Just as every other class had achieved over the years, every 2020 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.

- The Asheville High School Band brought home the Grand Champion trophy from the annual Viking Classic Tournament of Bands. Additionally, the band received a Superior rating and received many other caption awards including 1st place Drumline of the day.
- Asheville High School introduced a girl's lacrosse program to go along with the second year boy's squad. The Asheville Middle School football team celebrated their first home game in 30 years on their new turf field and the Asheville Middle School softball field was completed.

## 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, 2020, 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, 2020, 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-three 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, 2020.

## 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, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

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

David J. Lewis  
Executive Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Asheville City Schools  
North Carolina**

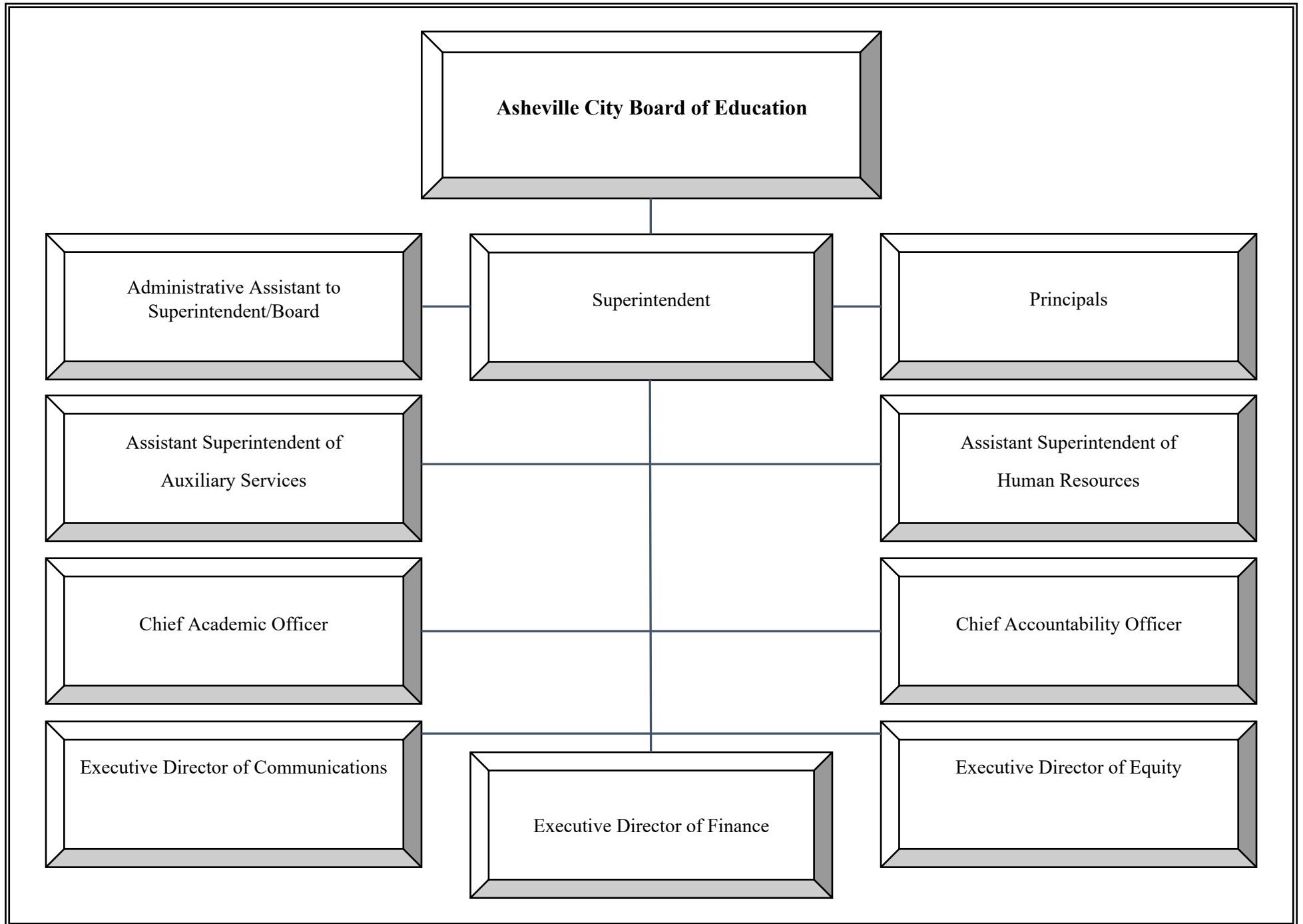
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# ASHEVILLE CITY SCHOOLS ORGANIZATIONAL CHART





ASHEVILLE CITY SCHOOLS

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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, 2020 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, 2020, 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 and individual non-major fund financial statements and schedules, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules and other 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 and individual non-major fund financial statements, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 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 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*

January 4, 2021  
Statesville, North Carolina  
(704) 562-5039

## **ASHEVILLE CITY SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Asheville City Schools' (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2020. 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 \$5,407,452
- The Board's total net position decreased by \$5,065,990.
- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of \$12,165,679, a decrease of \$272,988.

### ***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 funds 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.

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.

## **ASHEVILLE CITY SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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- 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. Child Nutrition 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 Child Nutrition 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 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.

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**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 \$5,407,452 as of June 30, 2020, a decrease of \$5,354,670 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 \$83,192,083 at June 30, 2020.

Following is a summary of the statement of Net Position:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/20	6/30/19	6/30/20	6/30/19	6/30/20	6/30/19
Current assets	\$ 12,568,401	\$ 13,228,384	\$ 244,193	\$ 213,258	\$ 12,812,594	\$ 13,441,642
Capital assets	82,693,956	85,504,639	564,551	596,534	83,258,507	86,101,173
Total assets	<u>95,262,357</u>	<u>98,733,023</u>	<u>808,744</u>	<u>809,792</u>	<u>96,071,101</u>	<u>99,542,815</u>
Deferred outflows of resources	19,108,874	17,785,662	209,293	225,639	19,318,167	18,011,301
Current liabilities	308,065	949,461	47,281	30,972	355,346	980,433
Long-term liabilities	95,389,419	84,316,969	1,052,205	1,078,161	96,441,624	85,395,130
Total liabilities	<u>95,697,484</u>	<u>85,266,430</u>	<u>1,099,486</u>	<u>1,109,133</u>	<u>96,796,970</u>	<u>86,375,563</u>
Deferred inflows of resources	23,739,737	30,223,033	260,013	388,181	23,999,750	30,611,214
Net investment in capital assets	82,627,532	85,458,293	564,551	596,534	83,192,083	86,054,827
Restricted net position	6,266,508	5,985,294	1,037	-	6,267,545	5,985,294
Unrestricted net position	(93,960,030)	(90,414,365)	(907,050)	(1,058,417)	(94,867,080)	(91,472,782)
Total net position	<u>\$ (5,065,990)</u>	<u>\$ 1,029,222</u>	<u>\$ (341,462)</u>	<u>\$ (461,883)</u>	<u>\$ (5,407,452)</u>	<u>\$ 567,339</u>

Note that net position of governmental activities decreased by approximately \$5.5 million during the year, indicating a decline 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**

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, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/20	6/30/19	6/30/20	6/30/19	6/30/20	6/30/19
Revenues:						
Program revenues:						
Charges for services	\$ 2,568,845	\$ 2,344,347	\$ 367,685	\$ 420,795	\$ 2,936,530	\$ 2,765,142
Operating grants and contributions	30,679,458	31,733,496	1,427,757	1,173,117	32,107,215	32,906,613
Capital grants and contributions	67,936	149,722	32,892	-	100,828	149,722
General revenues:						
Buncombe County	14,869,577	14,759,478	-	-	14,869,577	14,759,478
Supplemental school tax	10,150,870	9,394,257	-	-	10,150,870	9,394,257
Local option sales tax	3,092,911	2,963,968	-	-	3,092,911	2,963,968
Other revenues	2,070,542	697,121	-	-	2,070,542	697,121
Total revenues	<u>63,500,139</u>	<u>62,042,389</u>	<u>1,828,334</u>	<u>1,593,912</u>	<u>65,328,473</u>	<u>63,636,301</u>
Expenses:						
Governmental activities:						
Instructional services	53,928,952	47,876,328	-	-	53,928,952	47,876,328
System-wide support services	12,824,033	12,137,295	-	-	12,824,033	12,137,295
Ancillary services	496,098	498,526	-	-	496,098	498,526
Non-programmed charges	1,357,017	1,201,678	-	-	1,357,017	1,201,678
Unallocated depreciation	301,093	2,647,408	-	-	301,093	2,647,408
Business-type activities:						
Child Nutrition	-	-	1,775,950	1,607,846	1,775,950	1,607,846
Total expenses	<u>68,907,193</u>	<u>64,361,235</u>	<u>1,775,950</u>	<u>1,607,846</u>	<u>70,683,143</u>	<u>65,969,081</u>
Excess (deficiency)						
before transfers	(5,407,054)	(2,318,846)	52,384	(13,934)	(5,354,670)	(2,332,780)
Transfers in (out)	(68,037)	(203,208)	68,037	203,208	-	-
Change in net position	(5,475,091)	(2,522,054)	120,421	189,274	(5,354,670)	(2,332,780)
Beginning net position	409,101	3,551,276	(461,883)	(651,157)	(52,782)	2,900,119
Ending net position	<u>\$ (5,065,990)</u>	<u>\$ 1,029,222</u>	<u>\$ (341,462)</u>	<u>\$ (461,883)</u>	<u>\$ (5,407,452)</u>	<u>\$ 567,339</u>

Governmental activities generated revenues of \$63.5 million for fiscal year 2020 compared to \$62.0 million for the previous year. Governmental activities expenses totaled \$68.9 million for fiscal year 2020 compared to \$64.4 million for the previous year. After transfers to the business-type activities, the decrease in net position stands at \$5.5 million at June 30, 2020 compared to a decrease of \$2.5 million in 2019.



**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

County funding decreased from 23.8% of total governmental revenues in fiscal year 2019 to 23.4% in fiscal year 2020 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 78.3% of total governmental expenses for fiscal year 2020 compared to 74.4% for fiscal year 2019. Support services accounted for 18.6% and 18.9% of expenses in fiscal years 2020 and 2019, respectively.

Business-type activities generated revenues of \$1.8 million for fiscal year 2020 and \$1.6 million for fiscal year 2019. At the same time, expenses for the business-type activities were \$1.8 million for fiscal year 2020 compared to \$1.6 million for fiscal year 2019. Thus, net position increased in the business-type activities by \$120,000, after transfers in from the governmental activities of \$68,000.

**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, 2020 and 2019 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, 2020 and 2019**

	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
<b>Total</b>	<b>5,095,786</b>	<b>1,767,091</b>	<b>4,295,320</b>	<b>1,007,482</b>	<b>12,165,679</b>
	2019				
	General Fund	Other Special Revenue Fund	Capital Outlay Fund	Individual Schools Fund	Total
Fund balances:					
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	47,770	1,043,451	3,860,491	760,463	5,712,175
Assigned	-	621,308	-	-	621,308
Unassigned	6,105,184	-	-	-	6,105,184
<b>Total</b>	<b>6,152,954</b>	<b>1,664,759</b>	<b>3,860,491</b>	<b>760,463</b>	<b>12,438,667</b>

The Capital Outlay Fund, Other Special Revenue Fund and the Individual Schools Fund ended the year with a surplus of revenues and other financing sources over expenditures and other financing uses. This

**ASHEVILLE CITY SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

resulted in a combined net increase of \$784,000 in the aforementioned funds. While the General Fund experienced a \$1.1 million decrease in fund balance.

Proprietary Fund: The Board's proprietary fund reflected an increase in net position of \$120,421 for 2020 compared to an increase of \$187,274 for 2019.

**General Fund Budgetary Highlights**

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

**Capital Assets**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/20	6/30/19	6/30/20	6/30/19	6/30/20	6/30/19
Land	\$ 1,307,576	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576	\$ 1,307,576
Construction in progress	63,049	294,340	-	-	63,049	294,340
Land improvements	1,808,312	1,321,597	-	-	1,808,312	1,321,597
Buildings	77,753,077	80,869,046	-	-	77,753,077	80,869,046
Equipment and furniture	1,165,377	1,165,778	564,551	596,534	1,729,928	1,762,312
Vehicles	596,565	546,302	-	-	596,565	546,302
Total	<u>\$ 82,693,956</u>	<u>\$ 85,504,639</u>	<u>\$ 564,551</u>	<u>\$ 596,534</u>	<u>\$ 83,258,507</u>	<u>\$ 86,101,173</u>

Capital assets decreased \$3,329,381 or (3.9%) 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 2020, 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 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.

## **ASHEVILLE CITY SCHOOLS MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### ***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 2020. The following factors will be considered when developing the Asheville City Schools' 2021 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 19.70% to 21.68%.
- The annual cost of employer provided hospitalization insurance is expected to increase from \$6,306 to \$6,326, per employee.
- The Asheville City Schools supplemental tax rate for 2020 is set at 12 cents per \$100 of assessed taxable valuation. An increase of \$375,378 is projected.
- Assigned fund balance for the General Fund will be determined upon completion of Asheville City Schools' 2021 budget.

### ***Impact of Coronavirus on School***

During the fiscal year, the state and nation were affected by the spread of a coronavirus. The Board's response to the coronavirus included the closure of school educational facilities in mid-March. From this time until the end of the year, educational services were provided remotely to all students. The Board incurred additional expenses as a result of the coronavirus including: purchase of personal protective equipment and delivery expenses attributable to the delivery of lunches to students when the educational facilities were closed.

### ***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, 2020**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,018,993	\$ 1,988	\$ 11,020,981
Due from other governments	1,287,316	102,163	1,389,479
Receivables	177,983	-	177,983
Internal balances	(10,549)	10,549	-
Net OPEB asset	94,657	1,037	95,694
Inventories	-	128,456	128,456
Capital assets:			
Land and construction in progress	1,370,675	-	1,370,675
Other capital assets, net of depreciation	81,323,281	564,551	81,887,832
Total capital assets	82,693,956	564,551	83,258,507
Total assets	95,262,356	808,744	96,071,100
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	19,108,874	209,293	19,318,167
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	308,064	4,590	312,654
Unearned revenues	-	42,691	42,691
Long-term liabilities:			
Net pension liability	25,551,490	279,857	25,831,347
Net OPEB liability	66,894,374	732,671	67,627,045
Due within one year	1,507,603	21,210	1,528,813
Due in more than one year	1,435,952	18,467	1,454,419
Total liabilities	95,697,483	1,099,486	96,796,969
<b>DEFERRED INFLOWS OF RESOURCES</b>	23,739,737	260,013	23,999,750
<b>NET POSITION</b>			
Net investment in capital assets	82,627,532	564,551	83,192,083
Restricted for:			
Individual school activities	1,007,482	-	1,007,482
Stabilization by State statute	869,049	-	869,049
School Capital Outlay	4,295,320	-	4,295,320
DIPNC OPEB plan	94,657	1,037	95,694
Unrestricted	(93,960,030)	(907,050)	(94,867,080)
Total net position	\$ (5,065,990)	\$ (341,462)	\$ (5,407,452)

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

Functions/Programs	<i>Exhibit 2</i>						Total
	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Primary Government		Primary Government			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
<b>Primary government:</b>							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 31,918,076	\$ 160,045	\$ 17,880,514	\$ -	\$ (13,877,517)	\$ -	\$ (13,877,517)
Special populations	6,610,707	-	5,023,128	-	(1,587,579)	-	(1,587,579)
Alternative programs	4,732,474	615,679	1,485,093	-	(2,631,702)	-	(2,631,702)
School leadership	3,742,560	-	1,449,008	-	(2,293,552)	-	(2,293,552)
Co-curricular services	1,756,961	1,568,413	-	-	(188,548)	-	(188,548)
School-based support	5,168,174	-	2,311,905	-	(2,856,269)	-	(2,856,269)
System-wide support services							
Support and development	873,257	-	154,894	-	(718,363)	-	(718,363)
Special population support and development	353,994	-	299,920	-	(54,074)	-	(54,074)
Alternative programs	375,131	-	70,393	-	(304,738)	-	(304,738)
Technology support	952,226	-	89,279	-	(862,947)	-	(862,947)
Operational support	6,797,142	-	966,119	67,936	(5,763,087)	-	(5,763,087)
Financial and human resource services	136,215	-	392,977	-	256,762	-	256,762
Accountability	514,833	-	97,585	-	(417,248)	-	(417,248)
System-wide pupil support	1,247,941	-	75,524	-	(1,172,417)	-	(1,172,417)
Policy, leadership and public relations	1,573,294	-	251,072	-	(1,322,222)	-	(1,322,222)
Ancillary services	496,098	224,708	132,047	-	(139,343)	-	(139,343)
Non-programmed charges	1,357,017	-	-	-	(1,357,017)	-	(1,357,017)
Unallocated depreciation expense**	301,093	-	-	-	(301,093)	-	(301,093)
Total governmental activities	68,907,193	2,568,845	30,679,458	67,936	(35,590,954)	-	(35,590,954)
Business-type activities:							
School food service	1,775,950	367,685	1,427,757	32,892	-	52,384	52,384
Total primary government	\$ 70,683,143	\$ 2,936,530	\$ 32,107,215	\$ 100,828	(35,590,954)	52,384	(35,538,570)
General revenues:							
Unrestricted county appropriations - operating					12,456,771	-	12,456,771
Unrestricted county appropriations - capital					2,412,806	-	2,412,806
Unrestricted State appropriations - capital					121,406	-	121,406
Supplemental city school tax					10,150,870	-	10,150,870
Local option sales tax					3,092,911	-	3,092,911
Miscellaneous, unrestricted					1,949,136	-	1,949,136
Transfers					(68,037)	68,037	-
Total general revenues and transfers					30,115,863	68,037	30,183,900
Change in net position					(5,475,091)	120,421	(5,354,670)
Net position-beginning, as restated					409,101	(461,883)	(52,782)
Net position-ending					\$ (5,065,990)	\$ (341,462)	\$ (5,407,452)

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



**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 28,240,320	\$ -	\$ 67,936	\$ 558,983	\$ -	\$ 28,867,239
Buncombe County	12,456,771	-	-	2,412,806	-	-	14,869,577
U.S. Government	-	132,047	-	-	124,735	2,446,336	2,703,118
Supplemental city school tax	10,150,870	-	-	-	-	-	10,150,870
Local option sales tax	-	-	-	-	3,092,911	-	3,092,911
Other	357,380	-	1,568,413	121,406	1,818,775	-	3,865,974
Total revenues	22,965,021	28,372,367	1,568,413	2,602,148	5,595,404	2,446,336	63,549,689
<b>EXPENDITURES</b>							
<b>Current:</b>							
Instructional services:							
Regular instructional	8,388,989	17,707,283	-	133,818	1,264,909	173,231	27,668,230
Special populations	618,893	4,298,289	-	-	698,167	724,839	6,340,188
Alternative programs	1,293,650	432,264	-	-	1,741,658	1,052,829	4,520,401
School leadership	1,834,393	1,449,008	-	-	320,160	-	3,603,561
Co-curricular services	221,564	-	1,470,144	-	-	-	1,691,708
School-based support	1,505,022	2,280,180	-	785,646	372,562	31,725	4,975,135
System-wide support services:							
Support and development	592,015	154,498	-	-	93,915	396	840,824
Special population support and development	14,942	101,494	-	-	19,142	198,426	334,004
Alternative programs and services	137,244	-	-	-	153,562	70,393	361,199
Technology support	775,918	89,279	-	4,704	46,823	-	916,724
Operational support	4,892,890	962,148	-	273,348	272,457	3,971	6,404,814
Financial and human resource services	703,448	292,304	-	-	104,902	100,673	1,201,327
Accountability	22,844	97,585	-	-	10,727	-	131,156
System-wide pupil support	372,652	75,524	-	-	47,536	-	495,712
Policy, leadership and public relations	1,151,638	243,363	-	-	112,152	7,709	1,514,862
Ancillary services	78,334	132,047	-	32,892	234,400	-	477,673
Non-programmed charges:							
Payments to charter schools	1,269,003	-	-	-	-	-	1,269,003
Other	-	-	-	88,014	-	82,144	170,158
<b>Debt service:</b>							
Principal payments	-	-	-	67,936	-	-	67,936
<b>Capital outlay</b>							
Total expenditures	23,873,439	28,315,266	1,470,144	2,244,397	5,493,072	2,446,336	63,842,654
Revenues over (under) expenditures	(908,418)	57,101	98,269	357,751	102,332	-	(292,965)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	-	-	148,750	-	-	-	148,750
Transfers to other funds	(148,750)	(57,101)	-	(10,936)	-	-	(216,787)
Installment purchase obligations issued	-	-	-	88,014	-	-	88,014
Total other financing sources (uses)	(148,750)	(57,101)	148,750	77,078	-	-	19,977
Net change in fund balance	(1,057,168)	-	247,019	434,829	102,332	-	(272,988)
Fund balances-beginning	6,152,954	-	760,463	3,860,491	1,664,759	-	12,438,667
Fund balances-ending	\$ 5,095,786	\$ -	\$ 1,007,482	\$ 4,295,320	\$ 1,767,091	\$ -	\$ 12,165,679

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

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

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

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

Net changes in fund balances - total governmental funds	\$ (272,988)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(2,761,133)
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	2,307,841
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	4,555,965
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.	(20,078)
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	(9,248,060)
Net OPEB expense	(69,274)
Compensated absences	82,186
Loss on disposal of assets	<u>(49,550)</u>
Total changes in net position of governmental activities	<u>\$ (5,475,091)</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, 2020**

**Exhibit 5**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Buncombe County	12,626,196	12,626,196	12,456,771	(169,425)
U.S. Government	-	-	-	-
Supplemental city school tax	9,891,893	9,891,893	10,150,870	258,977
Local option sales tax	-	-	-	-
Other	350,000	350,000	357,380	7,380
Total revenues	<u>22,868,089</u>	<u>22,868,089</u>	<u>22,965,021</u>	<u>96,932</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	14,906,183	14,820,702	13,862,511	958,191
System-wide support services	9,676,380	9,680,071	8,663,591	1,016,480
Ancillary services	-	81,790	78,334	3,456
Non-programmed charges:				
Payments to charter schools	1,371,000	1,371,000	1,269,003	101,997
<b>Debt service:</b>				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Total expenditures	<u>25,953,563</u>	<u>25,953,563</u>	<u>23,873,439</u>	<u>2,080,124</u>
Revenues over (under) expenditures	(3,085,474)	(3,085,474)	(908,418)	2,177,056
Other financing sources uses:				
Transfers to other funds	(223,750)	(223,750)	(148,750)	75,000
Revenues over (under) expenditures and other uses	(3,309,224)	(3,309,224)	(1,057,168)	2,252,056
Appropriated fund balance	<u>3,309,224</u>	<u>3,309,224</u>	-	<u>3,309,224</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	(1,057,168)	<u>\$ (1,057,168)</u>
Fund balances, beginning of year			<u>6,152,954</u>	
Fund balances, end of year			<u>\$ 5,095,786</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, 2020**

**Exhibit 5 (Continued)**

	<b>State Public School Fund</b>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 29,415,278	\$ 29,983,879	\$ 28,240,320	\$ (1,743,559)
Buncombe County	-	-	-	-
U.S. Government	-	-	132,047	132,047
Supplemental city school tax	-	-	-	-
Local option sales tax	-	-	-	-
Other	-	-	-	-
Total revenues	<u>29,415,278</u>	<u>29,983,879</u>	<u>28,372,367</u>	<u>(1,611,512)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	27,147,474	27,441,590	26,167,024	1,274,566
System-wide support services	2,098,073	2,201,108	2,016,195	184,913
Ancillary services	95,000	266,450	132,047	134,403
Non-programmed charges	-	-	-	-
<b>Debt service:</b>				
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Total expenditures	<u>29,340,547</u>	<u>29,909,148</u>	<u>28,315,266</u>	<u>1,593,882</u>
Revenues over (under) expenditures	74,731	74,731	57,101	(17,630)
Other financing sources uses:				
Transfers to other funds	<u>(74,731)</u>	<u>(74,731)</u>	<u>(57,101)</u>	<u>17,630</u>
Revenues over (under) expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF 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, 2020**

*Exhibit 5 (Continued)*

	<b>Other Special Revenue Fund</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ 609,000	\$ 617,787	\$ 558,983	\$ (58,804)
Buncombe County	-	-	-	-
U.S. Government	151,473	89,000	124,735	35,735
Supplemental city school tax	-	-	-	-
Local option sales tax	3,369,773	3,369,773	3,092,911	(276,862)
Other	958,844	1,747,312	1,818,775	71,463
Total revenues	<u>5,089,090</u>	<u>5,823,872</u>	<u>5,595,404</u>	<u>(228,468)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	5,906,148	5,929,935	4,397,456	1,532,479
System-wide support services	79,638	887,261	861,216	26,045
Ancillary services	234,198	245,193	234,400	10,793
Non-programmed charges	-	-	-	-
Total expenditures	<u>6,219,984</u>	<u>7,062,389</u>	<u>5,493,072</u>	<u>1,569,317</u>
Revenues over (under) expenditures	(1,130,894)	(1,238,517)	102,332	1,340,849
Other financing sources uses:				
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other uses	(1,130,894)	(1,238,517)	102,332	1,340,849
Appropriated fund balance	<u>1,130,894</u>	<u>1,238,517</u>	<u>-</u>	<u>1,238,517</u>
Revenue and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	102,332	<u>\$ 102,332</u>
Fund balances, beginning of year			<u>1,664,759</u>	
Fund balances, end of year			<u>\$ 1,767,091</u>	

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**June 30, 2020**

**Exhibit 6**

	<u>Enterprise Funds</u>
	<u>Major Fund</u>
	<u>Child Nutrition Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,988
Due from other governments	102,163
Due from other fund	10,549
OPEB asset	1,037
Inventories	128,456
Total current assets	<u>244,193</u>
Noncurrent assets:	
Capital assets, net	<u>564,551</u>
Total assets	<u>808,744</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>209,293</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	4,590
Compensated absences	21,210
Unearned revenues	42,691
Total current liabilities	<u>68,491</u>
Noncurrent liabilities:	
Net pension liability	279,857
Net OPEB liability	732,671
Compensated absences	18,467
Total liabilities	<u>1,099,486</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>260,013</u>
<b>NET POSITION</b>	
Net investment in capital assets	564,551
DIPNC OPEB plan	1,037
Unrestricted	(907,050)
Total net position	<u>\$ (341,462)</u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUND**  
**For the Year Ended June 30, 2020**

**Exhibit 7**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
<b>OPERATING REVENUES</b>	
Food sales	\$ 367,685
<b>OPERATING EXPENSES</b>	
Purchase of food	741,605
Salaries and benefits	719,285
Indirect costs	158,354
Materials and supplies	60,591
Depreciation	64,875
Other	31,240
Total operating expenses	<u>1,775,950</u>
Operating income (loss)	<u>(1,408,265)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	1,144,869
Federal commodities	122,283
State reimbursements	2,251
Indirect costs not paid	158,354
Total nonoperating revenues	<u>1,427,757</u>
Income (loss) before transfers	19,492
Capital contribution	32,892
Transfer from other funds	68,037
Change in net position	<u>120,421</u>
Total net position - beginning	<u>(461,883)</u>
Total net position - ending	<u>\$ (341,462)</u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**For the Year Ended June 30, 2020**

**Exhibit 8**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 386,183
Cash paid for goods and services	(658,638)
Cash paid to employees for services	(859,034)
Net cash provided (used) by operating activities	<u>(1,131,489)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal reimbursements	1,094,923
State reimbursements	2,251
(Increase) decrease in due from other funds	<u>(10,549)</u>
Net cash provided by noncapital financing activities	<u>1,086,625</u>
Net increase (decrease) in cash and cash equivalents	(44,864)
Balances-beginning of the year	<u>46,852</u>
Balances-end of the year	<u><u>\$ 1,988</u></u>

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2020**

**Exhibit 8 (Continued)**

Reconciliation of operating loss to net cash used by operating activities	
Operating income (loss)	<u>\$ (1,408,265)</u>
Adjustments to reconcile operating income (loss) to net cash used by operating activities:	
Depreciation	64,875
Donated commodities consumed	122,283
Transfers from other funds	68,037
Indirect costs not paid	158,354
Changes in assets deferred outflows of resources, and liabilities:	
(Increase) decrease in net OPEB asset	443
(Increase) decrease in net OPEB asset	(225)
(Increase) decrease in inventory	(15,522)
Increase (decrease) in accounts payable and accrued liabilities	2,254
(Increase) decrease in deferred outflows	16,346
Increase (decrease) in net pension liability	(12,815)
Increase (decrease) in net OPEB liability	(25,158)
Increase (decrease) in deferred inflows	(128,168)
Increase (decrease) in unavailable revenues	18,055
Increase (decrease) in compensated absences	<u>8,017</u>
Total adjustments	<u>276,776</u>
Net cash provided (used) by operating activities	<u>\$ (1,131,489)</u>

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

The State Public School Fund paid operating expenses of \$57,101 of the School Food Service Fund during the fiscal year. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

The Capital Outlay Fund contributed \$10,936 to the School Food Service Fund during the fiscal year to provide assistance with the payment of certain expenses. The payment is reflected as an operating transfer in and an operating expense on Exhibit 7.

The School Food Service Fund received \$32,892 of capital assets as a capital contribution from the Capital Outlay Fund.

Indirect costs of \$158,354 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 \$122,283 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.

**ASHEVILLE CITY SCHOOLS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - FIDUCIARY FUND**  
**June 30, 2020**

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*Exhibit 9*

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$          63,148</u>
 <b>LIABILITIES</b>	
Due to other sources	<u>\$          63,148</u>



**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Reporting Entity

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

Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Board's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

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

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

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund-raising activities. The primary expenditures are for athletic teams, club programs, activity buses and instructional needs.

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

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

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:

*Child Nutrition Fund.* The Child Nutrition 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, 2020**

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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, 2020**

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Cash and Cash Equivalents

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

Inventories

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

Capital Assets

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

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

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

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

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

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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, 2020**

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

Long-term Obligations

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

Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2020 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**  
**For the Fiscal Year Ended June 30, 2020**

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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 \$(17,231,669) 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)	\$ 145,101,657
Less Accumulated Depreciation	<u>(62,407,701)</u>
Net capital assets	82,693,956
Net OPEB asset	94,657
Pension related deferred outflows of resources	10,492,966
OPEB related deferred outflows of resources	8,615,908
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	(66,424)
Compensated absences	(2,877,131)
Net pension liability	(25,551,490)
Net OPEB liability	(66,894,374)
Deferred inflows of resources related to pensions	(220,937)
Deferred inflows of resources related to OPEB	<u>(23,518,800)</u>
Total adjustment	<u>\$ (17,231,669)</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(5,202,103) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 1,305,526
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.	(4,066,659)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	4,555,965
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,307,841
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	(9,248,060)
Net OPEB expense	(69,274)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	82,186
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.	(20,078)
Loss on disposal of fixed assets	<u>(49,550)</u>
Total adjustment	<u>\$ (5,202,103)</u>

Defined Benefit Pension Plan and OPEB Plans

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

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payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

**NOTE 2 - DETAIL NOTES ON ALL FUNDS**

Assets

Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2020, the Board had deposits with banks and savings and loans with a carrying amount of \$2,692,768 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$3,110,941 and \$55,528, respectively. Of these balances, \$1,029,881 was covered by federal depository insurance and \$2,136,588 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2020, the Board of Education had \$375,117 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 \$8,016,244 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, 2020. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

Receivables at the government-wide level at June 30, 2020 are as follows:

	Due from other governments	Other
Governmental activities:		
General Fund	\$ 46,282	\$ -
Other governmental activities	1,241,034	177,983
Total	<u>\$ 1,287,316</u>	<u>\$ 177,983</u>
Business-type activities:		
School Food Service	<u>\$ 102,163</u>	<u>\$ -</u>



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Amounts due from other governments at June 30, 2020, 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 Child Nutrition fund are related to USDA funds. Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 46,282	Due from local governments
Other Special Revenue Fund	677,161	Due from Buncombe County
Capital Outlay Fund	<u>563,873</u>	Due from Buncombe County
Total	<u>\$ 1,287,316</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 102,163</u>	Federal grant funds

Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases and Transfers</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,307,576	\$ -	\$ -	\$ 1,307,576
Construction in progress	<u>294,340</u>	<u>217,640</u>	<u>448,931</u>	<u>63,049</u>
Total capital assets not being depreciated	<u>1,601,916</u>	<u>217,640</u>	<u>448,931</u>	<u>1,370,625</u>
Capital assets being depreciated:				
Buildings	129,570,606	364,539	-	129,935,145
Equipment and furniture	5,276,507	316,869	16,245	5,577,131
Vehicles	3,610,650	225,308	84,590	3,751,368
Land improvements	<u>3,837,287</u>	<u>630,101</u>	<u>-</u>	<u>4,467,388</u>
Total capital assets being depreciated	<u>142,295,050</u>	<u>1,536,817</u>	<u>100,835</u>	<u>143,731,032</u>
Less accumulated depreciation for:				
Buildings	48,701,560	3,480,508	-	52,182,068
Equipment and furniture	4,110,729	301,093	68	4,411,754
Vehicles	3,064,348	141,672	51,217	3,154,803
Land improvements	<u>2,515,690</u>	<u>143,386</u>	<u>-</u>	<u>2,659,076</u>
Total accumulated depreciation	<u>58,392,327</u>	<u>4,066,659</u>	<u>51,285</u>	<u>62,407,701</u>
Total capital assets being depreciated, net	<u>83,902,723</u>			<u>81,323,331</u>
Governmental activity capital assets, net	<u>\$ 85,504,639</u>			<u>\$ 82,693,956</u>

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	Beginning Balances	Increases	Decreases and Transfers	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment	\$ 1,321,964	\$ 32,892	\$ -	\$ 1,354,856
Less accumulated depreciation for:				
Equipment	<u>725,430</u>	<u>64,875</u>	<u>-</u>	<u>790,305</u>
School Food Service capital assets, net	<u><u>596,534</u></u>			<u><u>564,551</u></u>

Depreciation was charged to governmental functions as follows:

Regular Instruction services	\$ 3,623,894
System-wide support services	141,672
Unallocated depreciation	<u>301,093</u>
Total	<u><u>\$ 4,066,659</u></u>

Liabilities

Pension Plan and Other Postemployment Obligations

Teachers' and State Employees' Retirement System

*Plan Description.* The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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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, 2020, was 12.97% 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 \$4,605,865 for the year ended June 30, 2020.

*Refunds of Contributions* – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

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

At June 30, 2020, the Board reported a liability of \$25,831,347 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019 and at June 30, 2018, the Board's proportion was .25% and .24%, respectively.

For the year ended June 30, 2020, the Board recognized pension expense of \$9,332,188. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,160,762	\$ 51,713
Changes of assumptions	2,752,431	-
Net difference between projected and actual earnings on pension plan investments	495,151	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	593,683	171,644
Board contributions subsequent to the measurement date	4,605,865	-
Total	<u>\$ 10,607,892</u>	<u>\$ 223,357</u>

\$4,605,865 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, 2021.

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:**

2021	\$ 3,858,091
2022	1,152,346
2023	595,017
2024	173,216
2025	--
Thereafter	--
Total	<u>\$ 5,778,670</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

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, 2018 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

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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, 2019 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 2019 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 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)	\$ 49,164,239	\$ 25,831,347	\$ 6,258,024

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*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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 by General Statute 135-7, Article 1. 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 CAFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

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

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

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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 135-7, 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 6.47% of covered payroll which amounted to \$2,297,606.

At June 30, 2020, Board reported a liability of \$67,627,045 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 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, 2019 and at June 30, 2018, the Boards proportion was 0.21% and 0.21%, respectively.

\$2,297,606 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2021	\$ (5,708,643)
2022	(5,708,641)
2023	(5,702,130)
2024	(1,233,227)
2025	862,303
Thereafter	--
Total	<u>\$ (17,490,338)</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% to 8.10%, including a 3.5% inflation and productivity factor
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rate – medical	5.00% - 6.50%
Healthcare cost trend rate – prescription drug	5.00% - 9.50%
Healthcare cost trend rate – administrative	3.00%

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 3.50%, a decrease of .37% over the prior year discount rate of 3.87%. 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

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position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.50% was used as the discount rate used to measure the total OPEB liability. The 3.50% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease (2.50%)</u>	<u>Discounted Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Net OPEB liability	\$ 80,364,456	\$ 67,627,045	\$ 57,426,735

*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:

	<b>Healthcare Trend Rates</b>		
	<u>1% Decrease (Medical - 5.5%, Pharmacy - 6.25%, Administrative - 2.00%)</u>	<u>(Medical - 6.5%, Pharmacy - 7.25%, Administrative - 3.00%)</u>	<u>1% Increase (Medical - 7.5%, Pharmacy - 8.25%, Administrative - 4.00%)</u>
Net OPEB liability	\$ 55,685,116	\$ 67,627,045	\$ 83,327,012

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CAFR 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 CAFR, 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



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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, 2020, 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 \$35,512 for the year ended June 30, 2020.

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, 2020, Board reported an OPEB asset of \$95,694 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The total OPEB asset was then rolled forward to the measurement date of June 30, 2019 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, 2019 and at June 30, 2018, the Boards proportion was .22% and .21%, respectively.

\$35,512 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2021		\$	35,244
2022			23,666
2023			16,248
2024			8,704
2025			13,506
Thereafter			(6,266)
	Total	\$	<u>91,102</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*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	\$ 81,050	\$ 95,694	\$ 109,923

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2018 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, 2019. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class 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%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	<u>100.0%</u>	

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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**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	\$ 35,950	\$ (125,643)	\$ (89,693)
OPEB liability (asset)	67,027,045	(95,694)	66,931,351
Proportionate share of the net OPEB liability (asset)	0.214%	0.222%	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	-	97,758	97,758
Changes of assumptions	3,250,474	10,601	3,261,075
Net difference between projected and actual earnings on plan investments	45,034	18,227	63,261
Changes in proportion and deferrals between Board contributions and proportionate share of contributions	2,955,063	-	2,955,063
Board contributions subsequent to the measurement date	2,297,606	35,512	2,333,118
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	3,409,255	-	3,409,255
Changes of assumptions	20,331,654	9,818	20,341,472
Changes in proportion and deferrals between Board contributions and proportionate share of contributions	-	25,666	25,666
Net difference between projected and actual earnings on plan investments	-	-	-

Accounts Payable

Accounts payable as of June 30, 2020 are as follows:

	<u>Vendors</u>	<u>Charter Schools</u>	<u>Total</u>
<b>Governmental activities:</b>			
General Fund	\$ 212,876	\$ 87,153	\$ 300,029
Other governmental activities	8,035	-	8,035
<b>Total governmental activities</b>	<u>\$ 220,911</u>	<u>\$ 87,153</u>	<u>\$ 308,064</u>
<b>Business-type activities:</b>			
Child Nutrition Fund	<u>\$ 4,590</u>	<u>\$ -</u>	<u>\$ 4,590</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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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	\$ 3,548,746	\$ 197,310
Changes of assumptions	6,013,506	20,341,472
Difference between projected and actual earnings on plan investments	558,412	-
Board contributions subsequent to the measurement date	6,938,983	-
Difference between expected and actual experience	<u>2,258,520</u>	<u>3,460,968</u>
Totals	<u>\$ 19,318,167</u>	<u>\$ 23,999,750</u>

Unavailable Revenues

The balance in unearned revenues at June 30, 2020 is composed of the following elements:

Prepaid lunch sales (School Food Service Fund)	<u>\$ 42,691</u>
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Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 an aggregate limit of \$5.15 million per coverage period. 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 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 2019-2020, 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

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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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, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>
2021	\$ 44,421
2022	22,003
Total	<u>\$ 66,424</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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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, 2020:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 46,346	\$ 88,014	\$ 67,936	\$ 66,424	\$ 44,421
Net pension liability	23,171,839	2,379,651	-	25,551,490	-
Net OPEB liability	58,982,510	7,911,864	-	66,894,374	-
Compensated absences	<u>2,959,317</u>	<u>2,895,124</u>	<u>2,977,310</u>	<u>2,877,131</u>	<u>1,463,182</u>
Total governmental activities	<u>\$ 85,160,012</u>	<u>\$ 13,274,653</u>	<u>\$ 3,045,246</u>	<u>\$ 95,389,419</u>	<u>\$ 1,507,603</u>
Business-type activities:					
Net pension liability	\$ 292,672	\$ -	\$ 12,815	\$ 279,857	\$ -
Net OPEB liability	757,829	-	25,158	732,671	-
Compensated absences	<u>31,660</u>	<u>53,586</u>	<u>45,569</u>	<u>39,677</u>	<u>21,210</u>
Total business activities:	<u>\$ 1,082,161</u>	<u>\$ 53,586</u>	<u>\$ 83,542</u>	<u>\$ 1,052,205</u>	<u>\$ 21,210</u>

Compensated absences related to governmental activities are typically liquidated by the General and other governmental funds.

Interfund Balances

At June 30, 2020, the Child Nutrition Fund was due \$10,549 from the General 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, 2020 consist of the following:

From the Capital Outlay Fund to the School Food Service Fund for supplies and small equipment purchases	<u>\$ 10,936</u>
From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 57,101</u>
From the General Fund to the Individual Schools Fund for operating expenditures	<u>\$ 148,750</u>

**ASHEVILLE CITY SCHOOLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2020**

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Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$	5,095,786
Less:		
Stabilization by State statute		(47,319)
Appropriated Fund Balance in 2021 budget		<u>(3,000,000)</u>
Remaining fund balance	\$	<u>2,048,467</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.

**NOTE 4 – PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2020, the Board reported a prior period adjustment for governmental activities. Compensated absences as of June 30, 2019 were increased by \$620,121 to correct errors in the reported amounts in the previous year. As a result of the prior period adjustment, governmental activities' net position as of June 30, 2019 decreased by \$620,121.





ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

**STATISTICAL SECTION**



# 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 Seven Fiscal Years\**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Board's proportion of the net pension liability (asset)	0.250%	0.236%	0.225%	0.230%	0.235%
Board's proportionate share of the net pension liability (asset)	\$ 25,831,347	\$ 23,464,511	\$ 17,821,548	\$ 21,155,920	\$ 8,646,212
Board's covered-employee payroll	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240	\$ 29,795,108
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.45%	71.83%	59.04%	72.76%	29.02%
Plan fiduciary net position as a percentage of the total pension liability	87.56%	87.61%	89.51%	87.32%	94.64%

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	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	0.225%	0.221%
Board's proportionate share of the net pension liability (asset)	\$ 2,632,789	\$ 13,386,597
Board's covered-employee payroll	\$ 28,048,113	\$ 28,106,642
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	9.39%	47.63%
Plan fiduciary net position as a percentage of the total pension liability	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 Seven Fiscal Years*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 4,605,865	\$ 4,382,177	\$ 3,521,400	\$ 3,012,263	\$ 2,660,476
Contributions in relation to the contractually required contribution	<u>4,605,865</u>	<u>4,382,177</u>	<u>3,521,400</u>	<u>3,012,263</u>	<u>2,660,476</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Contributions as a percentage of covered-employee payroll	12.97%	12.29%	10.78%	9.98%	9.15%

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

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	<u>2020</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>
Board's proportion of the net OPEB liability (asset)	0.214%	0.210%	0.208%	0.202%
Board's proportionate share of the net OPEB liability (asset)	\$ 67,627,045	\$ 59,740,339	\$ 68,139,813	\$ 87,886,274
Board's covered-employee payroll	\$ 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-employee payroll	189.66%	182.88%	225.76%	302.26%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,297,606	\$ 2,235,659	\$ 1,976,296	\$ 1,753,632	\$ 1,628,269
Contributions in relation to the contractually required contribution	<u>2,297,606</u>	<u>2,235,659</u>	<u>1,976,296</u>	<u>1,753,632</u>	<u>1,628,269</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Contributions as a percentage of covered-employee payroll	6.47%	6.27%	6.05%	5.81%	5.60%

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 1,635,751	\$ 1,514,598	\$ 1,489,652	\$ 1,394,815	\$ 1,401,515
Contributions in relation to the contractually required contribution	<u>1,635,751</u>	<u>1,514,598</u>	<u>1,489,652</u>	<u>1,394,815</u>	<u>1,401,515</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642	\$ 27,896,300	\$ 28,602,352
Contributions as a percentage of covered-employee payroll	5.49%	5.40%	5.30%	5.00%	4.90%

**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 Four Fiscal Years\**

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	<u>2020</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>
Board's proportion of the net OPEB asset	0.222%	0.211%	0.199%	0.207%
Board's proportionate share of the net OPEB asset	\$ 95,694	\$ 63,990	\$ 120,830	\$ 128,354
Board's covered-employee payroll	\$ 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-employee payroll	0.27%	0.20%	0.40%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 35,512	\$ 49,959	\$ 45,732	\$ 114,695	\$ 119,213
Contributions in relation to the contractually required contribution	<u>35,512</u>	<u>49,959</u>	<u>45,732</u>	<u>114,695</u>	<u>119,213</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 35,511,680	\$ 35,656,444	\$ 32,666,048	\$ 30,183,001	\$ 29,076,240
Contributions as a percentage of covered-employee payroll	0.10%	0.14%	0.14%	0.38%	0.41%

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contribution	\$ 122,160	\$ 123,412	\$ 123,669	\$ 145,061	\$ 148,732
Contributions in relation to the contractually required contribution	<u>122,160</u>	<u>123,412</u>	<u>123,669</u>	<u>145,061</u>	<u>148,732</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 29,795,108	\$ 28,048,113	\$ 28,106,642	\$ 27,896,300	\$ 28,602,352
Contributions as a percentage of covered-employee payroll	0.41%	0.44%	0.44%	0.52%	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, 2020**

	<u>Budget</u>	<u>Actual</u>	<b>Exhibit A-1</b> Positive (Negative) Variance
<b>Revenues:</b>			
Buncombe County:			
County appropriations	\$ 12,626,196	\$ 12,456,771	\$ (169,425)
Other:			
Supplemental school taxes	9,891,893	10,150,870	258,977
Miscellaneous	350,000	357,380	7,380
Total	<u>10,241,893</u>	<u>10,508,250</u>	<u>266,357</u>
Total revenues	<u>22,868,089</u>	<u>22,965,021</u>	<u>96,932</u>
<b>Expenditures:</b>			
Instructional services	14,820,702	13,862,511	958,191
System-wide support services	9,680,071	8,663,591	1,016,480
Ancillary services	81,790	78,334	3,456
Non-programmed charges			
Payments to charter schools	<u>1,371,000</u>	<u>1,269,003</u>	<u>101,997</u>
Total expenditures	<u>25,953,563</u>	<u>23,873,439</u>	<u>2,080,124</u>
Revenues over (under) expenditures	(3,085,474)	(908,418)	2,177,056
Other financing sources:			
Operating transfers out	<u>(223,750)</u>	<u>(148,750)</u>	<u>(75,000)</u>
Revenues over (under) expenditures and other uses	(3,309,224)	(1,057,168)	2,252,056
Appropriated fund balance	<u>3,309,224</u>	<u>-</u>	<u>(3,309,224)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(1,057,168)</u>	<u>\$ (1,057,168)</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>6,152,954</u>	
End of year, June 30		<u>\$ 5,095,786</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, 2020**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 45,682	\$ 67,936	\$ 22,254
Buncombe County:			
General county appropriations	2,500,256	2,412,806	(87,450)
Other	50,000	121,406	71,406
Total revenues	<u>2,595,938</u>	<u>2,602,148</u>	<u>6,210</u>
Expenditures:			
Instructional services	1,326,379	919,464	406,915
System-wide support services	324,682	278,052	46,630
Ancillary services	65,000	32,892	32,108
Non-programmed charges	85,000	88,014	(3,014)
Capital outlay	2,298,997	858,039	1,440,958
Debt service:			
Principal payments	67,936	67,936	-
Total expenditures	<u>4,167,994</u>	<u>2,244,397</u>	<u>1,923,597</u>
Revenues over (under) expenditures	<u>(1,572,056)</u>	<u>357,751</u>	<u>1,929,807</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Installment purchase obligations issued	-	88,014	88,014
Transfers to other funds	-	(10,936)	(10,936)
Total other financing sources (uses)	<u>-</u>	<u>77,078</u>	<u>77,078</u>
Revenues over (under) expenditures and other sources (uses)	<u>(1,572,056)</u>	<u>434,829</u>	<u>2,006,885</u>
Appropriated fund balance	<u>1,572,056</u>	<u>-</u>	<u>(1,572,056)</u>
Revenues and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>434,829</u>	<u>\$ 434,829</u>
Fund balances:			
Beginning of year, July 1		<u>3,860,491</u>	
End of year, June 30		<u>\$ 4,295,320</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, 2020**

**Exhibit C-1**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
U. S. Government	<u>\$ 3,997,058</u>	<u>\$ 2,446,336</u>	<u>\$ (1,550,722)</u>
Expenditures:			
Instructional services	3,089,125	1,982,624	1,106,501
System-wide support services	759,713	381,568	378,145
Non-programmed charges			
Other	<u>148,220</u>	<u>82,144</u>	<u>66,076</u>
Total expenditures	<u>3,997,058</u>	<u>2,446,336</u>	<u>1,550,722</u>
Revenues over expenditures	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
Fund balances:			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u><u>\$ -</u></u>	

**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL FOOD SERVICE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit D-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 447,500	\$ 367,685	\$ (79,815)
Operating expenditures:			
Purchase of food		757,127	
Salaries and benefits		861,063	
Materials and supplies		60,591	
Other		31,240	
Total operating expenditures	1,849,375	1,710,021	139,354
Operating loss	(1,401,875)	(1,342,336)	59,539
Nonoperating revenues:			
Federal reimbursements	1,075,000	1,144,869	69,869
Federal commodities	98,375	122,283	23,908
State reimbursements	5,000	2,251	(2,749)
Other	13,500	-	(13,500)
Total nonoperating revenues	1,191,875	1,269,403	77,528
Revenues over (under) expenditures before other financing sources	(210,000)	(72,933)	137,067
Other financing sources:			
Transfers from other funds	210,000	68,037	(141,963)
Revenues and other sources over (under) expenditures	-	(4,896)	(4,896)
Appropriated fund balance	-	-	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ (4,896)	\$ (4,896)

**ASHEVILLE CITY SCHOOLS**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL FOOD SERVICE FUND**  
**For the Year Ended June 30, 2020**

**Exhibit D-1**  
**(Continued)**

	<u>Actual</u>
Reconciliation of modified accrual to full accrual basis:	
Revenues, other sources, and appropriated fund balance over expenditures	\$ (4,896)
Reconciling items:	
Depreciation	(64,875)
Capital contribution	32,892
Increase (decrease) in inventory	15,522
(Increase) decrease in compensated absences	(8,017)
Deferred outflows	(16,346)
Net pension liability	12,815
Net OPEB liability	25,158
Deferred inflows	<u>128,168</u>
Change in net position	<u>\$ 120,421</u>

**ASHEVILLE CITY SCHOOLS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**June 30, 2020**

*Exhibit E-1*

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Asheville High Awards</b>				
Assets:				
Cash and cash equivalents	\$ 20,034	\$ 2,033	\$ -	\$ 22,067
Liabilities:				
Due to other sources	\$ 20,034	\$ 2,033	\$ -	\$ 22,067
<b>Educational Access Channel Consortium</b>				
Assets:				
Cash and cash equivalents	\$ 43,469	\$ -	\$ 2,388	\$ 41,081
Liabilities:				
Due to other sources	\$ 43,469	\$ -	\$ 2,388	\$ 41,081
<b>Total - Agency Fund</b>				
Assets:				
Cash and cash equivalents	\$ 63,503	\$ 2,033	\$ 2,388	\$ 63,148
Liabilities:				
Due to other sources	\$ 63,503	\$ 2,033	\$ 2,388	\$ 63,148



ASHEVILLE CITY SCHOOLS

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**STATISTICAL SECTION**





# ASHEVILLE CITY SCHOOLS

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## STATISTICAL SECTION

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

### Financial Trends Schedules

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

### Revenue Capacity Schedules

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

### Debt Capacity Schedules

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

### Demographic and Economic Information Schedules

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

### Operating Information Schedules

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

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

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# ASHEVILLE CITY SCHOOLS

Learn. Discover. Thrive.

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

	2020	2019	2018	2017
Governmental Activities				
Net investment in capital assets	\$ 82,627,532	\$ 85,458,293	\$ 88,110,450	\$ 96,159,018
Restricted	6,266,508	5,985,294	5,518,410	5,065,963
Unrestricted	<u>(93,960,030)</u>	<u>(90,414,365)</u>	<u>(90,077,584)</u>	<u>(86,373,532)</u>
Total Governmental Activities Net Position	<u>\$ (5,065,990)</u>	<u>\$ 1,029,222</u>	<u>\$ 3,551,276</u>	<u>\$ 14,851,449</u>
Business Type Activities				
Net investment in capital assets	\$ 564,551	\$ 596,534	\$ 602,286	\$ 569,741
Restricted	1,037	-	-	-
Unrestricted	<u>(907,050)</u>	<u>(1,058,417)</u>	<u>(1,253,443)</u>	<u>(1,161,031)</u>
Total Business-Type Activities Net Position	<u>\$ (341,462)</u>	<u>\$ (461,883)</u>	<u>\$ (651,157)</u>	<u>\$ (591,290)</u>
Primary Government				
Net investment in capital assets	\$ 83,192,083	\$ 86,054,827	\$ 88,712,736	\$ 96,728,759
Restricted	6,267,545	5,985,294	5,518,410	5,065,963
Unrestricted	<u>(94,867,080)</u>	<u>(91,472,782)</u>	<u>(91,331,027)</u>	<u>(87,534,563)</u>
Total Primary Government Net Position	<u>\$ (5,407,452)</u>	<u>\$ 567,339</u>	<u>\$ 2,900,119</u>	<u>\$ 14,260,159</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2011 through June 30, 2020.

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	2015	2014	2013	2012	2011
2016	2015	2014	2013	2012	2011
\$ 92,132,950	\$ 65,327,482	\$ 46,045,342	\$ 42,654,073	\$ 42,221,159	\$ 42,016,915
3,919,228	2,850,499	2,901,699	2,274,248	2,264,680	2,057,659
(1,677,945)	(4,358,156)	(6,355,759)	5,104,518	3,624,664	1,652,123
<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>	<u>\$ 45,726,697</u>
\$ 123,337	\$ 118,879	\$ 141,939	\$ 171,380	\$ 187,768	\$ 201,042
-	-	-	-	-	-
220,315	193,735	119,554	252,012	237,496	168,156
<u>\$ 343,652</u>	<u>\$ 312,614</u>	<u>\$ 261,493</u>	<u>\$ 423,392</u>	<u>\$ 425,264</u>	<u>\$ 369,198</u>
\$ 92,256,287	\$ 65,446,361	\$ 46,187,281	\$ 42,825,453	\$ 42,408,927	\$ 42,217,957
3,919,228	2,850,499	2,901,699	2,274,248	2,264,680	2,057,659
(1,457,630)	(4,164,421)	(6,236,205)	5,356,530	3,862,160	1,820,279
<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>	<u>\$ 46,095,895</u>

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

	2020	2019	2018	2017
<b>Expenses</b>				
Governmental activities:				
Instructional programs	\$ 53,928,952	\$ 47,876,328	\$ 51,343,852	\$ 41,493,734
Support services	12,824,033	12,137,295	11,847,744	11,149,123
Unallocated depreciation expense	301,093	2,647,408	5,505,964	2,057,342
Other	1,853,115	1,700,204	1,964,251	1,336,330
Total governmental activities expenses	68,907,193	64,361,235	70,661,811	56,036,529
Business-type activities:				
Child nutrition	1,775,950	1,607,846	1,912,226	1,772,923
Total business-type activities	1,775,950	1,607,846	1,912,226	1,772,923
Total government-wide expenses	70,683,143	65,969,081	72,574,037	57,809,452
<b>Program Revenues</b>				
Governmental activities:				
Charges for Services:				
Instructional programs - regular instructional	2,344,137	2,240,235	2,094,830	1,837,575
Support services - operational support	-	-	32,822	22,774
Ancillary services	224,708	104,112	88,350	35,505
Total charges for services	2,568,845	2,344,347	2,216,002	1,895,854
Operating grants and contributions	30,679,458	31,733,496	30,293,504	29,112,643
Capital grants and contributions	67,936	149,722	210,246	1,014,667
Total governmental activities program revenues	33,316,239	34,227,565	32,719,752	32,023,164
Business-type activities:				
Charges for Services:				
Child nutrition	367,685	420,795	399,451	337,050
Before and after school care	-	-	-	-
Total charges for services	367,685	420,795	399,451	337,050
Operating grants and contributions	1,427,757	1,173,117	1,205,685	1,252,454
Capital grants and contributions	32,892	-	-	-
Total business-type program revenue	1,828,334	1,593,912	1,605,136	1,589,504
Total government-wide program revenue	35,144,573	35,821,477	34,324,888	33,612,668
<b>Net (Expense)</b>	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>	<u>\$ (24,196,784)</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports,  
Years Ended June 30, 2011 through June 30, 2020.

Financial Trends  
Schedule 2

Fiscal Year	2015	2014	2013	2012	2011
2016					
\$ 38,490,269	\$ 38,968,670	\$ 39,284,689	\$ 38,788,317	\$ 37,987,862	\$ 38,127,000
10,128,150	10,094,897	11,875,229	9,824,061	9,708,344	9,934,044
1,877,018	1,878,711	1,846,895	1,562,032	1,589,990	1,533,209
1,240,178	1,289,089	1,096,795	942,551	1,252,726	1,422,066
51,735,615	52,231,367	54,103,608	51,116,961	50,538,922	51,016,319
1,694,619	1,614,687	1,757,338	1,774,637	1,694,725	1,658,572
1,694,619	1,614,687	1,757,338	1,774,637	1,694,725	1,658,572
53,430,234	53,846,054	55,860,946	52,891,598	52,233,647	52,674,891
1,776,922	1,639,846	1,562,955	-	1,607,598	1,469,840
15,200	32,889	64,396	50,292	1,892	-
28,998	31,586	14,045	17,300	5,604	2,015
1,821,120	1,704,321	1,641,396	67,592	1,615,094	1,471,855
28,229,960	29,085,274	28,058,038	28,601,518	28,736,584	28,669,673
1,390,435	28,187	200,196	377,774	908,591	536,628
31,441,515	30,817,782	29,899,630	29,046,884	31,260,269	30,678,156
316,455	321,557	364,834	424,615	466,232	468,500
316,455	321,557	364,834	424,615	466,232	468,500
1,283,646	1,234,519	1,265,815	1,252,965	1,201,310	1,199,626
1,600,101	1,556,076	1,630,649	1,677,580	1,667,542	1,668,126
33,041,616	32,373,858	31,530,279	30,724,464	32,927,811	32,346,282
\$ (20,388,618)	\$ (21,472,196)	\$ (24,330,667)	\$ (22,167,134)	\$ (19,305,836)	\$ (20,328,609)

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

	2020	2019	2018	2017
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (35,590,954)	\$ (30,133,670)	\$ (37,942,059)	\$ (24,013,365)
Business-type activities	52,384	(13,934)	(307,090)	(183,419)
Total primary government net (expense)	<u>\$ (35,538,570)</u>	<u>\$ (30,147,604)</u>	<u>\$ (38,249,149)</u>	<u>\$ (24,196,784)</u>
<b>General revenues and transfers:</b>				
Governmental activities:				
U.S. Government	\$ 121,406	\$ 80,139	\$ 88,893	\$ 68,364
Buncombe County - General Fund appropriation	12,456,771	11,681,164	11,681,164	10,743,742
Buncombe County - capital outlay	2,412,806	3,078,314	2,549,506	6,774,435
Supplemental city school tax	10,150,870	9,394,257	8,928,186	8,620,247
Local option sales tax	3,092,911	2,963,968	2,991,931	2,940,136
Other revenues	1,949,136	616,982	649,429	450,205
Transfers (out)	(68,037)	(203,208)	(247,223)	(587,763)
Total governmental activities general revenues and transfers	<u>30,115,863</u>	<u>27,611,616</u>	<u>26,641,886</u>	<u>29,009,366</u>
Business-type activities:				
Other revenues	-	-	-	-
Transfers in	68,037	203,208	247,223	587,763
Total business-type activities general revenue and transfers	<u>68,037</u>	<u>203,208</u>	<u>247,223</u>	<u>587,763</u>
Total government-wide general revenues and transfers	<u>30,183,900</u>	<u>27,814,824</u>	<u>26,889,109</u>	<u>29,597,129</u>
<b>Change in Net Position</b>				
Governmental activities	(5,475,091)	(2,522,054)	(11,300,173)	4,996,001
Business-type activities	120,421	189,274	(59,867)	404,344
Total primary government	<u>\$ (5,354,670)</u>	<u>\$ (2,332,780)</u>	<u>\$ (11,360,040)</u>	<u>\$ 5,400,345</u>

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2011 through June 30, 2020.



Financial Trends  
Schedule 3

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ (20,294,100)	\$ (21,413,585)	\$ (24,203,978)	\$ (22,070,077)	\$ (19,278,653)	\$ (20,338,163)
(94,518)	(58,611)	(126,689)	(97,057)	(27,183)	9,554
<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>	<u>\$ (20,328,609)</u>
\$ 75,632	\$ 65,162	\$ 46,421	\$ 59,184	\$ 65,869	\$ 72,516
9,562,424	8,997,929	8,526,806	8,115,790	7,779,035	6,945,191
29,269,456	22,562,902	8,024,347	3,539,607	2,917,618	3,262,842
8,330,977	8,136,173	8,142,348	8,104,621	8,093,877	8,053,018
3,024,676	2,495,436	2,540,159	2,364,755	2,228,877	2,273,028
710,899	489,960	396,721	332,403	335,010	427,631
(125,556)	(105,434)	(115,785)	(93,236)	(83,077)	(66,792)
<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>	<u>20,967,434</u>
-	4,298	-	-	172	67
125,556	105,434	115,785	93,236	83,077	66,792
<u>125,556</u>	<u>109,732</u>	<u>115,785</u>	<u>93,236</u>	<u>83,249</u>	<u>66,859</u>
50,974,064	42,751,860	27,676,802	22,516,360	21,420,458	21,034,293
30,554,408	21,228,543	3,357,039	353,047	2,058,556	629,271
31,038	51,121	(10,904)	(3,821)	56,066	76,413
<u>\$ 30,585,446</u>	<u>\$ 21,279,664</u>	<u>\$ 3,346,135</u>	<u>\$ 349,226</u>	<u>\$ 2,114,622</u>	<u>\$ 705,684</u>

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

	2020	2019	2018	2017
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ 39,984
Restricted	47,319	47,770	91,245	148,271
Committed	-	-	-	-
Assigned	3,000,000	-	2,858,864	1,754,667
Unassigned	2,048,467	6,105,184	4,673,076	5,970,838
<b>Total General Fund</b>	<b>\$ 5,095,786</b>	<b>\$ 6,152,954</b>	<b>\$ 7,623,185</b>	<b>\$ 7,913,760</b>
All Other Governmental Funds:				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	6,124,532	5,664,405	5,163,402	4,917,692
Committed	-	-	-	-
Assigned	945,361	621,308	1,332,818	1,373,473
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 7,069,893</b>	<b>\$ 6,285,713</b>	<b>\$ 6,496,220</b>	<b>\$ 6,291,165</b>

Source: Asheville City Schools, Comprehensive Annual Financial Reports,  
 Years Ended June 30, 2011 through June 30, 2020.

Financial Trends  
Schedule 4

Fiscal Year		2016	2015	2014	2013	2012	2011
\$		35,807	\$ 38,082	\$ 33,187	\$ 32,531	\$ 28,256	\$ 27,797
		146,060	199,640	186,514	128,223	138,553	187,726
		-	-	-	-	-	-
		1,418,182	1,219,032	1,300,000	1,301,415	625,000	227,000
		5,420,843	5,066,723	4,676,509	4,979,955	4,441,328	3,370,258
\$		<u>7,020,892</u>	<u>\$ 6,523,477</u>	<u>\$ 6,196,210</u>	<u>\$ 6,442,124</u>	<u>\$ 5,233,137</u>	<u>\$ 3,812,781</u>
\$		-	\$ -	\$ -	\$ -	\$ -	\$ -
		3,773,168	2,650,859	2,715,185	2,146,025	2,126,127	1,869,933
		-	-	-	-	-	-
		1,383,769	1,138,951	1,029,201	1,215,303	670,384	64,058
		-	-	-	-	-	-
\$		<u>5,156,937</u>	<u>\$ 3,789,810</u>	<u>\$ 3,744,386</u>	<u>\$ 3,361,328</u>	<u>\$ 2,796,511</u>	<u>\$ 1,933,991</u>

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

	2020	2019	2018	2017
<b>Revenues:</b>				
Intergovernmental sources:				
State of North Carolina	\$ 28,867,239	\$ 28,518,511	\$ 27,269,376	\$ 27,073,291
U. S. Government	2,703,118	3,362,048	3,183,007	2,855,283
Local sources:				
Buncombe County - unrestricted	12,456,771	11,681,164	11,681,164	10,743,742
Buncombe County - restricted	2,412,806	3,078,314	2,549,506	6,774,435
Supplemental city school tax	10,150,870	9,394,257	8,928,186	8,620,247
Local option sales tax	3,092,911	2,963,968	2,991,931	2,940,136
Charges for services	-	965,004	804,981	606,442
Other local revenues	3,865,974	2,189,952	2,304,313	2,107,965
<b>Total revenues</b>	<b>63,549,689</b>	<b>62,153,218</b>	<b>59,712,464</b>	<b>61,721,541</b>
<b>Expenditures:</b>				
Instructional Programs	48,799,223	48,391,295	44,812,327	41,235,600
Support Services	13,947,298	12,137,796	11,645,934	10,828,359
Capital Outlay	858,039	1,354,945	1,479,577	5,931,040
Debt service:				
Principal	67,936	149,722	210,246	315,132
Interest	-	-	-	-
Other	170,158	1,596,990	1,492,347	1,305,765
<b>Total expenditures</b>	<b>63,842,654</b>	<b>63,630,748</b>	<b>59,640,431</b>	<b>59,615,896</b>
Revenues over (under) expenditures	(292,965)	(1,477,530)	72,033	2,105,645
<b>Other financing (uses)</b>				
Transfers from other funds	148,750	150,950	493,000	178,399
Transfers to other funds	(216,787)	(354,158)	(740,223)	(766,162)
Capital lease obligations and installment purchase contracts issued	88,014	-	89,670	509,214
Proceeds from the sale of capital assets	-	-	-	-
<b>Total other financing (uses)</b>	<b>19,977</b>	<b>(203,208)</b>	<b>(157,553)</b>	<b>(78,549)</b>
<b>Net change in fund balances</b>	<b>\$ (272,988)</b>	<b>\$ (1,680,738)</b>	<b>\$ (85,520)</b>	<b>\$ 2,027,096</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>0.18%</b>	<b>0.39%</b>	<b>0.61%</b>	<b>0.92%</b>

Source: Asheville City Schools, Comprehensive Annual Financial Reports, Years Ended June 30, 2011 through June 30, 2020.

Financial Trends  
Schedule 5

Fiscal Year						
	2016	2015	2014	2013	2012	2011
\$	25,843,608	\$ 23,733,552	\$ 23,219,272	\$ 23,355,556	\$ 22,403,838	\$ 21,339,952
	3,469,360	5,254,811	4,871,479	5,577,328	7,318,404	7,728,067
	9,562,424	8,997,929	8,526,806	8,115,790	7,779,035	6,945,191
	29,269,456	22,562,902	8,024,347	3,539,607	2,917,618	3,262,842
	8,330,977	8,136,173	8,142,348	8,104,621	8,093,877	8,053,018
	3,024,676	2,495,436	2,540,159	2,364,755	2,228,877	2,273,028
	514,387	418,756	434,276	492,668	467,284	577,132
	2,527,206	2,121,695	1,947,461	1,693,743	1,895,776	1,722,931
	82,542,094	73,721,254	57,706,148	53,244,068	53,104,709	51,902,161
	39,323,369	39,702,599	38,358,386	37,692,061	37,295,578	37,519,981
	10,191,353	10,172,186	10,363,778	9,516,968	9,337,488	9,617,311
	29,950,637	22,120,504	7,676,429	3,186,048	2,827,093	3,648,756
	121,048	-	-	97,772	97,777	279,388
	-	-	-	-	-	-
	1,207,686	1,247,840	1,054,626	884,179	1,180,820	1,439,111
	80,794,093	73,243,129	57,453,219	51,377,028	50,738,756	52,504,547
	1,748,001	478,125	252,929	1,867,040	2,365,953	(602,386)
	189,436	138,343	122,100	131,500	120,500	124,247
	(314,992)	(243,777)	(237,885)	(224,736)	(203,577)	(191,039)
	242,097	-	-	-	-	-
	116,541	(105,434)	(115,785)	(93,236)	(83,077)	(66,792)
\$	1,864,542	\$ 372,691	\$ 137,144	\$ 1,773,804	\$ 2,282,876	\$ (669,178)
	0.22%	0.00%	0.00%	0.37%	0.38%	1.03%

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

<u>Fiscal Year</u>	<u>Real Property</u>			
	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Use Value Farm</u>	<u>Historical Property</u>
2011	19,693,086	5,598,080	1,209,847	97,799
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

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
1,576,012	1,546,946	1,148,428	513,573	29,086,915	0.525
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

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

	Fiscal Year				
	2020	2019	2018	2017	2016
<b>County of Buncombe Direct Rates</b>					
General County-wide Rate	\$ 0.529	\$ 0.529	\$ 0.539	\$ 0.604	\$ 0.604
Fire Districts	0.133	0.143	0.123	0.118	0.118
Total average direct rate	0.662	0.672	0.662	0.722	0.722
<b>City</b>					
City of Asheville	0.429	0.429	0.429	0.475	0.475
<b>Towns</b>					
Biltmore Forest	0.345	0.345	0.330	0.395	0.395
Weaverville	0.380	0.380	0.380	0.440	0.440
Black Mountain	0.333	0.333	0.333	0.375	0.375
Woodfin	0.330	0.280	0.280	0.305	0.305
Montreat	0.430	0.410	0.410	0.410	0.410
<b>Districts</b>					
Asheville School	0.120	0.120	0.120	0.150	0.150

Source: Buncombe County Tax Department

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



Revenue Capacity  
Schedule 7

	2015	2014	2013	2012	2011
\$	0.604	\$ 0.604	\$ 0.525	\$ 0.525	\$ 0.525
	0.118	0.118	0.113	0.113	0.113
	0.722	0.722	0.638	0.638	0.638
	0.475	0.460	0.420	0.420	0.420
	0.385	0.385	0.330	0.320	0.320
	0.420	0.420	0.375	0.375	0.355
	0.375	0.375	0.365	0.365	0.365
	0.305	0.305	0.265	0.265	0.265
	0.410	0.410	0.370	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

	2019		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mission Hospital LLP	\$908,778,614	1	2.42%
Duke Energy Progress Inc	630,427,045	2	1.68%
Ingles Markets Inc	313,725,129	3	0.84%
Linamar North Carolina Inc	169,795,742	4	0.45%
Biltmore Company	154,225,952	5	0.41%
New Belgium Brewing Company Inc	131,839,241	6	0.35%
GPI Resort Holdings LLC	121,525,000	7	0.32%
Asheville Mall CMBS LLC	95,656,800	8	0.26%
Town Square West LLC	86,185,011	9	0.23%
Jacob Holm Industries	85,488,199	10	0.23%
The Cliffs at Walnut Cove LLC			
Arvato Digital Services (Sonopress)			
Bellsouth Tel Co - AT&T North Carolina			
Southeastern Container Inc			
Totals	\$ 2,697,646,733		7.19%
Total Overall Valuation	\$ 37,504,730,424		

Source: Buncombe County Tax Department

Revenue Capacity  
Schedule 8

2010		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
298,497,386	1	1.03%
195,281,651	2	0.67%
98,281,125	6	0.34%
102,511,800	5	
78,938,870	8	0.27%
119,488,500	4	
128,980,600	3	0.44%
88,977,070	7	0.31%
77,387,934	9	0.27%
69,570,280	10	0.24%
<u>\$ 1,257,915,216</u>		<u>3.56%</u>
<u>\$ 29,086,915,048</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
2011	153,044	151,007	98.67%	6	151,036	98.69%
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%

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>
2011	58,823	0.20%	241
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

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Assessed Value of Taxable Property on pages 69 and 70 for property value data.

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

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

Fiscal Year	Governmental Activities		Project Development Financing Bonds	Business-type Activities	
	General Obligation	Installment		Special Obligation	Installment
	Bonds	Notes		Bonds	Notes
2011	58,823	172,049	12,812	5,530	13,224
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

N/A = Not available

Source: Buncombe County Comprehensive Annual Financial Reports.

See the Schedule of Demographic and Economic Statistics on page 82 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>
262,438	3.15%	1,099
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	N/A	1,495

ASHEVILLE CITY SCHOOLS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR BUNCOMBE COUNTY  
As of June 30, 2020

Government Unit	Debt Outstanding	Percentage Applicable to County (1)	Estimated share of Direct and Overlapping debt (2)
<b>Net general obligation bonded debt</b>			
City of Asheville	\$ 25,960,971	100%	\$ 25,960,971
Town of Weaverville	1,826,000	100%	1,826,000
<b>Installment debt</b>			
City of Asheville	69,772,691	100%	69,772,691
Town of Biltmore Forest	1,104,458	100%	1,104,458
Town of Black Mountain	882,000	100%	882,000
Town of Weaverville	486,433	100%	486,433
Town of Woodfin	339,129	100%	<u>339,129</u>
Subtotal, overlapping debt			100,371,682
County direct debt		100%	<u>434,252,388</u>
Total direct and overlapping debt			<u><u>\$ 534,624,070</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Debt limit	\$ 3,147,071	\$ 3,002,249	\$ 2,901,169	\$ 2,433,364
Total net debt applicable limit	<u>399,315</u>	<u>400,014</u>	<u>432,220</u>	<u>406,791</u>
Legal debt margin	<u>\$ 2,747,756</u>	<u>\$ 2,602,235</u>	<u>\$ 2,468,949</u>	<u>\$ 2,026,573</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.69%</u>	<u>13.32%</u>	<u>14.90%</u>	<u>16.72%</u>

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value of taxable property	<u>\$ 39,338,386</u>
Debt Limit - Eight Percent (8%) of assessed value	1,180,152
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>\$ 782,137</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,363,561	\$ 2,154,040	\$ 2,210,098	\$ 2,374,398	\$ 2,345,199	\$ 2,326,953
<u>431,485</u>	<u>454,994</u>	<u>402,098</u>	<u>257,377</u>	<u>219,141</u>	<u>240,305</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>\$ 2,086,648</u>
<u>18.26%</u>	<u>21.12%</u>	<u>18.19%</u>	<u>10.84%</u>	<u>9.34%</u>	<u>10.33%</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
2011	243,673	8,459,317	34,716	40.7	3,855	8.2%
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	N/A	N/A	42.7	4,297	9.7%

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	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Eaton Corporation	1,000-2,999	1	0.71%-2.14%	1,010	1	0.91%
Thermo Fisher Scientific, Inc.	500-999	2	0.36%-0.71%	550	4	0.49%
GE Aviation	500-999	3	0.36%-0.71%			
Wilsonart LLC	500-999	4	0.36%-0.71%			
Borgwarner Turbo & Emissions Systems	500-999	5	0.36%-0.71%	834	2	0.75%
Kearfott Guidance & Navigation Corp.	400-499	6	0.29%-0.36%	420	5	0.38%
Nypro Asheville	300-399	7	0.21%-0.28%			
Flint Group (Day International)	300-399	8	0.21%-0.28%			
Medical Action Industries	300-399	9	0.21%-0.28%	250	9	0.22%
Plasticard-Locktech International	300-399	10	0.21%-0.28%			
Arvato Digital Services				650	3	0.58%
Day International				380	6	0.34%
Unison Engine Components				325	7	0.29%
Milkco, Inc.				270	8	0.24%
Biltmore Estate Winery				235	10	0.21%
<b>Total</b>	<b>4,600-5,490</b>		<b>3.28%-6.46%</b>			

Continued on Next Page

ASHEVILLE CITY SCHOOLS  
PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago

NON-MANUFACTURING

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Mission Health System and Hospital	3,000+	1	2.14%	6,994	1	6.29%
Buncombe County Public Schools	3,000+	2	2.14%	4,000	2	3.60%
Ingles Markets, Inc.	1,000-2,999	3	0.71%-2.14%	1,139	6	1.02%
VA Medical Center - Asheville	1,000-2,999	4	0.71%-2.14%	1,139	5	1.02%
The Biltmore Company	1,000-2,999	5	0.71%-2.14%	1,583	4	1.42%
Buncombe County Government	1,000-2,999	6	0.71%-2.14%	1,673	3	1.51%
City of Asheville Government	1,000-2,999	7	0.71%-2.14%	1,000	8	0.90%
Walmart	1,000-2,999	8	0.71%-2.14%			
Asheville-Buncombe Technical Community College	500-999	9	0.36%-0.71%			
Omni Grove Park Inn	500-999	10	0.36%-0.71%	1,100	7	0.99%
Care Partners				917	9	0.82%
Asheville City Schools				728	10	0.65%
<b>Total</b>	<b>13,000-25,992</b>		<b>9.26%-18.54%</b>			

\* Labor Force Estimate for 2019 per NC Employment Security Commission: 137,766  
 Labor Force Estimate for 2011 per NC Employment Security Commission: 125,797

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 2011 are not in business in 2020 and many companies that are top employers in 2020 were not here in 2011.

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
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
2011	391	310	701	3,855	9.9

Source: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instruction, 2011 through 2020.

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
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%
2011	3,855	3,640	11,894	Sixth	48.40%	28.70%	55.70%	15.60%

Source:

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

Information other than Free and Reduced Price Meals: Statistical Profile, Public Schools of North Carolina, published annually by State Board of Education, Department of Public Instructions, 2011 through 2020.

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.

ASHEVILLE CITY SCHOOLS  
TEACHERS' SALARIES  
Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
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
2011	33,017	72,611	46,008

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Elementary:</b>										
Asheville Primary School										
Square Feet	59,132	59,132	59,132	See below	See below	See below	See below	See below	See below	See below
First month membership	103	104	47	See below	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	430	430	473	493	478	469	450	439	455	431
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	430	432	491	525	508	488	465	470	445	423
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	318	318	315	347	392	349	347	302	302	306
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	416	416	448	501	498	482	444	415	390	405
Vance										
Square Feet	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665	70,665	69,965
First month membership	349	350	422	470	467	464	462	459	441	405
<b>Middle:</b>										
Asheville Middle										
Square Feet	174,695	174,695	174,695	174,695	170,418	170,418	170,418	170,418	170,418	170,418
First month membership	661	662	769	796	704	721	747	787	766	719

ASHEVILLE CITY SCHOOLS  
SCHOOL BUILDING INFORMATION  
Last Ten Fiscal Years

Operating  
Schedule 19

School Name	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Middle/High:</b>										
Montford North Star Academy, Formerly Randolph Learning Center/William Randolph School:										
Square Feet	57,374	57,374	57,374	See below	See below	See below	See below	56,819	56,819	56,819
First month membership	220	221	82	See below	See below	See below	See below	See below	See below	48
Asheville High/SILSA:										
Square Feet	354,803	354,803	354,803	367,803	367,803	367,803	367,803	365,441	365,441	365,441
First month membership	1,049	1,380	1,374	1,372	1,376	1,385	1,332	1,273	1,228	1,135

Sources: Asheville City Schools Records

Notes: From 2004 through 2011, the Randolph Learning Center served as a stand-alone alternative school serving both middle and high school students. 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

Learn. Discover. Thrive.

# ASHEVILLE CITY BOARD OF EDUCATION



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## MISSION

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

## VISION

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